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The opposition Union des Forces Démocratiques de Guinée (UFDG) holds a mass protest in Conakry against President Alpha Condé's (2010-present) government. The Manhattan United States (US) Court for the Southern District of New York sentences former Guinean mines minister Mahmoud Thiam to seven years in prison for receiving and laundering \$8.5m in bribes from China-based companies. US-based Hyperdynamics Corp announces that it has begun drilling at its Fatala-1 offshore exploration well, after its deep-water drillship reaches its target drilling location.

UFDG holds a mass protest against Condé

The opposition **Union des Forces Démocratiques de Guinée (UFDG)** on 2 August held a mass protest in **Conakry**.¹ The protestors marched from the **Cosa** neighbourhood to the **Stade du 28 Septembre** (28 September stadium).² The UFDG and other minor opposition parties are protesting what they see as President **Alpha Condé's** (2010-present) failure to implement the October 2016 political agreement signed between Condé's ruling **Rassemblement du Peuple de Guinée (RPG)** and opposition parties, as well as bad governance and corruption.³ Condé enacted a revised electoral code on 27 July, which attempted to curb criticism from the opposition. However, this did not appear to appease the UFDG, which boycotted the entire electoral code reform process (see *ARC Briefing Guinea July 2017*). The last UFDG mass protest took place in August 2016, gathering over 500,000 people, with protestors calling for Condé to step down (see *ARC Briefing Guinea August 2016*). Although there were no concrete figures on the number of protestors in the most recent protest, estimates ranged between tens of thousands to UFDG leader **Cellou Dalein Diallo's** claim of 1 million people.⁴ As Diallo stated to local media,

"No-one can doubt that there were over 1 million participants in this protest. These people came to express their frustrations, their disappointment about the manner in which our country is managed. A management that is characterised by corruption, misappropriation of public funds and ignorance of our people's worries."⁵

Diallo believes that the Condé administration has ruled undemocratically over the past seven years, and repeated calls for Condé to resign,

"I invite you to mobilise to face the serious attacks on our democracy from Condé and his refusal to respect the conclusions of the political agreement signed in October 2016. In 2010, he stole your votes to proclaim himself president. In 2015, he didn't organise elections, it was a masquerade... In 2020, he must leave."⁶

UFDG spokesperson **Alhousseiny Makanera Kaké** had suspended the protest on 3 August, as many UFDG supporters were reportedly beginning plans to depart for the Hajj in **Mecca (Saudi Arabia)** on 31 August.⁷ However, Kaké announced on 23 August that the UFDG would resume protests soon,

¹ AFP, 3 Aug 2017.

² AFP, 3 Aug 2017.

³ AFP, 3 Aug 2017.

⁴ Multiple sources: AFP, 3 Aug 2017; Vision Guinée, 2 Aug 2017.

⁵ RFI, 3 Aug 2017.

⁶ AFP, 3 Aug 2017.

⁷ Aminata, 3 Aug 2017.

“They will take place again because we feel that this is the only way to make something happen. We haven’t chosen a date for the moment.”⁸

Local sources believe Diallo is using the regularity of the UFDG protests to show that the party is still a threat to Condé,

“These protests are indispensable for [Diallo] to show that the backing from some other opposition parties for the presidential camp, even some elected under the UFDG colours, has not affected his ability to mobilise his supporters.”⁹

Guinea is still a young democracy – Condé’s election in 2010 was the first internationally supported democratic election. However, the UFDG portrays Condé as an authoritarian dictator. The UFDG is particularly concerned about Condé’s rumoured intention to stand for a third term in 2020 – which the current **2010 Constitution** does not allow for.¹⁰ The UFDG claims that Condé will either attempt to push through constitutional reform to legally stand for re-election or ignore the constitution entirely.¹¹ It appears therefore that the UFDG’s focus is not on local elections. Even after the **Commission Electorale Nationale Indépendante (CENI)** (electoral commission) reshuffled its management in July and appeared to further delay the organisation of the local elections, the UFDG did not put much emphasis on the local elections (see *ARC Briefing Guinea July 2017*). Rather, it appears that the UFDG is seeking to reduce support for Condé personally, in order to better position the party in the 2020 presidential elections.

Several minor opposition parties, such as the **Union des Forces du Changement (UFC)**, the **Rassemblement pour le Développement Intégré de la Guinée (RDIG)** and the **Nouvelles Forces Démocratiques (NFD)**, do not support the UFDG’s use of mass protests.¹² **Mouctar Diallo** of the NFD says,

“We do not adhere to this initiative. The protests, rather than produce expected results, cost a lot in human lives and in material damage for our supporters.”¹³

Although members of the UFC later met the UFDG on 23 August with the aim of “*resolving our differences*”, it remains unclear to what extent the broader opposition will unify following these protests.¹⁴ The UFDG’s strategy is to extend the state of political tension, and to bolster support for its party ahead of the eventual local elections, and, more importantly, the 2020 presidential election. The size of the UFDG protests shows not only the level of support for the UFDG, but the sheer number of supporters it can rally to protest against the government. The protests increase public and media scrutiny of Condé’s rule and bring the alleged non-application of the political agreement to the attention of the international community. The greatest threat to the UFDG is if Condé succeeds in bringing minor opposition parties to his camp, thereby isolating the UFDG. However, an increase in security risks is not likely in the current climate, as the protests have been largely peaceful over the past two years.

US court sentences Mahmoud Thiam to a seven-year prison sentence

The **Manhattan United States (US) Court** for the **Southern District of New York** sentenced former **Guinean** mines minister **Mahmoud Thiam** on 25 August to seven years in prison for receiving and laundering \$8.5m in bribes from **China**-based companies.¹⁵ The maximum sentence was 30 years.¹⁶ In addition to the prison term, the court sentenced Thiam to three years of supervised release, and

⁸ Guinée Matin, 23 Aug 2017.

⁹ Source, journalist, Conakry

¹⁰ AFP, 3 Aug 2017.

¹¹ AFP, 3 Aug 2017.

¹² Jeune Afrique, 7 Jul 2017.

¹³ Jeune Afrique, 7 Jul 2017.

¹⁴ Guinée News, 23 Aug 2017.

¹⁵ www.justice.gov

¹⁶ www.justice.gov

ordered Thiam to forfeit \$8.5m.¹⁷ Thiam was mines minister under the **Moussa Dadis Camara** (2008-2009) military junta administration, and is a US national, thereby open to prosecution under the **Foreign Corrupt Practices Act (FCPA)**.¹⁸ US government officials arrested Thiam in early December 2016, on the basis of an investigation led by the **Federal Bureau of Investigation's (FBI)** complex frauds and cybercrime unit.¹⁹ The US court sentence is the result of a conviction in May, which indicted Thiam for one count of transacting criminally derived property and one count of money laundering (see *ARC Briefing Guinea May 2017*).²⁰ The prosecution made serious allegations against Thiam, including using the money to fund “a lavish lifestyle, buying a \$3.75m estate in **Dutchess County (New York)**, and paying for private schools for his children.”²¹ **Joon H. Kim**, acting US attorney for the Southern District of New York, and **Kenneth A. Blanco**, acting assistant attorney general at the **US Department of Justice's** criminal division, announced the final sentence.²² Kim and Blanco referred to a “scheme to launder \$8.5m in bribes that Thiam received from senior representatives of a Chinese conglomerate”.²³ The Chinese conglomerate that Kim and Blanco referred to is the **China International Fund (CIF)**, linked to **Sam Pa's 88 Queensway Group**.²⁴ Thiam, while mines minister, announced a \$7 billion infrastructure-for-resources deal with the CIF in October 2009.²⁵ The jury was unanimous in its decision,

“As a unanimous jury found at trial, Thiam abused his position as mines minister to take millions in bribes from a Chinese conglomerate, and then launder that money through the American financial system. Enriching himself at the expense of one Africa's poorest countries, Thiam used some of the Chinese bribe money to pay his children's Manhattan private school tuition and to buy a \$3.75 million estate in Dutchess County. Today's sentence shows that if you send your crime proceeds to New York, whether from drug dealing, tax evasion or international bribery, you may very well find yourself at the front end of a long federal prison term.”²⁶

In order to launder the bribes, Thiam used a **Hong Kong** bank account, misreporting his position as mines minister in Guinea to Chinese banks in order to obtain the account, describing himself as a private consultant.²⁷ Thiam admitted to the court during cross-examination that he lied to US banks and the **Internal Revenue Service (IRS)** about both personal earnings of \$85,000 for work in Guinea and the \$8.5m payment from Pa.²⁸ According to the prosecution, this was “a bribe plain and simple”.²⁹

The sentencing of Thiam continues to reflect badly on past Guinean governments, while some commentators believe that corruption is still prevalent within several strategic ministries.³⁰ The US prosecution of Thiam should act as a deterrent to corrupt officials seeking to launder money into the US. However, for corrupt former state officials, judicial systems are not uniform in their effectiveness. Although the anti-corruption legal environment has developed significantly in the Anglophone world – **US, United Kingdom (UK), Canada and Australia** – progress has proved slower elsewhere. However, the introduction of the **Loi Sapin II** in **France** in December 2016 should increase the number of indictments relating to Francophone Africa.

¹⁷ www.justice.gov

¹⁸ Guinée News, 13 Dec 2016.

¹⁹ www.justice.gov

²⁰ www.justice.gov

²¹ www.justice.gov

²² www.justice.gov

²³ www.justice.gov

²⁴ www.justice.gov

²⁵ Financial Times, 11 Oct 2009.

²⁶ www.justice.gov

²⁷ www.justice.gov

²⁸ Law 360, 2 May 2017.

²⁹ Law 360, 2 May 2017.

³⁰ Source, journalist, Conakry

Hyperdynamics announces spudding at Fatala-1 well

US-based **Hyperdynamics Corp** announced on 28 August that it has begun drilling at its **Fatala-1** offshore exploration well, after its deep-water drillship reached its target drilling location.³¹ The announcement indicates that oil production in Guinea is more likely. At present Guinea produces neither oil nor gas, despite several companies exploring since the late 1960s.³² Hyperdynamics Corp (through local subsidiary **SCS Corp**) entered the Guinean oil sector in 2004, and since August 2016 is the sole owner of the offshore **Sabu-1** exploration well, drilling since 2011.³³ In March 2017, **Nigeria-based South Atlantic Petroleum (SAPETRO)** and Hyperdynamics agreed to give SAPETRO a 50% stake in the production sharing contract between the government and SCS, in exchange for a commitment to pay 50% of the Fatala well costs, estimated at \$15-20m.³⁴ The Fatala-1 well will be drilled at a depth of 2,900m, and contains approximately 647 million barrels of oil – worth \$30.16 billion at the time of writing.³⁵ Hyperdynamics CEO **Ray Leonard** confirmed on 2 August that spudding was forthcoming,

“We expect to complete final provisioning preparations today to be ready for the actual spudding of the well no later than 4 August. Drilling is expected to take approximately 40 days to reach a total depth of 2,500m below the mud line. The next six weeks or so are going to be an extremely busy and exciting time for Hyperdynamics, as we seek to unlock what we believe is world-class oil potential from this largely untested basin.”³⁶

On 28 August, Leonard provided an update,

“I’m pleased with our excellent operational progress as well as with early indications that support the geophysical model of the prospect. I am also happy to report that we are finished with the top portion of the Fatala-1 well, which is the deepest water well ever drilled offshore Africa.”³⁷

A local source familiar with the project claims that the government is enthusiastic about the development of the Fatala-1 well,

“The government’s expectations from this well are large – to discover economically viable oil, confirming the economic opportunities of the country’s resources. And with it would come a boost to the national budget.”³⁸

The prospect of oil production in Guinea is significant. The country remains reliant on its mining sector for government revenues, as tax collection continues to be low in rate and amount. Past failures from foreign investors in the oil sector would indicate that there is a high difficulty in reliable oil extraction in Guinea. No other oil prospector has come as close to extraction in Guinea as Hyperdynamics and SAPETRO.

³¹ www.hyperdynamics.com

³² www.eiti.org

³³ Multiple sources: www.africanewsmag.com; www.hyperdynamics.com

³⁴ Offshore Energy Today, 31Mar 2017.

³⁵ Multiple sources: www.hyperdynamics.com; www.nasdaq.com

³⁶ www.hyperdynamics.com

³⁷ PR Newswire, 28 Aug 2017.

³⁸ Source, journalist, Conakry

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