

# PROJECT – BOKÉ SPECIAL ECONOMIC ZONE (SEZ)

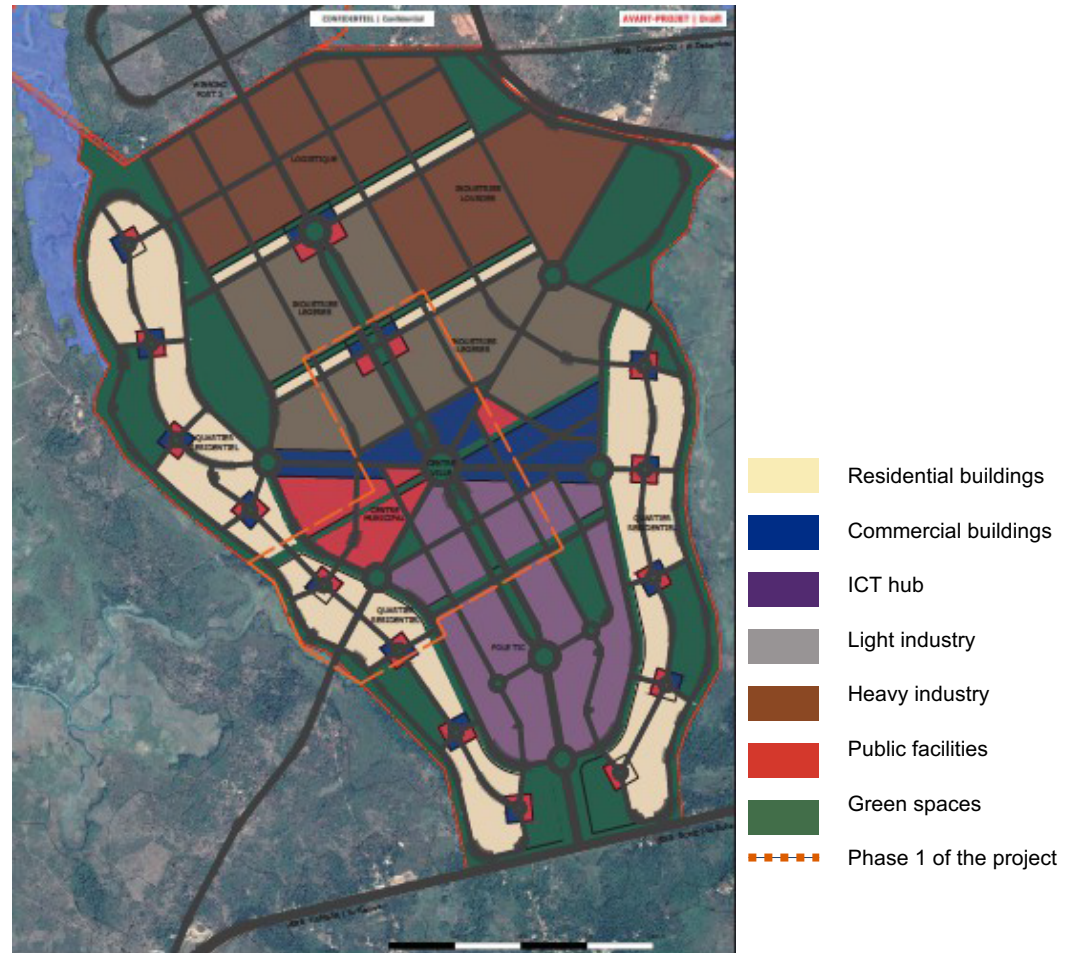


## Pillar 2 – Sustainable and inclusive economic transformation

### Background

- A macroeconomic and institutional climate conducive to establishing a Special Economic Zone (SEZ) in Guinea:
  - Strong economic growth (6.6% in 2016), supported by flagship National Economic and Social Development Plan (PNDES) projects.
  - Growing Foreign Direct Investment, especially in the mining industry.
  - Decree of the 25<sup>th</sup> of April 2017 creating a SEZ in the Boké region.
- The choice of the Boké region for the SEZ is based on the scale of mineral resources in the region and its strong appeal to international investors:
  - Considerable mineral deposits, especially bauxite.
  - Proximity of the ports of Boké-Winning and Kamsar.
  - Possible synergies with other ongoing mining projects in the region.
- Guinea enjoys close ties with China, which is a major stakeholder in the project:
  - China has significant experience in financing and operating SEZs in Africa (Nigeria, Zambia, Egypt).
  - Guinea's leading commercial partner in the mining sector, China is also the main buyer of Guinean bauxite.

### Map of Boké SEZ



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### Key information

#### 1 Identified needs

- The lack of an SEZ in Guinea means:
  - Foreign companies cannot benefit from favourable conditions in which to establish their businesses (unlike in many neighbouring countries).
  - The lack of suitable spaces and plots for foreign investors to establish businesses.
- Noise and other pollution from industrial sites spreads into residential districts.

#### 2 Project outline

- The development of the Boké SEZ is divided into 3 phases over 20 years, with a total cost of \$2.080 million:
  - Phase 1 of the project will take 3 years and will cost \$348 million.
- The development of the Boké SEZ is underpinned by:
  - The allocation of a favourable legal framework (tax exemptions, ease of administration).
  - Guaranteed access to primary infrastructure (water, electricity, sanitation) and transport infrastructure (roads, ports, airports).

#### 3 Aims

- To maximise Guinea's appeal for Foreign Direct Investment (FDI).
- To secure industrial development in Guinea by creating a minerals production and export hub for West Africa.
- To create permanent jobs in the Boké region.

### Estimated costs for phase 1

	Cost Phase 1 (\$ million)	Total cost of the project (\$ million)
Industrial buildings	100	720
Businesses and homes	36	388
University residences	64	192
City centre	10	60
Roads and infrastructure	18	120
Network of public services	120	600
<b>Total</b>	<b>348</b>	<b>2,080</b>

### Progress and finance plan

#### Progress

- Preliminary feasibility study carried out (CORE.CEO).
- Legislative framework in place:
  - Decree for the creation of the SEZ signed.
  - Law passed relating to the framework of PPPs.
- Letters of intent signed by several potential Chinese partners.

#### Finance plan

- Finance under the PPP scheme has been secured.
- Establishment of a SPV (Special Purpose Vehicle) that brings together several Guinean and Chinese companies, with the possible involvement of multilateral backers.

### Factsheet

- **Name:** Boké Special Economic Zone (SEZ)
- **Ministry:** Ministry of Industry, SMEs and the Promotion of the Private Sector (MIPPSE)
- **Priority area:** Economic infrastructure, innovation and research
- **Cost:** \$348 million (Phase 1)
- **Duration:** 3 years
- **Areas:** Boké Region

### Source of finance

To be determined (PPP)