

GUINEA BISSAU



| GENERAL ECONOMIC DATA | |
|------------------------------------|------------------------|
| Population - 2005 | 1,586 million |
| Area | 36 120 Km ² |
| GDP - 2005 | 301.1 million USD |
| GDP per inhabitant - 2005 | 192 USD |
| Growth rate - 2005 | 2% |
| Inflation - 2005 | 3.4% |
| Trade balance (% of GDP) - 2005 | -0.7% |
| Budget balance (% of GDP) - 2005 | -10.1% |
| Investment (% of GDP) - 2005 | 12.8% |
| Domestic savings (% of GDP) - 2005 | -1.4% |
| Total debt (% of GDP) - 2005 | 279.3% |
| COFACE Country risk rating | D |

Sources : World Bank, World Development Indicators database, April 2006
Banque de France, Rapport annuel de la Zone Franc, 2006
FMI, Perspectives Economiques Régionales, May 2006
CIA, The World Factbook - COFACE Rating

ECONOMY STRUCTURE

After several years of conflicts, Guinea Bissau has entered a new era since the 2005 poll. According to UNDP, Guinea Bissau is classified 172nd out of 177 countries featured in the Human Development Index and is one of the poorest countries in the world with under-utilised resources (fishing, mining, agriculture and tourism). The economy is highly dominated by the agricultural sector in which cashew nut represents over 85% of export earnings. However, food self-sufficiency is not reached. Moreover, the insufficiency of transport infrastructure limits substantially the development of new sectors such as bauxite and phosphate mining. Nevertheless, the political stabilisation of the country and the return of the international donors in the economic development of the country open up new perspectives for

Guinea Bissau. Furthermore, the future development of the joint oil field with Senegal (Dome Flore area) will trigger incomes for the country.

Sectorial distribution:

- Primary industry (55.8% of GDP and 79% of the working population) : cashew nut, rice, cotton seed, sorghum, cassava, wood, fishing
- Manufacturing industry (11.7% of GDP) : mainly agro-food, energy
- Services sector (32.5% of GDP) : mainly the trade

CONSTRUCTION & CIVIL ENGINEERING SECTOR

The civil war caused many destructions of collective equipments. The needs for reconstruction, rehabilitation and construction of infrastructures and buildings are paramount. However, the State has insufficient resources for launching big sites required for the development of Guinea Bissau given the public finance status and its debts. The contribution of international donors will be essential for supporting the reconstruction and development of the country. In this respect, the European Union has programmed within the 9th EDF a financial support amounting to MEUR 82.8 of which approximately **MEUR 40 for road infrastructures**. As regards the World Bank, a project portfolio of MEUR 66.7 is active, in which one refers to the rehabilitation of basic urban infrastructures (MEUR 15). The African Development Bank (*Banque Africaine de Développement*) and different bilateral aids also give their support.

PLAYERS

The Construction & Civil Engineering sector is mainly informal: only a small number of local companies are present on the market and there is no professional organisation. The large international companies have no local representatives in Guinea Bissau given the political situation of the country in the past years. The political stability and the start-up of new projects financed by the donors should attract international contractors to Guinea Bissau.

INFRASTRUCTURES

- **Roads:** the road network covers 4,400 km of which 453 km are asphalt coated. The rehabilitation projects and the road network maintenance projects financed by the EU are currently being examined. The main axis crosses the country from West to East, to the city of Buruntuma, at the border with Guinea. A great part of the territory is cut out by the numerous estuaries and the lack of bridges requires that vehicles break bulks and use the fluvial ferries. The funding of a project for the construction of the San Vicente bridge on the Rio Cacheu is also programmed by the EU and will enable a faster connection with Senegal.
- **Airports:** a main airport in Bissau, 2 secondary airports and 26 runways.
- **Harbours and waterways:** While the country's geographic position is in favour of sea and river transport, infrastructures are few and in a poor condition. The Bissau harbour is sanded up and its equipment and maintenance means are obsolete. The five estuaries are navigable; the main estuary is Rio Gêba, navigable in deep water to Bissau (charge of 120,000 tons). On the Bijagos archipelago, the Bubaque harbour receives steamers up to 120,000 tons.
- **Water:** only 13% of the Bissau's population has access to water, the supply of which is frequently subject to interruptions by the Public Company of Water and Electricity (EAGB) due to the poor condition of infrastructures. Surface waters and Underground waters represent the main hydraulic potential of the country, while the contamination risks are regular. The engineering firm Tecslut (Canada) has prepared a new water supply and sanitation major plan for the Bissau city.
- **Energy:** electricity production capacity is low and is only of thermal source. Electrification covers only 12% of the country, the lowest level of the sub-region, and with electric service costs five times higher than in Senegal. The numerous shortages caused by the public company EAGB have enticed companies to install electric generators. However, the supply to Guinea Bissau of electric power

provided by the power plants built on the Gambia river (in Gambia) and Konkouré in Guinea Conakry is under discussion. Moreover, the studies for the Saltinho dam on the Corubal (power of 20 MW for an average production of 150 GWh/year) are in progress.

HOUSING AND FUNCTIONAL BUILDINGS

After many years of conflicts, the whole country must be reconstructed. The needs are immense for rehabilitation/reconstruction of public buildings (health, education, ministries...) and housing. The 2006 State budget, approved by the World Bank, amounts to MEUR 145 of which 60% will be covered by the development partners. Approximately 10% of this budget will be earmarked for the education and health sectors.

- **Housing:** the housing status is difficult in the urban area where many dwellings have been destructed (over 5,000). The return of refugees also contributes to the considerable housing deficit. The financial difficulties of the State and the lack of a financial institution to facilitate access to loans add to the difficulty.
- **Functional buildings:** the opportunities in the industrial sector can be found in the agro-food field and especially for cashew nut. The tourism sector offers a very interesting potential for the construction of hotel complexes in the 86 islands of the country, the four natural parks and the biosphere reserve classified by UNESCO. The mining sector (phosphates and bauxite) should also offer construction opportunities, as indicated by feasibility studies, as well as the oil sector.

BUILDING MATERIALS

- **Cement:** the cement market in Guinea-Bissau is estimated between 60 and 100 thousand tons per year. Part of the cement is imported from Senegal. A project for the construction of a cement plant is currently considered by Spanish investors.
- **Other building materials:** Guinea Bissau has untapped loam, granite and limestone resources. Most building materials are imported.

KEY PLAYERS

Institutions

Ministry of Public Works, Construction and Urbanism

Direction Générale des Ponts et Chaussées B.P. 14, Bissau - Tel / Fax : +245 20 57 44

Ministry of Mines and Energy

CP 387 - Tel : +245 20 12 87

Construction & Civil Engineering Contractors

Arezki

CP. 827, Bissau - Tel : +245 25 42 94 - Fax : +245 25 42 94

Guiconstroi

Tel : +245 22 24 57 - Fax : +245 22 24 57

Irmaos Unidos

Bafata rua principal B/4 -C.P.2 - Bissau - Tel / Fax : +245 41 12 30

Somec

CP. 347, Bissau - Tel : +245 25 10 40 - Fax : +245 25 10 40

Sociedade-Irmaos Unidos

Bairro-4, junto ao Novo Mercado-CIDADE de Bafata - Bissau - Tel : +245 41 12 30 / 25 47 39

Water / Energy / Transport

EAGB - Electricidade e Agua da Guinee Bissau

rua Eduardo Mondlane - Tel : + 245 20 11 84/20 11 - Fax : + 245 20 11 71

Civil Aviation

Tel : +245 20.43.54 / 20.40.53

Building materials

Ancar

CP. 314 Bissau - Tel : +245 21 18 11 - Fax : +245 20 11 25

STS

CP. 181 Bissau - Tel : +245 25 11 02 - Fax : +245 25 12 77 - Email : sts@sol.g.telecom.gw

Intermediary Organisations

CCIA-GB - Camara do Comercio, Industria e Agricultura da Guinee-Bissau

BP 88, av. pansau n'a isna 2^e etages - Tel: +245 20 16 02 - Fax : + 245 20 16 02 - Email : ccia@sol.gtelecom.gw

Banks

Banco da Africa Occidental (BAO)

CP. 1360 Bissau - Tel : +245 20 34 18 - Fax : +245 20 34 12

Banco Da Uniao (BDU)

Rua Général Omar TORRIJOS, n° 49, CP 839 Bissau

Banque Régionale de Solidarité Guinée Bissau (BRS-Guinée Bissau)

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