Agriculture dominated the economy of Guinea-Bissau, with construction accounting for about 10% of the gross domestic product. The intermittent domestic demand for construction materials, such as clay, gravel, and sand has sustained small-scale mining activity. The development of the mineral resources of Guinea-Bissau was attracting international interest; however, a military coup enveloped the country in civil war in June 1998, severely disrupting ongoing and proposed mineral operations. The November 1998 peace accord dissolved during renewed fighting in January 1999.

Guinea-Bissau joined the Western African Monetary Union in 1997, subsequently converting the national currency from the Guinea-Bissauan peso to the Communauté Financière Africaine (CFA) franc. The Government also revised the national tax system, including customs tariffs and excise taxes. Guinea-Bissau was a member of the African legal accord—Organisation pour l’Harmonisation du Droit des Affaires en Afrique. Applications for export and investment incentives passed through the Government’s Private Investment Promotion Office. The Ministry of Energy, Industry, and Natural Resources was responsible for the mineral industry and the 1990 mining code was under review.


In the mineral fuels sector, Petrobank Energy and Resources Ltd. of Canada (70%) and the state company Empresa Nacional de Pesquisa e Exploração de Guiné-Bissau (Petroguin) (30%) had a seismic survey on offshore block 2 shot and processed. During 1998, interpretation of the seismic data confirmed the potential for salt dome-related traps on the block; however, the civil unrest impeded initiation of drilling operations. In 1997, the joint venture of West Oil NL and Fusion Investments Ltd. of Australia agreed to survey the formerly disputed offshore border region between Guinea-Bissau and Senegal for the Agence de Gestion et de Coopération entre la Guinée-Bissau et le Sénégal. In 1998, West reinterpreted existing seismic data coverage. IKODA Ltd. of the United Kingdom was preparing a promotional report for the prospect. Monument Oil and Gas Plc of the United Kingdom, Sociedad Internacional Petrolera S.A. of Chile, and Petroguin relinquished the offshore Becuda license in 1998 after evaluation of geochemical and geophysical surveys of the prospect.

Development of the bauxite and phosphate deposits had been hampered in the past by the lack of suitable transportation infrastructure. The Government was interested in constructing a deepwater terminal at Buba.

Major Source of Information

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