

COUNTRY PROFILE

Quarterly update

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United Nations
Economic Commission for Africa

GUINEA

Introduction

The main objective of this document is to provide an update to the 2015 Guinea Country Profile, with a particular focus on the recently released annual data for 2015.

Recent developments— Key highlights

- Guinea's health sector is still feeling the effects of the Ebola virus disease outbreak. The country was officially declared Ebola-free in December 2015 by the World Health Organization. The devastating two-year epidemic resulted in 2,536 deaths and severely affected the country's economic and social performance. Guinea has drawn up a post-Ebola recovery plan, which covers the period 2015-2017 and has a budget of US\$ 2.6 billion, equivalent to 39.5 per cent of the country's gross domestic profit (GDP) in 2014.
- Guinea has considerably increased the supply and distribution of electricity since late 2015. The Kaleta dam, which has a capacity of 240 MW and was completed at the end of 2015, is expected to provide an additional 30 per cent of the population with access to electricity, bringing the total electrification rate up to 80 per cent.

Economic performance

Economic growth

As a result of falling commodity prices (especially for minerals) and the Ebola epidemic, the country's economy grew by just 0.1 per cent in 2015, down from 1.1 per cent in 2014. The most underperforming sectors were mining, manufacturing, trade and transport. Economy activity is expected to pick up, however, with growth of 4 per cent predicted for 2016 and 5.4 per cent for 2017 (International Monetary Fund, 2016). This momentum will be sustained by increased agricultural production and better government support for the provision of agricultural inputs to farmers; growth in mining production, thanks in part to the commissioning in the course of 2016 of a bauxite production plant in Boké; increased manufacturing, construction and public works; and greater public investment.

Fiscal and debt policy

Following the Ebola epidemic, the fiscal deficit widened in 2015 to 8.9 per cent of GDP, against 4.2 per cent in 2014. At the same time, tax revenues fell from 20.7 per cent of GDP in 2014 to 17.9 per cent in 2015, and total expenditure rose to 28.5 per cent of GDP, up from 26.5 per cent in 2014. Meanwhile, public spending fell by 2.6 points, to 10.0 per cent of GDP in 2015.

Inflation and monetary policy

The combined effects of a 20 per cent drop in the price of oil and a depreciation of 10.6 per cent of the local currency against the United States dollar kept inflation in single-digits, down from 9.7 per cent in 2014 to 8.2 per cent in 2015. The expansionary monetary policy of the central bank, as evidenced by the decision taken in February 2015 to decrease the reserve requirement ratio from 20 per cent to 18 per cent and to cut the key rate from 16 per cent to 11 per cent, helped to increase domestic bank credit to 26 per cent, boosting the country's post-Ebola economic recovery.

Current account

Owing to the effects of the Ebola epidemic and the 13 per cent drop in imports, the current account deficit has improved and stood at 22.4 per cent of GDP in 2015, against 25.7 per cent in 2014. The current account deficit is expected to improve considerably in 2016, to 13.1 per cent of GDP, as a result of a 6.8 per cent rise in exports of mineral products, the tripling in the number of unrequited transfers (both private and public), and a drastic drop in imports, especially of oil, which are expected to halve in 2016 (International Monetary Fund, 2016).

Social developments

Poverty

Guinea already has one of the highest poverty rates in the subregion, at 55.2 per cent in 2012. There are concerns that the 2014/2015 economic

recession caused by the Ebola outbreak, which resulted in GDP per capita falling by over 4 per cent in 2015, could worsen the situation.

Health

Guinea's health-care system was heavily hit by the Ebola epidemic. Between the start of the epidemic in December 2013 and its official end in December 2015, 2,536 deaths were recorded out of a total of 3,804 registered cases. The country's health indicators, which were already a cause for concern, are expected to deteriorate further as a result. Neonatal mortality fell from 33 deaths per 1,000 live births in 2012 to 31.3 deaths in 2015 (Economic Commission for Africa and others, 2016). A total of 8.6 per cent of the budget was spent on the health sector in 2013, up from 2 per cent in 2012.

Education

Guinea has undertaken bold reforms to improve the education system. However, these efforts have been undermined by the Ebola outbreak, which has affected the quality of education and enrolment rates. Despite spending 11 per cent of the budget on education in 2014, the primary school drop-out rate has continued to increase, from 6.9 per cent in 2010 to 10.5 per cent in 2013. In 2013, just 41.0 per cent of pupils who completed their primary education went on to secondary school (35.8 per cent for girls and 45.1 per cent for boys). The primary completion rate was 58.8 per cent (51.2 per cent for girls and 66.6 per cent for boys), while the gross enrolment rate was 82.1 per cent (74.6 per cent for girls and 89.5 per cent for boys).

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