



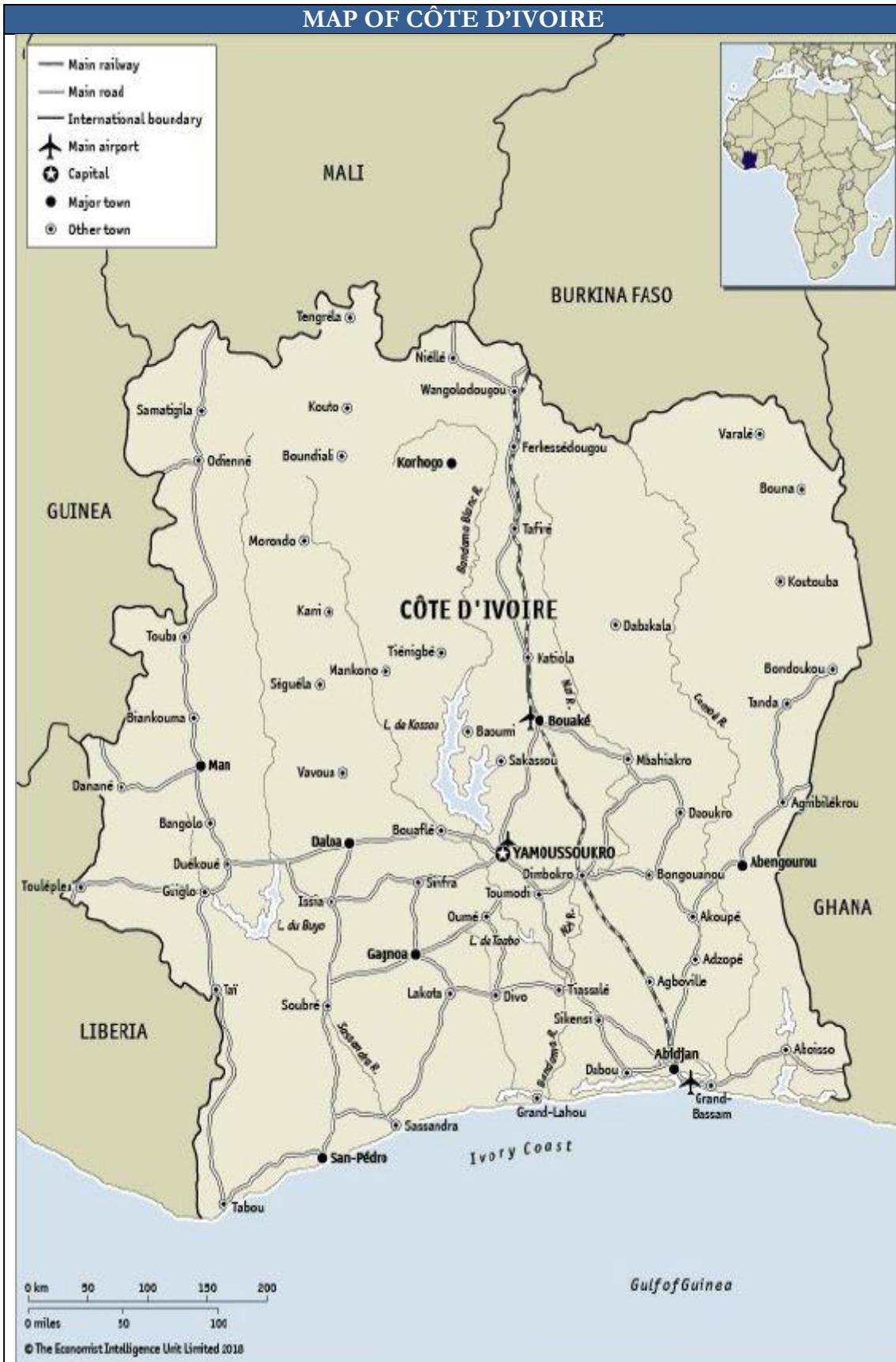
COUNTRY PAPER – REPUBLIC OF CÔTE  
D'IVOIRE

The Royal Danish Embassy in Ghana, Accra  
April 2018

# COUNTRY FACTS SHEET

## CÔTE D'IVOIRE

### MAP OF CÔTE D'IVOIRE



## GEOGRAPHY AND POPULATION

<b>Cities</b>	Administrative capital: Yamoussoukro (243,000 inhabitants) De facto capital: Abidjan (4,467,000 inhabitants)
<b>Land Area</b>	322,463 km <sup>2</sup> (Denmark: 43.000 km <sup>2</sup> )
<b>Population</b>	24.960 million.  There are more than 60 ethnic groups in Côte d'Ivoire. These are usually divided into five groups: Akan (28.8%), Gur (16.1%), Northern Mande (14.5%), Kru (8.5%) and Southern Mande (6.9%). Estimates suggest that more than 25.000 French and up to around 100.000 Lebanese live in Côte d'Ivoire.
<b>Language</b>	The official language is French, but more than 60 different local languages are spoken in Côte d'Ivoire. These are usually categorised under three subgroups of the Niger-Congo family: Kwa (south), Mande (northwest) and Gur (northeast).
<b>Religion</b>	Côte d'Ivoire has a majority of Muslims (42.9 %) followed by Christians (34 %) primarily Catholic and Evangelical. Also present; Animists (3.6 %), people of other religion (0.5 %), and people with no religion (19.1%).

## ECONOMY

<b>GDP (US\$)</b>	39,18 billion (2017)
<b>GDP per capita (US\$ PPP)</b>	3.953 (2017)
<b>GDP Growth</b>	2016: 7,7 % / 2017: 7,0 % / 2018: 7,0 %

## GOVERNMENT

<b>President</b>	Alassane Ouattara (RDR)
<b>Vice President</b>	Daniel Kablan Duncan (PDCI)
<b>Government</b>	<p>The current government (in office since October 2015), is a political coalition by the name <i>Rally of Houphouëtists for Democracy and Peace</i> (RHDP) consisting of the liberal <i>Rassemblement des républicains</i> (RDR), the conservative nationalist <i>Parti démocratique de Côte d'Ivoire</i> (PDCI) and a number of smaller parties.</p> <p>The center-left democratic socialist <i>Front populaire ivoirien</i> (FPI) is the main opposition party, together with a number of smaller parties such as the <i>Union pour la démocratie et la paix en Côte d'Ivoire</i> (UDPCI) and the <i>Union pour la Côte d'Ivoire</i> (UPCI).</p>

# 1. POLITICS

More than a decade of political instability and civil war was set to end with the presidential election in Côte d'Ivoire in 2010. However, when Laurent Gbagbo, then ruling president, decided to ignore election results acknowledged by international observers and the national electoral commission, and declare himself winner of the election in front of opposition candidate Alassane Ouattara, violent confrontations between forces loyal to each candidate broke out, killing more than 3000 people. On April 11, 2011, the confrontation came to an end with the arrest of Gbagbo by French forces, and with Ouattara as the undisputed president of Côte d'Ivoire. Gbagbo is currently on trial in The Hague, accused of committing crimes against humanity during the post-election dispute.

## **Public and parliamentary support for Ouattara**

A more stable political situation became reality with the peaceful re-election of President Ouattara for a second five-year term in October 2015. With more than 83 percent of votes in Ouattara's favour, results clearly reflected the incumbent's ability to help Côte d'Ivoire re-emerge as a rising economy after more than a decade of political instability.

The following year, Ouattara's political position was strengthened even further, as the ruling coalition, Rally of Houphouëtists for Democracy and Peace (RHDP), including Ouattara's own party, the Rassemblement des républicains (RDR), comfortably won 167 out of 255 seats in parliament. The strong presidential support in parliament has provided Ouattara with political flexibility and power, clearly exemplified by the approval of the 2018 state budget by more than 94 percent of parliament.

## **Tensions rise ahead of upcoming presidential election**

The next presidential and legislative elections are due in 2020 and 2021 respectively. The Economist Intelligence Unit (EIU) expects Ouattara to remain in power until 2020- when his two-term limit expires. Positioning is already under way to succeed president Ouattara, the current frontrunner being Amadou Gon Coulibaly- prime minister and First Vice-President of the RDR. Other possible candidates include two members of the president's inner circle, namely Guillaume Soro, a former rebel leader- now Head of Parliament, and defence minister Hamed Bakayoko.

The presidential succession process will reveal fault lines within the political and military elites, weakening stability ahead of 2020. Tensions already seem to have developed between president Ouattara's RDR and its coalition partner; the Parti démocratique de Côte d'Ivoire (PDCI) - led by former president Henri Konan Bédié. In June 2017, Bédié declared that there was an agreement to rotate the presidency, and that the coalition's candidate for 2020 should come from the PDCI. A month later, Ouattara demoted two PDCI ministers in the already RDR dominated government. There has even been speculations concerning a possible re-run for the presidency by Bédié, who, due to his age (83), was prevented from running in 2020. That, however, has changed, since the 2016 referendum removed the presidential age-clause from the constitution.

However, in spite of these rivalling tendencies, the EIU expect the RHDP coalition to remain intact for now. This will allow both the RDR and the PDCI to remain strong ahead

of the 2021 legislative election. Their current strength can be attributed to incumbency advantages, robust economic growth and a geographically broad support base. Together RDR and PDCI command a comfortable majority of voters in a country where ethnic and regional loyalties dominate politics. While Ouattara is popular among northerners, Bedie has his traditional power base in the eastern cocoa-growing regions.

Meanwhile, deep schism in the main opposition party, the Front populaire ivoirien (FPI), between moderates and hardliners will continue to undermine its effectiveness and popularity.

### **First ever election to The Senate illustrates Ouattara and RHDP's popularity**

On March 24, 2018, the RHDP won an impressive 50 out of 66 contested seats in the first-ever election for The Senate in Côte d'Ivoire. The results, released by Côte d'Ivoire's Independent Electoral Commission, clearly portrayed the ruling coalition's popularity, especially in the Abidjan Autonomous District, where the RHDP gained a striking 100 percent of the votes.

The decision to add an upper house to the Parliament of Côte d'Ivoire followed a constitutional referendum held in October 2016. The same referendum also led to the establishment of the Vice President position (currently held by Daniel Kablan Duncan from the PDCI) and the removal of a nationality clause requiring both parents of the president to be natural-born Ivoirians.

The initial 2016 referendum was boycotted by opposition parties, including the FPI, deriding the proposed constitutional amendments as undemocratic and crafted to let Ouattara boost his power and hand-pick his successor. In line with this, the opposition also chose to boycott the senatorial election in 2018. A small-scale protest by opposition supporters, held in Abidjan ahead of the election in March, was dispersed by police using tear gas and warning shots. The incident is reported to leave at least one person injured, and has given way for renewed concerns about political unrest ahead of the coming elections.

Amongst members of the Ivorian public, as well as in national newspapers, the establishment of The Senate has been portrayed as a wasteful political decision, having little actual effect other than providing more of the President's close supporters with expensive official titles. As Amaka Anku, Africa analyst at New-York-based Eurasia Group, said in an interview with Bloomberg: "*The Senate will be a marginal player at best. (...) Though the new constitution does afford the Senate a say in legislation, the National Assembly gets the final say where there is disagreement between the two chambers*" (Bloomberg, 2018). Meanwhile, the election to The

## THE SENATE

The Senate is tasked with representing the regions of the country as well as Ivoirians abroad. Senators are indirectly elected by National Assembly members, members of municipal, autonomous districts and regional councils for a five year term. Each region and autonomous district is represented by 2 senators – 66 senators in total. 1 additional senator is appointed by the president for each region - 33 senators in total. This amounts to a total of 99 senators.

Senate has sparked little interest amongst ordinary Ivoirians, many of whom do not understand the purpose of adding an upper house to the Parliament, Bloomberg reports.

### **Public strikes and discontent within the military continue to affect political stability**

Côte d'Ivoire continues to experience significant political instability including between continued supporters of former president Laurent Gbagbo and current president Alassane Ouattara. Meanwhile, the populations' demand for redistribution of the country's economic growth are becoming more vocal. This has increased the pressure on the government to implement the 2016-2020 National Development Plan (NDP) effectively, a plan that seeks to support structural reforms- including stimulating job creation and scaling up poverty-reduction programmes.

In 2017 two military protests took place, one of which resulted in soldiers overtaking Bouaké (the second largest town in the country). Both protests were linked to pay related promises made by Ouattara to pro and anti-government rebels, who were re-integrated into the army following the dispute in 2010/11. The government's responses to the military protests (including giving away financial concessions) has, thus far, proven to be only a short-term fix. A more substantial military reform will be difficult given the factionalism of the army and the legacy of the civil war. So far, the so-called disarmament, demobilisation and reintegration programme has been rolled out inconsistently across the country, resulting in a blurred military chain of command. Most recently (mid-December 2017) government announced its plans of downsizing the army, a plan intended to trim the army's influence in the long term.

Later the same year, Côte d'Ivoire experienced large-scale strikes by public workers, unsatisfied with overdue back pay, poor retirement conditions, and limited freedom for unions. The government responded to the issues raised, including by entering an agreement to pay public workers 280 billion CFA francs (\$481 million) over a period of eight years. This, and the financial concessions to military protesters, has put significant pressure on the Ivorian state budget, a budget which, at the time, was already suffering under the slump in prices for cocoa beans on the global market (see below).

### **Anti-corruption efforts are paying off, but human development remains low**

With an improvement of nine points from 2013 to 2017 on Transparency International's *Corruption Perception Index* (CPI), Côte d'Ivoire has been highlighted as a 'significant improver'. Together with Tanzania, Côte d'Ivoire now ranks 103 out of the 180 countries with a score of 36. However, Côte d'Ivoire is still lacking behind regional neighbours such as Ghana (rank 81 / score 40) and Burkina Faso (rank 74 / score 42). In their regional analysis of Sub-Saharan Africa, Transparency International writes the following about Côte d'Ivoire:

*"In a country where communities are heavily burdened by corruption, the government is making great strides towards alleviating this problem. During his first term in office, President Alassane Ouattara quickly followed through on his campaign promises and: 1) passed a law on the prevention and repression of corruption; 2) set up a national anti-corruption authority; and 3) pursued compliance with some international initiatives, like the Extractives Industry Transparency Initiative (EITI)"*

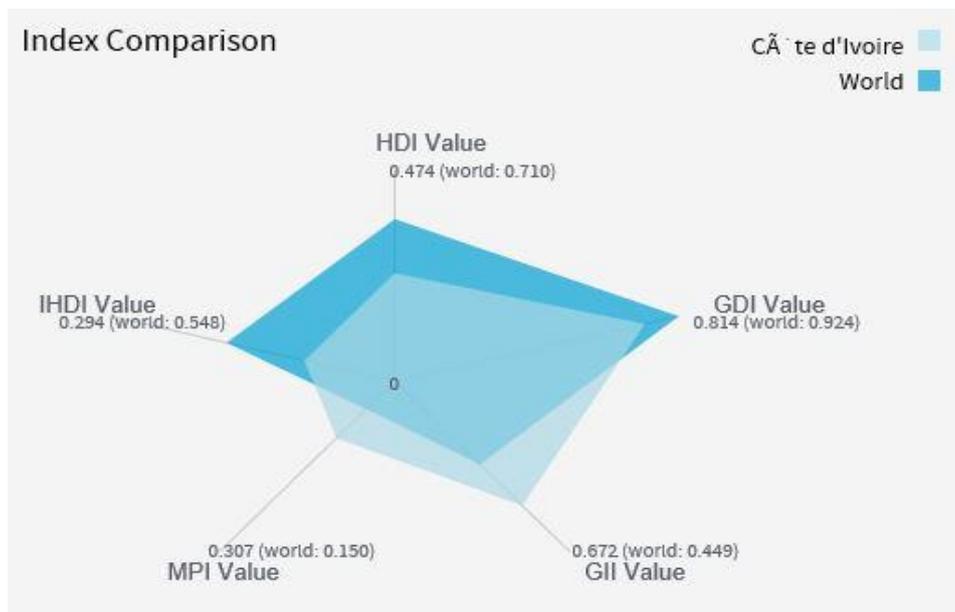
- Transparency International, 2018

On the Human Development Index, which measures a country's development according to levels in education, life expectancy and GNI per capita, Côte d'Ivoire scores low with a rank of 171 and a score of 0.474 (world average being 0.710). The country has seen little improvement over the years, and is categorized under 'low human development' in a cross time analysis of the period from 1990 to 2015. As mentioned, the strong disconnection between robust economic growth and stagnant living standards is likely to increase social pressure and political instability in Côte d'Ivoire in the future.

POLITICAL FACTS	
<p><b>Form of state</b> Unitary/Presidential Republic</p> <p><b>Legal System</b> Based on the July 2000 constitution and the Napoleonic Code</p> <p><b>National Legislature</b> National Assembly: 225 members elected by universal suffrage for a five-year term</p> <p><b>National Elections</b> Latest presidential election held in October 2015. Next presidential election scheduled for 2020. Latest legislative election held in December 2016. Next legislative election scheduled for 2021.</p> <p><b>Head of State</b> The president, elected by universal suffrage to a five year term.</p> <p><b>Key Officials</b> <i>President:</i> Alassane Ouattara / <i>Vice-president:</i> Daniel Kablan Duncan / <i>Prime minister &amp; budget:</i> Amadou Gon Coulibaly / <i>President of the National Assembly:</i> Guillaume Soro / <i>Economy &amp; finance:</i> Adama Koné / <i>Economic infrastructure:</i> Amédé Koffi Kouakou / <i>Foreign affairs:</i> Marcel Amon-Tanoh / <i>Health &amp; environment:</i> Anna Désirée Ouloto / <i>Higher education &amp; scientific research:</i> Ramata Ly-Bakayoko / <i>Justice:</i> Sansan Kambilé / <i>Petroleum, energy &amp; renewables:</i> Thierry Tanoh.</p>	<p><b>Government</b> New government appointed in January 2016 following the October 2015 presidential election; last reshuffle in July 2017. Head of Government: Prime Minister Amadou Gon Coulibaly (RDR)</p> <p><b>Key Political Parties</b> Rassemblement des républicains (RDR). // Parti démocratique de Côte d'Ivoire (PDCI). // Former ruling party Front populaire ivoirien (FPI) - not represented in parliament following its boycott of the 2011 poll, but it maintains considerable popular support. // Union pour la démocratie et la paix en Côte d'Ivoire (UDPCI). // Parti ivoirien des travailleurs (PIT) // Union démocratique et citoyenne (UDCY).</p> <p><b>Territorial Organization</b> 33 regions (including two autonomous districts with special status, namely Abidjan and Yamoussoukro). Divided into 197 districts/municipalities.</p> <p>Competences are divided between decentralized and deconcentrated authorities according to a subsidiarity principle. Municipalities are the designated level to provide inhabitants with basic services. Meanwhile, the regions are in charge of college education, regional hospitals, and emergency and police services, etc. However, as the national government hasn't taken the necessary decrees yet, this division of charges and competences is not effective for the whole municipal level.</p>

HUMAN DEVELOPMENT INDEX 2016		
Country	HDI score	Rank
Ghana	0.579	139 (medium)
Togo	0.487	166 (low)
<b>Côte d'Ivoire</b>	<b>0.474</b>	<b>171 (low)</b>
Liberia	0.427	177 (low)
Sierra Leone	0.420	179 (low)
Guinea	0.414	183 (low)

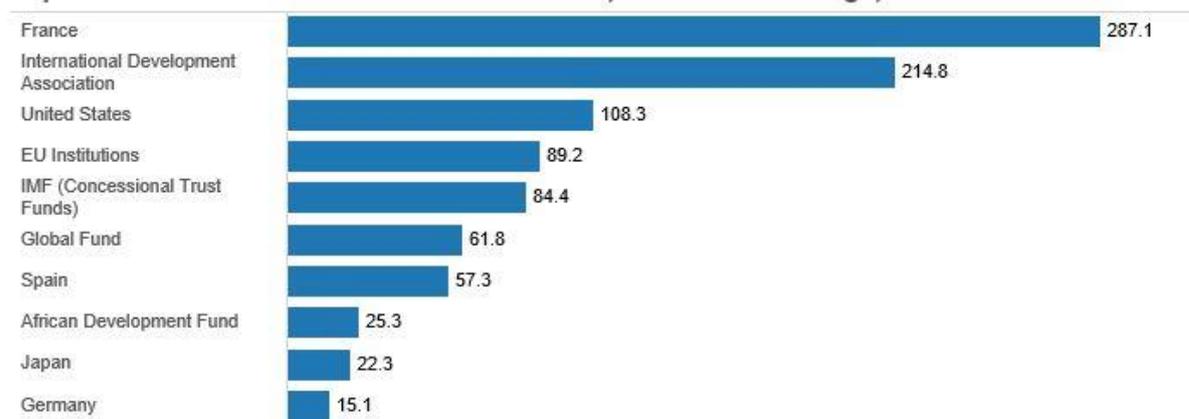
CORRUPTION PERCEPTION INDEX 2017	
Country / Region	Score (100 = Highly clean / 0 = highly corrupt)
Ghana	40
<b>Côte d'Ivoire</b>	<b>36</b>
Togo	32
Liberia	31
Sierra-Leone	30
Guinea	27
Sub-Saharan Africa (Average)	32
Global (Average)	43



HDI: Human Development Index (Indicators: Life expectancy at birth / Expected- and Mean years of schooling / GNI per capita (PPP \$)). IHDI: Inequality-adjusted HDI. MPI: Multidimensional Poverty Index (Indicators: Nutrition / Child mortality / Years of schooling / Children enrolled / Cooking fuel / Toilet / Water / electricity / Floor / Assets). GII: Gender Inequality Index (Indicators: Female reproductive health / Female and male population with at least secondary education / Female and male share of parliamentary seats / Female and male labour force participation rates). GDI: Gender Development Index (Indicators: Same indicators as in the HDI, but measured separately for men and women and then compared).

Source: UNDP – Human Development Reports: <http://hdr.undp.org/en/content/human-development-index-hdi>

### Top Ten Donors of Gross ODA for Côte d'Ivoire, 2015-2016 average, USD million



Source: OECD – DAC, 2018 <http://www.oecd.org/dac/financing-sustainable-development/development-finance-data/aid-at-a-glance.htm>

## 2. ECONOMICS

Côte d'Ivoire, the biggest economy in Francophone West Africa, has revved back to life after a 4.2% contraction in the economy following political turmoil in 2010/11. Under firm guidance from President Ouattara, a former IMF economist, the country is now enjoying an economic upturn.

The economic outlook for Côte d'Ivoire includes an expected GDP growth of above 7 pct. per year for 2018-2019. This positive forecast is based on strong private consumption, large infrastructure projects in transport and energy (partly funded by foreign investment and aid inflows), and government spending in line with the 2016-2020 National Development Plan, which aims to improve infrastructure spending, diversify the economy and create a better business environment in the country. Furthermore, government has announced ambitious plans to boost and expand oil and gas production following an expected increase in world oil prices for 2018. A modest slowdown in GDP growth to an average of about 6.5% a year in 2019-21 is predicted ahead.

### **A trim in public spending and low cocoa prices keeps the fiscal deficit stable**

The Ouattara government has committed to rationalising public spending and to a number of revenue enhancing measures. This includes phasing out the value-added tax (VAT) exemptions, limiting tax exemptions in general, and improving capacity within the revenue-collection authority.

On this basis, Oxford Economics predict a narrowing of the budget deficit (as a percentage of GDP) from 4.5% in 2017 to 4.1% in 2018. EIU, on the other hand, estimate the budget deficit to remain stable at around 4.5%, primarily due to low global prices on cocoa, Côte d'Ivoire's most important export commodity (see below). As we move closer to the presidential election, a surge in spending will, according to EIU, cause a widening of the budget deficit to 4.7% in 2020.

### **Public debt will remain stable, for now**

Last year, government decided to return to the international capital market with a dual-tranche Eurobond offering. Subsequently, external debt rose substantially from USD 11.3bn in 2016 to USD 13.0bn in 2017. Recent reports state, that the government plans to issue more Eurobonds in 2018 to cover future budget deficits. Donor funding will also help cover budget deficits (see main ODA donors below) - through concessional credits and aid - and China will remain an important lender to national infrastructure projects. In spite of this, overall public debt is expected to remain relatively stable in 2018 at an average of 49.9% of GDP.

### **Low cocoa prices lowers export earnings**

Côte d'Ivoire is the world's largest producer and exporter of cocoa. Earnings from the cocoa crop make up over one-third of Côte d'Ivoire export earnings, and some 6 million Ivoirians (roughly one-quarter of the population) directly- or indirectly depend on the cocoa industry. In 2017 an oversupply of cocoa on the global market saw prices dropping by 40 pct. This had major implications for the Ivorian economy, in part as it lowered private consumption levels significantly.

Low global prices on cocoa are expected to continue throughout 2018. Given that cocoa still dominate Côte d'Ivoire's exports (comprising 53.5% of the total exports of goods in 2016), this will unavoidably contribute to a decline in export revenue in 2018. On the other hand, the demand for imports is expected to remain robust, and the global price on oil – the country's largest imported good – is set to rise. This will widen the account deficit of Côte d'Ivoire to 2.8 % of GDP in 2018, compared to 2.2% last year.

Towards 2021 this trend is expected to reverse as global prices on cocoa is expected to rise, and the gradual completion of major construction projects will reduce import demand. Most recently, on March 9 2018, Côte d'Ivoire's Coffee-Cocoa Council announced its intention to introduce measures to reduce cocoa production. This will be done with the intention to lower the global oversupply and push for a return to a higher global market price.

To counter the on-going price drop, the Ivorian government is attempting to diversify its economy away from being overly reliant on cocoa production. More specifically, the government is turning its focus to other areas within the industrial and agriculture sectors. Other top exports of Côte d'Ivoire include refined petroleum, coconuts, Brazil nuts, cashew nuts and gold. In addition to crude petroleum, top imports of the country include rice, non-fillet frozen fish and cars.

### **Smuggling of cocoa to Ghana is expected to increase**

Meanwhile, the smuggling of cocoa beans into Ghana is expected to rise. This follows the Ivorian government's decision to lower the price they pay farmers for cocoa by one-third of last season's price (season started October 1, 2017). This decision, taken as a consequence of the low global market prices, has created a significant price difference compared to the Ghanaian market, where government has chosen to uphold last year's price. Consequently, the incentive for Ivorian farmers to smuggle their cocoa crops to Ghana will rise, which in turn reduces expected public earnings in Côte d'Ivoire for 2018.

## Economic ties to the EU

The political and economic relations between the EU and Côte d'Ivoire comes under the *Cotonou Agreement*. The agreement focusses on gradually integrating African, Caribbean and Pacific countries into the global economy. This is done through political dialogue with the purpose of exchanging information, promoting common understanding and establishing mutual commitments.

The EU is Côte d'Ivoire's main trading partner and its main private investor. This active economic relationship is supported by the regional partnership agreement (EPA) introduced in 2014, between 15 member states of ECOWAS and Mauritania, the WAEMU and the EU. The EPA allow ECOWAS countries to benefit from trade advantages, and contains provisions to support and prepare countries in the region for a gradual partial opening of markets. Ahead of the EPA negotiations Côte d'Ivoire and the EU also signed a stepping stone EPA, ratified and implemented in 2016. This agreement combines the benefits of a trade agreement with development assistance targeted at accelerating growth and development in Côte d'Ivoire.

With the support of the EU, Côte d'Ivoire has implemented an ambitious "Programme d'Appui au Commerce et à l'Intégration Régionale" (trade and regional integration support programme), known by its abbreviation PACIR. This programme is helping to improve the business climate, make Ivorian companies more competitive and facilitate trade.

## Côte d'Ivoire performing well under IMF agreement

Côte d'Ivoire currently has a three year arrangement running from 2016 to 2019 with the International Monetary Fund under an extended credit facility (ECF) and an extended fund facility (EFF). Together, the two credit programmes amounts to US\$884m. So far, Côte d'Ivoire is performing well under the agreement, which has kept policy implementation on a decent path and reassured donors and investors.

## Trade relations with Denmark

Trade statistics reveal that Denmark exported goods (excluding services) for a total of 91.7 million DKK to Côte d'Ivoire in 2017. The same year Denmark imported goods for a total of 46.5 million DKK. Danish companies primarily export machinery and electronic equipment. This includes machines and equipment for industrial production and office machines such as automated data treatment equipment. Danish companies also export different nutrients and organic chemicals. Today, Danish companies present in Côte d'Ivoire include; Maersk Line (shipping and logistics), APM Terminals (logistics), DAMCO (logistics), Grundfos (engineering), Novo Nordics (medicals) and more. Key future sectors identified for Danish companies in Côte d'Ivoire are health, retail & distribution, water, environment, energy and processing related to the agro-industry.

ANNUAL DATA AND FORECAST						
	2016	2017	2018	2019	2020	2021
<b>GDP</b>						
GDP (US\$ bn)	36.36	39.94	48.39	53.74	57.64	61.43
GDP (US\$, 2010)	36.62	39.18	41.92	44.77	47.82	50.68
Real GDP Growth (%) <sup>a</sup>	7.7	7.0	7.0	6.8	6.8	6.0
GDP per capita (US\$, 2010) <sup>a</sup>	1,544	1,610	1,680	1,752	1,827	1,887
<b>Trade</b>						
Current Account Balance (% of GDP) <sup>a</sup>	-1.3	-2.2	-2.8	-3.0	-2.9	-2.8

<b>External Debt</b>						
External Debt Total (US\$ bn) <sup>a</sup>	11.34	13.01	14.53	16.11	17.76	19.50
External Debt Total (% of GDP) <sup>a</sup>	31.2	32.6	30.0	30.0	30.8	31.7
Interest Payments (US\$ bn) <sup>a</sup>	0.40	0.41	0.42	0.43	0.46	0.48
<b>Government Budget</b>						
Government balance <sup>a</sup>	-3.9	-4.5	-4.1	-3.6	3.3	-3.0
Net Public Debt (% of GDP) <sup>b</sup>	47.4	50.2	49.9	50.6	..	..

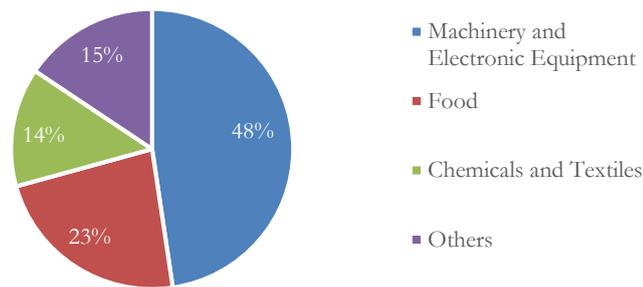
Sources: <sup>a</sup> Data from Oxford Economics (OE) <sup>b</sup> Data from Economist Intelligence Unit (EIU)

<b>Economy</b>						
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Inflation, GDP deflator (annual %) <sup>c</sup>	4.1	2.8	3.9	3.1	1.6	..
Real interest rate (%) <sup>c</sup>	0.885	2.468	1.375	1.986	3.669	
Lending interest rate (%)	5.039	5.287	5.338	5.154	5.295	
Tax revenue (% of GDP) <sup>c</sup>	14.3	14.5	14.0	..	14.0	..
Unemployment Rate (percent) <sup>d</sup>	9.4	9.39	9.38	9.34	9.32	..
<b>Ease of doing business</b>						
Ease of doing business rank (out 190 countries) <sup>c</sup>	..	..	..	139	142	139
Cost to start doing business (% of income per capita) <sup>c</sup>	130.0	44.4	20.0	18.6	18.9	16.5
Strength of legal rights index (0=weak to 10=strong) <sup>c</sup>	..	6.0	6.0	6.0	6.0	6.0
Time required to start a business (days) <sup>c</sup>	32.0	32.0	8.0	7.0	7.0	7.0
Access to electricity (% of population) <sup>c</sup>	55.8	61.2	61.9	..	..	..

Sources: <sup>c</sup> Data from the World Bank <sup>d</sup> Data from Trading Economics

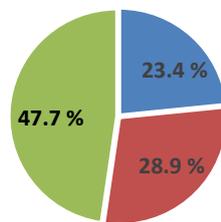
<b>EXPORT / IMPORT</b>	
<p><b>Exports</b></p> <p><u>Composition:</u>  Agricultural products: 68.9%  Fuels and mining products: 18.1%  Manufactures: 11.7%  Other: 1.2%</p> <p><u>Destination:</u>  European Union (28): 42.3%  United States of America: 8.1%  Burkina Faso: 4.5%  India: 4.2%  Mali: 4.1%  Other: 36.8%</p>	<p><b>Imports</b></p> <p><u>Composition:</u>  Manufactures: 53.5%  Fuels and mining products: 22.4%  Agricultural products: 19.6%  Other: 4.5%</p> <p><u>Origin:</u>  European Union (28): 33.2%  Nigeria: 15.2%  China: 11.7%  United States of America: 4.4%  India: 3.8%  Other: 31.7%</p>

## Danish export to Cote d'Ivoire 2017



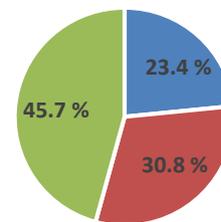
Source: Danmarks Statistik, 2018

GDP by Output (2013)



■ Agriculture ■ Industry ■ Services

GDP by Output (2016)



■ Agriculture ■ Industry ■ Services

Source: World Bank, Country Profile Data, 2016

### DOING BUSINESS IN CÔTE D'IVOIRE

Access to credit (rank 142), paying taxes (rank 175), protecting minority investors (rank 146), dealing with construction permits (rank 152), and trading across borders (rank 155) are some of the sub-indicators negatively affecting the Ivorian economy's low ranking on the ease of doing business index for 2017 (rank: 139 out of 190 economies). Although Côte d'Ivoire's legal rights are relatively strong, the economy struggles under low credit coverage. Côte d'Ivoire also scores low on the Postfilling index, which include the government's ability to comply with and disburse VAT or GST refunds. When it comes to trading across borders, Côte d'Ivoire score low due to time-consuming documentation requirements. This, and long construction time, is behind the low scoring of dealing with construction permits.

Côte d'Ivoire has completed a number of business reforms in recent years aimed at making it easier to do business. These include: 2018, Côte d'Ivoire made dealing with construction permits easier by streamlining processes at its one-stop shop // 2017, Côte d'Ivoire improved access to credit information by establishing a new credit bureau // 2016, Côte d'Ivoire made trading across borders easier by implementing a single-window platform for importing, which reduced the time required for documentary compliance. // 2015, Côte d'Ivoire made trading across borders easier by simplifying the processes for producing the inspection report and by reducing port and terminal handling charges at the port of Abidjan. // 2014, Côte d'Ivoire made enforcing contracts easier by creating a specialized commercial court.

Tax on industrial and commercial profits in Côte d'Ivoire is levied at 25%, subject to a minimum tax. The rate is 30% for companies in the telecommunication, information technology, and communication sectors. Non-resident entities are subject to withholding tax (WHT) at 20%, subject to existing double tax treaties (DTTs), on their Côte d'Ivoire source income when they do not have a permanent establishment (PE). Non-residents with a PE are taxed in the same way as a resident.

Sources: the World Bank, 2018: doing business -

<http://www.doingbusiness.org/Reforms/Overview/Economy/c%C3%B4te-divoire> and PWC, 2018 -

<http://taxsummaries.pwc.com/ID/Ivory-Coast-Corporate-Taxes-on-corporate-income>

### 3. SECURITY

High crime rates, political tensions ahead of the election years, and an increase in regional terrorist activity creates an unstable security environment in Côte d'Ivoire. The security situation is particularly unstable in regions Dix-Huit Montagnes, Haut-Sassandra, Moyen-Cavally and Bas-Sassandra, all situated in the western part of the country. Here, inter-communal tensions and the presence of armed militias in proximity of the Liberian border makes it necessary to reconsider any need to travel.

#### **Political instability ahead of 2020 election**

As we move closer to the presidential- and parliamentary elections, fault lines within the political and military elites will become more potent, weakening political stability ahead of 2020 and 2021. Instability can arise out of disagreements between supporters of different presidential candidates and political parties or between government and public workers, including soldiers dissatisfied with their employment conditions. Last but not least, the continuing disconnection between economic growth and the population's general living standards, is likely to add an even more volatile layer to the already tense political environment.

There is already an increased risk of demonstrations and protest in Côte d'Ivoire. As mentioned above, protest action by current and former members of the Ivorian armed forces has been occurring across the country since the beginning of 2017.

#### **Regional terrorist activity affects security**

Côte d'Ivoire suffered a terrorist attack in the vicinity of Grand Bassam resort, near Abidjan, in March 2016, resulting in 18 deaths, including a number of foreigners. Behind the attack was Al-Qaeda's North African branch, al-Qaeda in the Islamic Maghreb (AQIM), who is now believed to pose the leading terrorism threat in Côte d'Ivoire.

The Grand Bassam resort attack in Côte d'Ivoire should be seen in a regional context. Several terrorist attacks have taken place in neighbouring countries in recent years, most recently in March 2018 with the attack on the French Embassy and the National Army Headquarters in Ouagadougou, the capital city of Burkina Faso. The increased terrorist activity across the Sahel region clearly portrays the lack of capacity in countries such as Mali and Burkina Faso to effectively counter terrorist groups domestically, as well as their spread to neighbouring countries.

The situation to the north heightens possibility of future attacks in Côte d'Ivoire from groups such as AQIM and Malian-based group Ansar al-Dine (AAD). As francophone West Africa's biggest economy with a strong French presence, Côte d'Ivoire remains a likely target for jihadist groups across the region. In response to the terrorist threat, Côte d'Ivoire has bolstered its counterterrorism apparatus significantly in recent years.

Possible future attacks in Côte d'Ivoire can be indiscriminate and can occur in places frequently visited by foreigners.

#### **High crime rates in certain districts of Abidjan and along main roads**

Armed robberies and violent crimes are not common, but do occur in Côte d'Ivoire. Travellers are recommended to avoid particular districts in Abidjan such as Treichville, Adjame, Abobo and Yopougon, as well as the De Gaulle and Houphouët-Boigny bridges to and from the Le Plateau areas. Some robbers have been seen wearing military uniforms.

Journeying by road can be dangerous and safety precautions are recommended. This includes locking car doors, hiding any valuables from sight and closing all windows. Attacks by armed highway robbers known as 'coupeurs de route' have been known to occur both in the day- and night time along the main road from Yamoussoukro to Korogho and the Abidjan to Yamoussoukro highway.

## **4. INTERNATIONAL RELATIONS**

Historically, Côte d'Ivoire has played an important and active role on the international scene. Under former President Félix Houphouët-Boigny (Côte d'Ivoire's first president after independence - in office from 1960 to 1993) Côte d'Ivoire was active in the mediation of regional disputes, most notably in Liberia and Angola. Côte d'Ivoire also sought change in South Africa during apartheid through dialogue, and sooner became the first country accredited to post-apartheid South Africa.

Côte d'Ivoire's international involvement was disrupted during the more than 10 years of political unrest and civil war following a state coup in 1999. However, since the resolution of the crisis in 2011 and the country's development towards a more politically stable situation, Côte d'Ivoire is now trying to retake its place in promoting regional stability and international cooperation.

#### **An active participant, both internationally and regionally**

Côte d'Ivoire became a member of the UN immediately after independence in 1960, and has played an active role on issues related to refugees, including signing several treaties such as the 1967 Convention relating to the Status of Refugees and the 1969 Convention Governing Specific Aspects of Refugee Problems in Africa. Furthermore, Côte d'Ivoire is a founding member of the African Union, and a member of the Organization of Islamic Cooperation, African Union, La Francophonie, the South Atlantic Peace and Cooperation Zone and more.

Regionally, Côte d'Ivoire is a member of a number of cooperating organisations. Most relevant is the country's membership in the Economic Community of West African States

(ECOWAS), and through this organization the West African Economic and Monetary Union (UEMOA) consisting mainly of francophone West African states. Members of the latter share a customs union and monetary union with a shared currency - the CFA franc, which is pegged to the euro.

In 2003, Côte d'Ivoire became the first state to accept the International Criminal Court's (ICC) jurisdiction through a special mechanism for non-ICC member states under Article 12 (3) of the Rome Statute. Full ratification, and implementation, of the Rome Statute came in 2013 after years of civil society advocacy by The Côte d'Ivoire Coalition for the ICC. Partial implementation of ICC crimes into national law followed in 2014. The Côte d'Ivoire Coalition continues to work with the government to reform the national judicial system's capacity to prosecute grave international crimes and cooperate with the ICC.

In 2016, former president Laurent Gbagbo became the first former head of state to be tried at the ICC. Gbagbo is on trial for crimes against humanity in the aftermath of the 2010 presidential elections together with former first lady Simone Gbagbo and youth leader Charles Blé Goudé. Civil society in Côte d'Ivoire continues to call for ICC prosecutions on all sides of the political divide and for more national prosecutions of lower level perpetrators and reparations to victims of the post-election violence.

### **A strong diplomatic relationship with Ghana**

A strong relationship built on shared visions of democracy, prosperity and human rights exists between Côte d'Ivoire and Ghana today. The two countries did however not share similar visions to begin with. After Ghanaian independence from British rule in 1957, and Ivorian independence from French rule in 1960, Ghana's then-president Kwame Nkrumah encouraged inter-African ties and self-sufficiency, while Côte d'Ivoire's Félix Houphouët-Boigny sought to maintain close ties with France - a policy later known as *Françafrique*.

The following decades of changing fortunes for the two countries resulted in large cross-border flows of people and goods, at times sparking tensions between the two countries. During the 1980s, tensions rose when Côte d'Ivoire granted asylum to political agitators sought by the Ghanaian authorities and the governments wrangled over the final definition of their shared border. In the 1990s, violence following a football match between the two countries resulted in deaths, the looting of Ghanaian property in Côte d'Ivoire and the evacuation of around 10,000 Ghanaian citizens from the country.

Today, relations between the two countries have improved significantly. Following a ruling in September 2017 by the International Tribunal for the Law of the Sea, concerning the two countries' right to multibillion dollar offshore oilfields, pictures went around the world showing the chief negotiators from Ghana and Côte d'Ivoire hugging each other. The court ruling did not correspond with either Ghana or Ivory Coast's claim, but appeared closer to Ghana's. Afterwards, the two countries quickly went on to act on the ruling by establishing a joint commission to speed up its implementation.

As cross-border smuggling of cocoa into Ghana is set to increase, continuing dialogue is needed to sustain the solid diplomatic ties displayed after the recent maritime border

dispute. However, this seems reasonable to expect considering the current positive diplomatic relationship between the two countries.

### **Close ties with France remains, but a more diversified portfolio of international relations is developing**

The historical ties between Côte d'Ivoire and France are still politically-, economically- and socially visible. President Ouattara is known for his strong ties to the French political elite, and France maintains a strong diplomatic presence in the country. France has set up a permanent military base in the country, partly to help consolidate the peace, but also to support military operations elsewhere on the continent.

Economically, major French companies are present in Côte d'Ivoire. While French construction giant *Bouygues* was behind the construction of a major highway bridge in Abidjan, the *Bolloré Group* is operating the city's container port. And while retailers *Carrefour* and *FNAC* are opening supermarkets, *Air-France* runs a busy air-line connection between Paris and Abidjan. Last but not least, a shared language, legal similarities and a significant French expat community keeps the cultural bond between the two countries alive and flourishing.

In summary, France maintains a strong foothold in the country. However, in recent years President Ouattara has focussed on moving away from the French umbrella and deepen ties elsewhere. China, for example, is now financing and carrying out a number of crucial expansions to the Ivorian infrastructure, including an expansion of Abidjan's port. Companies from other Asian countries include Singapore's *Olam*, present in the Ivorian cashew production sector, and Korea's *Dongsang*, a partner in a light rail project. In addition, other large scale investments are coming in from Morocco, Turkey and Great Britain.

## **5. LOOKING FORWARD**

Côte d'Ivoire is moving towards an uncertain political period, as the succession of President Ouattara could create obstacles to coherent legislative cooperation in the future. Furthermore, chances of political demonstrations and protests amongst military personnel and the general public are growing. Although EIU expect the government to make enough progress on addressing the military's concerns to avoid major turbulence, there is a risk that dissent within the military will be used by political actors to stoke more widespread volatility. Meanwhile, social pressure stemming from the disconnection between robust economic growth and stagnant living standards is likely to persist. Such pressure will add to an already tense situation ahead of 2020 and 2021.

On a more macro political level, Côte d'Ivoire is facing serious issues in relation to the constitutional structure of their political system. Something that the recent introduction of an almost entirely pro-government senate underlines. As in other West African states, an unbalanced centralized power granted to the president, and a lack of access to political influence for the opposition, creates unstable and tense political competition. A political structure that risks escalating into violent disputes every time an election approaches.

Meanwhile, Côte d'Ivoire is expected to continue to enjoy stable economic growth. With the IMF credit programme on track, an expected return to higher cocoa-prices on the global market, plans to rationalize public spending and to increase domestic resource mobilisation, Côte d'Ivoire is likely to continue to attract international investors and expand its economic outreach. A stable economy in years to come does however rely on future governments' ability to diversify the economy, thereby reducing the country's dependence on cocoa production.

The positive economic outlook, as described above, also depend on political stability and national security. Should a new round of political turmoil become reality with the upcoming elections, foreign investors will most likely redirect needed investments elsewhere. Furthermore, much relies on the Ivorian government's ability to counter the current terrorist threat from the Sahel region. Here, Islamic groupings continue to expand their operations, something that further heightens the possibility of future attacks in Côte d'Ivoire.