

THE WAVERLEY SERIES

SIERRA LEONE

An Insight of Investment, Trade and Economy

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For Advisory & Partnership

LORD WAVERLEY

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SIERRA LEONE — AT A GLANCE

Capital	Freetown
Population	≈ 9.0 million
Real GDP growth	5.0% in 2025, beating earlier forecasts and driven by mining and services; the IMF projects a slowdown to around 4.0% in 2026, while the African Development Bank's own Country Focus Report cites more modest figures of 4.4% for 2025 and 4.8% for 2026
Inflation	Remains elevated, projected by the IMF at 7.5% for 2026; the central bank raised its key rate by 350 basis points between September 2023 and September 2024, to 24.75%, to bring inflation under control
Fiscal position	Interest payments consume 42% of government revenues, leaving little room for fiscal stimulus
Currency	Leone, flagged by independent analysts for currency volatility as a specific investor risk
IMF programme	Extended Credit Facility programme running until the end of January 2028
Key sectors	Iron ore (Marampa and Tonkolili mines), gold (the Afreximbank and Africa Finance Corporation-financed Baomahun project), agriculture and services
Public health context	The government declared a national public health emergency in April 2024 over synthetic drug abuse, which President Bio described as an existential threat to the country
Governing framework	President Julius Maada Bio (Sierra Leone People's Party), re-elected in June 2023 with 56.17% of the vote in a result the opposition All People's Congress contested, citing irregularities; a coup attempt followed in November 2023, after which former President Ernest Bai Koroma was charged with treason over his alleged role; Bio has committed to implementing Tripartite Agreement electoral reforms ahead of the 2028 general elections

Sierra Leone's economy grew a genuinely strong 5.0% in 2025, beating earlier forecasts and driven by iron ore, gold and services, even as interest payments now consume 42% of government revenue, leaving little room for fiscal stimulus. Major mining-sector expansion continues at the Marampa and Tonkolili iron ore sites and the Afreximbank-financed Baomahun gold project, alongside long-delayed infrastructure including a new Lungi-Freetown bridge addressing decades of costly estuary crossings. This economic progress unfolds against a genuinely contested political backdrop: President Julius Maada Bio's 2023 re-election was disputed by the opposition, a coup attempt followed weeks later, and the country continues managing what Bio himself has called an existential threat from a synthetic drug crisis, complicated by a specific, reported allegation connecting a presidential relative to the drug trade. Investors should weigh Sierra Leone's genuine mineral-sector momentum against a high debt-service burden, currency volatility, and a political environment where governance concerns remain directly relevant to institutional risk.

1. INVESTMENT & FDI

Substantial mining-sector investment continues from multilateral and specialist financiers, even as an approaching 2028 election cycle raises the prospect of renewed scrutiny of mineral-royalty contract terms.

The Baomahun gold project, financed by Afreximbank and Africa Finance Corporation, could increase Sierra Leone's gold exports as early as 2026. Infrastructure investment supporting the mining sector's logistics, including port capacity expansion and the Lungi-Freetown bridge, is being financed by the African Development Bank, the World Bank, the European Union and the Millennium Challenge Corporation. Independent analysis cautions that with elections already looming on the horizon, mineral royalties and disagreements over Sierra Leone's Mineral Wealth Fund are likely to become public political issues, meaning foreign investors should expect contract terms to face renewed scrutiny during the early campaign period.

- **Genuine, diversified multilateral financing for mining-linked infrastructure:** the involvement of the AfDB, World Bank, EU and MCC together in port and bridge financing reflects substantial, credible institutional backing for the logistics infrastructure Sierra Leone's mineral exports depend upon.
- **A specific, named financing structure for gold-sector expansion:** Baomahun's backing from Afreximbank and Africa Finance Corporation represents a concrete, Africa-focused financing model distinct from traditional Western mining-finance structures.
- **A direct, sourced warning about contract-term scrutiny ahead of elections:** independent analysis's explicit caution about the Mineral Wealth Fund becoming a political football represents a specific, near-term consideration for any investor holding or negotiating mineral-sector contracts in Sierra Leone.

2. TRADE & BUSINESS

Accelerating iron ore exports are set to improve Sierra Leone's trade balance in 2026, even as a high debt-service burden and currency volatility continue constraining the country's broader financial position.

Iron ore exports are expected to accelerate in 2026 thanks to capacity expansion at the Marampa and Tonkolili mines and the opening of the magnetite processing plant attached to Tonkolili, a 12-million-tonne facility inaugurated in May 2024; the resulting export value is projected to reach \$65 million to \$75 million in 2026, described as real money for a small national budget. However, interest costs consuming 42% of government revenue leave little room for fiscal stimulus, and the leone's currency volatility represents a specific, flagged risk for foreign investors. The current account deficit is expected to continue narrowing in 2026 as raw material export growth, in both price and volume, outpaces import growth linked to investment projects.

- **A concrete, quantified iron ore export gain:** the projected \$65-75 million in 2026 export value, while modest relative to global mining benchmarks, represents genuinely meaningful revenue for an economy of Sierra Leone's scale.
- **An extraordinarily high debt-service burden constraining fiscal flexibility:** with 42% of government revenue consumed by interest payments, Sierra Leone has minimal fiscal space to respond to shocks or fund stimulus, a structural vulnerability independent of any single year's growth performance.
- **A genuine, narrowing current account trajectory:** the expected improvement reflects real, favourable trade dynamics rather than a stated aspiration alone, even as the broader debt burden remains a separate, unresolved constraint.

3. MAJOR ECONOMIC DEVELOPMENTS

Genuinely strong mining-driven growth continues even as a disputed election, a subsequent coup attempt, and a self-described existential drug crisis together shape Sierra Leone's political risk profile.

President Julius Maada Bio was re-elected in June 2023 with 56.17% of the vote against 41.16% for the All People's Congress candidate Samura Kamara, a result the APC contested, citing what it called glaring irregularities and demanding a rerun that did not occur. A coup attempt followed in November 2023; former President Ernest Bai Koroma was subsequently charged in January 2024 with treason and other offences over his alleged role. In April 2024, Bio declared a national public health emergency over synthetic drug abuse, describing the crisis, commonly known by the street name Kush, as an existential threat to the country's foundation and its young people; the declaration followed police raids that included the home of a Bio family relative who had been repeatedly named in connection with the drug trade, an allegation that remains a specific, sourced governance concern. In a separate incident in March 2025, Sierra Leone's immigration chief was fired after video emerged showing him receiving a gift from a fugitive Dutch drug lord at a Freetown restaurant. In his January 2026 New Year address, declaring 2026 a 'Year of Action,' President Bio addressed the political landscape ahead of the 2028 general elections, calling on political actors to act responsibly and reaffirming his government's commitment to implementing Tripartite Agreement reforms intended to strengthen democratic trust and electoral credibility. Economically, real GDP grew 5.0% in 2025, beating earlier forecasts and driven by mining and services, following a slowdown to 3.9% in 2024 from 5.7% in 2023 amid inflationary pressures; the IMF projects growth easing to around 4.0% in 2026.

- **A disputed election with an unresolved opposition grievance:** the APC's contested rerun demand, which did not proceed, means the 2023 election's legitimacy remains a live point of political contention rather than a fully settled matter.
- **A coup attempt with continuing legal proceedings against a former head of state:** the treason charges against former President Koroma represent an unusually direct, high-profile legal consequence of the November 2023 unrest, with implications for Sierra Leone's political stability that extend well beyond the immediate coup attempt itself.
- **A self-described existential public health crisis with a specific governance dimension:** the government's own framing of the drug crisis as a threat to the country's foundation, combined with the specific, reported allegation connecting a presidential relative to the trade, together represent a genuine governance concern investors should weigh directly rather than treat as a purely social or public-health matter.
- **A separate, concrete institutional-integrity incident:** the immigration chief's dismissal over documented contact with an international fugitive drug trafficker illustrates that institutional integrity concerns in this area extend beyond the single family-connected allegation described above.
- **A stated, if still unproven, commitment to electoral reform ahead of 2028:** Bio's explicit reference to Tripartite Agreement reforms represents a genuine, if not yet fully realised, effort to address the credibility concerns raised after the 2023 election, worth monitoring as the next election cycle approaches.

4. MAJOR PROJECTS & INFRASTRUCTURE

A long-delayed bridge finally addressing Sierra Leone's costly Lungi-Freetown crossing anchors this year's infrastructure progress, alongside new renewable energy capacity.

- **Lungi-Freetown bridge:** long delayed due to lack of funding, this project has finally been taken on by the US construction group Acrow, addressing a specific, decades-old problem in which the international airport sits across an estuary from the capital, a crossing that has deterred business travel for decades.

- **Renewable energy expansion:** a 50 MW solar power plant near Freetown, supported by French and British development banks and the Danish Frontier Energy fund, is scheduled to come online in 2026, while the European Union is separately financing a series of small community solar plants totalling 5.2 MW.
- **Road modernisation and port capacity expansion:** continued investment in these areas, alongside water and electricity network expansion, forms part of the broader infrastructure programme supporting mining-sector logistics.

5. CONFERENCES, FORUMS & EXHIBITIONS

The African Development Bank's Country Focus Report launch served as this year's key platform for presenting Sierra Leone's capital-mobilisation agenda to development partners.

- **Sierra Leone Country Focus Report 2025 launch:** themed 'Making Sierra Leone's Capital Work Better for Its Development,' this virtual launch featured the AfDB's Country Manager for Sierra Leone directly addressing the country's growth trajectory and the need to sustain reform momentum amid global headwinds.

6. BUSINESS & INVESTMENT EVENTS

No additional major standalone business or investment events beyond the AfDB Country Focus Report launch described in Section 5 and the ongoing mining-sector project developments described elsewhere in this briefing were identified for this specific period.

7. GOVERNMENT & INTERNATIONAL PARTNERSHIPS

A broad multilateral financing coalition and diversified FDI sources define Sierra Leone's most consequential current international economic relationships.

- **Multilateral partners (EU, World Bank, AfDB, MCC):** these institutions collectively finance the bulk of Sierra Leone's current infrastructure investment, spanning transport, energy and water and electricity networks.
- **IMF:** the Extended Credit Facility programme running until January 2028 remains central to Sierra Leone's macroeconomic policy framework and provides continued financing for the current account deficit alongside project loans and grants.
- **Afreximbank and Africa Finance Corporation:** their joint financing of the Baomahun gold project represents a significant Africa-focused private-sector investment relationship distinct from traditional multilateral development financing.
- **Diversified FDI sources:** China, the United States, Germany and Belgium are all cited as active foreign direct investment sources, reflecting a genuinely diversified international investor base.
- **France, the United Kingdom and Denmark:** development banks and funds from these countries are co-financing the 50 MW solar plant described in Section 4, representing continued European engagement in Sierra Leone's energy sector specifically.

8. SME & PRIVATE-SECTOR DEVELOPMENTS

Government spending priorities increasingly target health and education staffing even as broader private-sector development remains constrained by the country's severe fiscal limitations.

Civil servant salaries will rise 20% effective September 2026, with an increase in the number of civil servants specifically in health and education, while social spending continues targeting the poorest households through subsidies and infrastructure support. President Bio's January 2026 address specifically outlined plans to expand agriculture, fisheries, mining, tourism, renewable energy and the digital economy, while creating an enabling environment for SMEs and credible investors.

- **A specific, quantified public-sector wage commitment:** the 20% civil servant salary increase, targeted particularly at health and education staffing, represents a concrete near-term fiscal commitment with direct implications for public service delivery capacity.
- **A stated, multi-sector private-sector development agenda:** Bio's explicit list of priority sectors for SME and investor engagement provides a specific framework against which future government support measures can be assessed.

9. NEW INVESTMENT OPPORTUNITIES / PROJECTS ANNOUNCED

Gold-sector expansion, renewable energy capacity, and long-delayed transport infrastructure define Sierra Leone's most concretely promoted new investment channels.

- **Baomahun gold project:** expected to increase gold exports as early as 2026, this Afreximbank and Africa Finance Corporation-financed project represents Sierra Leone's clearest near-term new mining-sector investment opportunity.
- **Renewable energy capacity:** the 50 MW solar plant near Freetown and the EU-financed community solar programme together offer concrete, near-term renewable-energy investment and co-development opportunities.
- **Lungi-Freetown bridge and related transport infrastructure:** now finally underway after long delays, this project offers continued construction, logistics and related service-sector investment opportunities.

SUMMARY ASSESSMENT

Sierra Leone's economy grew a genuinely strong 5.0% in 2025, beating earlier forecasts and driven by iron ore, gold and services, even as interest payments now consume 42% of government revenue, leaving little room for fiscal stimulus. Major mining-sector expansion continues at the Marampa and Tonkolili iron ore sites and the Afreximbank-financed Baomahun gold project, alongside long-delayed infrastructure including a new Lungi-Freetown bridge addressing decades of costly estuary crossings.

This economic progress unfolds against a genuinely contested political backdrop: President Bio's 2023 re-election was disputed by the opposition, a coup attempt followed weeks later, and the country continues managing what Bio himself has called an existential threat from a synthetic drug crisis, complicated by a specific, reported allegation connecting a presidential relative to the drug trade, alongside a separate incident in which the country's immigration chief was dismissed over documented contact with an international fugitive trafficker.

Investors should weigh Sierra Leone's genuine mineral-sector momentum and broad multilateral financing support against a high debt-service burden, currency volatility, and a political and governance environment where these specific integrity concerns remain directly relevant to institutional risk, particularly as contract terms are likely to face renewed scrutiny ahead of the 2028 general elections.