

Guinea: Mining bonanza amid dug-in political control by the military | Credendo

Event

The 28 December 2025 elections marked the peaceful completion of Guinea's transition to civilian rule after the military coup of 2021. General Mamady Doumbouya won the presidency by a wide margin, but despite the formal return to democratic governance, the political environment remains fragile.

Impact

The exclusion of key political rivals from the electoral process and widespread repression raise concerns about democratic legitimacy, while President Doumbouya's declining popularity continues to fuel frustration among parts of the population. Although the opposition currently lacks strong mobilisation capacity, widespread public discontent persists beneath the surface. Moreover, internal tensions within the military further heighten the risk of political instability as divisions increase the possibility of counter-coup attempts.

Nevertheless, improving economic and financial indicators, driven by the long-awaited take-off in iron ores export from the Simandou mining project after decades of delay, create space for more favourable projections. Credendo has a positive outlook for Guinea's medium- to long-term political risk, which is currently classified in the highest category 7/7. The West African country will be one of the fastest growing economies in the world in 2026, at an estimated pace of 9.3% driven by the first shipments of Simandou iron ore destined for China.

However, due to limited taxes on Simandou-related operations (port, railway, mine), the fiscal benefits will be limited. Also, employment in the mining project and its surrounding operations remains confined and material benefits for local communities are perceived to be absent, raising the risk for protests and blockades around the project's infrastructure. Low liquidity levels have historically been, and continue to be, one of Guinea's key economic weaknesses, with foreign exchange reserves below one month of import cover at the end of 2024 (no recent data available). This largely explains the high short-term political risk classification in category 6/7. At the same time, investor confidence is still undermined by recurring commercial disputes and state interventions in the mining sector. These important pressures could still jeopardise economic prospects, even as the transition to civilian rule appears formally complete.

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