



Economic Diplomacy, Foreign Direct Investment, and the Path to Sustainable Development: Evidence, Barriers, and Strategic Opportunities for Guinea

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Abstract

Guinea occupies a paradoxical position in global investment discourse: a nation endowed with extraordinary mineral wealth, including the world's largest bauxite reserves, substantial gold deposits, diamonds, and one of the richest iron ore deposits on earth, yet one that has historically failed to translate these endowments into broad-based economic development through foreign direct investment (FDI). Despite sustained government efforts to deploy economic diplomacy as a strategic lever for attracting capital, FDI inflows declined sharply over the past decade, undermining state revenues, employment, and development trajectories.

This study critically examines the effectiveness of Guinea's economic diplomacy in attracting FDI, identifies the principal structural and institutional barriers impeding investment, and proposes evidence-based strategies for improvement. Employing a descriptive mixed-methods design, the research draws on structured interviews with 25 key stakeholders, including diplomats at the Guinean Embassy in Pretoria, government officials, and business representatives, supplemented by questionnaire surveys and documentary analysis. Thematic analysis revealed six critical impediments: corruption (identified by 75% of participants), inadequate infrastructure (80%), political violence and insecurity (70%), bureaucratic bottlenecks (60%), language barriers (40%), and limited institutional capacity.

The study situates its findings within evolving strategic contexts that create new opportunities for Guinea's investment landscape, including the Simandou iron ore mega-project, the growth of United

States commercial engagement, and the launch of Guinea's first sovereign wealth fund. The research concludes that Guinea must pursue comprehensive institutional reforms, strengthen anti-corruption architecture, invest in infrastructure, and proactively leverage its emerging strategic partnerships to improve FDI attraction across all sectors.

Keywords: Foreign Direct Investment (FDI), Economic Diplomacy, Guinea, Investment Attraction, Foreign Investment Promotion (FIP), West Africa, Simandou 2040, United States-Guinea Relations.

1. Introduction

1.1 Conceptual Framework

Economic diplomacy refers to the strategic use of diplomatic channels, international negotiations, and bilateral or multilateral agreements to advance a nation's economic interests in the global marketplace (Naray, 2011). Unlike traditional statecraft focused on political and military cooperation, economic diplomacy prioritises trade promotion, investment attraction, and commercial partnerships. As Rashid (2005) explains, a distinctive feature of economic diplomacy is the involvement of private sector actors alongside government institutions, maintaining competitiveness in regional and global markets through coherent public-private coordination.

Foreign Direct Investment (FDI) encompasses capital flows from foreign entities into domestic enterprises through equity investments, reinvested earnings, or intra-company loans, typically involving substantial ownership stakes and long-term interest in the host economy (UNCTAD, 2021). FDI differs from portfolio investment in that it confers management control and represents a durable interest in the enterprise. The significance of FDI lies in its potential to facilitate technology transfer, create employment, enhance productive capacity, and integrate developing economies into global value chains (Li & Tanna, 2019).

1.2 Background and Problem Statement

Globalisation has prompted nations worldwide to restructure their foreign policies, elevating economic interests above traditional political and military concerns. This shift reflects a growing recognition that economic prosperity forms the foundation for citizen welfare, providing access to healthcare, education, housing, and essential services. As political leaders acknowledge that economic well-being constitutes the principal objective for societal growth and prosperity (Rashid, 2005), countries increasingly compete to

attract foreign investment capital necessary for development.

Africa has emerged as an increasingly significant destination in the global FDI landscape, with foreign investment recognised as crucial for economic growth, poverty reduction, and technological advancement (Boreinsztein et al., 1995). The early 2000s witnessed marked increases in African FDI inflows, particularly to resource-rich countries (Chen et al., 2020). However, FDI distribution across the continent remains highly uneven, with certain regions and countries substantially outperforming others.

Guinea presents a paradoxical case within this African investment landscape. Endowed with abundant natural resources, including the world's largest bauxite reserves, significant gold deposits, diamonds, and iron ore, the country should theoretically attract substantial foreign investment in mining and extractive industries. The Guinean government has actively pursued economic diplomacy strategies to promote these advantages, forge strategic partnerships, and establish a favourable business environment for foreign investors (Appiah-Kubi et al., 2020). Yet Guinea's FDI performance tells a troubling story: after experiencing significant inflows during the mid-2000s primarily in the mining sector, FDI has declined substantially over the past five years to negligible levels (World Bank, 2021). This decline raises critical questions about the effectiveness of Guinea's economic diplomacy approach.

Several structural challenges appear to undermine Guinea's investment attraction efforts. Political instability and governance deficiencies create uncertainty for potential investors (Makuwira, 2021). Weak institutional capacity limits the government's ability to effectively promote and facilitate investment. Infrastructure deficiencies, particularly in transportation and energy sectors, constrain operational efficiency. Moreover, corruption, bureaucratic inefficiency, and security

concerns compound these challenges, creating a complex web of impediments to FDI attraction.

Despite Guinea's strategic position and resource wealth, scholarly research specifically examining the effectiveness of its economic diplomacy in attracting FDI remains limited. Most existing literature focuses on regional African FDI trends or countries with more established investment portfolios, leaving Guinea's particular experience insufficiently understood. This gap in knowledge hampers evidence-based policymaking and prevents learning from the country's challenges and potential opportunities.

1.3 Research Aim and Questions

This study aims to critically examine the effectiveness of Guinea's economic diplomacy in attracting FDI, identify the principal barriers undermining these efforts, and propose context-specific strategies for improvement. The research addresses the following questions: How effective is Guinea's economic diplomacy approach in attracting foreign direct investment? What are the key factors hindering Guinea's economic diplomacy effectiveness in attracting foreign investors? What feasible strategies can enhance Guinea's economic diplomacy efforts to attract foreign investment?

Understanding these dynamics holds significance beyond Guinea, contributing to broader debates about resource-rich developing countries' capacity to leverage natural endowments for sustainable development through strategic economic diplomacy. The findings inform policy reforms and provide comparative insights for other African nations facing similar challenges.

2. Literature Review

2.1 Theoretical Framework: Foreign Investment Promotion Theory

This study employs Foreign Investment Promotion (FIP) theory as its theoretical foundation. Developed by Schoeneman in the 1970s, FIP theory emphasises the host nation's active role in attracting FDI, arguing that investment flows extend beyond pure market forces and are significantly influenced by host country policies, incentives, and promotional efforts (Schoeneman et al., 2022). The theory posits that government policies, regulatory frameworks, and investment climate conditions serve as critical determinants of FDI attraction.

FIP theory provides an analytical lens for examining Guinea's investment climate, regulatory environment, and policy effectiveness. By applying this framework, the study can assess whether Guinea's promotional efforts align with established best practices for attracting foreign investors and identify policy reforms that might enhance FDI attraction. The theory's emphasis on institutional factors, bureaucratic efficiency, infrastructure quality, and governance transparency directly addresses the challenges reportedly facing Guinea's investment promotion efforts.

2.2 Economic Diplomacy and FDI: Debates and Divergences

Global research demonstrates that countries actively engaged in economic diplomacy, promoting international trade agreements and maintaining investment-friendly policies, tend to attract higher FDI levels (UNCTAD, 2019). However, scholars debate the relative importance of different FDI determinants. The Investment Development Path (IDP) theory, frequently employed to understand relationships between developmental stage and investment attractiveness, suggests that early-stage countries typically attract resource-seeking FDI, whilst more advanced economies draw technology- and market-oriented investment (Dunning, 1980). Critics argue this framework oversimplifies complex FDI dynamics and fails to account for institutional quality variations within developmental stages (Djokoto, 2021).

A fundamental tension exists in the literature regarding whether resource endowments or institutional quality matters more for FDI attraction in African contexts. Some scholars emphasise natural resources as the primary FDI driver, citing substantial investment flows to Angola and Nigeria's oil sectors (OECD, 2002). This perspective suggests Guinea's bauxite reserves should automatically attract investment. However, competing research challenges this resource-centric view, demonstrating that institutional quality, governance standards, and policy frameworks often outweigh natural resource advantages (Asiedu, 2021). This debate has critical implications for Guinea: if resources alone determined FDI, the country's abundant mineral wealth would guarantee investment success. The reality of declining FDI despite resource wealth suggests institutional and governance factors predominate.

The literature also reveals disagreement about optimal strategies for FDI attraction. Some scholars advocate aggressive incentive packages, including tax holidays, subsidies, and special economic zones (UNCTAD, 2020). Others argue that such incentives prove costly and ineffective without fundamental improvements in business environments, infrastructure, and governance (Vukšić, 2013). A third perspective emphasises the primacy of political stability and security, suggesting that no economic incentives can overcome investor concerns about political risk and instability (Makuwira, 2021).

2.3 The United States as an Emerging FDI Partner for Guinea

The United States maintains one of the world's most open investment climates, and American FDI in Sub-Saharan Africa has grown in strategic importance in recent years. The U.S. State Department's 2025 Investment Climate Statement for Guinea recognises that American companies have conducted significant transactions across Guinea's energy, mining, and information technology sectors, and that Guinea's government maintains diversified economic partnerships with a broadly pro-Western orientation. These conditions, combined with Guinea's extraordinary mineral endowments, position the US-Guinea commercial relationship for meaningful expansion.

American engagement in Guinea has gained particular strategic significance through the Simandou iron ore project. The co-development agreement governing the TransGuinée Railway explicitly requires that all locomotives on the 650-kilometre corridor be sourced from the United States. Pittsburgh-based Wabtec Corporation subsequently secured locomotive orders worth US\$525 million across both Simandou consortia, a US\$277 million order from Rio Tinto SimFer, and a US\$248 million order from Winning Consortium Simandou. This contractual arrangement reflects Guinea's deliberate strategy to balance Chinese capital investment with American technology and Western governance standards, embedding US commercial interests as a structural feature of Guinea's most significant infrastructure project. US development finance institutions, including the Development Finance Corporation (DFC) and Prosper Africa, provide additional frameworks through which American private capital could

be mobilised for Guinea's broader development priorities.

The US-Guinea relationship is not merely transactional. As Guinea navigates the management of large-scale Chinese capital and infrastructure investment, American industrial partnerships and governance support offer a counterbalancing mechanism that can strengthen accountability, improve contract transparency, and diversify Guinea's strategic exposure. This dynamic has direct implications for Guinea's broader FDI attraction strategy: demonstrating the ability to manage a credible, enforceable partnership with a major Western power signals institutional reliability to prospective investors from all countries.

2.4 Barriers to FDI in African Contexts

International studies identify political stability, ease of doing business, governance transparency, and legal protections as key FDI determinants (Asiedu, 2021). Countries with stable political environments, strong institutions, and clear investment legislation attract more foreign capital. Conversely, bureaucratic inefficiencies, corruption, and opacity discourage investors (Wei & Liu, 2019). For Guinea specifically, existing research identifies political violence, security concerns, and corruption as significant obstacles (Heritage Foundation, 2021). The World Bank's Ease of Doing Business Index ranks Guinea poorly, citing bureaucratic hurdles and regulatory complexity as key investor challenges (World Bank, 2021).

The African Development Bank identifies inadequate infrastructure and limited financial access as critical challenges facing African FDI attraction generally (AfDB, 2021). For Guinea, infrastructure deficiencies in the transport and energy sectors particularly hinder investment (African Development Bank, 2019). Scholars debate whether infrastructure improvements must precede FDI or whether FDI itself can catalyse infrastructure development through public-private partnerships. This chicken-and-egg problem reflects broader disagreements about sequencing development interventions in resource-rich but institutionally weak states.

2.5 Successful FDI Attraction: Contested Lessons

Analyses of successful FDI attraction reveal contested interpretations. China's experience

demonstrates the significance of affordable labour in attracting substantial foreign investment and catalysing rapid economic expansion (Tembe & Xu, 2012). However, this raises questions about Africa's competitive position: if cheap labour drives FDI, why have African countries like Nigeria and Angola, despite attracting some FDI, not achieved comparable growth and development outcomes? This paradox suggests that labour costs alone cannot explain FDI effectiveness, and other factors, possibly institutional quality, infrastructure, or political stability, play determining roles.

Morisset's (2001) analysis of 29 African nations identified successful FDI attraction through business environment improvements, concluding that proactive policies and reform-oriented governments can generate investor interest. Mali, Mozambique, Namibia, and Senegal succeeded in the 1990s through political stabilisation, trade liberalisation, privatisation programmes, regulatory modernisation, and positive international image-building. However, critics note that several of these success stories proved temporary, with countries subsequently experiencing FDI declines due to governance deterioration or political instability, suggesting that sustained FDI requires continuous institutional strengthening rather than one-time reforms.

Hungary's success in attracting substantial FDI per capita among East Central European nations offers instructive lessons: early legislative framework development, national treatment for foreign investors, liberal profit repatriation policies, tax incentives, and industrial parks (Antalóczy et al., 2011). However, applying such strategies to Guinea faces challenges. Hungary benefited from proximity to wealthy European markets, relatively advanced institutional capacity, and EU accession prospects, advantages that Guinea lacks. This highlights ongoing debates about whether successful FDI strategies are context-specific or universally applicable.

2.6 Research Gap

While research exists on African FDI patterns generally, studies specifically examining Guinea's economic diplomacy effectiveness in attracting foreign direct investment remain scarce. Most African investment research focuses on regional

trends or countries with established investment portfolios, leaving Guinea's particular experience and challenges inadequately understood. This gap limits evidence-based policymaking for Guinea and prevents other African nations from learning from its experiences. This study addresses this gap by providing empirical evidence on Guinea's economic diplomacy effectiveness, grounded in stakeholder perspectives and comparative analysis with successful cases, and by incorporating emerging strategic developments, including the Simandou project and the expanding US-Guinea commercial relationship, that have not previously been examined in this literature.

3. Research Methodology

This study employed a descriptive research design using mixed methods to examine Guinea's economic diplomacy effectiveness. The design was selected because it enables systematic description and analysis of phenomena through both quantitative and qualitative data, appropriate for exploring the complexities of economic diplomacy and FDI attraction (Sileyew, 2019).

The target population comprised key stakeholders in Guinean economic diplomacy: diplomats at the Guinean Embassy in Pretoria, government officials in Guinea responsible for investment promotion, and local business representatives with experience in FDI. Purposive sampling identified 25 participants with extensive knowledge and direct involvement in economic diplomacy activities. In Guinea, purposive and snowball sampling recruited diplomats, ministers, directors, local businesses, and investors experienced in economic diplomacy efforts.

Data collection involved structured interviews, self-administered questionnaires, and document review. Structured interviews with the 25 participants explored their experiences, challenges, and perceptions regarding Guinea's economic diplomacy effectiveness. Questionnaires gathered additional quantitative data on specific impediments and their prevalence. Document review of policy papers, government reports, and diplomatic correspondence provided contextual information. The researcher's expertise as an investment consultant and political adviser to the Guinean Government facilitated access to participants and relevant documentation.

Thematic analysis using SPSS software identified patterns and trends in the data. Interview transcripts and questionnaire responses were coded to identify recurring themes regarding effectiveness, barriers, and improvement strategies. Quantitative data provided frequencies and percentages for specific challenges, whilst qualitative data offered a deeper contextual understanding of stakeholder experiences and perspectives.

Ethical considerations included informed consent, confidentiality protection, and voluntary participation. The Head of Diplomacy authorised participation, whilst other participants received detailed information about the study and their rights. Data anonymisation protected participant identities, with access restricted to the researcher and supervisor. The researcher maintained objectivity despite professional involvement in Guinean political and investment consulting.

4. Results

4.1 Research Question 1: Effectiveness of Guinea's Economic Diplomacy

The findings reveal that Guinea's economic diplomacy has been largely ineffective in attracting significant FDI. All 25 participants (100%) assessed the overall effectiveness as poor to moderate.

Quantitative data from the World Bank confirms this assessment: Guinea experienced substantial FDI declines over the past five years, with inflows falling to negligible levels compared to the mid-2000s peak. Participants attributed this ineffectiveness to systemic challenges rather than individual diplomatic failures, suggesting structural rather than personnel issues undermine performance.

Participants identified the absence of comprehensive trade agreements as a fundamental weakness. Without bilateral or multilateral frameworks offering favourable terms to potential investors, Guinea cannot compete effectively with countries providing such guarantees. This finding suggests Guinea's economic diplomacy lacks the institutional foundation necessary for sustained FDI attraction.

4.2 Research Question 2: Key Barriers to Economic Diplomacy Effectiveness

Thematic analysis identified six principal barriers. Figure 1 presents a comprehensive visualisation of FDI barriers and trends in Guinea, illustrating both the prevalence of each impediment as reported by stakeholders and the trajectory of FDI performance over time.

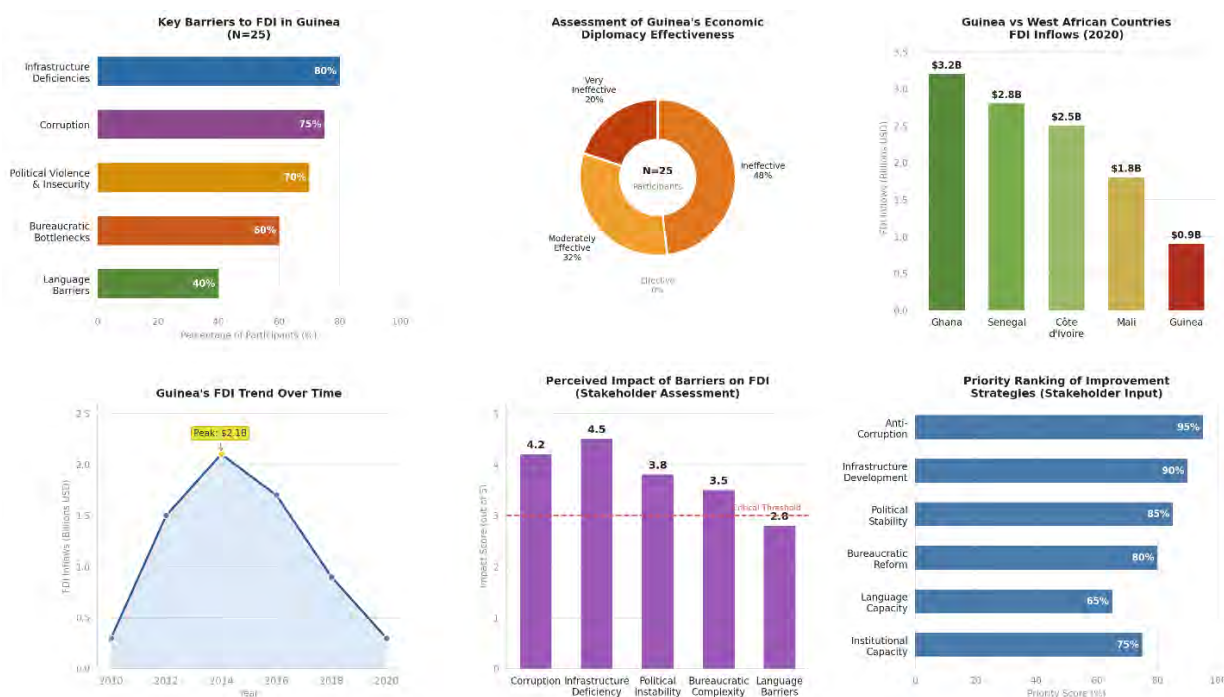


Figure 1. Comprehensive Analysis of FDI Barriers and Trends in Guinea

Corruption (75% of participants). Three-quarters of participants identified corruption as a significant obstacle to effective economic diplomacy. Respondents emphasised that pervasive corruption creates negative perceptions among potential foreign investors, undermining trust and raising concerns about investment protection. Transparency International's Corruption Perceptions Index consistently ranks Guinea poorly (ranked 133rd out of 180 countries in 2024), corroborating participant assessments. Participants described how corruption manifests at multiple levels, from high-level procurement to routine administrative processes, creating systemic uncertainty for investors about true costs and regulatory compliance.

Infrastructure deficiencies (80% of participants). Four-fifths of participants expressed concerns about inadequate infrastructure. Limited transportation networks, unreliable power supply, and outdated communication systems pose substantial barriers to foreign investment. The World Bank's Infrastructure Performance Index indicates Guinea's infrastructure quality falls below regional and global averages, increasing operational costs and challenges for potential investors. Participants described concrete examples: mining companies face difficulties transporting extracted resources to ports; manufacturers cannot rely on a consistent electricity supply; telecommunications limitations hamper business operations and international connectivity. These infrastructure gaps translate directly into higher costs and lower profitability for potential investors.

Political violence and insecurity (70% of participants). Seventy percent of participants identified political violence and insecurity as significant deterrents to foreign investment. Participants cited instances of civil unrest, protests, and strikes that damage perceptions of stability. Foreign investors consider political stability and security as critical factors in investment decisions. Guinea's consistently low ranking in the Global Peace Index reflects these concerns. Participants explained how political uncertainty creates investment hesitancy: companies delay decisions during unstable periods; insurance costs increase; and foreign personnel express reluctance to relocate to Guinea.

Bureaucratic bottlenecks (60% of participants). Sixty percent of participants expressed frustration with bureaucratic bottlenecks within Guinea's administrative systems. Cumbersome procedures, delays in obtaining necessary permits and licences, and complex regulatory requirements discourage potential investors from seeking streamlined business environments. The World Bank's Ease of Doing Business Index ranks Guinea unfavourably, noting significant bureaucratic hurdles hindering efficient business operations. Participants described lengthy approval processes, sometimes extending months or years, for routine permits.

Language barriers (40% of participants). Two-fifths of participants raised concerns about language barriers affecting business and foreign investment attraction. Guinea's predominant use of French limits communication with non-French-speaking investors, particularly those from English-speaking countries and emerging economies. Participants noted that diplomatic staff and government officials often lack proficiency in English or other internationally prevalent business languages, constraining investor engagement. This linguistic limitation is particularly relevant for deepening commercial relationships with the United States, Gulf states, and Asian investors who represent major sources of global FDI.

Limited institutional capacity. Participants identified inadequate institutional capacity and technical expertise as limiting the government's ability to effectively promote and facilitate investment. Investment promotion agencies lack resources, staff training, and systematic approaches to investor engagement. This institutional weakness prevents Guinea from implementing sophisticated investment promotion strategies observed in more successful African countries such as Rwanda, Mauritius, and Morocco.

4.3 Research Question 3: Strategies for Enhancement

Participants proposed several improvement strategies, which they emphasised must be implemented comprehensively rather than selectively. The most frequently recommended strategies include strengthening anti-corruption enforcement, investing in infrastructure development, streamlining bureaucratic processes, enhancing language capacity among diplomatic

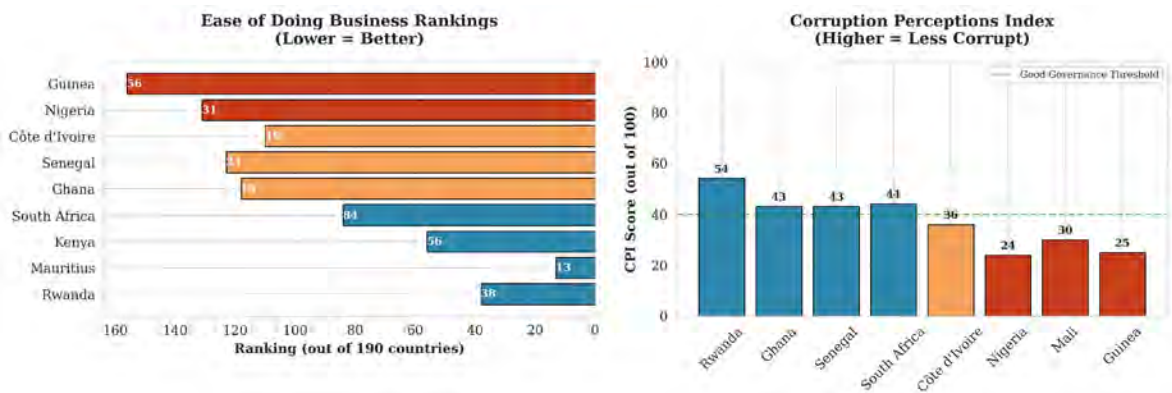


Figure 2. **Guinea’s Performance on Key Investment Climate Indicators Compared to Regional Peers**

personnel, improving political stability through governance reforms, and building institutional capacity within investment promotion agencies. Participants stressed that isolated interventions would prove insufficient; sustainable improvement requires coordinated reforms addressing multiple barriers simultaneously

5. Discussion

The finding that Guinea’s economic diplomacy has proven largely ineffective in attracting FDI aligns with World Bank data showing substantial investment declines (World Bank, 2021) but contradicts the optimistic assumptions underlying government policy. This ineffectiveness challenges resource-deterministic perspectives in the FDI literature, which suggest that abundant natural resources should automatically attract foreign investment (OECD, 2002). Guinea’s experience demonstrates that resource endowments alone prove insufficient without supportive institutional frameworks, supporting scholars who emphasise institutional quality over resource availability as the primary FDI determinant (Asiedu, 2021).

Figure 2 contextualises Guinea’s underperformance by comparing its performance on key investment climate indicators against regional peers, illustrating clearly how institutional deficits, rather than resource scarcity, drive the investment gap.

The prominence of corruption as an impediment (identified by 75% of participants) confirms existing research on African investment climates (Wei & Liu, 2019; Transparency International, 2024). However, this finding extends the literature by quantifying stakeholder perceptions and demonstrating how corruption operates at multiple administrative

levels to create systemic investor uncertainty. Guinea’s experience illustrates the interconnection between corruption and other barriers: corruption exacerbates bureaucratic bottlenecks, undermines infrastructure development through misallocation of public funds, and contributes to political instability by fuelling grievances and delegitimising governance. In this context, the institutional requirements embedded within major investment agreements, including contractual obligations on sourcing and procurement in projects such as Simandou, offer a practical mechanism through which external accountability standards can partially compensate for domestic governance weaknesses.

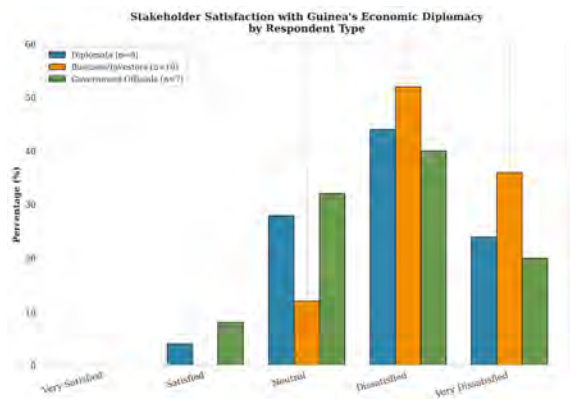


Figure 3. **Stakeholder Satisfaction with Guinea’s Economic Diplomacy by Respondent Type**

Figure 3 illustrates the distribution of stakeholder satisfaction across respondent types, revealing that dissatisfaction is broadly shared across diplomats, government officials, and business representatives alike, reinforcing that the identified barriers are systemic and not sector-specific.

Infrastructure deficiencies, identified by 80% of participants as the most prevalent barrier, support African Development Bank findings about infrastructure gaps constraining African FDI generally (AfDB, 2021). Guinea's case contributes nuance to debates about infrastructure-FDI causality. Participants described how infrastructure inadequacy creates a vicious cycle: poor infrastructure deters FDI, whilst insufficient FDI limits resources for infrastructure improvement. This dynamic also underscores the strategic importance of the Simandou project's physical infrastructure components, specifically the 650-kilometre Trans Guinée Railway and deep-water port at Morebaya. While this infrastructure primarily serves the iron ore corridor, its construction opens new possibilities for agricultural export, passenger transport, and light manufacturing along the route. Critically, full ownership of the railway and port will transfer to the Government of Guinea over 35 years, creating a national infrastructure asset of historic scale. Guinea's challenge is to leverage this corridor investment into multi-sector economic diversification rather than allowing it to serve solely as a mining export channel.

The significant concern about political violence and insecurity (70% of participants) reflects broader patterns in conflict-affected African states but challenges assumptions that resource-rich countries can overcome political risk through economic incentives alone. Guinea's experience aligns with Makuwira's (2021) emphasis on political stability as a prerequisite for FDI, suggesting that governance and security reforms must precede or accompany economic diplomacy efforts. Guinea's ongoing democratic transition, including a constitutional referendum and planned elections, represents a critical near-term test of whether political conditions can be stabilised sufficiently to sustain investor confidence.

The language barrier finding (40% of participants) introduces a dimension rarely emphasised in FDI literature but with direct relevance to Guinea's relationship with major non-Francophone investment partners. Guinea's Francophone orientation limits engagement with English-speaking investors from the United States, the United Kingdom, and across Asia. Expanding multilingual capacity within Guinea's investment promotion agencies and diplomatic services

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is therefore not merely a training matter; it is a strategic prerequisite for diversifying the investor base, particularly for deepening the emerging US-Guinea commercial relationship.

From a theoretical perspective, these findings strongly support the Foreign Investment Promotion theory's emphasis on host country policies, institutions, and promotional efforts as critical FDI determinants (Schoeneman et al., 2022). Guinea's abundant resources have not automatically attracted investment, whilst institutional weaknesses, corruption, bureaucracy, and inadequate infrastructure actively deter investors. The study's evidence also points to an underexplored dimension of FIP theory, the role of strategic geopolitical positioning, particularly the deliberate diversification of major investment partners as a governance accountability mechanism. Guinea's approach to the Simandou project, embedding American locomotive sourcing as a contractual obligation and enforcing it rigorously, demonstrates that such arrangements can function as tangible signals of institutional reliability to prospective investors from all countries.

The study's limitations include its focus on a single country case, limiting generalisability. The sample size (25 participants), whilst appropriate

for qualitative exploration, restricts statistical robustness. The researcher's professional involvement in Guinean politics and investment consulting, though providing valuable access, may introduce subjective bias despite efforts to maintain objectivity. Future research should conduct comparative studies with countries at similar development stages, examine sector-specific FDI patterns in Guinea, and survey foreign investors, including American companies, directly about their perceptions and experiences.

6. Conclusion and Recommendations

This study examined Guinea's economic diplomacy effectiveness in attracting FDI, identifying critical barriers and proposing improvement strategies. The research found that despite abundant natural resources, Guinea's economic diplomacy has proven largely ineffective in attracting sustained foreign investment. Six principal impediments emerged: corruption, infrastructure deficiencies, political violence and insecurity, bureaucratic bottlenecks, language barriers, and limited institutional capacity. These barriers operate interdependently, creating systemic challenges that isolated interventions cannot overcome.

The findings challenge resource-deterministic assumptions in FDI literature, demonstrating that natural resource endowments alone prove insufficient without supportive institutions, infrastructure, and governance. Guinea's experience validates the Foreign Investment Promotion theory's emphasis on host country policies and institutional quality as critical FDI determinants. The research contributes to limited scholarship on Guinea's investment climate, providing evidence-based insights for policymakers and extending understanding of economic diplomacy challenges in resource-rich but institutionally weak African states.

Simultaneously, the study situates these findings within a landscape of emerging opportunity. The Simandou mega-project, encompassing one of Africa's largest railway and port investments, the launch of Guinea's first sovereign wealth fund, and the growing strategic dimension of the US-Guinea commercial relationship, collectively represent qualitatively new conditions that did not exist during Guinea's previous resource

booms. Whether these translate into sustainable FDI attraction depends entirely on the quality of governance and institutional implementation. The following recommendations address Guinea's specific context, recognising that meaningful reform demands sustained political will and years of consistent effort.

6.1 Anti-Corruption Measures

Guinea must implement comprehensive anti-corruption reforms targeting both high-level and routine corruption. Specific measures should include: strengthening the National Agency Against Corruption with genuine investigative powers and prosecutorial independence; establishing transparent public procurement systems with competitive bidding requirements and public disclosure; implementing digital governance systems that reduce face-to-face interactions where corruption typically occurs; protecting whistleblowers through robust legal frameworks; and conducting regular corruption risk assessments in investment-relevant sectors. These reforms require international technical assistance, potentially through partnerships with Transparency International, the African Development Bank's governance programmes, and USAID, whose engagement capacity in Guinea has grown alongside the deepening US commercial relationship.

6.2 Infrastructure Investment

Infrastructure development must prioritise sectors most critical for FDI: reliable electricity generation and distribution, road networks connecting mining regions to ports, port facility modernisation, and telecommunications infrastructure. Guinea cannot finance these investments solely through domestic revenues. The government should pursue public-private partnerships for energy and transportation projects; development bank financing from institutions like the World Bank, African Development Bank, and Islamic Development Bank; and bilateral infrastructure agreements structured to ensure multi-use functionality. The US Development Finance Corporation (DFC) represents a prospective partner for infrastructure co-investment alongside revenues from the Simandou project, particularly for energy and digital infrastructure that serve broader economic sectors beyond mining.

6.3 Bureaucratic Streamlining

Guinea must radically simplify administrative procedures for foreign investors. Specific reforms include: establishing a one-stop investment centre consolidating all required approvals and permits; implementing strict timeframes for administrative decisions with automatic approval if deadlines elapse; digitalising registration, licensing, and permits systems; publishing clear multilingual guides detailing all requirements for different investment types; and conducting regular regulatory reviews to eliminate redundant requirements. These reforms should benchmark successful African examples like Rwanda's investment promotion agency, adapting approaches to Guinea's institutional capacity and Francophone legal system.

6.4 Governance and Political Stability

Enhancing political stability requires: strengthening democratic institutions and electoral processes to reduce political tensions; establishing inclusive dialogue mechanisms involving government, opposition, civil society, and traditional leaders; professionalising security forces; developing clear constitutional frameworks for political transitions; and implementing reconciliation programmes addressing historical grievances. Guinea's ongoing democratic transition represents a critical near-term opportunity to demonstrate credible governance reform, a signal that investors, including those from the United States and other Western nations, will be watching closely. External support from the African Union, ECOWAS, and Western partners can provide accountability frameworks and technical assistance for this process.

6.5 Deepening the United States Strategic Partnership

The US-Guinea commercial relationship, anchored by the Wabtec locomotive contracts and the contractual sourcing requirements embedded in the Simandou project, represents a foundation on which a broader investment partnership can be built. Guinea should actively seek to expand Prosper Africa programming; engage the US Development Finance Corporation for infrastructure co-investment; pursue a bilateral investment treaty to provide legal protections and dispute resolution frameworks for American investors; and utilise the U.S. Commercial Service at the Embassy in Conakry for systematic investor

matchmaking. English language capacity building within investment promotion agencies and diplomatic services is a prerequisite for deepening this relationship effectively. Guinea's successful enforcement of American locomotive sourcing requirements in 2025 demonstrated that contractual commitments can be upheld, a signal that should be actively communicated to potential US investors as evidence of Guinea's institutional reliability.

6.6 Language and Communication Capacity

To overcome linguistic limitations, Guinea should: provide intensive English language training for diplomatic personnel and investment promotion staff; recruit multilingual staff for investment promotion agencies; develop investment materials in English, French, Arabic, and Mandarin to reach diverse investor audiences; establish professional translation services for investor interactions; and consider seconding diplomats to English-speaking countries for language immersion combined with economic diplomacy training. These measures acknowledge that while Guinea cannot abandon French as its primary language, competing globally for investment from the United States, Gulf states, and Asia requires genuine multilingual institutional capacity.

6.7 Institutional Capacity Building

Guinea must strengthen investment promotion institutions through: comprehensive training programmes in investment promotion, negotiation, and investor relations; establishing systematic investor tracking and relationship management systems; developing sector-specific investment strategies based on rigorous analysis of Guinea's comparative advantages; creating public-private dialogue mechanisms allowing regular consultation between government and business; and potentially partnering with more experienced African investment promotion agencies, such as Rwanda Development Board or Mauritius Board of Investment, for technical assistance and knowledge transfer. Institutional strengthening requires sustained capacity building rather than one-time interventions.

6.8 Trade Agreement Negotiations

Guinea should actively negotiate bilateral investment treaties and free trade agreements,

providing legal protections and market access guarantees to foreign investors. Priority should target major investment source countries: China, the United Arab Emirates, India, the United States, and European nations. Guinea should leverage regional frameworks like ECOWAS to strengthen regional market integration, making Guinea more attractive as a platform for accessing West African markets. A bilateral investment treaty with the United States would be particularly strategic, formalising the growing commercial relationship, providing investor protections that reduce perceived risk, and signalling Guinea's commitment to open and rules-based investment governance.

Implementing these recommendations requires coordinated action across multiple government agencies, sustained political commitment despite electoral cycles, and patience, recognising that institutional strengthening demands years rather than months. Guinea's economic diplomacy effectiveness ultimately depends not on diplomatic skill alone but on comprehensively addressing the structural impediments identified in this research. The emergence of transformative projects and strategic partnerships creates conditions that prior generations of Guinean leaders did not have. The test is whether current institutions can translate these conditions into a durable and diversified investment environment that serves Guinea's long-term development.

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