



The information contained in this sheet has been compiled by [Jaume Portell](#), a journalist specializing in economics and international relations, in an activity 85% co-financed by ERDF funds within the framework of the [AfricanTech](#) project (1/MAC/1/1.3/0088) under the INTERREG VI D MAC 2021-2027 initiative.

## **GUINEA-BISSAU**

### **Macroeconomic framework:**

The Guinea-Bissau economy grew by 4.3% in 2023, a slight increase from 2022's 4.2%, according to the African Economic Outlook published in 2024. The main driving force of this growth was rice production. The institution highlights that investment in manufacturing and entry into value chains would help the country improve its productivity, its main unfinished business. Guinea-Bissau is the world's second-largest exporter of cashews, but most are processed in Asia. Adding value to these cashews would allow the country to earn more money from less land devoted to cashew cultivation, freeing up space for other products. In doing so, this could increase the cultivation of rice and other food for the local market. It would also serve to combat deforestation: part of the increase in arable land for cashew has been done by cutting down forests, a move that puts at risk the local biodiversity. Guinea-Bissau's GDP reached \$1.7 billion in 2023.

### **Debt and currency:**

Guinea-Bissau had a debt stock of \$1128 million in 2023. Interest payments on the debt already represent 27% of exports and haven't stopped growing since 2012. The suspension of most of Guinea-Bissau's debt was recent, and debt service was just \$6 million per year. By 2025, this figure will be \$78 million and will continue to rise until 2030, when it will reach \$139 million per year. Given the lack of export diversification and the country's vulnerability to climate change, these figures caution. Unlike other countries of its economic size, Guinea-Bissau has been able to access the private market to ask for loans. 35% of its debt is in the hands of bondholders; 54% is in the hands of multilateral agencies, where the World Bank stands out; finally, 11% of creditors are bilateral, where another African country, Angola, is highlighted. Guinea-Bissau is one of the fourteen African countries that use the CFA Franc. This currency has a fixed parity (655 CFA francs) with the euro.

### **Imports and exports:**

Guinea-Bissau's trade balance revolves around one product: cashews. Since the 1980s, the country has increased ninefold the area devoted to this crop, which it exports without being processed. More than 70% of its exports are cashews, and its biggest buyer is India. In 2023, \$109 million was earned in exports.

Cashews revenues determine the ability to pay for rice purchases and the rest of the imports (which exceeded \$568 million in 2023). The main import is gasoline, followed by food and beverages. The main trading partner in terms of Guinea-Bissau's imports is Senegal, with 27.7% of the total, followed by Portugal (24.2%) and China (11%).

### **Electricity:**

Guinea-Bissau generated less than 0.08 TWh of electricity in 2022, all from fossil fuels. This is one of the lowest figures on the continent, in a country whose electricity supply is 100% dependent on Karpowership, a Turkish-owned ship that floats off the country's coast.

### **Defence:**

Annual defence spending was \$23 million in 2023, according to SIPRI, a Swedish institute specialising in trading with this type of product. This number represents 6.41% of government spending.

### **Demographics:**

In 1990, 7 out of every 10 inhabitants of Guinea-Bissau lived in rural areas, a number that had reduced to 55% by 2023. Between 1990 and 2022, Guinea-Bissau has gone from less than 1 million inhabitants to 2.1 million. In the same period, life expectancy has increased from 47 years to 60 years. Half of the population is less than 18 years old.

### **Technological innovation:**

Internet access has taken a leap forward in Guinea-Bissau since 2010. Then, just 2% of the population was using it; in 2022 this figure reached one third of the population. More than half of the country's inhabitants (54.8%) own a mobile phone according to the 2023 ICT Development Index.