

**Statement by the IMF Staff Representative  
February 24, 2012**

1. This statement provides information that has become available since the issuance of the staff report on February 13, 2012. The new information does not alter the thrust of the staff appraisal.
2. Updated preliminary information indicates that all quantitative indicative targets under the authorities' staff-monitored program for end-December were met (Table 1). Compared to the estimates for the end-December outturn included in the staff report, lower fiscal revenue was more than offset by somewhat less current spending but especially by a shortfall in capital spending. The latter reflected delays in spending on a large contract in the electricity sector, which also contributed to higher net international reserves than estimated for the end of the year. Inflation declined to 18.5 percent year-on-year in January 2012.
3. The Guinean authorities have provided information confirming that they have observed the continuous structural reform measures under the 2011 staff-monitored program through end-December, 2011 (Appendix I, Attachment I, Table 2 of the staff report). In addition, all prior actions for the program to be supported under the Extended Credit Facility have been completed.
4. On February 17, 2012, Paris Club creditors provided financing assurances for the medium-term economic program for which the Guinean authorities are requesting an arrangement under the Extended Credit Facility. Negotiations for a rescheduling of Guinea's outstanding external debt to Paris Club creditors are expected to be held in April 2012.

**Table 1. Guinea: Indicative Targets for 2011 Under the SMP 1/**  
(Billions of Guinean francs unless otherwise indicated)

	2010		2011								
	end Dec.2/	end Mar.	end-Jun.			end-Sep.			end-Dec.		
	Actual	Actual	Prog.	Actual	Status	Prog.	Actual	Status	Prog.	Est.	Status
<b>Quantitative targets</b>											
Basic fiscal balance (floor) 3/	-3,424	-59	-330	616	Met	-429	183	Met	-663	-213	Met
Net domestic assets of the central bank (ceiling)	6,741	6,741	1,760	-12	Met	2,045	1,495	Met	2,488	2,053	Met
Domestic bank financing of the government (ceiling) 3/	4,037	-77	-4,682	-5,558	Met	-4,397	-4,964	Met	-3,943	-4,217	Met
Net international reserves of the central bank (floor); US\$ millions 3, 4, 5/	22	103	802	1,026	Met	774	927	Met	669	746	Met
New nonconcessional medium- or long-term external debt contracted or guaranteed by the government or central bank (ceiling); US\$ millions 6/	n.a.	0	0	0	Met	0	0	Met	0	0	Met
Stock of outstanding short-term external debt due or guaranteed by the government or the central bank (ceiling); US\$ millions	n.a.	0	0	0	Met	0	0	Met	0	0	Met
Memorandum items:											
Reserve money	6,982	6,979	6,984	7,167		6,998	6,863		7,101	6,556	

Sources: Guinean authorities and IMF staff.

1/ Definitions are included in the technical memorandum of understanding (TMU).

2/ Flow over 2010 for fiscal criteria and stock for end-December 2010 for monetary and external debt criteria.

3/ Cumulative change from end-December 2010.

4/ Calculated using the program exchange rates.

5/ End-2010 figure excludes 2009 SDR allocation.

6/ External debt contracted or guaranteed other than with a grant element equivalent to 35 percent or more, calculated using a discount rate based on the OECD commercial interest rates. Excludes borrowing from the IMF.