INTERNATIONAL DEVELOPMENT ASSOCIATION

INTERNATIONAL MONETARY FUND

GUINEA

Joint World Bank-IMF Debt Sustainability Analysis Update

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Prepared jointly by the staffs of the International Development Association (IDA) and the International Monetary Fund (IMF)

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Guinea: Joint Bank-Fund Debt Sustainability Analysis[1]

Risk of external debt distress	Moderate
Overall risk of debt distress	Moderate
Granularity in the risk rating	Some space to absorb shocks
Application of judgement	Yes: The overall risk of debt distress is assessed to be moderate against a mechanical rating of high risk of debt distress

Guinea is at moderate risk of external debt distress with some space to absorb shocks. All external debt burden indicators under the baseline scenario lie below their policy-dependent thresholds. Stress tests suggest that debt vulnerabilities will increase if adverse shocks materialize. Under the most extreme stress tests, all solvency and liquidity indicators breach their thresholds for prolonged periods. The overall risk of public debt distress is also assessed to be moderate, with the application of judgement regarding a brief and marginal breach for the PV of total public debt to GDP ratio over 2019–20, reflecting the one-off impact of the recapitalization of the central bank. Guinea's external and public debt position at end-2018 improved compared to the December 2018 DSA, owing to upward revisions of growth estimates in 2016–17, lower-than-anticipated external loan disbursements in 2018, and a stable exchange rate in 2018. A prudent external borrowing strategy aimed at maximizing the concessionality of new debt, limiting non-concessional loans to programmed amounts and strengthening debt management will be key to preserving medium-term debt sustainability.

[1]The Debt Sustainability Analysis (DSA) update was prepared jointly with the World Bank and in collaboration with the Guinean authorities. This DSA updates the DSA analysis in the staff report, No. 18/234 and has been prepared following the revised Debt Sustainability Framework (DSF) for LICs and Guidance Note (2017) in effect as of July 1, 2018. Guinea's debt carrying capacity is classified as weak based on the Composite Indicator (CI) under the revised LIC DSF. Thresholds for debt burden indicators are also those established in the revised 2017 DSF.

COVERAGE OF PUBLIC DEBT

1. **The definition of public debt used in this DSA covers central government debt, central government-guaranteed debt, and central bank debt contracted on behalf of the government (Table 1).**[2] Audited and validated arrears to suppliers over the period 1982–2013, as well as domestic arrears accumulated in 2018 (for domestic arrears stock of 3.1 percent of GDP at end-2018) have been included in the baseline. While other elements of public sector debt, such as non-guaranteed debt of state-owned enterprises and social security funds, are not included due to data constraints, a contingent liability stress test is performed to enhance the robustness of the DSA (Table 1). Staff continues to work with the authorities to broaden the coverage of public debt and improve capacity to address debt data weaknesses. The definition of public and publicly guaranteed debt (PPG) used in the DSA includes the loan for the Souapiti dam (US$1.2 billion, about 10 percent of 2018 GDP) signed on September 4, 2018.[3] Furthermore, to depict the potential full impact on the debt profile, the government is assumed to be responsible for servicing the loan in the DSA.[4]

Table 1. Guinea: Coverage of Public Sector Debt and Design of the Contingent Liability Stress Test

	Subsectors of the public sector	Sub-sectors covered
1	Central government	X
2	State and local government	
3	Other elements in the general government	
4	o/w: Social security fund	
5	o/w: Extra budgetary funds (EBFs)	
6	Guarantees (to other entities in the public and private sector, including to SOEs)	X
7	Central bank (borrowed on behalf of the government)	X
8	Non-guaranteed SOE debt	

1	The country's coverage of public debt	The central government, central bank, government-guaranteed debt		
		Default	Used for the analysis	Reasons for deviations from the default settings
2	Other elements of the general government not captured in 1.	0 percent of GDP	0	
3	SoE's debt (guaranteed and not guaranteed by the government) 1/	2 percent of GDP	2	
4	PPP	35 percent of PPP stock	1.33	
5	Financial market (the default value of 5 percent of GDP is the minimum value)	5 percent of GDP	5	
	Total (2+3+4+5) (in percent of GDP)		8.3	

1/ The default shock of 2% of GDP will be triggered for countries whose government-guaranteed debt is not fully captured under the country's public debt definition (1.). If it is already included in the government debt (1.) and risks associated with SoE's debt not guaranteed by the government is assessed to be negligible, a country team may reduce this to 0%.

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[2]The definition of PPG external debt excludes French claims under C2D debt-for-development swaps, which were cancelled in the context of the HIPC debt relief. The C2D mechanism implies a payment of the debt service to the creditor from Guinea, which is later returned to the government in the form of grants to finance development projects. The payments with respect to C2D are included in debt service of the fiscal baseline. See Country Report No.15/39 for a detailed discussion. Information on non-residents' holding of local currency debt is not available. This could give rise to an underestimation of external debt on a residency basis.

[3]The grant element of the Souapiti loan is estimated to be 29 percent. The loan will be transferred to a Special Purpose Vehicle (SPV) jointly owned by the Guinean government (51 percent) and China International Water & Electricity Corporation (49 percent), which will be managing and operating the dam on a commercial basis and will be responsible for servicing it.

[4]The Souapiti loan is not included in the public investment of the central government as it will be carried out by an SPV that is not considered as part of the central government.

RECENT DEBT DEVELOPMENTS

2. **The stock of Guinea's overall public debt as a share of GDP declined in 2018 as both external and domestic positions strengthened, supported by robust economic growth.** Total public debt stood at US$4.5 billion (37.6 percent of GDP) at end-2018 compared with US$4.1 billion (39.6 percent of GDP) in 2017. External public debt as a percent of GDP declined for the second consecutive year to 19.1 percent of GDP in 2018 from 19.4 in 2017. The stock of external debt increased moderately to US$2.3 billion at end-2018 compared to US$2 billion in 2017, reflecting lower-than-anticipated loan disbursements. Domestic debt as a percent of GDP also declined to 18.6 percent of GDP in 2018 from 20.2 percent of GDP in 2017. The domestic debt stock increased to US$2.2 billion in 2018 from US$2.1 billion in 2017, owing mainly to an increase in the issuance of treasury bills and a net accumulation of domestic arrears.

Table 2. Guinea: Structure of External Public and Publicly Guaranteed Debt

(Nominal values)

	end-2017	end-2018		
	USD (millions)	USD (millions)	Percent of Total	Percent of GDP
Total	**2026.9**	**2287.4**	**100.0**	**19.1**
Total incl. C2D	2118.4	2355.4	103.0	19.6
Multilateral creditors	**869.5**	**1116.1**	**48.8**	**9.3**
IMF	277.2	322.3	14.1	2.7
World Bank	240.4	341.4	14.9	2.8
Other Multilateral creditors	351.9	452.4	19.8	3.8
Official Bilateral Creditors	**1095.6**	**1110.6**	**48.6**	**9.3**
Paris Club (excl. C2D)	43.0	37.9	1.7	0.3
Non-Paris Club	1052.6	1072.7	46.9	8.9
Commercial Creditors	**61.6**	**60.8**	**2.7**	**0.5**
Memo				
Arrears	150.1	149.3	6.5	1.2

Sources: Guinean authorities; and IMF Staff calculations.

Notes: Arrears at end-2018 are due to Non-Paris Club official bilateral creditors (US$88.5 million) and commercial creditors (US$60.8 million). The Guinean authorities have started discussions with creditors in order to reach a resolution on the normalization of these arrears.

UNDERLYING MACROECONOMIC ASSUMPTIONS

3. **Key assumptions are consistent with the macroeconomic framework outlined in the Policy Note for the Third Review under a Three-Year Extended Credit Facility**. Changes to the assumptions compared to the December 2018 DSA are as follows:

- **Real GDP growth** was revised upwards to 10.8 percent in 2016 (from 10 percent) on the back of stronger mining activity and to 10 percent in 2017 (from 9.9 percent). Real GDP growth is estimated at 5.8 percent in 2018, driven by strong performance in mining and construction and good agriculture performance. The growth momentum is expected to continue with real growth at 6 percent over 2019–20. Over the long run (2022–39), real growth is projected to remain at about 5 percent, reflecting the increased productive capacity of the economy and its further diversification. Risks to the growth outlook are tilted to the downside, stemming from socio-political tensions in the run-up to elections and delays in projects and reform implementation. Upside potential could arise from mining production capacity coming on stream faster than currently expected.

- **Inflation** is expected to remain moderate at around 8.9 percent in 2019 and gradually decrease to 7.8 percent over the medium term, reflecting a prudent monetary policy stance.

- **Fiscal balance**.[5] The primary fiscal balance recorded a deficit of 0.3 percent of GDP in 2018 (versus a projected 1 percent in the 2018 DSA) and it is expected to record a deficit of 1.8 percent of GDP in 2019, reflecting the increase in electricity subsidies due to structural changes in the sector and an average deficit of 1.2 percent of GDP over 2020–24. This reflects expected revenue mobilization efforts and the containment of non-priority current expenditure, including the gradual phasing out of electricity subsidies. Additional tax revenues of about 1.7 percent of GDP are expected to be mobilized over 2019–20, supported by tax policy and administration measures, and stronger mining revenues resulting from measures to reduce leakages from transfer pricing. Continued revenue mobilization effort is expected to gradually increase tax revenue by 1.4 percent of GDP over 2021–29. In parallel, capital expenditures are expected to rise with the scale up in public infrastructure investment under the authorities' National Economic and Social Development Plan (PDNES) from 5 percent of GDP in 2018 to 7.4 percent in 2024. In view of development needs, capital expenditures are expected to remain high at 7.6 percent of GDP, on average, over 2025–29. Grants stood at 1.4 percent of GDP in 2018 and are expected to remain at 1.1 percent of GDP on average over the period 2019–21, also reflecting the continued mobilization of donors' support following the 2017 Consultative Group for Guinea.

- **The current account** is expected to record a deficit of about 19 percent of GDP in 2019–20 and to average 12 percent of GDP over 2021–24, reflecting high imports for mining and public infrastructure projects, including the Souapiti dam, financed by FDI and external borrowing. These investments will boost exports, resulting in a gradual narrowing of the current account deficit over the medium term.

- **External financing mix and terms**. The authorities plan to continue mobilizing external financing to scale-up public investments in infrastructure to support economic diversification and high growth. New external borrowing is expected to pick up

[5]While it is the primary fiscal balance that drives public debt, the basic fiscal balance is the main fiscal anchor under the ECF program. The basic fiscal balance is defined as government revenue excluding grants minus expenditures, excluding interest payments on external debt and externally financed capital expenditure. This measure of fiscal balance aims to capture actual fiscal efforts. The basic fiscal surplus is projected to improve from 0.8 percent of GDP in 2018 to an average of 0.8 percent of GDP during 2019–24.

significantly in the near term, from 4.0 percent of GDP in 2018 to 12.1 percent in 2019 and average 6.8 percent of GDP over 2019–21. The pick-up in debt accumulation in the short term reflects the one-off impact of the borrowing to finance the construction of the Souapiti dam signed in September 2018 (Table 4). In addition to the Souapiti loan to be disbursed over 2019–21, the DSA also incorporates, the non-concessional borrowing of US$658 million (5 percent of 2018 GDP) to finance priority projects to be disbursed over 2019–21.[6] Out of this envelope, US$598 million were signed with Eximbank China and ICBC in September 2018 to finance the rehabilitation of the RN1 national road and the Conakry urban road network. In addition, US$60 million (0.4 percent of 2019 GDP) in non-concessional budget support from Qatar was signed in November 2018 and disbursed in April 2019. External borrowing is expected to continue to be sustained in the long run to finance infrastructure development, averaging at about 3 percent of GDP over 2021-29 and 2.3 percent of GDP over 2030–39. This would include anticipated World Bank budget support of US$100 million in 2019 and US$40 million in 2020, as well as project loans of US$325 million over the period 2020-24, including the World Bank enclave loan of $200 million for the agricultural sector. Due to the mostly non-concessional nature of borrowing in the near term, however, the average grant element of new borrowing is expected to decline sharply to about 31 in 2019 (36.3 in 2018) due to the expected large disbursement from the Souapiti loan and to average 30.4 percent in the long run, reflecting that the use of non-concessional financing is expected to gradually increase over time.

- **Domestic borrowing**. Net government domestic financing is expected to be negative throughout 2019–24 (-1.1 percent of GDP in 2019, -0.7 percent of GDP in 2020 and averaging -0.5 percent of GDP for 2021-24), as the government is expected to gradually repay past borrowings from the BCRG, domestic arrears accumulated during 2017–18, and the validated 1982–2013 arrears to the private sector in line with the clearance strategy approved in December 2017. This will be supported by revenue mobilization and containing current non-priority spending. Net domestic borrowing is expected to turn positive in the long term.

- **Realism of assumptions**. Growth projections at about 6 percent in 2019–20 are predicated on conservative assumptions, notably against the background of weak historical growth outturns in Guinea, reflecting adverse conditions such as the Ebola crisis, commodity price shocks and earlier periods of social unrest. In this context, the investment-growth nexus remains conservative (Figure 6, bottom panel). The scaling of-up of public investment is expected to support growth. While higher-than-projected primary fiscal deficits were historically the largest contributor to unexpected debt accumulation for the past five years (Figure 5), the current ECF arrangement supports a fiscal adjustment that is feasible

[6]For the Souapiti loan, US$980 million, US$155 million and US$41 million are expected to be disbursed in 2019, 2020 and 2021, respectively. For the US$598 million envelope of non-concessional loans signed in September 2018, US$109 million is expected to be disbursed in 2019, US$208 million in 2020, and the remaining amount in 2021.

for Guinea, taking into account the country's fragility and capacity constraints (Figure 6, top panel).

COUNTRY CLASSIFICATION

4. **The Composite Indicator for Guinea is 2.51 based on the April 2019 WEO vintage and the 2018 update for the CPIA index, which classifies Guinea at weak debt-carrying capacity**. Two tailored stress tests are triggered to account for Guinea's specific economic features. A contingent liabilities stress test captures a combined shock from SOEs' external debt default, PPPs' distress and/or cancellations, and financial market vulnerabilities, all of which amount to 8.3 percent of GDP (Table 1).[7] A commodity prices stress test is also applied as mining exports constitute more than 80 percent of total exports for Guinea. Furthermore, two fully customized scenarios—a weak policy scenario, and higher non-concessional loans—have also been performed to assess Guinea's country-specific risks and capacity to absorb shocks.

Table 3. Guinea: Calculation of CI index

Components	Coefficients (A)	10-year average values (B)	CI Score components (A*B) = (C)	Contribution of components
CPIA	0.385	3.128	1.20	48%
Real growth rate (in percent)	2.719	6.189	0.17	7%
Import coverage of reserves (in percent)	4.052	19.764	0.80	32%
Import coverage of reserves^2 (in percent)	-3.990	3.906	-0.16	-6%
Remittances (in percent)	2.022	0.359	0.01	0%
World economic growth (in percent)	13.520	3.559	0.48	19%
CI Score			2.51	100%
CI rating			Weak	

MODEL SIGNALS AND RISK RATING

External Debt

[7]The contingent liability stress test has two components: (i) a minimum starting value of 5 percent of GDP representing the average cost to the government of a financial crisis in a LIC since 1980; and (ii) a tailored value, reflecting additional potential shocks from SOE's debt and PPP that are not included in the definition of public debt. A tailored PPP shock is used, and the size of the PPP shock is estimated to be 3.8 percent of GDP based on the 2018 PIMA report, larger than the default value of 1.37 percent from the World Banks' PPP database. Local governments in Guinea have limited debt exposure, and the stock of non-guaranteed SOE's debt is also likely to be a small. Overall, a contingent liability shock of 8.3 percent of GDP should adequately capture risks arising from debt not covered under the baseline.

5. Guinea stands at moderate risk of external debt distress, with some space to absorb shocks (Table 4, Table 7, Figure 1, and Figure 7). Under the baseline scenario, all external debt ratios remain below their policy dependent thresholds. Based on the mechanical rating of the moderate risk tool, Guinea is assessed to have some space to absorb shocks. The external debt position has improved slightly compared to the December 2018 DSA, due to upward revisions in estimated growth in 2016–17, lower-than-anticipated external loan disbursements in 2018, and a stable exchange rate in 2018. The PV of external debt-to-GDP is expected to peak at 23.3 percent in 2026 (slightly above the 2020 peak of 22.8 percent of GDP in the December 2018 DSA) and then to decline. Liquidity ratios are also expected to remain well below policy dependent thresholds and decline slightly compared with the December 2018 DSA. Under the historical scenario and most extreme stress tests, all indicators breach their thresholds.[8] However, some of these tests are based on historical growth and export averages, which reflect exceptionally adverse economic conditions for Guinea, including the Ebola crisis and commodity price shocks during 2014–15 and earlier periods of civil unrest. Under two more plausible country-specific scenarios—(i) a weak policy implementation scenario; and (ii) higher non-concessional loans—all indicators scenario.[9]

Total Public Debt

6. Guinea's overall risk of debt distress is assessed to be moderate, with the application of staff judgement. As in the December 2018 DSA, under the baseline scenario the PV of total public debt-to-GDP breaches the benchmark for two years (2019 and 2020) (Table 5 and Figure 3). The PV of total public debt-to-GDP ratio peaks in 2019 at 37.2 percent of GDP (vis-à-vis the benchmark of 35 percent of GDP and 37 percent of GDP in the December 2018 DSA). This reflects the one-off impact of the recapitalization of the BCRG in 2018, a key reform to enhance Central Bank independence. This adds to the anticipated disbursement of the loan for the Souapiti dam (US$1.2 billion signed on September 4, 2018) and of non-concessional loans for priority infrastructure development that increase PPG external debt in the short run. Staff applied judgment to assign a moderate risk rating as: (i) the magnitude of the breach is marginal, and the length is temporary (just two years); and (ii) the recapitalization will only affect one debt burden indicator—the PV of overall public debt to GDP. Notably, the recapitalization will not add to the debt service burden in the near term as it was conducted by issuing 30-year bonds for the overall recapitalization needs, additional securities are expected to be issued in lieu of interest payments, and no payment is expected to be made until 2046. The PV of the total debt-to-GDP ratio exceeds the benchmark in the medium term under the most extreme shock. Space for additional borrowing is limited, notably in the near term. Delays in repaying domestic arrears or debt owed to the

[8] The most extreme stress test is an export shock that sets export growth to its historical average minus one standard deviation in the second and third years of the projection period for the PV of debt-exports and debt service-to-exports, while for the PV of debt-to-GDP and debt service-to-revenue, the most extreme shocks are a combination of all shocks and a non-debt creating flow shock, respectively.

[9] The weak policy scenario assumes real GDP growth is 1 percentage point below the baseline over 2019–38, reflecting slower reform implementation, and the basic fiscal balance is 0.5 percent of GDP in 2019–20, reflecting slower revenue collection. The higher non-concessional loans scenario assumes an additional non-concessional borrowing of U$260 million, corresponding to projected cost of the envisaged Lissan-Foni electricity transmission project to be disbursed during 2019–22, on top of the programmed envelope of US$650 million in non-concessional loans.

BCRG, higher-than-anticipated government borrowing from the BCRG, or new audits of domestic arrears could worsen the dynamics of total public debt.

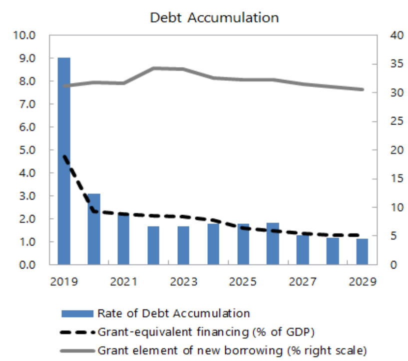
7. **The authorities broadly agreed with the conclusions of the DSA**. They underscored their commitment to maintaining a sustainable level of debt that does not exceed a moderate risk of debt distress. They also concurred with the importance of maximizing concessional borrowing where possible but noted that financing under these terms is not available in the scale needed to finance their large infrastructure needs. The authorities are committed to continuing to implement their strategy to gradually clear domestic arrears to the private sector and strengthening debt management.

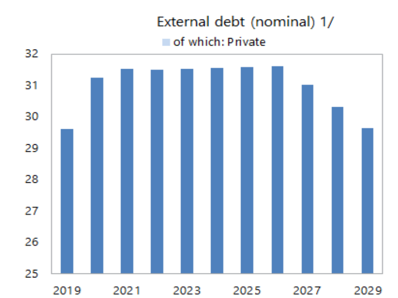
Table 4. Guinea: External Debt Sustainability Framework, Baseline Scenario, 2016–39

(Percent of GDP, unless otherwise indicated)

	Actual			Projections								Average 8/	
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2029	2039	Historical	Projections
External debt (nominal) 1/	21.8	19.4	19.1	29.6	31.3	31.5	31.5	31.5	31.5	29.6	21.5	28.2	31.0
of which: public and publicly guaranteed (PPG)	21.8	19.4	19.1	29.6	31.3	31.5	31.5	31.5	31.5	29.6	21.5	28.2	31.0
Change in external debt	0.2	-2.4	-0.3	10.6	1.6	0.3	0.0	0.0	0.0	-0.7	-0.9		
Identified net debt-creating flows	14.1	-8.9	2.8	10.9	3.4	1.2	1.3	1.5	1.0	0.2	-1.0	7.0	2.0
Non-interest current account deficit	31.9	7.2	18.4	20.7	17.5	13.3	12.3	10.7	9.9	5.5	-0.4	14.4	10.9
Deficit in balance of goods and services	31.0	7.8	14.1	14.2	11.6	8.3	7.2	5.8	5.5	2.0	0.0	12.1	6.2
Exports	28.7	39.7	33.1	32.2	33.6	32.7	32.1	31.2	30.2	29.6	0.0		
Imports	59.8	47.5	47.2	46.5	45.2	41.0	39.2	37.0	35.7	31.6	0.0		
Net current transfers (negative = inflow)	-0.7	-0.9	-0.6	-0.5	-0.5	-0.7	-0.9	-1.0	-1.2	-0.7	0.0	-2.6	-0.8
of which: official	-0.7	-0.2	-0.2	-0.2	-0.1	-0.4	-0.4	-0.4	-0.4	-0.3	0.0		
Other current account flows (negative = net inflow)	1.5	0.3	4.8	7.0	6.4	5.7	6.0	5.8	5.5	4.2	-0.4	4.9	5.5
Net FDI (negative = inflow)	-18.5	-12.7	-13.0	-9.0	-12.9	-10.7	-9.9	-8.2	-7.8	-4.3	0.0	-6.8	-7.8
Endogenous debt dynamics 2/	0.8	-3.4	-2.6	-0.8	-1.3	-1.3	-1.1	-1.0	-1.0	-1.0	-0.7		
Contribution from nominal interest rate	0.3	0.2	0.3	0.2	0.4	0.4	0.4	0.4	0.5	0.4	0.4		
Contribution from real GDP growth	-2.4	-1.8	-1.0	-1.0	-1.6	-1.7	-1.6	-1.5	-1.5	-1.4	-1.0		
Contribution from price and exchange rate changes	2.9	-1.8	-1.9	...	...	...	...	...	...	...	...		
Residual 3/	-13.9	6.5	-3.1	-0.4	-1.8	-1.0	-1.4	-1.5	-1.0	-0.9	0.2	-10.1	-1.0
of which: exceptional financing	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Sustainability indicators													
PV of PPG external debt-to-GDP ratio	...	...	14.3	21.1	22.5	22.8	22.8	22.9	23.0	22.2	16.6		
PV of PPG external debt-to-exports ratio	...	...	43.3	65.6	67.0	69.8	71.1	73.3	76.3	74.8	...		
PPG debt service-to-exports ratio	3.6	1.4	1.7	1.6	2.9	4.1	4.7	4.7	5.0	6.2	...		
PPG debt service-to-revenue ratio	7.1	4.1	4.2	3.6	6.6	9.0	10.0	9.5	9.8	11.5	...		
Gross external financing need (Billion of U.S. dollars)	1.2	-0.5	0.7	1.6	0.8	0.6	0.7	0.7	0.7	0.8	0.8		
Key macroeconomic assumptions													
Real GDP growth (in percent)	10.8	10.0	5.8	5.9	6.0	6.0	5.3	5.0	5.0	5.0	5.0	5.2	5.3
GDP deflator in US dollar terms (change in percent)	-11.7	8.8	11.0	4.3	1.6	2.0	1.9	1.9	2.0	2.0	2.0	1.0	2.2
Effective interest rate (percent) 4/	1.4	1.1	1.8	1.1	1.3	1.4	1.5	1.5	1.5	1.6	1.8	1.1	1.5
Growth of exports of G&S (US dollar terms, in percent)	32.9	65.4	-2.1	7.7	12.2	5.3	5.2	4.1	3.6	6.8	-100.0	12.2	6.5
Growth of imports of G&S (US dollar terms, in percent)	90.8	-4.9	16.7	8.8	4.8	-2.0	2.7	0.9	3.4	5.0	-100.0	16.2	3.7
Grant element of new public sector borrowing (in percent)	...	...	...	31.2	31.7	31.7	34.3	34.0	32.6	30.6	27.7	...	32.1
Government revenues (excluding grants, in percent of GDP)	14.8	13.8	13.2	14.7	14.4	14.8	15.2	15.4	15.4	15.9	16.5	13.3	15.4
Aid flows (in Billion of US dollars) 5/	0.1	0.1	0.1	0.5	0.4	0.4	0.5	0.5	0.5	0.5	0.8		
Grant-equivalent financing (in percent of GDP) 6/	...	...	...	4.7	2.3	2.2	2.2	2.1	1.9	1.3	1.0	...	2.0
Grant-equivalent financing (in percent of external financing) 6/	...	...	...	36.2	43.1	46.8	49.5	49.8	48.3	41.0	40.6	...	44.0
Nominal GDP (Billion of US dollars)	9	10	12	13	14	16	17	18	19	27	53		
Nominal dollar GDP growth	-2.1	19.8	17.4	10.5	7.7	8.1	7.3	7.0	7.1	7.0	7.0	6.2	7.6
Memorandum items:													
PV of external debt 7/	...	...	14.3	21.1	22.5	22.8	22.8	22.9	23.0	22.2	16.6		
In percent of exports	...	...	43.3	65.6	67.0	69.8	71.1	73.3	76.3	74.8	...		
Total external debt service-to-exports ratio	3.6	1.4	1.7	1.6	2.9	4.1	4.7	4.7	5.0	6.2	...		
PV of PPG external debt (in Billion of US dollars)			1.7	2.8	3.2	3.6	3.8	4.1	4.4	6.0	8.8		
(PVt-PVt-1)/GDPt-1 (in percent)				9.0	3.1	2.2	1.7	1.7	1.8	1.1	0.5		
Non-interest current account deficit that stabilizes debt ratio	31.7	9.6	18.7	10.2	15.9	13.0	12.4	10.7	9.8	6.2	0.5		

Definition of external/domestic debt	Currency-based
Is there a material difference between the two criteria?	No





Sources: Country authorities; and staff estimates and projections.

1/ Includes both public and private sector external debt.

2/ Derived as [r - g - ρ(1+g)]/(1+g+ρ+gρ) times previous period debt ratio, with r = nominal interest rate; g = real GDP growth rate, and ρ = growth rate of GDP deflator in U.S. dollar terms.

3/ Includes exceptional financing (i.e., changes in arrears and debt relief); changes in gross foreign assets; and valuation adjustments. For projections also includes contribution from price and exchange rate changes.

4/ Current-year interest payments divided by previous period debt stock.

5/ Defined as grants, concessional loans, and debt relief.

6/ Grant-equivalent financing includes grants provided directly to the government and through new borrowing (difference between the face value and the PV of new debt).

7/ Assumes that PV of private sector debt is equivalent to its face value.

8/ Historical averages are generally derived over the past 10 years, subject to data availability, whereas projections averages are over the first year of projection and the next 10 years.

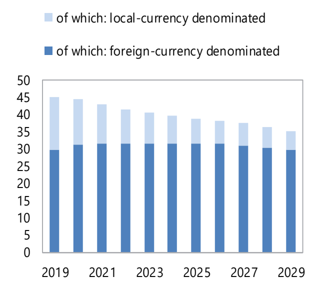
Table 5. Guinea: Public Sector Debt Sustainability Framework, Baseline Scenario, 2016–39

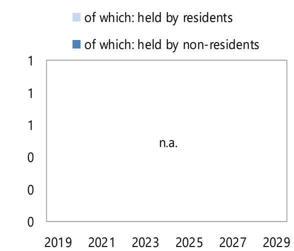
(Percent of GDP, unless otherwise indicated)

	Actual			Projections								Average 6/	
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2029	2039	Historical	Projections
Public sector debt 1/	42.5	39.6	37.6	45.0	44.5	43.0	41.6	40.5	39.6	35.2	24.8	44.5	40.0
of which: external debt	21.8	19.4	19.1	29.6	31.3	31.5	31.5	31.5	31.5	29.6	21.5	28.2	31.0
Change in public sector debt	-1.1	-2.9	-2.0	7.3	-0.4	-1.5	-1.4	-1.0	-0.9	-1.1	-1.1		
Identified debt-creating flows	-3.4	-5.9	-4.4	-1.3	-2.0	-1.7	-1.2	-1.0	-0.9	-0.9	-0.9	-2.8	-1.1
Primary deficit	-0.9	1.2	0.3	1.8	1.3	1.2	1.2	1.1	1.0	0.6	-0.1	2.4	1.1
Revenue and grants	15.7	15.2	14.4	15.6	15.3	15.9	16.2	16.4	16.3	16.4	16.9	14.6	16.1
of which: grants	0.9	1.5	1.1	0.9	0.9	1.1	1.0	1.0	0.9	0.5	0.4		
Primary (noninterest) expenditure	14.8	16.4	14.6	17.4	16.7	17.0	17.4	17.5	17.4	17.0	16.8	17.0	17.2
Automatic debt dynamics	-2.5	-7.0	-4.6	-3.1	-3.3	-2.9	-2.4	-2.1	-1.9	-1.5	-0.8		
Contribution from interest rate/growth differential	-4.5	-5.1	-3.5	-3.1	-3.3	-3.0	-2.5	-2.2	-2.0	-1.5	-0.8		
of which: contribution from average real interest rate	-0.2	-1.2	-1.3	-1.0	-0.8	-0.5	-0.3	-0.2	-0.1	0.2	0.4		
of which: contribution from real GDP growth	-4.3	-3.9	-2.2	-2.1	-2.5	-2.5	-2.2	-2.0	-1.9	-1.7	-1.2		
Contribution from real exchange rate depreciation	2.0	-1.9	-1.1	...	...	...	...	...	...	...	...		
Other identified debt-creating flows	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2.8	0.0
Privatization receipts (negative)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Recognition of contingent liabilities (e.g., bank recapitalization)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Debt relief (HIPC and other)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Other debt creating or reducing flow (please specify)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Residual	2.3	3.0	2.4	8.6	1.6	0.3	-0.2	0.0	0.1	-0.3	-0.2	0.7	0.9
Sustainability indicators													
PV of public debt-to-GDP ratio 2/	...	...	33.0	37.2	36.5	34.9	33.5	32.5	31.7	28.4	20.4		
PV of public debt-to-revenue and grants ratio	...	...	230.2	237.7	237.6	220.4	207.3	198.1	194.4	173.2	120.4		
Debt service-to-revenue and grants ratio 3/	11.9	6.1	12.2	16.9	14.7	17.9	16.9	15.9	15.6	16.0	15.3		
Gross financing need 4/	-0.2	1.2	2.0	4.6	3.8	4.2	3.9	3.7	3.6	3.2	2.5		
Key macroeconomic and fiscal assumptions													
Real GDP growth (in percent)	10.8	10.0	5.8	5.9	6.0	6.0	5.3	5.0	5.0	5.0	5.0	5.2	5.3
Average nominal interest rate on external debt (in percent)	1.5	1.1	1.8	1.1	1.4	1.4	1.5	1.6	1.6	1.6	1.8	1.2	1.5
Average real interest rate on domestic debt (in percent)	-1.4	-5.7	-6.5	-4.8	-4.2	-1.7	-0.7	0.2	1.1	5.5	14.1	-0.5	0.8
Real exchange rate depreciation (in percent, + indicates depreciation)	10.3	-9.9	-6.3	...	...	...	...	...	...	...	...	0.3	...
Inflation rate (GDP deflator, in percent)	5.7	10.4	10.0	8.8	8.1	8.1	7.9	7.8	7.8	8.0	8.0	7.5	8.1
Growth of real primary spending (deflated by GDP deflator, in percent)	-21.1	22.1	-5.6	26.4	1.4	8.1	7.5	5.8	4.0	4.8	4.6	14.3	6.9
Primary deficit that stabilizes the debt-to-GDP ratio 5/	0.2	4.1	2.2	-5.5	1.8	2.7	2.6	2.2	1.9	1.8	1.0	2.2	1.3
PV of contingent liabilities (not included in public sector debt)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		

Definition of external/domestic debt	**Currency-based**
Is there a material difference between the two criteria?	**No**

Public sector debt 1/





Sources: Country authorities; and staff estimates and projections.

1/ Coverage of debt: The central government, central bank, government-guaranteed debt. Definition of external debt is Currency-based.

2/ The underlying PV of external debt-to-GDP ratio under the public DSA differs from the external DSA with the size of differences depending on exchange rates projections.

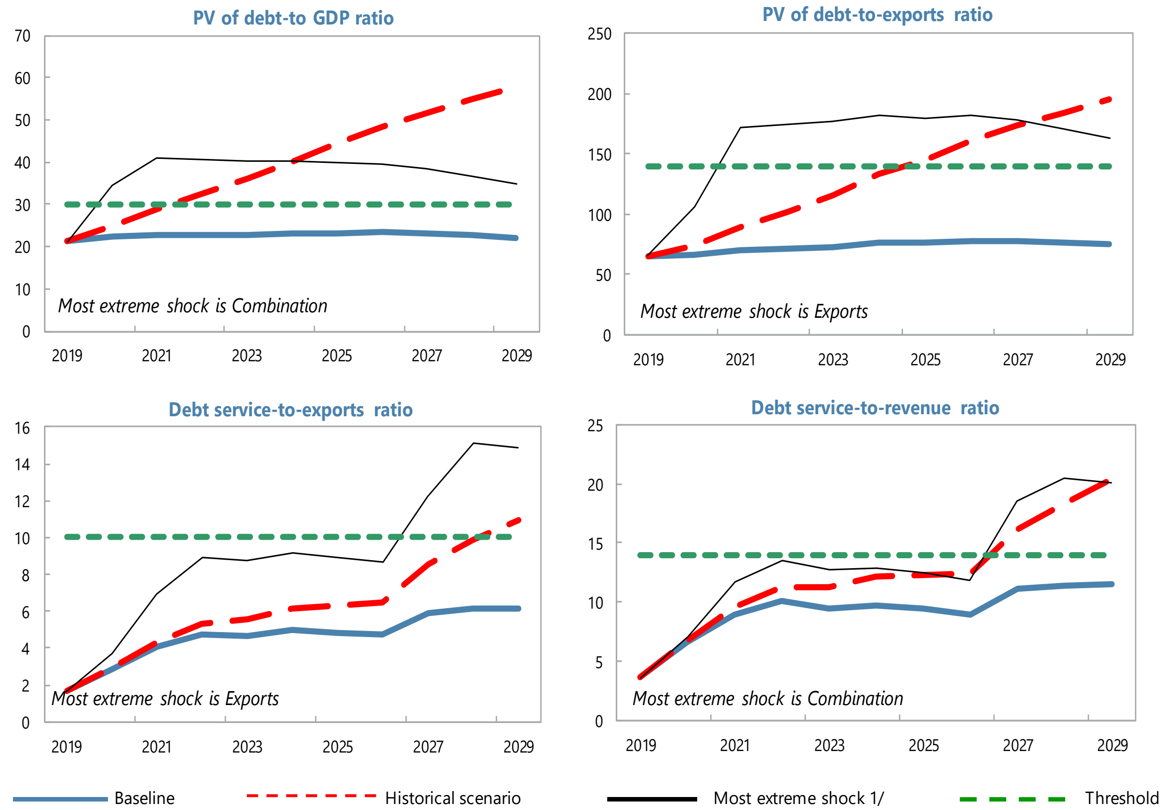
3/ Debt service is defined as the sum of interest and amortization of medium and long-term, and short-term debt.

4/ Gross financing need is defined as the primary deficit plus debt service plus the stock of short-term debt at the end of the last period and other debt creating/reducing flows.

5/ Defined as a primary deficit minus a change in the public debt-to-GDP ratio ((-): a primary surplus), which would stabilizes the debt ratio only in the year in question.

6/ Historical averages are generally derived over the past 10 years, subject to data availability, whereas projections averages are over the first year of projection and the next 10 years.

Figure 2. Guinea: Indicators of Public and Publicly Guaranteed External Debt Under Alternative Scenarios, 2019–29



Customization of Default Settings	Size	Interactions
Tailored Tests		
Combined CLs	No	
Natural Disasters	n.a.	n.a.
Commodity Prices [2/]	No	No
Market Financing	n.a.	n.a.

Note: "Yes" indicates any change to the size or interactions of the default settings for the stress tests. "n.a." indicates that the stress test does not apply.

Borrowing Assumptions for Stress Tests*	Default	User defined
Shares of marginal debt		
External PPG MLT debt	100%	
Terms of marginal debt		
Avg. nominal interest rate on new borrowing in USD	1.7%	1.7%
USD Discount rate	5.0%	5.0%
Avg. maturity (incl. grace period)	20	20
Avg. grace period	6	6

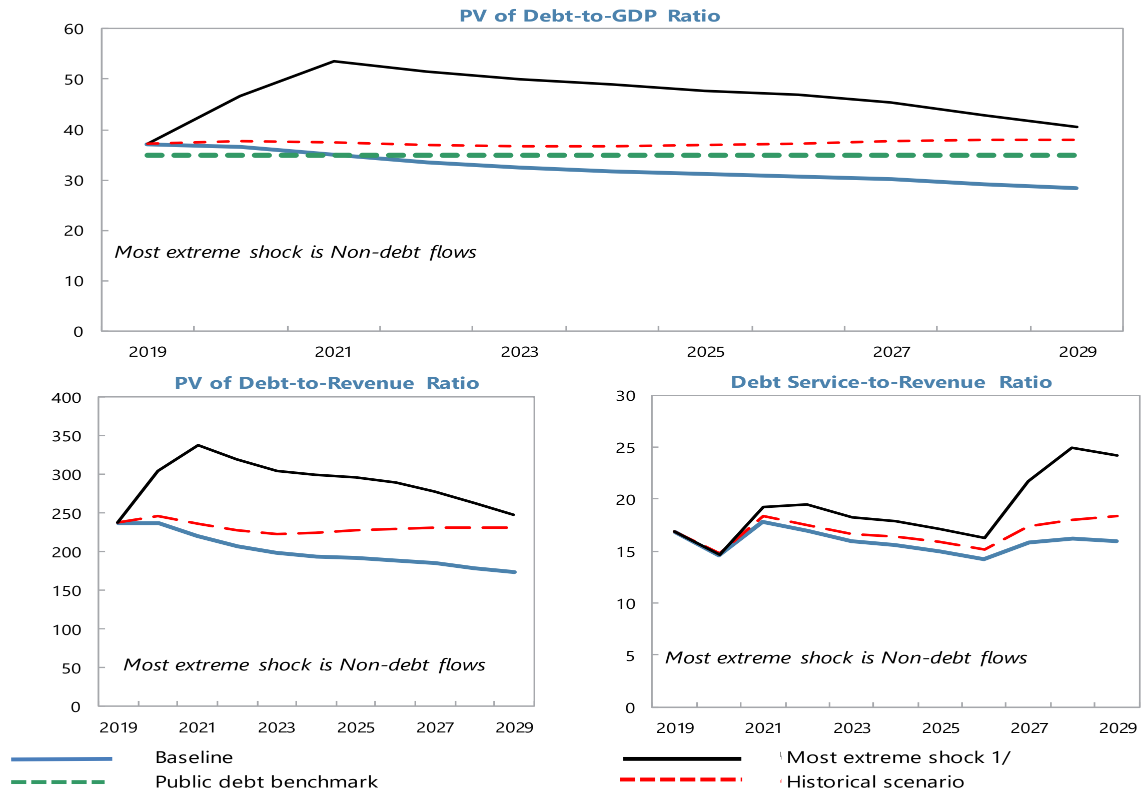
* Note: All the additional financing needs generated by the shocks under the stress tests are assumed to be covered by PPG external MLT debt in the external DSA. Default terms of marginal debt are based on baseline 10-year projections.

Sources: Country authorities; and staff estimates and projections.

1/ The most extreme stress test is the test that yields the highest ratio in or before 2029. Stress tests with one-off breaches are also presented (if any), while these one-off breaches are deemed away for mechanical signals. When a stress test with a one-off breach happens to be the most exterme shock even after disregarding the one-off breach, only that stress test (with a one-off breach) would be presented.

2/ The magnitude of shocks used for the commodity price shock stress test are based on the commodity prices outlook prepared by the IMF research department.

Figure 3. Guinea: Indicators of Public Debt Under Alternative Scenarios, 2019–29



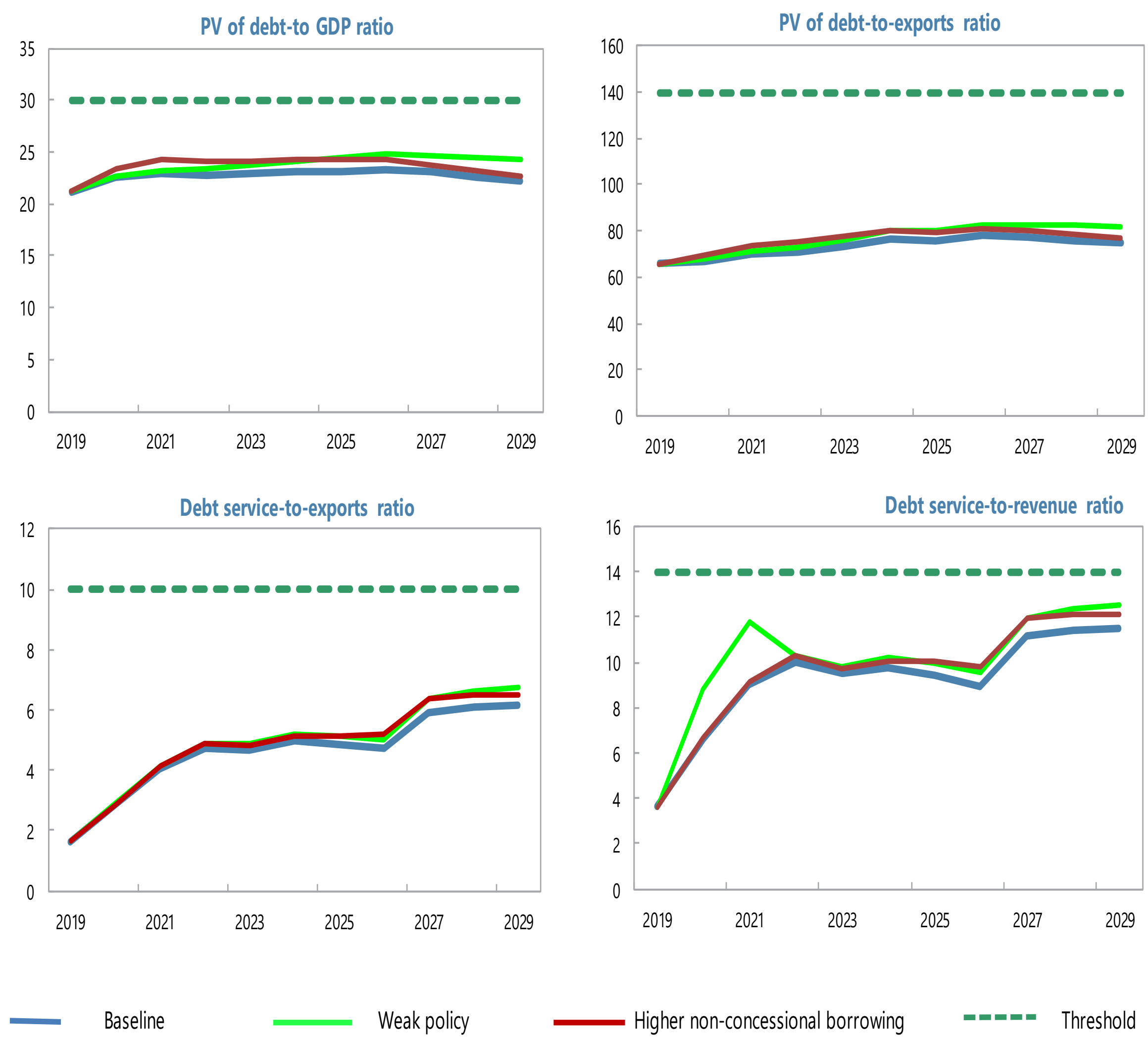
Borrowing Assumptions for Stress Tests*	Default	User defined
Shares of marginal debt		
External PPG medium and long-term	92%	92%
Domestic medium and long-term	1%	1%
Domestic short-term	7%	7%
Terms of marginal debt		
External MLT debt		
Avg. nominal interest rate on new borrowing in USD	1.7%	1.7%
Avg. maturity (incl. grace period)	20	20
Avg. grace period	6	6
Domestic MLT debt		
Avg. real interest rate on new borrowing	2.6%	2.6%
Avg. maturity (incl. grace period)	2	2
Avg. grace period	1	1
Domestic short-term debt		
Avg. real interest rate	0%	0.0%

* Note: The public DSA allows for domestic financing to cover the additional financing needs generated by the shocks under the stress tests in the public DSA. Default terms of marginal debt are based on baseline 10-year projections.

Sources: Country authorities; and staff estimates and projections.

1/ The most extreme stress test is the test that yields the highest ratio in or before 2029. The stress test with a one-off breach is also presented (if any), while the one-off breach is deemed away for mechanical signals. When a stress test with a one-off breach happens to be the most exterme shock even after disregarding the one-off breach, only that stress test (with a one-off breach) would be presented.

Figure 4. Guinea: Indicators of Public and Publicly Guaranteed External Debt Under Country Specific Alternative Scenarios, 2019–29[1/]



Sources: Country authorities; and staff estimates and projections.

1/ The weak policy scenario assumes real GDP growth is 1 percentage point below the baseline over 2019–38, reflecting slower reform implementation, and the basic fiscal balance is 0.5 percent of GDP in 2019–20, reflecting slower revenue collection. The higher non-concessional loans scenario assumes an additional non-concessional borrowing of U$260 million, corresponding to projected cost of the envisaged Lissan-Foni electricity transmission project to be disbursed during 2019-22, on top of the programmed envelope of US$650 million in non-concessional loans.

Table 6. Guinea: Sensitivity Analysis for Key Indicators of Public and Publicly Guaranteed External Debt, 2019–29

(Percent)

	Projections 1/										
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
PV of debt-to GDP ratio											
Baseline	21	23	23	23	23	23	23	23	23	23	22
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2019-2039 2/	21	25	29	**33**	**36**	**40**	**44**	**48**	**52**	**55**	**58**
A2. Weak Policy	21	23	23	23	24	24	24	25	25	24	24
A3. Higher non-concessional borrowing	21	23	24	24	24	24	24	24	24	23	23
B. Bound Tests											
B1. Real GDP growth	21	24	26	26	26	26	26	27	26	26	25
B2. Primary balance	21	25	28	28	28	28	28	28	27	27	26
B3. Exports	21	29	**38**	**38**	**38**	**37**	**37**	**37**	**36**	**34**	**33**
B4. Other flows 3/	21	**32**	**41**	**40**	**40**	**40**	**39**	**39**	**38**	**36**	**34**
B5. Depreciation	21	28	26	26	26	26	27	27	27	26	26
B6. Combination of B1-B5	21	**35**	**41**	**41**	**40**	**40**	**40**	**40**	**38**	**36**	**35**
C. Tailored Tests											
C1. Combined contingent liabilities	21	28	28	28	28	28	28	28	27	27	26
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	21	24	26	26	26	26	26	26	25	25	24
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Threshold	30	30	30	30	30	30	30	30	30	30	30
PV of debt-to-exports ratio											
Baseline	66	67	70	71	73	76	76	78	77	76	75
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2019-2039 2/	66	74	89	102	116	133	**145**	**161**	**173**	**184**	**195**
A2. Weak Policy	66	68	71	73	76	80	80	83	83	82	82
A3. Higher non-concessional borrowing	66	69	74	75	77	80	80	81	80	78	77
B. Bound Tests											
B1. Real GDP growth	66	67	70	71	73	76	76	78	77	76	75
B2. Primary balance	66	74	85	87	89	92	91	93	92	90	88
B3. Exports	66	107	**172**	**174**	**178**	**183**	**180**	**182**	**179**	**171**	**163**
B4. Other flows 3/	66	97	125	126	128	132	129	131	127	121	115
B5. Depreciation	66	67	63	64	66	69	69	71	71	70	70
B6. Combination of B1-B5	66	109	113	136	139	**143**	**141**	**143**	138	132	126
C. Tailored Tests											
C1. Combined contingent liabilities	66	82	85	87	89	92	91	93	92	91	89
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	66	75	82	83	85	87	86	87	86	84	82
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Threshold	**140**	**140**	**140**	**140**	**140**	**140**	**140**	**140**	**140**	**140**	**140**
Debt service-to-exports ratio											
Baseline	2	3	4	5	5	5	5	5	6	6	6
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2019-2039 2/	2	3	4	5	6	6	6	7	9	10	**11**
A2. Weak Policy	2	3	4	5	5	5	5	5	6	7	7
A3. Higher non-concessional borrowing	2	3	4	5	5	5	5	5	6	6	7
B. Bound Tests											
B1. Real GDP growth	2	3	4	5	5	5	5	5	6	6	6
B2. Primary balance	2	3	4	5	5	5	5	5	7	7	7
B3. Exports	2	4	7	9	9	9	9	9	**12**	**15**	**15**
B4. Other flows 3/	2	3	5	6	6	6	6	6	9	**11**	**11**
B5. Depreciation	2	3	4	5	5	5	5	5	6	5	6
B6. Combination of B1-B5	2	3	6	7	7	7	7	7	**11**	**12**	**12**
C. Tailored Tests											
C1. Combined contingent liabilities	2	3	4	5	5	5	5	5	6	6	6
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	2	3	4	5	5	5	5	5	7	7	7
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Threshold	10	10	10	10	10	10	10	10	10	10	10
Debt service-to-revenue ratio											
Baseline	4	7	9	10	9	10	9	9	11	11	11
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2019-2039 2/	4	7	10	11	11	12	12	12	**16**	**18**	**20**
A2. Weak Policy	4	9	12	10	10	10	10	10	12	12	13
A3. Higher non-concessional borrowing	4	7	9	10	10	10	10	10	12	12	12
B. Bound Tests	4	9	12	10	10	10	10	10	12	12	13
B1. Real GDP growth	4	7	10	11	11	11	11	10	13	13	13
B2. Primary balance	4	7	9	11	10	10	10	10	13	14	14
B3. Exports	4	7	10	13	12	12	12	11	**16**	**19**	**19**
B4. Other flows 3/	4	7	11	13	12	12	12	11	**17**	**20**	**20**
B5. Depreciation	4	8	11	12	12	12	12	11	14	13	13
B6. Combination of B1-B5	4	7	12	13	13	13	12	12	**19**	**21**	**20**
C. Tailored Tests											
C1. Combined contingent liabilities	4	7	10	11	10	10	10	10	12	12	12
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	4	7	10	12	11	11	10	10	12	13	13
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Threshold	14	14	14	14	14	14	14	14	14	14	14

Sources: Country authorities; and staff estimates and projections.

1/ A bold value indicates a breach of the threshold.

2/ Variables include real GDP growth, GDP deflator (in U.S. dollar terms), non-interest current account in percent of GDP, and non-debt creating flows.

3/ Includes official and private transfers and FDI.

Table 7. Guinea: Sensitivity Analysis for Key Indicators of Public Debt, 2019–29

(Percent)

	Projections 1/										
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
	PV of Debt-to-GDP Ratio										
Baseline	**37**	**36**	35	34	33	32	31	31	30	29	28
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2019-2039 2/	**37**	**38**	**37**	**37**	**37**	**37**	**37**	**37**	**38**	**38**	**38**
B. Bound Tests											
B1. Real GDP growth	**37**	**40**	**42**	**42**	**42**	**42**	**43**	**43**	**44**	**44**	**45**
B2. Primary balance	**37**	**39**	**41**	**39**	**38**	**37**	**36**	**35**	35	34	33
B3. Exports	**37**	**42**	**49**	**47**	**45**	**44**	**43**	**42**	**41**	**39**	**37**
B4. Other flows 3/	**37**	**47**	**54**	**52**	**50**	**49**	**48**	**47**	**45**	**43**	**41**
B5. Depreciation	**37**	**39**	**37**	34	32	30	29	28	26	25	23
B6. Combination of B1-B5	**37**	**39**	**38**	34	33	32	32	31	31	30	29
C. Tailored Tests											
C1. Combined contingent liabilities	**37**	**42**	**41**	**39**	**38**	**37**	**36**	**35**	35	34	33
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	**37**	**39**	**40**	**41**	**42**	**43**	**44**	**45**	**46**	**46**	**46**
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Public debt benchmark	35	35	35	35	35	35	35	35	35	35	35
	PV of Debt-to-Revenue Ratio										
Baseline	238	238	220	207	198	194	192	189	185	179	173
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2019-2039 2/	238	246	236	228	223	224	228	229	231	231	232
B. Bound Tests											
B1. Real GDP growth	238	257	262	255	253	257	263	267	270	270	271
B2. Primary balance	238	256	256	241	230	225	223	218	213	206	199
B3. Exports	238	273	306	289	276	271	268	262	253	240	228
B4. Other flows 3/	238	304	338	319	305	299	296	289	278	262	247
B5. Depreciation	238	258	233	213	197	187	180	171	162	152	143
B6. Combination of B1-B5	238	251	240	211	201	197	195	191	189	183	177
C. Tailored Tests											
C1. Combined contingent liabilities	238	276	256	241	230	226	223	218	213	207	200
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	238	273	271	273	271	275	278	277	279	280	281
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Debt Service-to-Revenue Ratio										
Baseline	17	15	18	17	16	16	15	14	16	16	16
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2019-2039 2/	17	15	18	18	17	16	16	15	17	18	18
B. Bound Tests											
B1. Real GDP growth	17	16	21	20	19	19	19	18	20	21	22
B2. Primary balance	17	15	20	20	17	16	16	15	17	19	19
B3. Exports	17	15	19	19	18	17	17	16	19	23	22
B4. Other flows 3/	17	15	19	19	18	18	17	16	22	25	24
B5. Depreciation	17	15	19	18	17	17	16	15	17	17	17
B6. Combination of B1-B5	17	14	18	17	16	16	15	14	18	18	18
C. Tailored Tests											
C1. Combined contingent liabilities	17	15	22	18	17	16	16	15	17	17	17
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	17	16	21	21	20	20	19	18	20	21	22
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

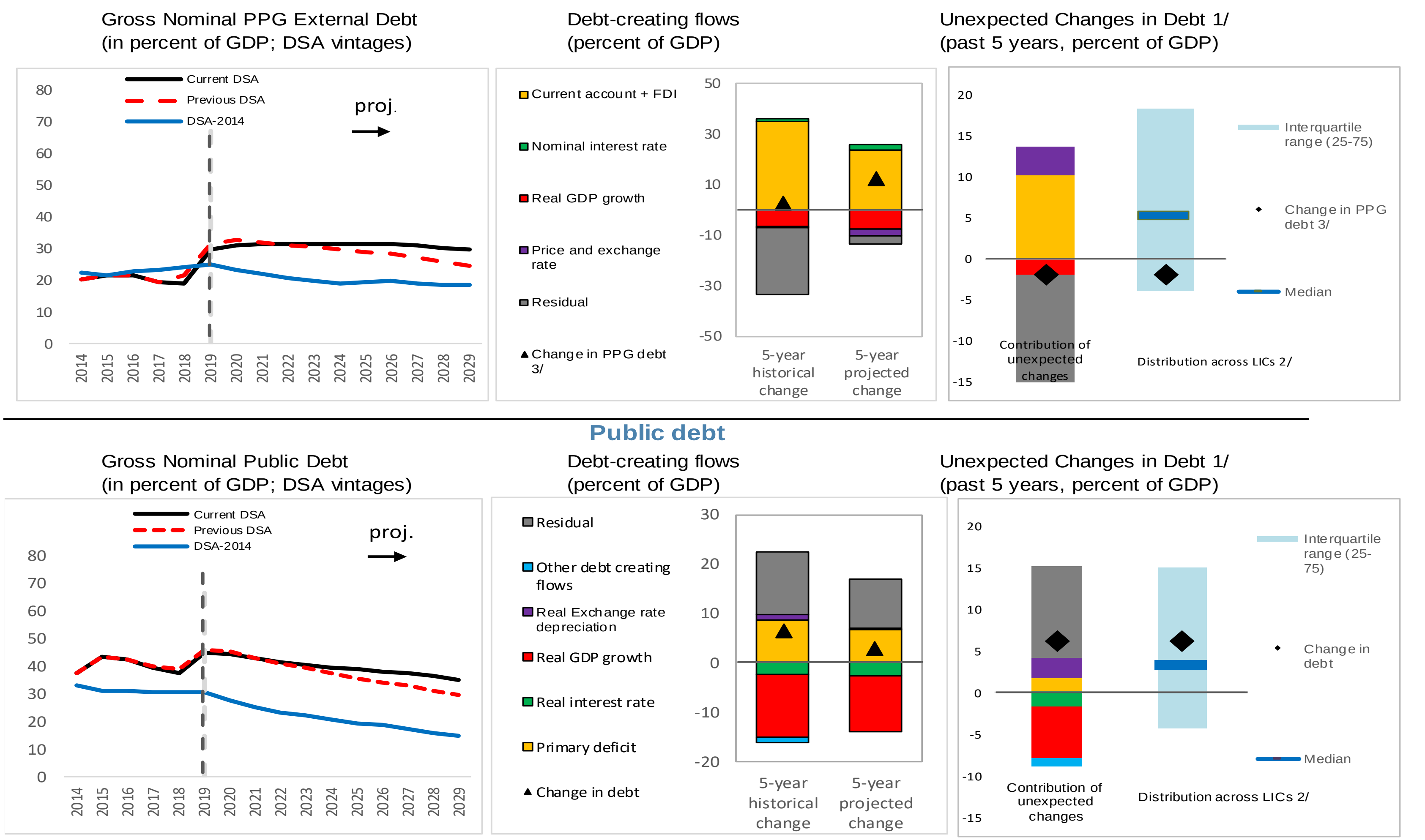
Sources: Country authorities; and staff estimates and projections.

1/ A bold value indicates a breach of the benchmark.

2/ Variables include real GDP growth, GDP deflator and primary deficit in percent of GDP.

3/ Includes official and private transfers and FDI.

Figure 5. Guinea: Drivers of Debt Dynamics—Baseline Scenario External Debt



1/ Difference between anticipated and actual contributions on debt ratios.

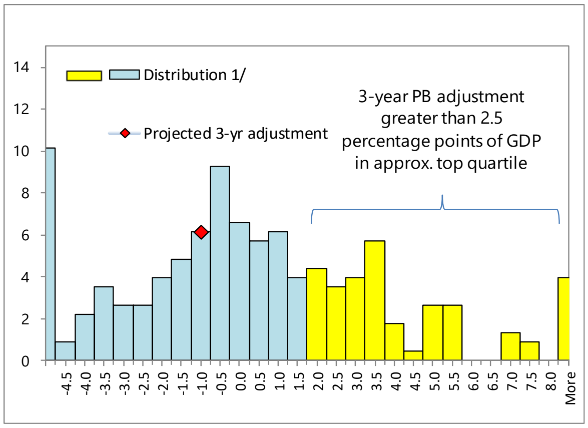
2/ Distribution across LICs for which LIC DSAs were produced.

3/ Given the relatively low private external debt for average low-income countries, a ppt change in PPG external debt should be largely explained by the drivers of the external debt dynamics equation.

Figure 6. Guinea: Realism Tools

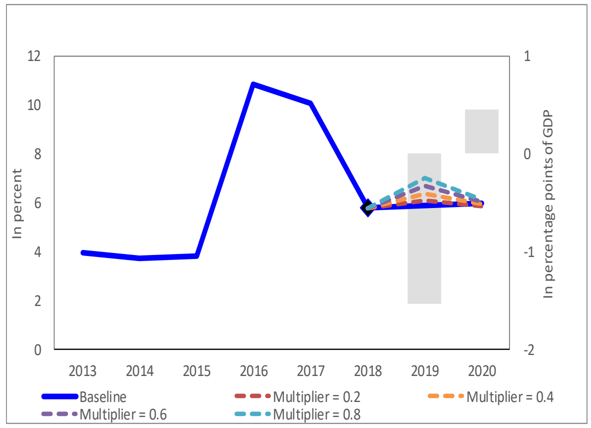
3-Year Adjustment in Primary Balance

(Percentage points of GDP)



1/ Data cover Fund-supported programs for LICs (excluding emergency financing) approved since 1990. The size of 3-year adjustment from program inception is found on the horizontal axis; the percent of sample is found on the vertical axis.

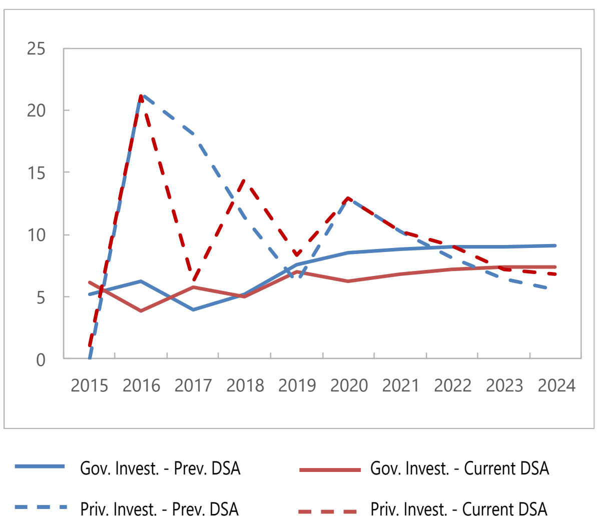
Fiscal Adjustment and Possible Growth Paths 1/



1/ Bars refer to annual projected fiscal adjustment (right-hand side scale) and lines show possible real GDP growth paths under different fiscal multipliers (left-hand side scale).

Public and Private Investment Rates

(Percent of GDP)



Contribution to Real GDP growth

(Percent, 5-year average)

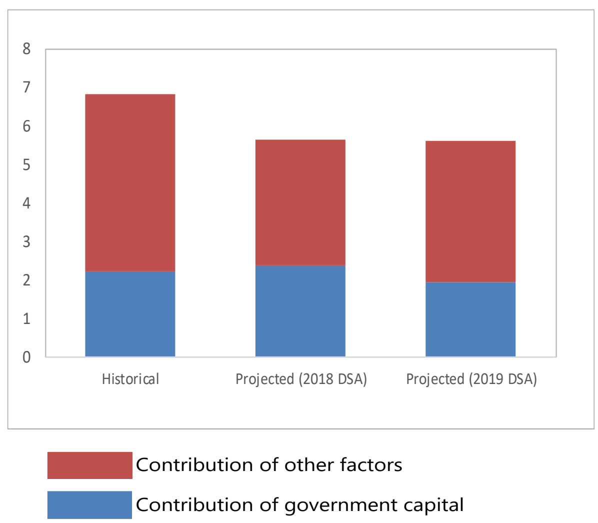


Figure 7. Guinea: Qualification of the Moderate Category, 2019–29[1]

Sources: Country authorities; and staff estimates and projections.

1/ For the PV debt/GDP and PV debt/exports thresholds, x is 20 percent and y is 40 percent. For debt service/Exports and debt service/revenue thresholds, x is 12 percent and y is 35 percent.