
| RESEARCH ARTICLE

The Guinean Economy amidst the Covid-19 Health Crisis: Impacts and Eradication Strategies

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| ABSTRACT

The Covid-19 global pandemic has been the greatest threat to the world's economy as a whole since the Great Economic Depression of 1929. The Guinean economy, like other countries around the world, has not escaped the clutches of this coronavirus-19 health crisis since its appearance until its advent in Guinea in March 2020. The objective of this paper is to not only provide a general overview of the impact of this health crisis on the country's economy but also to examine restrictive measures put in place by the government to ease the health, human and socio-economic impact of the pandemic, through case study methodology and review of data and reports from the National Agency for Health Security-Guinea (ANSS), the Central Bank of Guinea, the Ministry of Health of Guinea, The Private Investment Promotion Agency (APIP-Guinea), the World Health Organization (WHO). The results show us that the Guinean economy has registered in the face of COVID-19, this by the government's many devices and the immediate adoption of technological tools by some entrepreneurs. On this side, there are some entrepreneurs who have closed their businesses because of non-state assistance.

| KEYWORDS

Economy-finance, Guinea, Covid-19 Crisis, Household, Response Plan.

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1. Introduction

The global financial crisis of 2007-2009, which resulted in the subsequent economic downturn in most developed countries of the industrial and post-industrial world, is one of the most significant economic events since the Second World War (Friedman, 2016). This financial crisis was an event that started off initially as grants of risky loans with better ratings, which prompted many banks and investors to securitize claims, and hence, created a craze for these seemingly profitable securities. However, when households began to be unable to cope with variable interest rates and were incapable of repaying their loans, it was the whole system that collapsed, causing securities to fall.

In 2019, a crisis emerged; however, this time, it is not that of financial origin but rather health-related, and one which has impacted the entire world economic circuit: a crisis on a global scale. This pandemic has used two concepts directly or indirectly: the snowball effect that is materializing on the influence of Coronavirus on other sectors of activity such as the banking sector, insurance, the stock exchange; and the Bullwhip effect: a small change in the unexplained final demand can then cause a series of inconsistent and/or unjustified orders from intermediaries in the supply chain (retailers, semi-wholesalers, wholesalers, importer, manufacturer among others), which will eventually deregulate the supply chain, possibly causing stock outs and order cancellations.

This is the case for oil, which has experienced a global price drop. Before spreading globally, the Coronavirus pandemic appeared in Hubei Province in the People's Republic of China.

To contain the spread of the virus, the Chinese government has adopted policies to combat COVID-19, as seen through the carrying out of quarantine measures for those tested positive, limiting the movement of citizens, closing borders with some countries of

the world, hence resulting in a decline in economic activity. As a result, most countries are also experiencing a slowdown in

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economic activity, directly due to severe reductions in the importation of finished products from China and indirectly by interruptions of the supply chain for production due to lack of raw materials sourced mostly from China.

The Covid-19 pandemic is a major health crisis caused by an emerging infectious disease that appeared at the end of 2019 in Mainland China, in the province of Hubei, and more precisely, in Wuhan. The SARS-Cov-2 virus is the pathogen responsible for COVID-19 (coronavirus disease of 2019). This disease was, later on, declared a pandemic by the World Health Organization on March 11, 2020 (WHO) (WIKIPEDIA, 2021).

The Covid-19 pandemic officially appeared on March 12, 2020. Since its declaration until the date of October 16, 2021, the toll in Guinea has been 30,572 cases of contamination, including 385 deaths and 29,233 treated, with more than 5 million cases of death worldwide according to WHO as of the end of October 2021. Not to mention that in 2014, the Republic of Guinea was confronted with the Ebola epidemic leaving behind social, economic and political consequences. In our current research, we will focus on the impact of the health crisis on the Guinean economy and also on COVID 19 control measures put in place by the State of Guinean from the start of this global pandemic in March 2020.

2. Literature review

2.1 Concept of Crisis

The concept of crisis is characterized by its polysemic nature, representing a conceptualisation challenge. The crisis should not be reduced to its economic definition but understood in a broader sense, hence the common use of the plural "crises". The word crisis designates both a sudden event, a rupture, but also a long evolution that reveals structural weaknesses inherent in a system. In a synthetic proposal, the crisis would be a break in the stability of a system, which leads to reflecting on the temporalities of the crisis. The crises were linked in pre-industrial societies to agricultural under-production (the frumentary crisis). They are linked, with industrialization, to an imbalance between production and solvent demand. They have increasingly become financial phenomena, whether bank failures or stock market crashes precede the decline in activity, as was the case of the Great Depression of 1929 or the Great Recession of 2007-2008 (Geo Confluence, 2021).

A crisis is a situation of disorder due to a breakdown in balance and the outcome of which is decisive for the individual or society. At the economic and financial level, it is a malfunction, often characterized by overproduction or depression, unemployment and, in a capitalist economy, a collapse in stock prices, which leads to a significant decrease in activity.

2.2 Types of seizures and dilution precautions:

2.2.1 Financial Crisis

The financial crisis raises questions about the functioning and the future of the current economic system as well as fears about its economic and social cost (Grosgeorge, 2009). As a result, we can define the financial crisis as a difficult moment, a rupture in the economic or financial world that does not remain on the sidelines of any consequences for the entire economy. This financial crisis can be of a national nature, that is to say, at the level of a country, just as it can have consequences around the world, as was the case in 1929 and 2007-2008. These crises have consequences that vary depending on the type of financial crisis and its origin. In most cases, certain consequences are visible and directly affect all or part of the population. It should be noted that other consequences have indirect effects on the population.

2.2.2 Banking Crisis

Banks are financial institutions that collect deposits from the public (especially demand deposits) and provide loans to enterprises and households. Along with insurance companies and mutual funds, they are part of what economists call financial intermediaries (GABILLON & ROCHET, 2021).

A banking crisis is a situation in which banks have a very deteriorated financial situation: they have to repay creditors but do not have at their immediate disposal the money necessary to do so due to investments that have lost their liquidity (WIKIPEDIA, 2021). We can also say that the banking crisis is a malfunction in the banking system that may be due to a deterioration in economic data related to asset quality. It could be related to large bank investments in risky companies, such as for example in stocks, bonds, and real estate.

2.2.3 Stock Market Crisis

The stock market crisis denotes a rapid decline in prices and great volatility of financial markets. This was the case, for example, during the subprime crisis generated by very risky financial products, in particular, the granting of loans to unsecured borrowers (BOURSE DES CREDITS, 2021). As a result, investors anticipate the risk of contagion to other financial sectors, then to the most exposed banks, then to the companies they finance or that hold securities that have become doubtful. They lose confidence and prefer to sell before the decline is even greater, which by mimicry leads others to imitate them, further amplifying it.

This is a crisis affecting all stock values, which is triggered by a lack of confidence on the part of investors. The fall in prices is then rapid and strong, and the volumes traded grow strongly. The behavior of investors is not necessarily irrational, even if sometimes the crisis is not yet proven. Indeed, because of the financial crisis that he foresees, they anticipate the future decline in securities and therefore prefer to sell before it happens. The significant number of actors performing this operation gives strength to the downward movement. Subsequently, the decline is fueled by investor mimicry as well as speculation. Moreover, it is speculation that makes the crisis global.

2.2.4 Economic Crisis

(Siroën, 2012) believes that as a result of the economic crisis and the collapse of international trade in 2008-2009, international organizations and the G20 summits did not miss an opportunity to warn about the dangers of a return to protectionism. For his part (Kindle Berger, 1988) considered that the spread of the 1929 crisis was explained by the absence of a leader capable of imposing a cooperative game on his partners, that is, rules preventing, in particular, the use of competitive devaluations and protectionism. Others, such as (Keohane 2005), believed that international organizations could take the place of this leading nation to combat this global economic crisis.

From a general point of view, we will say that an economic crisis is a sharp deterioration in the economic situation and economic prospects of a country or economic zone. It can concern only one sector for a limited time or extend to the entire world economy for several years; then we will talk about an economic recession or, more seriously, a depression. Depending on its temporality, it usually results in a decrease in GDP and /or stock market values, an increase in the number of company bankruptcies and an increase in unemployment, and often culminates in social tensions.

2.2.5 Liquidity crisis:

The liquidity crisis corresponds to the situation where a banking institution, a market, a state or a company does not have enough liquidity to meet its commitments, in other words, its debts.

1. For a company, this may lead to a bankruptcy filing by decision of the Commercial Court if it cannot pay its employees or creditors.
2. As far as banks are concerned, the drying up of liquidity is causing the interbank system to become paralyzed, and a credit crunch may be observed.
3. In the financial market, this phenomenon disrupts exchanges between sellers and buyers who do not meet due to lack of assets and makes financial transactions impossible.

In general, the liquidity crisis is a systemic crisis, that is, inherent in the economic system. This is a vicious circle that affects every player in the market regardless of its size or involvement in the market. For example, we remember the subprime crisis of 2007, which saw the collapse of the entire Western economic system, especially in the United States.

To mitigate this risk, Central Banks assume their role as lenders of last resort and can act by injecting liquidity into the market, i.e., by lending money to banks or by creating additional money (while risking higher inflation) (Rousseau, 2013).

2.2.6 Currency Crisis:

The foreign exchange market is a wide market between banks. Only large banks are admitted to this club linked by phone and telex (Fontaine, 2008). These foreign exchange markets make it possible to exchange currencies. Such trading can take place today, that is, in cash.

Guillaume, for his part, argues that a currency crisis occurs in a country when the value of its currency is attacked on the global market. These crises are frequent and have a cost to the economy.

Some, such as (Flood & Garber, 1984), explain a currency crisis as a conflict between a country's economic policy decisions and its fixed exchange rate regime. This type of regime is, as we have seen, constrained by a limited stock of foreign exchange reserves. An increase in the money supply or budget imbalances due to the widening of the budget balance means that the central bank must sell its official reserves on the foreign exchange market in order to maintain its constant currency supply and thus maintain its fixed exchange rate.

Considering his terms above on currency crises, we can conclude that a currency crisis reveals the interconnection of economic agents and the role of market psychology. And that an exchange crisis is a situation in which a country that has opted for a fixed exchange rate finds itself forced to devalue its currency.

2.2.7 Health Crisis

Health crises are events that really or potentially affect a large number of people, affecting health and possibly increasing the significant factor of mortality or excess mortality. They are declared by the State. Some of them may also be the subject of a health scandal when the trust of consumers and citizens is at stake.

Health crises can double as an economic and societal crisis; this is the case for the coronavirus pandemic. The consequences of the economic situation affect the activity of companies that have to adapt to this new environment.

To be considered a health crisis, two conditions must be met:

- This is an emergency situation that poses a threat to the health of the population;
- But this is an unprecedented situation that has never been experienced.

The triggers that give rise to a crisis may be related to industrial activity, but sometimes the origin may be unknown. They can occur as an epidemic, a drug, food or natural crisis (tsunami, heatwave) (FUTURA, 2020).

3. Research methodology

3.1 Data sources

For a researcher, there are several approaches that can be adopted to make the research problem viable. This present exploratory study will be based on studies of previous articles, magazines and databases that link to the said field of research.

To carry out this research, it is necessary to adopt a case study methodology to analyze the effect of the types of crises in the world. This case study would particularly consider the concerns of financing of companies and the requirement of Guinean financial key players in the light of this health crisis, not forgetting policy formulation and implementation for the survival of companies in the face of this health crisis since 2019. Policy mechanisms adopted by some states to help their populations and businesses to be resilient will also be looked at.

The data collection approach will be of the observatory type and will entail analysis of related files of reports from certain national and international institutions like the National Agency for Health Security-Guinea (ANSS), the Central Bank of Guinea, the Ministry of Health of Guinea, The Private Investment Promotion Agency (APIP-Guinea), the World Health Organization (WHO). The method of collection of data will allow the presentation of an ideal work that can meet research objectives.

Examples of cases will be based on companies that may or may not have experienced help during this global pandemic.

3.2 Objectives and research questions

This paper aims to provide a general overview of the impact of this health crisis on the country's economy and examine restrictive measures put in place by the government to ease the health, human and socio-economic impact of the pandemic.

The main purpose of this article is to answer the following crucial questions:

What is the impact of Covid-19 on the Guinean economy?

Which sectors are most affected by the health crisis?

And what are the measures taken by the Guinean State to alleviate the consequences of this health crisis?

4. Results and discussions

4.1 Results

4.1.1 The International Economic Environment

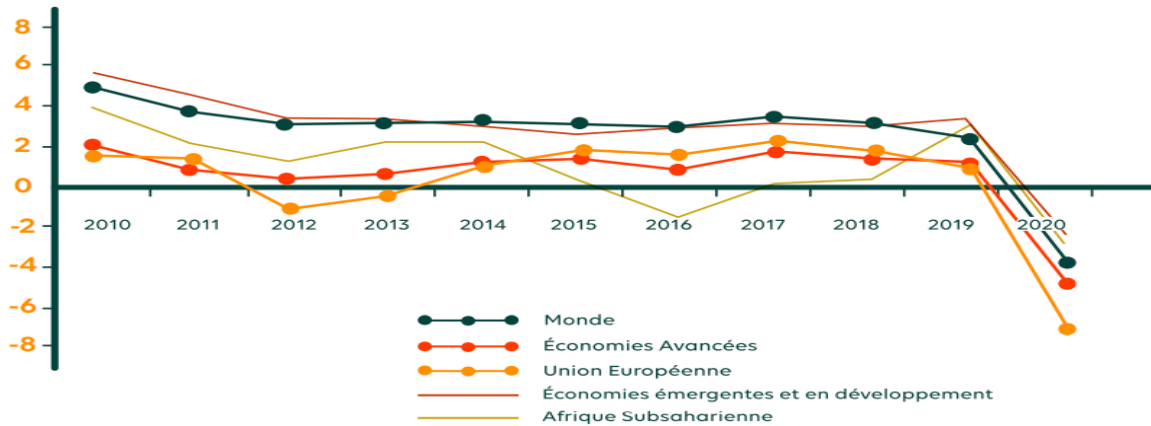
The COVID-19 pandemic has severely impacted global economic activity, which has contracted as a result of containment measures put in place by governments.

The recession that hit the world economy in 2020 is more pronounced in advanced and emerging economies, except for some economies such as China which recovered more quickly from the crisis. The decline in economic activity reflected as an impact in global demand has impacted inflation (which remained low in 2020) and has been accompanied by a decline in commodity prices.

On the macroeconomic level, we can say that the pandemic has deteriorated public finances, as budget deficits have increased due to the decrease in tax revenues. The increased budget deficits also arise from soaring public expenditure generated through the support measures put in place to counter the effects of the health crisis. Monetary policies have been relaxed to support demand and provide a safety net to support credit markets to ensure financial stability.

The COVID - 19 effect on the global economy varies from one economy to another, based on the level of austerity of the pandemic. In 2020, the world economy thus recorded a recession of 3.4%. The decline in economic activity in advanced economies led to a contraction of their GDP by 4.7%. In emerging and developing economies, GDP contracted by 2.4%.

Graph 1 - World economic growth (in %)



Source: International Monetary Fund

4.1.2 The Guinean Geographical and Economic Landscape

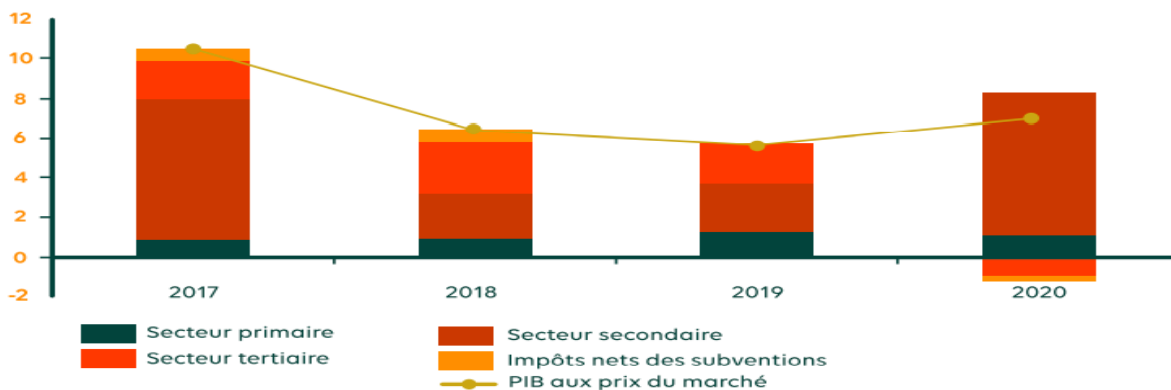
The Republic of Guinea is located in the South-west of West Africa with an area of 245,857 square kilometers. According to the 2014 General Population and Housing Census, the population of Guinea is projected in 2020 at 12 559 663 inhabitants with a density of about 51 inhabitants per square kilometre. The Guinean population, which is mostly young with 44% under the age of 15, is made up of 52% women and 70% of the total population live in rural areas. It is bordered by six countries: Guinea Bissau to the West, Senegal and Mali to the North, Ivory Coast to the East, and Liberia and Sierra Leone to the South. It is a coastal country with 300 km of sea coastline on the Atlantic. It includes 4 natural regions: Lower Guinea, Middle Guinea, Upper Guinea and Forest Guinea.

Guinean economic activity was resilient in 2020, thanks to the implementation of the National Economic and Social Development Plan (PNDES) and the National Response Plan against the COVID-19 pandemic in a difficult context characterized by restrictive measures taken by the Government to contain the health and socio-economic impact of the health crisis.

For an initial forecast of 1.3%, at the beginning of the pandemic, the real GDP growth rate is 7% in 2020 compared to 5.6% the previous year. This performance is a result of the resilience of the mining, energy and communication sectors.

The country has potential agricultural production, but its domestic production has not sufficed the market demand, and that is why Guinea is currently importing more than 25% of its staple food requirements. Despite the market monitoring activity, which is handled by various organizations (both private and government entities), there is still the issue of limited information flows and coordination(Saliou Ly & Dou, 2020).

Graph 2 - Changes in the contribution by sector to real GDP growth (in %).



Source: Ministry of Planning and Economic Development.

4.2 Discussion

4.2.1 The COVID-19 pandemic, an exogenous crisis in economic history?

Since the end of 2019, the world has been hit hard by a coronavirus disease (Covid-19), spreading in various emerging, poor or developing countries and killing thousands of people. This pandemic is bringing the world economy to its knees and has become a global health crisis, according to the World Health Organization (WHO) announcement on January 30, 2020.

In view of the measures put in place by the governments to stem this pandemic, the coronavirus disease is beginning to have repercussions on the economy and the freedoms of individuals around the world, because no continent has been spared till date, given the interconnection of different states due to the globalization of economies (E. MONDIELLI, 2013).

(PAULIN, 2020) His part points out that a public health emergency of international concern (PHEIC) is triggered during an extraordinary event determined to pose a risk to public health in other states due to the international risk of spreading diseases. Such an alert implies that the situation must be serious, unusual or unexpected and that its public health consequences go beyond the borders of the affected country and may require immediate international action. In the case of this pandemic, it was high time that all efforts were made to limit its spread around the world. Even if there has been a delay in places, for lack of control instruments, adequate equipment in time, it must be recognized that there have been enough efforts for its eradication at any level, rich or poor countries.

The economic crisis that could result from this health crisis (Covid-19) would be unprecedented, given the many government measures such as mass lockdowns, the closure of various borders, the widespread cessation of economic activities ... Etc. This health crisis is without exception for both rich and poor countries because it generally affects almost the entire world economic system. This Covid-19 pandemic is of an exogenous nature, impacting all economic and financial circuits. The Covid-19 crisis will undoubtedly mark contemporary economic and financial history because the causes do not emanate from an internal malfunction of the economic system rather from an external incident of international scope (Public health constraint).

As a result of the measures to combat the pandemic, GDP in the United States fell by 3.6% compared to 2019, when it registered an increase of 2.1%. Faced with the economic difficulties caused by the health crisis, the federal government implemented a stimulus package of USD 2,200 billion in March 2020 and increased by 900 billion in December 2020 due to the multiplication of cases.

For the Euro Area, the gross domestic product fell by 6.6% (compared to a growth of 1.3% in 2019) due to the cessation of economic activities due to the scale of the epidemic. As support to economic activity, the member States of the Zone agreed, in July 2020, on a stimulus package of EUR 750 billion.

In the French Republic, the economy has suffered a recession, with GDP falling by 8.3% compared to an increase of 1.1% in 2019. The containment measures have impacted domestic demand, which has fallen by 6%. Nevertheless, the country has opted for a plan to revive economic activities; the Government has deployed EUR 184.6 billion.

China, for its part, achieved growth of 2.3%, it proved to be more resilient than other emerging countries. This performance is a result of the rapid recovery of industrial production, supported by foreign demand for medical products and equipment for telecommuting. It should be noted that this recovery was facilitated by the CNY 1,000 billion budget assistance from the Chinese Government, which increased the budget deficit from 6.3% of GDP in 2019 to 11.4% in 2020. Public debt has increased from 52.6% of GDP in 2019 to 61.7% in 2020.

India's GDP fell by 9.6% compared to an increase of 4.2% in 2019. The public deficit stood at 13% compared to 8% in 2019, partly due to the budget support of EUR 250 billion. Public debt stood at 89.6% of GDP, up from 73.9% in 2019.

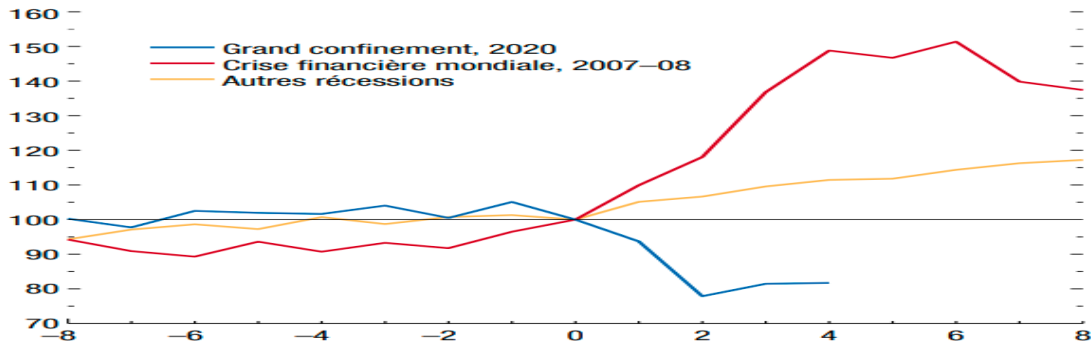
In sub-Saharan Africa, where economies are dependent on the international economy, GDP fell by 3.2% compared to 3.1% growth in 2019, although it seems to be less affected than other continents. The economies of East Africa recorded GDP growth of 0.7% compared to 5.3% in 2019. Southern Africa is the region hardest hit by the pandemic, with a 7% contraction. In Central Africa, the GDP contraction is estimated at 2.7%.

GDP in West Africa declined by 1.5%, due to the decline in GDP in Nigeria, Liberia and Cape Verde by 4.1%, 3.1% and 8.9%, respectively. Nevertheless, several countries such as Guinea, Benin, Côte d'Ivoire and Niger recorded growth of 7%, 2.3%, 1.8% and 1.2%, respectively (BCRG, 2020).

The global economy is recovering, but the recovery is not the same everywhere in a context of high uncertainty, as new mutations of the virus and the human toll that continues to increase raise concerns, even if the progress of vaccination campaigns increases the feeling of confidence. The economic outlook depends not only on the outcome of the race between the virus and vaccines but also on the effectiveness with which economic measures implemented in a context of high uncertainty can limit the sequelae

caused by this unprecedented crisis. Global growth is expected to reach 6% in 2021, then slow to 4.4% in 2022(World Economic Outlook, April 2021 Managing Divergent Recoveries, 2021).

Graph 3-Bankruptcies during the current recession and previous crises.
(Index, last quarter before recession = 100; quarters in recession on the x-axis)



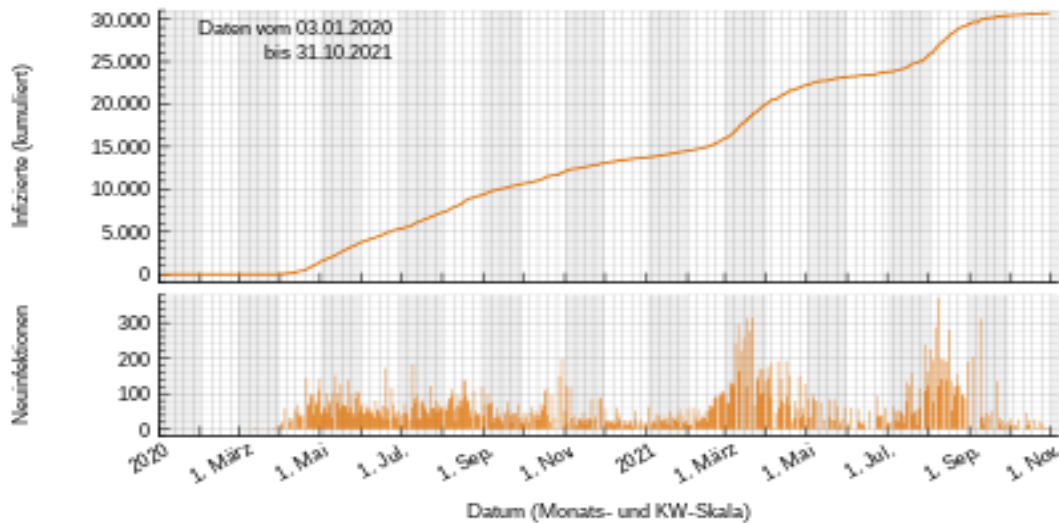
Sources: National authorities; CEIC Data Company Limited; calculations of the IMF services.

We will say that the health crisis will be irrevocable in its magnitude and disastrous consequences on all the peoples of the world, but also economically and financially.

4.2.2 Guinea and the Covid-19 Pandemic

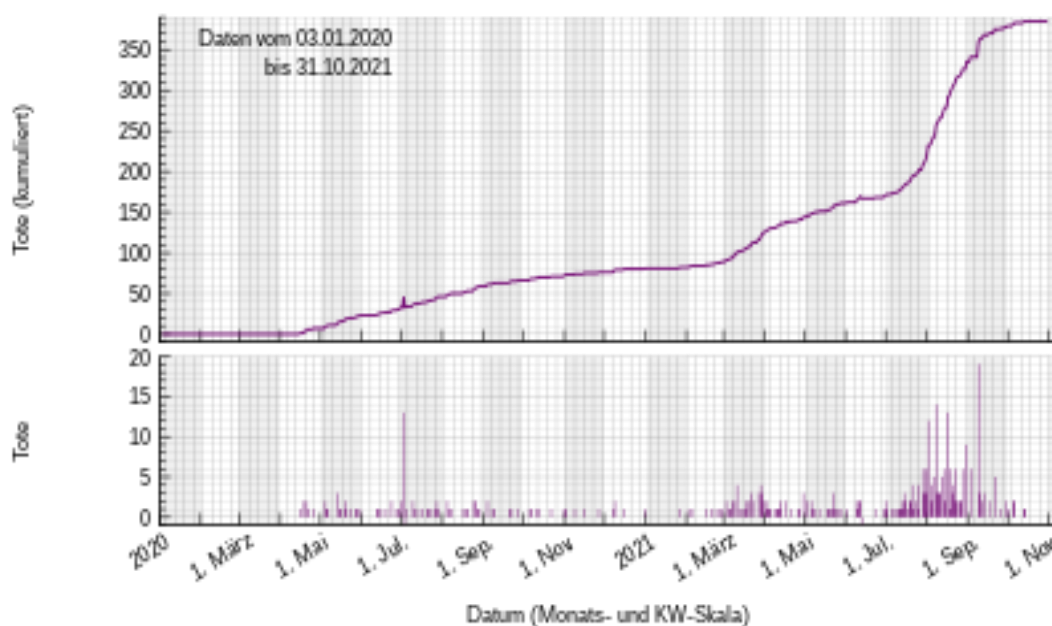
The Republic of Guinea and other countries alike were not fortunate enough to escape the consequences of the Covid-19 Pandemic since its appearance in the People's Republic of China, in the city of Wuhan, Hubei province. In March 2020, Guinea detected its first case related to the Coronavirus. At the end of this first detection, the government, in order to protect its population and support its national economy, had to put in place measures to combat Covid-19. This plan was named "Economic Response Plan to the COVID-19 Health Crisis", estimated at the cost of GNF 3 500 billion (360 million Dollars).

¹Graph 4-Number of cases in Guinea since the beginning of the epidemic on 16/10/2021



Source: National Agency for Health Security-Guinea (ANSS)

¹ **Note for Graph 3:** Data are from 13 countries, with varying degrees of coverage between Q1 1990 and Q3 2020. The lines show the averages for each recession, with "quarter 0" being the last quarter before the recession. For the general lockdown, the 0 quarter is the 4th quarter of 2019 for all countries. For the global financial crisis, quarter 0 is, for each country, the date when real GDP peaked in 2007-08. The other recessions are country-specific and defined as two consecutive quarters of negative growth over the periods 1990-2006 and 2009-19.

Graph 5-Number of cases of death in Guinea since the beginning of the epidemic on 16/10/2021.

Source: National Agency for Health Security-Guinea (ANSS)

For companies as well as households, the health crisis has shown no discrimination, and so its consequences are very visible on the economic activity of the country and also on the daily standard of living of the populations.

4.2.3 The health response plan

The National Agency for Social Security (ANSS), together with the Ministry in charge of health and its technical and financial partners, has adopted a budget of GNF 563 billion as a need for health response. This response plan was developed to:

- Strengthen surveillance, both in Conakry and inside the country, in particular at the 34 border posts considered the most sensitive;
- The care of coronavirus patients in decent conditions;
- Laboratory fees;
- Logistics and communication;
- Technical assistance and coordination.

Another budget of GNF 562 billion had also been adopted according to the requests of the Ministry in charge of Health, the ANSS and the Technical and financial partners for the following:

- The construction of basic health facilities (rural health centers, health posts and laboratories);
- And the construction of standard sanitary facilities (resuscitation centers, in particular).

4.2.3.1 The Social Response Plan

On the social level, the ANIES brought the project to the tune of GNF 439 billion (or \$ 46 million). This response plan has been divided into three (3) different phases: The first phase concerns awareness-raising and the distribution of protective gears. This phase targeted 130,900 households or about 850,000 people in Conakry and the most affected localities. As for the second phase, it focused on strengthening the actions carried out in phase 1 by the deployment of labor-intensive activities (HIMO) in Conakry and other hard-hit localities. For the third phase, a cash transfer program for 240,000 households (or about 1.6 million people) in the pilot areas (one prefecture per administrative region and the special zone of Conakry) had been deployed.

In addition to the social response plan above, another plan, called "Complementary Social Measures", had been put in place by the State; these include:

- Full state support of bills from April to June 2020 for subscribers to the social tariff for electricity and water;
- For other consumers, a postponement of payment deadlines for water and electricity bills, for the period from April to June 2020, with the establishment of payment facilities;
- Ensure that prices for health and basic necessities are stable or frozen;

- The blocking of rent increments on public and private buildings for the period from April to December 2020.

4.2.3.2 The Private Sector Support Plan:

This health crisis has also hit the private sector hard due to containment measures (Restriction of movement of people), curfew decree, and the closure of some establishments. It should be noted that this crisis has severely impacted Small and Medium-sized Enterprises (SMEs), in particular, the tourism, hospitality, handicrafts and small businesses sectors.

For the preservation of jobs and the viability of enterprises, measures have been put in place, such as:

- A postponement (from April to June 2020 inclusive) of all tax and social charges of companies in the tourism and hospitality sector, including social security contributions;
- An effort to pay part of the arrears due by the State without delay;
- A postponement (from April to June 2020 inclusive) of water and electricity bills of tourism and hospitality companies;
- The waiver (for April to June 2020) of VAT on water and electricity bills.

In addition to the hard-hit sectors, another general assistance plan for the private sector has been put in place to limit the damage of the pandemic with:

- An exemption from duties and taxes on health equipment and similar products and falling within the framework of the fight against COVID-19;
- The postponement, from April to June 2020, of the payment of taxes, fees and similar payments to the State;
- The reduction (to two weeks) of the deadlines for the refund of VAT credits;
- The suspension of the invoicing of the port demurrage (from April to June 2020);
- The progressive settlement of the State's domestic debt, which today penalizes SMEs;
- The establishment of a specific fund for economic interest groups or GIE (informal sector) to help them better absorb the economic shock and accompany their formalization.

Taking into account the consequences of the 2007-2009 economic and financial crisis, most governments of the world have taken measures to ensure the liquidity of the financing of the economy and avoid "serial bankruptcies" of enterprises, especially small and medium-sized enterprises (SMEs).

In the case of the Guinean State, the Ministry in charge of Finance and the Central Bank have provided a guarantee mechanism for bank loans to SMEs in difficulty. This guarantee only applies to SMEs that experienced a decrease of at least 50% in their turnover in March 2020 compared to March 2019.

According to the Central Bank, an easing of monetary policy instruments was necessary. Thus, she had proceeded to :

- A reduction in the BCRG's key interest rate;
- A relaxation of the requirements for commercial banks with the BCRG, under the mandatory reserves;
- A reduction in terms of refinancing (open market, etc.).

In addition to the response plans mentioned above, there has been supporting from technical and financial partners to counter this health crisis.

According to the Premature of the Republic of Guinea, April 2020 in its communication, one month after the onset of the disease, the response plan against the health crisis was funded through government policies by The creation of a Covid-19 response fund of more than GNF 2 500 billion:

- The withholding of 500 Guinean francs per litre of fuel on the new price structure, for an amount of 405 billion Guinean francs;
- Savings on the state budget, through a puncture of 50 billion Guinean francs on common expenses, savings related to the postponement of the service of the external public debt (900 billion Guinean francs);
- The contribution of the National Agency for Economic and Social Inclusion (ANIES) through its emergency plan (439 billion Guinean francs);
- The reallocation of 100 billion Guinean francs from the budget of the Ministry of Health;
- Voluntary contributions from individuals and companies were the subject of an appeal for national solidarity.

Elsewhere in the world, in particular, in Côte D'Ivoire, the State has put in place a health emergency response plan worth CFA 95.8 billion, and another economic, social and humanitarian response plan amounting to CFA 1 700 billion, to provide direct financial assistance to people, businesses and the informal sector. In Senegal, a contingency plan to combat the COVID-19 pandemic has

been developed for an initial period of six months and at the cost of one hundred million (EUR 100 000 000) euros. In parallel with this plan, largely inspired by the national health security plan, the President of the Republic initiated the design of an "economic and social resilience program" (PRES) at the cost of 152,671,000 euros = 1,000 billion FCFA, equivalent to about a quarter of the national budget (Diouf et al., 2020). For example, in Burkina Faso, the state has adopted a plan worth 600 million euros, including a national preparedness and health response plan and mitigation and support measures for the most vulnerable companies, workers and populations.

4.2.4 The impact of Covid-19 on the Guinea private sector.

Like all countries in the world, Guinea has been hit hard by the consequences of this health epidemic, including the loss of human life, endangering the economy, even if it stood out, unlike other countries, with a growth of 7% of GDP.

In the lines of the report of a survey carried out by the Agency for the Promotion of Private Investments (APIP-Guinea) on the impact of Covid-19 on the Guinean private sector, it is noted that although the COVID-19 crisis affects the entire Guinean economy, it nevertheless remains that some sectors of activity remain more vulnerable than others. For example, in the mining sector, 36% of companies are operating at 100% or more, and only 9% have halved their activities. While this sector is doing relatively well, the situation is quite different for transport/logistics, trade, or agribusiness sectors. As for the tourism/travel sector, 75% of companies are temporarily out of business, and 25% have permanently stopped all activities. All the surveyed companies operating in the agribusiness sector have temporarily suspended their operations.

In the field of transport/logistics, 40% of companies carry out half of the usual activities, 20% manage to ensure almost 75% of their operations, and 40% are temporarily out of business.

This same report states that, unfortunately, 64% of formal companies temporarily ceasing to operate do not have visibility as to the resumption of their activities. This pandemic creates a great deal of uncertainty among formal private sector actors. It should be noted that only 8% of them believe that they can resume operations within one to two months, while 11% of these companies prove to be more pessimistic by forecasting a return in a period of between two and six months.

Later, in this report, it is mentioned that, for 85% of the formal companies surveyed, the decline in customers and demand, in general, is by far the most direct impact of the Covid-19 crisis. Indeed, for a company to be profitable, it is essential that it can sell its products and offer its services on the basis of effective consumer demand. The decline in demand, whether in the short or medium term, is a loss of profit for companies. Other impacts of the crisis include business instability (49%), high operating costs (34%), lower cash flows (33%), stock shortages and delivery delays (29%), reduced capital and investment flows (24%) and raw material supply problems (23%).

5. Conclusion and recommendations

5.1 Conclusion

The COVID-19 pandemic has caused a series of negative impacts on the entire global economy, resulting in the loss of human life.

The Republic of Guinea, like other countries in the world, has been directly affected by this health crisis. We can say that this Covid-19 pandemic is an opportunity for Guinea to do away with the archaic practices of the country's health system, which is very outmoded compared to other countries in the West African subregion. It should be mentioned that the country has met a great challenge in the fight against this pandemic since its declaration on Guinean soil through its various health, economic, social and humanitarian response plans.

Beyond a simple health crisis, Covid-19 is a global shock; nevertheless, the effective management by Guinea presents a major asset for reconstructing a new administrative model. Each facet of government, without exception, has been involved in the efforts to eradicate this pandemic through the various interventions that have taken place in this short time, such as finding digital solutions to foster continuity of economic activities in spite of restriction of population movements and also for distance courses.

5.2 Recommendations

The State of Guinean must advocate new national policies for the creation of wealth regardless of the intensity of the crisis. This could be possible when the government invests more into local production of finished goods and services by providing competitive startup capital since exports of goods have a real impact on a country's economy in times of unexpected crisis such as that of Covid-19.

Again, consider the establishment of state-of-the-art medical facilities and infrastructure to avoid the analysis of initial samples of first cases from being done outside the country since it costs more time and money.

Furthermore, there is a need for the introduction of a series of laws that can enforce banks to continue providing loans facilities to companies in difficulty due to health emergencies or natural disasters. These policies must also look at exempting banks from taxes and certain monetary policy measures during these times.

Finally, the implementation of crisis simulation scenarios, a practical tool, could help the various ministries in charge of the economy and finance, health, the Central Bank and the institutions' directorates to cope with the crisis, strengthen institutional immunity and make appropriate risk mitigation decisions, especially with regards to the proper management of the financial market and the effective management of victims of such crisis.

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