THE WAVERLEY SERIES

GUINEA-BISSAU

An Insight of Investment, Trade and Economy

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For Advisory & Partnership

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GUINEA-BISSAU — AT A GLANCE

Capital	Bissau
Real GDP growth	5.5-5.8% in 2025 (estimates vary by source), driven by a strong cashew campaign; projected to ease to around 4.8% in 2026 as political instability following the November 2025 coup and Middle East conflict spillovers weigh on investment
Inflation	Fell to a range of roughly 0.9-2.2% in 2025 depending on the source
Fiscal deficit	Estimated at 6.5% of GDP in 2025 (World Bank); public debt remains above the WAEMU ceiling at 75.6% of GDP
Tax revenue and banking sector	Tax revenue is the lowest in the region at 8.5% of GDP; non-performing loans exceed 22%, among the highest such ratios regionally
Currency	West African CFA franc, hard-pegged to the euro at 655.957, eliminating devaluation risk against the euro specifically; Guinea-Bissau has no independent monetary policy
Key sector	Cashews account for more than 90% of recorded exports, though the IMF estimates the true share falls to about 65% once unrecorded fish exports are counted
Investment protections	The 2011 Investment Code guarantees currency conversion and the remittance abroad of profits, dividends and repatriated capital through the banking system
Governing framework	On 26 November 2025, the military deposed President Umaro Sissoco Embaló one day before the results of a contested 23 November presidential election were due to be announced; General Horta Inta-A Na Man was sworn in as Transitional President leading a declared one-year military transition; the actual election result was never determined after tally sheets were destroyed; new general elections are scheduled for 6 December 2026

Guinea-Bissau's economy grew a genuinely strong 5.5-5.8% in 2025 on a booming cashew harvest, even as the country experienced its latest coup in a long history of military interventions. On 26 November 2025, the military deposed President Umaro Sissoco Embaló one day before the results of a contested presidential election were due to be announced, and armed men subsequently destroyed ballot tally sheets, meaning the actual winner of that election was never determined. A one-year military transition, led by General Horta Inta-A Na Man, is now scheduled to culminate in new elections on 6 December 2026. Notably, multilateral engagement continued through the crisis: the IMF completed a scheduled programme review in June 2026, describing the situation as 'relatively calm.' Investors should weigh Guinea-Bissau's continued economic activity directly against the reality that its most recent election was never allowed to conclude and its principal opposition figures remain under detention or house arrest.

1. INVESTMENT & FDI

Guinea-Bissau's 2011 Investment Code offers specific, statutory capital-repatriation guarantees, even as persistently high bad-loan ratios and a narrow, cashew-dependent economy limit the depth of the investment case.

The Investment Code of 2011 guarantees currency conversion and the remittance abroad of profits, dividends and repatriated capital through the banking system, a specific statutory protection prospective investors can rely upon. However, non-performing loans exceed 22%, among the highest such ratios in the region, directly signalling genuine banking-sector fragility. The World Bank's 2026 Economic Update identifies concrete reform priorities including broadening the tax base and simplifying compliance through scaled-up digital filing and a simplified SME regime, expanding access to finance through collateral registries and stronger credit information systems, and modernising customs through an ECOWAS-aligned electronic single window.

- **A genuine, specific legal protection for investors:** the 2011 Investment Code's explicit guarantee of profit, dividend and capital repatriation through the banking system represents a concrete statutory safeguard distinct from the broader political uncertainty described in Section 3.
- **A severe, quantified banking-sector fragility signal:** the more than 22% non-performing loan ratio represents a direct, measurable indicator of financial-sector distress that any investor relying on local bank financing or partnerships should factor explicitly into risk assessment.
- **A concrete, actionable reform roadmap:** the World Bank's specific priorities for tax-base broadening, SME finance access and customs modernisation provide a clear framework for assessing whether Guinea-Bissau's investment climate improves over the coming years.

2. TRADE & BUSINESS

A booming cashew harvest anchors Guinea-Bissau's trade performance, even as the true scale of undocumented fish exports suggests formal trade statistics understate the economy's actual commercial activity.

Guinea-Bissau exported approximately 250,000 tonnes of cashews in 2025, with the farmgate price rising from 300 to 410 CFA francs per kilogram, the primary driver of the year's growth, though the World Bank attributes this directly to harvest conditions rather than structural economic change. Cashews account for more than 90% of recorded exports, but the IMF's own Selected Issues paper estimates the true share falls to approximately 65% once unrecorded fish exports are counted, based on what trading partners report receiving, a specific, sourced indicator of substantial undocumented trade activity. The CFA franc's hard peg to the euro at 655.957 eliminates devaluation risk against the euro specifically, though Guinea-Bissau has no independent monetary policy, with the regional central bank setting rates for the entire West African Economic and Monetary Union.

- **A harvest-driven, not structurally durable, growth source:** the World Bank's own attribution of 2025's cashew-driven growth to harvest conditions rather than structural change means this growth driver should not be assumed to repeat automatically in future years.
- **A specific, sourced indicator of substantial undocumented trade:** the roughly 25-percentage-point gap between recorded cashew export share and the IMF's trading-partner-based estimate suggests Guinea-Bissau's formal trade statistics meaningfully understate actual economic activity, particularly in fisheries.
- **Currency stability against the euro specifically, not universally:** the CFA franc peg provides genuine protection against euro-denominated currency risk, though dollar-based investors remain exposed to euro-dollar cross-rate movements.

3. MAJOR ECONOMIC DEVELOPMENTS

A genuinely strong cashew-driven growth year coincided with Guinea-Bissau's latest coup in a long history of military interventions, leaving a contested election's true outcome permanently unresolved.

Guinea-Bissau held presidential and legislative elections on 23 November 2025 in a politically charged environment, with both incumbent President Umaro Sissoco Embaló and challenger Fernando Dias publicly declaring victory. On 26 November 2025, the military deposed and arrested Embaló one day before official results were scheduled for announcement; General Dinis Incanha, head of the Military Office of the Presidency, declared 'total control,' citing an alleged plot by politicians and 'national drug lords' to destabilise the country through election manipulation, and the military closed all borders, imposed an indefinite curfew, and suspended media programming. General Horta Inta-A Na Man was sworn in as Transitional President on 27 November, leading a 'High Military Command for the Restoration of National Security and Public Order' with a declared one-year transition. On 2 December 2025, the National Electoral Commission said it could not publish results after armed men wearing balaclavas confiscated computers from 45 staff and destroyed all tally sheets except those from Bissau and the main computer system, meaning the actual winner of the 23 November election was never conclusively determined. The military detained Fernando Dias, former Prime Minister Domingos Simões Pereira, interior minister Botché Candé, and army chief General Biague Na Ntan; Pereira was released on 30 January 2026 but placed under house arrest, where he remains. Embaló was evacuated to Senegal in a negotiated release before relocating to the Republic of the Congo. Protests demanded Pereira's release and the true election results, with civil society groups calling for a general strike to restore what they termed 'electoral truth.' Despite this crisis, the IMF completed the eleventh review under Guinea-Bissau's Extended Credit Facility on 12 June 2026, disbursing approximately $1.6 million and describing the political and social situation as 'relatively calm'; new general elections are scheduled for 6 December 2026, consistent with the military's declared transition timeline. Economically, growth reached 5.5-5.8% in 2025 but is projected to ease to 4.8% in 2026, a slowdown the World Bank directly attributes to weaker private and donor-financed investment following the coup.

- **An election whose true outcome was never determined:** the physical destruction of tally sheets by armed men, one week after the coup, means Guinea-Bissau's November 2025 election result remains permanently unresolved rather than merely delayed or disputed.
- **A coup justified with specific reference to drug trafficking:** the coup leadership's explicit citation of 'national drug lords' as part of its justification directly references Guinea-Bissau's well-documented history as a narcotics-trafficking transit hub, a specific dimension of the country's governance challenges worth noting.
- **Continued detention of a former prime minister:** Domingos Simões Pereira's ongoing house arrest, following his release from initial detention, represents a direct, current indicator that the political crisis remains unresolved for key opposition figures specifically.
- **Multilateral engagement continuing despite the political rupture:** the IMF's completed programme review and its own 'relatively calm' characterisation represent a notable continuity in core financial engagement, distinguishing Guinea-Bissau's post-coup trajectory from cases where multilateral relationships have ruptured entirely.
- **A dated, near-term path back to elections:** the scheduled 6 December 2026 vote provides a concrete, specific milestone against which the credibility of the military's transition promise can be directly tested in the coming months.
- **A genuine investment-productivity paradox:** the World Bank's finding that fixed-asset investment by firms rose to 61.2% over two decades while labour productivity growth fell from +6.2% to -6.8% over the same period represents a specific, sourced structural gap between capital deployment and productive outcomes that predates, and is independent of, the current political crisis.

4. MAJOR PROJECTS & INFRASTRUCTURE

The World Bank's own reform agenda identifies energy reliability and digital connectivity as specific infrastructure priorities, even as political instability constrains near-term donor-financed investment.

- **Energy sector governance:** the World Bank specifically calls for sustaining energy reliability and strengthening governance of the national utility as a priority infrastructure reform.
- **Digital connectivity gap:** closing this gap through telecom regulatory reform and national network deployment is identified as a specific priority for supporting broader private-sector productivity.
- **Constrained donor-financed investment:** the World Bank directly attributes part of the 2026 growth slowdown to weaker donor-financed investment following the coup, a concrete, current constraint on infrastructure project financing specifically.

5. CONFERENCES, FORUMS & EXHIBITIONS

No significant international investment conferences or forums were identified for this period, consistent with Guinea-Bissau's constrained international engagement environment following the November 2025 coup.

6. BUSINESS & INVESTMENT EVENTS

No significant standalone business or investment events were identified for this period beyond the IMF's completed programme review described in Section 3.

7. GOVERNMENT & INTERNATIONAL PARTNERSHIPS

Continued IMF programme engagement through the political transition represents Guinea-Bissau's most significant current multilateral relationship, even as the unresolved election outcome continues shaping the country's broader international standing.

- **IMF:** the completed eleventh Extended Credit Facility review, and the Fund's own characterisation of the situation as 'relatively calm,' represents the clearest evidence that core multilateral engagement has continued despite the coup.
- **Senegal:** played a direct, concrete role in negotiating former President Embaló's safe release and evacuation following the coup.
- **WAEMU and the regional central bank:** Guinea-Bissau's currency-union membership continues providing monetary stability via the CFA franc's euro peg, independent of the domestic political situation.
- **ECOWAS:** the regional bloc's broader stance on Guinea-Bissau's transition, and its role in any eventual mediation or election-support efforts ahead of the December 2026 vote, remains a key relationship to monitor going forward.

8. SME & PRIVATE-SECTOR DEVELOPMENTS

The World Bank's identified reform priorities, broadening the tax base, expanding SME finance access, and simplifying compliance, offer a concrete

roadmap for private-sector development, though implementation depends on political stabilisation.

The World Bank's specific recommendations include scaling up digital tax filing and a simplified compliance regime for SMEs, operationalising collateral registries and credit information systems, and designing targeted credit lines specifically for SMEs and women-led firms. The productivity paradox described in Section 3, rising fixed-asset investment without corresponding productivity gains, directly implicates the private sector, suggesting capital is not being deployed toward its most productive uses under current institutional conditions.

- **Concrete, targeted SME finance recommendations:** the specific proposals for collateral registries, credit information systems and targeted credit lines provide an actionable framework for improving SME financing access, contingent on implementation.
- **A private-sector productivity gap warranting direct attention:** the disconnect between rising investment and falling productivity growth suggests that simply increasing capital availability, without addressing the underlying institutional and skills constraints, may not by itself resolve Guinea-Bissau's private-sector development challenges.

9. NEW INVESTMENT OPPORTUNITIES / PROJECTS ANNOUNCED

Cashew value-chain development, fisheries formalisation, and targeted SME finance instruments define Guinea-Bissau's most concretely identified new investment channels.

- **Cashew value-chain development:** continued investment potential in processing and value-addition beyond raw export remains open given the sector's dominant export role.
- **Fisheries formalisation:** given the IMF's own finding that unrecorded fish exports substantially understate Guinea-Bissau's true export base, formalising this sector represents a specific, identified opportunity for both government revenue mobilisation and private investment.
- **SME and women-led firm credit lines:** specifically identified by the World Bank as a targeted financial-inclusion and private-sector development opportunity, pending the broader reform implementation described in Section 8.

SUMMARY ASSESSMENT

Guinea-Bissau's economy grew a genuinely strong 5.5-5.8% in 2025 on a booming cashew harvest, even as the country experienced its latest coup in a long history of military interventions. On 26 November 2025, the military deposed President Umaro Sissoco Embaló one day before the results of a contested presidential election were due to be announced, and armed men subsequently destroyed ballot tally sheets, meaning the actual winner of that election was never determined.

A one-year military transition, led by General Horta Inta-A Na Man, is now scheduled to culminate in new elections on 6 December 2026, while former Prime Minister Domingos Simões Pereira remains under house arrest following his detention during the coup. Notably, multilateral engagement continued through the crisis: the IMF completed a scheduled Extended Credit Facility review in June 2026, describing the political and social situation as 'relatively calm.'

Investors should weigh Guinea-Bissau's continued economic activity, currency stability via its euro peg, and statutory capital-repatriation guarantees directly against the reality that its most recent election was never

allowed to conclude, its principal opposition figures remain under detention or house arrest, and the credibility of the promised December 2026 elections remains to be demonstrated.