

## **Equatorial Guinea**

### ***A. Definitions and sources of data***

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The data on annual flows of foreign direct investment (FDI) in Equatorial Guinea are gathered from the Banque des États de l'Afrique centrale. Additional data are provided by the International Monetary Fund in its balance-of-payments statistics. The country's Investment Code (Investment Code of April 1992, as amended in April 1994) does not provide a specific definition of FDI.

In Equatorial Guinea, commercial oil and gas reserves are the major attraction for FDI. There has been growing and substantial investment in exploiting the reserves with significant new expansion planned for years to follow. This has transformed the country into Africa's fastest growing economy and one of the main destinations of United States investment in the region. Oil and gas exploration has also led to the expansion of the hitherto tiny services sector. Recent foreign investment in forestry and growing demand from Asia have also boosted economic expansion in the non-oil sector, albeit more modestly.

Equatorial Guinea possesses substantial deposits of minerals including gold, diamonds, bauxite, iron ore, titanium, copper, manganese and uranium. Artisanal gold mining is reported to be taking place in parts of the mainland. Among the major companies operating in the country are: CMS Nomeco (United States), ExxonMobil (United States), Marathon (United States), TotalFinaElf (France) and United Meridian Corporation (United States).

Equatorial Guinea is engaged in the regional integration schemes and other international arrangements. It is a member of the Communauté économique et monétaire de l'Afrique centrale, New Partnership for Africa's Development and the African Union. It is an eligible member of the United States market access initiative for African countries – the African Growth and Opportunity Act, the partnership agreement for the renegotiation of the trade links between the European Union (EU) and the Africa, Caribbean and Pacific countries (the Cotonou agreement) and the Everything But Arms initiative. Equatorial Guinea is also among the 34 African least developed countries that have the option of entering the EU generalized system of preferences and has an observer status at the World Trade Organization.

## **B. Statistics on FDI and the operations of TNCs**

**Table 1. Summary of FDI**  
(Millions of dollars)

<b>Variable</b>	<b>Inward</b>	<b>Outward</b>
1. FDI flows, 2002-2005 (annual average)	1 319.5	0.01
2. FDI flows as a percentage of GFCF, 2002-2005 (annual average)	231.4	-
3. FDI stock, 2005	7 350.8	2.6
4. FDI stock as a percentage of GDP, 2005	108.9	0.04

*Source:* Based on tables 3a, 4 and UNCTAD, FDI/TNC database.

Table 3a. FDI flows, by type of investment, 1980-2005

(Millions of dollars)

Year	Inward investment				Outward investment			
	Equity	Reinvested earnings	Intra-company loans	Total	Equity	Reinvested earnings	Intra-company loans	Total
1980	..	..	..	..	..	..	..	..
1981	..	..	..	-0.2	..	..	..	..
1982	..	..	..	0.5	..	..	..	..
1983	..	..	..	0.5	..	..	..	..
1984	..	..	..	2.2	..	..	..	..
1985	..	..	..	2.4	..	..	..	..
1986	..	..	..	5.6	..	..	..	..
1987	..	..	..	1.7	..	..	..	..
1988	..	..	..	0.5	..	..	..	..
1989	0.9	..	..	0.9	..	..	..	0.1
1990	11.1	..	..	11.1	..	..	..	0.1
1991	41.3	..	..	41.3	..	..	..	0.1
1992	6.0	..	..	6.0	..	..	..	..
1993	22.3	..	..	22.3	..	..	..	..
1994	17.0	..	..	17.0	..	..	..	..
1995	39.7	13.1	7.7	63.3	0.02	..	0.04	0.1
1996	190.0	41.4	16.3	247.6	..	..	..	0.01
1997	60.4	-15.6	111.4	53.5	-	..	..	-
1998	67.7	7.8	235.4	291.5	..	..	..	0.01
1999	31.6	-14.2	232.9	251.9	..	..	1.6	1.5
2000	14.7	47.6	-82.2	107.8	..	..	-3.5	-3.6
2001	3.2	2.1	1 001.2	945.0	1.4	0.01	0.6	4.2
2002	..	..	..	323.4	..	..	..	0.01
2003	..	..	..	1 430.7	..	..	..	0.01
2004	..	..	..	1 664.1	..	..	..	..
2005	..	..	..	1 860.0	..	..	..	..

Source: UNCTAD, FDI/TNC database.

Note: FDI flows: OECD for 1981-1988, IMF for 1989-1994, Banque Centrale des Etats de l'Afrique Centrale (BEAC) for 1995-2004, and estimate for 2005. FDI outflows: IMF for 1989-1991 and BEAC for 1995-2003.

**Table 4. FDI stock, by type of investment, 1980-2005**

(Millions of dollars)

Year	Inward Investment				Outward Investment			
	Equity	Reinvested earnings	Intra-company loans	Total	Equity	Reinvested earnings	Intra-company loans	Total
1980	..	..	..	..	..	..	..	..
1981	..	..	..	..	..	..	..	..
1982	..	..	..	0.5	..	..	..	..
1983	..	..	..	1.0	..	..	..	..
1984	..	..	..	3.1	..	..	..	..
1985	..	..	..	5.6	..	..	..	..
1986	..	..	..	11.2	..	..	..	..
1987	..	..	..	12.9	..	..	..	..
1988	..	..	..	13.4	..	..	..	..
1989	..	..	..	14.3	..	..	..	0.1
1990	..	..	..	25.4	..	..	..	0.3
1991	..	..	..	66.7	..	..	..	0.4
1992	..	..	..	72.7	..	..	..	0.4
1993	..	..	..	95.0	..	..	..	0.4
1994	..	..	..	112.0	..	..	..	0.4
1995	..	..	..	175.3	..	..	..	0.4
1996	..	..	..	423.0	..	..	..	0.4
1997	..	..	..	476.4	..	..	..	0.4
1998	..	..	..	767.9	..	..	..	0.5
1999	..	..	..	1 019.8	..	..	..	2.0
2000	..	..	..	1 127.7	..	..	..	- 1.6
2001	..	..	..	2 072.7	..	..	..	2.6
2002	..	..	..	2 396.1	..	..	..	2.6
2003	..	..	..	3 826.8	..	..	..	2.6
2004	..	..	..	5 490.8	..	..	..	2.6
2005	..	..	..	7 350.8	..	..	..	2.6

Source : UNCTAD, FDI/TNC database.

Note: FDI inward stock: Estimated by accumulating inflows since 1982. FDI outward stock: Estimated by accumulating outflows since 1989.

**Table 6. FDI flows in the host economy, by geographical origin, 1990-2004**

(Millions of dollars)

<b>Economy</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Belgium / Luxembourg	0.4	..	-0.1	0.5	..	..	..	..	..	..	..	..	..	..	..
France	0.7	1.6	..	0.4	..	..	..	0.2	..	3.2	6.4	14.3	..	..	..
United States	..	..	- 4	2	..	..	..	..	..	261	- 48	114	- 460	75	844

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above

**Table 9. FDI flows abroad, by geographical destination, 1990-2000**

(Millions of dollars)

<b>Economy</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>
Belgium / Luxembourg	0.1	..	..	-0.1	..	..	..	..	-0.2	..	..
France	..	..	..	..	..	-0.4	..	..	..	..	..
United States	..	..	..	..	..	..	..	1.0	1.0	..	-3.0

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the economies listed above

**Table 12. FDI stock of the United States in Equatorial Guinea, 1992-2004**

(Millions of dollars)

<b>Economy</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
United States	-4	-2	..	..	..	..	..	1 249	1 144	2 316	3 080	2 238	3 081

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the United States

**Table 15. FDI stock of Equatorial Guinea in the United States, 2000-2004**

(Millions of dollars)

<b>Economy</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
United States	-3	..	..	..	-5

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the United States

**Tables 23, 30, 35, 40, 45 and 50. The number, assets, employment, wages and salaries, sales and value added of affiliates of United States TNCs in Equatorial Guinea, 1991-2003**

(Number, thousands of employees and millions of dollars)

Table no.	Variable	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
23	Number	1.0	1.0	1.0	2.0	2.0	3.0	5.0	6.0	7.0	7.0	8.0	8.0	8.0
30	Assets	..	..	..	..	33	..	904	1 376	2 045	2 076	4 001	7 101	9 466
35	Employment	..	..	..	..	..	..	0.1	0.1	0.1	0.1	0.2	0.2	0.4
40	Wages and salaries	..	..	..	..	..	2.0	5.0	8.0	9.0	1.0	17.0	15.0	20.0
45	Sales	..	5	..	..	18	81	346	311	551	959	1 119	1 607	2 054
50	Value added <sup>a</sup>	..	..	..	9	14	45	273	189	404	778	937	1 330	1 691

Source: UNCTAD, FDI/TNC database.

Note: Data are based on information reported by the United States.

<sup>a</sup> Majority-owned affiliates of United States TNCs.

**Table 88. Largest affiliates of foreign TNCs in the host economy, 2004**

(Millions of dollars and number)

<b>Company</b>	<b>Home economy</b>	<b>Industry</b>	<b>Sales</b>	<b>Employees</b>
<b>A. Industrial</b>				
Triton Equatorial Guinea	United States	Petroleum	..	65 <sup>a</sup>
ExxonMobil	United States	Petroleum	..	..
Marathon Oil	United States	Petroleum	..	..
Nomeco	United States	Petroleum	..	..
TotalFina Elf	France	Petroleum	..	..
United Meridian Corporation	United States	Petroleum	..	..
<b>B. Tertiary</b>				
BIS Supplies Engineering	Hong Kong, China	Wholesale trade	..	5 <sup>a</sup>
<b>C. Finance and insurance</b>			<b>Assets</b>	<b>Employees</b>
Société Générale de Banque	France	Finance	42	138 <sup>b</sup>
Stopanska Banka	Greece	Finance	..	..

Sources: *The Banker's Almanac*, 2003 (London, Reed Information Services Ltd, 2003); Thomson Analytics (<http://analytics.thomsonib.com/>); *Who Owns Whom*, 2003 (London, Dun and Bradstreet, 2003).

<sup>a</sup> 2002. <sup>b</sup> 2000.



## **C. Legal frameworks for transnational corporations**

The legal instruments for regulating the activities of the transnational corporations and foreign investors in Equatorial Guinea varied. The key instruments were adopted at national, bilateral and multilateral levels, including the following:

### **I. National framework**

Patents: Decreto-Ley No. 7/1987, por el que se crea el Consejo de Investigaciones Científicas y Tecnológicas, August 1987. Decreto No. 56/1990, por el que se aprueba el Reglamento Orgánico del Consejo de Investigaciones Científicas y Tecnológicas (CICTE), September 1990. Decreto No. 38/1991, por el que se crean los Institutos Especializados del Consejo de Investigaciones Científicas y Tecnológicas (CICTE), May 1991.

Source: WIPO (<http://www.wipo.org>).

Investment Code of April 1992, as amended in April 1994.

Source: Institutional Web Site of Equatorial Guinea [http://www.ceiba-guinea-ecuatorial.org/guineeanl/finv\\_codeinvest.htm](http://www.ceiba-guinea-ecuatorial.org/guineeanl/finv_codeinvest.htm)

### **II. International Framework**

#### **A. Equatorial Guinea is a party to the following multilateral and regional instruments:**

Paris Convention for the Protection of Industrial Property of 1883 (Revised at Brussels in 1900, Washington in 1911, The Hague in 1925, London in 1934, Lisbon in 1958 and Stockholm in 1967, and as amended in 1979). Signed in 1994.

Convention Establishing the Multilateral Investment Guarantee Agency of 1985, entered into force on 12 April 1988.

World Trade Organization: Observer.

Customs and Economic Union of Central Africa (UDEAC): Common Convention on Investments in the UDEAC (1965); Joint Convention on the Freedom of Movement of Persons and the Right of Establishment in the UDEAC (1972); Multinational Companies Code in the UDEAC (1975).

Treaty for the Establishment of the Economic Community of Central African States (ECCAS) 1983.

Fourth ACP - EEC Convention (Lome IV) of 1989, entered into force on 1st March 1990.

#### **B. Bilateral treaties**

1. **Bilateral investment treaties for the protection and promotion of investments:** France 1982.

2. **Bilateral treaties for the avoidance of double taxation:** ..

## D. Sources of information

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Bank of Central African States ([www.beac.int](http://www.beac.int)).

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(UNCTAD/ITE/IIA/2005/17).

United States Trade Representative (2006). *2006 Comprehensive Report on U.S. Trade and Investment Policy Toward Sub-Saharan Africa and Implementation of the Africa Growth and Opportunity Act: The Sixth of Eight Annual Reports, May 2006*. (Washington D.C.: US Government).