

Guinea: Outlook on investment protection one month after the coup

1. THE *COUP* AGAINST PRESIDENT ALPHA CONDE

On 5 September 2021, Lieutenant-colonel Mamady Doumbouya appeared on national Guinean TV, surrounded by eight of his men in combat gear, announcing that the president, Mr Alpha Condé had been removed from office. He proclaimed the suspension of the institutions, including the government, and that a new constitution would be drafted.

Guinea is the world's second largest bauxite producer and aluminium prices soared in the weeks following the *coup*. One month later it is still too early to assess the economic impact of the *coup*, especially on foreign investors. Mining companies with investments in Guinea do not seem concerned about its impact on their activities. Meanwhile, the new ruling junta has sought to reassure miners of the stability of their production and of their existing contracts, including during the new president's investiture speech on 1st October.

However, this is unlikely to be the end of the matter as there are often discrepancies between governmental promises and the practical impact regime changes can have on foreign investors' activities. Foreign investors have already experienced disruption in their supply chains due to the temporary closing of all Guinean borders, and to the arrival of foreign capital after financing arrangements for new projects were halted. In addition, there is little clarity regarding the status of foreign investment in other key sectors of the Guinean economy, such as agriculture and infrastructure. In other words, now is a good time for investors to assess the level of protection of their investments in Guinea.

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