

## PRIVATE SECTOR STUDY



# A Survey of the Private Sector in Guinea and Recommendations for Future Development

Prepared under the  
Guinea Private Agribusiness  
Preparation Project

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GUINEA  
PRIVATE SECTOR SURVEY

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## Preface

The Guinea Private Sector Survey was carried out during the period 15 July-10 October 1986 at the request of the USAID Affairs Office of the American Embassy, Conakry. The study was financed under the Guinea Agribusiness Promotion Project contract being executed by Chemonics International, Washington, D.C. in conjunction with the Ministère du Plan et de la Coopération Internationale, and the Centre National de la Promotion des Investissements Privés (CNPIP). Field work in Guinea took place during the period 25 July-17 September 1986.

The author wishes to express his thanks to all the private sector entrepreneurs who consented to be interviewed and to the many government officials who collaborated with the survey team in the nine prefectures visited.

Particular thanks are reserved for the members of the survey field team: M. Mamadou Conde, Chef de Mission and Survey Interviewer; M. Elmar Cece, Survey Interviewer; M. Djibril Kouyate; Chef d'Administration du CNPIP, and M. Noumake Conde, Driver.

## SUMMARY AND RECOMMENDATIONS

### A. Summary

1. Sixty-six usable questionnaires were obtained during the survey interview program. They are distributed as follows:

|         |   |         |    |             |    |
|---------|---|---------|----|-------------|----|
| Conakry | 8 | Mamou   | 7  | Kankan      | 10 |
| Fria    | 6 | Kindia  | 9  | Kissidougou | 7  |
| Labe    | 8 | Siguiri | 11 |             |    |

2. There is a substantial amount of non-agricultural private sector activity in Guinea, concentrated primarily in trading, service (auto repair, welding, etc.), and artisan-scale transformation. There is little, however, that could be considered characteristic of the industrial sector of a developing market economy; rather, what exists is a subsistence-level economic structure that includes only the most essential transformation activities. Total current employment in the nine private light manufacturing firms included in the sample (virtually all that could be located) totals 205. Light manufacturing so defined includes non-artisan-scale transformation activities, generally of an import substitution nature, but not the ubiquitous traditional soap factories, woodwork shops, etc., found in most rural centers.

3. There are numerous functioning or organizing cooperative associations of traders, artisans, and planters, the members of which produce on an individual, private basis.

4. While a considerable number of potential opportunities for small and medium-scale private sector development were identified during the course of the survey, there are few that are likely to be of interest or promotable in a cost effective manner to foreign equity investors, as envisioned in the current scope of work. The capital investment requirement of the most expensive, realistically attainable, non-agricultural project under active promotion by non-Conakry area investors included in the sample was \$250,000. The study did not focus upon other potentially promotable sectors such as mining, large-scale agribusiness and commercial fishing.

5. The principle constraints to private sector development that were identified during the survey were:

- lack of access to credit for both working capital and investment
- A general lack of familiarity among would-be entrepreneurs in the areas of general business management, marketing, project preparation, and credit and banking practices

- Supply bottlenecks of all types, the most serious being in the areas of fuel, imported inputs, and spare parts supply

- Inadequate physical infrastructure

- Complicated, costly, time-consuming and ever changing administrative formalities associated with the establishment of new enterprises, and with cargo operations at the Port of Conakry.

6. The survey very clearly demonstrated that utilization of bank credit is virtually non-existent outside of the Conakry commercial sector. Given cash collateral requirements of 30% and higher, it is likely that most small and medium-scale entrepreneurs will not qualify for short-term credit with the re-established commercial banking system. Several respondents also reported that their liquidity had been seriously affected by continuing funds blockage associated with the December 1985 closure of the state banking system. Sources of medium- and long-term development finance for the private sector have been effectively paralyzed in recent years.

7. The credit situation should improve significantly during 1987. As part of the structural reform program, credit lines for small project development totaling approximately \$20 million are being introduced by several donors, while the processing requirements of the World Bank PME project are being streamlined. These credit lines as well as the \$10 million recently made available by USAID for support of trading activities will be managed by the commercial banking system. The BICIGUI plans on establishing twelve branches throughout the nation by the end of 1987.

8. Though USAID and other donors are optimistic that the small and medium enterprise credit needs can be serviced satisfactorily by the re-established banking system, there are grounds for caution as to the system's initial effectiveness. Among the problem areas are :

-the difficulty of obtaining viable non-cash collateral-backed guarantees due to the absence of a private land market and titling system, and other legal vacuums.

-general mistrust of the banking sector due to negative experiences with the state banking system

-the absorptive capacity of the system given that most of the PME target group is unfamiliar with project preparation and credit application practices and procedures

- uncertainty concerning the ability of the BICIGUI to provide competent personnel for rapid expansion in a cost effective manner and to manage effectively small project-oriented development credit lines.

9. A serious policy issue is called into question. How can development of a vibrant private-sector-based economy and America's long-term interests in Guinea be better served: by promoting foreign equity investment, which, if successful, could smother the still fragile Guinean private sector; or by focusing on the development of entrepreneurial and management skills and increased credit utilization by Guinean entrepreneurs? Already, there is evidence of considerable resentment towards the manner in which a strong French economic presence is being reestablished.

## B. RECOMMENDATIONS

In view of the perceived difficulties at this time of trying to promote Guinea-based manufacturing and agro-processing to foreign investors, except in very particular circumstances, and the seriousness of the identified constraints, it is recommended that USAID/Guinea resources be channeled to address identified structural deficiencies of the still fragile private sector.

The following are areas where intervention by USAID/Guinea would appear to be consistent with its stated country strategy priorities and resource availability:

- technical assistance for training programs to expand the pool of competent credit extension officers, who in turn would be prepared to assist entrepreneurs in project preparation and credit solicitation practices and general small business management
- monetized PL 480 and other food assistance program resources to establish a credit line for small and medium enterprises for which closely supervised personal or other non-conventional guarantees would qualify

The above elements could be combined in a supervised credit program similar to those that have been successfully implemented in other African countries by private non-profit agencies and/or small merchant banks. A key premise underlying project design would be the concept of eventual economic self-sufficiency. If credit line financing is not possible and only the training aspects are included in the design, it might be possible to utilize the newly trained credit extension officers in conjunction with the credit lines administered by BICIGUI.

Either way, it is recommended that a PID-like document exploring these and similar concepts be prepared during the Washington phase of the private sector study work program in lieu of individual project fiches.

The approach is based upon the premise that USAID resources in Guinea can be more effectively used to attack liquidity and

skills constraints directly at the grass roots level--an area in which USAID and the organizations it finances have a proven track record--rather than to carry out project promotion at the small- and medium-enterprise levels. The latter, in the case of Guinea, involves selling high economic risk and an uncertain political environment to the very wary with an inherently low probability of success.

## 1. INTRODUCTION

### 1.1 Objective

The principal objectives of the Guinean Private Sector Survey as stated in the scope of the work were:

- To obtain information about the structure of Guinea's private sector in order to provide a solid basis for preparing USAID's private enterprise development strategy for the country.
- To identify and evaluate investment project opportunities for promotion to local and foreign investors
- To identify the development constraints faced by Guinean entrepreneurs, and to propose solutions for overcoming the obstacles hindering private enterprise development in Guinea.

The complete scope of work for this study is contained in appendix A of this report.

### 1.2. Methodology

The basic tool for obtaining information to meet the study objectives was a program of survey interviews. The survey questionnaire was designed to:

- categorize private firms and entrepreneurs by product line, size, location, and type of ownership
- determine interest in and capability for expansion.
- identify the major constraints to development faced by entrepreneurs.
- to identify investment opportunities and to acquire adequate information for preparation of brief project fiches to be used as promotional tools.

Upon completion of the survey, identified investment project proposals were to be evaluated and the most realistic--from a business point of view--selected for fiche preparation.

At the beginning of the work program, USAID/Conakry indicated that the major share of project time and resources should be devoted to regions outside of the Conakry metropolitan area, where, in general, little was known about the scale and structure of private sector activities.

The questionnaire that was developed and used for the survey is included in annex 1 of the report.

### 1.3. Survey Sample Design

The survey sample design was based upon the following criteria:

- Field work outside Conakry would be carried out within an approximate one-month period (August 1986) and would include a suggested list of prefectures supplied by USAID/Guinea. This list was subsequently modified to take account of logistics and transportation realities.
- Deliberate emphasis would be given to seeking out transformation and manufacturing activities most likely to be of interest to equity investors.
- Second priority would be given to selecting a sample of that part of the informal sector which is active in productive or service activities requiring skilled trades and/or capable of being commercialized (woodworking shops, welding, cloth dyeing, construction, etc.).
- To obtain an overall view of each region's activities, representatives would be included from merchants associations, planters, cooperatives, etc., who are important elements of agriculturally-based economies.

Specifically excluded from the sample in the interests of avoiding duplication of effort were state-owned and mixed enterprises that have been or are undergoing privatization.

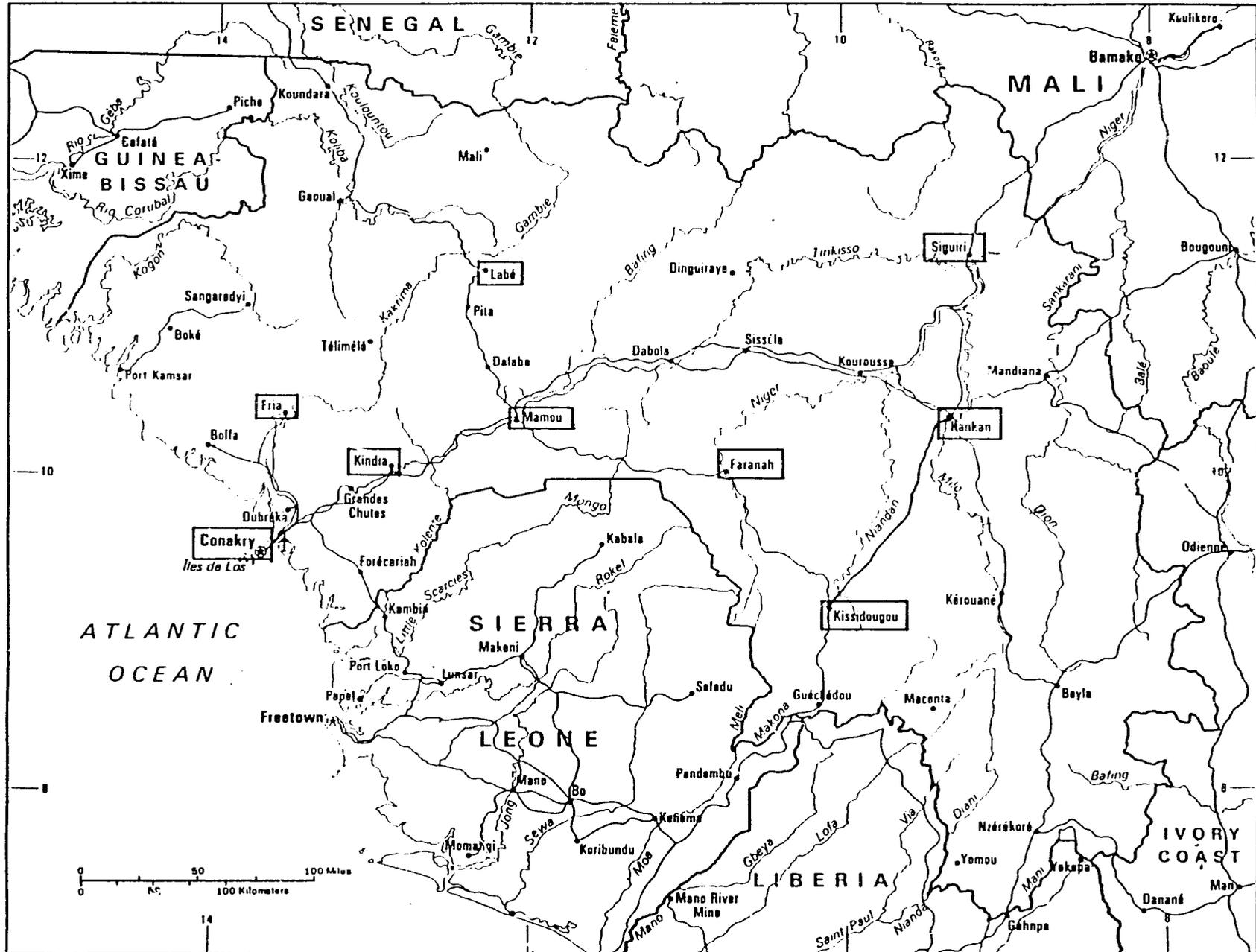
The Conakry sample, the last in chronological order, emphasized manufacturing activities only. The PME and artisan sectors of Conakry have been thoroughly analyzed in the World Bank-financed report entitled "Rapport statistique de l'activite manufacturiere en 1984," prepared by CEGIR in May 1985. The Conakry commercial sector has acquired its own internal dynamism and does not appear to require any special promotional or program assistance on the part of USAID.

Outside Conakry, the samples selected were chosen from lists of activities and promoters, and statistics, where available, were supplied by the Prefectural Offices of Petites and Moyennes Entreprises, the entities charged with establishing a census of private sector activity in each prefecture. The Conakry sample was selected based upon information supplied by the Directorate of PME, the Chamber of Commerce, and individual manufacturers.

### 1.4 The Survey Sample

Based upon the above criteria, and the nature of existing or planned activity found upon arrival in each prefecture, the cities surveyed and the number of usable questionnaire responses obtained are listed below in chronological order.

# Guinea



502719 9 77 (542154)  
 Lambert Conformal Projection  
 Standard parallels 8° and 32°  
 Scale 1:4,000,000

FIG. 1. CITIES INCLUDED IN PRIVATE SECTOR SURVEY SAMPLE

— Railroad  
 — Road  
 ✈ Airport  
 [Box] Surveyed City

| <u>City</u>    | <u>Dates of Survey (1986)</u> | <u>Number of Usable Responses</u> |
|----------------|-------------------------------|-----------------------------------|
| Fria (pretest) | 5-6 August                    | 6                                 |
| Labe           | 11-12 "                       | 8                                 |
| Mamou          | 13 "                          | 7                                 |
| Kindia         | 14-15 "                       | 9                                 |
| Siguiri        | 19-20 "                       | 11                                |
| Kankan         | 22-23 "                       | 10                                |
| Kissidougou    | 27 "                          | 7                                 |
| Faranah        | 28 "                          | -                                 |
| Conakry        | 10-11 September               | 8                                 |
|                |                               | ===                               |
|                | TOTAL                         | 66                                |

The location of each city is indicated in figure 1, "Cities Included in Private Sector Survey Sample."

Due to delays caused by vehicle breakdown at Kankan, a planned visit to Gueckedou was eliminated from the itinerary, and the survey interview program at Faranah cancelled when PME statistics indicated that no activity other than that previously surveyed was either taking place or planned.

The surveys at Fria, Kissidougou and Conakry were carried out by one interview team with the author participating in all interviews. Two interview teams were used elsewhere, with the author accompanying one of the teams at all times. Thus, the author personally participated in 43 of the 66 interviews in the total sample.

### 1.5. Sample Coverage

Table I, "Distribution of Questionnaires by Activity and Location," gives a breakdown of the type and number of organizations and promoters interviewed outside of Conakry. The heavy representation of cooperative groups in the sample is indicative of the tendency of individual craft members and planters to organize into groups for marketing and representational purposes. The Conakry sample consisted of seven manufacturing operations and a planned agro-industrial development project.

The sample as chosen, based upon the indicated criteria and the realities found in each city, does not purport to be at all statistically representative of the cross section of non-agricultural private sector activity in Guinea, which is still very heavily concentrated in commercial, market and elementary artisan-level transformation activity. Conversely, the sample does include virtually all firms in the regions surveyed, including Conakry, that are currently engaged in what could be classified as non-artisan, non-service, productive transformation activities excluding the numerous bakeries and woodworking shops found throughout Guinea. This reduces the sample to the

seven factories at Conakry (about all that seem to exist), a bicycle assembly line at Kankan, and three small commercial-scale sawmills.

There is no information to suggest that the pattern is significantly different in the two major population areas not covered in the survey, Kamsar-Bake and the Forest Region of south-east Guinea. La Compagnie des Bauxite de Guinee (CBG) sources state that very little local sub-contracting takes place at their installations, while the economy of the Forest Region is still primarily based on lumber and agricultural production.

TABLE I : GUINEA PRIVATE SECTOR SURVEY

Distribution  
of Questionnaires  
by Activity and Location

|                                 | Fria     | Labé     | Makou    | Kindia   | Siguiri   | Kankan    | Kissidougou | Totals   |
|---------------------------------|----------|----------|----------|----------|-----------|-----------|-------------|----------|
| Planter's Cooperatives          |          | 1 (c)    |          | 2 (c)    | 2 (c)     | 1 (c)     |             | 6        |
| Sawmill                         |          |          |          | 1        |           | 1         | 2           | 4        |
| Woodwork / Furniture Making     | 1        | 1        | 1        |          |           |           | 1           | 4        |
| Construction Contractor         | 2 (lc)   |          |          | 1        |           |           | 1 (c)       | 4        |
| Chicken Farm                    | 1        |          | 1        | 1        |           | 1         |             | 4        |
| Traders Association             |          | 1        |          |          | 1         | 1         | 1           | 4        |
| Individual Agric. Production    |          |          | 2        | 1        |           |           |             | 3        |
| Metal Work, Soldering           |          |          | 1 (fa)   | 1        |           | 1         |             | 3        |
| Modern Bakery                   |          |          | 1 (a)    |          | 1 (a)     |           | 1           | 3        |
| Auto Repair Shop                | 1        | 1        |          |          |           |           |             | 2        |
| Traditional Forge (forgeron)    |          | 1        |          |          | 1         |           |             | 2        |
| Cloth Dying (Batik) Coop.       |          | 1 (c)    |          | 1 (c)    |           |           |             | 2        |
| Shoe / Sandal Maker Coop        |          |          | 1 (c)    |          | 1 (c)     |           |             | 2        |
| Wood / Ivory Sculpture          |          |          |          | 1 (c)    |           | 1         |             | 2        |
| Traditional Soapmaker           |          |          |          |          | 1         | 1         |             | 2        |
| Artisan Scale Grain Milling     |          |          |          |          | 1         | 1         |             | 2        |
| Industrial Welding / Metal Fab  | 1        |          |          |          |           |           |             | 1        |
| Animal Feed Production          |          | 1 (a)    |          |          |           |           |             | 1        |
| Plastic Shoe / Kitchen Ware     |          | 1 (a)    |          |          |           |           |             | 1        |
| Bicycle Assembly Shop           |          |          |          |          |           | 1         |             | 1        |
| Upholstered Furniture Maker     |          |          |          |          |           | 1         |             | 1        |
| Veterinary Pharmacy             |          |          |          |          | 1 (a)     |           |             | 1        |
| Tractor Owners Coop             |          |          |          |          | 1 (a)     |           |             | 1        |
| Taxi / Tract Transport Coop     |          |          |          |          |           |           | 1 (c)       | 1        |
| French Cotton Project (CFDT)    |          |          |          |          | 1         |           |             | 1        |
| <b>TOTALS</b>                   | <b>6</b> | <b>8</b> | <b>7</b> | <b>9</b> | <b>11</b> | <b>10</b> | <b>7</b>    | <b>5</b> |
| Of Which:                       |          |          |          |          |           |           |             |          |
| Cooperatives (c)                | 1        | 1        | 1        | 4        | 3         | 1         | 2           |          |
| Traders Associations            |          | 1        |          |          | 1         | 1         | 1           |          |
| Projects Not Yet Functional (a) |          | 2        | 1        |          | 2         |           |             |          |

NOTES: 1. Table excludes eight (8) Conakry area questionnaires.  
2. Fover Amelore = (fa)

## 2. ANALYSIS OF SURVEY DATA

### 2.1 General

To present information which addresses the study's multiple objectives in an intelligible format, two separate analyses of the survey data have been carried out. They are the:

- Investor Characteristics Profile
- Regional Survey Profiles

The Investor Characteristics Profile is based upon an analysis of the patterns of individual responses to the questionnaire concerning such characteristics as number of years in operation, product line or activity, source of investment capital and ownership type, employment levels, expansion constraints, credit use, etc. The individual questionnaire data has been tabulated and is presented in condensed format in annex 3, "Tabulation of Individual Questionnaire Data." The Investor Characteristics Profile is presented in the following section 2.2. of the report text.

While the Investor Characteristics Profile highlights a number of rather pronounced trends of investor behavior in Guinea, in a discussion of data aggregates, it is extremely difficult to convey two categories of information that are extremely important for investment promotion purposes. These are a sense of the economic environment in each area surveyed, and a qualitative impression of the range of activities and entrepreneurial capabilities encountered.

The nine profiles contained in annex 2, "Regional Survey Profiles," address these issues. The profiles have a uniform format, organized as follows:

1. Population Data
2. Infrastructure
3. Economic Structure
4. Analysis of Questionnaire Responses
  - 4.1. Number of Usable Responses
  - 4.2. Breakdown by Category of Activity
  - 4.3. Observations

In the narratives of sections 4.2 and 4.3 of each profile, an attempt has been made to complement the semi-statistical presentation of the Investor Characteristics Profile with more personal impressions of individual enterprises and investors.

## 2.2. Investor Characteristics Profile

### 2.2.1 Summarized Survey Results

The categories of survey information discussed below correspond to the column headings of the tabulated questionnaire data presented in annex 3, "Tabulation of Individual Questionnaire Data."

- **Principal Activity:** The principal activities of survey respondents have already been indicated in table 1, "Distribution of Questionnaires by Activity and Location." Eleven of the 66 respondents were engaged in non-artisan transformation operations while three others had operating chicken farms on a local, commercial scale. Considering that the rest of the regional samples were selected only after the above had been identified, and that some samples had to be filled out with very traditional artisan or service activities, the almost total absence of non-state enterprise transformation activity beyond the artisan level in the Guinean economy begins to be appreciated.
- **Start-up Date:** Forty of 66 respondents reported start-up dates prior to 1984, indicating that even during the First Republic, a significant level of private sector activity, albeit virtually all small scale, existed. Some of the older producer and merchants coops did report, however, that their activities were severely constrained then, if they did not market through state organizations at artificially low fixed prices.
- **Government Start-Up Assistance:** Not a single respondent reported having received any financial assistance from the Guinean government. A few listed peripheral types of technical assistance.
- **Ownership Type:** Thirteen of 66 respondents were representatives of cooperative associations. Of these, only traditional indigo cloth dying, sandal-making and wood sculpting operate on a truly cooperative basis. The rest are associations of individual producers, or in the case of construction, of workers who unite as required for individual contracts. Five of the eleven non-traditional operations were stockholder-owned. The rest of the sample was composed of individually or family-owned operations.

- **Initial Investment:** Given the various start-up dates and the currency changes over the years, it is difficult to establish any quantitative patterns. A more meaningful question may have been to ask about the current value of fixed assets, but response to this would have been poor. What does emerge very clearly, though, particularly if post-1984 investments are examined, is that in spite of the economic vicissitudes of the past generation, many promoters have access to surprisingly large stocks of capital.
- **Source of Investment:** Apart from two recent Conakry factory start-ups which received equipment supplier credit, virtually all respondents reported that invested funds were personal. No debt financing of any sort was reported apart from the \$60,000 World Bank loan received by the Kindia Coop. de Teinturieres in 1963.
- **Number of Employees:** The largest currently operating non-coop association enterprise reported 76 employees, but due to low capacity utilization they only work several days per week. Several saw mills reported in the neighborhood of 50 employees each. The typical larger auto repair, welding, or woodwork shop generally employs no more than 25 employees. Corporate or decentralized management concepts would therefore appear to be both unnecessary and unknown at this time in Guinea's private sector.
- **Import Dependent Activity:** In an economy that currently produces bauxite, gold, diamonds, primary agricultural products and the simplest of agricultural hand tools, it stands to reason that virtually all transformation activity is import dependent. Higher yielding agricultural production will also require higher import bills for inputs. With a population of only 6,000,000 and a primary production structure, Guinea will need to be a very trade dependent and open economy if it is to grow. Evidence is everywhere of the negative impact of twenty-five years of attempting to close the structure of a low population, primary production economy.
- **Annual Sales:** The high rate of non-responses and obviously incorrect figures only serves to highlight the difficulty of obtaining credible responses to finance-oriented questions in a survey questionnaire of this nature.

- Principal Clientele: Surprisingly, it was the traditional artisan co-ops (cloth dying, sandal, wood) which reported significant export business, along with some of the Haute Guinee merchants and fruit growers who export to Mali, and the Kindia Fruit Growers Cooperative which exports through FRUITEX. No other respondents reported export activity. This somber picture further highlights the role that the agricultural sector must play if Guinea is to boost its export receipts significantly.
- Desire to Expand: Virtually all respondents reported positively, though for many it was a hope or a vague concept, rather than a specific plan.
- Market Potential: Most respondents also reported strong market potential for their goods or services. Significant here was the indication that there is much suppressed demand in the society, with both artisan and industrial producers reporting that their main market constraint is production capacity limitation rather than demand. This was particularly so in the case of the egg and poultry producers interviewed.
- Major Expansion Constraints: One response overwhelmed all others: the lack of access to capital, be it for equity or debt financing, or for working capital. A secondary but nonetheless important category of response recorded material and fuel supply bottlenecks as a constraint, not only to expansion, but also to current production. Supply bottlenecks of all types were much more evident in Haute Guinee than in the Fouta Djallon or Conakry. The only area where supply constraints are not a problem is Fria where the Societe Friguia (the French/Guinean mixed enterprise bauxite mine and refinery) supplies subcontractors through its own independent procurement system.
- Major Needs for Expansion (or for Start-up): Once again, capital appears to be the major need. The total absence of credit access outside of Conakry is a great restraint on new activity. It has been demonstrated in other countries that access to very modest quantities of seed capital has produced very high rates of return in the rural and urban micro-enterprise sectors. Most interview subjects were unaware of the various credit lines that should become available during 1987.

- Training/Technical Assistance: Promoters who are planning to purchase imported capital equipment realize the importance of training maintenance help. One has the impression that training requirements tend to be underestimated by artisans, and more importantly, merchants/planters who are considering investing in transformation activities.
- Prior Credit Use/Type: Seventeen of 66 respondents reported prior credit use. Apart from the World Bank loan to the Kindia coop, and the credit system associated with the French Projet du Coton, all credit-using respondents report their source as either supplier credit, family loans, or, in the case of merchants associations, internal revolving funds. The implication is quite clear. Neither the old nor the present banking system is in any way serving the needs of the segment of the private sector that was surveyed.
- Diversification Interest/Sector: More than half of the respondents reported an interest in diversifying their activities. Diversification intent ranged from very well-thought-out projects to vague desires to cultivate some land. As a general rule, the more artisan or traditional the activity involved, the less the interest in diversification.
- Other Comments (Impressions of interviewers): Outside of the responses to the questionnaire, the major impressions received during the interview were :
  - There is a gross lack of understanding of the different ownership implications of equity and debt financing. Many would-be promoters seem not to realize that if they have a 90% equity partner they will have little control over the project or its profits.
  - Most potential investors are either uninformed about and/or ill-equipped to undertake the project preparation procedures necessary to apply for bank financing.
  - There is a gross lack of systematic information dissemination concerning potential project financing channels. In several prefectures, even the PME Directorate was unfamiliar with the World Bank PME line of credit.

### 2.2.2 Investor Profiles

In very broad terms, the would-be entrepreneurs surveyed could be classified as follows:

- The Conakry Lebanese, who are relatively well-capitalized, sophisticated investors, skilled in the identification of markets and mobilization of resources within the West African context. Given an absence of deliberate obstruction and a workable banking system, they are very capable of taking care of themselves.
- The traditional Guinean merchant/planter class of interior Guinea, especially the Fouta Djallon and Haute Guinee. Though probably fairly well capitalized, and shrewd traders, they generally are not well educated, not often oriented to branching out into transformation as opposed to trading activities, and not technically sophisticated. It remains to be seen how capable and/or willing they would be to become involved in commercial-scale export agriculture, and whether they would be able or willing to work with foreign partners. The World Bank PME project implementation team reports that much time and effort is required in order to translate their project ideas based on trader's instinct into a suitable format for preparation of project loan requests.
- The lightly capitalized, often university-trained, would-be entrepreneur with viable project ideas, reasonably well-thought-out feasibility studies, but with insufficient financial means for generating action. This class is most often associated with agro-processing ideas, chicken farms, etc., and often is composed of ex-government functionaries. It is a group that could benefit from small enterprise development projects and the access to credit associated with them. The scale typically envisioned (e.g., a semi-technical 5000-hen chicken farm) is not normally of interest to Guinean or foreign equity investors. It is, however, the scale of operation that would be most useful to regional economies and to the development of rural entrepreneurs attuned to adapting appropriate technologies to their environment. It is also among this class of entrepreneurs that care must be taken to distinguish those who are capable of forward motion from those whose ambitions may be beyond their means or capabilities.
- The traditional artisan class. To attempt to convert most traditional artisans into something larger is not likely to be a cost-beneficial use of public sector development funds. There are some exceptions, however,

such as the previously mentioned export-oriented artisan co-ops, and the more entrepreneurial of the welding, woodwork and vehicle repair shops. Relatively small-scale, supervised credit programs of the type often implemented by non-profit private organizations have proved to be quite effective with this clientele.

### 2.3. Regional Survey Profiles

Nine regional profiles were prepared, one for each prefecture surveyed. The prefectures, and the road distance from Conakry to the prefectural capitals are as follows:

|         |        |        |        |             |        |
|---------|--------|--------|--------|-------------|--------|
| Conakry | ----   | Mamou  | 285 Km | Siguiiri    | 940 Km |
| Fria    | 160 Km | Kindia | 135 Km | Kissidougou | 600 Km |
| Labe    | 440 Km | Kankan | 800 Km | Faranah     | 475 Km |

The profiles themselves are found in annex 2, "Regional Survey Profiles." Summarized below are the principal observations arising from regional profile preparation.

- By any reasonable standard, even for developing economies, infrastructure supply throughout Guinea is seriously deficient. In terms of promotion, the current stock of highway, electric energy and water supply infrastructure is a decided negative. Even auto garage and wood-working shops are compelled to supply themselves with electric generators to maintain operations.
- On the potentially positive side, Kankan, Labe and Faranah, in addition to Conakry, have very serviceable paved airport runways, which might be able to be used for air freight fresh fruit operations to the European market.
- Many of the prime rice-growing areas of Haute Guinee have abundant reserves of easily obtainable ground water which could be developed for supplementary irrigation.
- The private sector in Fria, as does the entire town, owes its existence to the Friguia, S.A. Bauxite mine and aluminum refinery. Friguia has assisted in the establishment of a chain of subcontractors who service the company's maintenance and housing construction requirements. They form a private sector group of industrial tradesmen, the like of which is not found elsewhere in Guinea. The OBK (Kindia) and CBG (Kamsar) bauxite operations operate almost entirely on an enclave, direct employee basis. Local subcontracting is consequently scarcely developed at these locations.
- Apart from Fria and Conakry, the structure of non-agricultural private sector activities in the other

surveyed cities is very similar, consisting almost entirely of market, commercial and numerous artisan-level service activities; an electric oven bakery planned or already in operation; a traditional soap factory; and several large welding, auto repair, and woodworking shops (20 employees). Merchant/planters tend to be the local economic elite.

- Fuel and material supply shortages and bottlenecks still are an everyday fact of life throughout Guinea. Not surprisingly, the situation is noticeably more difficult in Haute Guinee, with Kankan and Siguiri at 800 Km and 940 Km respectively from Conakry over difficult roads.
- Most of the more important merchants in Haute Guinee reportedly are active dealers in diamonds and gold, and are quite active in fruit and merchandise exports to Mali, with foreign exchange receipts not recorded in national accounts.
- There appears to be a considerable amount of incipient investment activity taking place in Kankan, apart from that recorded by the Prefectural Direction of PME.
- The prefectural offices of the Directorate of the PME in Haute Guinee were decidedly less well informed than elsewhere concerning the World Bank PME project line of credit.
- Conakry manufacturers surveyed note that at present the same level of customs duties is levied on intermediate inputs for local transformation as on finished goods imported for direct sale.

### 3. Interpretation of Survey Results

Interpretation of what has been accomplished by the survey and what has not is best considered with reference to the original objectives of the study, i.e. :

- Develop information concerning Guinea's private sector to use as a basis for preparing a private enterprise strategy
- Identify and evaluate investment project opportunities for promotion to potential local and foreign investors
- Identify and make recommendations for ameliorating development constraints faced by Guinean entrepreneurs.

#### 3.1. The Structure of the Guinean Private Sector

The criteria for sample selection were deliberately weighted to seek out promotable projects and entrepreneurs in agro-industrial and manufacturing activities. A statistical census of all private sector activity was therefore neither envisioned nor attempted. Having carried out the survey, the level of information now available concerning the structure of the various elements of the Guinean private sector is as described below.

##### 3.1.1. Directly Productive Agricultural Activities

Generation of data concerning the structure of the agriculture sector itself was not within the scope of work. Reliable quantitative information concerning the sector's overall production structure is most likely found in the sector studies that have been carried out by the World Bank and others.

##### 3.1.2. Non-Agricultural Transformation Activity

The local census statistics obtained from several prefectural PME directorates and included in the regional survey profiles give ample testimony that:

- in spite of the economic policies of the first twenty-five years of independence, an active private sector at the subsistence, market, commercial and artisanal level has always existed.
- the structure of this private sector is still heavily weighted towards these activities. There are at present, even in Conakry, relatively few private sector operations beyond the bakery/woodwork shop level that could be classified as non-artisanal transformation or industrial light manufacturing.
- the projects that various entrepreneurs are planning or seeking to finance are virtually all very small in scale, consistent with the structure of the local economies.

A census of manufacturing activity, including estimates of value added for 1984, was carried out under World Bank/Ministry of Industrial Development auspices by CEGIR. The survey results presented herein, complemented by the CEGIR report, provide a rather complete qualitative and quantitative picture of the structure and scope of non-agricultural private sector transformation activity.

### 3.1.3. Manufacturing Activities

Once beyond the bakery/woodworking/welding shop/traditional soap factory level, the scope of manufacturing activities in Guinea is indeed quite reduced. There is the Friguia aluminum oxide refinery, the ore separation activities at Kamsar and Kindia, the state-owned or mixed enterprises, and little else beyond the eight small factories and three commercial saw mills included in the sample. There are undoubtedly more sawmills in the Forest area of southeast Guinea, and it is known that a small soap factory, a small coffee-roasting operation and probably some other small activities in Conakry may have escaped our coverage. The conclusion nevertheless is inescapable: the seven small factories in Conakry and the bicycle assembly shop in Kankan are virtually all that exists of private sector light manufacturing in Guinea. Together they currently employ 205 people. The three commercial sawmills in the sample have an additional 125 employees. Light manufacturing activity in Guinea, including commercial-scale agro-processing is, consequently, virtually at ground zero.

### 3.1.4. Private Sector Commerce and Trade

It has long been observed that once proper macro-economic and monetary policies are in place, West African commerce tends to take care of itself without specific project intervention on the part of USAID. It was not considered germane to the study objectives, therefore, to attempt to identify trading opportunities, or to estimate the number of licensed importers, volume of trade, etc., although such figures are probably available, spread across several ministries. As a matter of necessity, representatives of merchant associations were included in the regional sample, as they are the economic elite and the source of much investment capital in the Guinean interior.

### 3.1.5. State and Mixed Enterprises in Process of Privatization

This sector of the Guinean industrial structure is seemingly saturated with study coverage, so it also was not a subject of the private sector survey. The following Table 2, abstracted from the CEGIR report gives a breakdown of state and mixed manufacturing enterprises by sector as of 1984. At that time, the 23 active plants recorded a total of 4,533 employees, compared to the 205 employees in what is thought to be almost complete coverage of the private light manufacturing sector in 1986. Given a propensity for excess employment and erratic

operations, these employment figures undoubtedly overstate the relative importance of the enterprises in terms of production.

### 3.2. Identification, Evaluation, and Promotion of Investment Project Opportunities

The results of this phase of the survey work are best discussed when broken down into separate components.

#### 3.2.1. Identification of Investment Opportunities

Guinea, as demonstrated prior to independence, has an agricultural and mineral resource base to develop into a prosperous, export-based economy. Its population (6 to 7 million) limits its potential for large-scale development of internal-market-based consumer goods manufacturing. Nevertheless, other developing nations of similar population have demonstrated that there is still much that can be done in the way of food processing and import-substitution-based light manufacturing without having to resort to resource allocation distorting levels of tariff protection.

At present, Guinea is at what could be termed a pre-development level. Its agroprocessing and export agriculture industries of the colonial period collapsed completely. Private light manufacturing is almost nonexistent. The gap between what has been and what can be, and what there is at present, is enormous. Obviously, given this gap, investment opportunities must abound. The issue is how can they best be identified and implemented, and by whom, to whom and how should they be promoted?

It proved difficult during the course of the survey to extract from most interviewees, particularly the merchant class, anything other than approximate ideas about the nature of their plans. This difficulty existed for a variety of reasons:

- the necessarily brief period of time available for each interview (45 minutes to one and one-half hours)
- little or no notice of the interview
- reluctance to discuss financial affairs even in approximate terms in public
- apart from some of the more sophisticated Conakry entrepreneurs and ex-government functionaries, the typical Guinean entrepreneur is totally unfamiliar with and does not think in terms that are easily translated into project fiches. Even among those able to articulate project ideas, assessment of market demand either has not been taken into account at all, or only in the most general terms.

Table 2 : Classification of State Owned and Mixed Enterprize

Manufacturing Industries in Guinea - 1984

| Industry        | TOTAL | CURRENT STATUS |                 |                  | OWNERSHIP TYPE |                             | EMPLOYMENT IN 23 ACTIVE PLANTS |                      |                  |                  |
|-----------------|-------|----------------|-----------------|------------------|----------------|-----------------------------|--------------------------------|----------------------|------------------|------------------|
|                 |       | In Operation   | Being Renovated | Out of Operation | State 100 %    | Mixed 50 % State 50 % Priv. | Number Of Active Plants        | Production Employees | Admin. Employees | TOTAL EMPLOYMENT |
| Food Processing | 15    | 8              | 2               | 5                | 13             | 2                           | 8                              | 2,141                | 410              | 2,551            |
| Chemical        | 9     | 5              | 3               | 1                | 7              | 2                           | 5                              | 231                  | 98               | 329              |
| Construction -  |       |                |                 |                  |                |                             |                                |                      |                  |                  |
| Material        | 5     | 1              | 2               | 2                | 4              | 1                           | 1                              | 213                  | 27               | 240              |
| Metal Work      | 4     | 4              | --              | --               | 4              | --                          | 4                              | 399                  | 116              | 515              |
| Wood Products   | 3     | 2              | 1               | --               | 3              | --                          | 2                              | 170                  | 48               | 218              |
| Textile         | 2     | --             | 1               | 1                | 2              | --                          | --                             | --                   | --               | --               |
| Other           | 3     | 3              | --              | --               | 3              | --                          | 3                              | 629                  | 51               | 680              |
|                 | 41    | 23             | 9               | 9                | 36             | 5                           | 23                             | 3,783                | 750              | 4,533            |

Note : 1. 15 of 23 operating plants were located in Conakry.

2. Estimated average capacity utilization of 23 operating plants was 28 percent.

Source : CEGIR : Rapport Statistique de l'activite manufacturiere in 1984 ; may 1985.

Of the entire sample, there are perhaps five interviews that could be translated into project fiches, and these, only because the promoter has also been in contact with CNPIP. We are forced to conclude, therefore, that:

- the survey proved to be a fruitful source of many types of information, including identification in a general way of many potential investment opportunities. It was not, however, a fruitful source of project fiches.
- survey interviewing and project identification, other than in the most general form, are best handled as two separate exercises, particularly when dealing with the unlettered, or those unfamiliar with credit practices.

A list of potential private sector investment ideas that were identified is included in chapter four of the text.

### 3.2.2. Evaluation of Investment Opportunities

Preliminary evaluation of private sector investment projects requires as a minimum:

- some idea of the market for the product(s) or the services, and of prospective competition
- a creditable assessment of the technology to be employed and its relationship to projected capital investment and operating costs
- a believable cash flow analysis and financial plan

Review of the project dossiers on file with CNPIP indicates that some of these elements are almost always missing, or, if included, require verification. The experience of the PME project has also been that considerable face-to-face contact is required to prepare a project dossier that meets the standard required for evaluation. To do otherwise would merely be guessing, based on a promoter's hardly impartial numbers.

It follows that the only possible level of evaluation, based upon what has been heard in the course of the interview program or what is on deposit with CNPIP, is a very general one, such as:

- this concept is completely unrealistic
- this project sounds workable but requires further information
- this project is well articulated but requires verification

Within the Guinean context, considerably more personal contact with potential investors and independent verification by project analysts will be required to arrive at meaningful credit

analyses. This requirement must be taken into account in managing small-project-oriented credit lines if default rates are to be maintained at satisfactory levels.

### 3.2.3. Promotion

Successful promotion of foreign investment opportunities simply does not take place unless the investor is reasonably certain that the net level of profits that he can repatriate in hard currency is commensurate with the level of political and economic risk, the scale of investment required, and the fixed costs in terms of travel, language translations, legal fees, etc., necessary to turn a project idea into a viable operation.

In spite of its unquestioned agro-industrial potential, the Republic of Guinea cannot be considered an easy sell to most potential foreign equity investors at this time.

For re-export "footloose" industries (those operations not bound to a particular location), there are any number of nations in the Western Hemisphere or Southeast Asia that offer better incentives, better market channels, seemingly greater political, monetary and economic stability, fewer communication problems and more familiar business practices.

The transformation operations or light manufacturing of import substitution items that potential investors are considering is not of a scale that would be likely to interest potential foreign equity investors. The current investment code (soon to be revised), in fact, prohibits majority foreign ownership of firms employing fewer than twenty persons. It was precisely this scale of operation that was mentioned most often, and also where would-be entrepreneurs tended to be lightly capitalized and to think in terms of someone else supplying virtually all capital.

Reason dictates, therefore, that the only potential private sector activities in Guinea with more than a remote probability of promotion to the foreign investor are:

- resource-based activities, i.e., those that must be located in Guinea because that is where the raw materials are, for example, agro-based industries
- activities of sufficient scale to justify the high fixed costs of establishing and operating a business in Guinea.
- selected trading opportunities for the adventurous

Other than some very specific product lines (not specifically known to the author), or the sale of licensing rights to local

operators, the development of light manufacturing will most likely be the province of the local merchant class turned entrepreneur and/or European subsidiaries with established supply and market channels in West Africa.

The conclusion, therefore, is that unless very specific investors can be tied with very specific activities--something that normally occurs through private industry networking--Guinea's general promotional efforts vis-a-vis the foreign investor, as envisioned in the statement of work, are not likely to be cost effective except, possibly, in the case of larger-scale activities in the mining and commercial agro-business sectors.

### 3.3 Constraints to Private Sector Development

#### 3.3.1 Identification of Constraints

The principle constraints to private sector development identified during the survey were :

- lack of access to credit for both working capital and investment
- A general lack of familiarity among would-be entrepreneurs in the areas of general business management, marketing, project preparation and credit and banking practices
- Supply bottlenecks of all types, the most serious being in the areas of fuel, imported inputs, and spare parts
- Inadequate physical infrastructure
- Complicated, costly, time-consuming and ever changing administrative formalities associated with the establishment of new enterprises and with cargo operations at the Port of Conakry

#### 3.3.2. Recommendations for Eliminating Constraints

Recommendations concerning appropriate areas of USAID intervention to ameliorate the identified constraints must be predicated upon the realities of Guinean and donor policy and program priorities and available resources and actions already under way in some of the constraint areas.

Fuel, inputs and spare parts availability in Conakry are already improving as a result of the greater availability of foreign exchange brought about by the structural adjustment program. Fuel distribution throughout the nation should improve dramatically after the impending privatization of the state distribution company (DNAH). Input and spare parts availability will be aided by the new free trade policies and measures such as the \$10 million USAID financial credit line to private traders made available under the Economic Policy Reform Program. Demand for agricultural inputs has for the moment been suppressed by

sharp price increases associated with the removal of price subsidies and exchange rate unification and devaluation. This situation should improve as the economy adjusts to decontrolled farm gate pricing.

A supply problem that is likely to persist concerns the availability of spare parts for most of Guinea's current stock of tractors. Most tractors in Guinea are of East Bloc origin, primarily from Romania and Czechoslovakia, and of 1960's and 70's vintage. Given their approaching obsolescence, and the difficulties of private traders dealing with the respective state trading companies at long distance, tractor utilization cannot be expected to improve without significant import of costly, non-subsidized replacement units. An indication of the seriousness of the current situation can be appreciated from the interview with a co-operative of seventy tractor owners in Siguiri. Only fifty of the seventy tractors could be mobilized during the 1986 planting season, and at the time of the interview, (August 1986), all of the tractors were reported out of service due to lack of replacement tires and spare parts.

Infrastructure development is a long term and expensive process. The existing highway network is undergoing rehabilitation, and various telecommunications improvement projects are being discussed. Even under the best of circumstances, however, it will be a considerable period of time before reliable electric energy and adequate water distribution systems will be available in all major centers. It is probable that major infrastructure projects in Guinea will continue to be financed by multilateral agencies. None of the active bilateral donors including USAID are currently giving high priority to costly civil works projects. The link between highway improvement, post harvest infrastructure, and private sector development is so direct, however, that a case could be made to review USAID priorities concerning support of infrastructure hardware projects. Guinea's current lack of infrastructure is typical of that of many nations for whom financing of physical infrastructure was a basic priority of U.S. development assistance during the 1950's and 60's.

Removal of bureaucratic constraints to enterprise development, and also to operation of the Port of Conakry, is crucial to private sector development. Economic policy reform has proceeded faster than administrative reform. The potential for stimulation of economic activity made possible by substantial policy reforms is being seriously constrained by an administrative culture that is still based largely upon French colonial and East Bloc administrative principles that emphasize control and regulation--at the expense of private initiative. This conflict is a major stumbling block in promoting Guinea to Western Hemisphere entrepreneurs, for whom the country continues to have a justly deserved reputation as a difficult place to do business, in spite of its universally recognized development potential.

Though admittedly a delicate situation, given the long standing and still powerful vested interests in the current system, the will to undertake fundamental administrative reform must come from within the Guinean government itself. Without this will, no amount of donor support and policy reform will produce more than marginal improvements in the nation's development process.

The survey very clearly demonstrated that utilization of bank credit is virtually non-existent outside the Conakry commercial sector. Given cash collateral requirements of 30% and higher, it is likely that most small and medium-scale entrepreneurs will not qualify for short-term credit with the re-established commercial banking system. Several respondents also reported that their liquidity had been seriously affected by continuing funds blockage associated with the December 1985 closure of the state banking system.

Sources of medium and long-term development finance were effectively paralyzed in recent years. As an illustration, the World Bank PME project was able to make disbursements for only three projects during its first three years of operation.

The situation should improve significantly during 1987. As part of the structural reform program, credit lines for small project development are being introduced by several donors, while the processing requirements of the World Bank PME project are being drastically streamlined.

The small project credit lines that should be available within the next year are as follows :

| <u>Source</u>   | <u>Amount</u>   |
|---|---|
| World Bank PME Project  | Balance of 4.2 million SDR as of 1/1/86   |
| European Economic Community (CEE)                             | 4.2 million European Currency Units   |
| Caisse Centrale de Cooperation Economique de la France (CCCE) | FF 45 million for direct small project financing<br>FF 50 million rediscount line |
| German Development Assistance (DEG)                           | DM 7.5 million  |

These credit lines will be administered by the BICIGUI, except that the BIAG and SGBG will also participate in the CCCE line. The \$10 million recently made available by USAID to support trading activities will also be managed by the commercial banking system.

Physical access to these credit lines, now a major constraint, will be improved by the planned inauguration of twelve BICIGUI branches. They will be located in the following centers :

|             |             |            |
|-------------|-------------|------------|
| Conakry (2) | Labe        | Kankan     |
| Boke        | Mamou       | Macenta    |
| Kamsar      | Kindia      | N'zerakase |
| Fria        | Kissidougou |            |

Though USAID and other donors are optimistic that small and medium enterprise credit necessities can be serviced satisfactorily by the re-established banking system, there are grounds for caution as to the system's initial effectiveness. Among the problems areas are:

- the difficulty of obtaining viable non-cash collateral-backed guarantees due to the absence of a private land market and titling system, and other legal vacuums
- general distrust of the banking sector due to negative experiences with the defunct state banking system
- the absorptive capacity of the system due to the fact that most of the PME target group are unfamiliar with project preparation and credit application practices and procedures
- uncertainty concerning the ability of the BICIGUI to provide competent personnel for rapid expansion in a cost effective manner and to manage effectively small-project-oriented development credit lines

A State Department message of June 28, 1986 summarizing decisions reached concerning the Guinean program indicated that strategy priorities for the short and medium-term would be to provide support for the economic reform program by focusing on the

"enhancement of private sector involvement in the agricultural and rural sectors. Options for further focusing our assistance programs within the new strategy, which should be further explored, might include public sector management and training, market privatization, credit and infrastructure."

The message also indicated that local currency generated from the sale of P.L. 480 Title I commodities and non-project assistance will be a major resource available to support the strategy emphasis in the economic reform program.

### 3.4. Recommendations for Action within the Private Sector Survey Scope of Work

In view of the perceived difficulties at this time of trying to promote Guinea-based manufacturing and agro-processing to foreign investors, except in very particular circumstances, and the seriousness of the identified constraints, it is recommended that USAID/Guinea resources be redirected to address the identified structural deficiencies of the still fragile private sector.

The following are among the identified areas where intervention would appear to be consistent with USAID's stated country strategy priorities and resource availability:

- technical assistance for training programs to expand the pool of competent credit extension officers, who in turn would be prepared to assist entrepreneurs in project preparation and credit solicitation practices and general small business management
- monetized PL 480 and other food assistance program resources to establish a credit line for small and medium enterprise for which personal, or other non-conventional guarantees would qualify.

The above elements could be combined in a supervised credit program similar to those that have been successfully implemented in other African countries by private non-profit agencies and/or small merchant banks. A key premise underlying project design would be the concept of eventual project economic self-sufficiency. If credit line financing is not possible, however, and only the training is included, the newly trained credit extension officers might be able to be utilized in conjunction with credit lines administered by the BICIGUI.

In either case, it is recommended that a PID-like document exploring these and similar concepts be prepared during the Washington phase of the private sector study work program in lieu of individual project fiches for promotional purposes.

The approach is based upon the premise that USAID resources in Guinea can be more effectively used directly to attack liquidity and skills constraints at the grass roots level, an area in which USAID and the organizations it finances have a proven track record, rather than direct project promotion at the small and medium-enterprise levels. The latter, in the case of Guinea, involves selling high economic risk and an uncertain political environment to the very wary, with an inherently low probability of success.

### 4. Identified Project Opportunities

The following is a list of potential investment opportunities identified during the course of the study either by potential investors or the survey team. It is by no means all-inclusive.

No inferences as to priority, or technical, economic, or financial feasibility should be attributed to inclusion on the list.

- A chain of small pension-type hotels in major prefectural centers
- A traditional soap factory expanded to include a palm oil extraction line, to permit expansion of soap production and commercialization of palm oil production
- Modern bakeries, although these are already being established in profusion
- A mango juice and mango concentrate plant. Thousands of tons of mangoes in the Kankan area rot because of the lack of market outlets
- Direct export of fresh mangoes and other tropical fruits to Europe by air from Kankan, Labe, and Faranah via Conakry airport if necessary
- Production of papaya extract
- A candle factory
- Soft drink bottling lines
- PVC pipe production
- Molded plastic household articles of all types
- Reactivation of the tomato concentrate plant at Mamou
- Commercial production of agricultural hand tools
- A scrap iron recycling furnace
- Commercial production of the "foyer ameliore" and other similar products of appropriate technology origin
- A palm oil plantation (a serious potential investor has done a feasibility study for 2000 ha and is looking for co-financing)
- Cold storage warehouses
- Commercial-scale rice and flour mills

- Numerous import substitution items that can be economically produced in small volumes and that provide sufficient value added to justify local production
- Commercial-scale egg hatchery and chicken farms
- Contract construction
- Assembly of household electric generators
- Production of plastic shoes and sandals
- Fabrication of small-scale post-harvest storage bins for individual family or commercial use

ANNEX 1

SAMPLE QUESTIONNAIRE

CENTRE NATIONAL DE PROMOTION DES INVESTISSEMENTS PRIVES

Enquête sur le Secteur Privé en Guinée

1. Nom de l'Entreprise : \_\_\_\_\_
2. Adresse : \_\_\_\_\_
3. Personne à contacter au niveau de l'entreprise/Titre :  
\_\_\_\_\_  
\_\_\_\_\_
4. Produits principaux ou services de l'entreprise :  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
5. Historique de l'entreprise :
- 5.1. Décrire brièvement l'historique de l'entreprise :  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- 5.2. Indiquer les dates de : - l'établissement de l'entreprise : \_\_\_\_\_  
- démarrage des opérations : \_\_\_\_\_
- 5.3. L'entreprise a-t-elle bénéficiée de l'assistance technique ou financière du Gouvernement pour démarrer les affaires ?  
Spécifier : \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. Structure de Propriété :

6.1. Procédure légale de propriété

- a) Propriété privée : \_\_\_\_\_ Association : \_\_\_\_\_  
b) Société : \_\_\_\_\_ Autres (spécifier) : \_\_\_\_\_

6.2. Nombre d'actionnaire : \_\_\_\_\_

6.3. Classification de propriété Pourcentage de propriété

- a) Citoyenne (s) de la Guinée \_\_\_\_\_  
b) Gouvernement Guinéen \_\_\_\_\_  
c) Etrangers \_\_\_\_\_  
d) Autres (spécifier) \_\_\_\_\_

6.4. Quel était le montant total de l'investissement initial requis avant le démarrage des opérations ? F.G. : \_\_\_\_\_

6.5. Quelle a été la source de l'investissement initial

- apport des actionnaires : \_\_\_\_\_ %  
- apport personnel : \_\_\_\_\_ %  
- crédit bancaire : \_\_\_\_\_ %  
- autres : \_\_\_\_\_ %

7. L'emploi

- 7.1. Nombre d'employés :  
- Pleins temps : \_\_\_\_\_  
- Temps partiel ou saisonnier : \_\_\_\_\_

- 7.2. Qualification du personnel :  
- manoeuvres : \_\_\_\_\_  
- ouvriers : \_\_\_\_\_  
- cadres : \_\_\_\_\_

8. Système de production :

8.1. Décrire brièvement le système de production ou d'opération de l'entreprise.

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8.2. Indiquer :

a) Matière première utilisée :

- Nature : \_\_\_\_\_ - Source d'approvisionnement  
(locale ou importée)

|       |       |
|-------|-------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

b) Equipement et outillage utilisé

- Nature : \_\_\_\_\_ - Source d'approvisionnement  
(locale ou importée)

|       |       |
|-------|-------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

8.3. Est-ce qu'il y a des problèmes particuliers qui affectent la productivité ou les coûts de production ? Expliquer

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9. Marché de l'entreprise

9.1. Chiffre d'affaires par an approximatif au niveau de l'entreprise  
en Francs Guinéens. F.G. : \_\_\_\_\_

9.2. Qui sont les acheteurs de vos produits ou services ?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

9.3. Quel est le système d'écoulement ?

- Vente direct en gros \_\_\_\_\_
- Vente direct en détail \_\_\_\_\_
- Vente par des intermédiaires \_\_\_\_\_
- Sous contrat \_\_\_\_\_
- Autres (spécifier) \_\_\_\_\_

9.4. Les possibilités d'agrandir votre marché sont-elles faibles \_\_\_\_\_

\_\_\_\_\_ moyennes \_\_\_\_\_ fortes \_\_\_\_\_

pourquoi ? : \_\_\_\_\_

9.5. Quest est le pourcentage des ventes pour l'exportation directe ou  
pour l'exportation par les acheteurs intermédiaires.

\_\_\_\_\_  
\_\_\_\_\_

10. Expansion de l'entreprise

Avez-vous pensé aux possibilités de l'expansion de votre entreprise ?

Expliquer : \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

11. Contrainte à l'expansion

11.1. Quelles sont les difficultés majeures pour l'expansion de l'entreprise ?

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11.2. (Pour l'enquêteur)

Veillez indiquer sur une échelle de 1 à 5 l'importance des facteurs mentionnés comme handicaps à l'expansion de l'entreprise.

|  | Aucun<br>problème<br>1 | Peu<br>important<br>2 | Problème<br>moyen<br>3 | Problème<br>majeur<br>4 | Problème<br>sérieux<br>5 |
|--|------------------------|-----------------------|------------------------|-------------------------|--------------------------|
| a) Manque d'intrants importés  | _____                  | _____                 | _____                  | _____                   | _____                    |
| b) Manque d'intrants locaux  | _____                  | _____                 | _____                  | _____                   | _____                    |
| c) Manque de carburants ou services publics  | _____                  | _____                 | _____                  | _____                   | _____                    |
| d) Manque de transport ou communication adéquate   | _____                  | _____                 | _____                  | _____                   | _____                    |
| e) Absence de crédit   | _____                  | _____                 | _____                  | _____                   | _____                    |
| f) Absence de demande du produit   | _____                  | _____                 | _____                  | _____                   | _____                    |
| g) Loi du gouvernement ou impôts (cf. impôts sur le chiffre d'affaire, régime de la société) | _____                  | _____                 | _____                  | _____                   | _____                    |
| h) Manque de main-d'oeuvre qualifiée   | _____                  | _____                 | _____                  | _____                   | _____                    |
| i) Concurrence (étrangère ou locale)   | _____                  | _____                 | _____                  | _____                   | _____                    |
| j) Ecrangements administratifs   | _____                  | _____                 | _____                  | _____                   | _____                    |
| k) Autres (veuillez spécifier)   | _____                  | _____                 | _____                  | _____                   | _____                    |

11.3. Quel est le plus important des problèmes ci-dessus ?

Pourquoi ?

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12. Assistance recherchée

Pour l'expansion de votre entreprise, quelle serait l'assistance la plus utile :

|                                       | Pas vraiment<br>utile<br>1 | Modérément<br>utile<br>2 | Très<br>utile<br>3 |
|---------------------------------------|----------------------------|--------------------------|--------------------|
| a) Crédit                             | _____                      | _____                    | _____              |
| Nouvel investissement                 | _____                      | _____                    | _____              |
| Fonds de roulement                    | _____                      | _____                    | _____              |
| b) Assistance technique/<br>formation | _____                      | _____                    | _____              |

Spécifier les besoins en assistance technique et en formation

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c) Autres (veuillez spécifier)

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13. Source de financement

13.1. Avez-vous déjà fait une requête de crédit bancaire ?  
Si oui, était-elle accordée ? \_\_\_\_\_

13.2. Pour l'établissement et les opérations de votre entreprise,  
avez-vous utilisé des crédits de prêteurs non-officiels  
(commerçants, coopératives, autres) ? \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

14. Relations avec les autres secteurs

14.1. Avez-vous fait des investissements dans d'autres domaines en  
dehors de ceux sujets à l'enquête ? Si oui, veuillez spécifier  
dans quelle catégorie :

a) commerce \_\_\_\_\_ c) transport \_\_\_\_\_

b) tourisme \_\_\_\_\_ d) industrie \_\_\_\_\_

e) agriculture \_\_\_\_\_

f) pêche \_\_\_\_\_ g) autres \_\_\_\_\_

14.2. Si vous décidez de diversifier vos affaires, lequel de ces  
domaines vous attirerait le plus ?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ANNEX 2

REGIONAL SURVEY PROFILES

CONAKRY  
FRIA  
LABE  
MAMDU  
KINDIA

SIGUIRI  
KANKAN  
KISSIDOUGDU  
FARANAH

## REGIONAL SURVEY PROFILE

### CONAKRY

1. Population: 705,280 (1)
2. Infrastructure
  - Airport: International Standards
  - Railroad: Terminus of Fria and Niger lines
  - Highway: Due to peninsula location, only one route out of city towards rest of country, now in very degraded condition
  - Electric Power: Hydro-powered system 24 hours daily but subject to frequent interruption and planned shutdowns. All operations where electricity is critical must have backup generators.
  - Water: Piped system in most areas of city
  - Industrial Zone: At Km 36 on highway with electricity feed installed. Concessions obtained from government. Site and utilities development are the responsibility of the concessionaire.
  - Climate: 170 inches average annual rainfall, most within five month May to September period. Rest of year dry. Adequate drainage is still deficient in many areas.

### 3. Economic Structure

Conakry is the nation's largest city, with nine times more inhabitants than the second city, Kankan. It is also the nation's capital, principal commercial international port, (2) and dwarfs all others in volume of commercial activity. Since the establishment of the Second Republic and more so, since the monetary reform of 1986, Conakry is in a state of resurgence after almost 30 years of decay. Virtually the only investments during that period were the state-run factories and commercial enterprises, many of which are now closed and being either liquidated or privatized.

(1) All population figures are based on the 1983 census.

(2) The other international port, Kamsar, is open to commercial traffic, but rarely used for non-CBG general cargo.

Current private sector activity in Conakry includes the following categories:

- The formal commercial and service sectors including import/export and domestic trading activity.
- Informal sector trading and marketing activity.
- The informal small, and medium enterprise (PME) and artisan informal sectors. The level of activity in these sectors has been analyzed in depth in the CEGIR Report.
- The incipient non-PME, light manufacturing and transformation activities sector.
- A rapidly expanding contract construction presence of both international and domestic contractors. Though not included in the survey, its presence is inescapable, particularly the establishment of new yards both before and after the international airport.

An industrial zone, under the jurisdiction of the Ministry of Amenagement du Territoire et Urbanisme, has been established on a hilly site adjacent to Km 36 on the Route du Niger Highway. One factory and several construction yards are already in operation there, and several others are reportedly in various stages of planning.

Statistics concerning level of activity or number of enterprises active in Conakry are more difficult to assemble than seems to be the case in the interior prefectures. The CEGIR report includes rather complete statistics for the PME sector for the year 1984. It should be stressed, however, that there is such a recent resurgence of all economic activity that private sector activity statistics for Conakry have, at this moment, a very short shelf life.

Having been the last in chronological order of the regional surveys, the sole target of the Conakry sample selection was the group of manufacturing activities of an industrial rather than an artisanal scale. The number of such activities is still discouragingly small, virtually all having been included in the sample. There does, however, seem to be a considerable amount of future activity planned by realistic and seemingly well-financed individuals, most of whom are members of the Conakry Lebanese community.

#### 4. Analysis of Survey Questionnaire Responses

4.1. Number of usable responses: Eight (8)

4.2. Breakdown by Category of Activity

- One Manufacturer of low priced suitcases and travel bags, plastic household articles, and cardboard cartons, three separate operations in same building. Travel-ware and plastics lines are operating at very low capacity utilization, reportedly as a result of inability to procure raw materials due to funds blockage. Markets, however, are strong. The carton factory is closed for lack of demand but is awaiting the return of agriculture export industries. All raw materials and equipment are imported. Established in 1970's.
- One Manufacturer of polyol foam mattress pads, started in 1982. Has largest capacity foam mattress machine in West Africa. Design capacity: 1000 pads/hour. Manufacturer operates machine 1/2 hour per week. Sells pads to artisans who finish mattresses. Market demand somewhat limited by production costs in relation to local purchasing power. Same promoter is looking for a financial partner for a 2000 ha. oil palm plantation and processing plant.
- One Would-be entrepreneur who allegedly has a 30,000 ha. concession which he wants to develop, to produce corn, soya and other cereals to supply a cattle feed production plant and a chicken farm to produce 20 million chickens per year. Estimates total development costs of FG 23 billion (\$60 million). Has at present no capital, and not one hectare planted, and is looking for 100% debt financing for first increment of production which would be 5000 ha. mechanized grain production; 400ton/day feed plant; and 125,000 chicken capacity broiler operation! Estimates annual sales when fully developed to be FG 34 billion(\$85 million).
- One Blender and packager of bouillon cubes from imported premix. In several months, will also be starting a nylon plastic moulding line for household articles, and a construction equipment rental operation. Some equipment already on hand. Is sole operating factory at present in Km 36 industrial zone. A seemingly well planned and financed operation by a family which operates in several West African countries. Owner

states that interministerial jurisdiction problems reportedly complicate establishment within the industrial zone.

- One Producer of industrial gas (oxygen, acetylene, liquid nitrogen, compressed air). Imports and markets butane cooking gas. Major clients are Friguia, CBG, construction companies and welding shops. Subsidiary of Air Liquide, S.A. (currently operating at 35% - 40% of capacity). Established in 1951. Only private industrial corporation permitted during 1st Republic. Has been assisted by Friguia in obtaining imported raw materials when foreign exchange is unavailable.
- One Mechanized cutting and bending operation of imported rolled galvanized metal for corrugated roofing material (toile ondulee). Established in 1986.
- One Producer of steel nails from imported steel. Established in 1969. Same promoter has a feasibility study for a pineapple export operation and is looking for cofinancing.
- One Ready-to-wear garment producer from imported material. Currently closed for lack of raw material, but financial problems seem to be the root cause. Established in 1963.

#### 4.3. Observations

The sample represents virtually all of the Conakry light manufacturing sector. All operations are import substitution, simple transformation activities of the most elementary type found at incipient levels of industrial development. None generate any foreign exchange.

As it is generally more integrated into the formal economy, and better capitalized than other respondents, the Conakry sample reports rather different concerns. Among these are :

- There is still no preferential treatment in custom taxes for goods introduced for value added transformation activities. They are taxed at the same rate (18%) as similar finished merchandise imported for direct sale.
- Considering the incipient level of industrial development in Guinea, some consider the 17% value added tax as inappropriate to current circumstances.
- Several report that they receive supplier credit for both equipment and raw material. Others report that

lack of liquidity due to funds blockage is strangling their operations.

- None of the respondents is anxious to do business with the re-established banking system if they can avoid it. High fees for services seems to be the major complaint.
- All would, of course, like to see tariff protection for their operations.
- For the Conakry sample, supply problems due to port operations bottlenecks don't seem to be of concern, nor does fuel supply for generators.
- None of the respondents would consider operating without auxiliary power supply, which in some cases is primary rather than back-up.
- As often occurs in economies at incipient stages of industrialization, the sampled plants generally operate at very low levels of capacity utilization.

## REGIONAL SURVEY PROFILE

### FRIA

1. Population: Total Prefecture: 70,413      Fria Center: 39,700

2. Infrastructure

Airport:            none  
Railroad:          to Port Conakry, reserved for  
                         company use only  
Highway:           160 Km to Conakry: 55 km good all-weather,  
                         45 medium to poor all-weather, 60 paved  
Electric  
Power:             24 hours per day dependable  
Water:             Reliable piped water system.

3. Economic Structure

Fria's economic structure is somewhat different from other surveyed prefectures. Fria is a quintessential company town, the sole reason for its existence being the open pit bauxite mine and aluminum oxide refinery of the Societe Friguia, a mixed enterprise jointly owned by the Guinean government and a group of foreign aluminum industry corporations, including Pechiney St. Gobain and Noranda Mines, Ltd.

Friguia directly employs 1600 at Fria and estimates that a population of 16,000, including 50 expatriate families, are directly supported by the company. Most buy their essential necessities including food through company commissaries. Most commissary food supplies with the exception of eggs and fresh vegetables are imported by the company. Food sales during a recent month in 1986 amounted to FG 449.89 million or \$1,250,000, a figure that would amount to \$15,000,000 on an annual basis. Friguia would like to be able to divest itself of its commissary operations, if dependable sources of supply at competitive prices could be assured.

The Societe Friguia has encouraged and assisted in the establishment of former employees into a series of subcontractors who perform on a contract basis various services required by the complex. Fria thus has something not found elsewhere in Guinea, private contractors engaged in the trades associated with a modern industrial society. (1) A list of such contractors supplied by the Div. Prefectural de PME is attached. Per their statistics, 836 employees are active in these organizations.

(1) The Compagnie Bauxite de Guinee (CBG) and OBK bauxite mines at Kamsar and Kindia respectively are essentially enclave operations with virtually no local subcontractors.

#### 4. Analysis of Survey Questionnaire Responses

4.1. Number of Usable Responses: Six (6)

4.2. Breakdown by Category of Activity

Two construction contractors one of which is a cooperative of individual tradesmen, similar to those found elsewhere in Guinea, who pool together as required for larger contracts.

One operational chicken farm with 1500 producing hens selling both eggs and broilers to local market; owner also cultivates 12 ha of grain to partially supply feeding requirements. His market potential in Fria is limited only by his production capacity. Another noninterviewed operator has a direct contract to supply the Societe Friguia. Both are provided with inputs via Friguia's procurement operation.

One auto repair shop

One traditional woodworking shop

One industrial pipe welding and metal fabricating contractor. Located within Fria complex and wholly dependent on company contracts. Interesting in that it is a 35-man shop in a highly skilled industrial trade entirely operated by local Guineans.

4.3. Observations

All respondents depend almost entirely upon the Societe Friguia for their existence, either directly, as in the case of the construction and piping subcontractors, or indirectly, as with the woodworking and auto repair shops. Though none of the respondents have access to or have used bank credit in the past, those subcontracting to Friguia are in a much better relative situation than respondents elsewhere. The society procures and provides supplier credit for most materials required by its subcontractors, eliminating the material supply bottlenecks so characteristic of the rest of Guinea.

Most respondents expressed a desire to want to expand their activities but cited a lack of access to financing as a major obstacle. Given the isolated location and enclave nature of the local economy, one would have to question market potential, apart from activity generated by Friguia. A BICIGUI branch will be located at Fria.

LISTE NOMINATIVE DES ENTREPRISES ET COOPERATIVES

a°) - COOPERATIVES COUVRIERES

| N° | Désignation                     | Spécialités                       | Effectif |
|----|---------------------------------|-----------------------------------|----------|
| 1  | Coopérative de Batiment n°1     | Construction de Batiment          | 50       |
| 2  | " de Batiment n°4               | Maçonnerie - Nettoyage            | 36       |
| 2  | " de Batiment n°5               | Maçonnerie                        | 33       |
| 3  | " Toliens et Peintres           | Tolierie et Peinture              | 9        |
| 4  | " Batiment n°7                  | Maçonnerie Entretien              | 65       |
| 5  | " entretien cités               | Entretien et Nettoyage            | 66       |
| 7  | " Mécanique Générale            | Mécanique & Soudure               | 27       |
| 8  | " Maintenance de Voie           | Entretien Chemin de Fer           | 42       |
| 9  | " D'Exploitation Carrière       | Ballastage Sable et Gravier       | 24       |
| 10 | Société d'Electricité Générale  | Electricité                       | 25       |
| 11 | Mutuelle des Retraités (marcni) | Agriculture, Maçonnerie, carrière | 62       |

b°) - ENTREPRISES COUVRIERES

| N° | Désignations             | Spécialités                         | Effectif |
|----|--------------------------|-------------------------------------|----------|
| 1  | Entreprise Guillerand    | Electricité Générale                | 39       |
| 2  | A.C.H.                   | Charpentes Métalliques, Tauxauterie | 35       |
| 3  | Entreprise Sène Mandiaye | Maçonnerie, Menuiserie, métallique  | 27       |
| 4  | " Elhadj Fall            | Maçonnerie                          | 36       |
| 5  | " Lamadouba I Yattara    | Bobinage - Electricité              | 12       |
| 6  | " Diafodé Kaba           | Travaux Publics et Maçonnerie       | 65       |
| 7  | " Bargaly Sylla          | Maçonnerie                          | 61       |
| 8  | " Fodé Sylla             | Electricité                         | 20       |
| 9  | " Sény Sylla             | Peinture                            | 20       |
| 10 | " Irikinon               | Travaux publics, Batiment           | 32       |

## REGIONAL SURVEY PROFILE

### LABE

1. Population: Total Prefecture: 253,214      Labe Center: 40,360

### 2. Infrastructure

Airport: paved runway, now with two flights per week to Conakry, Boke, and Sambailo  
Railroad: none  
Highway: 150 km to Mamou, 440 km and nine hours to Conakry, paved but mostly in degraded condition.  
Electric Power: Supply from hydro system 24 hours per day but outages are frequent and can be extended during dry season  
Water supply: No piped system in city  
Climate: at 1000m above sea level, Labe is blessed with a very pleasant climate.

### 3. Economic Structure

Labe is considered to be the commercial and trading center of the Fouta Djallon. It is by Guinean standards a relatively prosperous area, a fact that can be appreciated by the boom in housing construction taking place. Labe has long been and continues to be a center of trade between Senegal and Guinea. In recent years, Labe merchants have imported consumer goods from Senegal, and to a much smaller extent exported fruits, vegetables and grains. The road distance between Labe and Dakar is 1000 km, of which approximately 500 are paved and the remainder, including the entire route in Guinea, difficult dry weather standard unpaved. Transport costs are consequently high. The more prosperous merchants of Labe are organized into a forty member Cooperative de Commerçants. Many of these same are also planters and members of the Cooperative Agricole de Labe, which has twenty members. The cooperative's members in 1986 planted 230 ha on an individual basis (170 ha of rice) and an additional 10 ha of rice on a collective basis. These merchant planters form a very well-to-do economic elite in Labe.

The productive economic base of Labe is agriculture. Principal crops in addition to upland rice are oranges, mangos, bananas and potatoes. As is true of most of Guinea, there is little transformation or manufacturing activity beyond the artisan level. The attached pages 2 through 7 of the 1986 first semester report of the Direction Prefectorale de PME of Labe gives a rather complete description of the structure of existing and projected private sector activity in Labe. It is very representative of the pattern of activity found in all surveyed cities, with the exception of Fria. Of particular interest are Tables II and III, a list of planned projects for which agreements and loan requests to the World Bank PME project have

been submitted. The activities are very small, elementary transformation operations. The plastic shoe factory, for instance, has an estimated capital cost of \$250,000. In anticipation of further activity, a 3 1/2 ha. area in Labe center has been reserved exclusively for industrial use. A branch of the BICIGUI Bank is planned for Labe. Given the commercial tradition and relative abundance of capital, it can be expected that as greater liquidity develops, the Labe merchants will be at the forefront of much of the private sector development in the Fouta Djallon.

#### 4. Analysis of Survey Questionnaire Responses

4.1. Number of usable responses: Eight (8)

#### 4.2. Breakdown by category of activity

One planter's cooperative

One Woodwork shop operated by a retired government employee with an assortment of Russian and American power equipment. He indicated that the frequent power outages were a definite problem. He has the market, and probably the ability, to mount a much larger shop

One Traders Association, the aforementioned Cooperative de Commerçants

One Auto Repair Shop

One Traditional forgeron, producer of pots and pans. The owner is illiterate, not interested in and probably not capable of mounting a more commercial-scale operation even if the financial means were available.

One Traditional women's indigo cloth dying cooperative. This activity, which employs many women in certain areas of Guinea, is entirely dependent on imported dyes and cloth and could be made obsolescent by industrialized import competition.

One Plastic shoe/kitchenware molding line, a project of a trader who wants to make the Bata shoes he now buys in Dakar. Has received a package estimate of \$225,000 from a German exporter. Is looking for 80% financing and technology. This project could prove to be an illustration of what often happens when someone with money and an idea ends up with a disfunctional operation marketed by vendors more interested in selling equipment than making a plant work. Not yet under construction.

One chicken feed production and blending operation, based on locally sourced, natural products. The idea of a trained agricultural engineer with little capital, two hectares of land, and questionable entrepreneurial credibility. No progress beyond idea stage as yet.

#### 4.3. Observations

None of the respondents reports having used bank credit. It is probable that the merchants cooperative has an internal credit system. The sample selection illustrates the present dearth of nonagricultural transformation activity beyond the artisan level, even in a relatively prosperous area of the country. At the same time, conversation with the respondents indicates the number of small-scale opportunities that might exist if sufficient liquidity were available and supply bottlenecks eliminated. Even at Guinea's present level of development, as a result of the difficulties of previous years, there is much suppressed demand waiting to be satisfied in the market place once supply bottlenecks are diminished, and a public perception of monetary stability emerges.

Au Budget National, nous avons bénéficié de deux délégations de crédit de 3.500 FG et 5.000 FG depuis le début de 1986.

II- ACTIVITES : Depuis le début de l'année 1986, nous avons enregistré à notre niveau et déposé les dossiers d'agrément, pour la création d'entreprises dont les nom, qualités et activités sollicitées de Primateurs sont indiqués dans le tableau ci-après

TABIEAU II :

| N° | NOM ET PRENOMS/RAISON SOCIALES      | PROFESSION                      | ACTIVITE SOLICITEE                                     | OBSERVATIONS                             |
|----|-------------------------------------|---------------------------------|--|--|
| 1  | El-Hadj Diallo Mamadou Oury         | Commerçant                      | Boulangerie Moderne                                    | Agréé en cour de Finition                |
| 2  | Diallo Abdoul Rahimy                | Commerçant                      | Fabrique de Chaussures et articles méga-iges plastique | Agréé Projet et recherche de financement |
| 3  | Elhadj Diané Ibrahima               | Instituteur en retraite         | Savonnerie Artisanale                                  | Coopérative agréé                        |
| 4  | Niao Kassé                          | Menuisier                       | Menuiserie   | non agréé voie en d'agrément             |
| 5  | Bah Abdoul Rahimy                   | Agent de pour suite en retraite | Etiqueterie  | Non Agréé en voie d'agrément             |
| 6  | Coopérative des teinturiers de labé | -                               | Teinture   | agréé et en fonctionnement               |
| 7  | Elhadj Diallo Ballaké               | Commerçant                      | Transport routier de marchandises                      | non agréé et en voie d'agrément          |

| N° | NOM ET PRENOMS/RAISON SOCIALES                     | PROFESSION                   | ACTIVITE SOLLICITEES                           | OBSERVATIONS  |
|----|--|------------------------------|--|---|
| 8  | El-hadj Diallo Boubacar                            | Commerçant<br>Transporteur   | Transport<br>Routier de<br>marchandises        | Non agréé et en voie<br>d'agrément                                |
| 9  | Balde Thierno Ibrahima                             | Photographe                  | Studio et<br>laboratoire de<br>du reprographie | non agréé et en voie<br>d'agrément                                |
| 10 | N'Diaye Ibrahima                                   | Mécanicien<br>Auto           | Garage mec.<br>Auto                            | non agréé et en<br>voie d'agrément                                |
| 11 | Dieng Cheickh                                      | Constructeur<br>de batiments | Construction<br>de batiments                   | agréé et en fonction<br>nement                                    |
| 12 | Traore Lucien                                      | Electrotechnicien            | R.T.V. Vidéo<br>electricité<br>dépannage       | non agréé et en voie<br>d'agrément                                |
| 13 | Elhadj Diallo Boubacar<br>président . SO.PE.F-SARL | Commerçant                   | Ecole privée                                   | société pour la promotion de l'école<br>privée en voie d'agrément |

III- DEMANDES DE FINANCEMENT :

Dans le cadre de l'assistance financière prévue par le département avec les lignes de crédit C.E.E. et banque mondiale nous avons enregistré et déposé au département depuis le début de l'année 1985 les demandes suivantes, formulées par les promoteurs dont les noms et activités sollicitées sont indiqués dans le tableau ci-dessous (Tableau II)

...../.....

TABEAU III

| N° | NOM ET PRENOMS                       | PROFESSION            | ACTIVITEE SOLLI-<br>CITEE   | OBSERVATION  |
|----|--------------------------------------|-----------------------|---|--|
| 1  | BAH Mamadou Kaly                     | Menuisier<br>Tapisier | Menuiserie<br>Moderne   | Agréé et dossier<br>en instance  |
| 2  | DIALLO Yéro Negué                    | Méc. Auto             | Garage Méc.Auto   | -"-  |
| 3  | BALDE Mamadou Bobo                   | Menuisier             | Menuiserie moderne  | -"-  |
| 4  | El-hadj DIALLO Ibra-<br>hima thianhé | Boulangier            | Boulangerie<br>Moderne  | Agréé, dossier tra-<br>té et déposé à<br>la banque.                          |
| 5  | DIALLO Abdoul rahimy                 | Commerçant            | Fabrique de chaus-<br>sures et articles<br>ménagers en plas-<br>tique | Agréé-recherche<br>de partenaire te-<br>chnique et dossier<br>de financement |
| 6  | Elhadj Diallo Mamadou<br>Mouctar     | Commerçant            | Transport routier   | en instance Bure<br>que bureau d'Etu-<br>de                                  |
| 7  | Elhadj Diallo Ballaké                | Transporteur          | Transport routier<br>de marchandises                                  | en instance B.E.   |
| 17 | Elhadj Kanté Moussa                  | Cinéaste              | Cabine tech de<br>projection cinéma<br>tographique                    | En instance B.E.   |

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IV- DE LA CREATION D'UNE ZONE INDUSTRIELLE : Dans le cadre de l'assistance, en commun accord avec les autorités préfectorales de Labé, nous avons créé une zone industrielle de 3 ha 40 A et 12 C.A. Uniquement réservée aux futurs promoteurs industriels.

Dans cette zone il a été octroyé :

- 1 ha pour DIALLO Abdeul rahimy pour la fabrique de chaussures et articles ménagers en plastique.

- 1/2 Ha pour El-hadj DIALLO Alpha Oumar pour la fabrique de matelas mousse (éponge) dont les études du projet sont en cours au bureau d'Etudes des petites et moyennes Entreprises.

V - DU RECENSEMENT DES ENTREPRISES:

Pour une connaissance plus ample des potentialités économiques de la préfecture de Labé, une mission de recensement a été organisée pour le recensement de toutes les petites entreprises de production artisanale et de service.

Les résultats de ce recensement sont indiqués dans le tableau ci-dessous ( tableau IV et V )

P.M.E. et Artisanat                      Tableau IV

| n° | DESIGNATION                          | TYPE      | NOMBRE | OBSERVATIONS |
|----|--------------------------------------|-----------|--------|--------------|
| 1  | Menuiserie                           | Indiv.    | 45     |              |
| 2  | Mécanique- Auto                      | "         | 20     |              |
| 3  | Tapisserie                           | "         | 8      |              |
| 4  | Mécanique-Moto                       | "         | 13     |              |
| 5  | Construction Métallique              | "         | 8      |              |
| 6  | Briqueterie                          | "         | 21     |              |
| 7  | Vuocanisation et charge de batteries | "         | 8      |              |
| 8  | Forge                                | "         | 20     |              |
| 9  | Fenderie                             | "         | 4      |              |
| 10 | Photographie                         | "         | 13     |              |
| 11 | Couture                              | "         | 70     |              |
| 12 | Electricité-Auto                     | "         | 2      |              |
| 13 | Radiotechnique                       | "         | 14     |              |
| 14 | Bijouterie                           | "         | 13     |              |
| 15 | Construct.de Bâtiment                | Coopérat. | 1      | 35 Membres   |

| N° | DESIGNATION                              | TYPE    | NOMBRE | OBSERVATIONS              |
|----|--|---------|--------|---------------------------|
| 16 | Librairie-Papéterie                      | Ind.    | 1      |                           |
| 17 | Exploitant de Carrière                   | -"-     | 3      |                           |
| 18 | Savonnerie                               | Coop.   | 1      | 14 Membres                |
| 19 | Brèderie                                 | -"-     |        |                           |
| 20 | Restauration-Bar                         | Indiv.  | 6      |                           |
| 21 | Hètèlerie                                | -"-     | 2      |                           |
| 22 | Cinéaste                                 | -"-     | 1      |                           |
| 23 | Entrepreneur de peinture<br>de Bâtiments |         | 2      |                           |
| 24 | Agriculture                              | Coop.   | 1      | 15 Membres                |
| 25 | Teinture                                 | -"-     | 1      | 225 Membres               |
| 26 | Beucherie                                | Indiva. | 19     |                           |
| 27 | Beulangerie                              | -"-     | 40     | Moderne 1; Semi-moderne 4 |
|    |  |         |        | Artisanales 35            |
| 28 | Entrepreneur de Bâtiments                | -"-     | 4      |                           |
| 29 | Café                                     | -"-     | 3      |                           |
| 30 | Gargettes                                | -"-     | 87     |                           |
| 31 | Horlogerie                               | -"-     | 4      |                           |
| 32 | Coordenarie                              | -"-     | 17     | Reparation Courante       |
| 33 | Bar                                      | -"-     | 4      |                           |
| 34 | Bar Dansing                              | -"-     | 2      |                           |
| 35 | Bar-Restaurant-Dansing                   | -"-     | 4      |                           |
| 36 | Pharmacie                                | -"-     | 1      |                           |
| 37 | Ecole Privée                             | Société | 1      | en cours de finitien      |
| 38 | Exploitant Forestier                     | Indiv.  | 15     |                           |

ENTREPRISES INDUSTRIELLES EN PROJET

| N° | DESIGNATION  | TYPE           | NOMBRE | OBSERVATION   |
|----|--|----------------|--------|---|
| 1  | Boulangerie moderne                                      | Indiv. Iduelle | 2      | Une à financer sur nos lignes de crédit                                     |
| 2  | Fabrique de matelas mousse                               | "-             | 1      | Projet en cours d'Etude au Bureau d'Etudes                                  |
| 3  | Fabrique de chaussures et articles ménagers en plastique | "-             | 1      | Projet en instance avec recherche de partenaire technique et de financement |

ENTREPRISES PHARMACENTIQUE ET DE SPECTACLES

une pharmacie privée et une salle de cinéma moderne de 1.000 places/en cours de finition . soit

DES ENTREPRISES COMMERCIALES

sur la demande des autorités préfectorales nous avons recensé toutes les entreprises commerciales en vue de leur donner une situation plus exacte de leur potentialités en matière de recettes fiscales ( voir tableau ci-dessous)

| N° | DESIGNATION                 | TYPE   | NOMBRE | OBSERVATIONS |
|----|-----------------------------|--------|--------|--------------|
| 2  | Magasins et Boutiques       | Indiv. | 227    |              |
| 2  | Détaillants sur table       | "-     | 355    |              |
| 3  | Import-Expert               | "-     | 12     |              |
| 4  | Stands en Location-Kiosques | "-     | 467    |              |
| 5  | Stands en location          |        |        |              |

## REGIONAL SURVEY PROFILE

### MAMOU

1. Population: Total Prefecture: 190,525 Mamou Center: 35,748

#### 2. Infrastructure

Airport: None

Railway: Midway on Conakry - Niger Line

Highway: Intersection point of highways to Conakry (280 km), Labe (150 km) and Haute Guinee (Faranah 190 km). The highway through Dabola to Kankan (projected for reconstruction) also starts at Mamou.

Electric Power: Sporadic for four or five hours nightly

Water Supply: No piped system in city

Climate: Approx. 600 meters altitude.

#### 3. Economic Structure

Mamou is perhaps the principal transportation crossroads of the Guinean interior, and is located at the gateway to both the Fouta Djallon and Haute Guinee, the latter by both highway and railroad. In spite of its strategic location, there is a total absence of suitable lodging in what ought to be an ideal location for a hotel of acceptable standards. Due to its climate, the Mamou area is ideal for vegetable and banana production. At one time, the government operated a tomato concentrate factory, which is now closed and is a candidate for privatization. Though irregular supply of fresh tomatoes was the reported reason for the closing, the real problem was artificially low producer prices fixed by the government. Local authorities assert that reasonable price levels will assure supplies of fresh tomatoes from the surrounding area that would be adequate to support the concentrate plant if it were reopened.

Mamou has nine artisan cooperatives (tailors, masons, butchers, bakers, cloth dying) three mechanical co-ops (iron work, soldering, and forgerons), and sandal makers and leatherware makers. The PME office stated that numerous plantations of 10 ha or greater were active, but none of the transformation activity projects that had been granted agreement were as yet functional. A BICIGUI branch will be located at Mamou.

#### 4. Analysis of Survey Questionnaire Responses

4.1. Number of usable responses: Seven (7)

4.2. Breakdown by category of activity

One woodwork and furniture shop similar to those found all over Guinea

One chicken farm, which turned out to be a backyard chicken house whose first 300 chickens had just been sold. The owner is an ingénieur agronome with a plan to build a commercial operation, starting with 2000 hens. He has a location and a fairly complete feasibility study, and is typical of quite a few potential entrepreneurs who would be capable of forward motion with greater access to financial liquidity. He has submitted a loan request to the CEE credit line. In Mamou as elsewhere, the market demand for eggs and poultry is far greater than the normal supply, a factor attested to by the price of eggs, which is higher than in the U.S.

Two individual agricultural producers. One produces bananas, mangos, and oranges and reports a very strong market due to insufficient supply in Middle Guinea. He was one of the few respondents who did not indicate financial liquidity to be a major problem. On the other hand, fertilizer and herbicide are either absolutely unavailable or priced too high. Lack of a vehicle is a listed a major constraint.

The other is the ex-technical director of the state tomato concentrate plant, who wishes to develop a 40 ha concession for tomatoes, onion and green bean production. He also talked of reactivating the concentrate plant under private auspices and building a 25-room "hotel de luxe pour les expatriés". He seemed to be typical of several ex-civil servants turned would-be entrepreneurs who were interviewed in that:

- they are able to articulate their project ideas very well
- the magnitude of the projects they envision tends to be inconsistent with their current or likely financial means
- there seems not to be a full realization of the different implications of majority equity financing of their project idea by others, or of debt financing, and donated foreign financial assistance typical of that used to finance state enterprises in former times

One modern bakery under construction. The entrepreneur is quite concerned about how the erratic diesel fuel supply and lack of potable water supply in Mamou will affect his installation.

One sandal and leatherware producers cooperative of 46 members. Most work is done on an as-ordered basis and

the work assignments are distributed among the individual members who are remunerated on a piece work basis. Production methods are artisanal. Major problems are a dependable supply of acceptable quality tanned leather (although they have an agreement with the local butchers cooperative), and inability to raise productivity to meet their potential market. They recognize very strongly a need for technical and financial assistance to mechanize to some extent their now completely manual operations. More than half of their production is marketed via wholesale intermediaries for export to Liberia, Sierra Leone and other countries to the east.

One metal workshop specializing in production of the improved home woodburning stove (foyer amelioré). A two-man operation which can produce four stoves per day by completely manual methods from second-hand material. They were trained by a UN appropriate technology program. Wood consumption is reduced by one-half to two-thirds, a benefit both to the individual family and to the nation's forest cover. This is a classic illustration of the type of product that is now produced only at the artisan level, which could easily be mass-produced, and for which a potential mass market exists, given the nation's level of development. This is surely a project idea waiting to be developed by the right entrepreneur.

An interview with the local cloth dyers cooperative proved not to be usable as the cooperative for all practical purposes seems not to function due to organizational problems, a situation decidedly different from that at Labe and Kindia.

## REGIONAL SURVEY PROFILE

### KINDIA

1. Population: Total Prefecture: 216,052 Kindia Center: 55,904

2. Infrastructure

Airport: none  
Railway: Station on the Conakry-Niger line  
Highway: 135 Km (2-1/2 hr) from Conakry, degraded pavement; 150 km (3 hr) from Mamcu, degraded pavement.  
Electric Power: Sporadic  
Water Supply: No piped system  
Climate: Approximately 300 meters altitude

3. Economic Structure

Kindia is located in a very fertile agricultural area where virtually every major tropical fruit and vegetable crop can be grown on a commercial basis. Much of the produce marketed in Conakry comes from the Kindia area. A joint venture Russian/Guinean bauxite mine is located near the city. The bauxite is transported to Conakry port by railroad. The operation is a major source of area employment, though statistics are unavailable. Producer cooperatives in Kindia are quite important. Though a very important market and agricultural center, there is little manufacturing activity beyond the artisan level, as can be appreciated by the selection of activities in the sample, and from the following statistics of private sector employment provided by the Prefectural PME office. The ratio of Kindia Center to total prefectural activity also illustrates the types of artisan activity within the Guinean context which are primarily urban and primarily rural.

Recensement Partial des Artisans a Kindia (nombre des effectifs.)

|                           | Kindia Centre | Total, Prefecture,<br>including<br>Kindia Centre |
|---------------------------|---------------|--|
|                           | -----         | -----  |
| Boulangeries              | 37            | 55   |
| Bouchers                  | 76            | 89   |
| Tailleurs                 | 392           | 587  |
| Teinturieres              | 787           | 800  |
| Tisserands                | 241           | 245  |
| Menuisiers/Scieries longs | 153           | 367  |
| Sculpteurs/Art Plastique  | 14            | 16   |
| Batiments/Fab. de briques | --            | 155  |
| Chaudronnieres            | 7             | 10   |
| Fermiers                  | 2             | 53   |
| Fondeurs                  | 32            | 36   |
| Decortiqueuses            | 11            | 11   |
| Forgerons                 | 15            | 138  |
| Bijoutiers                | 27            | 28   |
| Planteurs                 | 21            | 319  |
| Photographes              | 20            | 22   |
| Fibre vegetal             |               | 18   |
| Fabriques savonneries     | 20            | 32   |
| Extraction huile          | 6             | 98   |
| Cordon, tapisseries       | 59            | 69   |
| Coiffures/Horlogeries     | 25            | 29   |
| Mecaniciens               | 67            | 84   |
|                           | -----         | -----  |
| Total                     | 2012          | 3261   |

The figures indicate the importance of cloth dying and cloth weaving for which Kindia is well known.

4. Analysis of Survey Questionnaire Responses

4.1. Number of usable responses: Nine (9)

4.2. Breakdown by category of activity

Two Planters cooperatives, one composed of 285 vegetable growers, the other, 120 fruit growers, all of whom produce on an individual basis. Both were organized prior to independence. Cooperative action takes place in marketing, material supply, and representation. The vegetable co-op markets in Conakry, Fria and the Kindia area. The fruit growers co-op has been exporting about 80% of its production via Fruitex, the government export agency. Most growers cultivate small plots of several hectares maximum very intensively. Both groups listed lack of working capital, input supply difficulties, and lack of transportation as their major constraints. Neither had ever used external credit sources.

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- One Sawmill, of little more than artisan level, established in 1962, with the primary equipment being a ribbon saw of World War I vintage. The only saw mill in Kindia. The elderly owner is applying to the World Bank PME project for modernization and an expansion loan. At the time of establishment in 1962, the initial capital investment was over 10 million francs of that period, all supplied from personal sources. According to the owner's figures, cutting an average of 20 days/month at 8m<sup>3</sup> wood/day, his annual sales are approximately FG 40 million/year (\$100,000/year). He also cultivates 12 ha of rice (no inputs at all) and obtains a yield in the vicinity of 700-750 kg/ha on an unmilled basis. The owner is typical of many who were interviewed, who seem to possess surprisingly large stocks of personal capital, even though little liquidity from other sources is reportedly available.
- One Construction contractor. Though reported to be one of the largest private contractors in the area outside of the ever present construction cooperatives, the business proved to be barely functional, with decidedly norentrepreneurial management.
- One Chicken farm of 1000 egg-producing hens, started in 1982, and financed entirely from personal funds. An expansion, also financed from personal sources, is under construction. As with all viable chicken operations, the chicks are imported either from France or neighboring countries. There would appear to be a good opportunity in Guinea for at least one adequately financed chick hatchery operation.
- One Small goat farm, barely in operation, chosen for interview in error due to language misunderstanding.
- One Metal work and welding shop. We asked to see the largest in Kindia, and were shown a five-man shop whose major constraint is reportedly obtaining sufficient scrap metal supply.
- One Indigo cloth dying (tenturiere) cooperative of 200 female members who use the coop premises in a rotation system of groups of 20 members each. Most reportedly work for their own account when not on rotation. This is one of the oldest and best organized coops in Guinea, having been founded in 1963. The physical premises were financed at that time with a \$60,000 World Bank Credit. More than half of the production is exported to Gabon, Cote d'Ivoire and other neighboring countries. Lack of working capital, financing for expanded premises, and erratic supply of imported chemicals are listed as major constraints.

One Wood and Ivory Sculptures Cooperative organized in 1984 by 15 craftsmen who work on an individual basis and market through the cooperative. The work is of exceptionally high quality. Virtually all production is either sold to intermediaries for export or directly to expatriates at Fria and Kamsar. The Conakry market is supplied by Conakry-based artisans. The co-op feels a strong need to mechanize operations to boost productivity. One gets the impression, however, that while technically capable of modernizing, they will be lost in the world of PME credit paper work without close guidance. This trait is characteristic of the artisan co-ops and many small entrepreneurs and should be taken into account in the implementation plans for small project credit lines.

#### 4.3. Observations

An important artisan group at Kindia with whom an interview was attempted but later abandoned because of unreceptiveness and interpretation difficulties (Peul to Malinke to French) is the male cloth weavers (tisserands). Over 200 work on an individual basis in a common area near the market. Efforts to organize as a cooperative for supply and marketing purposes have to date not proven fruitful. Much of their production is reportedly exported.

The strength of the private sector artisanal, agricultural and market economy at Kindia indicates that it would be a prime candidate area for an informal sector supervised credit project.

Though not yet the object of any specific promotions, it would appear likely, given Kindia's nearness to Conakry and its strong agricultural vocation, that it should offer potential as a location for fruit-processing activities for the Conakry market. A BICIGUI branch will be located in Kindia.

bf

## REGIONAL SURVEY PROFILE

### SIGUIRI

1. Population: Total Prefecture: 209,164 Siguiiri Center: 37,361

2. Infrastructure

- Airport:** Municipal airport with dirt runway. One flight per week Conakry-Siguiiri-Kankan-Conakry
- Highway:** 950 km from Conakry; the 140 km from Kankan is all-weather road with two river crossings. Service often interrupted at river crossings, effectively cutting communications with the rest of Guinea, other than via a very poor road to Kouroussa; 210 km (45 hrs) from Bamako, Mali, improved non-paved surface with no river crossings.
- Electric Power:** 350 KVA diesel system; service four hours/day
- Water Supply:** No piped system in city. Abundant groundwater resources.
- Climate:** Siguiiri is located near the flood plain of the Niger River and has a dry savannah climatic and vegetation pattern. Annual rainfall is somewhat more than 1000mm. The dry season is long (7-8 months) and extremely hot.

3. Economic Structure

As a result of its location, Siguiiri has long had stronger commercial relations with Mali and the Cote d'Ivoire than with Conakry. The prefecture is one of the major gold-producing areas of Guinea. At present, all gold is apparently mined and sold on a clandestine basis except for that to be produced at the Chevaning Ltd./Guinean government joint venture mining concession, located approximately 50 km from Siguiiri. Gold is reported to be the major source of income of the area. Most transactions are reportedly carried out with Mali and Cote d'Ivoire traders. Two recent development projects will play an important role in Siguiiri's economic development. One is the rice project where appropriate parcels of land within a 120 km stretch on the left bank of the Niger are being irrigated for double cropping. For the 1986 season, approximately 3000 ha. have been planted. Most of the project beneficiaries are peasant smallholders. Input supply, credit and extension components are included in the project.

The second major project being developed in the area, albeit on a much more gradual basis, is the Projet de Coton, organized and financed by the Corporation francaise de developpement textile.

The project objective is to introduce cotton into the local crop rotation scheme of smallholders. The cotton will be purchased by the CFDT at government-determined prices for use in the new textile mill in Conakry and for export.

Fruit and grain production are also important. Much of the marketed surplus is exported to Mali in unrecorded transactions.

Due to its inaccessibility from Conakry, fuel and input supply problems at Siguiri are even more acute than in other areas of Haute Guinee. Transport costs are exceedingly high. A local merchant reports that he buys cement at Conakry for FG 25,000/ton, but that transportation to Siguiri costs an additional FG 25,000 per ton.

Apart from clandestine gold and diamond mining, the statistics of existing and projected non-agricultural private sector activity reported by the prefectural PME parallel those of other surveyed areas. The summarized statistics list the following categories of activities:

| <u>Activity</u>                          | <u>Number_of_Active_Enterprises</u> |
|--|-------------------------------------|
| Artisans production                      | 253                                 |
| Maintenance/Mechanical                   | 57                                  |
| Services                                 | 219                                 |
| Agroindustrial (all small-scale milling) | <u>9</u>                            |
|  | 538                                 |

Among the projects for which agreements have been requested but are not yet in operation are a fruit juice canning line, an ice factory, several chicken farms, several modern bakeries, several artisan soap factories, etc.

#### 4. Analysis\_of\_Survey\_Questionnaire\_Responses

4.1. Number\_of\_Usable\_Responses: Eleven (11)

4.2. Breakdown\_by\_Category\_of\_Activity

Two Planters Cooperatives. One is a group of forty active mango growers who are in the process of organizing for input supply and marketing purposes. Their prime non-local market will be exports to Mali. They cite as major constraints lack of access to credit and insufficient transport at reasonable prices.

The other producer cooperative, also in organizational stages, currently has fourteen members (9 cadres and 5 paysans producteurs). The cadre, the leaders of which seem to be ex-bureaucrats, claim to have access to a domaine of 600 ha. of potentially good rice land, 85 km from Siguiri, of which 20 ha. will be cultivated for seed production next year. The co-op seems to be too heavy in management and the vocabulary

of international development assistance. It remains to be seen how productive the operation will become.

- One Modern Bakery under construction.
- One Traditional forgeron who specializes in made-to-order shotguns.
- One Artisan sandal and leatherware co-op of 18 members producing only for the local market and destined to remain at the artisan level. Leather supply is greatest problem. Most is imported from Mali.
- One Traditional soapmaker. The only Lebanese in Siguiri, his family has been supplying the area with traditional soap since 1920. He wants to expand by installing a. oil extraction line (at least \$150,000), and has a dossier with CNPIP.
- One Artisan-scale rice and peanut milling operation with two employees. It is not certain if the traditional millers who mill by the measure (pan full) for market women are capable of expanding to commercial-scale milling as the rice project is implemented, even if they did have sufficient capital. The scale of operation and entrepreneurial outlook required would be completely different.
- One Veterinary pharmacy (not yet in operation). A trained veterinarian with an idea and no capital in search of a financial partner, seemingly unaware that 100% capital contribution means 100% ownership.
- One Tractor owners cooperative of seventy individual owner members who organized in 1985 to provide rental tractor service for the rice project and local planters. Their problem illustrates in a microcosm those of the economy in general. All tractors are either Romanian or Czech, purchased at subsidized prices during the 60's and 70's. AGRIMA, the government-owned parts importer, is incapable of supplying even the most essential spares on a regular basis. During the planting session only 50 of 70 tractors were operational and utilization was restricted by fuel rationing. At the time of interview (August 86), it was alleged that 70 out of 70 were inactive because tires were not available.
- One Representative of local merchants. All the major merchants reportedly deal in gold as major source of income and all other activity is essentially a front.

#### 4.3. Observations

Due to the acute supply-related constraints at Siguiri, it will be difficult to further integrate the region into the Guinean national economy until such time as the highway to Kankan is reconstructed and the ferry service operates on a more sustainable basis. As a result of the mining activity, there is reportedly much hidden wealth which might eventually be converted to investment capital. A BICIGUI branch is not yet planned for Siguiri.

Employment at the Chevaning Ltd. gold mining operation is projected at 350 when production starts at the end of the 1986 rainy season. The logistics operation will be operated directly by the company via truck supply from Conakry, apart from whatever food supplies might be purchased locally. Except for several expatriate families, the compound will be a single status operation. Chevaning management will remain open to any local sub-contracting opportunities that offer competitiveness with the company supply line in reliability and price.

## REGIONAL SURVEY PROFILE

### KANKAN

1. Population: Total Prefecture: 229,861 Kankan Center: 76,633

2. Infrastructure

- Airport: Paved runway is in good condition. Two flights per week from Conakry, one of which carries on to Bamako, Mali.
- Railway: Terminus of the Conakry-Niger line. As of August 22, 1986, service to Kankan had been out of operation for the previous month.
- Highway: 800 km to Conakry; 335 km to Faranah in acceptable condition; 465 km from Faranah to Conakry in poor condition. Rehabilitation work under way.
- Electric Power: Currently 4 hours per day due to fuel shortage.
- Water Supply: No piped system in city. Abundant ground water resources.
- Climate: Though in the savannah area of Haute Guinee, the Kankan region has a longer and more reliable rainy season than Siguiri.

3. Economic Structure:

Kankan is situated on the Milo River, in the midst of a very large and fertile flood plain area. The most important commercial crop in the area is mangos. A government owned mango concentrate plant is still in operation at Kankan.

Though the second largest urban area in Guinea, Kankan and Haute Guinee in general appear to have been particularly neglected by the central government in terms of infrastructure. Telephone service is at best intermittent, the rail service increasingly more sporadic, and quite often the only communications link with Conakry is via a sixteen-hour taxi ride.

Though private sector activity statistics were unavailable, the pattern of non-agricultural activity appears similar to other cities surveyed, i.e. primarily commercial, market, and artisan. The Kankan area has a very strong potential for commercial agriculture, especially mango and rice production.

There appears to be a relatively large amount of incipient investment activity being planned, particularly in an area on the bank of the Milo River, several kilometers north of the city. It has been zoned off for industrial and commercial development.

Much of the capital is reportedly supplied by recently returning Guinean emigres from Europe and neighboring countries. BICIGUI will soon open a branch in Kankan.

#### 4. Analysis of Survey Questionnaire Responses

4.1. Number of usable responses: Ten (10)

4.2. Breakdown by category of activity

- One Planters cooperative of 283 members, who, along with the Cooperative de Commerçants, many of whom are also planters, are the economic elite of Kankan. Due to the lack of transportation and suitable market outlets, much of the local mango production in excess of that purchased by the concentrate plant is lost to spoilage.
- One Sawmill/furniture maker of commercial scale, started in 1984 and currently employing 21. The operation is a diesel-powered belt-driven mechanical marvel assembled from ancient pieces of Russian and Chinese equipment. The owner is decidedly entrepreneurial, capable and desirous of expanding, but currently has no access to financing beyond his own capital, and loans from his parents, who are planters.
- One Chicken farm, allegedly of commercial scale, which proved to be a chicken coop with approximately 50 sickly hens operated by a retired police agent. A commercial-scale operation with strong financial backing is in initial stages of construction in the aforementioned industrial area.
- One Cooperative de Commerçants composed of the 26 Kankan traders who are licensed for export/import operations. Most are also planters, and many reportedly deal in clandestine gold and diamonds.
- One Welding shop, fabricating metal doors and window covers from scrap iron.
- One Wood and ivory artisanware producer operating an eight-man shop on an individual basis. Similar to the Kindia co-op in characteristics, its market is virtually all export through intermediaries or local expatriates. More attention should be paid by development agencies to artisans who generate foreign exchange.
- One Traditional soapmaker similar to those found in many large towns. He too would like to install a palm oil extraction line and commercialize palm oil as well as soap. If the Siguiri and Kankan operators both

- . installed extraction lines, the region would probably be oversupplied.

One Artisan-scale grain miller (by the measure for market women) and bakery owner, who has operated on a private basis since 1964. Has seven small electric milling machines powered by an ancient 37.5 KVA generator.

One Bicycle assembly shop. Historically, one of the first assembly line operations established in subsistence-level agrarian economies at incipient stages of industrial development. The Kankan area is ideal for mass bicycle transport, being very flat with relatively few autos and most principal streets amenable to bicycle travel. An eight man assembly line can assemble 30-40 bicycles/day. Sold to local bicycle shops for resale at fixed price of FG 48,500 with an installment plan arrangement. Can sell all that can be assembled. Would like to expand to 100 bike per day operation. Parts are imported from France via Conakry, with the Conakry Port operation as a recurring bottleneck. Some financing is apparently provided by a family member in Conakry. Operations began in February 1986. Because of the extended and severe rainy season, and elongated geography, it is doubtful if the mass bicycle transport concept could be duplicated in Conakry, an obvious reason why the first shop was located at Kankan.

One Upholstered furniture maker. A twenty-five man shop operating on a private basis since 1971. Imported fabric supply is a recurrent problem.

#### 4.3. Observations

Due probably to its relatively large population, distance from Conakry, and returning emigres, the Kankan area seems to be somewhat more dynamic than other surveyed cities in terms of investment activity. Along with Kindia, and perhaps Labe, it would appear to be a potential location for an informal sector credit project.

The CFDT cotton project is headquartered at Kankan, which will be the transportation hub for all cotton grown and marketed through the project. The Kankan prefectural PME office was unaware of the World Bank PME credit line.

## REGIONAL SURVEY PROFILE

### KISSIDOUGOU

1. Population: Total Prefecture: 183,236  
Kissidougou Center: 40,380

2. Infrastructure

Airport: Dirt strip with one flight per week to Conakry  
Railway: None  
Highway: 195 kms to Kankan paved in acceptable condition; 605 km to Conakry via Faranah; 93 km to Gueckedou (Sierra Leone border) in good condition; continuing on to Macenta and N'Zerekore in difficult condition  
Electric Power: Currently 4 hours/day  
Water Supply: No piped system in city  
Climate: Kissidougou is in the transition area between the savannah and the humid forest region of Guinea.

3. Economic Structure

Located in the hilly country somewhat south of the southern limit of the savannah, Kissidougou's economic base is somewhat mixed-- coffee, palm oil, manioc and lumber being the major crops. Apart from several commercial-scale saw mills and a bakery, there is a total absence of transformation activity beyond the artisan level. Soils in the area are reportedly very fertile. The AREDDOR diamond and gold mine employing approximately 150 expatriates is located 85 kms from Kissidougou. A BICIGUI branch is planned for Kissidougou.

4. Analysis of Survey Questionnaire Responses

- 4.1. Number of usable responses: Seven (7)

- 4.2. Breakdown by category of activity

Two Commercial-scale sawmills. One is operated by an internationally supported Catholic mission. Profits, if any, support the missions' operating budget. It has been in operation since 1954. The technical director is of the opinion that deforestation could severely constrain the wood supply in the future.

The second mill is at the site of Guinea's first sawmill, established in 1946. It was privatized in 1984, is owned by six private investors and operated by a very capable technical director. It is the most professional industrial operation visited in the

course of the survey. It has applied to the World Bank PME project for an expansion loan. Both mills have about fifty employees each.

- One Woodworking shop with plans to establish a shop-scale sawmill to supply his own needs. The same entrepreneur, an experienced woodsman, plans on reactivating an abandoned fruit juice preparation line in the same building. Typical of many older traditional traders interviewed, while commenting on the total lack of credit availability, he seems to have surprisingly large personal resources. This gentleman has invested FG 21,000,000 already in his new business.
- One Construction cooperative of 120 members with organization and operating problems similar to those in other prefectures.
- One Cooperative de commercants, including the 25 licensed importer/exporters in the prefecture. Most are also planters, and many are reportedly engaged in clandestine gold and diamond activity.
- One Modern bakery. Initiated operation in 1985, but has seen sales decrease from 4,000 to 3,000 loaves per day. Owner is a Guinean emigre who returned after 1984 government change.
- One Taxi/truck cooperative. By its own admission, a cooperative in name only, as government mandated, for purpose of orderly and peaceful distribution of transport assignments.

#### 4.3. Observations

Similar to Siguiri, Kissidougou apparently has more wealth, albeit in very traditional hands, than is apparent on its somnolent surface. It remains to be seen whether the AREDDOR operation will have any significant impact on the area. Foreign investment in upgraded coffee production is taking place in the area.

## REGIONAL SURVEY PROFILE

### FARANAH

1. Population: Total Prefecture: 142,923 Faranah Center: 39,384

#### 2. Infrastructure

Airport: Paved runway with one flight per week from Conakry  
Railway: None  
Highway: 475 Km (10hrs) to Conakry, mostly degraded pavement, rehabilitation underway; 140 km to Kissidougou, 325 km to Kankan in acceptable condition.  
Electric Power: Hydro supply, 24 hours/day fairly reliable  
Water Supply: Potable piped water system in city center

#### 3. Economic Structure

Faranah is located near the source of the Niger River in a fertile rice and grain-producing valley. USAID has participated in a 3000 ha rural development project, 15 kms from the city. Municipal infrastructure is surprisingly good.

The non-agricultural sector consists of the usual artisan service and commercial activities. Per the PME, the only projects being planned are another bakery and a traditional soap factory.

The BICIGUI does not plan on establishing a branch at Faranah, which will continue to make access to small project credit lines difficult for local entrepreneurs.

#### 4. Analysis of Questionnaire Responses

Because of the elementary nature of the non-agricultural economic structure, and time constraints resulting from transportation problems, the survey interview program was cancelled.

ANNEX 3

Tabulation of Individual Questionnaire Data

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GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 1

|                    |   |
|--------------------|---|
| LOCATION           | FR1A  |
| PRINCIPLE ACTIVITY | Contract construction (houses, etc.) & maint. for Friguia |
| STARTUP DATE       | JAN 86  |
| GOVERNMENT ASST    | PME (Fria only)   |
| OWNERSHIP          | private   |
| STOCKHOLDERS       |   |
| INITIAL INVESTMENT | FG 600,000  |
| SOURCE OF FUNDS    | personal  |
| EMP FULL TIME      | 65  |
| EMP PART TIME      | 30  |
| UNSKILLED          | 20  |
| SKILLED            | 44  |
| MANAGEMENT         | 1   |
| IMPORT DEPENDENT   | yes (mat./equip.)   |
| SALES / YEAR       | FG 13.5 million   |
| CLIENTELE          | societe Friguia (90% plus)                                |
| PERCENT EXPORTED   | 0   |
| MARKET POTENTIAL   | medium  |
| EXPANSION INTEREST | yes   |
| CONSTRAINTS        | Lack of credit and equipment                              |
| EXPANSION REQUIR.  | Credit, foreign exchange for equipment                    |
| TRAINING REQUIR.   | organization  |
| PREV CREDIT USE    | yes   |
| CREDIT SOURCE      | Friguia supplies mat/equip. as req. for contract work     |
| DIVERSIFY INTEREST | yes   |
| SECTOR             | agriculture   |
| COMMENTS           | Almost wholly dependent on Friguia contracts.             |

GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 2

|                    |  |
|--------------------|--|
| LOCATION           | FRIA   |
| PRINCIPLE ACTIVITY | metal fabrication, piping, welding for FRIA  |
| STARTUP DATE       | JAN 80   |
| GOVERNMENT ASST    | no   |
| OWNERSHIP          | partner  |
| STOCKHOLDERS       |  |
| INITIAL INVESTMENT | SYL 1 million  |
| SOURCE OF FUNDS    | loan frm FRIA  |
| EMP FULL TIME      | 36   |
| EMP PART TIME      | 5-10   |
| UNSKILLED          | 5  |
| SKILLED            | 28   |
| MANAGEMENT         | 3  |
| IMPORT DEPENDENT   | yes (equipment)  |
| SALES / YEAR       | SYL 1.3 million  |
| CLIENTELE          | societe Friguia (95% -)  |
| PERCENT EXPORTED   | 0  |
| MARKET POTENTIAL   | weak   |
| EXPANSION INTEREST | not evident  |
| CONSTRAINTS        | Apart from FRIA, little mkt. equip. for chem plant pipe work                       |
| EXPANSION REQUIR.  | equipment  |
| TRAINING REQUIR.   | work organization; larger outside contracts  |
| PREV CREDIT USE    | yes  |
| CREDIT SOURCE      | FRIA supplied mat./equip. as req. for contract work                                |
| DIVERSIFY INTEREST | no   |
| SECTOR             |  |
| COMMENTS           | Shop located in plant.<br>2 ex-FRIA empl. set up by co. to work on contract basis. |

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GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 3

|                    |  |
|--------------------|--|
| LOCATION           | FRIA   |
| PRINCIPLE ACTIVITY | general contract const., welding, plant maintenance                          |
| STARTUP DATE       | 1974   |
| GOVERNMENT ASST    | no   |
| OWNERSHIP          | cooperative  |
| STOCKHOLDERS       |  |
| INITIAL INVESTMENT | SYL 500,000  |
| SOURCE OF FUNDS    | member equity  |
| EMP FULL TIME      | 60   |
| EMP PART TIME      | 20   |
| UNSKILLED          | 30   |
| SKILLED            | 39   |
| MANAGEMENT         | 1  |
| IMPORT DEPENDENT   | yes (mat./equip)   |
| SALES / YEAR       | FG 15 million  |
| CLIENTELE          | societe Friguia (90% +)  |
| PERCENT EXPORTED   | 0  |
| MARKET POTENTIAL   | medium   |
| EXPANSION INTEREST | yes  |
| CONSTRAINTS        | lack of credit; equipment availability                                       |
| EXPANSION REQUIR.  | finance; foreign exchange for equipment                                      |
| TRAINING REQUIR.   | manpower training; project mgt. for larger contracts                         |
| PREV CREDIT USE    | yes  |
| CREDIT SOURCE      | Friguia supplied mat./equip. as req. for contract work                       |
| DIVERSIFY INTEREST | yes  |
| SECTOR             | agriculture  |
| COMMENTS           | Now dependent upon Friguia.<br>Would like to develop non-comp. local market. |

GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 4

|                    |   |
|--------------------|---|
| LOCATION           | FRIA  |
| PRINCIPLE ACTIVITY | auto repair   |
| STARTUP DATE       | DEC 85  |
| GOVERNMENT ASST    | no  |
| OWNERSHIP          | private   |
| STOCKHOLDERS       |   |
| INITIAL INVESTMENT | No Response (N.R.)  |
| SOURCE OF FUNDS    | personal  |
| EMP FULL TIME      | 20  |
| EMP PART TIME      | 0   |
| UNSKILLED          | 14  |
| SKILLED            | 5   |
| MANAGEMENT         | 1   |
| IMPORT DEPENDENT   | yes (spares)  |
| SALES / YEAR       | N.R.  |
| CLIENTELE          | private vehicle owners                                      |
| PERCENT EXPORTED   | 0   |
| MARKET POTENTIAL   | good  |
| EXPANSION INTEREST | yes   |
| CONSTRAINTS        | credit, imp. equipments, spares                             |
| EXPANSION REQUIR.  | spare parts   |
| TRAINING REQUIR.   | none  |
| PREV CREDIT USE    | no  |
| CREDIT SOURCE      |   |
| DIVERSIFY INTEREST | yes   |
| SECTOR             | transport   |
| COMMENTS           | One of few auto repair shops with concrete floors and pits. |

GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 5

|                    |   |
|--------------------|---|
| LOCATION           | FRIA  |
| PRINCIPLE ACTIVITY | broiler and egg production (1500 chickens)                                  |
| STARTUP DATE       | JUN 82  |
| GOVERNMENT ASST    | yes (Asst.Tech/Vet.)  |
| OWNERSHIP          | partnership   |
| STOCKHOLDERS       |   |
| INITIAL INVESTMENT | SYL 2.2 million   |
| SOURCE OF FUNDS    | personal  |
| EMP FULL TIME      | 7   |
| EMP PART TIME      | 4   |
| UNSKILLED          | 4   |
| SKILLED            | 1   |
| MANAGEMENT         | 3   |
| IMPORT DEPENDENT   | yes (chickens, feed, vit.)  |
| SALES / YEAR       | FG 4 million  |
| CLIENTELE          | local retail market (another farm has FRIA contract)                        |
| PERCENT EXPORTED   | 0   |
| MARKET POTENTIAL   | good  |
| EXPANSION INTEREST | yes   |
| CONSTRAINTS        | credit; imported inputs, local feed prod. capacity (5 ha)                   |
| EXPANSION REQUIR.  | finance   |
| TRAINING REQUIR.   | qualified operations mgr; owners are agronomists/vets.                      |
| PREV CREDIT USE    | no  |
| CREDIT SOURCE      |   |
| DIVERSIFY INTEREST | yes   |
| SECTOR             | more feed grain production  |
| COMMENTS           | A former FRIA contractor.<br>Foreign exchange from FRIA via intermediaries. |

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GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 6

|                    |  |
|--------------------|--|
| LOCATION           | FRIA   |
| PRINCIPLE ACTIVITY | woodwork/carpentry   |
| STARTUP DATE       | 1970   |
| GOVERNMENT ASST    | no   |
| OWNERSHIP          | private  |
| STOCKHOLDERS       |  |
| INITIAL INVESTMENT | N.R.   |
| SOURCE OF FUNDS    | personal   |
| EMP FULL TIME      | 14   |
| EMP PART TIME      | 0  |
| UNSKILLED          | 7  |
| SKILLED            | 7  |
| MANAGEMENT         | 1  |
| IMPORT DEPENDENT   | no (except tools)  |
| SALES / YEAR       | N.R.   |
| CLIENTELE          | 1/3 private; 1/3 FRIA; 1/3 prefec., government   |
| PERCENT EXPORTED   | 0  |
| MARKET POTENTIAL   | good   |
| EXPANSION INTEREST | yes  |
| CONSTRAINTS        | credit/equipment   |
| EXPANSION REQUIR.  | finance  |
| TRAINING REQUIR.   | not important  |
| PREV CREDIT USE    | no   |
| CREDIT SOURCE      |  |
| DIVERSIFY INTEREST | no   |
| SECTOR             |  |
| COMMENTS           | Like many woodworking shops throughout the country, this operation has only one power saw. |

GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 1

|                    |   |
|--------------------|---|
| LOCATION           | LABE  |
| PRINCIPLE ACTIVITY | woodwork/carpentry shop   |
| STARTUP DATE       | 1991  |
| GOVERNMENT ASST    | no  |
| OWNERSHIP          | private   |
| STOCKHOLDERS       |   |
| INITIAL INVESTMENT | SYL 760,000   |
| SOURCE OF FUNDS    | personal  |
| EMP FULL TIME      | 5   |
| EMP PART TIME      | 0   |
| UNSKILLED          | 3   |
| SKILLED            | 2   |
| MANAGEMENT         |   |
| IMPORT DEPENDENT   | no (except tools)   |
| SALES / YEAR       | N.R.  |
| CLIENTELE          | local private clients   |
| PERCENT EXPORTED   | 0   |
| MARKET POTENTIAL   | good  |
| EXPANSION INTEREST | yes   |
| CONSTRAINTS        | credit; raw material availability; power outage                                     |
| EXPANSION REQUIR.  | finance equipment purchase  |
| TRAINING REQUIR.   | none  |
| PREV CREDIT USE    | no  |
| CREDIT SOURCE      |   |
| DIVERSIFY INTEREST | no  |
| SECTOR             |   |
| COMMENTS           | Uses Russian and American power saws.<br>Is capable of mounting a much larger shop. |

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GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 2

|                    |  |
|--------------------|--|
| LOCATION           | LABE (Km 9)  |
| PRINCIPLE ACTIVITY | preparation of chicken feed using natural local inputs   |
| STARTUP DATE       | future   |
| GOVERNMENT ASST    | has asked PME/Funding  |
| OWNERSHIP          | seeking financing  |
| STOCKHOLDERS       |  |
| INITIAL INVESTMENT | GF 500,000   |
| SOURCE OF FUNDS    | partner  |
| EMP FULL TIME      | 8  |
| EMP PART TIME      | 10-15  |
| UNSKILLED          | 4  |
| SKILLED            | 2  |
| MANAGEMENT         | 2  |
| IMPORT DEPENDENT   | yes (equip)  |
| SALES / YEAR       | FG 6 million (projected)   |
| CLIENTELE          | local farmers  |
| PERCENT EXPORTED   | 0  |
| MARKET POTENTIAL   | ?  |
| EXPANSION INTEREST | N.Rel.   |
| CONSTRAINTS        | lack of finance  |
| EXPANSION REQUIR.  | finance  |
| TRAINING REQUIR.   | not initially  |
| PREV CREDIT USE    | yes  |
| CREDIT SOURCE      | DM 15,000 from Ger. Emb.   |
| DIVERSIFY INTEREST | yes  |
| SECTOR             | agriculture  |
| COMMENTS           | Has an unrealistic view of how to maintain/diversify this operation. <sup>ed</sup> with caution. |

GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 3

|                    |                                      |
|--------------------|--------------------------------------|
| LOCATION           | LABE                                 |
| PRINCIPLE ACTIVITY | artisan prod. pails, etc.            |
| STARTUP DATE       | 1982                                 |
| GOVERNMENT ASST    | no                                   |
| OWNERSHIP          | partnership                          |
| STOCKHOLDERS       |                                      |
| INITIAL INVESTMENT | N.R.                                 |
| SOURCE OF FUNDS    | partners                             |
| EMP FULL TIME      | 3                                    |
| EMP PART TIME      | 0                                    |
| UNSKILLED          | 1                                    |
| SKILLED            | 2                                    |
| MANAGEMENT         |                                      |
| IMPORT DEPENDENT   | no                                   |
| SALES / YEAR       | N.R.                                 |
| CLIENTELE          | local private clients                |
| PERCENT EXPORTED   | 0                                    |
| MARKET POTENTIAL   | weak                                 |
| EXPANSION INTEREST | no                                   |
| CONSTRAINTS        | lack of raw material                 |
| EXPANSION REQUIR.  | willingness/drive                    |
| TRAINING REQUIR.   |                                      |
| PREV CREDIT USE    | no                                   |
| CREDIT SOURCE      |                                      |
| DIVERSIFY INTEREST | yes                                  |
| SECTOR             | subsistence agriculture for family   |
| COMMENTS           | Unaware of other possibilities. men. |

GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 4

|                    |   |
|--------------------|---|
| LOCATION           | LABE (project)  |
| PRINCIPLE ACTIVITY | est. of injection moulding line to produce plastic shoes, etc   |
| STARTUP DATE       | future  |
| GOVERNMENT ASST    | has asked PME/Funding   |
| OWNERSHIP          | private   |
| STOCKHOLDERS       | seeking partners  |
| INITIAL INVESTMENT | USD 250,000   |
| SOURCE OF FUNDS    | 20% self/80% equity credit  |
| EMP FULL TIME      | 36  |
| EMP PART TIME      | 0   |
| UNSKILLED          | 8   |
| SKILLED            | 22  |
| MANAGEMENT         | 6   |
| IMPORT DEPENDENT   | yes (poyeta.)   |
| SALES / YEAR       | ?   |
| CLIENTELE          | shoe wholesalers throughout Guinea  |
| PERCENT EXPORTED   | maybe   |
| MARKET POTENTIAL   | strong  |
| EXPANSION INTEREST | None thusfar  |
| CONSTRAINTS        | technology purchase; financial partner  |
| EXPANSION REQUIR.  | production working capital  |
| TRAINING REQUIR.   | production technology   |
| PREV CREDIT USE    | has applied to PME  |
| CREDIT SOURCE      |   |
| DIVERSIFY INTEREST | yes   |
| SECTOR             | commerce  |
| COMMENTS           | Wants to produce rather than import from Senegal.<br>Requires further comp. prod. dist. cost studies. |

GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 5.

|                    |  |
|--------------------|--|
| LOCATION           | LABE   |
| PRINCIPLE ACTIVITY | rice, corn, onion, potato, peanut production/marketing     |
| STARTUP DATE       | 1985   |
| GOVERNMENT ASST    | no (blocked funds)   |
| OWNERSHIP          | cooperative  |
| STOCKHOLDERS       | 20 (230 ha)  |
| INITIAL INVESTMENT | FG 1.6 million   |
| SOURCE OF FUNDS    | personal   |
| EMP FULL TIME      | 35   |
| EMP PART TIME      | 34   |
| UNSKILLED          | 45   |
| SKILLED            | 35   |
| MANAGEMENT         | 0  |
| IMPORT DEPENDENT   | no   |
| SALES / YEAR       | FG 12 million  |
| CLIENTELE          | local retail; wholesale to Conakry by coop                 |
| PERCENT EXPORTED   | 0  |
| MARKET POTENTIAL   | weak   |
| EXPANSION INTEREST | yes  |
| CONSTRAINTS        | unavailability and/or high price fertil., and other inputs |
| EXPANSION REQUIR.  | technical inputs; labor supply                             |
| TRAINING REQUIR.   | tech.agronomic; cultivation techniques                     |
| PREV CREDIT USE    | no   |
| CREDIT SOURCE      | possible internal credit fund                              |
| DIVERSIFY INTEREST | yes  |
| SECTOR             | cattle; vegetables   |
| COMMENTS           | Members are part of the Labe commerical elite.             |

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GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 6

|                    |  |
|--------------------|--|
| LOCATION           | LABE   |
| PRINCIPLE ACTIVITY | Indigo cloth dying   |
| STARTUP DATE       | 1981   |
| GOVERNMENT ASST    | no   |
| OWNERSHIP          | cooperative  |
| STOCKHOLDERS       | 150 women  |
| INITIAL INVESTMENT | FG 750,000   |
| SOURCE OF FUNDS    | personal   |
| EMP FULL TIME      | 150  |
| EMP PART TIME      | 0  |
| UNSKILLED          | 0  |
| SKILLED            | 150  |
| MANAGEMENT         | 0  |
| IMPORT DEPENDENT   | yes  |
| SALES / YEAR       | N.R.   |
| CLIENTELE          | local private and wholesale  |
| PERCENT EXPORTED   | ?  |
| MARKET POTENTIAL   | medium   |
| EXPANSION INTEREST | yes  |
| CONSTRAINTS        | cloth and dye availability at reasonable prices                          |
| EXPANSION REQUIR.  | working capital  |
| TRAINING REQUIR.   | none for traditional production mehtods                                  |
| PRFV CREDIT USE    | no   |
| CFREDIT SOURCE     |  |
| DIVERSIFY INTEREST | no   |
| SECTOR             |  |
| COMMENTS           | One of many well functioning indigo coops supplying the domestic market. |

GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 7

|                    |  |
|--------------------|--|
| LOCATION           | LABE   |
| PRINCIPLE ACTIVITY | auto repair  |
| STARTUP DATE       | 1983   |
| GOVERNMENT ASST    | no   |
| OWNERSHIP          | private  |
| STOCKHOLDERS       | 1  |
| INITIAL INVESTMENT | SYL 180,000  |
| SOURCE OF FUNDS    | personal   |
| EMP FULL TIME      | 5  |
| EMP PART TIME      | 0  |
| UNSKILLED          | 0  |
| SKILLED            | 5  |
| MANAGEMENT         |  |
| IMPORT DEPENDENT   | yes (spares)   |
| SALES / YEAR       | N.R.   |
| CLIENTELE          | local vehicle owners   |
| PERCENT EXPORTED   | 0  |
| MARKET POTENTIAL   | fair   |
| EXPANSION INTEREST | yes  |
| CONSTRAINTS        | avail. spare parts; shop constr.; credit; power outage                       |
| EXPANSION REQUIR.  | finance  |
| TRAINING REQUIR.   |  |
| PREV CREDIT USE    | yes  |
| CREDIT SOURCE      | parents  |
| DIVERSIFY INTEREST | yes  |
| SECTOR             | agriculture  |
| COMMENTS           | Beyond coops, this scale exist. private sector<br>non-agricultural activity. |

GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 8

|                    |   |
|--------------------|---|
| LOCATION           | LABE  |
| PRINCIPLE ACTIVITY | imp./distr. div. consumer goods;export to Senegal ag prodt.   |
| STARTUP DATE       | ?   |
| GOVERNMENT ASST    | none  |
| OWNERSHIP          | assn. private merchants   |
| STOCKHOLDERS       | 70  |
| INITIAL INVESTMENT | N.R.  |
| SOURCE OF FUNDS    | members   |
| EMP FULL TIME      | N.Rel.  |
| EMP PART TIME      | N.Rel.  |
| UNSKILLED          | N.Rel.  |
| SKILLED            | N.Rel.  |
| MANAGEMENT         | N.Rel.  |
| IMPORT DEPENDENT   | yes   |
| SALES / YEAR       | N.R.  |
| CLIENTELE          | local retail merchants;wholesale from rest of country   |
| PERCENT EXPORTED   | some  |
| MARKET POTENTIAL   | ?   |
| EXPANSION INTEREST |   |
| CONSTRAINTS        |   |
| EXPANSION REQUIR.  |   |
| TRAINING REQUIR.   |   |
| PREV CREDIT USE    |   |
| CREDIT SOURCE      |   |
| DIVERSIFY INTEREST |   |
| SECTOR             |   |
| COMMENTS           | <p>A loose association of local traders and the local economic elite. It is now Conakry. Major source of merchandise was Senegal via the Black Market.'</p> <p>Establishment of a bank in Labe would reduce the high travel requirements to Conakry for import authorization. Selling all over middle and upper Guinea.</p> |

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GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

|                    | Questionnaire 1  |
|--------------------|--|
| LOCATION           | MAMOU  |
| PRINCIPLE ACTIVITY | artisan prod.of sandals and other leatherware                    |
| STARTUP DATE       | 1975   |
| GOVERNMENT ASST    | no   |
| OWNERSHIP          | cooperative  |
| STOCKHOLDERS       | 46   |
| INITIAL INVESTMENT | N.R.   |
| SOURCE OF FUNDS    | members own tools  |
| EMP FULL TIME      | 46   |
| EMP PART TIME      | 0  |
| UNSKILLED          |  |
| SKILLED            | 46   |
| MANAGEMENT         |  |
| IMPORT DEPENDENT   | no   |
| SALES / YEAR       | N.R.   |
| CLIENTELE          | wholesalers/intermediaries;most prod. on previous order          |
| PERCENT EXPORTED   | 50   |
| MARKET POTENTIAL   | strong   |
| EXPANSION INTEREST | yes  |
| CONSTRAINTS        | credit; leather; chemicals; reasonably prcd input shortage       |
| EXPANSION REQUIR.  | new workshop site; construction financing                        |
| TRAINING REQUIR.   | tech assistance in mechanized production                         |
| PREV CREDIT USE    | no   |
| CREDIT SOURCE      |  |
| DIVERSIFY INTEREST | no   |
| SECTOR             |  |
| COMMENTS           | Exporting to Sierra Leone and other coastal nations to the east. |

GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 2.

|                    |  |
|--------------------|--|
| LOCATION           | MAMOU (projet)   |
| PRINCIPLE ACTIVITY | egg and broiler; feed production (300 now, 2000 later)                                   |
| STARTUP DATE       | 1985   |
| GOVERNMENT ASST    | no   |
| OWNERSHIP          | private  |
| STOCKHOLDERS       | looking for partner  |
| INITIAL INVESTMENT | N.R.   |
| SOURCE OF FUNDS    | personal and other   |
| EMP FULL TIME      | 14   |
| EMP PART TIME      | 10   |
| UNSKILLED          | 6  |
| SKILLED            | 4  |
| MANAGEMENT         | 4  |
| IMPORT DEPENDENT   | yes  |
| SALES / YEAR       | 18.9 million (proj)  |
| CLIENTELE          | local population; contract with Jean LeFevre   |
| PERCENT EXPORTED   | 0  |
| MARKET POTENTIAL   | strong   |
| EXPANSION INTEREST | yes (300 to 2000)  |
| CONSTRAINTS        | equity finance   |
| EXPANSION REQUIR.  | construction/equipment   |
| TRAINING REQUIR    | training of operators  |
| PREV CREDIT USE    | no   |
| CREDIT SOURCE      |  |
| DIVERSIFY INTEREST | yes  |
| SECTOR             | agricultural (feed) production   |
| COMMENTS           | Currently has chicken house in backyard.<br>Owner is an agronomist by training.<br>real. |

GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 3

|                    |  |
|--------------------|--|
| LOCATION           | MAMOU  |
| PRINCIPLE ACTIVITY | artisan scale prod. of fuel conserving kitchen wood stoves                       |
| STARTUP DATE       | 1985   |
| GOVERNMENT ASST    | UNICEF tech training   |
| OWNERSHIP          | partnership  |
| STOCKHOLDERS       | 2  |
| INITIAL INVESTMENT | equip.donation   |
| SOURCE OF FUNDS    |  |
| EMP FULL TIME      | 4  |
| EMP PART TIME      | 0  |
| UNSKILLED          | 2  |
| SKILLED            | 2  |
| MANAGEMENT         |  |
| IMPORT DEPENDENT   | no   |
| SALES / YEAR       | FG 2.5 million (approx.  |
| CLIENTELE          | local households   |
| PERCENT EXPORTED   | none   |
| MARKET POTENTIAL   | strong   |
| EXPANSION INTEREST | yes  |
| CONSTRAINTS        | credit; doubtful ability to commercialize  |
| EXPANSION REQUIR.  | finance of equip for mech. construction  |
| TRAINING REQUIR.   | improved artisan for mechanized production                                       |
| PREV CREDIT USE    | no   |
| CREDIT SOURCE      |  |
| DIVERSIFY INTEREST | no   |
| SECTOR             |  |
| COMMENTS           | The product reduces wood consumption by 1/2-1/3.<br>Tremendous market potential. |

GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 4

|                    |   |
|--------------------|---|
| LOCATION           | MAMOU   |
| PRINCIPLE ACTIVITY | fruit/veg. production, eventually processing (10-40ha)                          |
| STARTUP DATE       | future  |
| GOVERNMENT ASST    | no  |
| OWNERSHIP          | private (seeks partner)   |
| STOCKHOLDERS       |   |
| INITIAL INVESTMENT | 30m/10Ha; 70m/40  |
| SOURCE OF FUNDS    | 10% personal; 90% other   |
| EMP FULL TIME      | 17  |
| EMP PART TIME      | 0   |
| UNSKILLED          | 10  |
| SKILLED            | 5   |
| MANAGEMENT         | 2   |
| IMPORT DEPENDENT   | yes   |
| SALES / YEAR       | FG 8.7 million (10ha)   |
| CLIENTELE          | wholesale or contract; even to supply factory                                   |
| PERCENT EXPORTED   | 0   |
| MARKET POTENTIAL   | strong  |
| EXPANSION INTEREST | yes   |
| CONSTRAINTS        | equity finance; improved seed/fertilizer at reasonable price                    |
| EXPANSION REQUIR.  | financial partner; tech'y for prod. plant; credit                               |
| TRAINING REQUIR.   | none (an agronomist; formerly canning plant director)                           |
| PREV CREDIT USE    | no  |
| CREDIT SOURCE      | BICIGUI says needs 30% capital/equip must be French-made                        |
| DIVERSIFY INTEREST | yes   |
| SECTOR             | small hotel   |
| COMMENTS           | Owner says the old cannery had raw material supply problems that were solvable. |

GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 5

|                    |   |
|--------------------|---|
| LOCATION           | MAMOU   |
| PRINCIPLE ACTIVITY | banana, mango, orange production (40 ha)  |
| STARTUP DATE       | 1985  |
| GOVERNMENT ASST    | no  |
| OWNERSHIP          | private   |
| STOCKHOLDERS       | 1   |
| INITIAL INVESTMENT | SYL 16 million  |
| SOURCE OF FUNDS    | personal  |
| EMP FULL TIME      | 19  |
| EMP PART TIME      | 0   |
| UNSKILLED          | 0   |
| SKILLED            | 19  |
| MANAGEMENT         | 0   |
| IMPORT DEPENDENT   | yes (for improved production)   |
| SALES / YEAR       | SYL 240,000   |
| CLIENTELE          | local retail  |
| PERCENT EXPORTED   | 0   |
| MARKET POTENTIAL   | not clear   |
| EXPANSION INTEREST | yes   |
| CONSTRAINTS        | avail. of transport; fertil.; insecticide; trained labor                            |
| EXPANSION REQUIR.  | more transport., fertilizer, insecticide, trained labor                             |
| TRAINING REQUIR.   | training of specialized plantation labor  |
| PREV CREDIT USE    | no  |
| CREDIT SOURCE      |   |
| DIVERSIFY INTEREST | yes   |
| SECTOR             | various   |
| COMMENTS           | If a lack of vehicles is the major constraint, there will also be a lack of credit. |

GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

|                    | Questionnaire 6                                       |
|--------------------|---|
| LOCATION           | MAMOU   |
| PRINCIPLE ACTIVITY | bread, biscuits, cakes                                |
| STARTUP DATE       | future  |
| GOVERNMENT ASST    | no  |
| OWNERSHIP          | private   |
| STOCKHOLDERS       | 1   |
| INITIAL INVESTMENT | N.R.  |
| SOURCE OF FUNDS    | personal  |
| EMP FULL TIME      | 12  |
| EMP PART TIME      | 0   |
| UNSKILLED          | 0   |
| SKILLED            | 12  |
| MANAGEMENT         |   |
| IMPORT DEPENDENT   | yes   |
| SALES YEAR         | N.R.  |
| CLIENTELE          | local wholesale                                       |
| PERCENT EXPORTED   | none  |
| MARKET POTENTIAL   | not clear   |
| EXPANSION INTEREST | depends on business                                   |
| CONSTRAINTS        | unknown future market demand                          |
| EXPANSION REQUIR.  | consistant fuel and water supply                      |
| TRAINING REQUIR.   | tech. assistance for equipment maintenance            |
| PREV CREDIT USE    | no  |
| CREDIT SOURCE      |   |
| DIVERSIFY INTEREST | yes   |
| SECTOR             | commerce, trans., industry                            |
| COMMENTS           | Awaiting delivery of diesel generator before start-up |

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GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 7

|                    |   |
|--------------------|---|
| LOCATION           | MAMOU   |
| PRINCIPLE ACTIVITY | furniture production  |
| STARTUP DATE       | 1966  |
| GOVERNMENT ASST    | no  |
| OWNERSHIP          | private   |
| STOCKHOLDERS       | 1   |
| INITIAL INVESTMENT | SYL 2.35 mil  |
| SOURCE OF FUNDS    | personal  |
| EMP FULL TIME      | 14  |
| EMP PART TIME      |   |
| UNSKILLED          | 8   |
| SKILLED            | 6   |
| MANAGEMENT         |   |
| IMPORT DEPENDENT   | no  |
| SALES / YEAR       | FG 3 million  |
| CLIENTELE          | private and prefec. government  |
| PERCENT EXPORTED   | 0   |
| MARKET POTENTIAL   | strong  |
| EXPANSION INTEREST | yes   |
| CONSTRAINTS        | lack of credit  |
| EXPANSION REQUIR.  | finance equipment and transport   |
| TRAINING REQUIR.   | tech assistance for labor for mechanized production                             |
| PREV CREDIT USE    | none  |
| CREDIT SOURCE      |   |
| DIVERSIFY INTEREST | no  |
| SECTOR             |   |
| COMMENTS           | Indicative of the type and scale of a non-coop private transformation activity. |

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GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 1

|                    |  |
|--------------------|--|
| LOCATION           | KINDIA   |
| PRINCIPLE ACTIVITY | construction contractor, metal window grates   |
| STARTUP DATE       | JAN 86   |
| GOVERNMENT ASST    | no   |
| OWNERSHIP          | family   |
| STOCKHOLDERS       | 3  |
| INITIAL INVESTMENT | 750,000  |
| SOURCE OF FUNDS    | personal   |
| EMP FULL TIME      | 10   |
| EMP PART TIME      |  |
| UNSKILLED          | 3  |
| SKILLED            | 70   |
| MANAGEMENT         | 1  |
| IMPORT DEPENDENT   | yes (material)   |
| SALES / YEAR       | N.R.   |
| CLIENTELE          | local  |
| PERCENT EXPORTED   | 0  |
| MARKET POTENTIAL   | E.H.   |
| EXPANSION INTEREST | yes  |
| CONSTRAINTS        | no capital or credit for equipment purchase  |
| EXPANSION REQUIR.  | credit and better market seas.   |
| TRAINING REQUIR.   | equipment maintenance  |
| PREV CREDIT USE    | no   |
| CREDIT SOURCE      |  |
| DIVERSIFY INTEREST | no   |
| SECTOR             |  |
| COMMENTS           | Owners are laborers (brothers) returned from Ivory Coast<br>Owners do not exhibit a strong business sense. |

GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

|                    | Questionnaire 2   |
|--------------------|---|
| LOCATION           | KINDIA  |
| PRINCIPLE ACTIVITY | artisan wood/ivory objets d'art production  |
| STARTUP DATE       | 1984  |
| GOVERNMENT ASST    | none  |
| OWNERSHIP          | cooperative   |
| STOCKHOLDERS       | 15  |
| INITIAL INVESTMENT | FG 100,000tools   |
| SOURCE OF FUNDS    | pres. members   |
| EMP FULL TIME      | 40  |
| EMP PART TIME      |   |
| UNSKILLED          | 9   |
| SKILLED            | 30  |
| MANAGEMENT         | 1   |
| IMPORT DEPENDENT   | no  |
| SALES / YEAR       | N.R.  |
| CLIENTELE          | Fria, Kamsar, exporters   |
| PERCENT EXPORTED   | 100% approx.  |
| MARKET POTENTIAL   | limited   |
| EXPANSION INTEREST | yes   |
| CONSTRAINTS        | lack of funds for new shop/equipment  |
| EXPANSION REQUIR.  | finance; better transport.  |
| TRAINING REQUIR.   | none; apprentices trained by masters  |
| PREV CREDIT USE    | no  |
| CREDIT SOURCE      |   |
| DIVERSIFY INTEREST | no  |
| SECTOR             |   |
| COMMENTS           | High quality artisan work.<br>Would require close guidance for any financial paperwork. |

GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 3

|                    |  |
|--------------------|--|
| LOCATION           | KINDIA                                       |
| PRINCIPLE ACTIVITY | rough lumber saw mill                        |
| STARTUP DATE       | 1962   |
| GOVERNMENT ASST    | none   |
| OWNERSHIP          | patriarchal                                  |
| STOCKHOLDERS       | 1  |
| INITIAL INVESTMENT | FG 9.2 million                               |
| SOURCE OF FUNDS    | peronal                                      |
| EMP FULL TIME      | 8  |
| EMP PART TIME      | 3  |
| UNSKILLED          | 3  |
| SKILLED            | 8  |
| MANAGEMENT         |  |
| IMPORT DEPENDENT   | no(wood); yes(equipment)                     |
| SALES / YEAR       | 40 million (sounds high)                     |
| CLIENTELE          | local retail and wholesale                   |
| PERCENT EXPORTED   | none   |
| MARKET POTENTIAL   | EH   |
| EXPANSION INTEREST | yes  |
| CONSTRAINTS        | finance for new yard equipment and transport |
| EXPANSION REQUIR.  | capital                                      |
| TRAINING REQUIR.   | forest management for suppliers              |
| PREV CREDIT USE    | no   |
| CREDIT SOURCE      |  |
| DIVERSIFY INTEREST | yes  |
| SECTOR             | rice production (family)                     |
| COMMENTS           | Elderly owner with eight sons.               |

GUINEA PRIVATE SECTOR SURVEY -- ANNEY 3

Questionnaire 4

|                    |  |
|--------------------|--|
| LOCATION           | KINDIA   |
| PRINCIPLE ACTIVITY | indigo and chemical cloth dying (artisan)                                    |
| STARTUP DATE       | 1963   |
| GOVERNMENT ASST    | yes  |
| OWNERSHIP          | cooperative  |
| STOCKHOLDERS       | 200  |
| INITIAL INVESTMENT | N.R.   |
| SOURCE OF FUNDS    | members; World Bank  |
| EMP FULL TIME      |  |
| EMP PART TIME      | 200  |
| UNSKILLED          |  |
| SKILLED            |  |
| MANAGEMENT         |  |
| IMPORT DEPENDENT   | yes  |
| SALES / YEAR       | N.R.   |
| CLIENTELE          | wholesale/retail buyers  |
| PERCENT EXPORTED   | 50   |
| MARKET POTENTIAL   | strong   |
| EXPANSION INTEREST | yes  |
| CONSTRAINTS        | finance (doubtful of signif. prod. increase w/o new atelier)                 |
| EXPANSION REQUIR.  | more members   |
| TRAINING REQUIR.   | none at artisan level  |
| PREV CREDIT USE    | yes  |
| CREDIT SOURCE      | USD 60,000 WB loan in 1963 for atelier construction                          |
| DIVERSIFY INTEREST | no   |
| SECTOR             |  |
| COMMENTS           | The first coop in Guinea.<br>Export quality products.<br>Artisan technology. |

GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 5

|                    |  |
|--------------------|--|
| LOCATION           | KINDIA   |
| PRINCIPLE ACTIVITY | vegetable production on ind. basis; coop mktg (about 40ha) |
| STARTUP DATE       | 1950   |
| GOVERNMENT ASST    | no   |
| OWNERSHIP          | cooperative  |
| STOCKHOLDERS       | 285  |
| INITIAL INVESTMENT | SYL 500,000  |
| SOURCE OF FUNDS    | members  |
| EMP FULL TIME      | 285growers   |
| EMP PART TIME      |  |
| UNSKILLED          |  |
| SKILLED            |  |
| MANAGEMENT         |  |
| IMPORT DEPENDENT   | yes (inputs/equipment)                                     |
| SALES / YEAR       | 10 million (too low)                                       |
| CLIENTELE          | Conakry/FRIA markets                                       |
| PERCENT EXPORTED   | no   |
| MARKET POTENTIAL   | strong   |
| EXPANSION INTEREST | yes  |
| CONSTRAINTS        | finance for equip.;credit for inputs;transport             |
| EXPANSION REQUIR.  | finance for equip.;credit for inputs;transport             |
| TRAINING REQUIR.   | organizational   |
| PREV CREDIT USE    | no   |
| CREDIT SOURCE      |  |
| DIVERSIFY INTEREST | no   |
| SECTOR             |  |
| COMMENTS           | Chief suppliers of Conakry markets..                       |

GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 6

|                    |  |
|--------------------|--|
| LOCATION           | KINDIA   |
| PRINCIPLE ACTIVITY | fruit grower and marketing coop                  |
| STARTUP DATE       | 1945   |
| GOVERNMENT ASST    | yes  |
| OWNERSHIP          | cooperative                                      |
| STOCKHOLDERS       | 120  |
| INITIAL INVESTMENT | FG 200,000                                       |
| SOURCE OF FUNDS    | members  |
| EMP FULL TIME      | 120growers                                       |
| EMP PART TIME      |  |
| UNSKILLED          |  |
| SKILLED            |  |
| MANAGEMENT         |  |
| IMPORT DEPENDENT   | yes (inputs/equipment)                           |
| SALES / YEAR       | 33.5 million (too low)                           |
| CLIENTELE          | contract and retail buyers                       |
| PERCENT EXPORTED   | 80   |
| MARKET POTENTIAL   | weak   |
| EXPANSION INTEREST | yes  |
| CONSTRAINTS        | finance for equipment; transport and inputs      |
| EXPANSION REQUIR.  | fin.for equip.;transport/inputs;quality manpower |
| TRAINING REQUIR.   | not listed                                       |
| PREV CREDIT USE    | no   |
| CREDIT SOURCE      |  |
| DIVERSIFY INTEREST | yes  |
| SECTOR             | grain production                                 |
| COMMENTS           | Export via Fruitex.                              |

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GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 7

|                    |  |
|--------------------|--|
| LOCATION           | KINDIA                                       |
| PRINCIPLE ACTIVITY | metal doors/windows production               |
| STARTUP DATE       | 1975   |
| GOVERNMENT ASST    | no   |
| OWNERSHIP          | private                                      |
| STOCKHOLDERS       | 1  |
| INITIAL INVESTMENT | FG 120,000                                   |
| SOURCE OF FUNDS    | personal                                     |
| EMP FULL TIME      | 10   |
| EMP PART TIME      |  |
| UNSKILLED          | 4  |
| SKILLED            | 5  |
| MANAGEMENT         |  |
| IMPORT DEPENDENT   | no (except equipment)                        |
| SALES / YEAR       | FG 300,000                                   |
| CLIENTELE          | local wholesale; private and prefect.        |
| PERCENT EXPORTED   | no   |
| MARKET POTENTIAL   | fair   |
| EXPANSION INTEREST | maybe  |
| CONSTRAINTS        | lack of scrap iron and equipment             |
| EXPANSION REQUIR.  | finance                                      |
| TRAINING REQUIR.   |  |
| PREV CREDIT USE    | no   |
| CREDIT SOURCE      |  |
| DIVERSIFY INTEREST | yes  |
| SECTOR             | agriculture                                  |
| COMMENTS           | The largest operation of its kind in Kindia. |

GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 8

|                    |  |
|--------------------|--|
| LOCATION           | KINDIA (project)   |
| PRINCIPLE ACTIVITY | ruminant production (goats)                              |
| STARTUP DATE       | 1983   |
| GOVERNMENT ASST    | no   |
| OWNERSHIP          | private  |
| STOCKHOLDERS       | 1  |
| INITIAL INVESTMENT | N.R.   |
| SOURCE OF FUNDS    | personal   |
| EMP FULL TIME      | 1  |
| EMP PART TIME      |  |
| UNSKILLED          |  |
| SKILLED            |  |
| MANAGEMENT         |  |
| IMPORT DEPENDENT   | no   |
| SALES - YEAR       | N.R.   |
| CLIENTELE          | not yet  |
| PERCENT EXPORTED   | no   |
| MARKET POTENTIAL   |  |
| EXPANSION INTEREST | yes  |
| CONSTRAINTS        | credit   |
| EXPANSION REQUIR.  | finance  |
| TRAINING REQUIR.   | yes (not listed)   |
| PREV CREDIT USE    | no   |
| CREDIT SOURCE      |  |
| DIVERSIFY INTEREST | yes  |
| SECTOR             |  |
| COMMENTS           | PME indicates this would be a feed production operation. |

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GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 9

|                    |                                  |
|--------------------|----------------------------------|
| LOCATION           | KINDIA                           |
| PRINCIPLE ACTIVITY | egg production (1,000 chickens)  |
| STARTUP DATE       | 1982                             |
| GOVERNMENT ASST    | no                               |
| OWNERSHIP          | private                          |
| STOCKHOLDERS       | 1                                |
| INITIAL INVESTMENT | N.R.                             |
| SOURCE OF FUNDS    | personal                         |
| EMP FULL TIME      | 4                                |
| EMP PART TIME      | 0                                |
| UNSKILLED          |                                  |
| SKILLED            |                                  |
| MANAGEMENT         |                                  |
| IMPORT DEPENDENT   | yes                              |
| SALES / YEAR       | N.R.                             |
| CLIENTELE          | local direct sales               |
| PERCENT EXPORTED   | no                               |
| MARKET POTENTIAL   | strong                           |
| EXPANSION INTEREST | yes (underway)                   |
| CONSTRAINTS        | finance: feed, inputs, transport |
| EXPANSION REQUIR.  | trucks, chicks, motorized pump   |
| TRAINING REQUIR.   | not noted                        |
| PREV CREDIT USE    | yes                              |
| CREDIT SOURCE      | PME                              |
| DIVERSIFY INTEREST | yes                              |
| SECTOR             | agriculture (feed, grains)       |
| COMMENTS           | A potentially larger operation.  |

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GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 1

|                    |   |
|--------------------|---|
| LOCATION           | SIGUIRI   |
| PRINCIPLE ACTIVITY | artisanal production of shot guns; general repair                                   |
| STARTUP DATE       | 1978  |
| GOVERNMENT ASST    | no  |
| OWNERSHIP          | private   |
| STOCKHOLDERS       | 1   |
| INITIAL INVESTMENT | N.R.  |
| SOURCE OF FUNDS    | personal  |
| EMP FULL TIME      | 3   |
| EMP PART TIME      |   |
| UNSKILLED          | 2   |
| SKILLED            | 1   |
| MANAGEMENT         |   |
| IMPORT DEPENDENT   | no  |
| SALES / YEAR       | N.R.  |
| CLIENTELE          | local   |
| PERCENT EXPORTED   | no  |
| MARKET POTENTIAL   |   |
| EXPANSION INTEREST | yes   |
| CONSTRAINTS        | raw material shortage (scrap iron)  |
| EXPANSION REQUIR.  | finance   |
| TRAINING REQUIR.   | no  |
| PREV CREDIT USE    | no  |
| CREDIT SOURCE      |   |
| DIVERSITY INTEREST | no  |
| SECTOR             |   |
| COMMENTS           | Traditional forge in a small house.<br>Expansion ability/potential is very limited. |

GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire. 2

|                    |  |
|--------------------|--|
| LOCATION           | SIGUIRI  |
| PRINCIPLE ACTIVITY | importer/exporter/local trader rice,sugar,food, construction materials |
| STARTUP DATE       | 1945   |
| GOVERNMENT ASST    | no   |
| OWNERSHIP          | private  |
| STOCKHOLDERS       | 1  |
| INITIAL INVESTMENT | CFA 400,000  |
| SOURCE OF FUNDS    | personal (family)  |
| EMP FULL TIME      | 7  |
| EMP PART TIME      |  |
| UNSKILLED          |  |
| SKILLED            |  |
| MANAGEMENT         |  |
| IMPORT DEPENDENT   | yes  |
| SALES / YEAR       | N.R.   |
| CLIENTELE          | imports (local retailers);exports (fruit to Mali)                      |
| PERCENT EXPORTED   | 20 apprx.  |
| MARKET POTENTIAL   | strong   |
| EXPANSION INTEREST | unknown  |
| CONSTRAINTS        | high transport costs of cement from Conakry (FG 25,000/ton)            |
| EXPANSION REQUIR.  | credit sources;better communic./trans.;faster administr.               |
| TRAINING REQUIR.   | not specified; strictly a trader                                       |
| PREV CREDIT USE    | not specified  |
| CREDIT SOURCE      |  |
| DIVERSIFY INTEREST | yes  |
| SECTOR             | mango growing  |
| COMMENTS           |  |

GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 3

|                    |  |
|--------------------|--|
| LOCATION           | SIGUIRI  |
| PRINCIPLE ACTIVITY | contract tractor service   |
| STARTUP DATE       | 1986   |
| GOVERNMENT ASST    |  |
| OWNERSHIP          | cooperative (ind.owners)   |
| STOCKHOLDERS       | 70 (all w/tractors)  |
| INITIAL INVESTMENT | SYL 200,000  |
| SOURCE OF FUNDS    | government credit purchase program   |
| EMP FULL TIME      | 70   |
| EMP PART TIME      |  |
| UNSKILLED          |  |
| SKILLED            | 70   |
| MANAGEMENT         |  |
| IMPORT DEPENDENT   | yes  |
| SALES / YEAR       | N.R.   |
| CLIENTELE          | local grain growers, rice production beneficiaries   |
| PERCENT EXPORTED   |  |
| MARKET POTENTIAL   | strong   |
| EXPANSION INTEREST | yes  |
| CONSTRAINTS        | AGREMA is sole supplier for spares(Roumanian/Czech tractors)   |
| EXPANSION REQUIR.  | parts, fuel, working capital   |
| TRAINING REQUIR.   | maintenance machanics  |
| PREV CREDIT USE    | yes(orig. purchases)   |
| CREDIT SOURCE      |  |
| DIVERSIFY INTEREST | yes  |
| SECTOR             | cooperative rice production (100Ha)  |
| COMMENTS           | 50 of 70 tractors in service in May planting season.<br>Now 0 of 70 for lack of replacement tires.<br>Availability of everything is no. 1 problem in Haute Guinea. |

GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 4

|                    |   |
|--------------------|---|
| LOCATION           | SIGUIRI   |
| PRINCIPLE ACTIVITY | eventually 1000ha grain on coop basis   |
| STARTUP DATE       | 1986  |
| GOVERNMENT ASST    | 1:2 loan 20bags seed  |
| OWNERSHIP          | cooperative   |
| STOCKHOLDERS       | 14  |
| INITIAL INVESTMENT | FG 60,000/mbr.  |
| SOURCE OF FUNDS    | personal  |
| EMP FULL TIME      | 14  |
| EMP PART TIME      | 2   |
| UNSKILLED          | 0   |
| SKILLED            | 5   |
| MANAGEMENT         | 9   |
| IMPORT DEPENDENT   | yes, technical equipment; no otherwise  |
| SALES / YEAR       | unknown   |
| CLIENTELE          | commercialization to wholesalers  |
| PERCENT EXPORTED   | -----   |
| MARKET POTENTIAL   | strong  |
| EXPANSION INTEREST | yes (to 1000ha)   |
| CONSTRAINTS        | finance, equipment  |
| EXPANSION REQUIR.  | finance, equipment,   |
| TRAINING REQUIR.   | internships in developing countries   |
| PREV CREDIT USE    | no  |
| CREDIT SOURCE      |   |
| DIVERSIFY INTEREST |   |
| SECTOR             |   |
| COMMENTS           | This is a group of nine bureaucrats of the 1st Republic.<br>Vice President is the PDG of the CBG with a large<br>concession.<br>Land is 85Km from Siguiiri. |

GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

**Questionnaire 5**

LOCATION Kankan, Siguiri,  
 PRINCIPLE ACTIVITY develop small holder cotton production for sale to CFDT  
 STARTUP DATE 80;84  
 GOVERNMENT ASST French government  
 OWNERSHIP CFDT (Fr. state-owned)  
 STOCKHOLDERS  
 INITIAL INVESTMENT  
 SOURCE OF FUNDS project has credit operation planned  
 EMP FULL TIME 200 (CFDT)  
 EMP PART TIME 3000(prod)  
 UNSKILLED  
 SKILLED  
 MANAGEMENT  
 IMPORT DEPENDENT yes (inputs)  
 SALES / YEAR  
 CLIENTELE cotton to new Conakry textile mill for export  
 PERCENT EXPORTED ?  
 MARKET POTENTIAL ?  
 EXPANSION INTEREST yes (planned)  
 CONSTRAINTS organization of producers  
 EXPANSION REQUIR. proper market signals  
 TRAINING REQUIR. yes, organized by CFDT  
 PREV CREDIT USE yes  
 CREDIT SOURCE producer credit being organized by project  
 DIVERSIFY INTEREST yes  
 SECTOR other crops  
 COMMENTS CFDT is organizing cotton production in Haute Guinee.  
 A very large, complex project.  
 Of CFDT staff, nine are expatriates; 3000 production  
 staff working on 1000 ha.

GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

|                    | Questionnaire 6                   |
|--------------------|-----------------------------------|
| LOCATION           | SIGUIRI                           |
| PRINCIPLE ACTIVITY | artisanal caustic soap production |
| STARTUP DATE       | 1920                              |
| GOVERNMENT ASST    | no                                |
| OWNERSHIP          | private                           |
| STOCKHOLDERS       | 1                                 |
| INITIAL INVESTMENT | N.R.                              |
| SOURCE OF FUNDS    | personal                          |
| EMP FULL TIME      | 9                                 |
| EMP PART TIME      |                                   |
| UNSKILLED          |                                   |
| SKILLED            | 9                                 |
| MANAGEMENT         |                                   |
| IMPORT DEPENDENT   | yes                               |
| SALES / YEAR       | FG 180,000                        |
| CLIENTELE          | local population                  |
| PERCENT EXPORTED   | 0                                 |
| MARKET POTENTIAL   | weak                              |
| EXPANSION INTEREST | yes                               |
| CONSTRAINTS        | finance/oil extraction transport  |
| EXPANSION REQUIR.  | finance/oil extraction transport  |
| TRAINING REQUIR.   | new equipment maintenance         |
| PREV CREDIT USE    | no                                |
| CREDIT SOURCE      |                                   |
| DIVERSIFY INTEREST | no                                |
| SECTOR             |                                   |
| COMMENTS           | Registered with CNPIP.            |

GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 7

|                    |                        |
|--------------------|------------------------|
| LOCATION           | SIGUIRI                |
| PRINCIPLE ACTIVITY | veterinary pharmacy    |
| STARTUP DATE       | future                 |
| GOVERNMENT ASST    | no                     |
| OWNERSHIP          | private                |
| STOCKHOLDERS       | 1                      |
| INITIAL INVESTMENT | N.R.                   |
| SOURCE OF FUNDS    | personal               |
| EMP FULL TIME      | 1                      |
| EMP PART TIME      |                        |
| UNSKILLED          | 0                      |
| SKILLED            | 0                      |
| MANAGEMENT         | 1                      |
| IMPORT DEPENDENT   | yes                    |
| SALES YEAR         | N.R.                   |
| CLIENTELE          | Haute Guinee producers |
| PERCENT EXPORTED   | 0                      |
| MARKET POTENTIAL   |                        |
| EXPANSION INTEREST |                        |
| CONSTRAINTS        | financial partner      |
| EXPANSION REQUIR.  | financial partner      |
| TRAINING REQUIR.   | to be determined       |
| PREV CREDIT USE    | yes                    |
| CREDIT SOURCE      | loan from parents      |
| DIVERSIFY INTEREST | yes                    |
| SECTOR             | agriculture            |
| COMMENTS           |                        |

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GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 8

|                    |  |
|--------------------|--|
| LOCATION           | SIGUIRI  |
| PRINCIPLE ACTIVITY | small scale grain mill   |
| STARTUP DATE       | 1982   |
| GOVERNMENT ASST    | no   |
| OWNERSHIP          | private  |
| STOCKHOLDERS       | 1  |
| INITIAL INVESTMENT | FG 3 million   |
| SOURCE OF FUNDS    | personal   |
| EMP FULL TIME      | 2  |
| EMP PART TIME      |  |
| UNSKILLED          | 0  |
| SKILLED            | 2  |
| MANAGEMENT         |  |
| IMPORT DEPENDENT   | yes  |
| SALES / YEAR       | FG 500,000   |
| CLIENTELE          | local market   |
| PERCENT EXPORTED   | 0  |
| MARKET POTENTIAL   | strong   |
| EXPANSION INTEREST | yes  |
| CONSTRAINTS        | equipment finance, spare parts, fuel   |
| EXPANSION REQUIR.  | equipment finance, spare parts, fuel   |
| TRAINING REQUIR.   | none specified   |
| PREV CREDIT USE    | no   |
| CREDIT SOURCE      |  |
| DIVERSIFY INTEREST | yes  |
| SECTOR             | agriculture  |
| COMMENTS           | With the recent regional rice production increase, the opportunity exists for a much larger operation. |

GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

|                    |  |
|--------------------|--|
| NAME               | Questionnaire 9  |
| LOCATION           | SIGUIRI  |
| PRINCIPLE ACTIVITY | bread, biscuits, cake  |
| STARTUP DATE       | future   |
| GOVERNMENT ASST    | no   |
| OWNERSHIP          | private  |
| STOCKHOLDERS       | 1  |
| INITIAL INVESTMENT | N.R.   |
| SOURCE OF FUNDS    | personal   |
| EMP FULL TIME      |  |
| EMP PART TIME      |  |
| UNSKILLED          |  |
| SKILLED            |  |
| MANAGEMENT         |  |
| IMPORT DEPENDENT   | yes  |
| SALES / YEAR       | N.R.   |
| CLIENTELE          | local market   |
| PERCENT EXPORTED   | 0  |
| MARKET POTENTIAL   |  |
| EXPANSION INTEREST |  |
| CONSTRAINTS        | raw material, fuel, transport  |
| EXPANSION REQUIR.  | credit, market   |
| TRAINING REQUIR.   | equipment maintenance  |
| PREV CREDIT USE    | no   |
| CREDIT SOURCE      |  |
| DIVERSIFY INTEREST | yes  |
| SECTOR             | commerce, industry   |
| COMMENTS           | The first modern bakery in Siguiiri.<br>Under construction at the time of this survey. |

GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 10

|                    |  |
|--------------------|--|
| LOCATION           | SIGUIRI  |
| PRINCIPLE ACTIVITY | mangoes; vegetable production                                |
| STARTUP DATE       | 1986   |
| GOVERNMENT ASST    | no   |
| OWNERSHIP          | cooperative  |
| STOCKHOLDERS       | 40   |
| INITIAL INVESTMENT | FG 40,000/member   |
| SOURCE OF FUNDS    | members  |
| EMP FULL TIME      | 40   |
| EMP PART TIME      |  |
| UNSKILLED          | 0  |
| SKILLED            | 40   |
| MANAGEMENT         | 0  |
| IMPORT DEPENDENT   | yes (imports)  |
| SALES / YEAR       |  |
| CLIENTELE          | export to Mali   |
| PERCENT EXPORTED   | high   |
| MARKET POTENTIAL   | strong   |
| EXPANSION INTEREST | some   |
| CONSTRAINTS        | equipment, transport, communications                         |
| EXPANSION REQUIR.  | finance  |
| TRAINING REQUIR.   | eventual for equipment maintenance                           |
| PREV CREDIT USE    | no   |
| CREDIT SOURCE      |  |
| DIVERSIFY INTEREST | eventually   |
| SECTOR             | livestock, transportation                                    |
| COMMENTS           | Individual producers who want to associate to obtain financi |

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GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 1

|                    |   |
|--------------------|---|
| LOCATION           | KANKAN  |
| PRINCIPLE ACTIVITY | bicycle assembly (imported parts); tricycle fabrication     |
| STARTUP DATE       | 1986  |
| GOVERNMENT ASST    | no  |
| OWNERSHIP          | private   |
| STOCKHOLDERS       | French/Guinean  |
| INITIAL INVESTMENT | 500 bikes   |
| SOURCE OF FUNDS    | French manufacturing; personal                              |
| EMP FULL TIME      | 8   |
| EMP PART TIME      |   |
| UNSKILLED          | 1   |
| SKILLED            | 6   |
| MANAGEMENT         | 1   |
| IMPORT DEPENDENT   | yes   |
| SALES / YEAR       | up to 6000 bikes/yr @ 48,000                                |
| CLIENTELE          | installment sales by Kankan retailers, eventually elsewhere |
| PERCENT EXPORTED   | 0   |
| MARKET POTENTIAL   | strong  |
| EXPANSION INTEREST | yes (30-100/day)  |
| CONSTRAINTS        | irregular parts supply due to Port Conakry transport        |
| EXPANSION REQUIR.  | finance; larger building problems                           |
| TRAINING REQUIR.   | training by manufacturer representative planned             |
| PREV CREDIT USE    | yes   |
| CREDIT SOURCE      | supplier and loan from Societe Gen. de Banques (French)     |
| DIVERSIFY INTEREST | depends   |
| SECTOR             |   |
| COMMENTS           | The only private sector non-artisan operation identified.   |

GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 2

|                    |   |
|--------------------|---|
| LOCATION           | KANKAN  |
| PRINCIPLE ACTIVITY | artisan prod. of caustic soaps (2000/day, 180-200 days/yr)  |
| STARTUP DATE       | 1977  |
| GOVERNMENT ASST    | raw mat. supply   |
| OWNERSHIP          | private   |
| STOCKHOLDERS       | 1   |
| INITIAL INVESTMENT | SYL 175,000   |
| SOURCE OF FUNDS    | personal  |
| EMP FULL TIME      | 5   |
| EMP PART TIME      |   |
| UNSKILLED          | 0   |
| SKILLED            | 4   |
| MANAGEMENT         | 1   |
| IMPORT DEPENDENT   | yes   |
| SALES / YEAR       | FG 620 million/yr (approx.)   |
| CLIENTELE          | local market; wholesalers   |
| PERCENT EXPORTED   | 0   |
| MARKET POTENTIAL   | strong  |
| EXPANSION INTEREST | yes   |
| CONSTRAINTS        | needs extraction line; surer raw mat. supply  |
| EXPANSION REQUIR.  | finance; technical know how   |
| TRAINING REQUIR.   | yes, if extraction line installed   |
| PREV CREDIT USE    | no  |
| CREDIT SOURCE      | applied to PME in 1981, no action   |
| DIVERSIFY INTEREST | no  |
| SECTOR             |   |
| COMMENTS           | Extraction line of CFA 60 million.<br>Better entrepreneur potential than at Siguiriri.<br>If two extraction lines are in use, operation might be over capacity. |

GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 3

|                    |  |
|--------------------|--|
| LOCATION           | KANKAN   |
| PRINCIPLE ACTIVITY | chicken coop with approximately 50 chickens              |
| STARTUP DATE       | 1980   |
| GOVERNMENT ASST    | no   |
| OWNERSHIP          | private  |
| STOCKHOLDERS       | 1  |
| INITIAL INVESTMENT | SYL 300,000  |
| SOURCE OF FUNDS    | personal   |
| EMP FULL TIME      | 3  |
| EMP PART TIME      |  |
| UNSKILLED          | 3  |
| SKILLED            |  |
| MANAGEMENT         |  |
| IMPORT DEPENDENT   | no   |
| SALES / YEAR       |  |
| CLIENTELE          | local market   |
| PERCENT EXPORTED   | 0  |
| MARKET POTENTIAL   | moderate   |
| EXPANSION INTEREST | yes( to 6-10,000)  |
| CONSTRAINTS        | lack of technical and business know how, lack of finance |
| EXPANSION REQUIR.  |  |
| TRAINING REQUIR.   | yes (operations)   |
| PREV CREDIT USE    | no   |
| CREDIT SOURCE      |  |
| DIVERSIFY INTEREST |  |
| SECTOR             |  |
| COMMENTS           |  |

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Questionnaire 4

|                    |  |
|--------------------|--|
| LOCATION           | KANKAN   |
| PRINCIPLE ACTIVITY | coop of 26 importers/exporters   |
| STARTUP DATE       | 1978   |
| GOVERNMENT ASST    | avail of foreign exchange  |
| OWNERSHIP          | cooperative  |
| STOCKHOLDERS       | 26   |
| INITIAL INVESTMENT | N.R.   |
| SOURCE OF FUNDS    | personal   |
| EMP FULL TIME      | 26   |
| EMP PART TIME      |  |
| UNSKILLED          |  |
| SKILLED            |  |
| MANAGEMENT         |  |
| IMPORT DEPENDENT   | yes  |
| SALES / YEAR       | N.R.   |
| CLIENTELE          | imports (Kankan market); exports (fruit to Mali)   |
| PERCENT EXPORTED   | majority   |
| MARKET POTENTIAL   |  |
| EXPANSION INTEREST | yes  |
| CONSTRAINTS        | transport; allegedly working capital   |
| EXPANSION REQUIR   | better financial and administrative arrangements   |
| TRAINING REQUIR    |  |
| PREV CREDIT USE    |  |
| CREDIT SOURCE      |  |
| DIVERSIFY INTEREST |  |
| SECTOR             |  |
| COMMENTS           | Another traders association such as that in Siguiri. Economically powerful as a group, however probably not a modernizing force. |

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GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 5

|                    |   |
|--------------------|---|
| LOCATION           | KANKAN  |
| PRINCIPLE ACTIVITY | grain milling of basket size quantities for local market  |
| STARTUP DATE       | 1964  |
| GOVERNMENT ASST    | no  |
| OWNERSHIP          | private   |
| STOCKHOLDERS       | 1   |
| INITIAL INVESTMENT | FG 5 million  |
| SOURCE OF FUNDS    | personal  |
| EMP FULL TIME      | 11  |
| EMP PART TIME      |   |
| UNSKILLED          |   |
| SKILLED            | 10  |
| MANAGEMENT         | 1   |
| IMPORT DEPENDENT   | no (except for equipment)   |
| SALES / YEAR       | FG 14 million (approx.)   |
| CLIENTELE          | local market  |
| PERCENT EXPORTED   | 0   |
| MARKET POTENTIAL   | strong  |
| EXPANSION INTEREST | yes   |
| CONSTRAINTS        | finance   |
| EXPANSION REQUIR.  | basic decision to go commercial scale, equipment  |
| TRAINING REQUIR.   | equipment maintenance   |
| PREV CREDIT USE    | no  |
| CREDIT SOURCE      |   |
| DIVERSIFY INTEREST | yes   |
| SECTOR             | bakery  |
| COMMENTS           | Finance noted as an expansion constraint.<br>Operation has 7 small milling machines and a 37 kva generator. |

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GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 6

|                    |                                    |
|--------------------|------------------------------------|
| LOCATION           | KANKAN                             |
| PRINCIPLE ACTIVITY | furniture shop                     |
| STARTUP DATE       | 1971                               |
| GOVERNMENT ASST    | no                                 |
| OWNERSHIP          | private                            |
| STOCKHOLDERS       | 1                                  |
| INITIAL INVESTMENT | FG 300,000                         |
| SOURCE OF FUNDS    | personal                           |
| EMP FULL TIME      | 25                                 |
| EMP PART TIME      |                                    |
| UNSKILLED          | 0                                  |
| SKILLED            | 24                                 |
| MANAGEMENT         | 1                                  |
| IMPORT DEPENDENT   | yes (apart from wood)              |
| SALES / YEAR       | 1-2 million                        |
| CLIENTELE          | local retail                       |
| PERCENT EXPORTED   |                                    |
| MARKET POTENTIAL   | strong                             |
| EXPANSION INTEREST | yes                                |
| CONSTRAINTS        | equipment, material, finance       |
| EXPANSION REQUIR.  | equipment, material, finance       |
| TRAINING REQUIR.   | none for present type of operation |
| PREV CREDIT USE    | no                                 |
| CREDIT SOURCE      |                                    |
| DIVERSIFY INTEREST | yes                                |
| SECTOR             | branches of business               |
| COMMENTS           |                                    |

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GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 7

|                    |  |
|--------------------|--|
| LOCATION           | KANKAN   |
| PRINCIPLE ACTIVITY | doors, metal decorating work, windows, etc.    |
| STARTUP DATE       | 1964   |
| GOVERNMENT ASST    | no   |
| OWNERSHIP          | private  |
| STOCKHOLDERS       | 1  |
| INITIAL INVESTMENT | FG 500,000                                     |
| SOURCE OF FUNDS    | personal                                       |
| EMP FULL TIME      | 10   |
| EMP PART TIME      |  |
| UNSKILLED          |  |
| SKILLED            | 9  |
| MANAGEMENT         | 1  |
| IMPORT DEPENDENT   | yes, material from Mali                        |
| SALES / YEAR       | FG 2 million                                   |
| CLIENTELE          | local retail/wholesale                         |
| PERCENT EXPORTED   |  |
| MARKET POTENTIAL   | strong   |
| EXPANSION INTEREST | yes  |
| CONSTRAINTS        | material;fuel supply;equip.;finance;communic.; |
| EXPANSION REQUIR.  | material;fuel supply;equip.;finance;communic.; |
| TRAINING REQUIR.   | none   |
| PREV CREDIT USE    | no   |
| CREDIT SOURCE      |  |
| DIVERSIFY INTEREST | yes  |
| SECTOR             | currently constructing a saw mill.             |
| COMMENTS           | Has been interviewed by others.                |

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GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

|                    | Questionnaire 8   |
|--------------------|---|
| LOCATION           | KANKAN  |
| PRINCIPLE ACTIVITY | artisan work in wood/ivory                                    |
| STARTUP DATE       |   |
| GOVERNMENT ASST    | no  |
| OWNERSHIP          | private   |
| STOCKHOLDERS       | 1   |
| INITIAL INVESTMENT | FG 2 million  |
| SOURCE OF FUNDS    | personal  |
| EMP FULL TIME      | 5   |
| EMP PART TIME      | 3   |
| UNSKILLED          |   |
| SKILLED            | 8   |
| MANAGEMENT         |   |
| IMPORT DEPENDENT   | no (except for power tools)                                   |
| SALES / YEAR       | 6 million   |
| CLIENTELE          | intermediaries, regional expatriates, tourists                |
| PERCENT EXPORTED   | 90  |
| MARKET POTENTIAL   | moderate  |
| EXPANSION INTEREST | yes   |
| CONSTRAINTS        | finance;equipment;  |
| EXPANSION REQUIR.  | finance;equipment;  |
| TRAINING REQUIR.   | yes, for expansion  |
| PREV CREDIT USE    | no  |
| CREDIT SOURCE      |   |
| DIVERSIFY INTEREST | no  |
| SECTOR             |   |
| COMMENTS           | One of several Kankan shops organized in a loose association. |

GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 9

|                    |  |
|--------------------|--|
| LOCATION           | KANKAN   |
| PRINCIPLE ACTIVITY | saw mill; woodworking; furniture making                  |
| STARTUP DATE       | 1984   |
| GOVERNMENT ASST    | no   |
| OWNERSHIP          | private  |
| STOCKHOLDERS       | 1  |
| INITIAL INVESTMENT | N.R.   |
| SOURCE OF FUNDS    | personal; parents  |
| EMP FULL TIME      | 21   |
| EMP PART TIME      | 8  |
| UNSKILLED          | 9  |
| SKILLED            | 12   |
| MANAGEMENT         | 1  |
| IMPORT DEPENDENT   | yes  |
| SALES / YEAR       | FG 40 million  |
| CLIENTELE          | Kankan region  |
| PERCENT EXPORTED   | 0  |
| MARKET POTENTIAL   | strong   |
| EXPANSION INTEREST | yes  |
| CONSTRAINTS        | financial; fuel supply; equipment                        |
| EXPANSION REQUIR.  | financial; fuel supply; equipment; transport             |
| TRAINING REQUIR.   | says no, but would need training for equipment           |
| PREV CREDIT USE    | yes  |
| CREDIT SOURCE      | loan from parents for start up                           |
| DIVERSIFY INTEREST | yes  |
| SECTOR             | plantation   |
| COMMENTS           | Largest commercial scale transformation activity so far. |

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GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 10

|                    |   |
|--------------------|---|
| LOCATION           | KANKAN  |
| PRINCIPLE ACTIVITY | 70 ha mangoes   |
| STARTUP DATE       | 1959 own  |
| GOVERNMENT ASST    | no  |
| OWNERSHIP          | private   |
| STOCKHOLDERS       | 1   |
| INITIAL INVESTMENT | CFA 100,000   |
| SOURCE OF FUNDS    | personal  |
| EMP FULL TIME      | 3   |
| EMP PART TIME      |   |
| UNSKILLED          | 0   |
| SKILLED            | 3   |
| MANAGEMENT         |   |
| IMPORT DEPENDENT   | yes (inputs)  |
| SALES / YEAR       | FG 1 million  |
| CLIENTELE          | government juice factory; export to neighboring countries   |
| PERCENT EXPORTED   | 20  |
| MARKET POTENTIAL   | strong  |
| EXPANSION INTEREST | yes   |
| CONSTRAINTS        | irregular input availability (fuel, fertilizer, transport)  |
| EXPANSION REQUIR.  | working capital   |
| TRAINING REQUIR.   | equip, trans          finance   |
| PREV CREDIT USE    | none  |
| CREDIT SOURCE      | solicited , but no agreement on terms   |
| DIVERSIFY INTEREST | yes   |
| SECTOR             | chicken farm  |
| COMMENTS           | Owner is president of a 283-member coop of mango grower.<br>Mangoes and oranges are the major local industry. |

GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 1

|                    |  |
|--------------------|--|
| LOCATION           | KISSIDOUGOU  |
| PRINCIPLE ACTIVITY | saw mill; furniture fabrication  |
| STARTUP DATE       | 1954   |
| GOVERNMENT ASST    | no   |
| OWNERSHIP          | non profit <b>foreign charity</b>  |
| STOCKHOLDERS       |  |
| INITIAL INVESTMENT |  |
| SOURCE OF FUNDS    | foreign contributors   |
| EMP FULL TIME      | 55   |
| EMP PART TIME      |  |
| UNSKILLED          | 1  |
| SKILLED            | 50   |
| MANAGEMENT         | 4  |
| IMPORT DEPENDENT   | no; yes, for equipment, fuel   |
| SALES / YEAR       |  |
| CLIENTELE          | local private and some government  |
| PERCENT EXPORTED   | 0  |
| MARKET POTENTIAL   | strong   |
| EXPANSION INTEREST | not really   |
| CONSTRAINTS        | wood supply in surrounding area  |
| EXPANSION REQUIR   | equipment <b>modernization</b>   |
| TRAINING REQUIR    | operator and equipment maintenance training  |
| PREV CREDIT USE    | yes  |
| CREDIT SOURCE      | support by foreign donors  |
| DIVERSIFY INTEREST | yes  |
| SECTOR             | agriculture (mission food supply)  |
| COMMENTS           | Interviewed in PME office.<br>Unable to see this operation.<br>Sounds more like an informal, social enterprise<br>rather than a strictly commercial one. |

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GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 2

|                    |   |
|--------------------|---|
| LOCATION           | KISSIDOUGOU   |
| PRINCIPLE ACTIVITY | saw mill  |
| STARTUP DATE       | 1984  |
| GOVERNMENT ASST    | no  |
| OWNERSHIP          | societe   |
| STOCKHOLDERS       | 6   |
| INITIAL INVESTMENT | CFA 65 million  |
| SOURCE OF FUNDS    | stockholders (100%)   |
| EMP FULL TIME      | 45  |
| EMP PART TIME      |   |
| UNSKILLED          | 30  |
| SKILLED            | 10  |
| MANAGEMENT         | 5   |
| IMPORT DEPENDENT   | no;(except for equipment, fuel)   |
| SALES / YEAR       | 30 million  |
| CLIENTELE          | local private and government  |
| PERCENT EXPORTED   |   |
| MARKET POTENTIAL   | strong  |
| EXPANSION INTEREST | yes (carpentry)   |
| CONSTRAINTS        | access to finance, fuel, spare parts;                                     |
| EXPANSION REQUIR.  | access to finance, fuel, spare parts                                      |
| TRAINING REQUIR.   | yes, if more sophisticated equipment is purchased                         |
| PREV CREDIT USE    | no  |
| CREDIT SOURCE      | Have applied for World Bank PME credit                                    |
| DIVERSIFY INTEREST | yes   |
| SECTOR             | various (among six stockholders)  |
| COMMENTS           | The most professional commercial scale operation<br>in the entire sample. |

GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 3

LOCATION KISSIDOUYOU  
 PRINCIPLE ACTIVITY french bread (2-3000/day,formerly 4000/day)  
 STARTUP DATE 1985  
 GOVERNMENT ASST no  
 OWNERSHIP private  
 STOCKHOLDERS 1  
 INITIAL INVESTMENT  
 SOURCE OF FUNDS personal  
 EMP FULL TIME 9  
 EMP PART TIME  
 UNSKILLED 0  
 SKILLED 9  
 MANAGEMENT 1  
 IMPORT DEPENDENT yes  
 SALES / YEAR FG 2 million  
 CLIENTELE local wholesale/retail  
 PERCENT EXPORTED  
 MARKET POTENTIAL  
 EXPANSION INTEREST yes (pastry shop)  
 CONSTRAINTS  
 EXPANSION REQUIR.  
 TRAINING REQUIR.  
 PREV CREDIT USE  
 CREDIT SOURCE  
 DIVERSIFY INTEREST  
 SECTOR  
 COMMENTS

There was a new electric oven.  
 Shows signs of management problems.

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GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 4

LOCATION KISSIDOUYOU

PRINCIPLE ACTIVITY association of truck owners

STARTUP DATE 1953

GOVERNMENT ASST no

OWNERSHIP individual owners

STOCKHOLDERS 247 members

INITIAL INVESTMENT

SOURCE OF FUNDS usually personal

EMP FULL TIME

EMP PART TIME

UNSKILLED

SKILLED

MANAGEMENT

IMPORT DEPENDENT yes

SALES / YEAR

CLIENTELE local private and business

PERCENT EXPORTED 0

MARKET POTENTIAL

EXPANSION INTEREST yes

CONSTRAINTS vehicle finance; parts availability; better roads

EXPANSION REQUIR.

TRAINING REQUIR.

PREV CREDIT USE no

CREDIT SOURCE

DIVERSIFY INTEREST

SECTOR

COMMENTS Interviewed the Executive Secretary of the cooperative.  
Similar coops in each prefecture.  
Distribution of traffic among members.

GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 5

|                    |   |
|--------------------|---|
| LOCATION           | KISSIDOUGOU (project)                     |
| PRINCIPLE ACTIVITY | menuiserie, some saw mill;                |
| STARTUP DATE       | 1986                                      |
| GOVERNMENT ASST    | no  |
| OWNERSHIP          | private                                   |
| STOCKHOLDERS       | 1   |
| INITIAL INVESTMENT | FG 21 million                             |
| SOURCE OF FUNDS    | personal                                  |
| EMP FULL TIME      | 14  |
| EMP PART TIME      |   |
| UNSKILLED          |   |
| SKILLED            |   |
| MANAGEMENT         |   |
| IMPORT DEPENDENT   | no for materials, yes for equipment       |
| SALES / YEAR       |   |
| CLIENTELE          | local                                     |
| PERCENT EXPORTED   | 0   |
| MARKET POTENTIAL   | medium                                    |
| EXPANSION INTEREST |   |
| CONSTRAINTS        | saw mill equipment finance and purchase   |
| EXPANSION REQUIR.  | finance                                   |
| TRAINING REQUIR    | not for the moment                        |
| PREV CREDIT USE    | no  |
| CREDIT SOURCE      |   |
| DIVERSIFY INTEREST | yes                                       |
| SECTOR             | fruit juice line                          |
| COMMENTS           | An experienced and capitalized carpenter. |

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GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 6

|                    |  |
|--------------------|--|
| LOCATION           | KISSIDOUYOU  |
| PRINCIPLE ACTIVITY | construction of buildings, bridges, etc.   |
| STARTUP DATE       | 1979   |
| GOVERNMENT ASST    | no   |
| OWNERSHIP          | coop of indiv. trades  |
| STOCKHOLDERS       | 150  |
| INITIAL INVESTMENT | FG 15,000  |
| SOURCE OF FUNDS    | personal   |
| EMP FULL TIME      | 150  |
| EMP PART TIME      |  |
| UNSKILLED          | 0  |
| SKILLED            | 150  |
| MANAGEMENT         |  |
| IMPORT DEPENDENT   | yes, for cement, tools, no for the rest  |
| SALES / YEAR       |  |
| CLIENTELE          | local private, government  |
| PERCENT EXPORTED   | 0  |
| MARKET POTENTIAL   | medium   |
| EXPANSION INTEREST |  |
| CONSTRAINTS        | seem to have internal organizational problems  |
| EXPANSION REQUIR.  | equipment; means to finance purchases  |
| TRAINING REQUIR.   | they say no  |
| PREV CREDIT USE    | no   |
| CREDIT SOURCE      |  |
| DIVERSIFY INTEREST |  |
| SECTOR             |  |
| COMMENTS           | Typical of construction coops in each prefecture. Can do building, etc, but doesn't have management capability for large projects. |

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GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 7

|                    |  |
|--------------------|--|
| LOCATION           | KISS DOUGOU  |
| PRINCIPLE ACTIVITY | organization of 25 importers/exporters   |
| STARTUP DATE       | 1972   |
| GOVERNMENT ASST    | no   |
| OWNERSHIP          | association of individual traders  |
| STOCKHOLDERS       | 25   |
| INITIAL INVESTMENT |  |
| SOURCE OF FUNDS    |  |
| EMP FULL TIME      |  |
| EMP PART TIME      |  |
| UNSKILLED          |  |
| SKILLED            |  |
| MANAGEMENT         |  |
| IMPORT DEPENDENT   | import of consumer goods; export of coffee, palm                                 |
| SALES / YEAR       |  |
| CLIENTELE          | export through Conakry, import to local market                                   |
| PERCENT EXPORTED   | 7  |
| MARKET POTENTIAL   |  |
| EXPANSION INTEREST | yes  |
| CONSTRAINTS        | they say credit is major constraint  |
| EXPANSION REQUIR.  | sources of credit  |
| TRAINING REQUIR.   | N.R.   |
| PREV CREDIT USE    | yes  |
| CREDIT SOURCE      | internal among members   |
| DIVERSIFY INTEREST | yes  |
| SECTOR             | agriculture  |
| COMMENTS           | Members represent local economic elite.<br>They are planters as well as traders. |

Questionnaire 1

|                    |   |
|--------------------|---|
| LOCATION           | CONAKRY   |
| PRINCIPLE ACTIVITY | prod. of trav. bags, plastic household objects, cardboard   |
| STARTUP DATE       | 1970  |
| GOVERNMENT ASST    | no  |
| OWNERSHIP          | corporation   |
| STOCKHOLDERS       | 6   |
| INITIAL INVESTMENT | \$ 200-250,000  |
| SOURCE OF FUNDS    | stockholder equity  |
| EMP FULL TIME      | 76  |
| EMP PART TIME      |   |
| UNSKILLED          | 3   |
| SKILLED            | 63  |
| MANAGEMENT         | 10  |
| IMPORT DEPENDENT   | yes   |
| SALES / YEAR       | SYL 26 million  |
| CLIENTELE          | local wholesalers   |
| PERCENT EXPORTED   | 0   |
| MARKET POTENTIAL   | med-strong  |
| EXPANSION INTEREST | yes, mkt. permitting  |
| CONSTRAINTS        | funds still blocked in bank; no tariff protection   |
| EXPANSION REQUIR.  | release of funds, tariff prot., cust. duty exemp., raw mat.   |
| TRAINING REQUIR.   | expatriate technicians to train mechanics and technicians   |
| PREV CREDIT USE    | no  |
| CREDIT SOURCE      |   |
| DIVERSIFY INTEREST | yes   |
| SECTOR             | real estate industry  |
| COMMENTS           | Irregular electric supply and raw materials among constraints<br>Carton plant closed for lack of local market.<br>Other plants operate at low capacity due to constraints.<br>Among other constraints to expansion is the lack of a<br>customs duty |

## Questionnaire 2

|                    |  |
|--------------------|--|
| LOCATION           | CONAKRY  |
| PRINCIPLE ACTIVITY | production of chemical foam for mattress interiors   |
| STARTUP DATE       | 1982   |
| GOVERNMENT ASST    | no   |
| OWNERSHIP          | private  |
| STOCKHOLDERS       | 1  |
| INITIAL INVESTMENT | \$ 1 million   |
| SOURCE OF FUNDS    | personal; Banque Islamique.                          |
| EMP FULL TIME      | 30   |
| EMP PART TIME      |  |
| UNSKILLED          | 2  |
| SKILLED            | 25   |
| MANAGEMENT         | 3  |
| IMPORT DEPENDENT   | yes  |
| SALES / YEAR       | FG 300 million                                       |
| CLIENTELE          | local wholesalers, some retailers, all for finishing |
| PERCENT EXPORTED   | 0  |
| MARKET POTENTIAL   | weak   |
| EXPANSION INTEREST |  |
| CONSTRAINTS        | lack of purchasing power to production capacity      |
| EXPANSION REQUIR.  | macroeconomic dev. and purchasing power              |
| TRAINING REQUIR.   | none   |
| PREV CREDIT USE    | yes  |
| CREDIT SOURCE      |  |
| DIVERSIFY INTEREST | yes  |
| SECTOR             |  |
| COMMENTS           |  |

Hasn't yet planted fields.  
Would like a 3,000 ha operation.

GUINEA PRIVATE SECTOR SURVEY -- ANNEX 3

Questionnaire 3

|                    |                                     |
|--------------------|-------------------------------------|
| LOCATION           | CONAKRY/DUBREKA                     |
| PRINCIPLE ACTIVITY | prod. of cereal; feed; poultry farm |
| STARTUP DATE       | project                             |
| GOVERNMENT ASST    | no                                  |
| OWNERSHIP          | seeking financing                   |
| STOCKHOLDERS       | 100% debt financing                 |
| INITIAL INVESTMENT | FG 80 million                       |
| SOURCE OF FUNDS    |                                     |
| EMP FULL TIME      | 350                                 |
| EMP PART TIME      |                                     |
| UNSKILLED          |                                     |
| SKILLED            |                                     |
| MANAGEMENT         |                                     |
| IMPORT DEPENDENT   | yes                                 |
| SALES / YEAR       | FG 34 billion                       |
| CLIENTELE          | national and regional export        |
| PERCENT EXPORTED   | ?                                   |
| MARKET POTENTIAL   | strong                              |
| EXPANSION INTEREST | yes                                 |
| CONSTRAINTS        | finance                             |
| EXPANSION REQUIR.  |                                     |
| TRAINING REQUIR.   |                                     |
| PREV CREDIT USE    |                                     |
| CREDIT SOURCE      |                                     |
| DIVERSIFY INTEREST |                                     |
| SECTOR             |                                     |
| COMMENTS           |                                     |