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TRADE POLICY REVIEW

Report by

GUINEA

Pursuant to the Agreement Establishing the Trade Policy Review Mechanism (Annex 3 of the Marrakesh Agreement Establishing the World Trade Organization), the policy statement by Guinea is attached.

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I. OVERVIEW

1. The Republic of Guinea is situated in the south-west of West Africa between latitudes 7° 05 and 12° 51 north, and longitudes 7° 30 and 15° 10 west, half way between the Equator and the Tropic of Cancer. It is bounded by Liberia and Sierra Leone to the south, Côte d'Ivoire to the east, and by Guinea-Bissau, Senegal and Mali to the north.

2.

3. It is a coastal country with a 300 km long Atlantic coastline in the west. Its relief is varied, and extends from the low-altitude coastal plains to the mountainous areas in the interior of the country, reaching an altitude of over 1,500 metres in places. It is divided into four large natural regions, different in climate, topography and sub-soil. They are Guinée Maritime, Moyenne Guinée, Haut Guinée and Guinée Forestière. The climate is tropical, with alternating dry and rainy seasons. The country covers an area of 245,857 km^2 and has a population of around 10,952,070 million, i.e. an average density of 44 inhabitants per km^2.

II. ECONOMIC ENVIRONMENT

4. Following its second appearance before the WTO Trade Policy Review Body in September 2005, Guinea pursued its implementation of the reforms begun in 1986, under the different structural adjustment programmes. The average annual per capita income in Guinea is estimated at US$300 and is still low despite the country's enormous potential in agriculture, mining, fisheries, and energy.

5. Special emphasis has been placed on the poverty-reduction strategy as a means of ensuring improved living standards for the country's population and preserving a climate of social peace and political stability.

6. To that end, Guinea has set itself a number of major objectives to be attained through its macroeconomic stabilization programme. These objectives have been laid out in version 3 of its Poverty Reduction Strategy Paper (PRSP).

7. However, in spite of the measures taken to ensure economic growth and development, Guinea suffered a major economic crisis in the early 2000s that severely upset the main macroeconomic balances. This crisis, which aggravated the government budget deficit and led to a massive accumulation of domestic and external arrears, was caused chiefly by:

(a) The prolonged deterioration of the terms of trade owing to the downturn in the world prices of Guinea's leading export products (including coffee, cotton and bauxite);

(b) the consequences of the rebel attacks against Guinea, which generated significant security expenditure;

(c) the burden of refugees (more than 10 per cent of the country's population);

(d) the major energy crisis (water, electricity), which caused a sharp contraction of the country's economic activity;

(e) the total lack of external assistance over the past few years;

(f) the general surge in the prices of staples, in particular rice, sugar, flour, oil, cement, and above all, petroleum products;

(g) recurring social and political turbulence in 2006, 2007, 2008, 2009 and 2010 caused mainly by bad governance.

8. To halt the steady economic and financial decline, the Guinean authorities launched an economic recovery process in 2002. They decided to introduce adjustment programmes aimed at correcting the economic imbalances and spurring growth. The following measures were taken:

- Adoption of a sound policy for the management of public finances;

- reduction in government security expenditure, a measure made possible by the cessation of the armed conflicts along Guinea's borders and the decrease in the number of refugees from neighbouring countries where peace had been restored;

- partial solution of energy problems through the introduction of new equipment (thermal power stations and wells);

- adoption of the harmonized WAEMU Common External Tariff;

- support for the coffee industry by setting up a joint public/private-sector body to manage the sector;

- broadening of the tax base;

- introduction of the principle of a unified treasury for the purposes of implementing the government budget.

9. In spite of their positive impact, these measures were not enough to fully overcome the crisis, as the relevant indicators have not improved sufficiently. Inflation has continued to rise, averaging an estimated 15.5 per cent at the end of 2010, and the gap has widened between the official Guinean franc/US$ exchange rate and the parallel rate.

10. In short, it must be noted in the socio-economic context that although Guinea's considerable efforts have achieved relatively encouraging results, much remains to be done to bring about even better results particularly in terms of macroeconomic indicators such as inflation and the budget deficit, if the standard of living of the Guinean people is to be raised.

III. ANALYSIS OF THE ECONOMY BY SECTOR

11. Between 2005 and 2010, GDP grew at an average annual rate of 1.9 per cent, having peaked at 4.2 per cent in 2002 and reached a low of 1.2 per cent in 2003. The average growth rate was below the population growth rate (3.1 per cent) and was therefore not enough to reduce poverty. Indeed, the average per capita GDP growth rate was -0.3 per cent, reaching a maximum of 1.1 per cent in 2002 and minimum of -1.8 per cent in 2003.

12. Growth in the primary sector, which represents 18.3 per cent of GDP on average, fell short of the 5.8 per cent target, recording an average of 3.4 per cent. This growth is essentially attributable to the fisheries subsector (5.5 per cent), although its share in primary sector value added is negligible (0.2 per cent).

13. Secondary sector value added (including mining) represents 30.9 per cent of GDP on average. Its average growth rate of 3.4 per cent is attributable to the good performance of the mining sector (2.4 per cent). Mining continues to play a leading role in the Guinean economy, accounting on average for 16.4 per cent of GDP and approximately 12,000 permanent jobs (8 per cent of the economically active population). But while it accounts on average for close to 78 per cent of the country's exports, its contribution to domestic government revenue remains at 20.9 per cent. Growth in the manufacturing sector is put at 3.5 per cent, with a roughly 4 per cent average contribution to GDP.

14. The tertiary sector continues to account for the bulk of GDP with an average share of 46.9 per cent and average annual growth of 2 per cent. The import-export trade is still the leading contributor, making up 63.5 per cent of tertiary activities and recording an average growth rate of 1.9 per cent per year. Its maximum level was 2.8 per cent in 2004 compared to a minimum of 1.1 per cent in 2003.

IV. TRADE POLICIES AND PRACTICES

A. GENERAL TRADE POLICY OBJECTIVES

15. Guinea's trade policy and the strategy for implementing its directives are a continuation of the country's general economic policy agenda through the various reforms introduced over more than 20 years now and the creation of the Third Republic. This strategy, which is clearly outlined in Guinea's PRSP, aims to make trade one of the engines of growth. It rests on two main objectives:

- Modernization of the trade professions to curb the informal sector and establish a fair and healthy climate of competition;

- promotion of Guinean exports, particularly in the non-mining sectors;

16. The main components of Guinea's trade policy can be summarized as follows:

- Rehabilitating the domestic market;

- securing regular and adequate supplies of consumer and capital goods for the country;

- securing permanent markets for domestic products both at home and abroad;

- helping to create commercial channels within the country leading to high value-added products;

- strengthening the role of national public and private institutions responsible for supporting and promoting the private sector;

- promoting new products for which there is a demand in foreign markets and for which Guinea has significant potential and a real comparative advantage;

- improving the international image of Guinean foreign trade by promoting product quality;

- pursuing the process of harmonizing domestic regulations with WTO rules;

- stepping up exports by an average of 12 per cent a year over the next five years;

- ensuring smoother operation of trade-related judicial structures.

B. SECTORAL TRADE POLICY OBJECTIVES

(i) Agriculture

17. With more than six million hectares of arable land, Guinea's agricultural potential is considerable (agriculture, fisheries, livestock farming, and forestry). However, only 15 per cent of that land is actually being cultivated. Agriculture provides employment to more than 70 per cent of the population. Income distribution in the agricultural sector is therefore a key factor in eradicating poverty.

18. Agriculture accounts for approximately 14 per cent of GDP, and its growth has generally outpaced that of other sectors of the economy. It has nevertheless been adversely affected by the rebel attacks from Liberia and Sierra Leone, with the result that growth in the sector was down 6.1 per cent in 2000.

19. Low yields from the sector have made the country increasingly dependent on food imports. Rice imports are estimated at 300,000 tonnes per annum. The dominant features of the sector are the insufficiency of irrigation facilities, inadequate support for farmers, the shortage of agricultural inputs and improved seeds, and a low level of training amongst the players.

20. Agriculture is the priority sector of Guinea's development policy, as laid out, *inter alia*, in the country's PRSP. This priority has been implemented through the different editions of the Agricultural Development Policy Letter (ADPL) I (1991) and II (1998). The latter is currently under revision. An annual growth rate of 6.2 per cent is being targeted for 2014.

21. To that end, the Guinean Government is continuing to implement its vast programme for the development and modernization of agriculture with the active participation of the private sector and the support of its main development partners.

22. This programme builds on the one presented in 1999 and aims to:

- Improve production methods in rural areas in order to boost the output of farmers;

- introduce systems for financing agriculture in rural areas;

- improve the performance of the agricultural subsectors by creating and managing pilot plantations and using nurseries to produce selected seedlings, for the benefit of farmers;

- restore and extend the network of rural tracks and irrigation facilities;

- promote the use of agricultural inputs;

- promote the rational use of forest resources;

- boost the efficiency of State and para-State support structures and of agricultural development projects and programmes;

- make the agricultural sector one of the engines of economic and social development in Guinea;

- shift progressively from subsistence farming to market-driven agriculture;

- combat rural poverty through environmental protection and rational and sustainable management of natural resources;

- it is also the Government's aim to ensure food self-sufficiency in the short-term; consultation meetings with the farming community ended with mutual commitments being made, in particular with respect to support for farmers:

  - Irrigation schemes for small and medium-size farms;

  - provision of efficient equipment such as ploughs and animal-drawn implements, rotary cultivators, as well as inputs/fertilizer, improved seeds, etc.

23. Whilst focusing on increased extension work and support for farmers, the Government also plans to put special emphasis on agricultural development through international cooperation.

(ii) Energy

24. Electricity consumption is limited to a mere 18 per cent of households and access to drinking water is still difficult for the vast majority of the population. Poor resource management and governance problems in these subsectors over the past ten years have discouraged the inflow of new investments. The equipment and distribution network remain obsolescent. Of the seven generators at the Tombo power station, only one was operating in December 2010.

25. Despite the major repair and maintenance work carried out to deal with the numerous breakdowns at dams on the major waterfalls and the Garafiri dam, there has been no noticeable improvement in electricity generation and supply. The Government has therefore entered into negotiations with the development partners (World Bank, AfDB, French Development Agency (AFD)) with a view to initiating the reforms essential to the revival of the sector.

26. The Guinean Government's policy in this sector targets comprehensive coverage of energy demand throughout the country under the best possible conditions.

27. The following measures are planned with a view to reaching that objective:

- Rehabilitation of existing production, transport and distribution facilities and creation of new units, while at the same time ensuring a regular supply of spare parts;

- updating of the studies conducted under the Production and Transport Master Plan with a view to revising the national programme for investment in the sector;

- improvement of technical, commercial and financial management in the sector;

- improvement of the current institutional framework by establishing the necessary legal and financial conditions for introducing different types of private energy production;

- development of a rural electrification programme;

- continuation of the campaign to promote new and renewable forms of energy;

- a substantial increase in water and electricity supply over the medium term should make it possible to meet the needs of the population as well as industry; the Government plans to build and interconnect medium-size dams in order to harness the agro-industrial potential of the country's various regions;

- over the long term, the need to process mineral resources into metal locally will call for substantial investment in the major hydroelectric dams.

28. The Government's target is to bring the level of access to drinking water to 90 per cent of the population by 2015 with an average of 150 litres per inhabitant per day in urban areas and 50 litres in rural areas. In addition to the further digging of wells and boreholes in rural areas, the Government plans to undertake institutional reforms to benefit both subsectors whilst paying special attention to improved service and business performance, thereby limiting the use of subsidies.

(iii) Industry

29. The Government's objectives in this sector focus mainly on reviving its programme for the industrialization of the country, beginning with support for private-economic operators.

30. This policy will involve:

- Helping some industrial units that have already been privatized or that are currently being privatized or sold off to revive their activities;

- simplifying the formalities for setting up new enterprises;

- creating serviced industrial zones in Conakry and in the main cities in the interior of the country;

- creating free zones in order to encourage the production and export of manufactured goods;

- creating platforms for networking between Guinean and foreign operators.

- The Government has put special emphasis on the aim of reviving industrial units that have remained inactive as a result of privatizations that negatively impacted jobs.

- A national campaign launched in January 2011 to identify these units should make it possible to begin renovating and eventually selling them. To encourage foreign investment and ease the constraints associated with the creation of enterprises, a national investment promotion agency (API) has been established to replace the office for the promotion of private investment (OPIP). The creation of a single window now enables investors to complete all the formalities in one week instead of three months as previously. Improving the legal framework for business in order to enhance competitiveness and bring it into line with international standards is regarded as essential. The Government is keen to use fiscal instruments to promote productive investments that generate employment for young people. It is expected that finalization of the various codes (investment, government procurement, mining, etc.) will pave the way for promoting and protecting investment. By reforming the justice system, the Government intends to improve the business climate, ensure fair rulings and guarantee the rule of law. National consultations on the justice system were held in May 2011.

(iv) Mining

31. For a long time to come, Guinea's economy will remain dependent on the mining sector, which alone accounts for more than one quarter of GDP and more than 75 per cent of export revenue. Thanks to its mining resources and its energy potential, Guinea is in a position to achieve genuine, sustained socio-economic development, driven unquestionably by the mining sector.

32. A new mining policy involving bold reforms was initiated as a result of the economic liberalization and modernization programme adopted by the Government in 1985. By promoting and reviving investment, this policy aimed to help the mining sector to contribute more effectively to socio-economic development and the growth of State revenue through the development and local processing of mineral raw materials.

33. Although appropriate, all the reforms to the mining sector failed to produce the positive impact on the national economy that had been hoped for. This led the Government, together with the development partners, to develop a new mining policy in 2005 based on liberalism as defined in the Basic Law of the Republic of Guinea.

34. In conformity with the national poverty reduction strategy, the main objective of the new mining policy is to improve the mining sector's contribution to the national economy and its development. It is governed by an attractive and stabilized legislative, regulatory and competitive framework designed to minimize any negative environmental impact and favour sustainable development.

35. To that end, the Government will be setting up a system for the regular disclosure of the revenue generated by the mining sector, in keeping with the standards of the Extractive Industries Transparency Initiative (EITI).

36. In consultation with the partners, the Government will see to the review of the different agreements and conventions and the revision of the 1995 Mining Code. It will also ensure that the communities in the vicinity of mining operations share in the benefits deriving from them. Management of the mining sector has long been characterized by bad governance, in particular involving the signing of contracts that fail to take account of the interests of the State, which, moreover, are sometimes still not sufficiently safeguarded. As part of the endeavour to bring order to the mining register, the revision of the code is being finalized, together with a standard agreement. The new code will be in line with international best practices.

37. Jointly with its bilateral and multilateral partners, the Guinean Government will be seeking to implement the following major value-added projects over the short-to-medium term:

- The Sangarédi alumina plant, for which the agreement was signed and ratified in May 2005, with a capacity of 2.8 million tonnes of alumina per year;

- the Kamsar alumina plant with an annual capacity of 1.5 million tonnes, which may be expanded to 4.5 million tonnes;

- the Dabola alumina plant;
- the Dian Dian bauxite-alumina-aluminium complex;
- expanding the capacity of the Fria alumina plant;
- the hydroelectric dam on the Cogon;
- working of the Mont Nimba iron ore deposits;
- the Simandou iron ore mining project with the Rio Tinto company;
- setting-up of diamond cutting plants;
- organization and supervision of small-scale mining of precious materials, which provides more than 100,000 jobs for Guineans, and the routing of the entire output, particularly of diamonds, through official marketing channels in conformity with the requirements of the Kimberley Process.

38. A policy of this kind, which focuses on projects that are in essence capital intensive, calls for the mobilization of considerable financial resources, a concerted review of the legislative and regulatory framework, and the revitalization of regulatory, control and promotional structures.

39. Coherent implementation of the policy will enable the mining sector not only to generate substantial revenue for the Government, but also, and above all, to induce knock-on effects in other socio-economic sectors, thus contributing to poverty reduction.

(v) Fisheries and livestock farming

40. The objective in this sector remains the maximization of economic and social benefits for the country from the exploitation of its fisheries and pastoral resources. This takes account of the need to safeguard the balance of the ecosystem and the sustainability of resource exploitation while seeking to increase the contribution of fisheries and livestock farming to food security, job creation, higher incomes for fishermen and livestock farmers, as well as increased State revenue.

41. Accordingly, the Government will continue to:

- Set up an efficient system for the planning and rational management of resources by strengthening the monitoring and protection of fishing zones and by conducting research;
- step up the fight against animal diseases and develop a livestock feed supply base;
- strengthen basic infrastructures and improve the value added of fisheries and livestock products;
- support the exportation of fisheries and livestock products;
- encourage the emergence of domestic economic operators in the areas of small-scale fishing and industrial fishing;

- decentralize and improve the monitoring and surveillance of Guinean territorial waters.

42. To encourage the emergence of SMEs capable of meeting the needs of the population, the Government plans to formulate and implement a policy to modernize and strengthen the sector's operating capacities.

(vi) Services

(a) Banking and financial services

43. Thanks to the Government's reforms in this area, it has been possible to liberalize the banking and financial sector by:

- Restructuring and rehabilitating the Central Bank as the currency-issuing agency responsible for monitoring and controlling the entire banking and financial system;

- reforming the operating environment for banking, financial and micro-credit institutions, focusing in particular on monetary policy, the legal framework for financial intermediation, the related tax system, and the degree of State participation in the capital and management of banking and financial institutions;

- liberalizing the foreign exchange market, developing the money market and savings and loan institutions, and introducing mechanisms to support SMEs and micro-enterprises.

44. Other measures have entailed:

- Raising the reserve requirements for deposit banks in order to mop up excess liquidity in the economy;

- the strict application of currency exchange regulations and the operation of currency exchange bureaux.

45. The resumption of discussions with the international institutions should lead to the adoption of a formal economic programme jointly with the Government, allowing it in the long term to benefit from substantial debt cancellation as well as various types of budget aid that would enable it to meet the urgent financing needs of the economy.

46. At present, 12 commercial banks, four insurance companies, and seven certified micro-finance institutions form the backbone of Guinea's banking and financial system. With the exception of one bank and one insurance company, all banking and financial institutions are private and consist of foreign as well as private Guinean partners. The Insurance Code entered into force on 12 June 1995.

47. A new law on the supervision of banking activities was enacted on 4 July 2005, and another law on micro-finance institutions is currently under discussion in the National Assembly.

48. These various legislative texts provide the Guinean banking and financial market with security and stability for depositors and insured persons as well as for investors.

49. The Government's main objectives in this area are still the improved management of foreign exchange reserves and the stabilization of the external value of Guinea's currency.

In this context, the Government will continue to ensure:

- The control of money circulation by promoting efficient use of the banking system in the economy;

- tighter supervision of banking and financial institutions through the introduction of instruments, procedures and methods that meet international standards;

- enhanced security and modernization of payment systems and means in the banking and financial institutions in accordance with the objectives set by the second West African Monetary Zone (WAMZ);

- the strengthening of mechanisms to facilitate investment and investment financing;

- further liberalization of the money and exchange markets;

- the creation of a financial market as a tool for collecting savings with a view to supporting public and private investment.

50. A two-window micro-credit agency has been set up to revive employment in the financial sector. The windows have been endowed with GF 20 billion and GF 10 billion to encourage female entrepreneurship and youth employment respectively. A national development agency has been created and a bank for SMEs is envisaged.

(vii) Transport

51. Transport infrastructure (roads, airports) has been falling into an increasing state of disrepair in recent years for lack of maintenance. Vessels are finding it difficult to access the port of Conakry owing to the presence of numerous wrecks. The Government has begun to modernize airport and harbour infrastructure.

52. The main objective in the area of transport (air, maritime and land) is to improve traffic conditions in order to facilitate travel and provide greater safety for passengers and their luggage.

(a) Air transport

53. The following measures have been taken in this subsector:

- Opening of Conakry International Airport to round-the-clock traffic;

- coordination of security services at Conakry Airport;

- streamlining of formalities for passengers and for goods transit;

- increasing the traffic at Conakry International Airport by more than 30 per cent;

- implementation of the Yamoussoukro Decision concerning the liberalization of access to air transport markets in Africa;

- multiple designation of instruments for the operation of traffic rights;

- allowing airlines to operate on several frequencies;

- granting of fifth-freedom traffic rights to airlines of the subregion on the basis of reciprocity;

- liberalization of commercial air transport activities;

- preparation and adoption of implementing texts for the Civil Aviation Code.

54. In the short, medium and long term, the objectives for the subsector are the following:

- Rehabilitation of the airports at Kankan, Labé and N'Zérékoré so that they can operate day and night;

- revision of expired aviation agreements;

- bolstering of human, financial and material resources to build up the institutional capacity of the subsector's structures;

- revival of the activities of domestic air transport operators by promoting local private airlines;

- continued implementation of the master plan for the development of Conakry Airport with a view to increasing incoming and outgoing traffic.

55. The Government plans to bring regional airports into operation and to build an airport to modern standards. Negotiations are under way with several companies to improve service to the country.

(b) Maritime transport

56. With more than 300 km of coastline, Guinea is dependent on maritime transport for approximately 95 per cent of its foreign trade.

57. The short-term objectives for the maritime transport subsector are to:

- Improve the performance of the Autonomous Port of Conakry (PAC) and increase its goods traffic activities through the Third Port Project;

- develop transhipment, international transit, and domestic cabotage;

- build up the subsector's management capacity;

- restructure the Maritime Navigation Agency (ANAM), and partially privatize the Guinean Shipping Company (SNG);

- revive river transport on the Niger and Milo rivers;

- involve national carriers in shipping activities on the basis of partnership with a foreign shipping company;

- create an appropriate specific regulatory framework;

- draft and adopt all the implementing texts of the Merchant Marine Code;

- apply the International Ship and Port Facility Security Code (ISPS Code), which entered into force on 1 July 2004.

58. The agreement signed between the Autonomous Port of Conakry and the Bolloré group envisages the building of a new container terminal, on which work has already started, a railroad and a dry port in Kagbelen that will decongest the city of truck traffic.

(c) Land transport

59. In the short and medium term, the general objectives are to improve the organization of Guinean land transport with a view to enhancing its performance and taking advantage of the new opportunities that have emerged in the West African subregion. Accordingly, the following measures are envisaged:

- Organization and development of road corridors to promote inter-state transport with a view to subregional integration;

- improvement of the fluidity of road traffic in the city of Conakry;

- build up the subsector's management capacity;

- computerization of the management of the country's vehicle fleet and the system for the issuing of transport documents (driving licences, registration documents, transport authorizations, etc.);

- enhancement of road safety;

- preparation and introduction of an action plan for the gradual improvement of the quality of the vehicle fleet;

- establishment of a system for the collection and processing of statistical data on road accidents;

- creation of a national transport observatory.

60. The Government has resumed road projects in the capital Conakry and in inland towns. It plans to repair the entire national road network over the medium term.

(d) Rail transport

61. Rail transportation on the 662 km-long Conakry-Kankan line was halted in 1995, chiefly because of the obsolescence of the track and rolling stock.

62. Since then the activity of the National Railways Authority of Guinea (ONCFG) has been confined to maintaining its property (buildings, locomotives, track). Its liabilities were settled on 31 December 2003. To facilitate the movement of people, a passenger train (Conakry Express) linking the city of Kaloum to the Kagbelen district in the Dubréka commune began operating in June 2010.

63. The chief objective in this subsector remains the revival of rail transport activities with a view to facilitating trade and the transport of persons.

64. To that end, the following activities are planned:

- In the short and medium term:
  - Rehabilitation of the first 36 km with a view to building a dry port at mileage point PK 36/38.
- In the long term:
  - Rehabilitation of the Conakry-Kankan railroad (662 km^2).

(viii) Telecommunications

Guinea is one of the few countries not to be connected to a fibre optic network, which would bring down the cost of telephone communications. The Government has launched a project to link up the country to such a network and this is expected to be completed in the very short term. It has started consultations with the stakeholders in the telephony subsector with a view to improving the quality of the service.

65. The Government's objectives in the field of telecommunications are, *inter alia*:

- To improve broadcasting and the use of postal and telecommunication tools as well as information and communication technologies (ICTs);
- to provide a public service throughout the country to all segments of the population in order to contribute to economic and social development;
- to promote a policy of wave-band liberalization while ensuring that all technical prerequisites for managing and controlling the use of frequencies allocated to public and private radio and television operators have been met;
- to provide the national economy with means of communication based on constantly evolving technologies in order to increase its openness and integration into the world economy;
- to enhance the efficiency of the administrations by modernizing their operations, facilitating the establishment of administrative formalities, and providing citizens with more information;
- to strengthen the educational system through distance learning and computer-assisted instruction;

- to create jobs in the provinces as a means of halting migration from the countryside to the capital, by encouraging the dissemination of ICTs throughout the country;

- to further develop the supply of telephone services, ICTs and postal services, and facilitate the broadest possible access to postal and telecommunications services, particularly in rural areas;

- to develop and diversify the activities of the postal services and consolidate their financial viability by introducing appropriate reforms (modernization of management methods, formation of partnerships, and human resources development);

- to encourage the development of a new ITC-based postal and telecommunications services industry capable of responding to the increasingly diversified needs of enterprises, for which the quality of the services supplied and the availability of innovative services represent productivity factors.

66. This will require action to:

- Strengthen the public service by developing universal access through;

- individual fixed lines;

- private telecentres;

- multi-service community telecentres;

- mobile phones, prepaid in particular;

- post offices in rural areas;

- extend the territorial coverage of postal and telecommunications network infrastructure, taking into account the evolution of technologies and the specific needs of each category of users;

- digitalize and boost the capacity of the main transmission lines linking the capital with provincial towns;

- modernize existing telecommunications systems on the basis of the new international standards to offer a wide range of services at the lowest possible cost, while ensuring a performance level in keeping with the expectations of customers;

- improve the quality of the services offered to customers by the different network operators and service suppliers in order to bring Guinea's services to the level of most other countries in the region;

- ensure the inter-operation of services and service quality with the rest of the world;

- improve international internet connectivity;

- link Guinea to the international information highways, including via submarine cables;

- encourage infrastructure sharing by competing operators in order to avoid the redundancy of infrastructure, thereby reducing overall fixed costs and helping to lower the rates for customers;

- ensure that users and the State are able to enjoy the full benefits of competition by monitoring the operators and making certain that their performance matches pre-established specifications;

- provide mandatory telecommunications and expedited mail services throughout the country at rates to be determined freely, in keeping with the public service principle.

(ix) Tourism

67. In addition to its considerable potential in mining, energy and agriculture, Guinea also has much to offer in the field of tourism. Nonetheless, tourism remains one of the country's least developed activities.

68. Tourism development is therefore one of the Government's priorities. The Government is keen to make Guinea into the West African destination par excellence, hence the need to create a hotel and road network that meets the requirements of modern tourism. The few hotels in operation do not meet such standards owing to lack of maintenance or poor management, and others have simply closed down. The Government has started consultations with private partners with a view to refurbishing existing facilities and building establishments to international standards. Its main objectives in this field are still to see the tourism industry really take off thanks to the development of an integrated tourism package that conveys a better image of destination Guinea and improves the sector's contribution to the acceleration of national growth.

69. The other objectives include:

- Increasing the contribution of tourism to speedier growth by creating jobs and mobilizing foreign exchange;

- encouraging professionals in the sector to invest in Guinea;

- human resource training;

- generating jobs with a wide distribution of incomes;

- encouraging and developing tourist sites and access roads throughout the country.

(x) Crafts

70. The Government's objective in this area is to implement the **Crafts Development Policy Letter**.

71. The Government's promotional activities in this sector remain:

- The encouragement of initiatives for the creation of trade chambers;

- implementation of the Crafts Code;

- implementation of a policy to encourage the creation of crafts villages;
- increasing the productivity and competitiveness of the Guinean crafts sector;
- organization of sales exhibitions of Guinean crafts both at home and abroad;
- creation of stable productive employment.

V. GENERAL DESCRIPTION OF THE IMPORT AND EXPORT REGIME

72. Since the State's withdrawal from all economic activities after 1986, the trade sector has remained completely liberalized. Import and export operations have been facilitated and transferred to the private sector.

(i) Imports

73. On 31 December 2004, the import guarantee programme that had been entrusted to the *Société Générale de Surveillance* (SGS) was terminated. A new procedure for import and export transactions entirely managed by the Guinean national customs administration was adopted by Order No. A/N/2005/00126/MEF/CAB issued on 31 January 2005 by the Minister of the Economy and Finance, and is currently in force.

74. A service known as the Descriptive Import Application Window (***Guichet Demande Descriptive d'Importation***) was thus created within the National Customs Directorate.

75. For all goods imports of a value exceeding the Guinean franc equivalent of US$2,000, a Descriptive Import Application (*Demande Descriptive d'Importation* (DDI)) must be produced.

76. The DDI Window is responsible for issuing and following up the DDIs.

- A fee must be paid for the filing of a DDI, the amount of which is determined by order of the Minister of the Economy and Finance.

77. The amount of the fee for filing a DDI for petroleum products is set at 0.5 per cent of the f.o.b. value.

78. The following imports are exempt from payment of the DDI fee:

1. Explosives and pyrotechnic products;
2. live animals;
3. local products and traditional crafts from the ECOWAS countries;
4. donations by foreign governments or international organizations;
5. imports by mining companies;
6. imports in connection with government procurement and projects;
7. imports by non-governmental organizations (NGOs).

79. The following imports are exempt from the DDI requirement:

1. Works of art;
2. current newspapers and periodicals;
3. personal effects and household articles;
4. postal packages and commercial samples;
5. gifts and supplies for diplomatic or consular missions, as well as United Nations agencies;
6. precious stones and precious metals.

80. DDIs are valid for a period of six months.

81. The procedure for filing a DDI via the National Customs Directorate's DDI Window is as follows:

- Submission of the DDI application form;
    - The importer or the importer's approved customs agent submits the application form signed by the importer to the DDI Window, together with the following documents:
        - A detailed pro forma invoice;
        - the importer's tax registration certificate (NIF code);
        - a bank receipt for payment of the application fee.
- Admissibility of the application;
    - Once the application has been submitted, the documents are examined by a specialist who, if the application is admissible, signs the form and hands over the file to the Head of the Window, who is responsible for the final authorization. If the application is rejected, it is returned to the customer.
- Preparation of the DDI;
    - The DDI must be completed in six copies:
        - The original;
        - the "importer" copy;
        - the "bank" copy (as appropriate);
        - the "Ministry of Trade" copy;

  - the "Customs Administration" copy;
  - the "file" copy.

- Signing of the DDI;
  - The completed DDI is signed by:
    - The importer;
    - the servicing bank for DDIs involving a financial settlement;
    - the Head of the DDI Window.
- Registration of the DDI and distribution of the copies;
    - The signed DDI is registered by the examining specialist, who immediately turns over the original and the "importer" copy to the customer;
    - the "Ministry of Trade" copy is sent to the National Directorate for Trade and Competition by mail;
    - the "Customs Administration" copy is mailed to the customs import office for assessment and settlement;
    - the "file" copy is placed in the file opened for the purpose at the DDI Window.

82. DDIs are required for imports of goods with an f.o.b. value exceeding US$2,000. Goods whose f.o.b. value exceeds US$5,000 are subject in addition to pre-shipment inspection of quantity, quality and price.

83. As in all other countries, the import into Guinea of products that are hazardous to human health is prohibited. The import of strategic goods linked to State security (firearms, ammunition, explosives, etc.) is subject to a special authorization.

(ii) Exports

84. As in the case of imports, export licences, which had been mandatory, have been abandoned and replaced by Descriptive Export Applications (*Demandes Descriptives d'Exportation* (DDE)). Thus, all Guinean goods exports, whatever their destination, have been liberalized since the major reforms launched in 1986. They are exempt from all taxes with the exception of mining products, which are subject to the payment of the duties specified in the individual agreements concluded with the mining companies.

85. As regards products such as coffee, exporters pay their federations a fee of US$13 per tonne. This fee is used to finance sectoral-promotion activities.

VI. LEGAL AND REGULATORY TRADE POLICY FRAMEWORK

(i) Domestic laws and regulations governing the implementation of trade policy

86. The economic reforms carried out in Guinea since the end of the 1980s represent an irreversible commitment to the full liberalization of Guinean trade. Export, import and distribution activities therefore remain deregulated.

87. The Government's determination to transfer all trade activities to the private sector is clearly reflected in the different legal texts.

88. The Constitution is the supreme law in Guinea. Legislative power is vested in the National Transitional Council, which passes laws pending the parliamentary elections to be held at the end of the year. The President of the Republic promulgates and ratifies them. He is also vested with the authority to negotiate and conclude international agreements. He may delegate that authority to a minister or to any other member of the Executive.

89. Where there is a need to amend legislation in order to bring it into conformity with the provisions of an agreement, it is the National Assembly that passes a law authorizing such an amendment.

90. In Guinea, as in a number of other countries, trade policy is implemented by several institutions and executive bodies of the Government.

91. The Ministry of Trade is the main body in charge of trade policy in Guinea, and is responsible for submitting the relevant draft laws where necessary. Since Guinea is a signatory to the instruments of the Organization for the Harmonization of Business Law in Africa (OHADA), all laws governing trade in Guinea have been harmonized with those determined by OHADA, more specifically:

- The law on free competition and pricing policy;
- the law on weights and measures;
- the law on tourism.

(ii) Formulation and review of trade policy

92. The Ministry of Trade is responsible for the planning, formulation, implementation and administration of Guinea's trade policy. Trade laws are drafted by this Ministry (in cooperation with other ministries), then submitted to the legislature for consideration and a vote.

93. The Ministry of Trade prepares trade policy measures in consultation with:

- The private sector as represented by its different support and promotion bodies (Chamber of Commerce, Industry and Crafts of Guinea; National Chamber of Agriculture of Guinea; Guinean National Employers Council; Guinean Traders' Association; Guinean Foreign Investors' Club; National Union of Guinean Industrialists, etc.);
- the other competent institutions, i.e. the Ministry of the Economy and Finance (National Customs Directorate); Ministry of Planning; Ministry of Cooperation;

Ministry of Agriculture, Livestock, Water Resources and Forests; Ministry of Fisheries and Aquaculture; and the Central Bank of the Republic of Guinea;

- the Guinean National Committee for International Trade Negotiations, which advises the Government on negotiations;

- civil society through its various structures, i.e. the National Council of Civil Society Organizations (CNOSC), research centres, and universities.

(iii) Bilateral, multilateral, regional and preferential trade agreements

94. Having opted for a liberal economy, Guinea is continuing to create the conditions necessary for its harmonious integration into the world economy by developing its trade relations and diversifying its trading partners.

95. To that end, it has concluded the following agreements:

- The Agreement Establishing the WTO;

- the ECOWAS Treaty; and

- the Mano River Union.

96. Guinea is a signatory to the Cotonou Economic Partnership Agreement between the European Union and the ACP countries. Like the other countries of the West African Region, it is currently negotiating the economic aspects of the Agreement through the economic partnership agreements (EPAs) which provided for the establishment of a free-trade area between the ACP countries and the European Union as of 2008.

97. However, pending the entry into force of this Agreement, Guinean goods exports to the EU market and the OECD countries continue to enter on a non-reciprocal duty- and tax-free basis.

98. As an original Member of the WTO, Guinea attaches to its membership the importance it deserves. It remains convinced that the WTO Agreements will serve as a basis for increasing the share in global trade of developing countries in general, and of LDCs in particular.

99. Hence, Guinea sincerely hopes that the Doha Round negotiations in the WTO and the EPA negotiations with the EU will ultimately succeed in boosting the share of developing countries in general and of LDCs in particular in world trade, as this is the only way of reducing poverty in these countries.

100. This means that the development dimension must be placed at the centre of the negotiations. It also means that the developed country partners must fulfil all the commitments they have undertaken in favour of the developing countries in terms of special and differential treatment and comprehensive implementation of all the WTO Agreements. These commitments must benefit the economies of developing countries, and the declining number and erosion of all the other preferences acquired by these countries must be reversed.

101. With this in mind, Guinea intends, through the Integrated Framework for Trade-Related Technical Assistance to LDCs, to adopt a strategy aimed at building up its capacity to supply internationally competitive and exportable products.

102. Guinea is also a founding member of the Economic Community of West African States (ECOWAS). However, for more than a decade now this organization has been hampered by geographical instability in the subregion, and its role as a vehicle of economic integration has consequently been overshadowed by concern for stability and the maintenance of peace in the subregion, and continues to be so with the recent outbreak of new conflicts.

103. The same is true for the Mano River Union, but with the end of the war in Sierra Leone and Liberia, its contours and activities are gradually being restored. In the circumstances, Guinea's objective is to ensure that economic priorities return to the forefront of subregional concerns as a matter of urgency. To that end, Guinea is seeking to revive the political will needed to restore the *raison d'être* of these two groupings and their role as vehicles of economic integration.

104. This is all the more important in that the EPAs currently being negotiated with the EU must be concluded with a united West African Region established as a customs union with common policies in all areas of economic activity.

105. It should also be noted that Guinea has concluded standard bilateral trade agreements with a number of countries. These agreements provide for most-favoured-nation (MFN) treatment and do not grant any particular tariff preferences. The countries in question are Guinea-Bissau, China, Tunisia, Egypt, Turkey, Côte d'Ivoire, Mali, the Gambia, Iran and Ukraine.

106. In April 1997 Guinea concluded a trade and tariff agreement with Morocco providing for total exemption from tariffs and taxes with equivalent effect for certain Guinean and Moroccan products traded between the two countries and included in Schedules 1 and 2. The products covered by this agreement are those originating entirely in one of the two countries or having undergone a degree of processing of at least 40 per cent.

107. Guinea was also one of the first countries to accede to the Global System of Trade Preferences (GSTP) Among Developing Countries. In addition, it signed the Agreement Establishing the Common Fund for Commodities (CFC) as well as the International Coffee Agreement (ICA). It is among the 37 countries of sub-Saharan Africa that are eligible under the African Growth and Opportunity Act (AGOA).

VII. IMPLEMENTATION OF TRADE POLICY

(i) Trade policy measures applied by Guinea

108. The new Guinean customs tariff is aligned with the Common External Tariff (CET) of the West African Economic and Monetary Union (WAEMU).

109. In the context of the gradual integration of its economy into the subregional economy and the world economy, Guinea adopted the harmonized WAEMU CET in January 2005.

110. Unlike the former customs tariff, the new tariff is based on the 2002 version of the World Customs Organization's Harmonized System.

111. It includes an entry column for imports and an exit column for exports.

112. The levies covered by these columns are the fiscal import duty (DFI) upon entry, and the fiscal export duty (DFE).

113. The goods are grouped into four categories:

- **Category 0**, with a **0 per cent tax**, which concerns basic commodities of a social character (health, education, culture and information) as well as equipment and inputs for agriculture, livestock farming, and fisheries;

- **Category I**, with a **5 per cent tax**, which concerns staples, unprocessed raw materials, and capital goods;

- **Category II**, with a **10 per cent tax**, which concerns semi-finished products and industrial inputs;

- **Category III**, with a **20 per cent tax**, which concerns final consumer goods not included in the preceding categories, such as luxury goods.

114. The DFE rates are as follows:

- **0 per cent** for all agricultural and industrial goods harvested or manufactured in Guinea;

- **3 per cent** for gold and diamond exports;

- **2 per cent** for re-exports of goods of foreign origin previously imported against payment of import duties and taxes in Guinea.

115. The DFE rates applied to mining products are set forth in the individual agreements signed with the mining companies.

116. The new tariff includes permanent levies and temporary levies.

- <u>Permanent levies</u>: regardless of the DFI applicable, goods imported into Guinea are subject to the following permanent levies:

  (a) a processing and assessment fee (RTL) of 2 per cent;

  (b) a supplementary tax (*Centime Additionnel*) for the Chamber of Commerce, Industry and Crafts of Guinea and the National Chamber of Agriculture, amounting to 0.25 per cent;

  (c) value added tax (VAT) at a rate of 18 per cent;

  (d) the ECOWAS community levy (PC) of 0.5 per cent;

- excise duty for certain items considered to be luxury goods or the consumption of which is discouraged by the State under its public health policy. The excise duty is a consumption tax. It is payable on both locally produced and imported goods. Excise duty rates vary between 5 and 45 per cent. A list of products subject to excise duty has been published.

- <u>Temporary levies</u>: under the heading of temporary duties (DT), the new Guinean tariff includes the degressive protection tax (TDP) and the special import tax. The

TDP aims to encourage and protect domestic industrial production endeavours. Thus, based on the objective capacity of certain industrial units to cover a certain proportion of domestic demand, the products manufactured by such units are subject, in addition to the regular duties and taxes, to an import tax ranging from 10 to 15 per cent depending on the product.

117. The list of products subject to the TDP and the special import tax has also been published.

118. The new tariff also provides for special treatment of certain products, which are exempt from VAT upon importation, namely:

- Rice;
- wheat flour;
- edible and industrial vegetable oils;
- equipment and inputs for agriculture, fisheries and livestock farming;
- school supplies;
- medicaments;
- wheat.

119. Pursuant to the provisions of agreements or contracts concluded by States, Guinea's new tariff allows total or partial relief from customs duties for certain clearance operations. The main categories of exemption currently applied by Guinea in this respect are:

- Customs and tax concessions under the Investment Code; taxes under the Code are assessed as follows:
- **Raw materials**: single import duty, 6 per cent; RTL, 2 per cent; VAT, 18 per cent;
- **equipment**: RTL, 2 per cent; registration fee, 0.50 per cent.
- tax and customs concessions under the Mining Code.

120. Here, a distinction is drawn between three phases: prospecting, investment, and exploitation.

Taxes are assessed as follows:

- **Prospecting**: total exemption or free temporary admission against payment of a simple administrative fee;
- **investment**: payment of the registration fee of 0.50 per cent and the administrative fee only;
- **exploitation**: payment of the single import duty, at a rate of 5.6 per cent;

- **externally financed government procurement and projects**;

  In this area, the RTL (2 per cent) and VAT (18 per cent) are paid by the selected tenderer. The other duties and taxes are paid by the State through a Special Series Treasury Cheque (CTSS).

- **Donations to the State or its authorities**;

  In-kind donations to the State are fully exempt.

- **Donations to refugees**;

  Donations to refugees are fully exempt.

- **Imports by NGOs**;

  NGO imports are subject only to the RTL (2 per cent) and VAT (18 per cent).

- **Bilateral trade agreements**;

  Guinea has a trade and tariff agreement with Morocco only. Under that agreement, goods originating in Morocco that are listed in the schedule annexed to the agreement are subject, upon importation into Guinea, only to the RTL (2 per cent) and VAT (18 per cent).

- **Pre-shipment inspection and customs valuation**;

  Pre-shipment inspection of goods being imported into Guinea, formerly carried out by the SGS, has now been abolished.

121. The competent authorities have already taken the necessary steps to apply, in Guinea, the WTO transaction value to imports. This involved the creation of a valuation office with a valuation file, staff training, and regulatory and legislative amendments. Thus, instead of the Brussels Definition of Value (BDV), Guinea now applies the transaction value.

(a) The new Guinean customs tariff, aligned with the WAEMU CET, will have an unquestionable impact both at the national level (social, economic, budgetary), and at the regional level.

(b) Indeed, the new tariff gives priority to the social sectors (health, education, information, and culture), classifying the relevant products in Category 0 with a DFI of 0 per cent.

122. From an economic standpoint, the new tariff contributes to the harmonious development of the industrial and agricultural production sectors, with a domestic industry protection tax in keeping with the relevant WTO provisions.

123. The documents required for customs transactions are the Tax Statement (BDT), the purchase invoice, the bill of lading or the airway bill, the DDI or the DDE, the certificate of origin and, where applicable, the phytosanitary certificate.

VIII. CURRENT TRADE LIBERALIZATION PROGRAMME

124. The policy of trade liberalization, introduced in 1986 - a year of major economic reforms in Guinea - as one of the first measures taken by the Government, has been pursued since Guinea's first WTO Trade Policy Review in 1999. The programmes for the privatization of State-owned commercial enterprises have continued to the point where today, there are practically no commercial enterprises in the State's portfolio and the transfer to the private sector of all commercial functions formerly exercised by the State can be said to be complete.

125. To further liberalize trade, the Guinean Government has enacted a law on competition and free pricing. The law aims to monitor any infringements of free trade practices, such as agreements, mergers, takeovers, withholding of stocks, monopolies and oligopolies.

IX. ECONOMIC REFORM PROGRAMME

126. During the years that followed its first WTO Trade Policy Review in 1999, Guinea continued to deepen its economic reforms in cooperation with its main bilateral and multilateral development partners. This enabled it to move forward in improving its macroeconomic results in comparison with the pre-1999 period thanks to reforms implemented pursuant to its commitment to liberalization clearly expressed by the President of the Republic, General Lansana Conte, in his historic keynote address of 22 December 1985.

127. Thus, in an endeavour to stabilize the economy and achieve sustainable growth, improve the payments situation, and in general to provide the people of Guinea with a high standard of living in the years ahead, the Prime Minister used his 2011 keynote speech to establish as the Government's development policy priority the restoration of the major macroeconomic balances disrupted by the severe crisis that hit Guinea in 2003. This is to be achieved by:

- Improving the performance of public water, electricity and telephone services;
- improving governance and fighting corruption;
- combating HIV/AIDS.

128. To attain these objectives, the Government will seek to:

- Restore public finances by re-establishing monetary and budgetary discipline;
- take the requisite measures to reach the completion point under the HIPC Initiative so that Guinea can benefit from the cancellation of its foreign debt;
- adopt the measures needed for the resumption of budget aid, in particular the cooperation programmes with the Bretton Woods Institutions;
- control inflation and the depreciation of the Guinean franc against foreign currencies.

X. IMPORT AND EXPORT TRENDS

(1) IMPORTS

129. It must be recognized that Guinean imports of different products have continued on a strong upward trend since the liberalization of trade in the country. This trend is primarily due to the fact that most of the country's consumer needs are being met through imports, but it is also fuelled by the Government's trade liberalization measures such as the elimination of exchange controls and of import licensing.

(2) EXPORTS

130. The continued policy of promoting and developing Guinean exports remains one of the main thrusts of the new trade strategy developed in the framework of Guinea's implementation of Phase II of the pilot project under the Integrated Framework for Trade-Related Technical Assistance to LDCs.

131. Indeed, Guinea has been able to enjoy the financial benefits of this cooperation programme among the six international agencies - the World Bank, UNDP, IMF, ITC, WTO and UNCTAD - through:

(a) The conduct of a diagnostic study of the competitiveness of the Guinean economy, which led to the establishment of a priority action matrix to help identify the chain of constraints to be overcome in order to promote and develop exports;

(b) the identification and implementation of three priority projects involving:

- the strengthening of Guinea's negotiating capacity in order to facilitate its participation in the multilateral trading system;
- institutional support for the development of exports;
- the development of agricultural exports with a high poverty reduction capacity.

(c) In addition to these projects, the development partners have already started to finance other projects identified in the action matrix, notably in the areas of trade facilitation (support for the Guinean Customs in acquiring ASYCUDA++ and for the Autonomous Port of Conakry in stepping up port security), and standardization.

132. For the Guinean Government in cooperation with its development partners, these three projects together with other programmes are now crucial in supporting its poverty-reduction strategy.

133. The actions identified in this action matrix have now been incorporated in the PRSP in order to enable the trade sector to contribute more effectively to poverty reduction.

134. Alongside the implementation of these three projects, the Government is continuing to coordinate with donors in an effort to mobilize the financial resources needed to carry out all the priority actions identified in the Integrated Framework diagnostic study on the competitiveness of the Guinean economy.

XI. PROBLEMS ENCOUNTERED BY GUINEAN PRODUCTS IN FOREIGN MARKETS

135. Guinean exports are more than 85 per cent dependent on mining products and are seriously affected by:

- Price fluctuations affecting such products in foreign markets. The same applies for coffee and cocoa, which are Guinea's main exports after mining products;

- the regulations and standards (sanitary and phytosanitary as well as other technical barriers to trade) applied by some of Guinea's trading partners;

- the deficiencies in economic infrastructure and human resources.

136. Special mention should be made of cotton in this connection. Indeed, the impact of the decline in international cotton prices is increasing poverty levels among the population of the Haute Guinée region, owing to its heavy dependence on cotton growing.

137. The fall in world cotton prices triggered a 60 per cent decline in Guinean cotton output between 2000 and 2004, which in turn led to the disappearance of a number of producers' cooperatives. Of the 8,000 that existed in 2000, only about 1,800 are left today. What we are seeing, therefore, is a slow and inexorable demise of cotton farming in Guinea.

138. To compound matters, Guinean poultry farming, which was largely dependent on cotton by-products (in particular cottonseed cake as poultry feed), has had its own share of difficulties.

139. Guinean poultry farmers must now import cottonseed cake from Mali to feed their poultry because there is not enough available locally to cover their needs. These problems have compelled many Guinean farmers to abandon their activities and forced them into poverty.

140. Unfortunately, it is not easy for these cotton farmers to switch to other crops because the soil in these Sudano-Sahelian regions is not suited to all crops, and the Government lacks the wherewithal to carry out such a conversion without massive aid from its development partners. These factors have dealt a blow to the poverty reduction strategy.

141. Rapid fulfilment of the commitments and promises made by the various development partners regarding the development aspect of cotton during the WTO trade negotiations could contribute to a lasting settlement of the issue.

142. Although Guinea has been granted preferential treatment by the countries of the North under the GSP, these benefits rarely compensate for the damage caused by certain restrictive domestic measures taken in respect of Guinean exports.

XII. CONCLUSION

143. This trade policy report provides ample evidence that Guinea has been unremitting in pursuing its economic liberalization programme since it first appeared before the WTO Trade Policy Review Body in 1999. It is determined to continue implementing that policy with a view to its successful integration into the global economy. Its key objectives in this respect are to regain the international market share once held by Guinean products, ensure the rational organization of domestic trade, and improve the country's foreign trade image on the world economic stage. This must all take place in the framework of an open partnership that is mutually beneficial to all parties.

144. To that end, it will consistently forge ahead with the implementation of the various programmes drawn up with its development partners in order to ensure that, in the near future, the standard of living in Guinea is among the highest in the region.

145. The Government will ensure proper management of the country's economy while strengthening democracy, respect for human rights, the fight against corruption, and good governance.

146. Clearly, the challenges facing Guinea are many and complex. Stringent but necessary measures will have to be put in place if they are to be solved.

147. With this in mind, Guinea intends to take full advantage of all the increased market access opportunities offered by the developed countries under the different international agreements, in particular:

- The regional and subregional trade agreements and arrangements (ECOWAS, Mano River Union, Organization for the Development of the Senegal River, etc.);
- the Cotonou Agreement, through its economic component, i.e. the Economic Partnership Agreement (EPA) with the European Union;
- the African Growth and Opportunity Act (AGOA), a United States law on development and opportunities for Africa;
- the Agreement Establishing the WTO;
- the Generalized System of Preferences (GSP);
- the Global System of Trade Preferences (GSTP), etc.

148. To that end and with the support of its development partners it is seeking to:

- Build up its production capacity and exportable supply;
- improve its mechanisms for enforcing the quality standards and regulations in effect in the importing countries;
- introduce substantial economic reforms aimed at properly liberalizing the trade sector;
- mobilize the investment needed to build capacity for competitiveness;
- eliminate the constraints hampering trade growth;
- build up the capacity of human resources and supporting institutions;
- develop basic socio-economic infrastructure (water, electricity, roads, telecommunications, etc.);
- act in concert with other countries in the framework of the ongoing WTO and EPA negotiations to maintain and consolidate the preferences already acquired.

149. These objectives will require a level of financial support that exceeds the Guinean Government's current possibilities. Guinea is therefore requesting trade-related technical assistance from all its development partners so that it can build up its export capacity by implementing the activities identified in the priority action matrix of the Integrated Framework for Trade-Related Technical Assistance to LDCs. In the long term, this will lead to an increase in the trade sector's contribution to the creation of wealth and the eradication of poverty in Guinea, which is the gateway to strengthening the foundations of democracy in the country.