

GUINEA FACTSHEET



Delegation der Deutschen Wirtschaft
in Ghana
Delegation of German Industry and
Commerce in Ghana



INTRODUCTION

Guinea is a coastal West African nation defined by its immense mineral wealth and its strategic role as the "water tower of West Africa," sourcing several of the region's major rivers like the Niger, Senegal, and Gambia. The country is currently navigating a profound economic metamorphosis driven by the operationalization of the Simandou Iron Ore Project, a \$20+ billion venture unlocking the world's largest high-grade iron ore deposit through a massive consortium involving Rio Tinto, Winning Consortium Simandou (WCS), and China Baowu Steel Group. As of late 2025, this industrial ambition has solidified into reality with the first historic exports of high-grade ore leaving the newly constructed deep-water Port of Morebaya via the 600km+ Trans-Guinean railway. However, this resource-driven economic surge is juxtaposed against a fragile sociopolitical backdrop; the National Rally for Development (CNRD) junta has extended the transition to civilian rule well beyond the agreed deadline, creating a climate of civil tension that contrasts sharply with the country's booming export revenues.

KEY STATISTICS

| INDICATOR | CURRENT DATA |
|---------------|--|
| Official Name | Republic of Guinea |
| Capital | Conakry |
| Population | 14.5 million (2025 Est.) |
| Area | 245,857 km ² |
| Languages | Official: French Major National: Pular, Maninka, Susu |
| Currency | Guinean Franc (GNF) |
| Time Zone | GMT |
| Head of State | General Mamadi Doumbouya (President of the Transition) |

POLITICAL CONTEXT

The political landscape in Guinea remains firmly entrenched under the National Committee of Reconciliation and Development (CNRD) led by General Mamadi Doumbouya, whose administration has effectively extended the transition to civilian rule well beyond the initial 24-month deadline agreed with ECOWAS that expired in late 2024. Citing the imperative of establishing a robust civil registry and finalizing a new constitution as prerequisites for long-term stability, the government has rescheduled the constitutional referendum for late 2025; this delay has ignited significant friction with opposition groups and civil society who are increasingly concerned about the transparency of the process and the controversial potential for junta members to contest future elections. Concurrently, Guinea is redefining its diplomatic posture by pivoting away from traditional regional integration; while remaining suspended from ECOWAS institutions, the nation has strengthened strategic economic and security ties with the Alliance of Sahel States (AES) comprising Mali, Burkina Faso, and Niger signaling a distinct shift in its geopolitical alliances.

ECONOMIC CONTEXT

Guinea's economy is currently navigating a period of robust expansion, with GDP growth projected between 4.5% and 5.5% in 2025, thanks to its status as a global mining powerhouse where the sector contributes over 90% of export earnings. This growth trajectory is being propelled not only by a 23% surge in bauxite production, capitalizing on the country's vast reserves, but also by a transformative strategic shift toward a dual-pillar model that integrates high-grade iron ore exports, marking the operational commencement of major assets like the Simandou project. Although facing slight inflationary pressures of around 3.8% due to global supply chain variances and imported food costs, the government is aggressively steering the nation away from raw commodity export; it is enforcing rigorous policies that mandate the construction of local refineries and processing infrastructure to transition the economy from simple extraction to value-added industrialization.

SELECTED DEVELOPMENT INDICATORS

| INDICATOR | 2024 (EST.) | 2025 (PROJ.) |
|-----------------|-------------|--------------|
| GDP Growth (%) | 4.2% | 4.5% – 5.5% |
| Inflation (%) | 3.2% | 3.8% |
| Bauxite Exports | 126 Mt | 140 Mt+ |

MINING BUSINESS CLIMATE

The mining landscape in 2025 is defined by the monumental operational launch of the Simandou iron ore project, and this has fundamentally altered Guinea's economic geography. With the inaugural commercial shipment in December 2025, the project has unlocked a new trans-Guinean economic corridor via a 600km heavy-haul railway and a new deep-water port, positioning the nation to become a top-tier global iron ore supplier. This infrastructure boom coincides with a hardening of regulatory stances regarding the country's established bauxite dominance. Despite maintaining its status as the world's second largest bauxite producer with surging Q3 exports, the sector is operating under a new "Refine or Lose It" doctrine. The government's May 2025 decree, which resulted in the cancellation of over 40 idle permits, has enforced a strict mandate for local value addition, compelling producers to accelerate refinery construction and meet development timelines or face immediate expulsion.

Beyond the bulk mineral giants, the gold sector is undergoing significant maturation driven by strategic consolidation and high-grade discoveries, offering a hedge against industrial metal volatility. The industry witnessed a major shift with the merger of entities like Robex Resources and Predictive Discovery, a move designed to pool capital and technical expertise to fast-track the Bankan Gold Project. Recognized as one of the largest and most promising new gold discoveries in West Africa, the Bankan project signals that Guinea is rapidly becoming a premier destination for precious metals, not just bulk ores. This consolidation reflects a maturing business climate where serious capital is rewarded, but speculative holding of assets is no longer tolerated, creating a high-stakes, high-reward environment for committed investors.

ENVIRONMENTAL & SOCIAL ISSUES

The mining landscape in Guinea is currently defined by heightened regulatory scrutiny and complex community dynamics, as the Ministry of Mines and Geology shifts toward a zero-tolerance policy on environmental negligence, rigorously enforcing the Mining Code's penalty regimes for non-compliance. In the bauxite-rich Boké region, co-habitation remains fragile; persistent community grievances regarding red dust pollution, loss of arable agricultural land, and disputes over compensation mechanisms have frequently escalated into civil unrest and operational disruptions. Furthermore, the acceleration of the massive Simandou iron ore project has introduced unprecedented social and ecological management challenges; the construction of the 670km "Trans-Guinean" railway necessitates extensive land acquisition and biodiversity protection across sensitive ecosystems, requiring operators to maintain robust ESG frameworks to secure their social license to operate amidst a population increasingly demanding tangible local benefits.

REGULATORY FRAMEWORK OF THE MINING SECTOR

Guinea's mining sector operates under the foundational 2011 Mining Code (amended in 2013), yet the current operational landscape is defined by a series of aggressive 2024 and 2025 decrees aimed at tightening compliance and maximizing national benefit. The government has shifted from passive oversight to strict enforcement, particularly regarding the 2022 Local Content Law. This legislation is no longer a guideline but a mandate, enforcing rigorous quotas that require Guinean nationals to hold significant positions within senior management, rather than just unskilled labor roles. Furthermore, the law strictly reserves specific supply chain sectors, including logistics, catering, and civil construction, for Guinean-owned SMEs to prevent capital flight. Companies found failing to meet these local content targets now face immediate sanctions, ranging from heavy financial fines to the freezing of export permits and delays in license renewals. Financially and logistically, the State has solidified its role as an active participant rather than a mere regulator. The government retains a mandatory 15% free-carried interest in all mining projects, with a strategic option to purchase an additional 20% equity in bauxite and gold projects on a contributory basis, allowing for a potential total state control of 35%. This resource nationalism is mirrored in infrastructure development, most notably

through the "Compagnie du TransGuinéen" (CTG). As a joint venture between the State, Rio Tinto, and WCS, the CTG manages the massive Simandou rail and port network. This structure sets a new industry precedent for "mutualized" infrastructure, establishing a shared-use model that prevents logistical monopolies and ensures that rail and port assets serve broader national economic development goals beyond individual mining concessions.

MAJOR MINING COMPANIES

The landscape is dominated by massive consortiums and established majors.

| COMPANY / CONSORTIUM | KEY MINERALS | PROJECT / STATUS |
|--|--------------|--|
| Winning Consortium Simandou (WCS) | Iron Ore | Simandou Blocks 1 & 2. Achieved first export Dec 2025. Includes Winning International, Weiqiao Aluminium, and United Mining Supply |
| Rio Tinto Simfer | Iron Ore | Simandou Blocks 3 & 4. JV with Chinalco and the State |
| Société Minière de Boké (SMB) | Bauxite | Largest bauxite producer. Part of the Winning Consortium |
| Compagnie des Bauxites de Guinée (CBG) | Bauxite | Historic major player. Owned by Halco (Alcoa/Rio Tinto) and the State |
| Guinea Alumina Corp (GAC) | Bauxite | Owned by Emirates Global Aluminium (EGA) |
| AngloGold Ashanti (SAG) | Gold | Siguiri Gold Mine |
| Nordgold | Gold | Lefa Mine. Russian-owned |
| Robex Resources / Predictive | Gold | Bankan Project |
| Chalco (Aluminum Corp of China) | Bauxite | Boffa Bauxite Project |

INVESTMENT OPPORTUNITIES

Guinea is currently executing a major strategic shift from being a raw material exporter to becoming an industrial processing hub, presenting high-value opportunities in local transformation and refining. The government has adopted a stricter legislative stance, mandating that long-term bauxite concession holders commit to constructing local alumina refineries rather than simply exporting raw ore. This policy is driving a surge in demand for technical partners capable of building and operating complex refining infrastructure. While the state offers attractive fiscal incentives to facilitate this transition, the pressure to comply is significant, creating an urgent market for engineering, procurement, and construction (EPC) firms and technology providers who can help mining majors meet these beneficiation targets and secure their continued license to operate. Beyond the processing sector, the ecosystem surrounding the colossal Simandou iron ore project creates a massive secondary market for support services and critical infrastructure. The operationalization of the new 600km Trans-Guinean railway and deep-water port requires extensive ancillary support, ranging from railway maintenance and specialized heavy logistics to camp management and catering services along the corridor. However, the success of both the refining mandate and the infrastructure boom hinges on energy availability. Consequently, there is a critical need for Independent Power Projects (IPPs) to bridge the gap between current grid capacity and industrial demand. Investors face immediate opportunities to develop gas-to-power solutions or hydroelectric facilities specifically designed to supply the energy-intensive needs of new refineries and mining operations.

OUTLOOK

Guinea's outlook for 2026 is characterized by a high-stakes tension between transformational economic growth and entrenched political volatility. Economically, the country is approaching a historic inflection point as the Simandou iron ore project prepares to commence exports; this windfall is expected to drive double-digit GDP growth and capitalize a new Sovereign Wealth Fund (Fonds de Richesse Simandou) targeting a Q2 2026 launch with an initial \$1 billion endowment to shield the treasury from commodity cycles. However, this boom is heavily discounted by political uncertainty, as the delayed

transition to civilian rule remains the primary risk factor; following the constitutional referendum, investors must now closely monitor the precarious timeline for legislative and presidential elections, with the potential candidacy of junta leader Mamady Doumbouya likely to spark civil unrest and further postpone the return to constitutional order. Operationally, the regulatory environment will tighten significantly as the state enforces strict Local Content provisions, requiring aggressive quotas for local hiring and supply chain integration, and mandates concrete steps toward value addition, specifically compelling bauxite and iron ore miners to advance feasibility studies for domestic refineries and steel plants to retain their operating licenses.

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