

## II. TRADE AND INVESTMENT REGIMES

### (1) INSTITUTIONAL FRAMEWORK

1. Under the Constitution of December 1990, the Republic of Guinea, which became independent on 28 September 1958, is a pluralist democracy.<sup>1</sup> The President of the Republic is the Head of State, elected by direct universal suffrage for a term of five years renewable only once. Executive power is vested in the President, who lays down the main lines of State policy and appoints the Prime Minister and the other members of the Government.

2. The National Assembly exercises legislative power and controls the activities of the Government. It votes the laws, including financial laws. Its President is elected for the term of the legislature, which is five years. One-third of deputies are elected by single-ballot, single-member majority voting and two-thirds from a national list by proportional representation. The Economic and Social Council has the power to examine drafts or proposals for laws and draft decrees of an economic and social nature submitted to it, apart from finance laws. It is required to be consulted on draft laws, plans and programmes of an economic nature.

3. The judicial organization in Guinea dates from 1985.<sup>2</sup> It was the subject of an initial reshaping in 1995<sup>3</sup> and a draft law amending it is before the National Assembly. The Supreme Court is the highest court. Its President and members are appointed by decree of the President of the Republic. It has wide powers inasmuch as it is simultaneously the Constitutional Court, Administrative Court, Court of Auditors and Court of Cassation. Supreme Court decisions are not subject to appeal and are binding on the public authorities and on all administrative and jurisdictional authorities. The Court of Appeal is the appeal body for decisions delivered by the courts of first instance, justices of the peace, labour courts, minors' courts, all administrative authorities, professional disciplinary bodies and any other professional or arbitration body.<sup>4</sup>

4. Guinea has no commercial court. Economic matters are therefore dealt with by the ordinary courts (justices of the peace, courts of first instance and courts of appeal). Only the Court of First Instance and the Court of Appeal in Conakry have an economic chamber. A justice of the peace can rule only on economic matters in which the amount involved does not exceed GF 5 million.<sup>5</sup>

### (2) FORMULATION AND IMPLEMENTATION OF POLICIES

5. The Government defines and implements national policies. Each minister determines the direction of the policy he will be following in his area of responsibility and initiates preliminary draft laws discussed by the Council of Ministers. When these are adopted by the Council, they become draft laws and are introduced in the National Assembly by the General Secretariat of the Government. Draft laws are examined by the appropriate commission of the Assembly and then discussed by the Assembly in full session. They are adopted following debate by the Assembly and become law after promulgation by the Head of State. Draft laws rejected by the Assembly are sent back to the government for amendment. Within eight days following the adoption of a law, the President of the

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<sup>1</sup> The First Republic (from independence to 1984) had a single-party presidential regime. The Second Republic was inaugurated in 1984. The regime referred to in the text is that of the Second Republic.

<sup>2</sup> Ordinances 109/85 and 110/85 of 5 July 1985.

<sup>3</sup> Law L/95/021/CTRN of 6 June 1995.

<sup>4</sup> The bill put before the National Assembly provides, inter alia, for the abolition of labour and minors' courts and the transfer of their functions to courts of first instance.

<sup>5</sup> This amount is set at GF 10 million in the new draft law.

Republic or at least one tenth of deputies may lodge an appeal with the Supreme Court with the object of having its conformity with the Basic Law verified.

6. The National Assembly can also initiate laws (proposals). In addition, in order to implement its policy, the Government may request the National Assembly to pass a law authorizing it to take, by ordinance and for a limited period, measures normally coming within the purview of the Legislature. Such ordinances take effect upon publication, but lapse if the draft ratification law is not lodged with the Assembly before the date set by the enabling law.

7. International treaties and agreements are negotiated by the competent ministers, passed by the National Assembly, signed by the Head of State or by an authorized minister or ambassador and promulgated (by decree) by the Head of State. Properly ratified or adopted treaties and agreements take precedence over the law when they are published, subject to reciprocity by the other parties. Peace and trade treaties, treaties and agreements relating to international organizations and treaties which commit State finances, amend legislative provisions, relate to the status of individuals and involve the transfer, exchange or addition of territory can be ratified or approved only by virtue of a law. The WTO Agreement was ratified according to this procedure.

8. The Ministry for the Promotion of the Private Sector, Industry and Trade (MPSPIC) is responsible for defining, implementing monitoring and coordinating the Government's trade and industrial policy.<sup>6</sup> The Ministry of Planning and Cooperation (by defining the African Economic Integration Policy) and the Ministry of the Economy and Finance (by defining duties and charges and setting their rates) also take part in formulating and applying trade and investment policy. Regarding the implementation, monitoring and coordination of trade and investment policies, the MPSPIC cooperates with the technical ministries, particularly with the Ministry of Agriculture, Water and Forests (MAEF), the Ministry of Fisheries and Livestock (MPE), the Ministry of Transport and Telecommunications (MTT), the recently established Ministry of Tourism (MT) and the Ministry of Health (MS). In practice, interministerial coordination is still inadequate as regards trade policy. Each ministry therefore lays down its own priorities independently.

9. The customs tariff can be modified according to budgetary policy objectives, taking into account the country's economic development needs. Tariff policy is governed by law. However, rates can be changed and all or part of the duties and charges stipulated in the tariff can be suspended or restored by a decree of the President of the Republic. The initiative for tariff-policy reforms comes from the Ministry of the Economy and Finance. The latter may consult the ministries concerned or request broader consultation within the Interministerial Council, especially in the case of measures concerning strategic products (e.g. rice).

10. The Office for the Promotion of Private Investment (OPIP), which comes under the MPSPIC, has the job of encouraging the development of private investment. It supplies assistance to operators wishing to invest in Guinea (circulation of information, assembly of project files, search for national and foreign partners). It houses the "single window", which facilitates formalities connected with the setting up of companies (for example, registration, centralization of administrative formalities, help with access to the Investment Code).

11. The defining of trade policy is currently preceded, particularly at the sectoral level, by consultations between the technical ministries and private institutions concerned. A dozen private

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<sup>6</sup> Decree 96/111/PRG/SGG of 29 August 1996 determining the functions of all ministerial departments.

institutions, including the Chamber of Commerce and Industry of Guinea (CCIG) and the National Council of Employers, are currently operational.<sup>7</sup>

12. The Government does not currently seek the advice of academic or other research institutions in drawing up its trade and investment policies. However, use of the expertise of such institutions both in drawing up in and assessing trade policy is being considered.

### **(3) POLICY OBJECTIVES**

13. In a break with the planned-economy model applied up to 1984, Guinea's trade policy is being included in the current economic liberalization reforms. The purpose of these is to create a suitable environment for the development of the private sector in all areas.

14. The ultimate goal of the trade and investment policies is to improve the current balance (reduction of its deficit with respect to GDP) by increasing exports at annual rates exceeding 7 per cent up to 2017: exports of non-traditional products (non-mineral) should show the strongest rises (over 10 per cent per annum). The Government is relying for the attainment of these objectives on new private investment (with technology transfers), which would result in the setting up of small and medium enterprises or industries.

15. The current restructuring and privatization of State enterprises reflect the Government's intention of promoting the private sector. These reforms should be supported by the Investment Code, the provisions of which emphasize activities regarded as having priority (Section (4)(ii)), namely the utilization of natural resources (specifically agricultural and mineral resources), including the local processing of raw materials and the development of exports. In other words, the aim is horizontal and vertical diversification of production and exports. The Investment Code provides for advantages for this purpose.

### **(4) LAWS AND REGULATIONS**

#### **(i) Trade legislation**

16. Two main texts currently govern Guinea's trade with the outside: Ordinance 094/PRG/SGG of 28 November 1990 concerning the Customs Code (and the annual finance laws) and defining, *inter alia*, the framework in which the majority of import and export duties and taxes are fixed and levied; and Order 4404/MBR/SGG of 17 July 1996 introducing the Programme for the Security of Customs Revenue.

17. The trade legislation applicable in Guinea is defined by the Code of Economic Activities.<sup>8</sup> This code deals with company law, the legal status of traders, the business rehabilitation and judicial winding-up regime, arbitration law, matters relating to economic activity (e.g. activity funds, patents,

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<sup>7</sup> Other private institutions are: the Traders' Association, the Industrialists' Association, the Professional Oilmen's Grouping, the Professional Association of Banks, the Fish Trade Union, the National Confederation of Coffee and Cocoa Producers and Exporters, the Association of Women Entrepreneurs of Guinea, the Association of Guinean Businesswomen and the Grouping of Fruit and Vegetable Exporters of Guinea. The Chamber of Agriculture is being set up.

<sup>8</sup> Laws L/2/043/CTRN of 8 December 1992, L94/017/CTRN of 1 June 1994 and L/94/020/CTRN of 8 July 1994. Guinea has been engaged since 1992 in implementing numerous statutory reforms (publication of a code of economic activities) and institutional reforms (law reform) designed to produce a business environment more favourable to the development of economic and financial activities.

utility models, trade marks, industrial designs, trade names), law of contracts and, finally, regulations on credit activities.

18. Reforms concerning judicial organization, the promotion of arbitration procedures provided for by the Commercial Code and the increase in the number of magistrates are in hand and are aimed at improving the system for settling trade disputes. However, the importance of the informal sector means that recourse to the courts remains marginal and that most disputes are settled privately.

**(ii) Investment code**

19. The Investment Code dates from 1987.<sup>9</sup> It was modified in 1995<sup>10</sup> and recently amended. The purpose of the Code is to encourage national and foreign economic operators to invest in Guinea and to contribute in this way to the achievement of the Government's objectives (Section (3) above). A National Investment Commission is responsible for applying the Code. An enterprise must fall in a priority sector in order to qualify for the Code's advantages.<sup>11</sup> The Code defines four specific regimes: small and medium enterprises, exporting enterprises, enterprises exploiting local natural resources and raw materials and enterprises established in an economically less developed zone. The last-mentioned regime has been rendered superfluous following the replacement of the TCA by VAT.

20. To qualify for the SME regime, the value of the assets used must be between GF 15 and 500 million, and the number of permanent jobs must be at least five. To qualify for the exporting enterprise regime, the enterprise must derive more than 22 per cent of its total turnover from exports. To qualify for the regime for enterprises exploiting local natural resources and raw materials, the cost of intermediate consumption items of Guinean origin<sup>12</sup> must exceed 50 per cent of the total cost of the enterprise's intermediate consumption items. Finally, in order to be regarded as established in an economically less developed zone<sup>13</sup>, the enterprise must have its head office and principal area of activity, or at least 90 per cent of its working personnel, outside the Conakry region. The advantages granted to approved enterprises are set out in Table II.1.

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<sup>9</sup> Ordinance 001/PRG/87 and Decree 001/PRG/87.

<sup>10</sup> Law L/95029/CTRN of 30 June 1995.

<sup>11</sup> Agricultural-production enterprises, industrial production involving a processing stage, livestock enterprises involving facilities for the health protection of livestock, fishery enterprises with processing and preserving facilities, production of fertilisers and related goods, tourist facilities, real-estate promotion enterprises of a social nature and investment banks.

<sup>12</sup> When an intermediate consumption item is obtained after processing of imported goods, it is regarded as being of Guinean origin if the cost of the imported goods is below 50 per cent of the total cost of the intermediate consumption item obtained.

<sup>13</sup> Zones 2, 3 and 4, i.e. outside Conakry and its suburbs.

**Table II.1**  
**Investment Code - advantages connected with the preferential regimes**

Shared advantages		SME regime	Exporting-enterprise regime	Regime applicable to enterprises exploiting natural resources
Investment phase				
- Import duties and taxes	- total exemption (2 years max.) on appliances and equipment			
Exploitation phase				
- import duties and charges	- levying of a single import duty on 6% on raw materials which replaces all other charges			
- IBIC <sup>a</sup>	- total exemption for 3, 5, 6 and 8 years according to the zone of installation	- payment at the preferential rate granted to craftsmen	- total exemption for 5 years in proportion to the export turnover	- reduction for 5 years by an amount equal to 20% of intermediate consumption materials of Guinean origin
		- total exemption for 3 years		
- IMF <sup>b</sup>		- total exemption for 3 years		
- training tax	- total exemption for 5 years followed by 50% exemption for the 10 following years			
- flat-rate payment on salaries	- total exemption for 5 years followed by 50% exception for the 10 following years			
- TCA (replaced by (VAT) <sup>c</sup>				

a Tax on industrial and commercial profits.

b Minimum flat-rate tax.

c TCA = Turnover tax; VAT = Value Added Tax.

Source: Guinean authorities, Investment Code.

21. The Investment Code guarantees the same rights and obligations to private and public enterprises, whether national or foreign. It guarantees freedom to transfer capital, incomes and salaries for foreign natural and legal persons. However, under the provisions of the exchange regulations, all foreign direct investment in Guinea must be for at least GF 10 million and the enterprise concerned must be controlled by a Guinean national if this amount is less than 50 million (Annex I.1). Enterprises must be approved in order to qualify for a preferential regime.<sup>14</sup> Among other things, they must keep their accounts in Guinea, give priority to Guinean citizens as regards jobs, use raw materials, appliances and equipment of origin (price and quality being equal) and maintain the quality and level of their investments. A National Investment Commission is responsible for the regular monitoring of approved enterprises in collaboration with the technical ministries. A technical secretariat within this commission prepares the annual report on investment in Guinea.<sup>15</sup>

### (iii) Mining code

22. Under the 1995 Mining Code<sup>16</sup> any national or foreign, public or private, natural or legal person coming under Guinean law and possessing the necessary technical and financial capacity may exploit mineral substances or quarries. However, the semi-industrial and small-scale mining of

<sup>14</sup> The approval file must be lodged with the General Secretariat of the National Investment Commission.

<sup>15</sup> Decree 001/PRG/87 amended by Decree No. D/97/208/PRG/SGG.

<sup>16</sup> Law L/95/036/CTRN of 30 June 1995.

precious substances, and the marketing of diamonds and other gems is authorized only for Guinean natural and legal persons. The right to carry out mining or quarrying operations can be acquired only on the basis of mining permits (survey licence, small-scale mining licence, mining-exploration permit, mining exploitation permit or mining concession) or quarry licences (exploration licence or quarrying licence). These licences are issued by the Ministry of Mines on proposal by the Centre for Mining Promotion and Development (CPDM). Industrial mining exploitation permits and mining concessions are accompanied by conventions. The award of licences, extraction, exploitation and export of mineral substances are subject to taxes and fees (Chapter IV (3)(i)).

23. Holders of mining or quarry permits are required to ensure the protection of the environment in accordance with the Environment Code, to give preference to Guinean enterprises for all construction, procurement or service-provision contracts on terms that are equivalent as regards price, quantity, quality and delivery times, to give priority to the employment of Guinean labour and to encourage transfers of technology. In addition, for each category of permit, the Mining Code defines, *inter alia*, the rights of the enterprises, the areas to be exploited and the period of validity. When an exploitation permit or a concession is withdrawn or expires, the State has the option of acquiring all or part of the installations and constructions intended for exploitation. The operation of mines and quarries qualifies for tax relief as shown in Table II.2.

**Table II.2**  
**Mining Code - tax and customs advantages**

Exploration phase		Development phase	Exploitation phase
<b>Tax relief</b>			
- Tax on industrial and commercial profits		Exemption for 3, 5, 6 and 8 years according to zone of establishment	Exemption for 3, 5, 6 and 8 years according to zone of establishment
- flat-rate minimum tax	total exemption	total exemption	total exemption
- business tax	total exemption	total exemption	total exemption
- professional training	total exemption		
- registration and stamp duty		total exemption	total exemption
- land taxes		total exemption	total exemption
<b>Customs relief</b>			
- Temporary admission	On exploration equipment		
- Import duties	total exemption on spares	Total exemption on supplies <sup>a</sup>	Total exemption on certain supplies <sup>b</sup>
			Single rate of 5.6% of the f.o.b. value for certain supplies <sup>c</sup>
- registration tax		0.5% of c.i.f. value	

a Appliances, equipment, large tools, gear, vehicles, spares and lubricants.

b Raw materials and consumable items needed for the local processing of ore into finished and semi-finished products, together with the petroleum products used for this purpose.

c Appliances, equipment, large tools, gear, vehicles, raw materials and consumable items needed for the extraction and beneficiation of the ore; apart from the development phase, petroleum products are thus acquired in accordance with the price structure applicable to the mining sector.

Source: Guinean authorities, Mining Code.

## (5) AGREEMENTS AND ARRANGEMENTS

24. In Guinea, policy on multilateral and bilateral trade agreements is conducted by the Ministry for the Promotion of the Private Sector, Industry and Trade. The Ministry of Planning and Cooperation is responsible for regional trade agreements. However, there is very little coordination or consultation between these two ministries in the fields covered by these different trade agreements.

**(i) Multilateral agreements**

25. Guinea inherited the status of contracting party on 8 December 1994 after having applied the GATT de facto from 24 June 1994.<sup>17</sup> Guinea ratified the WTO Agreement on 25 September 1995 and became a Member on 25 October 1995. Under the monist system prevailing in Guinea, as international agreements WTO Agreements take precedence over national laws and may therefore be invoked directly before the courts. According to the authorities, any legislative change will in future be in accordance with the rights and obligations of Guinea as a least developed WTO Member country.

26. Guinea grants at least Most Favoured Nation (MFN) treatment to all its trading partners. Like other WTO Members, Guinea has adopted all the results of the Uruguay Round and has accepted commitments in the form of tariff bindings and measures relating to the modes of supply of certain services (Chapter II(2)(iv)(c) and IV(5)). As a least developed country, Guinea should particularly benefit from the strengthening of rules and disciplines which has been effected in the multilateral trading system. As a producer of raw materials (especially mineral products) Guinea experiences no difficulties in gaining access to foreign markets as these products are generally subject to zero or very low MFN duties on entry into importing countries.

27. The concern in Guinea is to achieve horizontal and vertical diversification of production and exports, i.e. an increase in supply which will enable it to make better use of its potential and existing opportunities, as well as of those opportunities which should result from continued liberalization at the multilateral level. Guinea has requested technical assistance under the integrated technical assistance programme launched by WTO and other international organizations at the High-Level Meeting in October 1997 in Geneva. In addition to increased supply, Guinea hopes that technical assistance will also enable it, among other things, to improve the quality of its export products and set up a trade information system which will help it to increase the number of its trading partners. Technical assistance will also, it is hoped, make the WTO Agreements more generally known, especially in the least developed countries, in order that the latter may be sufficiently aware of their obligations.

28. Up to the end of November 1998 Guinea had effected only four notifications, three of which announced the absence of laws and regulations on anti-dumping, countervailing and safeguard measures, while the fourth announced the winding up or privatization of all State trading enterprises.<sup>18</sup> It did not participate in, or enter into any commitments under, the recent WTO negotiations on telecommunication services and financial services.

29. Guinea is a member of the United Nations Organization and its agencies and of several other multilateral organizations dealing with trade and financial questions, including the International Monetary Fund and the World Bank.

**(ii) Regional agreements**

30. The Preamble to the Constitution mentions attachment to the principle of regional integration. Guinea is a member of the Mano River Union with Liberia and Sierra Leone and of the Economic Community of West African States (ECOWAS)<sup>19</sup>, and supports the establishment of the African

<sup>17</sup> Article XXVI(5)(c) of GATT 1994 and WTO document L/7497 of 29 June 1994.

<sup>18</sup> The WTO documents concerned are G/ADP/N/1/GIN/1, G/SCM/N/1/GIN/1, G/SG/N/1/GIN/1, and G/STR/N/1/GIN, January 1996.

<sup>19</sup> The ECOWAS countries are Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, the Niger, Nigeria, Senegal, Sierra Leone and Togo.

Economic Community (AEC). The authorities state that, by participating in these regional agreements, Guinea is seeking a larger economic and trading area (larger than its narrow national market) which could speed up its progressive integration into world trade. The Guinean authorities argue that the proliferation of regional agreements is the chief brake on achieving true regional integration and deplore the fact that the resolution of Heads of State to make the ECOWAS Treaty the only trade agreement of this type in West Africa has not been followed up.

(a) Organization of African Unity (OAU) and African Economic Community (AEC)

31. The Charter establishing the OAU was signed on 25 May 1963.<sup>20</sup> Like the other OAU members, Guinea signed, in June 1991 at Abuja (Nigeria), the AEC Treaty laid down by the Lagos Plan of Action. This Treaty calls for the creation of a Pan African Economic and Monetary Union (with a Parliament) within 34 years. The bodies and headquarters of the AEC are those of the OAU. The Community is taking some time in actually starting up its activities.

(b) Economic Community of West African States (ECOWAS)

32. The ECOWAS Treaty was signed on 28 May 1975. The ECOWAS trade liberalization scheme is in two main parts: the elimination of all non-tariff barriers, namely licences, quotas, prohibitions and other administrative barriers, on all ECOWAS originating products; and the progressive total reduction of tariff barriers. The 1993 amendment to the Treaty provides, *inter alia*, for the free movement of services, capital and persons within the Community at the end of the five-year period following the establishment of the Customs Union scheduled for the year 2000.<sup>21</sup> Local specialities and handicraft products included on the list of goods decided on by the Community should already be circulating free of all import duties if they are accompanied by an ECOWAS certificate of origin issued by the Ministry for the Promotion of the Private Sector, Industry and Trade (as regards Guinea).

33. Finished industrial products originating in the Community are subject to tariff reductions fixed according to different criteria, among them the level of industrial development and the island or land-locked nature of each member country. A finished product is said to originate in ECOWAS if at least 60 per cent of the raw materials used in its manufacture come from the Community or if the added value is at least 35 per cent of the ex-works cost price excluding tax. Products must be approved according to the scheme adopted by the ECOWAS Council of Ministers. The timetable<sup>22</sup> for the progressive reduction of import-duty rates<sup>23</sup> is not being respected. The authorities state that, under the reciprocity principle contained in the Constitution, Guinea also applies the Treaty only partially, particularly with respect to neighbouring countries which are members of the West African Economic and Monetary Union or engaged in war and which do not observe its clauses.

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<sup>20</sup> Nearly all African countries are OAU members.

<sup>21</sup> WTO (1998) and WTO document WT/WGTI/W/22 of 26 January 1998.

<sup>22</sup> See Decision A/DEC.6/7.92.

<sup>23</sup> The 16 ECOWAS countries are classified into three groups: (1) Cape Verde, Gambia, Guinea-Bissau, Burkina Faso, Mali, Mauritania and the Niger, for which the reduction should amount to 10 per cent per annum, i.e. elimination of customs duties in ten years; (2) Benin, Guinea, Liberia, Sierra Leone and Togo, for which the reduction should be 12.5 per cent, i.e. elimination of customs duties in eight years; (3) Côte d'Ivoire, Ghana, Nigeria and Senegal, for which the reduction should be 16.6 per cent per annum, i.e. elimination of customs duties in six years.



(c) Mano River Union (MRU)

34. The MRU is an economic community initially established by Liberia and Sierra Leone on 3 October 1973 and then expanded to include Guinea in 1979. The Declaration establishing the MRU provided for the gradual introduction of a customs union and the promotion of community development projects in all sectors, including services.

35. The MRU is experiencing difficulty both in setting up some of its structures and in its operation owing to the situation prevailing in Liberia and Sierra Leone. Trade between these three countries is therefore marginal and usually informal.

(iii) Other trade agreements or arrangements

36. Guinea is a signatory to the Fourth Lomé Convention between the European Union and 71 developing countries of Sub-Saharan Africa, the Caribbean and the Pacific (ACP States). This Convention, which was signed in 1990 for ten years, was revised in 1995. Under the Convention, a product is considered to be originating in an ACP country if it is wholly obtained or sufficiently processed in the country. Non-originating materials are considered to have been subjected to sufficient working or processing when the end product is classified under a code differing from that under which all the non-originating materials used in its manufacture are classified.

37. The Lomé Convention offers preferential non-reciprocal treatment to exports from the ACP countries. Subject to a safeguard clause, exports of products originating in Guinea, with the exception of those covered by the Common Agricultural Policy (CAP), are exempted from all import duties on the European market. For agricultural products covered by the CAP, the EU grants at least as favourable treatment as that granted to third countries qualifying for the MFN regime. In addition, Guinea receives EU aid (ECU 184 million for the period 1990-95) through the European Development Fund (EDF), structural adjustment support and SYSMIN. Guinea has also received financing from the European Investment Bank amounting to ECU 75 million.<sup>24</sup>

38. Other developed countries (other than those of the EU) grant trade preferences to Guinea under the Generalized System of Preferences. The preferences granted by all developed countries, including those under the Lomé Convention, are non-reciprocal. Guinea is a signatory to the Agreement on the Global System of Trade Preferences (GSTP).

39. Guinea has signed bilateral trade agreements with some 40 countries.<sup>25</sup> Most of these agreements have been in existence for over 20 years but have not been denounced by any of the parties and therefore remain in force. The agreements with Côte d'Ivoire (20 December 1996) and Morocco (12 April 1997) have recently been renegotiated. The agreement with Morocco provides for products originating in the two countries to be exempted from import duties (Chapter III(2)(iv)(d)).<sup>26</sup> The agreement with Côte d'Ivoire provides for mutual advantages as regards speed of customs, transit, warehousing and goods transshipment formalities. Guinea signed an agreement with Turkey on

<sup>24</sup> Guinea has not received any aid from the STABEX price stabilization mechanism, whose function is to compensate for losses of export earnings on 50 agricultural products intended for the EU (Article 186 et seq. of the Convention).

<sup>25</sup> These are: Albania, Algeria, Benin, Bulgaria, Cameroon, Cape Verde, ex-Czechoslovakia, China, CIS, Congo, Democratic Republic of Congo (formerly Zaire), Côte d'Ivoire, Egypt, France, Germany, Ghana, Guinea-Bissau, Haiti, Hungary, Iraq, People's Republic of Korea, Lebanon, Liberia, Libya, Mali, Mauritania, Morocco, Nigeria, Poland, Romania, Senegal, Sierra Leone, Tunisia, United Kingdom, United States.

<sup>26</sup> The following are regarded as originating products: products wholly obtained in one of the two territories and industrial products whose local added value is equal to at least 40 per cent of the ex-works value.

31 January 1997 providing for reciprocal advantages connected with the organization of trade fairs, study trips, training and transit; no fiscal advantages were included. Guinea is also negotiating an agreement with Iran and is renegotiating its agreements with Egypt and Nigeria.

**(iv) Trade disputes and consultations**

40. As of September 1998 Guinea had not been directly involved, either as a complainant or as a defendant, in any dispute settlement procedure within the GATT, WTO or any other trade agreement to which it is a signatory.

41. Within ECOWAS, trade disputes may be settled amicably by direct agreement, subject to approval of that agreement by the Conference of Heads of State. In the absence of such a settlement, the dispute may be brought before the Executive Secretariat of ECOWAS by any of the parties, by any member State or by the conference. The dispute is then submitted to the Trade, Customs, Immigration, Monetary and Payments Commission, which issues a recommendation to the Council of Ministers. In the absence of a settlement, the dispute is brought by one of the parties before the Court of the Community, whose decisions are without appeal. The Court of Justice, although provided for by the ECOWAS Treaty, is not yet a reality.

42. Disputes concerning the interpretation or application of the Lomé Convention may be submitted to the Council of Ministers established under the Convention. If the Council does not find a solution, it may initiate arbitration proceedings at the request of one of the parties. No proceedings of this kind have been initiated to date.

**(v) Investment agreements or arrangements**

43. Guinea signed the Convention Establishing the Multilateral Investment Guarantee Agency on 25 September 1989. The Lomé Convention between the ACP States and the European Union embodies principles for protecting European investments in the ACP countries (Articles 260, 261 and 262 of the Convention).