INFORMATION NOTE

REPUBLIC OF COTE D'IVOIRE

Presentation of Sovereign issuers of West African Monetary Union

December 2019

Quality review by Deloitte.

SUMMARY

MINISTERE DE L'ECONOMIE ET DES FINANCES

RÉPUBLIQUE DE CÔTE D'IVOIRE

Union – Discipline – Travail

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ET DE LA COMPTABILITE PUBLIQUE

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Abidjan, le 24 DEC 2019

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ATTESTATION DE L'EMETTEUR

Je soussigné, Konan Jacques ASSAHORE, Directeur Général du Trésor et de la Comptabilité Publique, agissant au nom et pour le compte de l'État de Côte d'Ivoire, atteste que les données et informations contenues dans la présente Note d'Information sont conformes à la réalité et n'ai connaissance d'aucune information de nature à en altérer la portée.

L'objectif visé à travers cette Note d'Information est de porter à l'attention des investisseurs sur les titres publics émis par l'État de Côte d'Ivoire, toutes les informations utiles à la prise de décisions d'investissement.

Toutefois, je rappelle que les informations et analyses prospectives présentées dans ce document, sont basées sur des projections établies à partir d'hypothèses qui sont entachées d'incertitudes pouvant entraîner des différences entre les réalisations effectives et les performances économiques attendues.

Cette note d'information publiée sera mise à jour chaque fois que nécessaire, afin de rendre compte :

- de l'évolution de la situation économique de la Côte d'Ivoire ;
- de la disponibilité ou de la mise à jour des données économiques ;
- de quelques changements intervenus.

MINISTERE DE L'ECONOMIE ET DES FINANCES – RCI

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ACRONYMS

ACF	Alliance Crédit Finance
ADVANS	ADVANS COTE D'IVOIRE
AFD	French Development Agency
AfDB	African Development Bank
AGEFOP	National Agency for Professional Training
APSFD-CI	Professional Association of Decentralized Financial Systems of Côte d'Ivoire
BCEAO	Central Bank of West African States
BIC	Credit Information Bureau
BM	World Bank
BRVM	Regional Stock Exchange
C2D	Debt Reduction and Development Agreement
CAC	African Credit Company of Côte d'Ivoire
CEPICI	Investment Promotion Center of Côte d'Ivoire
CGIAR	General Retirement Fund for State Employees
CHU	University Hospital Center
CNPE	National Economic Policy Council
CNP-PPP	National Steering Committee for Public-Private Partnerships
CNPS	National Social Security Fund
CRMV	Medical and Veterinary Research Center
CSL	Community Solidarity Levy
DGBF	Directorate General of Budget and Finance
DGD	Directorate General of Customs
DGI	Directorate General of Taxes
DHS	Demographic and Health Surveys
DHS-MICS	Demographic and Health Survey - Multiple Indicator Cluster Survey
DSA	Debt Sustainability Analysis
EBID	ECOWAS Bank for Investment and Development
ECF	Extended Credit Facility
ECL	ECOWAS Community Levy
ECOWAS	Economic Community of West African States
EHSS	Child Out of the School System
EIB	European Investment Bank
ENS	Ecole Nationale Supérieure
ENSEA	Higher National School of Statistics and Applied Economics
EPA	Economic Partnership Agreement
EPN	National Public Establishment
EU	European Union
FDI	Foreign Direct Investment
FIDRA	International Fund for the Development of Active Retirement
GER	Gross Enrolment Rate
GES-CI	Savings and Support Group in Côte d'Ivoire
GPEEC	Forecasting Management of Jobs, Workforce and Skills
GUEDEF	Single Window for Filing Financial Statements
HIPC	Highly Indebted Poor Country
IDB	International Development Bank
IMF	International Monetary Fund
INPHB	Institut National Polytechnique Houphouët-Boigny
INS	National Institute of Statistics
MDG	Millennium Development Goal
MEDC	Extended Credit Mechanism
MEDC-FEC	Extended Credit Mechanism-Extended Credit Facility

MEF	Ministry of Economy and Finance
MENET	Ministry of National Education and Technical Education
MESRS	Ministry of Education and Scientific Research
MICROCERD-CI	Micro Credit of Côte d'Ivoire
NDP	National Development Plan
NEER	National Effective Exchange Rate
NER	National Enrollment Rate
OHADA	Organization for the Harmonization of Business Law in Africa
OT	Treasury Bond
PCD	Debt to Development Project Conversion Program
PDESFI	Financial Sector Development Plan
PEP	Parental Education Program
PIP	Public Investment Program
PNDS	National Health Development Program
PNIA	National Agricultural Investment Program
PPC	Multi-Year Convergence Program
PSI	Strategic Integration Program
RCI	Republic of Cote d'Ivoire
RCMEC-CI	Mutual Savings and Credit Union Network
REER	Real Effective Exchange Rate
REP	Regional Economic Program
RGPH	General Census of Population and Housing
SDF	Decentralized Financial System
SDG	Sustainable Development Goal
SDMT	Medium Term Debt Management Strategy
SDR	Special Drawings Right
SEPMBEP	Secretary of State to the Prime Minister in charge of the Budget and the State Portfolio
SME	Small and Medium Enterprise
SONU	Emergency Obstetrical Neonatal Care
SSSU	School and University Health Service
TEC	Common Outdoor Tariff
TFP	Technical and Financial Partner
TOFE	Table of State Financial Operations
UFR	Training and Research Unit
UHC	Universal Health Coverage
UNACOOPEC-CI	National Union of Savings and Credit Cooperatives of Côte d'Ivoire
UNDP	United Nations Development Program
UNICEF	United Nations International Children's Emergency Fund
WADB	West African Development Bank
WAEMU	West African Economic and Monetary Union
WAMU	West African Monetary Union

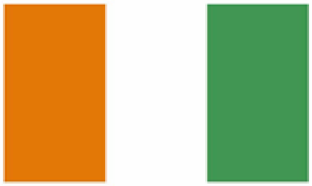
EXECUTIVE SUMMARY

Côte d'Ivoire has one of the longest cycles of Gross Domestic Product growth. Real growth in the economy, averaging 8.3% per year over the 2013-2018 period, could average 7.3% from 2019 to 2021. It benefits from strong domestic demand driven by investment in infrastructure, energy, transport, sanitation and urbanization as defined in the National Development Plan (PND).

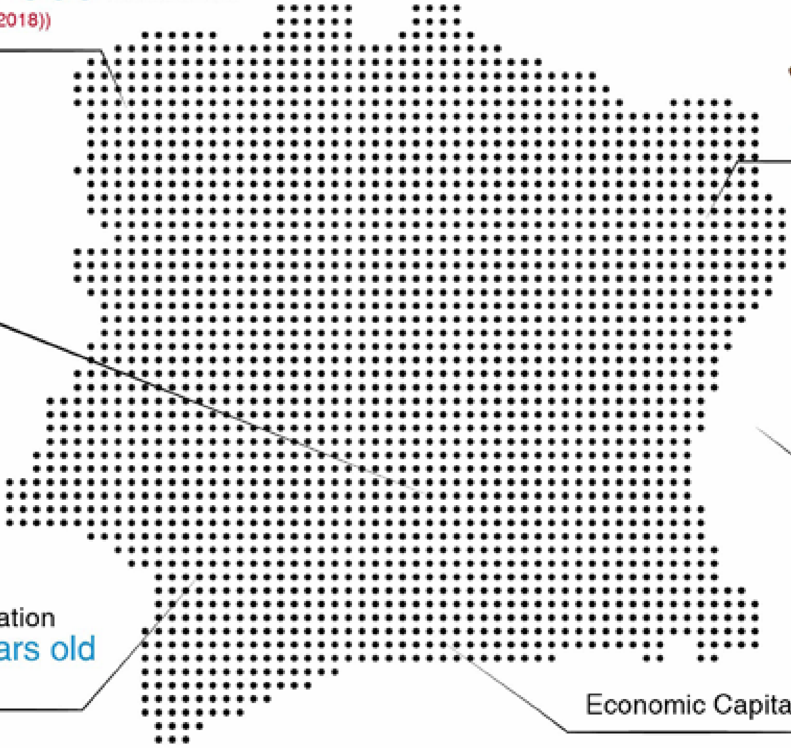
The macroeconomic environment, marked by a low level of inflation (below the Union threshold of 3%), a recovery in employment and a projected level of public deficit of 3% in 2019, is stable. Institutional reforms to streamline procedures and shorten the time taken to do business are contributing to this dynamic with the influx of foreign direct investment.

However, the economy remains vulnerable to fluctuations in agricultural commodity prices due to its heavy dependence on these products. The weak mobilization of domestic revenue and the tightening of regional resources for financing sovereign debt constitute a major constraint for the economy in the medium term since the government's ambitious investment program (CFAF 3,000 billion) is partly based on sovereign financing and PPPs. Tightening the external resources available for financing activities would increase the cost and could increase the public debt bill, whose ratio to GDP is estimated at 43.5% of GDP in 2017.

A BRIEF OVERVIEW OF THE COUNTRY



COTE D'IVOIRE



Area
322 462 km²

Population :
24 850 569 inhabitants
(source : MEF / (2018))

Official Language : French
Currency : CFAF

BCEAO
BANQUE CENTRALE DES ETATS DE L'AFRIQUE DE L'OUEST

Political Capital :
Yamossokro

Democratic presidential system

52.4% of the population between 15 and 34 years old
(Minister of Public Health)

Economic Capital : Abidjan

Nominal GDP (2018) :
23 900 billions of CFAF

(source : National Services, BCEAO)

- Economy based on agriculture and trade
- World's largest Cacao producer
- 2018 GDP per capita at current prices : 951.3 (thousands of CFAF)
- Debt ratio in : 48.6 % of GDP
- Budget deficit in 2018 : 4.0% of GDP

1- GENERAL PRESENTATION

1.1 Political system

As part of the French Community, Côte d'Ivoire became an Autonomous Territory in December 1958, but the Ivorian constitutional history dates back to 1959 with the "first Ivorian Constitution" adopted on 26 March 1959. It established Côte d'Ivoire as an autonomous Republic until the country gained independence on 7 August 1960. After the military putsch in 1999 and the establishment of the government of the Comité National de Salut Public with Mr. Robert Guéï, a third Constitution, approved by referendum on 23 July 2000 established the Second Republic. Recently, after a decade of crisis, a fourth Constitution was adopted by referendum in 2016. It established the Third Republic.
Côte d'Ivoire is a democratic republic with a presidential regime characterized by the separation of powers within the State: the executive power embodied by the government, the legislative power held by the Parliament and the judicial power represented by the Supreme Court and the Court of Auditors.

1.1.1 Executive power

The executive power is represented by the President of the Republic, the Vice-President of the Republic and the Government.
The President of the Republic embodies national unity and upholds the Constitution. He is elected for a term of five years, renewable only once, by direct universal suffrage. He determines and conducts the national policy. He is the head of the Administration and the Armed Forces. He appoints to civilian and military posts. He presides over the Councils, the Defense and Security Committees. The President of the Republic appoints the Prime Minister as Head of Government. He may, by decree, delegate some of his powers to the Vice-President of the Republic, the Prime Minister and members of the Government.
In the event of the absolute impediment, resignation or death of the President of the Republic, the Vice-President of the Republic becomes by right the President of the Republic.
The Vice-President of the Republic shall also be elected from the same list as the President of the Republic for a term of five (05) years by direct universal suffrage. He or she shall act by a delegation of the President of the Republic.
The Government comprises the Prime Minister, Head of Government, and Ministers. The Prime Minister leads and coordinates the Government's action. He presides over the Government Council and the preparatory meetings of the Council of Ministers.

1.1.2 Legislative power

Legislative power is exercised by Parliament, which is composed of the National Assembly and the Senate.
Parliament passes the law and approves the tax. It controls the action of the Government and evaluates public policies. Each year, Parliament meets in two ordinary sessions which begin on the first working day of April and end on the last working day of December. Deputies of the National Assembly are elected by direct universal suffrage for five years.

The bodies of the National Assembly are the Bureau, the Standing Committees and the Conference of Presidents. In addition to these bodies, there are the parliamentary groups which are groupings of deputies according to their ideologies or political affinities.
The results of the Independent Electoral Commission (CEI) for the last legislative elections of December 2016 give a total number of 255 seats, including 167 for the RHDP, 76 Independents, 6 for the UDPCI, 3 for the FPI and 3 for the UPCI. This configuration has evolved to give rise to four parliamentary groups: the RHDP (unified), the PDCI, a former member of the RHDP, some of whose elected members remain in the RHDP, the Espérance parliamentary group and the Dialogue parliamentary group.

The Senate ensures the representation of local authorities and Ivorians living outside Côte d'Ivoire. Two-thirds of the senators are elected by indirect universal suffrage and one-third are appointed by the President of the Republic for a term of five (5) years.

As the second chamber of Parliament, the Senate has the same prerogatives as the National Assembly.

Title V of the Constitution governs the relationship between the legislative and executive powers. Thus, as part of the control of government action and the evaluation of public policies, the members of the Government may be called in front of the Parliament. The parliament's means of information on Government action are oral or written, through the committee of inquiry and the evaluation mission.

1.1.3 Judiciary

The judiciary is independent and the President of the Republic is the guarantor of that independence. He is assisted by the Supreme Judicial Council.
The Supreme Judicial Council examines issues relating to the independence of the judiciary and the ethics of the judges. The Council also makes proposals for the appointment of the judges of the Supreme Court and the Court of Audit, the first presidents of the courts of appeal and the presidents of the courts of first instance.

The Supreme Court and the Court of Auditors are the two institutions representing the judiciary. Justice is dispensed by the Supreme Court, the Court of Audit, the Courts of Appeal, the courts of first instance, the administrative courts and the regional audit chambers.
The Supreme Court ensures the application of the law by the courts of the judicial and administrative order. It comprises the Court of Cassation and the Council of State.
The President of the Supreme Court is appointed by the President of the Republic for a term of five (05) years. The respective Presidents of the Court of Cassation and the Council of State are also Vice-Presidents of the Supreme Court.

The Court of Audit is the supreme institution of public finance control. It has jurisdictional, control and advisory powers. The Court of Audit ensures the proper use of loans, funds and assets managed by State services and other public entities. It supervises the execution of finance acts and pronounces on the regularity and accuracy of the accounts as well as on the general management of public and semi-public companies receiving public financial support.

The Court of Audit is also responsible for assisting the Parliament and the Government in the control of the execution of the finance acts and all the fields within its competence. It may be consulted by the Government, the National Assembly and the Economic and Social Council on economic and financial matters or the management of State and public authority services.
The President of the Court of Audit is appointed by the President of the Republic for a term of five (05) years renewable once.

1.2 Administrative organization

The administration of the territory is organized into hierarchical administrative constituencies, consisting of districts, regions, departments, sub-prefectures and villages. There are thirty-three (33) regions within fourteen (14) districts and also two (02) autonomous districts (Abidjan and Yamoussoukro).

The district considered as the highest administrative level includes several regions. The region is made up of several departments as an administrative constituency. The country has one hundred and eight (108) departments. The region constitutes the level of conception, programming, harmonization, support, coordination and control of economic, social and cultural development actions and operations carried out by all the civil administrations of the State. It is administered by the Prefect of the region, representing the Head of State in this constituency.

The sub-prefecture, administered by a Sub-prefect, is the intermediate administrative constituency between the department and the village. It is made up of several villages. The Sub-Prefect is placed under the authority of the Prefect and, like the latter, represents the State in this district. He coordinates and controls the activities of the administrative and technical services agents within his territorial jurisdiction. The village, composed of districts, constitutes the first level of administrative authority. It is administered by the village chief designated by the village population according to customary rules or by consensus. The village chief is then appointed by a decree of the Chamber of traditional Kings and Chiefs.

Moreover, the Orientation Order 2011-262 of 28 September 2011 on the general organization of the territorial administration of the State, makes the region and the commune territorial authorities with legal personality and financial autonomy. Their missions are to organize collective life and the participation of populations in the management of local affairs, to promote and achieve local development, to modernize the rural world, to improve the living environment and to manage the terroirs and the environment.

The financial autonomy of local authorities is not yet effective in Côte d'Ivoire. The Government grants subsidies to the decentralized communities and pays the salaries of civil servants employed by these entities.

1.3 Geographical location

Côte d'Ivoire is a country in West Africa. It is located in the intertropical zone between the Tropic of Cancer and the equator. It covers an area of 322,462 km² and shares its northern borders with Burkina Faso and Mali, the eastern border with Ghana and the western border with Guinea and Liberia. It is bordered in the South by the Gulf of Guinea (Atlantic Ocean) with 520 km of coastline.

The political capital of the country since 1983 is Yamoussoukro, located in the center of the country. However, Abidjan, in the south of the country, remains the economic capital and administrative center.

The climate is hot and humid and the territory has three main climatic zones which are characterized by different rainfall volumes during the year: the South (2 meters of rain), the West (1.5 meters of rain) and the North of the country (1.2 meters of rain). From North to South, the country has four (4) rivers: the Bandama, Comoé, Sassandra and Cavally. The vegetation is varied and consists of tropical forest in the south, wooded savannah in the center and grassy savannah in the northern part of the country. This vegetation cover is home to many animal species, including the elephant, an animal whose tusks are the source of the country's name. Once abundant in both forest and savannah, the elephant has been intensely hunted and poached and survives only in reserves and parks in a few parts of the country.

1.4 Population

In 2017, the population was over 24 million. By 2019, it is projected to be close to 25.5 million. The average annual population growth rate over the 2008-2018 period is estimated at 2.7%.

Table 1: Statistics on the Ivorian population (2015-2020)

Côte d'Ivoire	2015	2016	2017	2018*	2019*	2020*
Number	23 108 472	23 695 919	24 294 750	24 850 569	25 426 188	26 001 808
Annual growth	2.53	2.51	2.50	2.52	2.52	2.52

Source: World Bank (*) projection

The long-term population outlook is that the population will more than double between 2019 and 2050.

Table 2: Statistics on the Ivorian population (2025-2050)

Côte d'Ivoire	2025	2030	2035	2040	2045	2050
Number	29 590 620	33 337 311	37 411 244	41 796 017	46 463 964	51 375 180
Annual growth	13.06%	12.66%	12.22%	11.72%	11.17%	10.57%

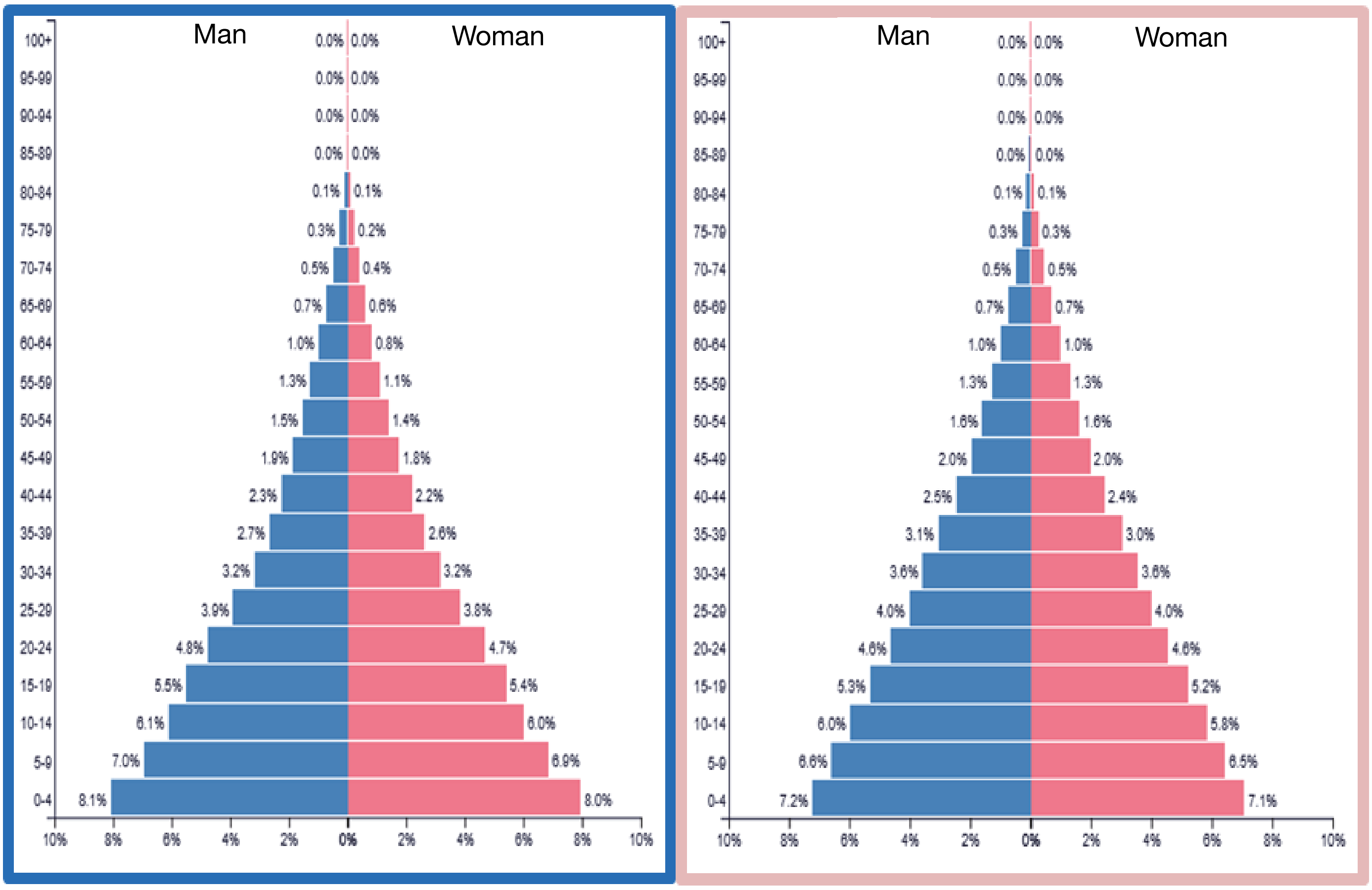
Source: United Nations Department of Economic and Social Affairs.

According to the results of the 2014 RGPH, the population is made up of 11,716,826 men (51.6%) and 10,954,505 women (48.4%). Children (0-14 years) represent 41.8% of the total population. Young people (15-34 years) make up 35.5% of the total population.

Côte d'Ivoire 's population is therefore very young, with 77.3% of the population under 35 years of age. According to the INS, the average annual population growth rate estimated at 3.3% between 1988 and 1998, has decreased to 2.6% between 1998 and 2014

Figure 1: Age pyramids

(Age Pyramid in 2018) (Age Pyramid in 2033)



Source: https://www.populationpyramid.net/fr/côte-divoire/2018/

The population of Côte d'Ivoire lives mainly in forest areas with 17,107,086 inhabitants (75.5%) of the population for a spatial occupation of 48% of the national territory. The population density is 70.3 inhabitants per km².

Half of the population (11,370,347 inhabitants or 50.2%) is urban. The average annual urbanization rate from 2013 to 2017 is 49.45% (according to BCEAO statistics). If this rate is maintained, the urbanization rate would be 51.1% in 2019. The urban population is mainly concentrated in Abidjan, where 4,395,243 people live (about 4 urban dwellers out of 10 inhabitants). The urban to rural population ratio in recent years has hovered around 0.3. It is expected to remain at this level until 2020

Table 3: Statistics on urbanization in Côte d'Ivoire (2015-2020)

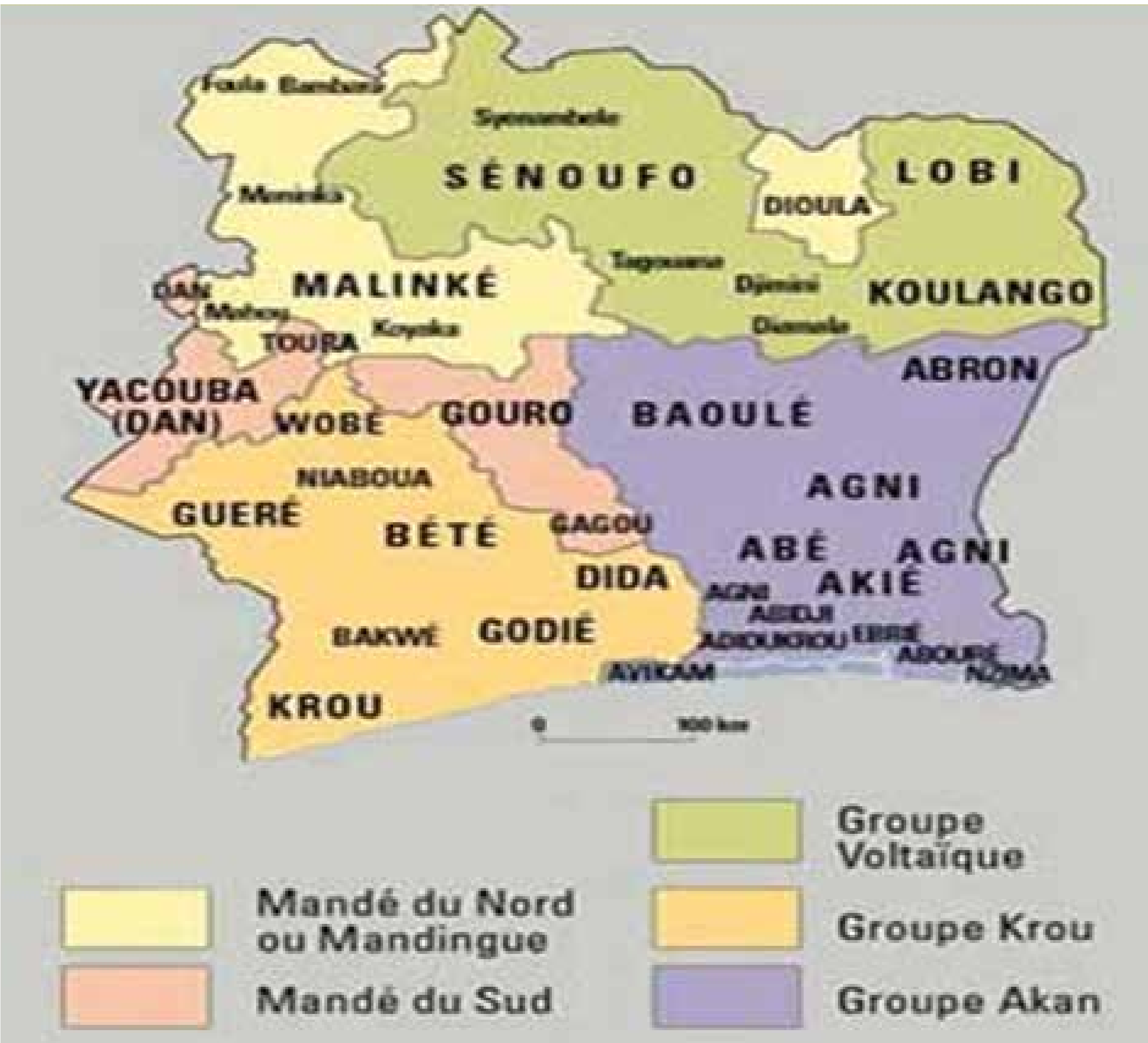
Côte d'Ivoire	2015	2016	2017	2018*	2019*	2020*
Urban Population [1]	4 859 798	5 019 689	5 188 252	5 329 543	5 482 886	5 636 229
Rural Population	18 248 674	18 676 230	19 106 498	19 521 026	19 943 302	20 365 579
Ratio (urban/rural)	0.27	0.27	0.27	0.27	0.27	0.28

Source: World Bank (*) projection

French is the official language of the country. It is taught in schools and used as a working language in public administrations. Some 60 ethnic groups exist and many languages are spoken depending on the region. The Ivorian population comprises five main ethnic groups: the Mandé group (Dan, Yacouba, Gouro, Malinké) in the North-West and West, the Voltaic group (Sénoufo, Koulango and Lobi) in the North, the Krou group (Wê, Bété, Bakwé, Godié and Dida) in the South-West and Central-West, and the Akan group divided between the Lagoons (Ebrié, Adjoukrou, Avikam, Abouré, Nzima,) in the South, Centre (Baoulé) and South-East and East (Attié, Agni, Abron, etc.).

These ethnic groups are distributed over the national territory as shown in the graph below.

Figure 2: Ethnic groups in Côte d'Ivoire



Source: www.abidjan.net

[1] An urban agglomeration is an agglomeration with more than one million inhabitants.

Nearly 20% of Ivorians belong to the Baoulé ethnic group, and nearly 18% are Malinké.
The population is also unevenly distributed throughout the country. The district of Abidjan (Abidjan, Bingerville, Anyama and Songon) with 4,707,404 inhabitants is home to one-fifth of the total population (20.8%). The least populated regions are those of the Denguélé district (Kabadougou and Folon) with 288,779 inhabitants (0.4%) of which 96,415 live in the Folon region.
Côte d'Ivoire is a secular country, with several religious denominations, the main ones being Islam (about 37.5% of the population) and Christianity (about 44.1% of the population).

Table 4: Religions in Côte d'Ivoire

Religion	Number of followers	Percentage of total population
Christianism	10 908 533	44.1 %
Islam	9 275 964	37.5 %
Chinese Religions	2 523 062	10.2 %
Agnosticism et Atheism	1 978 872	8.0 %
Others	49 472	0.2 %

Source: Pew Research Center. The Global Religious Landscape.

1.5 Education

1.5.1 Organization of academic cycles

The education system consists of two types of education: general education and technical and vocational education and training (TVET). General education is organized into three levels of education: (i) preschool and primary, (ii) general secondary and (iii) higher. In addition to these systems, other educational alternatives exist such as community education centers and denominational schools.
Higher education, which offers a variety of training courses, is practiced in three public universities (Cocody, Abobo-Adjamé and Bouaké), three regional higher education units (Korhogo, Daloa and Man), several public grandes écoles (INPHB, ENS, ENSEA, etc.), 35 private universities and 143 private institutions.
TVET lasts two or three years and offers three routes of access. The first, dedicated to grade 5, 6 and 7 students in the first cycle of general secondary education, is done through vocational training centers and technical centers with, eventually, a vocational aptitude certificate. The second route is offered to students in the 3rd level of general secondary education in technical colleges (CET), vocational high schools (LP) and technical high schools (LT) and prepares them for the vocational study certificate, technician's certificate and baccalaureate respectively. The third, from grade 12 (with or without the baccalaureate) is done in higher technical education structures which eventually issue a technician's certificate.
According to the World Bank, the total adult literacy rate (proportion of people aged 15 and over) has increased from 40.98% in 2012 to 43.91% in 2014. The general illiteracy rate, which was 51% in 2002, decreased to 43.8% in 2015 to reach 43.1% in 2017 (according to the Ivorian authorities).

1.5.2 Sectoral Education and Training Plan (2016-2025)

The current education-training policy is found in the PSEF (2016-2025) which is based on SDG 4 and the country's ambitions as expressed in the 2016-2020 National Development Plan (NDP). The NDP, which assumes the availability and capacities of women and men to build an emerging and prosperous Côte d'Ivoire, has four pillars, namely (i) create a Strategic Skills Watch Unit (ii) ensure the requalification of the stock of skills in synergy with the objective of economic structural transformation and competitiveness; (iii) improve access to and quality of the education and training system; (iv) develop a pool of national researchers supporting technological innovation. Thus, a law on compulsory schooling policy for children aged 6 to 16 was passed and remains in force. Various infrastructures dedicated to education and training have been built and teaching staff and teaching materials and equipment have been strengthened. (See details in section 3.3).

In 2017, public expenditure on education was estimated at CFAF 1,085.5 billion, 4.6% of the nominal GDP. This is an increasing trend despite a slight decrease between 2016 and 2017.

Table 5: 2012-2017 Education expenditure

	2012	2013	2014	2015	2016	2017
Education (billions of CFA francs)	601.7	685.6	788.2	926.8	1 179.3	1 085.5
Education (% of nominal GDP)	4.4	4.4	4.5	4.9	5.4	4.6

Source: MPMBPE

1.5.3 Statistics per cycle

The gross primary school enrolment rate is increasing but has slightly decreased to 100.6% in 2017-2018. The net enrolment rate has been increasing over the whole 2013-2018 period and reached more than 91% in 2017-2018.

Table 6. 2013-2018 School statistics

	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Gross Enrolment Rate (Preschool)	6.9%	7.4%	8.2%	8.8%	9.0%
Gross Enrolment Rate (primary)	94.70%	95.40%	101.30%	104.60%	100.60%
Net Enrolment Rate (primary)	77.00%	78.90%	87.80%	91.00%	91.06%
Girls Gross Enrolment Rate (primary)	89.60%	92.40%	99.10%	103.10%	99.93%
Pupils per class (primary)	43*	44*	43*	41*	41*
Pupils per teacher (primary)	43*	42*	43*	42*	42*
Total classrooms (primary)	74 671	76 564	84 730	90 970	94 767
Total pupils (primary)	3 176 874	3 370 558	3 617 219	3 772 136	3 900 222
Total teachers (Primary)	74 703	80 155	85 109	88 900	93 257
Pupils per class (secondary)	59*	58*	57*	60*	58*
Pupils per teacher (secondary)	27*	29*	30*	30*	32*
Total classrooms (secondary)	22 339	25 709	28 357	29 988	33 363
Total pupils (secondary)	1321556	1479005	1621874	1 791 183	1923763
Total teachers (secondary)	49 550	51 192	53 537	58 866	59 356

Source: MENET and author's calculation (*)

Over the 2013-2018 period, the number of pupils, teachers and the capacity increased at all levels of education. The number of students per class is relatively stable and high (an average of 42 for primary and 58 for secondary) and the number of teachers has remained low (an average of one teacher for every 30 students in secondary school compared to 42 for primary school). The Gross Enrolment Rate (GER) of girls in primary education has increased from 89.6% in 2013-2014 to 99.9% in 2017-2018. The Net Enrolment Rate (NER) for primary education is estimated at 91% in 2017-2018.

1.6 Health

1.6.1 Architecture of the Ivorian health system

The health system is composed of a modern system whose actors are the public and private sectors and a traditional system practicing traditional medicine.
The public sector comprises three (03) levels of health care centers : (i) the primary consisting of health facilities of first contact (1,964 facilities), (ii) the secondary consisting of health care facilities supporting the primary level (84 general hospitals, 17 regional hospital centers and 02 specialized hospital centers) and (iii) the tertiary consisting of health establishments supporting the secondary level (05 University Hospital Centers - CHU, 05 National Specialized Institutes and 04 National Public Institutes).
As for the private sector, it is present in the major urban centers and has made considerable progress in recent years thanks to the opening of numerous private establishments covering the three (03) levels of care: clinics, polyclinics, medical centers and practices.

1.6.2 General statistics on the health status of the Ivorian population

In recent years, life expectancy at birth has increased. Women have a higher life expectancy at birth than men and mortality indicators are declining. This is the result of the Government's actions under the National Health Development Plan (PNDS). However, the health system is not able to cover the entire national territory and there are still areas where access to care remains limited.

Table 7: General statistics on the health status of the population

Indicators	2000	2010	2014	2015	2016	2017	2018
Life expectancy at birth per 1000 (m/f)[a]	46.13/47.27	49.4/51.55	51.13/54.03	51.63/54.60	52.14/55.14	52.57*/55.77*	53.04*/56.36*
Infant mortality per 1000[b]	98.70	76.80	69.50	67.80	66.00	64.20	na
Mortality before 5 years per 1000[b]	146.8	109.8	97.7	94.9	91.8	88.8	na
Maternal death ratio per 100,000[c]	671	717	665	645	na	na	na

Sources:
(a) World Bank, 2018 World View
(b) Estimates of the United Nations Inter-Agency Group on Child Mortality (UNICEF, WHO, World Bank, United Nations Department of Economic and Social Affairs, UNDP).
(c) WHO, UNICEF, UNFPA and the World Bank, Trends in Maternal Mortality (1990-2015).

1.6.3 Prevalence of diseases

Malaria, responsible for 43% of morbid conditions in 2014, is a "major" public health issue in Côte d'Ivoire. The State's objective is to reduce this rate to below 40% in 2020. In 2016, the incidence of malaria in children under 5 years of age was 286.87 per 1,000 children. In addition to malaria, HIV/AIDS is also a concern. It is the leading cause of death in adult men and the second leading cause of death in women after mortality due to pregnancy and childbirth. Malnutrition is also a public health concern. Chronic malnutrition is estimated at 28% (SMART nutrition survey, 2016) and acute malnutrition at 7.1% (DHS, 2011).

The HIV/AIDS prevalence rate in 2016 was 2.8% compared to 3.4% in 2015. This rate has been steadily declining since 2010, but remains high.

Table 8: a few health indicators

Indicators	2012	2013	2014	2015	2016
Incidence of malaria in children under 5 years of age (per 1,000), i.e. the number of new cases of malaria in children under 5 years of age in the population of children under 5 years of age.	352	302.61	445.89	291.79	286.87
Incidence of malaria in the general population (per 1,000), i.e. the number of new cases of malaria in the general population over 12 months	120	106	164	155.49	154.58

Source: PNDS (2016-2025) /UNICEF

1.7 Employment

The Government of Côte d'Ivoire regularly carries out employment surveys with the support of technical and financial partners, including the World Bank. The surveys on the employment situation in Côte d'Ivoire, conducted in 2012 and 2013 on a random sample of 11,600 individuals throughout the country, were updated in 2016 to introduce, for the first time, an informal sector component. Some of the results of this survey, entitled, "National Survey on the Employment Situation and the Informal Sector in 2016" are presented in this section.

1.7.1 Labor force

In 2016, the population of working age represented 62.8% of the total population estimated at 23,681,171. It is made up of 50.5% men and 49.5% women. The majority of them live in urban areas (52.8%). The population of working age in Côte d'Ivoire is mainly made up of workforce (58.2%) with about 4 out of 10 individuals classified as non-workforce (41.8%). This workforce includes both employed and unemployed persons, i.e., currently unemployed persons who are available and looking for work.

In 2018, the population of working age was nearly 8.5 million, 41% of whom were women. It increased over the 2013-2018 period, and projections up to 2020 follow a similar trend.

Table 9: Statistics on the labor force

	2013	2014	2015	2016	2017	2018	2019	2020
Labor force	7 361 291	7 510 643	7 663 648	7 806 149	8 015 967	8 234 429	8 409 057	8 583 684
Ratio of women (as % of labor force)	39.67	40.09	40.52	40.96	41.12	41.27	41.59a	41.91a
Urban labor force	na	3 965 620	na	na	na	na	na	na
Rural labor force	na	3 545 023	na	na	na	na	na	na

Source: World Bank and ILO

1.7.2 Unemployment

The unemployment rate is estimated at 2.42% in 2019 compared to 2.83% in 2013. Women are more affected by unemployment than men - in 2019 3.09% of women are unemployed compared to 1.94% of men.

Official statistics indicate that, in general, unemployment is felt more in urban areas (where it could represent around 84.1% compared to only 15.9% in rural areas).

Table 10: Unemployment statistics

	2013	2014	2015	2016	2017	2018	2019	2020
Unemployment (in % total labor force)	2.3	2.75	2.66	2.60	2.60	2.49*	2.42*	2.36*
Unemployment (% female labor force)	3.68	3.57	3.45	3.35	3.34	3.19*	3.09*	2.99*
Unemployment (in % male labor force)	2.27	2.20	2.13	2.08	2.08	1.99*	1.94*	1.88*
Urban unemployment								

Source: World Bank, World Perspective (*) Estimates

1.7.3 Under-employment

Underemployment[2] includes employed persons in employment as defined by the ILO. Persons in underemployment in terms of working time are persons in employment. Their proportion is estimated at 14.2% of the employed population in 2016. It is down by 4.7% compared to 2014. Underemployment affects more the rural population (15.9% of the rural population) and women (19.3% of the female population).

1.7.4 Formal and informal employment

Employment in Côte d'Ivoire is almost exclusively informal (93.6%) regardless of the socio-demographic characteristics considered, except for workers with a higher level of education (52.8%). Salaried employment accounts for less than 25% of employment, dominated by men over 25 years of age with a relatively low level of education and residing in urban areas. Self-employment is relatively more common among adult men (36-59 years old) with no education and residing in rural areas.

The average monthly wage in salaried employment was estimated at CFAF 88,403. Written contracts are not currently widespread in the salaried employment environment as a whole. However, more educated people are increasingly resorting to this type of contract. On average, employees spend just over 10 months of the year in paid employment, working more than 5 days a week, i.e. more than 40 hours a week.

In 2018, nearly 49% of jobs are in the agricultural sector, 6.27% in industry and 44.8% in services.

Table 11: Employment Statistics

	2013	2014	2015	2016	2017	2018	2019 proj	2020 proj
Employment in the agricultural sector (in % total employment)	50.17	50.38	50.01	48.88	48.32	48.93*	48.82**	48.7**
Employment in the Industry sector (in % total employment)	5.65	5.99	5.62	6.3	6.37	6.27*	6.34**	6.41**
Employment in Services (in % total employment)	44.17	43.64	44.37	44.81	45.31	44.8*	44.85**	44.89**

Source: World Bank, World Outlook (*) Estimates (**) Projections

[2]https://www.insee.fr/fr/metadonnees/definition/c1935

1.7.5 Employment policy

A ministry dedicated to the promotion of youth and youth employment was created in 2015 to implement the employment policy in conjunction with the Youth Employment Agency (AEJ). This agency develops approaches for different targets thanks to diversified offers of services and guarantees synergy and interactivity between programs and initiatives aimed at young people.

The AEJ offers services adapted to the benefit of young job seekers: (i) placements in companies and the hiring assistance program, (ii) the requalification program and short and practical training, (iii) entrepreneurship and financing of economic initiatives, microenterprises, income-generating activities (IGAs), (iv) apprenticeships, (v) labor-intensive work and (vi) all other modalities improving the employability of young people.

Specifically, a national directory of youth skills has been put online and strategic frameworks for job creation (national employment policy, employment recovery strategy) have been created and are being operationalized. In addition, the mobilization of CFAF 48.8 billion for integration programs for young people has reached 59,085 young people in 2015. Also, the "Working for the Youth" program, which initially targeted 2,100 young people wishing to set up their microenterprises or IGAs, now covers the entire national territory for a target of 7,200 young people. For 2018[3], 31,273 young people have been trained as part of the project "Training, my passport to employment".

1.7.6 Employment dynamics

During 2017, 95,710 jobs were created in the Ivorian formal sector according to the ministry in charge of employment. This figure is 11% higher than in 2016 but remains below the 96,942 jobs recorded in 2015. Some 563,846 new jobs were created in 2017 by the formal economy. Including informal employment, this figure could be around 2 million jobs created between 2011 and 2015. In 2018, the number of employees in the formal sector increased by 3.4% compared to December 2017, corresponding to a net creation of 33,054 jobs at the end of June 2018. This increase is mainly attributed to the private sector, which recorded 25,983 net jobs, or 79.0% of net creation.

Although the economic growth was followed by an increase in employment in 2015, the jobs created provide relatively low incomes. From 2004 to 2016, the average wage in Côte d’Ivoire remained below the African and world averages. In 2016, for example, the average wage level estimated at $127 per month (about CFAF 73,000) is below the African average ($156) and far from the world average ($858).

Two-thirds of jobs are paid at an average monthly level of CFAF 65,000 (99 euros), in self-employment or family employment (microenterprises and agricultural farms). Employees on agricultural, industrial and service operations are paid an average of CFAF 350,000 (533 euros) per month. Those in the mining and finance sectors receive an average of 1.6 to over CFAF 2.3 million per month (between 2,400 and 3,500 euros) respectively.

1.8 Reminder of the main aggregates

1.8.1 Level of development

Côte d’Ivoire's Human Development Index (HDI) values were 0.38, 0.47 and 0.49 in 2015, 2016 and 2017 respectively. In 2018, Côte d'Ivoire was ranked 170 out of 189 countries in the UNDP human development ranking. This is an improvement compared to 2016 and 2015 when it was ranked 171st and 172nd respectively. This progress takes into account the improvement in the quality of life of the population as reflected in life expectancy, good health, access to education and a decent standard of living.

Côte d’Ivoire's Gini index was estimated at 41.5% by the Central Intelligence Agency in 2008. In 2015, the country remained at the same level according to the World Bank. This means that income is not evenly distributed in the country. In 2015, Côte d'Ivoire ranks 53rd in the world out of 160 countries.

GDP per capita, constant 2005, is projected at USD 1 795 in 2019 against USD 1 306 in 2013.

[3] The employment statistics for 2018 come from the fourth review of the framework document for the economic and financial program (2016-2019), published in January 2019.

Table 12: Real GDP per capita and PPP GDP per capita

	2013	2014	2015	2016	2017	2018	2019	2020
GDP per capita (US$ constant 2005)	1 306	1 385	1 470	1 553	1 633	1 713*	1 795*	1 876*
GDP per capita PPP (2011 $ international constant)	2 880	3 055	3 242	3 425	3 601	na	na	na

Source: World Bank, World Perspective (*) Estimate

1.8.2 Summary table

Table 13 presents a selection of comparative macroeconomic statistics on selected socio-economic indicators (unless otherwise indicated) for Côte d'Ivoire from 2013 to 2018.

Table 13: Summary table

In billions of CFAF	2013	2014	2015	2016	2017	2018	2019 proj.	2020 proj.
National Economy								
Nominal GDP	15446	17461	19595	20931	22151	23900	25955	28308
Real GDP growth (in %)	9.3	8.8	8.8	8.0	7.7	7.4	7.5	7.3
Investment rate (as a % of GDP)	**17.0**	**18.9**	**19.5**	**18.3**	**19.5**	**20.8**	**23.1**	**24.3**
Inflation rate (as a %)	**2.6**	**0.4**	**1.2**	**0.7**	**0.7**	**0.4**	**0.8**	**0.8**
Balance of payments								
FOB Exports	5946.6	6411.3	6938	6449.3	6881.4	6811.3	6981.3	7310.3
FOB Imports	4463.8	4496.5	5064	4631.5	5161.7	5215.1	5330	5577.3
CIF Imports	5267	5200	5957.6	5433.1	6072.5	6135.4	6270.6	6561.6
Balance	1479.2	1914.8	1874	1817.8	1719.7	1596.1	1651.3	1732.9
Current account Balance	**-208.8**	**252.2**	**-119.1**	**-245.5**	**-662.7**	**-867.5**	**-863.2**	**-826.5**
Public finances								
Revenues and grants	3039.5	3293.3	3916.8	4176.6	4523.4	4764.1	5259.1	5711.4
Expenditures	3385.6	3669.6	4469.8	5014.6	5521.8	5708.3	6049.2	6574.2
Basic primary balance	-11.7	-80.5	-68.1	-394.9	-281.4	-99.2	164.1	286.4
Public debt	**5257.3**	**6438,5**	**7914,8**	**9023,2**	**10045.1**	**11607.8**	**12422.5**	**13207.4**
Domestic debt	2651.9	3129.8	3425.7	4049	4275.1	3994.4	4132.5	3740.0
External debt	2605.4	3308.7	4489.1	4974.2	5770.0	7613.4	8290.0	9467.4
Domestic debt as % of nominal GDP	17.2	17.9	17.5	19.3	19.3	16.5	17.1	17.12
Budget deficit	**-346.2**	**-376.2**	**-553.0**	**-837.9**	**-998.3**	**-944.2**	**-790.2**	**-862.8**
In value terms								
As a percentage of nominal GDP (%)	-2.2	-2.2	-2.8	-4.0	-4.5	-4.0	-3.0	-3.0

Source MEF/BCEAO

2.1 Gross Domestic Product (GDP) assessment

2.1.1 Level of Gross Domestic Product (in CFAF)

Estimated at CFAF 23,899.8 billion in 2018, the GDP is projected at CFAF 28,308 billion in 2020.

Table 14: Level of GDP

	2013	2014	2015	2016	2017	2018 Est	2019 Proj	2020 Proj
Nominal GDP (in billions of CFAF)	15 445.8	17 461.0	19 595.4	20 931.4	22 150	23 899.8	25 955.1	28 307.7

Source : MEF

2.1.2 2013-2020 GDP growth (in %)

As soon as the post-electoral crisis of 2011 came to an end, the Government put in place a first National Development Plan (2012-2015 NDP), the general objective of which was to reduce poverty and revive growth through investment and employment. The implementation of this plan and the reform measures undertaken to restore security, improve the business environment and governance, strengthen the competitiveness of the economy and restore the sustainability of the public debt have made it possible to achieve real GDP growth, the average level of which is estimated at 8.6% over the 2012-2018 period.

This sustained growth has been achieved thanks to the dynamism of the secondary and tertiary sectors, which are undergoing major changes. The good orientation of these sectors should continue over the 2019-2020 period with growth levels of 10.1% and 10.0% for the secondary sector and 9.2% and 9.1% for the tertiary sector, respectively.

Table 15: GDP growth (2013-2020)

	2013	2014	2015	2016	2017	2018 Est	2019 Proj	2020 Proj
Change in volume (in %)								
Total GDP	**9.3**	**8.8**	**8.8**	**8.0**	**7.7**	**7.4**	**7.5**	**7.3**
–Primary sector	3.8	16.2	2.9	7.5	11.2	4.2	1.7	3.0
–Secondary sector	24.2	4.5	8.3	6.6	3.0	7.1	10.1	10.0
–Tertiary sector	7.2	16.5	8.2	8.9	6.6	9.2	9.2	9.1
–Non-market GDP..	4.5	(17.1)	7.7	6.6	15.8	7.9	3.4	0.9
–Duties and taxes ..	2.4	8.3	25.0	9.4	8.7	7.5	9.8	7.6

Source : MEF

2.2 Gross Domestic Product Details

2.2.1 GDP in value terms, sector detail

In the secondary sector, the Government has initiated measures to increase the contribution of this sector to the GDP estimated at 26% in 2013 and 26.8% in 2020. In 2018, the growth of the secondary sector driven by food processing, construction, petroleum products, energy and other manufacturing industries is estimated at 7.1% against 3.0% in 2017. This increase made it possible to contain the decline in mining extraction, which began in 2017 and came out at -3% in 2018.

The tertiary sector recorded remarkable growth over the 2013-2018 period thanks to the development of the internet and innovative services such as mobile money, the intensification of trade supported by the increase in the national production of food crops and imports of consumer goods. It recorded an increase of 9.2% in 2018 thanks to the growth of the transport sector with the recovery of the maritime sub-sector, the increase in other services and trade benefiting from the revival of foreign trade margins. The telecommunications sub-sector also experienced an increase of 12.4% in 2018. The contribution of the tertiary sector to the GDP in 2018 is estimated at 32.6% and could reach at least 34% in 2020.

Despite the good performance of these two sectors, the Ivorian economy remains dependent on its agriculture, particularly the coffee and cocoa combination. Recent government estimates show that in 2017, coffee and cocoa together accounted for 38.0% of the value of exports (excluding exceptional items) and 12.1% of the country's tax revenue. This dependence makes the economy of Côte d'Ivoire vulnerable to fluctuations in world agricultural commodity prices and climatic conditions. The contribution of the primary sector to the GDP from 2013 to 2018 is estimated at 21.4% on average. This trend is expected to continue until 2020.

Table 16: GDP in value terms, sector details (2013-2019)

Côte d'Ivoire (in billions of CFAF)	2013	2014	2015	2016	2017	2018	2019
Primary sector	**3 240.3**	**3 675.8**	**4 455.1**	**4 694.1**	**4 779.2**	**4 724.8**	**4 682.2**
Agriculture	3 166.1	3 618.0	4 388.5	4 647.4	4 734.9	4 678.7	4 636.2
Forestry	65.2	49.0	52.7	30.6	28.5	30.0	29.4
Fishing	9.0	8.8	14.0	16.1	15.8	16.1	16.5
Secondary sector	**4 008.3**	**4 786.1**	**5 051.3**	**5 280.1**	**5 468.5**	**6 033.1**	**6 746.9**
Mines	926.8	801.3	961.8	1 325.5	1 333.6	1 330.6	1 344.1
Agro-foods	1 106.2	1 182.1	1 088.7	1 061.9	1 097.1	1 271.1	1 504.0
Petroleum products	197.5	462.1	419.4	191.4	176.0	198.1	237.7
Energy	98.1	291.1	299.8	364.2	375.9	410.5	426.1
Construction	480.7	751.3	902.4	1 001.6	1 032.8	1 239.4	1 506.3
Manufacturing industry	1 199.0	1 298.2	1 379.1	1 335.5	1 453.0	1 583.4	1 728.8
Tertiary sector	**4 672.7**	**5 520.8**	**6 135.8**	**6 592.9**	**7 052.1**	**7 793.3**	**8 656.0**
Transport	571.3	556.4	512.9	414.9	448.7	496.4	553.9
Telecommunications	853.4	876.1	918.9	956.8	909.8	993.9	1 101.8
Trade	1 444.5	1 607.3	1 796.2	1 777.4	1 933.7	2 138.0	2 368.3
Others services	1 803.5	2 481.0	2 907.8	3 443.7	3 759.9	4 165.0	4 632.0
Market GDP	**11 921.3**	**13 982.6**	**15 642.2**	**16 567.1**	**17 299.7**	**18 551.3**	**20 085.1**
Non-market GDP	**1 948.5**	**1 652.9**	**1 821.5**	**2 020.9**	**2 341.3**	**2 587.2**	**2 728.0**
Public Administration	1 886.5	1 603.3	1 766.9	1 960.3	2 271.0	2 512.1	2 649.2
Non-profit institutions	62.0	49.6	54.6	60.6	70.2	75.0	78.8
Duties and taxes	**1 575.9**	**1 825.5**	**2 131.7**	**2 343.3**	**2 509.8**	**2 761.4**	**3 141.9**
Total GDP	**15 445.8**	**17 461.0**	**19 595.4**	**20 931.4**	**22 150.8**	**23 899.8**	**25 955.1**

Source : MEF

In 2018, 19.8% of GDP came from the primary sector, 25.2% from the secondary sector and 32.6% from the tertiary sector. The non-market share of GDP is estimated at 10.8% and duties and taxes at 11.6%. While there are downward projections for the share of non-market GDP and that of the primary sector, the shares of the secondary and tertiary sectors and duties and taxes are projected to continue to increase.

Table 17: GDP breakdown (in %)

	2013	2014	2015	2016	2017	2018	2019	2020
Primary sector	21.0	21.1	22.7	22.4	21.6	19.5	18.8	17.6
Secondary sector	26.0	27.4	25.8	25.2	24.7	25.4	25.8	26.7
Tertiary sector	30.3	31.6	31.3	31.5	31.8	33.2	33.8	34.4
Non market GDP	12.6	9.5	9.3	9.7	10.6	10.3	10.0	9.4
Duties and taxes	10.2	10.5	10.9	11.2	11.3	11.6	11.7	11.8

Source : MEF

2.2.2 GDP by composition

Agriculture dominates the primary sector. It accounted for 19.6% of GDP in 2018 (19.8% for the primary sector as a whole), making this sector the main component of GDP. Within the secondary sector, other manufacturing industries[4] (6.6%), the mining sector (5.6%), the construction sector (5.2%) and the agro-food sector[5] (5.3%) are the main components. As for the tertiary sector , trade dominates the sector (8.9%).

Table 18: GDP according to the share of each of its components

as a % of GDP	2013	2014	2015	2016	2017	2018	2019
Primary Sector	**21.0**	**21.1**	**22.7**	**22.4**	**21.6**	**19.8**	**18.0**
Agriculture	20.5	20.7	22.4	22.2	21.4	19.6	17.9
Forestry	0.4	0.3	0.3	0.1	0.1	0.1	0.1
Fishing	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Secondary sector	**26.0**	**27.4**	**25.8**	**25.2**	**24.7**	**25.2**	**26.0**
Mines	6.0	4.6	4.9	6.3	6.0	5.6	5.2
Agro-food	7.2	6.8	5.6	5.1	5.0	5.3	5.8
Petroleum Products	1.3	2.6	2.1	0.9	0.8	0.8	0.9
Energy	0.6	1.7	1.5	1.7	1.7	1.7	1.6
Construction	3.1	4.3	4.6	4.8	4.7	5.2	5.8
Other Manufacturing industries	7.8	7.4	7.0	6.4	6.6	6.6	6.7
Tertiary sector	**30.3**	**31.6**	**31.3**	**31.5**	**31.8**	**32.6**	**33.4**
Transport	3.7	3.2	2.6	2.0	2.0	2.1	2.1
Telecommunications	5.5	5.0	4.7	4.6	4.1	4.2	4.2
Trade	9.4	9.2	9.2	8.5	8.7	8.9	9.1
Other services	11.7	14.2	14.8	16.5	17.0	17.4	17.8
Non-market GDP	**12.6**	**9.5**	**9.3**	**9.7**	**10.6**	**10.8**	**10.5**
Public Administration	12.2	9.2	9.0	9.4	10.3	10.5	10.2
Nonprofit institutions	0.4	0.3	0.3	0.3	0.3	0.3	0.3
Duties and taxes	**10.2**	**10.5**	**10.9**	**11.2**	**11.3**	**11.6**	**12.1**

Source : MEF

[4] Manufacturing of furniture, of chemical products, of rubber, woodworking, Cement and building materials production, etc.

[5] Other services: Various maintenance and repairs, Hotels and Tourism, Real estate services, corporate services.

2.2.3 GDP by component

Domestic demand is on the rise, rising from CFAF 14 992.4 billion in 2013 to an estimated CFAF 23 768.3 billion in 2018. External demand, on the contrary, is declining, going from CFAF 453.4 billion in 2013 to CFAF 131.4 billion in 2018.

Table 19: GDP according to the main components of demand

Côte d'Ivoire (in billions of CFAF)	2013	2014	2015	2016	2017	2018 Est	2019 Proj	2020 Proj
1. Internal demand	**14 992.4**	**16 604.7**	**18 915.2**	**20 293.0**	**21 566.1**	**23 768.3**	**25 633.2**	**27 975.6**
Total Consumption	**11 793.5**	**13 158.0**	**14 975.8**	**16 590.5**	**17 731.7**	**19 048.0**	**20 308.2**	**21 714.9**
Private	9 899.4	11 004.8	12 636.0	13 925.1	14 550.6	15 744.8	16 836.1	18 022.2
Public	1 894.1	2 153.2	2 339.8	2 665.3	3 181.1	3 303.2	3 472.1	3 692.7
Total Investment	**2 625.1**	**3 296.5**	**3 826.9**	**3 826.3**	**4 312.8**	**4 968.1**	**5 742.1**	**6 466.8**
Private	1 656.1	2 092.0	2 504.8	2 303.3	2 667.3	3 300.4	3 937.0	4 534.3
Public	968.9	1 204.5	1 322.2	1 523.0	1 645.6	1 667.6	1 805.1	1 932.6
2. Total external demand	**453.4**	**856.3**	**680.2**	**638.4**	**584.7**	**131.4**	**321.8**	**332.1**
3. Change in stocks	**573.9**	**150.2**	**112.5**	**-123.7**	**-478.5**	**-247.7**	**-417.1**	**-206.1**

Source : MEF

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2019-2022 Gross Domestic Product (GDP) Outlook

2019 Forecast

After the internal and external shocks that occurred in 2017 and a return to stability in 2018, 2019 should be marked by a more stable socio-economic environment. At the national level, the Government's pursuit of reforms to improve the business climate and the implementation of its investment policy in growth-generating sectors should result in a 7.5% growth supported by:

The increase in supply in the primary sector by +1.7%, due in particular to the decline in production in agriculture to export (-1.2%) and forestry (-4%) offset by the recovery in food-producing agriculture (+3.9%);

The supply of the secondary sector which would experience an increase of +10.1% due to the progression of construction and public works, petroleum products, agro-industry and other manufacturing industries,

The tertiary sector which would observe a growth of +9.2% in connection with the good orientation of transport services, telecommunications, trade and other services;

The non-market sector, which should increase by +3.4% under the impetus of the combined effects of the payroll management strategy and the pursuit of the policy of compulsory education and health for all;

Duties and taxes, net of subsidies, are expected to rise by +9.8%, thanks in particular to the various ongoing reforms in the tax administration and the dynamism of the economic activity.

On the demand side, growth will be driven by the strengthening of investments and the consolidation of final consumption. Investment (+14.6%) will be supported by the continuation of construction sites and the strengthening of production tools in the manufacturing and construction sectors. The overall investment rate will come out at 22.1% with a public investment rate of 7.0%.

The increase in final consumption (+5.9%) is partly explained by the growth in household consumption. Imports of goods and services are expected to increase by 6.2% in 2019, driven by the dynamism of the economy. Exports of goods and services are expected to increase by 5.2%, due to the good performance of agriculture and processed products. The GDP in value terms would stand at CFAF 25 955 billion. Inflation will be contained at 0.5% below the Community threshold of 3%, thanks to the increase in the supply of food products and the policy of combating the high cost of living.

2020-2022 Outlook

The assumptions underlying the projection of GDP growth over the 2020-2022 period generally remain those relating to the maintenance of socio-political stability, the pursuit of reforms accompanying the economy and the continuity of the investment policy in the sectors driving growth.

The **primary sector** is expected to grow by an average of 3.6% per year, driven by food-producing agriculture (average annual growth: +3.9%) and export agriculture (average annual growth: +3.3%). The **secondary sector** is expected to grow by an average of 9.5% per year, driven by construction and public works (average growth rate: +15.6%), mining (average growth rate: +5.9%), food processing industries (average growth rate: +13.1%) and petroleum products (average growth rate: +4.6%). The growth rate of the **tertiary sector** would be projected at +8.6% on average per year over the 2020-2022 period, thanks to all its components, notably transport and telecommunications and trade. The non-market sector is expected to grow by an average of +2.8% per year, taking into account the combined effects of the strategy to control the wage bill and the pursuit of the policies of compulsory education and health for all. **Duties and taxes**, net of subsidies, should rise by an average of +7.5%, thanks in particular to the various ongoing reforms in the tax administration and the dynamism of the economic activity.

Growth would be driven by the consolidation of final consumption (average growth rate: +5.8%) and the strengthening of investments (average growth rate: +10.2%). **Final consumption** would benefit from rising household incomes and job creation. **The investment** would be supported by the continuation of public works (socio-economic infrastructure, social housing, Gribo Popoli dam, Abidjan's 4th bridge, etc.) and the strengthening of production tools in the manufacturing and construction sectors. The overall investment rate is estimated at 23.2% of GDP on an annual average. The public investment rate would average 6.6% per year over the 2020-2022 period. The projected values of the nominal GDP would be CFAF 28,308 billion in 2020, CFAF 30,859 billion in 2021 and CFAF 33,619 billion in 2022. The inflation rate would be around 1% on average over the 2020-2022 period.

3.1 Achievements and Realizations

Capitalizing on the achievements of the first NDP, the 2016-2020 NDP aims to make Côte d'Ivoire an emerging country supported by a strong industrial base that maintains the investment dynamic and implements effective structural reforms. The Government's strategy is to increase the contribution of the secondary sector to the GDP from 24% in 2012 to about 40% in 2020. The Plan provides for a significant increase in public investment and the development of private sector activity and employment. Public investment (security, health, education, road infrastructure, agriculture, telecommunications, energy) should be increased to at least 5.3% of GDP and 6.8% of GDP from 2017 onwards.

In terms of road infrastructure, the projects include the strengthening of 140 km of the Gesco-Singrobo highway and the asphalting of 120 km of road between Boundiali-Tengrela, and the reprofiling of 5,000 km of rural roads, the delivery of the Riviera II interchange and the Henri Konan Bédié, Bouaflé and Jacqueville bridges, the strengthening and widening of the track at the Vridi freight station (CFAF 6.8 billion), the strengthening of the 80 km long Adzopé-Fleuve Comoé (C2D) section (CFAF 23.1 billion). Significant improvements are noticeable in the social sectors with the increase in the number of jobs in the formal sector (756 597 in 2013, and 799 890 in 2014). The gross enrolment rate rose from 76.2% in 2008 to 94.7% in 2014 (MEF/DCPE).

At the same time, a multisectoral training complex in the hotel, tourism, catering, buildings and public works industries has been built, accompanied by rehabilitation and extension work on training centers and vocational schools and teacher recruitment programs in technical education and vocational training. Other efforts have been made to rehabilitate and reequip hospitals and health centers, thus improving access to health services. The Government has been able to attract private investment through investments in the energy and mining sectors (construction of the Tongon mine), oil and gas exploration and the establishment of several processing units in the coffee, cocoa and cashew nut sectors. Private sector investment amounted to CFAF 4,699 billion, compared to the planned CFAF 3,946 billion, i.e. an implementation rate of 118.3%.

Over the 2016-2020 subperiod, the Government intends to maintain the general objective of making Côte d'Ivoire an emerging economy to significantly reduce poverty. At the sectoral level, the Government's strategy would aim at compulsory schooling, food self-sufficiency, access to drinking water, access to electricity in every village with more than 500 inhabitants, the principle of "one citizen, one computer, Internet connection" and efficient local health systems, and continued strengthening of the quality of institutions and governance. In terms of employment, there was a net creation of 38,369 jobs in 2016.

Financing of the NDP

The financing strategy for the 2012-2015 NDP is based on increasing public investment and stimulating private investment. The total investment cost (public and private) of the 2012-2015 NDP amounted to CFAF 11 076 billion, including a public sector contribution of CFAF 4 579.6 billion.

For the 2016-2020 NDP, the financing strategy will be based on an overall investment level of around 30,000 billion CFA francs, 60% of which will be private investment, including public-private partnerships. The public financing estimated at CFAF 11,300 billion should be covered by domestic revenues (up to CFAF 6 893 billion of the total investment cost, i.e., 61% of public financing). The financing requirement would amount to 4,407 billion and would be covered by concessional loans (1,057.7 billion, i.e., 24% of the expressed financing requirement), semi-concessional loans (1,806.9 billion i.e., 41% of the financing requirement) and non-concessional loans (1,542.5 billion i.e., 35% of the financing requirement, in the form of government securities issues on the WAEMU money and capital markets and international financial markets).

3.2. Other structural reforms and future achievements

Future projects take into account the 2016-2020 NDP according to the following pillars: (i) the fight against poverty, (ii) the strengthening of the quality of institutions and governance; (iii) the acceleration of the structural transformation of the economy through industrialization; (iv) the development of infrastructures harmoniously distributed over the territory and the preservation of the environment; and (v) the strengthening of regional integration and international cooperation.

Fight against poverty

Actions to combat poverty have also been initiated as part of the NDP. With the return to growth and the re-establishment of relations with development partners, the Government has once again committed itself to achieve the MDGs through its NDP.
The education sector accounts for the majority of pro-poor expenditures, followed by the health sector (4.60% of GDP and 1.44% of GDP respectively). Expenditures in these two sectors increased between 2013 and 2016 as a percentage of GDP but decreased in 2017.

Table 20: Evolution of pro-poor expenditure during 2013-2017

(% of GDP)	2013	2014	2015	2016	2017
Agriculture and Rural Development	0.53	0.80	0.57	0.58	0.36
Fisheries Resources and Animal Production	0.05	0.05	0.05	0.04	0.04
Education	4.90	4.69	5.11	5.50	4.60
Health	1.28	1.31	1.44	1.54	1.44
Water and sanitation	0.77	0.84	0.39	0.27	0.20
Energy	0.17	0.29	0.28	0.21	0.48
Roads and other structures	0.52	0.79	0.80	0.72	1.40
Social Affairs	0.16	0.14	0.15	0.18	0.12
Decentralization (excluding education, health and agriculture)	0.22	0.31	0.25	0.26	0.23
Reconstructions, renovations and other pro-poor expenses	0.02	0.01	0.07	0.05	0.07
Total	**8.66**	**9.29**	**9.03**	**9.34**	**8.94**
Of which external financing	*0.83%*	*1.46%*	*0.84%*	*0.68%*	*1.64%*

Source : SEPMBPE

Strengthening the quality of institutions and governance

With regard to governance, an Authority responsible for developing and implementing the national anti-corruption strategy has been operational since 2013. It identifies instruments for measuring and preventing corruption. It should help to moralize public life and consolidate the principles of good governance and the culture of public service.

Accelerating the development of human capital and promoting well-being

The 2016-2025 PASEF provides for general and specific initiatives with a total cost of CFAF 565 billion, financed by the State, bilateral and multilateral financial partners. Targeted actions include, among others: improving the quality of the education offer by recruiting teachers and improving technical and pedagogical tools, revising learner-teacher training programs, building and rehabilitating infrastructure in the education-training sector (an average of 3,907 primary classes and 40 secondary schools each year) and supervision to ensure compliance with education-training standards.
A program to build, rehabilitate, equip and re-equip hospitals and health centers, for a total cost of CFAF 755 billion over the 2018-2020 period, is underway.

Structural transformation of the economy through industrialization

In the area of agricultural development, the Government's interventions aim to guarantee competitiveness, ensure food security and improve the income of farmers through the modernization of agriculture, the increase of agricultural production, the implementation of the National Agricultural Investment Plan (PNIA) in order to ensure overall growth of the primary sector of 9% per year.

These measures have increased the cashew processing rate from 6.3% in 2016 to 6.5% in 2017 and should go beyond that in 2018 as a result of measures guaranteeing the supply of agricultural raw materials to businesses. With regard to cocoa processing, the current estimated processing rate of 28.4% should in principle increase with the establishment of two chocolate production plants in the economic capital and in the south-west of the country.

In the area of mining and energy, the strategy of intensification of exploration and diversification of mining operations has led to the issuance of research and operating permits. With increased exploration, the extension of the Orty gold production mine and the opening of nickel and bauxite production companies, the mining sector's contribution to the GDP is expected to reach 3% in 2018.

In addition, the government plans to revitalize domestic trade through the construction and operation of exhibition centers and the encouragement of mutualization of traders.

4- RISK FACTORS

4.1 Political and security risks

4.1.1 Election risks

Significant political progress has been made since 2011. The peaceful organization of the referendum in favor of constitutional reform and the presidential, legislative, senatorial and municipal elections thus reflect the return of stability. More recently, actions in favor of national reconciliation have been welcomed with the presidential pardon granted to several prisoners, including some opposition leaders. However, the erosion of the coalition in power until 2018 and the pressure to reform the Independent Electoral Commission (CEI) are concerns that the Government should address in order to strengthen social stability and consolidate democracy.

4.1.2 Domestic security risks

The Government's progress in stabilizing the security and socio-political situation led the United Nations Security Council in April 2014 to partially lift the arms embargo on Côte d'Ivoire and end the sanctions imposed in 2005 on diamond exports. In continuing domestic security efforts (disarmament, demobilization and reintegration of ex-combatants), the fight against trafficking in small arms and light weapons remains a concern. The post-electoral crisis of 2011 and the subregional instability linked to the presence of armed groups in Mali, Burkina Faso and Nigeria have facilitated the proliferation and illicit circulation of these weapons. To contain this security threat, the Ivorian authorities have set up the National Commission to Combat the Proliferation and Illicit Circulation of SALW (ComNat-CI), with the support of ECOSAP, UNDP and the Small Arms Survey. In addition, sporadic violence and mutinies by ex-combatants demanding payments have been recorded and remain detrimental to internal stability, even though the Government is making efforts under the military programming law.

4.2 Social risk

Demonstrations by ex-combatants and socio-professional groups demanding payments or salary advances are major risks.
Aware of this situation, the Government initiated measures to increase salaries in 2014 and to pay salary and wage costs to ex-combatants in 2017 without compromising the proper implementation of the economic and financial program. To prevent socio-professional unrest, the Government has taken measures to consolidate social peace and national cohesion. These include the signing of a memorandum of understanding with a view to a social truce, the Government's commitment to improving the living and working conditions of civil servants through various measures including the payment of the stock of benefits arrears to civil servants, estimated at CFAF 249.6 billion from 2018 (70% of the amount should be paid between 2018 and 2022 and 30%, payable over the 2023-2025 period).

4.3 Macroeconomic risks

4.3.1 Trend in international commodity prices

The heavy dependence on exportable agricultural products makes the Ivorian economy vulnerable to fluctuations in world agricultural commodity prices and climatic conditions. Revenues from coffee, cocoa, oil and gas products account for 27% of budget tax revenues (SEPMBPE). The average prices of the main export products[6] calculated based on data from the last six months (including January 2019) are as follows: 1 375 dollars/ton of cashew nuts (CIF), 1.9 euro/kg of cocoa beans, 1.6 euro/kg of Robusta coffee, 1.3 euro/kg of rubber and 506.9 euro/metric ton of palm oil. A downward fluctuation in the prices of these raw materials linked to the evolution of world demand and climatic conditions constitutes a significant risk for the realization of public revenues.

[6] The figures were calculated by the author based on the statistics of the website https://www.indexmundi.com/fr/matierespremieres/?marchandise=caoutchouc&monnaie=eur&marchandise=huile-de-palme.

4.3.2 Trend in external demand for agricultural products from Côte d'Ivoire

Weak domestic demand for agricultural exports and their heavy dependence on external markets expose the domestic economy to declines in export revenues and cyclical contractions in the level of economic activity. To reduce this heavy dependence of the economy on the price of agricultural products and external demand, the Government has undertaken to exploit other agricultural products (rice, palm oil, cashew nuts, ores, increased electricity production) to diversify export revenues. It also intends to accelerate the industrial processing of these agricultural raw materials and gradually reduce the share of the primary sector in the GDP

4.4 Risks related to the mobilization of financial resources

4.4.1 Mobilization of tax resources

The collection of domestic revenue in general and tax revenue, in particular, is highly dependent on fluctuations in the prices of agricultural, mining and energy products. Revenues related to agricultural, mining and energy commodities (coffee, cocoa, bananas, and oil and gas products) account for 27% of budgetary tax revenues. Thus, a downward fluctuation in the prices of these commodities is a major risk to budget revenue. To contain these risks and increase tax revenue, the government initiated a series of measures in 2018 as part of the economic and financial program. These aim to provide an additional level of tax revenue estimated at more than 0.1% of GDP.

The conclusions of the public debt sustainability analysis over the 2019-2039 period indicate that Côte d'Ivoire's risk of over-indebtedness would remain moderate. Central government debt outstanding, taking into account Eurobond issues, increased from 45.3% of GDP at end-December 2017 to 48.6% of GDP at end-December 2018. The domestic debt-to-GDP stock ratio stood at 16.7% at end-December 2018 compared with 19.3% at end-December 2017

4.4.2 Risk related to public external funding by donors

The mobilization of external resources can be jeopardized by the complexity of the conditions linked to such funding. Non-compliance with these conditionalities can lead to the suspension of external support, including project grants and loans, which are essential for the realization of a significant portion of public investments.

4.4.3 Risk related to private external financing by foreign direct investments

The proportion of foreign direct investment in the GDP in 2017 is on the rise, rising from 1.3% in 2013 to 1.81% as a result of measures to improve the business climate. Reaching the completion point of the HIPC initiative in 2012 has also made it possible to considerably reduce the stock of the Ivorian external debt. The country has resumed debt service payments with all its external creditors. It has also completed the negotiation of an Arrears Settlement Plan with domestic creditors. Côte d'Ivoire has complied with the financial rating requirement and has been rated B by Fitch and B1 by Moody's. Its economic performance and development prospects were confirmed by the upgrading of its rating in the last quarter of 2015 from B1 to Ba3 (Moody's) stable outlook and from B to B+ (Fitch) stable outlook in October 2018.

4.5 Health Risks

In 2015, the incidence of Acute Respiratory Infections in children aged 0-4 years was estimated at 202 per 1000, and the incidence of malaria in the general population at 155 per 1000. The incidence of diarrhea in children aged 0-4 years was estimated at 88.86 per 1000.

The country has made little progress in the fight against maternal mortality, going from 745 in 1990 to 645 deaths per 100,000 live births in 2015, a decrease of 13.4 percent in 25 years, with an annual rate of 0.6 percent compared to 44 percent at the global level. Côte d'Ivoire is behind countries such as Mauritania with 602 deaths, Cameroon with 596 deaths, Mali with 587 deaths, Niger with 553 deaths, Guinea-Bissau with 549 deaths and Kenya with 510 deaths. Neonatal mortality stood at 38 per 1,000 live births in 2012 compared to 41 in 2005.

4.6 Environmental Risks

According to the World Bank, the growth rate of the Ivorian economy, estimated at between 8 and 8.5% per year, harms its environment (natural capital). The recourse to extensive farming of agricultural export products has for consequences the acceleration of deforestation, the exhaustion of natural supply sources of drinking water, the increase in emissions of polluting gases. A framework for intervention has been put in place. It is based on the country's long and medium-term growth vision set out in the NDP. This framework is oriented towards the structural transformation of the economy through innovative policies that address the question of the sustainability of growth and provide innovative solutions to contain the destruction of natural capital to reach viable and sustainable development.

5.1. Structural elements

5.1.1. Description of the Franc zone

The Franc zone is characterized by four (4) founding principles. These principles were set out in the monetary cooperation agreement between the Member States of the Bank of Central African States' area of issuance and France of 23 November 1972, as well as in the cooperation agreement between the member countries of the West African Monetary Union and France of 4 December 1973.

The 4 main principles of the Franc zone are:

- A guarantee from the French Treasury for the unlimited convertibility of the Central Bank currency: currencies issued by the issuing institutes of the Franc zone have unlimited convertibility guaranteed by the French Treasury. To ensure the free convertibility of each of the sub-zones, an operations account is opened with the French Treasury by each Central Bank of the zone and on which the Central Banks have an unlimited drawing right in case of exhaustion of their foreign exchange reserves;

- A fixed parity with the Euro of 1 Euro for 655.957 CFA Francs: the parity of the currency of the zone with the Euro is fixed and defined for each sub-zone. The currencies of the zone are interconvertible, at fixed parities, without limitation of amounts. The changeover to the euro resulted in a simple substitution of the anchoring to the French franc by the anchoring to the euro, at an equivalent parity, i.e. CFAF 655.957 = 1 euro (the parity being identical for the West and Central African sub-areas).

- Free and unlimited transfer of reserves: transfers are, in principle, free within the Zone.

- The centralization of reserves: States centralize their foreign exchange reserves in their Central Banks, while in return for the unlimited convertibility guaranteed by France, the Central Banks of the franc zone are required to deposit a share of their net foreign assets (foreign exchange reserves) with the French Treasury on the operations account opened in the name of each of them. Since the September 2005 reform, BCEAO has been required to deposit 50% of its foreign assets in its operations account.

5.1.2.Description of BCEAO

Article 41 of the WAEMU Treaty designates the Central Bank of West African States (BCEAO) as an autonomous specialized institution of the Union. In complete independence, BCEAO contributes to the achievement of the objectives of the Treaty.

Members

The eight (8) Member States of WAEMU are members of BCEAO. They are Benin, Burkina Faso, Côte d’Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo.

The bodies

The bodies of the Central Bank are the Governor, the Monetary Policy Committee, the Board of Directors, the Audit Committee, and the National Credit Boards, one in each WAMU Member State.

How it works

The Central Bank, its bodies, any member of its bodies or its staff may not request or receive instructions or directives from Community institutions or organs, from the governments of WAEMU Member States, from any other body or any other person. Community institutions and bodies and the governments of WAEMU member states shall undertake to respect this principle.

The main objective of the Central Bank's monetary policy shall be to ensure price stability. Without prejudice to this objective, the Central Bank shall support the economic policies of the West African Economic and Monetary Union (WAEMU) for sound and sustainable growth.

Roles

The Central Bank has the following basic tasks:

- to define and implement the monetary policy within the WAEMU,
- ensure the stability of the WAEMU banking and financial system,
- promote the smooth operation and ensure the

oversight and security of payment systems in the WAMU region,

- implement WAEMU's exchange rate policy under the conditions set by the Council of Ministers,
- manage the official foreign exchange reserves of WAEMU member states.

The Central Bank, with due respect for the monetary balance, may carry out specific missions or projects that contribute to improving the monetary policy environment, diversifying and strengthening the WAEMU financial system and technical and professional capacities in the banking and financial sector.

The main objective of the Central Bank's monetary policy is to ensure price stability. To this end, it defines the monetary policy that maintains the external coverage rate of the currency at a satisfactory level and supports the economic activity of member countries without inflationary pressure[7].

BCEAO oversees the monetary policy of each member country by setting the annual money supply and credit targets. Statutory advances to the National Treasuries of member states were suspended in 2001 and abolished as of 2010.

For the conduct of the common monetary policy, BCEAO relies on market mechanisms and indirect instruments to regulate liquidity, including interest rate management and the minimum reserve system.

5.1.3. Monetary Policy

BCEAO enjoys the exclusive privilege of monetary issuance in all member states of the West African Monetary Union. It issues monetary signs, notes and coins, which have legal tender status and power of discharge in all member states of the Union. The creation, issue and cancellation of monetary signs are decided by the Council of Ministers.

The Central Bank’s management of the monetary policy of the Member States of the Union consists in adjusting the overall liquidity of the economy in line with developments in the economic situation to ensure price stability on the one hand and to promote economic growth on the other.

The current money and credit management framework relies on market mechanisms and indirect instruments to regulate liquidity, notably interest rates and the minimum reserve system.

The functioning of BCEAO is based on:

- Open market operations: seven-day and twenty-eight-day refinancing (respectively weekly and monthly for banks subject to minimum reserve) at variable rates; the minimum bid rate considered is by BCEAO as its prime rate (currently 2.5%). Planned auctions are generally calibrated according to BCEAO's forecast of liquidity needs over the maturity of the operations;
- Permanent loan windows: the refinancing of 1 to 7 days or 90 to 360 days against government securities and credit applications with maturities ranging from 5 to 20 years, at the request of banks (marginal loan window). The rates at these windows are above the policy rate by 200 basis points. As of June 2017, recourse to the loan window has been capped at twice the counterpart's own funds.

The minimum bid rate for open market operations (tenders) and the interest rate on the marginal loan window (pension rate), whose levels are set by the Monetary Policy Committee, are 2.50% and 4.50%, respectively, and are the two main prime rates of BCEAO.

Money supply

The monetary situation is on the one hand marked by a gradual recovery in net external assets in 2017, and 2018 after the downturn at the end of 2016 explained in part by the decline in the value of exports due to the fall in cocoa prices. This increase in external assets, estimated at an average of 15.9% over the two years, is the result of the improvement in the effective repatriation of export revenues and, to a lesser extent, the mobilization of external resources (in particular the Eurobond issues in 2017 and 2018 which made it possible to consolidate the level of these assets).

Domestic credit (credits to the economy and net credits to the State) developed favorably (about 29.3% over the period) due to the strength of economic activity, the improvement in the business environment and the renewed confidence of economic operators and the banking system.

The money supply increased by about 23.8% over the period in response to developments in net foreign assets and domestic credit.

[7] The Monetary Policy Committee of the CBWAS, at its first meeting held on 14 September 2010 in Dakar, defined the operational objective of price stability as an annual inflation rate in the Union around 2% with a margin of ± one percentage point (1%) over a twenty-four (24) month period.

The banking system remained sound with a solvency ratio of 9.8% at the end of December 2017[8] against 8.04% at the end of 2016, in line with the increase in the level of capital and reserves built up in compliance with the minimum capital and reserves standards as well as the preparation for the transition to the prudential standards of Bale 2 and 3. The portfolio gross deterioration rate would be 8.68% in 2018.

Table 21. Monetary situation

	2016	2017	2018
Net foreign assets..	1753.5	1762.7	2032.1
Central Bank...	1399	1550.7	1702.3
Commercial Banks...	354.5	212.1	329.8
Net Domestic asset....................................	7220.8	8290.7	9336.6
Net credit to the State...	1724.5	1981.1	2318.3
Central Bank..	484.9	447.4	418.9
Commercial Banks...	1239.6	1533.7	1899.3
Including covered bonds................................	9.2	9.2	92
Banque Postale savings (Caisse d'épargne et des chèques postaux)..	0	0	0
Credit to the Economy..	5496.2	6309.6	7018.3
Seasonal credit	460.3	411.1	411.0
Other credits (Including covered bonds)........	5035.9	5898.5	6607.3
Other elements (net)..	1121.3	1478.6	1645.0
Money supply (M2..	7852.9	8574.9	9723.7
Money supply outside the banking system....................	2273.4	2301.0	2439.9
Deposits	5579.5	6273.8	7283.8
Other deposits ………………………………....	0	0	0
CNCE..	0	0	0
Percentage changes as of 31/12			
Net foreign assets ……………………………...	5.1	0.5	15.3
Net domestic assets...	14.3	14.8	12.6
Net credit to the State..	17.5	14.9	17.0
Central Bank...	-13.4	-7.7	-6.4
Commercial Banks...	36.5	23.7	23.8
Credit to the economy.......................................	13.3	15.3	11.3
Money Supply...	11.0	9.2	13.4

Source: BCEAO, SEPMBPE

For the 2019-2021 period, the monetary situation will show an average growth of the money supply of 11.2%, driven by both domestic credit growth and net foreign assets. The change in net domestic assets will result exclusively from the 14.0% increase in credits to the economy. Net claims on the central government should fall by 2.5% over the period in connection with a net debt reduction vis-à-vis the banking system. As for external assets, their consolidation is mainly due to the assets of the Central Bank.

[8] 2018 Data are due at the end of June 2019 following the entry into force of the new PCB.

Table 22. 2019-2021 projection of monetary statistics

In billions of CFAF	2019 Proj	2020 Proj	2021 Proj
Broad Currency (M2)	10558.7	11846.9	13358.3
Cash in Circulation	2534.1	2712.9	2938.8
Deposits	8024.6	9133.9	10419.4
BCEAO	2.3	2.4	2.4
Banks	8022.3	9131.5	10417.0
Counterpart of M2	10558.7	11846.9	13358.3
Net external assets	2202.1	2356.1	2486.1
BCEAO	1901.3	2081.1	2236.1
Banks	300.8	275.0	250.0
Domestic receivables	10002.2	11237.2	12518.2
Net receivables from public administrations	2008.4	2128.2	2124.8
Credit to the economy	7993.8	9109.0	10393.4
Non-monetary liabilities	-1464.0	-1564.4	-1464.0
Other Net Items	-181.6	-182.0	-182.0

Source: BCEAO, march 2019 projections

5.2. Banking system and financial markets

5.2.1. Banking Environment

As of 31 December 2018, the Ivorian banking system consisted of twenty-nine (29) credit institutions, namely twenty-seven (27) banks and two (02) financial institutions of a banking nature. The change recorded during the year under review relates to the withdrawal of the license of COFIPA Investment Bank Côte d'Ivoire (CIBCI) given by the Order of the Minister of Economy and Finance as of 5 October 2018.

Five (5) banks out of the twenty-seven (27) in activity had a balance sheet total of more than CFAF 1,000 billion. They accounted for 56.4% of the sector's deposits and 59.8% of outstanding loans.

The analysis of the structure of loans reported to BCEAO Central Risk Office revealed that the tertiary sector absorbed 48.5% of the outstanding loans at the end of December 2018 and remains the main beneficiary of bank financing. The secondary sector is in second place and accounts for 41.9% of bank loans. The share of the primary sector is 9.6%. Medium and long-term loans, which are essential for real estate investments and other investment projects, accounted for 23.8% and 2.7% respectively of the total outstanding loans reported.
In terms of the "Employment/Resources" balance, the situation of the Ivorian banking system at the end of December 2018 is characterized by a negative cash position of CFAF 738.3 billion, after a deficit of CFAF 731.1 billion a year earlier. This deficit is made up of loans from BCEAO, the regional interbank market and other financial institutions outside WAMU.

Table 23. Assets and liabilities of the Ivorian banking sector (2014-2017)

(In billions of CFAF)	2014	2015	2016	2017	2018 (1)
Commercial banks' assets by maturity	-	-	-	-	-
Total Assets	6 639	8 294	9 669	11 069	12 077
Total debt	6 639	8 294	9 669	11 069	12 077

Source: BCEAO, Balance sheets and profit and loss accounts of banks and financial institutions.

Table 24. Performance of the Ivorian banking sector (2013-2017)

	2015	2016	2017	2018 (2)
Result Indicators				
Capital adequacy ratio (%)(1)				
Equity capital/ assets weighted according to risk				
(Core capital/RWA)	8.15	8.04	9.81	NA (3)
Human capital / risk-weighted assets	6.98	7.01	8.55	NA (3)
Quality of assets				
Risky loans/total loans (%)	10.64	9.00	9.80	9.16
Provisions / risky loans (%)	68.59	71.05	63.6	65.1

Source: BCEAO
(1) The capital adequacy ratio is equal to capital divided by risk-weighted assets.
(2) Provisional data.
(2) Not available.

Table 25. Financial stability indicators

In %	End of december 2015	End of december 2016	End of decembre 2017	End of decembre 2018
Capital standard				
Regulatory capital/risk-weighted assets	8.15	8.04	9.81	NA (2)
Core capital/risk-weighted assets (1)	6.98	7.01	8.55	NA (2)
General provisions/risk-weighted assets	7.87	7.00	6.74	NA (2)
Capital/total assets	4.53	4.31	5.61	NA (2)
Asset composition and quality				
Gross overdue credits/total credits	10.5	9.0	9.8	9.16
Gross general provisions/loans outstanding	68.6	71.0	63.6	65.1
Liquidity				
Liquid assets/total assets	52.0	52.76	50.61	NA (2)
Liquid assets/total deposits	71.00	73.77	74.13	NA (2)
Total credits/total deposits	76.07	81.72	87.4	85.5

Source: BCEAO.
(1) This is Third Party 1 Capital.

Microfinance

Microfinance in Côte d'Ivoire generates enthusiasm among economic operators. Over the years, microfinance activities have intensified although the performance of some indicators has declined. In 2016, the Ivorian microfinance sector had 54 licensed DFS, including 5 cooperative unions, 33 individual cooperatives and 16 public limited companies. In 2014, all of these DFS had about 322 service points spread throughout the country, compared to 302 in 2015.

There has been a decline in the number of DFS and service points. This is the result of the withdrawal of accreditation to 15 DFS in 2015, mainly savings and credit cooperatives or mutuals as part of the sector's restructuring. In addition, two (2) new licenses were issued during the same year. The dynamism of activities observed in previous years continued in 2015 given the strong evolution of the main indicators.

Table 26. Evolution of the microfinance sector indicators (2010-2016)

INDICATORS	2010	2011	2012	2013	2014	2015	2016
licensed DFS	84	72	72	73	75	62	54
Number of Members/customers	**1 025 212**	**966 616**	**704 618**	**778 835**	**828 494**	**1 028 340**	**1 168 154**
Outstanding deposits (billions)	96.5	103.9	118.1	126.6	146.7	175.7	210.1
Outstanding loans (billions)	28.5	41.3	57.5	79.2	100.7	138.2	189.9
Rate of Portfolio at risk over 90 days (%)	7.8	9.5	6.3	5.5	8.1	8.8	6.6
UNACOOPEC-CI	6.8	9	7.6	8.6	20.8	18.9	19.5
Other DFS	10.5	10.2	4.5	2.3	2.3	4.6	3.7
Capital (Billions)	-11.2	-14.8	-15.9	-10.2	-3.3	-2.1	4
UNACOOPEC -CI	-12.6	-20.9	-21.1	-20.2	-18.8	-21.9	-25.8
Other DFS	1.6	6.1	5.2	10	15.6	19.9	29.8
TOTAL Balance (Billions)	**95**	**101.7**	**119.4**	**144.5**	**178.5**	**229.8**	**295.2**

Source: MEF/DGTCP/DM/DRSSFD

BRVM

A regional stock exchange (BRVM) common to all eight WAEMU countries, with headquarters in Abidjan, was created on 18 December 1996. It has four missions: organizing the stock market, listing and trading securities, disseminating stock market information, and promoting and developing the market. It is a public limited company governed by the provisions of the Uniform Act of OHADA relating to the law of Commercial Companies and Economic Interest Grouping. BRVM works in perfect collaboration with other sub-regional institutions.

In terms of reforms, the 2014/2021 Strategic Plan of the WAEMU regional financial market revolves mainly around 4 actions:
- Increasing the attractiveness of the regional financial market and its contribution to the financing of the Union's economies;
- Strengthening the protection of investors and the supervision and control of market participants;
- improving the regional and international institutional anchoring, organization, operation and financing of all market participants; and
- promote the financial market at Union level and strengthen inter-African and international cooperation.

The major ongoing projects are aimed at achieving stronger regional integration and a significant increase in the impact of the stock market on the financing of the economy. Indeed, since 2013, BRVM and the other ECOWAS stock exchanges (Lagos in Nigeria and Accra in Ghana) are working to set up a cross-transaction mechanism. In this sense, agreements are being negotiated with the Chambers of Commerce of member countries. The possibility for players in the three markets to take positions on the entire zone will contribute to improving the depth of the WAEMU regional financial market. In addition, on 19 March 2018, BRVM opened a segment (the third equity segment) dedicated to small capitalization to position itself as an alternative to bank financing.

Bond Market

BRVM is one of the most dynamic bond markets in Africa with 57 bond issues listed on 3 June 2019, for a total market capitalization of CFAF 615 billion. These 57 bonds are composed of 29 government bonds, 11 public and private sector bonds, 13 bonds from regional and international institutions and 4 Sukuks[9]. As of 31 December 2016, government bonds were the largest on the market, representing CFAF 2 225.7 billion in nominal terms, i.e. 88.7% of the total market capitalization.

Shares Market

Société Générale de Côte d'Ivoire (SGCI) ("former SGBCI") and Bolloré Africa Logistics Côte d'Ivoire ("BALCI"), both headquartered in Côte d'Ivoire, are among the largest capitalizations and their shares are among the most liquid. Considered as the "drivers" of the market, SGCI and BALCI have a market capitalization of CFAF 454.222 billion and CFAF 323.343 billion respectively as of December 30, 2016.
Currently, there are 46 companies listed on BRVM, including 35 companies from Côte d'Ivoire, 3 companies from Senegal, 3 companies from Burkina Faso, 1 company from Benin, 1 company from Niger, 1 company from Mali and 2 companies from Togo.
In 2018, stock market activity was down compared to 2017. BRVM 10 index fell from 219.7 in 2017 to 154.4 in 2018, and BRVM composite index from 243.1 in 2017 to 172.2 in 2018. Similarly, capitalization recorded a drop of CFAF 1 991.7 billion between these two dates. Table 27 shows the evolution of BRVM 10 and BRVM composite from 2015 to 2018.

Table 27. Evolution of BRVM 10 and BRVM composite over the last four years

	2015	2016	2017	2018
BRVM 10	290.38	261.95	219.65	154.4
BRVM composite	303.93	292.17	243.06	172.2
Total capitalization (in billions of CFAF)	7 499.67	7 706.27	6 836.2	4 844

Source: BRVM

5.2.2. Debt subscription mechanism

Organization of the auction market and subscription amounts

The auction market is a segment of the government securities market, on which WAEMU member states issue Treasury bills and bonds following an auction procedure to finance their budgets.
Unlike the syndication market, the auction market is driven by the following players:
- The Central Bank of West African States (BCEAO), which is the regulator of this market. As such, it enacts the applicable provisions, intervenes in the organization of auctions of government securities, acts as Central Custodian / Settlement Bank, ensures clearing, settlement and delivery of transactions between participants with an account in its books, through its electronic platform SAGETIL-UMOA[10];
- The States, which are the issuers of public debt securities on the Union's money market, under the responsibility of the Minister of Finance;
- The Agence UMOA Titres, a regional structure in charge of issuing and managing public debt securities, materially organizes issues and assists Member States in mobilizing resources on the capital markets and managing their debt;
- investors which are credit institutions, SGI and regional financial organizations with a settlement account in the books of the Central Bank[11];
- Treasury Securities Specialists (TSS), which are credit institutions and SGI that have obtained the approval of the Ministers of Finance of WAEMU member states to act in this capacity and thus benefit from the status of privileged partners of one or more member state's treasuries in transactions on public debt securities issued on the regional market.[12]

[9] An Islamic bond product that is the equivalent of Asset Backed Securities (ABS) in conventional finance. For more information, see the link https://www.lesechos.fr/finance-marches/vernimmen/definition_sukuk.html
[10] Automated Securities and Liquidity Management System of the West African Monetary Union
[11] All other investors wishing to participate will have to go through the approved participants.
[12] The operationalization of TSS in the WAEMU started on 1 March 2016.

Securities issued by auction are traded on the secondary market, following the over-the-counter procedure.

Organization of the syndication markets and amount of subscriptions

When organizing issues by syndication, the States entrust the process of placing the securities to an underwriting syndicate, whose members are SGI approved by the CREPMF. In addition, the issuer chooses a lead manager from among the syndicate members, who is in charge of specific tasks in the issuance process.

Since its creation, the main products present on the regional financial market have been equities and bonds. In recent years, several new products such as mortgage refinancing and securitization (Sukuk Receivables Securitization Fund) have been introduced.

Securities issued by syndication are traded on the secondary market on BRVM electronic trading platform.

5.3 Inflation rate

Since 2014, average annual inflation has remained low, thanks to a plan to combat the high cost of living implemented by the Government since 2013. This plan has sharply reduced the prices of key commodities and kept inflation below the Union standard of 3%. The regular supply of markets boosted by efficient food-producing agriculture and supported by the results of the National Agricultural Investment Program (PNIA) also helps to explain the low level of inflation.

Table 28: Inflation in Côte d'Ivoire (2013-2018)

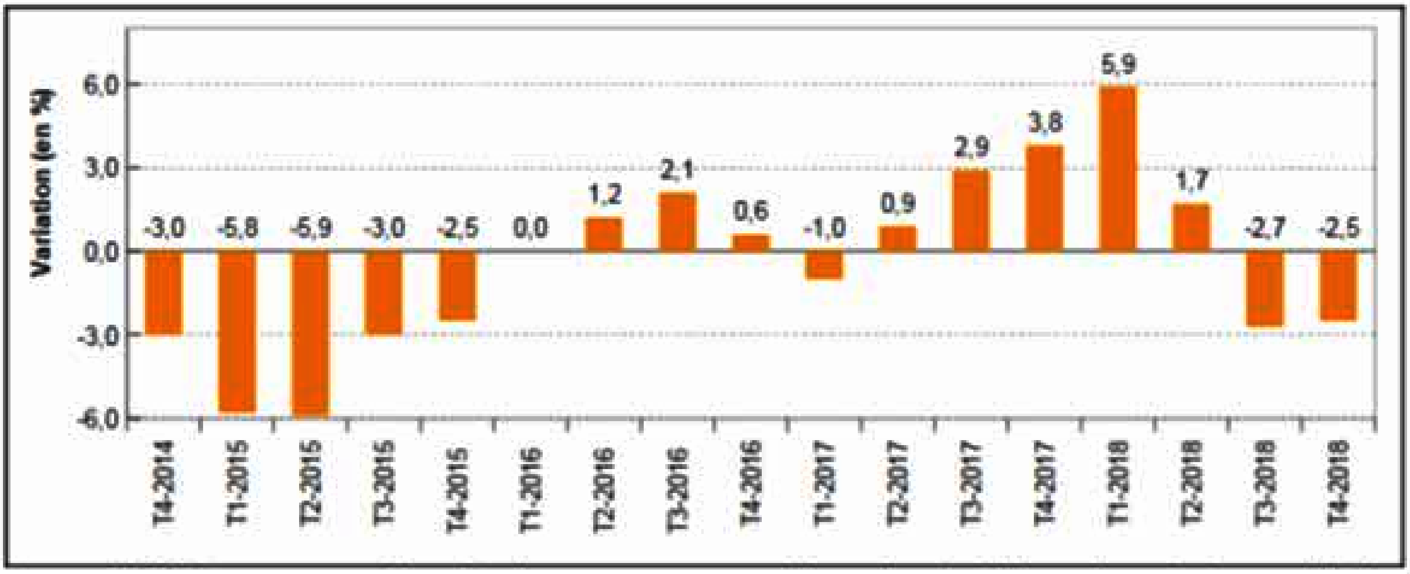
Inflation (Consumer Price Index)	2016	2017	2018
Côte d'Ivoire - Annual average	0.7%	0.7%	0.4%
WAEMU - Annual average	0.3%	0.8%	0.8%

Source : BCEAO

5.4 Exchange rate

The exchange rate of the CFAF against the US Dollar is determined with reference to the variations of the rate of the Euro against the US Dollar. The exchange rate of the CFAF against the Euro has been fixed and has not changed since the introduction of the Euro. Previously, it was fixed against the French Franc. The information published by BCEAO (WAMU Monetary Policy Report of March 2019), shows that the Real Effective Exchange Rate (REER) of the Union fell by 2.5% in the fourth quarter of 2018 compared to the same period last year. This reflects a gain in competitiveness, mainly due to the inflation differential favorable to the Union (-3.0%) compared to its partners, mitigated by a slight increase in the nominal effective exchange rate (+0.5%).

Graph 3: Evolution of the average annual USD/CFA and CNY/CFA exchange rate



Source : fxtop.com/fr/historique-taux-change.php?A=1&C1=USD&C2=XOF&DD1=01&MM1=01&YYYY1=2013&B=1&P=&I=1&DD2=31&MM2=12&YYYY2=2019&btnOK=Chercher

The nominal effective exchange rate in 2018 Q4 was in line with the annual appreciation of the CFA franc against the Indian rupee (+7.8%), the Ghanaian cedi (+5.9%), the South African rand (+1.3%) and the Chinese yuan (+1.4%). On the other hand, the CFA franc depreciated against the US dollar (-3.1%), the naira (-2.8%) and the Swiss franc (-2.3%). The inflation rate in the Union stood at 0.9% in the fourth quarter of 2018 against an average increase of 3.9% in the partner countries.

5.5 Foreign Reserves

Foreign exchange reserves are centralized by BCEAO and managed according to the principle of solidarity among WAEMU member states, in compliance with the conditions laid down in the operations account agreement. They are not allocated by Member State.

Table 29: foreign reserves of the Union in number of months of imports

	2016	2017	2018
Reserves (in billions of CFAF)	6 529.4	7 184.2	8 561.0
Reserves (in number of months of imports)	4.3	4.1	4.7

Source : BCEAO

Table 30: Côte d'Ivoire 's foreign reserves by nature

	2016	2017	2018
Net foreign assets	1753.5	1762.7	2032.1
Central Bank	1399	1550.7	1702.3
Commercial banks	354.5	212.1	329.8
Net domestic assets	7220.8	8290.7	9336.6
Net credit to the State	1724.5	1981.1	2318.3
Credit to the economy	5496.2	6309.6	7018.3

Source : BCEAO

6.1 Balance of payment

The current account balance was in deficit over the entire period, except in 2014. Since 2015, it has deteriorated to reach CFAF -867.5 billion in 2018. On the other hand, the capital account balance has been positive over the entire period.

Table 31: Balance of payments (2013-2020)

(in billions of CFAF)	2013	2014	2015	2016	2017	2018	2019	2020
a. Current account (1+2+3)	-208.8	252.2	-119.1	-245.5	-662.7	-867.5	-863.2	-826.5
b. Capital account (4+5)	94.8	138.6	156.4	110.9	119.9	149	148.6	160.0
c. Current account and capital account balance (a+b)	-114.1	390.7	37.4	-134.6	-542.8	-718.5	-714.6	-666.5
d. Financial account (6+7+8+9)	-80.0	89.9	-250.3	-87.4	-590.9	-1136.8	-820.7	-737.2
e. Errors and omission (net)	36.7	-27	-39.1	0	0	0	0	0
f. Overall balance (c+d+e)	2.6	273.8	248.5	-53.1	48.1	418.3	106.0	70.6
g. valuation difference								

Source : BCEAO

The balance of the current account for goods and services has been positive over the whole period. It increased between 2013 and 2014 but has been on a downward trend since 2015. It is projected to increase again in 2019 and 2020. This balance is driven upwards by goods. Since 2014, the services balance has been negative. The current account balances for primary and secondary income are also negative. The capital account balance, on the other hand, is positive.

Table 32: Details of the balance of payments (2013-2020)

(in billions of CFAF)	2013	2014	2015	2016	2017	2018	2019*	2020*
a. Current account (1+2+3)	**-208.8**	**252.2**	**-119.1**	**-245.5**	**-662.7**	**-867.5**	**-863.2**	**-826.5**
1. Goods and services	**453.4**	**846.9**	**680.2**	**638.4**	**369.2**	**192.8**	**241.9**	**321.1**
Goods	**1482.8**	**1 914.80**	**1 874.00**	**1817.8**	**1719.7**	**1596.1**	**1651.3**	**1732.9**
FOB Exportations[1 1]	5946.6	6 411.30	6 938.00	6449.3	6881.4	6811.3	6981.3	7310.3
FOB Importations	-4463.8	- 4 496.50	- 5 064.00	-4631.5	5 161.70	5215.1	5330.0	5577.3
CIF Importations[2]	5267	- 5 290.00	- 5 957.60	-5448.8	6 072.50	6135.4	6270.6	6561.6
Services	**1479.2**	**- 1 067.90**	**- 1 193.90**	**-1179.5**	**- 1 350.50**	**-1403.3**	**-1409.4**	**-1411.8**
Credit		446.4	453	541.6	554	561.7	565.4	567.3
Debit		- 1 514.30	- 1 646.80	-1721.1	- 1 904.50	-1965.8	-1974.8	-1979.0
2. Primary incomes	**-445.1**	**-449.3**	**-595.5**	**-637.8**	**-720.5**	**-734.1**	**-742.3**	**-746.0**
3. Secondary incomes	**-217.1**	**-145.4**	**-203.7**	**-246.1**	**-311.4**	**-325.3**	**-362.8**	**-401.7**
Public Administration		124.1	98.1	83.4	100.7	100.3	94.2	90.5
Other sectors		-296.6	-301.8	-329.5	-412.1	-428.4	-458.3	-489.9
b. Capital account (4+5)	**94.8**	**138.6**	**156.4**	**110.9**	**119.9**	**149**	**148.6**	**160.0**
4. Acquisitions/sales of non-financial assets	**-1.6**	**1.3**	**0**	**0.0**	**0**	**0**	**0**	**0**
5. Capital transfer	**96.3**	**137.3**	**156.4**	**110.9**	**119.9**	**149**	**148.6**	**160.0**
Public Administrations		137.3	128.6	106.2	115.2	144.3	143.9	155.3
Other sectors		0	27.8	4.7	4.7	4.7	4.7	4.7
c. Current and capital account balance (a+b)	**-114.1**	**390.7**	**37.4**	**-134.6**	**-542.8**	**-718.5**	**-714.6**	**-666.5**
d. Financial account (6+7+8+9)	**-80.0**	**89.9**	**-250.3**	**-87.4**	**-590.9**	**-1136.8**	**-820.7**	**-737.2**
6. Directs Investments	**-204.5**	**-208.9**	**-283.8**	**-325.5**	**-354.9**	**-387.8**	**-425.5**	**-466.5**
7. Portfolio investments	**-86.1**	**-462.8**	**-574.2**	**-349.3**	**-782.6**	**-1074.1**	**-694.8**	**-451.7**
8. Financial derivatives	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
9. Other investments	**210.6**	**761.6**	**607.7**	**587.4**	**546.5**	**325.2**	**299.7**	**181.0**
Public Administration		-95.4	-174.5	-53.6	-305.3	-276.8	-190.3	-299.0
Other sectors		857.1	782.2	640.9	851.8	602	490.0	480.0
e. Errors and omissions (net)	**36.7**	**-27**	**-39.1**	**0**	**0**	**0**	**0**	**0**
f. Overall balance (c+d+e)	**2.6**	**273.8**	**248.5**	**-53.1**	**48.1**	**418.3**	**106.0**	**70.6**
g. valuation difference	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Source : BCEAO (*) Projection

The foreign trade situation is characterized by an average deficit of 308.6 billion from 2013 to 2018. The sharp increase in the value of capital goods imports related to the implementation of the NDP, combined with that of crude oil imports, contributed to eroding the trade surplus and induced a current account deficit that has sharply deteriorated since 2015.

Exports of goods in value terms recorded an average growth of 2.9% over the period 2013-2018, driven by agricultural exports, despite the continued fall in world cocoa prices. Services, primary income and secondary income are in deficit with average deficit levels reaching, respectively, 786, 597.1 and 241.5 billion in 2014, 2015 and 2016. The current account deficit is financed by foreign direct investment and portfolio investment that reached 1.6% and 4.5% of GDP in 2018 respectively.

Foreign trade projections in 2019 will be marked by a current account deficit contained at 3.3% of GDP against 3.6% of GDP in 2018. This is the result of an expected increase in the value of exports of about 2.5% higher than that of imports (2.3%) and a contraction in the deterioration of primary income estimated at only 1.1% in 2019 against 1.9%

[13] FOB: "Free on board" export without freight and other related costs and taxes and without insurance.

in 2018. The increase in export volumes related to the good performance of export agriculture in 2019 would explain this increase in the value of exports. The current account deficit will be financed by foreign direct investment (1.6% of GDP) and portfolio investment (2.7% of GDP).

6.2 Regional Trade

6.2.1 Trade Policy

The regional trade policy under construction is governed by the provisions laid down by ECOWAS, which for the most part adopts those of the WAEMU and extends them to all ECOWAS Member States by making adjustments.

This policy aims to promote the harmonious integration of the region into the world economy, taking into account the political choices and priorities of States in their efforts to ensure sustainable development and reduce poverty.

The process of elaborating this common trade policy consists first of all in defining its constituting elements: free trade area, CET, accompanying measures (rules of origin, investment and competition legislation, safeguard measures, harmonization of customs procedures), as well as the various actions aimed at developing ECOWAS trade relations with the rest of the world.

While there is currently no common commercial policy as such in ECOWAS, in the meaning of a Community text adopted by the Heads of State and Government, a number of measures have already been implemented which will serve as a basis for the common commercial policy:
- the Trade Liberalization Scheme (TLS);
- the introduction of a Community levy (CL) of 0.5%;
- the TRIE Convention;
- the harmonization of rules of origin with those of the WAEMU;
- harmonization of standards with WAEMU;
- the adoption of competition law;
- the harmonization of domestic indirect tax legislation;
- the adoption of the ECOWAS CET.

The ECOWAS Trade Liberalization Scheme (ETLS) is the main operational tool to promote the West African region as a Free Trade Area. The ETLS pursues the Community objective of creating a common market with "the liberalization of trade through the abolition of customs duties on imports and exports and the removal of non-tariff barriers among Member States (Article 3 of the ECOWAS Treaty).

The ECOWAS Trade Liberalization Scheme covers three (3) groups of products: unprocessed products, handicraft products and industrial products.
With the inclusion of industrial products, it has proved indispensable to define the products "originating" in the TLS region:
(i) fully processed goods; products where all the raw materials come from the region;
(ii) goods that are not fully processed but whose production requires the use of materials that will be classified under a different tariff subheading than the product;
(iii) goods that are not fully processed but whose production requires the use of materials that have undergone an added value of at least 30% of the ex-factory price of the finished products.
It should be noted, however, that goods processed in free zones or under special economic arrangements involving the suspension or partial or total exemption from import duties cannot qualify as originating products.

To facilitate trade and promote the private sector, ECOWAS is implementing actions to strengthen information systems and promote regional trade (ECOBIZ World Market Information System; West African Investment Promotion Agencies (APIAO); e-commerce through the ECOBIZ platform, Community Information Centre (CIC), ALISA system (computerization of transit and interconnection of ECOWAS customs computer systems).

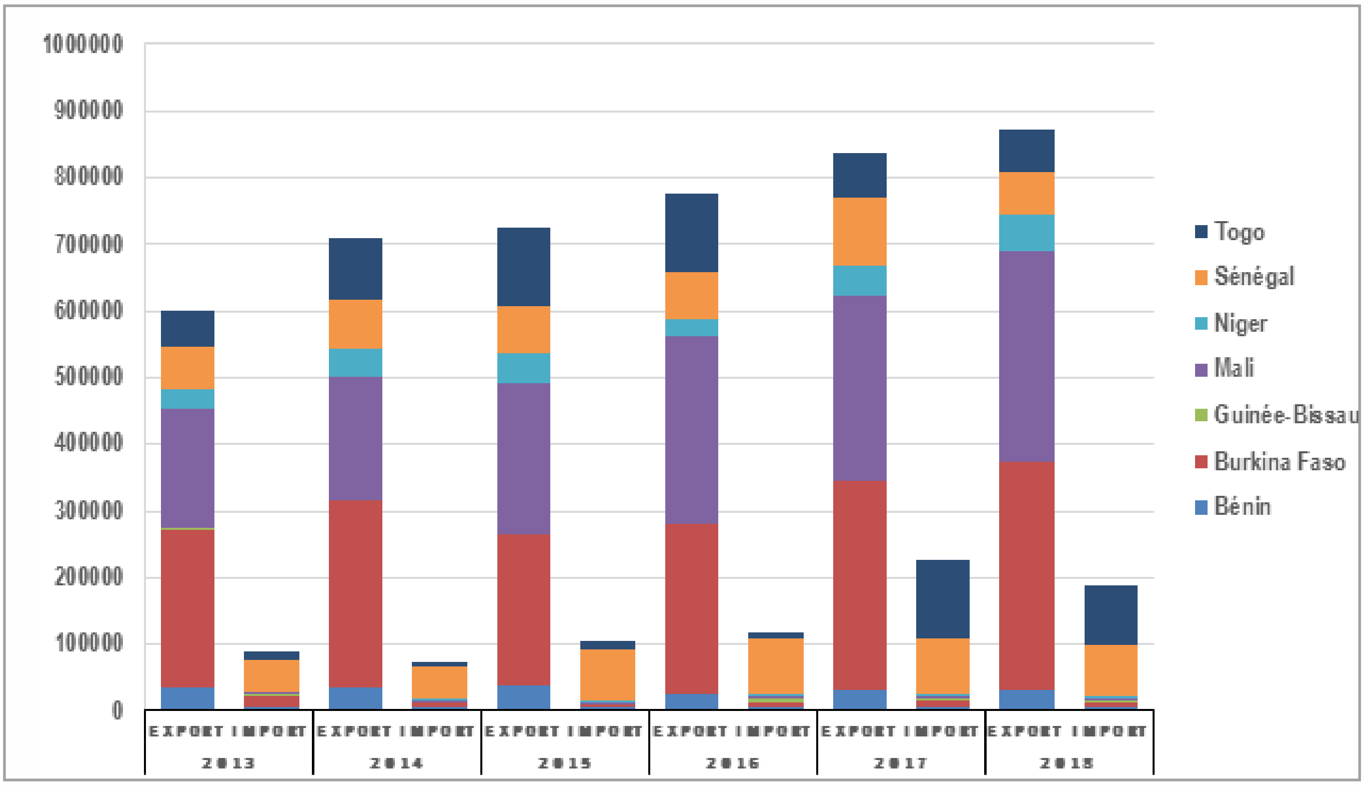
These results mark significant developments towards implementing a Community trade policy.

6.2.2 Regional trade in value terms

Over the 2013-2018 period, Côte d'Ivoire's intra-WAEMU exports were mainly directed to Mali and Burkina Faso. As for imports, they mainly came from Senegal and Togo.

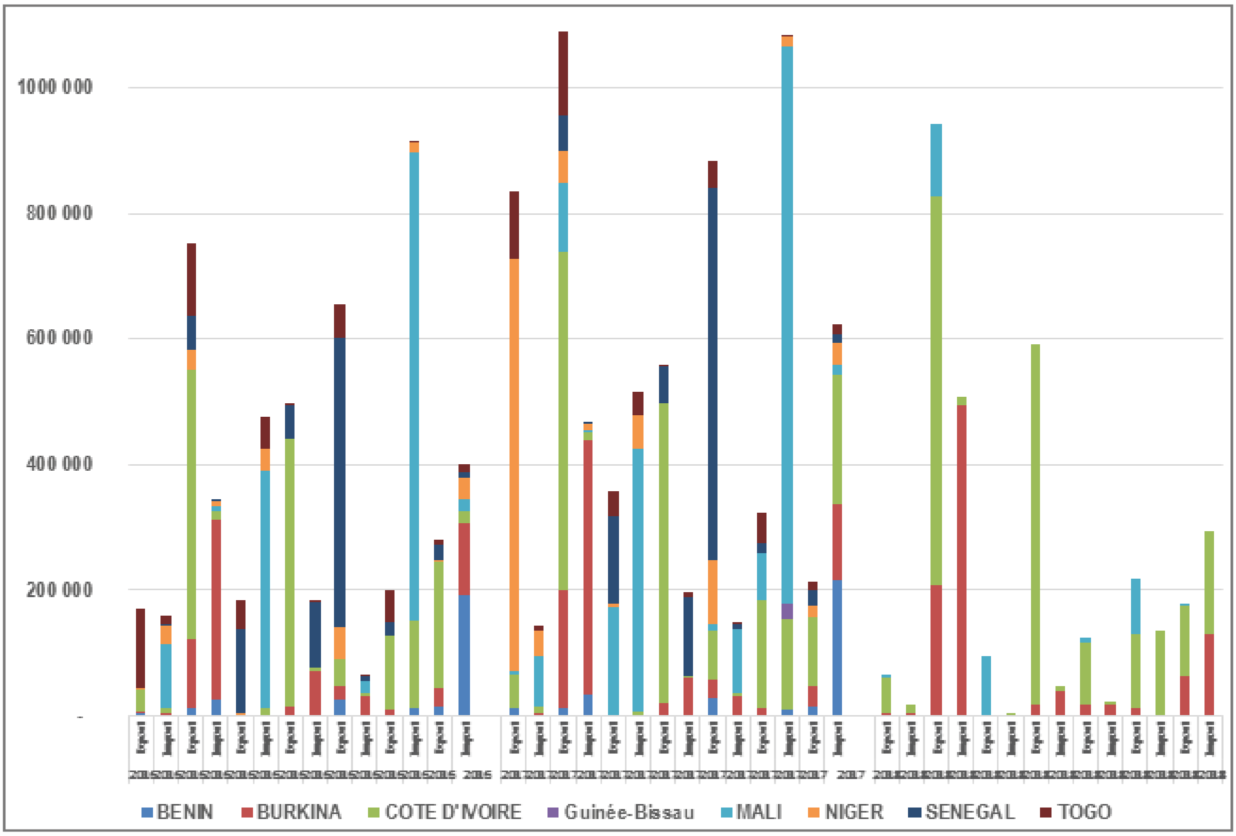
The general trend of imports and exports was upward, despite a decrease in imports in 2014 and 2018.

Figure 4. Regional trade in value terms (millions of CFAF) 2013-2015



Source : SEPMBPE/MEF

Figure 5. Regional trade in value terms (millions of CFAF) (2016-2018)

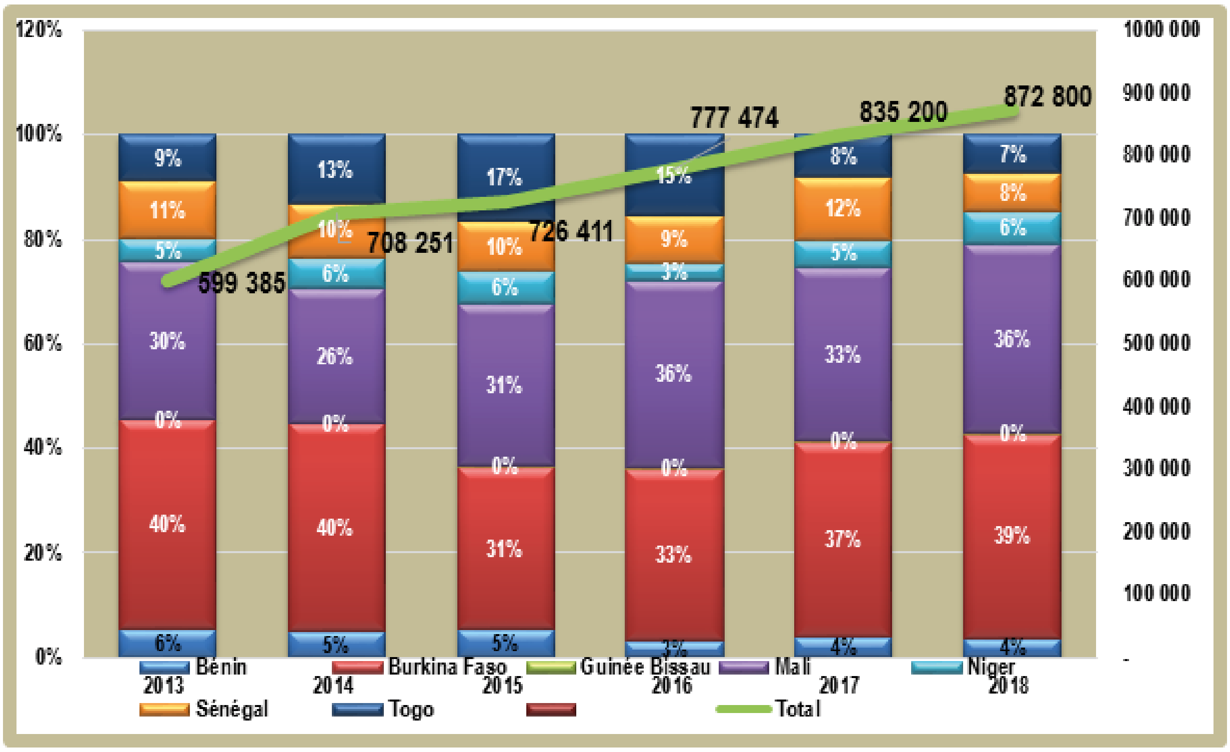


Source : www.trademap.org/tradestat/Country_SelProductCountry_TS.aspx?nvp-m=2%7c204%7c%7c%7c%7cTOTAL%7c%7c%7c2%7c1%7c1%7c1%7c2%7c1%7c2%7c1%7c1

6.2.3 Regional trade by partner

In 2018, Côte d'Ivoire's main export partner was Burkina Faso, receiving 39% of Ivorian exports. Mali came in second, receiving 36% of Ivorian exports.

Figure 6. Proportion and value of Côte d'Ivoire 's exports to WAEMU countries (in CFAF million) 2014-2018

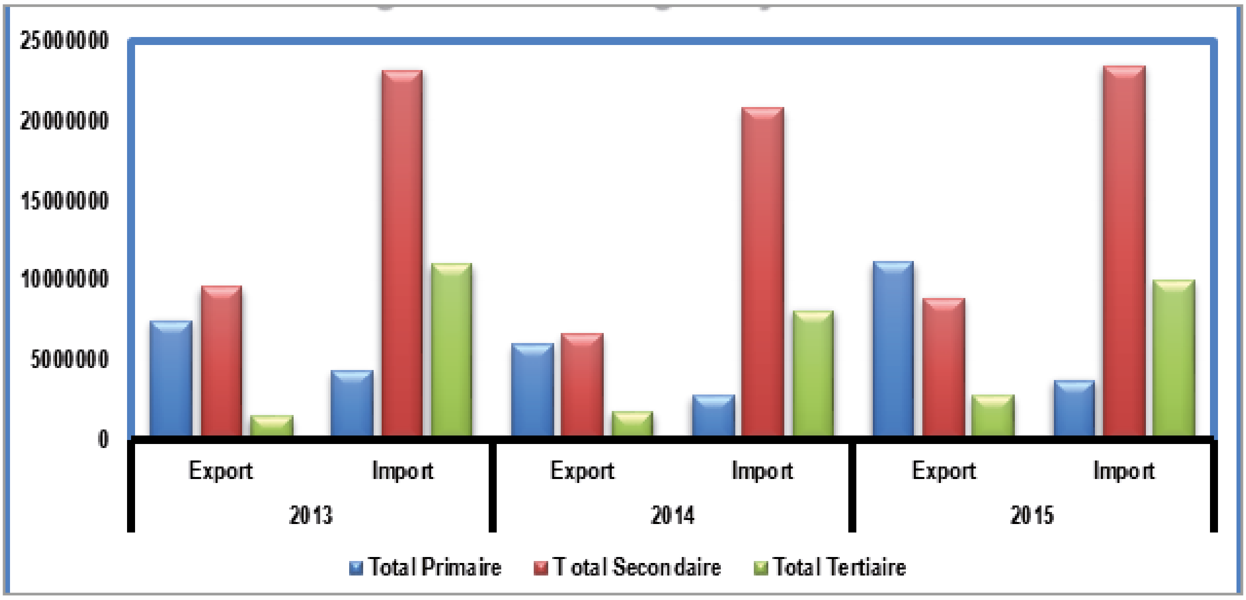


Source : MEF/SEPMBPE

6.2.4 Regional trade by type

Côte d'Ivoire's exports are dominated by agricultural raw materials (cocoa, coffee, cashew nuts, rubber tree, palm oil, cotton, etc.).

Figure 7. Regional trade by type



Source: Author (using BCEAO data on the website: edenpub.bceao.int/)

6.3 International Trade

6.3.1 Trade Policy

As a former contracting party to the 1947 GATT, Côte d'Ivoire has been a member of the WTO since 1995. It is considering applying for observer status in the WTO Agreement on Government Procurement. However, it is not a member of any of the plurilateral agreements concluded under the authority of the WTO. The country is not involved in any dispute under the WTO as a complainant or defendant. It has always individually consolidated its customs duties and other duties and charges despite its common trade policy with WAEMU member states. Like other WAEMU member countries, Côte d'Ivoire participates individually in the work of the WTO and generally defends the positions of the African Group, developing countries and ACP countries of which it is a member. As such, the country benefits from the Lomé and Cotonou Agreements, which guarantee preferential access to the European market.

In the light of the WTO's declaration that the preferential system is contrary to its rules, a draft regional Economic Partnership Agreement (EPA) has been drawn up between the EU and ECOWAS, of which Côte d'Ivoire is a member. The EPA should constitute a Customs Union to supersede the ACP. Unfortunately, this agreement could not be signed because of Nigeria. Nevertheless, Côte d'Ivoire ratified the interim Economic Partnership Agreement with the EU in August 2016, allowing it to continue to benefit from preferential access to the European market. From the signing of the interim EPA, Côte d'Ivoire benefited from the full opening of the EU market, which in turn benefited from the reduction of Ivorian tariffs (75% of tariff status after 20 years) on EU imports.
Due to the non-signing of the regional EPA between the EU and ECOWAS to replace the former tariff agreements of the Lomé/Cotonou era, this transitional mechanism governs the trade of Côte d'Ivoire and Ghana, which are now deprived of LDC status unlike the majority of ECOWAS members.

Table 33: Geographical distribution of trading partners (2015-2017)

Geographical Areas *(in billions of CFAF)*	2015	2016	2017
Europe	3 295 950	2 979 364	3 057 765
European Union	2 858 676	2 577 920	2 657 556
Euro Zone	2 611 153	2 329 168	2 384 051
France	404 513	348 939	368 774
Germany	425 973	326 159	357 945
Italy	138 890	140 573	127 488
The Netherlands	843 605	745 111	874 730
Belgium	458 824	397 024	351 520
Other EU States	244 247	244 192	273 515
United Kingdom	169 769	189 714	206 979
Other European States	437 274	401 404	400 209
Switzerland	270 238	294 133	272 003
Russia	1 539	1 429	3 391
Africa	1 737 812	1 622 909	1 635 513
WAEMU	726 411	777 474	835 200
ECOWAS (excluding WAEMU)	594 925	481 706	472 595
Nigeria	271 812	106 576	85 820
Ghana	259 704	303 335	278 939
CEMAC	111 940	62 332	52 835
Cameroon	48 077	18 187	14 230
Gabon	10 430	6 904	7 841
Other African States	304 536	301 397	265 143
South Africa	189 149	190 677	227 857
Morocco	5 497	14 188	9 601
Tunisia	2 951	1 030	2 155
Algeria	45 812	53 533	31 253
Libya	7	13	160
Egypt	3 360	5 443	6 487
America	748 085	837 776	929 303
United States	568 475	569 948	695 940
Canada	76 685	141 362	117 928
Brazil	35 923	26 455	40 616
Asia	888 474	917 236	1 220 253
China	56 245	42 383	69 843
Japan	3 407	1 643	1 311
India	292 966	221 282	193 068
Pakistan	22 778	11 210	26 635
UAE	8 859	10 671	22 697
Thailand	7 157	5 208	2 895
Other Countries	57 743	46 866	122 150
TOTAL	6 729 065	6 404 152	6 842 834

Source : SEPMBPE/BCEAO

6.3.2 International Trade in value terms and by destination

Europe remained Côte d'Ivoire's main outlet. The continent's share will decrease compared to the last two years.

Table 34: International trade in value terms and by destination (2015-2018)

2020	2019	2018	2017	2016	2015	Geographical areas *(in billions of CFAF)*	2015	2016	2017	2018	2019	2020
IMPORTS							EXPORTS					
						Europe	3 295 950	2 979 364	3 057 765			
						European Union	2 858 676	2 577 920	2 657 556			
						Euro zone	2 611 153	2 329 168	2 384 051			
			636 986	650 164	786 987	**France**	404 513	348 939	368 774			
			189 122	164 355	144 427	**Germany**	425 973	326 159	357 945			
			120 265	119 608	227 636	**Italy**	138 890	140 573	127 488			
						The Netherlands	843 605	745 111	874 730			
			158 236	117 077	105 218	**Belgium**	458 824	397 024	351 520			
						Other EU Countries	244 247	244 192	273 515			
						United Kingdom	169 769	189 714	206 979			
						Other European Countries	437 274	401 404	400 209			
					19 220	**Switzerland**	270 238	294 133	272 003			
					28 935	**Russia**	1 539	1 429	3 391			
						Africa	1 737 812	1 622 909	1 635 513			
						WAEMU	726 411	777 474	835 200			
						ECOWAS (excluding WAEMU)	594 925	481 706	472 595			
					866 497	**Nigeria**	271 812	106 576	85 820			
				3 742	32 397	**Ghana**	259 704	303 335	278 939			
						CEMAC	111 940	62 332	52 835			
				1 510	4 530	**Cameroon**	48 077	18 187	14 230			
				1 994	1 183	**Gabon**	10 430	6 904	7 841			
						Other African Countries	304 536	301 397	265 143			
					61 763	**South Africa**	189 149	190 677	227 857			
				107 260	123 503	**Morocco**	5 497	14 188	9 601			
					24 477	**Tunisia**	2 951	1 030	2 155			
					7 405	**Algeria**	45 812	53 533	31 253			
						Libya	7	13	160			
						Egypt	3 360	5 443	6 487			
						America	748 085	837 776	929 303			
				190 179	250 442	**United States**	568 475	569 948	695 940			
						Canada	76 685	141 362	117 928			
				33 199	25 276	**Brazil**	35 923	26 455	40 616			
						Asia	888 474	917 236	1 220 253			
				892 362	668 295	**China**	56 245	42 383	69 843			
				119 486	125 759	**Japan**	3 407	1 643	1 311			
					219 390	**India**	292 966	221 282	193 068			
						Pakistan	22 778	11 210	26 635			
						UAE	8 859	10 671	22 697			
						Thailand	7 157	5 208	2 895			
						Other Countries	57 743	46 866	122 150			
						TOTAL	6 729 065	6 404 152	6 842 834			

Source : SEPMBPE/BCEAO

6.3.3 International Trade in value terms and by product

In 2018 primary commodities represented CFAF 4 145 381 million of exports. This figure increased between 2013 and 2015, decreased slightly in 2016, increased again in 2017 and decreased again in 2018.

Table 35: Imports in value terms and by product (2013-2018)

EXPORTS (in millions of CFAF)	2013	2014	2015	2016	2017	2018
PRIMARY COMMODITIES	**3 021 937**	**3 611 044**	**3 973 756**	**3 821 719**	**4 398 621**	**4 145 381**
Agriculture, Livestock Breeding, Fishing	**18 585**	**21 210**	**20 810**	**27 077**	**35 698**	**32 071**
Rice	6 886	8 983	4 600	6 182	5 209	2 862
Vegetables and tubers	765	1 301	1 485	1 077	1 065	1 181
Fishing	2 693	492	2 035	5 809	2 482	3 353
Crustaceans, mollusks	542	963	1 823	567	1 165	1 013
Fresh Mangoes	5 869	7 833	8 900	12 271	13 817	14 709
Fresh papayas	17	20	17	27	36	31
Other fruits and livestock products	1 813	1 619	1 950	1 144	11 923	8 922
Of which livestock and hunting	*5*	*104*	*40*	*5*	*7*	*4*
Cereals	*1 539*	*1 076*	*991*	*464*	*8 073*	*976*
Industrial and Export Agriculture	**2 235 702**	**2 880 830**	**3 170 605**	**2 953 624**	**3 477 008**	**3 210 094**
Excluding cocoa	***913 496***	***1 106 981***	***1 070 861***	***1 135 186***	***1 420 082***	***1 408 390***
Green coffee	89 555	62 346	60 559	67 336	41 546	76 601
Cocoa beans	1 322 206	1 773 849	2 099 744	1 818 438	2 056 926	1 801 704
Cashew nuts	157 985	392 672	427 352	469 546	606 501	585 678
Fresh pineapple	9 508	8 935	7 166	5 458	7 154	6 698
Banana	74 643	76 116	68 415	83 390	88 059	96 820
Cola	741	1 161	1 236	1 031	1 089	980
Bulk cotton	134 178	164 024	139 198	114 191	120 077	158 795
Oilseeds	2 450	2 253	2 141	1 890	1 908	2 587
Cottonseeds	8 789	9 295	5 616	4 122	9 264	10 767
Rubber	376 765	334 716	299 782	329 341	490 272	419 802
Timber	21 026	11 320	11 417	4 300	3	6
Tobacco	32 215	36 041	39 263	38 775	45 079	36 701
Coco	3 233	4 413	5 892	5 653	3 458	190
Others	2 408	3 688	2 823	10 152	5 672	12 764
including: Peanut seeds	*596*	*300*	*221*	*167*	*670*	*205*
Shea seed	*0*	*0*	*126*	*6 856*	*1 655*	*5 351*

Source : MEF/SEPMBPE

In 2018, consumer goods (food products and other consumer goods) accounted for CFAF 2,967,967 million in imports. These imports have been increasing continuously since 2013. Food products amounted to CFAF 1 191 337 million of international imports, and are increasing. Other consumer goods, mainly petroleum, plastics and pharmaceuticals products, accounted for CFAF 1 776 630 million in 2018 and their value increased between 2013 and 2018 despite a slight decline in 2016. Imports of intermediate goods decreased between 2013 and 2016, then increased again in 2017 to reach CFAF 1 905 560 million in 2018. Finally, Capital goods represented CFAF 1,130,978 million in imports in 2018. The value of these imports increased between 2013 and 2018, despite a decrease in 2016 and 2017.

Table 36: Imports in value terms and by product (2013-2018)

IMPORTATION (in billions of CFAF)	2013	2014	2015	2016	2017	2018
CONSUMER GOODS	**1 913 913**	**2 018 141**	**2 366 029**	**2 242 720**	**2 849 559**	**2 967 967**
FOOD PRODUCTS	**831 054**	**678 040**	**993 044**	**989 474**	**1 075 520**	**1 191 337**
Dairy products	42 435	44 004	50 423	42 638	47 656	44 300
Fresh fruit and vegetables	35 459	36 103	41 534	39 733	41 709	43 158
Meat and edible offal	39 999	45 117	51 616	43 436	46 434	49 183
Canned meat, canned fish	3 763	4 922	3 651	4 301	3 447	4 066
Fish	180 403	16 773	230 393	228 773	266 486	295 027
Semi-milled rice	233 164	216 373	290 838	309 420	328 901	385 033
Soft wheat	105 408	93 549	94 121	86 329	96 205	98 706
Other cereals	2 317	1 661	3 236	5 322	2 558	5 611
Flour	22 699	21 637	31 508	31 979	30 803	30 191
Vegetable or animal fats and oils	34 363	38 890	46 772	23 628	11 678	54 089
Sugar	7 696	4 134	4 819	16 847	25 364	13 539
Various food preparation	23 492	41 999	30 577	29 110	28 832	26 117
Beverages	38 339	41 568	44 301	51 135	52 789	54 384
Other food products	61 516	71 312	69 256	76 823	92 658	87 935
Including: Live Animals	*1 176*	*1 479*	*1 475*	*2 357*	*2 372*	*2 274*
Coffee, tea, spices	*5 311*	*6 617*	*5 660*	*5 641*	*5 617*	*6 228*
Oilseeds and oleaginous fruits	*1 383*	*1 388*	*1 603*	*2 565*	*2 893*	*3 830*
Cocoa and its preparations	*2 724*	*2 690*	*2 364*	*3 064*	*2 922*	*2 854*
Preparation of vegetables, vegetable plants	*14 036*	*13 436*	*14 763*	*15 310*	*15 843*	*14 006*
food salt (Salt for human consumption)	*7 323*	*8 964*	*9 981*	*8 132*	*9 709*	*7 380*
OTHER CONSUMER GOODS	**1 082 859**	**1 340 101**	**1 372 985**	**1 253 246**	**1 774 039**	**1 776 630**
Clothing	10 307	17 179	20 526	59 631	19 050	20 196
Petroleum Products	143 051	139 507	133 413	8 132	456 792	465 429
Pharmaceutical products	135 284	191 869	175 882	40 251	200 868	214 169
Tobacco	69 863	64 459	72 767	6 401	78 080	81 390
Books	14 579	16 138	18 521	607 204	13 434	14 353
Plastic	189 030	209 092	266 652	138 595	275 685	256 584
Rubber	48 919	50 782	64 277	46 835	52 862	50 429
Automobiles	136 086	124 149	147 092	58 898	166 082	168 429
Household electrical appliances	90 642	100 457	94 584	246 901	112 148	126 637
of which Electrical equipment	***14 412***	***12 773***	***9 315***	***132 303***	***18 006***	***26 114***
Various products of the chemical industries	72 563	101 707	113 173	11 348	119 323	138 895
Ores, slag and ash	14 647	10 911	10 002	112	12 427	13 740
Other consumer goods	157 888	313 851	256 095	28 938	267 288	226 382
Including: Personal belongings	***6 456***	***16 485***	***0***	***0***	***0***	***0***
Soaps	***13 906***	***16 773***	***19 929***	***105***	***22 856***	***22 260***
Starch-based products	***3 548***	***4 784***	***5 823***	***220***	***5 901***	***5 303***
Leather work	***3 351***	***5 141***	***5 735***	***19***	***5 434***	***5 709***
Other textile goods, second-hand goods	***33 805***	***140 188***	***44 023***	***83***	***59 387***	***34 667***
Shoes	***10 398***	***10 143***	***11 996***	***23 636***	***14 380***	***13 606***
Works in stone, plaster, asbestos cement, mica and matt.	***5 639***	***7 669***	***12 490***	***13 122***	***8 356***	***7 282***
Weapons and ammunition	***4 673***	***8 182***	***21 096***	***7 638***	***501***	***301***
Medical and surgical furniture and equipment	***26 516***	***42 928***	***57 262***	***4 377***	***67 878***	***56 960***
Various products	***6 084***	***7 350***	***14 211***	***1 551***	***14 283***	***14 146***
INTERMEDIATE GOODS	**2 186 219**	**2 119 468**	**1 929 180**	**1 278 954**	**1 392 321**	**1 905 560**

Crude oil	1 444 917	1 292 625	897 472	607 204	471 939	859 831
Chemical products	91 360	121 750	103 616	138 595	119 235	127 675
Cotton	24 577	23 369	20 619	46 835	18 572	20 286
Other textile fiber	28 160	26 916	35 216	58 898	42 380	37 997
Iron, cast iron, steel and articles of	208 834	269 505	389 466	246 901	250 113	325 418
Metal Prdts	64 578	63 058	90 004	65 015	77 158	117 926
Ceramic, glass, stone	39 919	45 818	52 144	25 013	60 323	61 131
Fertilizers	74 172	61 479	78 397	56 744	56 176	44 077
Clinker	53 118	58 106	67 114	23 684	85 682	94 019
Other construction materials	29 191	21 875	37 433	5 308	26 463	21 808
Papers and cardboards	65 389	73 811	80 144	3 730	95 166	102 619
Essential oils and plant extracts	62 003	61 156	77 553	1 025	89 113	92 773
of which essential oils	***43 503***	***41 463***	***53 022***	114 649	***61 974***	***60 129***
CAPITAL GOODS	**851 661**	**913 533**	**1 220 787**	**1 186 784**	**1 014 745**	**1 130 978**
Excluding other tranp materials	***652 998***	***674 977***	***839 805***	***832 503***	***753 910***	***867 405***
Incompressible equipment**	***635 026***	***654 528***	***810 774***	***804 092***	***726 444***	***838 710***
Of which Mechanical machines	401 719	431 055	547 161	471 774	456 139	520 830
Automatic machines	17 972	20 449	29 031	28 411	27 466	28 696
Electric machine	194 456	178 671	205 918	263 325	201 230	251 985
Precision instrument	38 851	44 802	57 696	68 993	69 075	65 895
Road transport equipment.	157 627	193 510	258 925	196 466	203 596	231 444
of which other commercial vehicles	***59 051***	***72 585***	***92 410***	***81 395***	***92 550***	***92 381***
Air navigation transport equipment	29 128	27 505	26 406	14 788	29 495	8 778
Sea transport equipment	9 533	11 811	83 249	131 549	20 143	13 584
Railway material	2 375	5 730	12 402	11 479	7 601	9 766
Imports of goods except	*1 323 774*	*303 185*	*651 737*	*1 605*	*337 380*	*102 309*
TOTAL IMPORTATION	**6 275 566**	**5 530 932**	**6 167 733**	**5 088 754**	**5 594 005**	**6 106 814**
TOTAL EXCLUDING EXCEPTIONAL ITEMS	**4 951 792**	**5 227 747**	**5 515 996**	**5 087 149**	**5 256 625**	**6 004 505**

Source : MEF/SEPMBPE

6.4 Foreign Direct Investment (FDI)

FDI flows into Côte d'Ivoire in 2016 resulted in a net capital inflow of 577 million dollars, equivalent to CFAF 317.4 billion (for an average dollar rate estimated at CFAF 550 over the 2013-2017 period) against CFAF 271.7 billion (494 million dollars) recorded in 2015, related to the establishment of new factories and the development of extractive industries. In 2017, these flows reached CFAF 371.3 billion (about $675 million) according to UNCTAD estimates.

In 2018, CEPICI's estimates for the first half of the year give a total of FDI flows to the country amounting to 351.5 billion.
This development in 2017 includes projects for the establishment of five (5) cement projects, one (1) beer production project and one (1) project for the manufacture of asphalt and ready-mixed concrete in the industrial sector, for a total amount of CFAF 310.8 billion. It also takes into account three (3) telecommunication development projects, one (1) hotel project and one (1) goods transport project for a total amount of CFAF 288.8 billion.

6.4.1 FDI by country of origin

The upward trend in foreign direct investment flows is further explained by a series of incentives adopted by the government in the investment code. These include measures to reduce and/or exempt certain taxes and levies, to grant export allowances to cocoa processing companies, to introduce a premium on the kilo of processed and exported cashew nuts, to reduce the charges paid on water and electricity consumption for companies located in the industrial zones of the city of Abidjan, to protect property and repatriation of profits, to ease procedures for setting up companies, etc.

Table 37: Distribution of FDI by country of origin (2013-2018)

in billions of CFAF and in %	2013		2014		2015		2016		2017		2018 Est	
France	22.4	10.0%	97.8	40.5%	54.3	20.0%	59.0	18.6%	72.4	19.5%	31.6	9.0%
Belgium					55.7	20.5%	35.2	11.1%	42.0	11.3%		
Portugal											31.6	9.0%
Nigeria							48.9	15.4%	9.3	2.5%		
Angola			23.7	9.8%								
Australia			17.9	7.4%			14.0	4.4%	8.5	2.3%		
Canada					33.1	12.2%			55.3	14.9%		
Mauritius	53.7	24.0%										
British Virgin Islands							21.6	6.8%				
Morocco					29.9	11.0%			54.9	14.8%	14.1	4.0%
Libya			17.9	7.4%								
The Netherlands			13.0	5.4%	19.0	7.0%	18.1	5.7%	6.7	1.8%		
Togo	24.6	11.0%	13.0	5.4%					5.2	1.4%	38.7	11.0%
Turkey											17.6	5.0%
Singapore	17.9	8.0%	10.4	4.3%			17.8	5.6%	7.8	2.1%		
United Kingdom	49.3	22.0%	8.5	3.5%			34.9	11.0%				
Switzerland			7.7	3.2%					19.7	5.3%		
Lebanon	13.4	6.0%	7.5	3.1%								
United States of America									37.1	10.0%		
China	4.5	2.0%					47.3	14.9%	9.3	2.5%		
Cayman Islands									24.1	6.5%		
Others	38.1	17.0%	24.1	10.0%	79.6	29.3%	20.7	6.5%	19.0	5.1%	217.9	62.0%
Total	223.9	100.0%	241.5	100.0%	271.7	100.0%	317.4	100.0%	371.3	100.0%	351.5	100.0%

Source: UNCTAD, CEPICI
((*) Average USD/CFAF rate estimated at CFAF 550 over the 2013-2017 period.
NB: the amounts of FDI flows in 2018 are estimates by CEPICI in the first half of 2018.

6.4.2 FDI by sector

In 2018, the sector receiving the most FDI was the agro-industry (26% of FDI). The second was the energy sector (22% of FDI). In 2013, the sectors receiving the most FDI were telecommunications and manufacturing.

Table 38: FDI by sector

In billions of CFAF and in %	2013		2014		2015		2016		2017		2018 Est	
Mining exploration									140,3	37,8%		
Extractive Industry					88,3	32,5%	103,1	32,5%				
Telecommunication	64,0	29,0%			57,9	21,3%	39,6	12,5%	47,9	12,9%		
Financial intermediation					49,2	18,1%	63,0	19,9%	91,0	24,5%		
Transport									12,6			
Manufacturing Industry	56,0	25,0%			33,4	12,3%	64,6	20,3%	40,5	10,9%		
Agro-industry							47,0	14,8%			91,4	26,0%
Energy					20,6	7,6%			8,9	2,4%	77,3	22,0%
Construction											52,7	15,0%
Trade	29,1	13,0%										
Hotels	22,4	10,0%							14,9	4,0%	21,1	6,0%
Others	51,5	23,0%			22,3	8,2%			27,8	7,5%	73,8	21,0%
Total	**223,9**	**100,0%**	**241,5**	**ND**	**271,7**	**100,0%**	**317,4**	**100,0%**	**371,3**	**100,0%**	**351,5**	**100,0%**

Source: UNCTAD, CEPICI

6.5 Regional Integration

6.5.1 Convergence criteria and multilateral surveillance within WAEMU

In 2019, all three primary criteria will be met, but none of the secondary criteria are will be met, according to projections. In 2021, all six criteria (primary and secondary) should be met.

Table 39: Progression of WAEMU convergence criteria 2013-2021

Critères	Standard	2013	2014	2015	2016	2017	2018	2019	2020	2021
	Primary criteria									
Overall budget balance (including grants)/nominal GDP (in %)	≥- 3	-2.2	-2.2	-2.8	-4.0	-4.5	-4.0	-3.0	-3.0	-3.0
Average annual inflation rate (%)	≤ 3	2.6	0.4	1.2	0.7	0.7	0.5	0.5	1.0	1.0
total public debt outstanding as a percentage of nominal GDP (in %)	≤ 70	32.0	34.1	40.4	43.1	45.3	48.2	48.3	48.1	46.9
Number of top criteria met by the country		**3**	**3**	**3**	**2**	**2**	**2**	**3**	**3**	**3**
	Secondary criteria									
Ratio of payroll / tax revenues (in %)	≤ 35	43.1	4-.0	45.1	41.8	41.5	41.4	39.0	38.9	**36.6**
Tax burden rate (in %)	≥ 20	15.6	15.2	15.1	16	16.5	16.5	17.0	17.2	**17.3**
Number of secondary criteria met		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total number of criteria met by the country		**3**	**3**	**3**	**2**	**2**	**2**	**3**	**3**	**3**

Source: SEPMBPE

Thus, for the 2013-2018 period, only the primary criteria were met by Côte d'Ivoire.

6.5.2 Competitiveness of the economy in 2018

As regards Côte d'Ivoire, after a recovery in competitiveness in the first quarter of 2017, marked by a fall in the REER (-0.68%), the Ivorian economy recorded an increase in its REER of 0.28% and 2.1% respectively in the second and third quarters. This situation results from the rise in the REER of 3.3% in the second quarter and 6.1% in the third quarter, mitigated by an inflation differential favorable to Côte d'Ivoire of 3.02 points and 4.0 percentage points during the periods under review.

Despite a favorable inflation differential, the economy's Real Effective Exchange Rate (REER) at the end of June 2018 was 2.0% higher than in the first half of 2017 due to the depreciation of the dollar. However, the REER depreciated by 0.1% compared to the previous six months, in line with the rise in the value of the dollar.

7- CREDIT STANDARD

7.1 Business climate

In 2016, the Doing Business report indicated that Côte d'Ivoire had moved up 5 places in the ranking, 142nd out of 190. The continuation of efforts made by the Government to improve the business climate has also enabled Côte d'Ivoire to remain the most attractive country in the WAEMU region and to occupy the 3rd place at the ECOWAS level according to the 2017 Doing Business report.

This progress has reduced the level of country risk and allowed for regular access to international financial markets, which makes Côte d'Ivoire an attractive investment pole. The 2019 Doing Business report ranks the country in first and second place respectively at the level of OHADA member countries and ECOWAS. It thus progresses by one place at the level of ECOWAS compared to the 2018 ranking.

This performance is the result of the implementation of structural and sectoral reforms to strengthen governance and the promotion of the private sector. The continued improvement in the business climate has helped make Côte d'Ivoire the most attractive West African economy for foreign direct investment (FDI), according to the latest Africa Investment Index (AII) published on 26 March 2018 by Quantum Global. In addition, in the first half of 2018, more than 7,400 companies had already been registered at the one-stop-shop of the Investment Promotion Centre (CEPICI), representing an increase of 18.4% compared to the same period in 2017. Moreover, investment prospects are very promising for Côte d'Ivoire, which is among the top 5 most attractive countries in Africa by 2022 according to the study conducted in 2017 by Havas Horizons among international investors on financing African growth.

Table 40: Key measures[14] contained in the 2018-2020 reform agenda

Indicator		Regulation	Status	Metric Procedure time, average number of procedures and cost spent
Create a business	1) Carry out the formalities for setting up a company in line with the generalization of a unique ID 2) Set up a system for locating newly created companies and linking them to the tax department. 3) Put information on business licenses and permits online 4) Gradually dematerialize the issuance of business licenses and permits (approvals, certificates, authorizations)	(i) Carry out company formalities online with the creation of a unique ID (ii) Regularize formerly registered companies by assigning them a unique ID	(i) Realized (ii) 2 phases (In progress)	(i) Platform in production phase on www.225invest.ci and intensification of communication for user approval (ii) Consultant hired, concept note developed and 2 validation sessions held
Granting Building Permit	Reduce the time taken to issue the Certificate of Conformity from 73 days to 10 days.			
Access (connection) to electricity	1) Connect to the electricity network and put the Unit Price Sheet (UPS) to connect and give access to the services of the Electricity Sector as well as an estimate calculator to users online. 2) Establish a sustainable financing facility for SMEs/SMIs connection to the electricity	(i) To carry out the connection to the electricity line and the setting online of the Unit Price Sheet (UPS) to connect and give access to the services of the Electricity Sector as well as an estimate calculator to users. (ii) Establish a sustainable financing facility for SME/SMIs connection to the electricity	(i) Realized (ii) In progress	(i) Platform completed with end-to-end testing and available at www.225invest.ci, Administrator setup in progress and communication intensified for user approval (ii) Expression of Interest Notice (EOI) completed and Request for Proposal (RFP) being drafted
Registration (Transfer) of property	1) To carry out the tele-publication of real estate transfer deeds 2) Establish and implement a unique parcel ID			
Access to credit (obtaining loans)	1) Reduce from 30 to 15 days the legal deadlines to process complaints and correct erroneous data from Credit information office (BIC) 2) Rationalize, simplify and reduce the costs and formalities to subscribe, transfer and cancel the CIE and SODECI.	Putting land ownership information online	Realized	Available at www.225invest.ci
Ease of paying Taxes	1) Dematerialize the process of refunding VAT credits 2) Dematerialize the tax audit			

Ease of import and export (Border Trade)	1) Finalize the full operationalization of the international trade one-stop-shop (GUCE) 2) Complete the implementation of the business information web portal	Implementing the Single Investor Services Portal	Realized	-Unique Investor Services Portal available at WWW.225invest.ci -Operational information component -Ongoing transactional component (a) Platforms completed: online business creation, online electricity connection (b) Platforms in progress: online real estate transfer formalities, online auctions, online registration of deeds and court decisions
Enforce contract law (Contract enforcement)	1) Carry out the registration of online court acts and decisions 2) Publish online with free access the decisions rendered at all levels of courts in commercial and civil matters. (3) Reducing the time between referral to the courts and the delivery of decisions			

7.2 Financial Governance

Concerning 2016, the Ivorian economy was in good shape despite the downturn in the prices of the main raw materials and social demands. According to the Ivorian Ministry of Finance, the economy was resilient to exogenous and endogenous shocks due to its sound macroeconomic framework and sound fiscal policy. The Government of Côte d'Ivoire has also made progress in improving the business climate. It is continuing its efforts to further improve its performance and enable the private sector to fully play its role as an engine of growth.

7.3 Financial ratings

In 2014, the international credit rating agencies Moody's and Fitch assigned Côte d'Ivoire B1 and B ratings, respectively, each with a positive outlook. These ratings reflect the country's economic, financial and socio-political performance in the aftermath of the post-election crisis. In the last quarter of 2015, Côte d'Ivoire's rating was upgraded from B1 to Ba3 with a stable outlook by Moody's and from B to B+ with a stable outlook by Fitch. These ratings were confirmed in 2016 and 2017 and again in 2018 during the latest sovereign rating reviews by Fitch and Moody's. The ninth review of the sovereign rating of the State of Côte d'Ivoire carried out in April 2019 by Fitch confirmed the same ratings (B+ with a stable outlook).

Similarly, the Africa Investment Index (AII) published on 26 March 2018 by Quantum Global makes the country the most attractive West African economy for foreign direct investment (FDI).

The country has benefited from a stable currency, moderate inflation and lower macroeconomic volatility than its peers, largely reflecting WAEMU membership and, to a lesser extent, a degree of economic diversification. As the largest economy in the WAEMU, Côte d'Ivoire enjoys a privileged position as a regional center, increasing its investment potential.

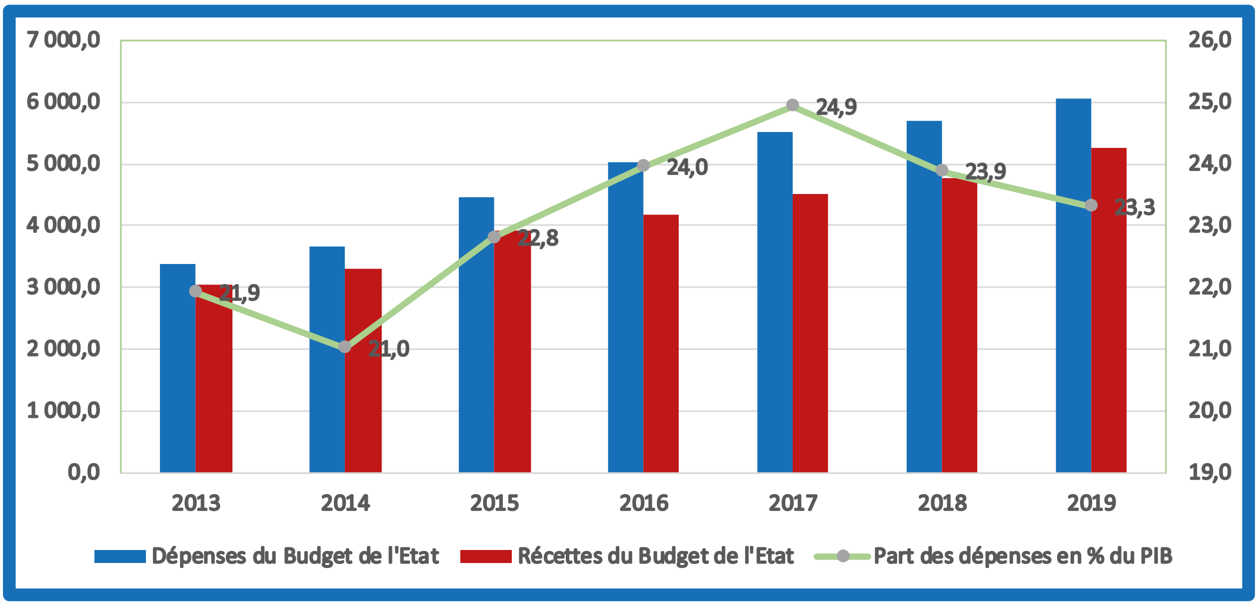
[14] These measures are included in the "Doing Business" reform agenda adopted by the Council of Ministers on 30 July 2018.

8.1 Budget

8.1.1 Expenditures and revenues

The implementation of the public finance situation from 2013 to 2018 took place in the context of the consolidation of the economic and socio-political progress made since 2012. It also fell in line with the objectives of the economic and financial programs supported by the resources of the ECF and the ECM-ECF concluded with the IMF. It is marked by an overall control of expenditures and a good level of revenue collection.

Figure 8. Budget Expenditures and Revenues in CFAF Billions and Share of Expenditures as % of GDP 2013-2018



Source : MEF/ SEPMBPE

8.1.2 Detail presentation of expenditures and revenues

Collection of revenue and grants would stand at CFAF 5 259.1 billion in 2019 and record an increase of CFAF 2 219.6 billion compared to 2013 due to the relatively satisfactory increase in tax revenues, non-tax revenues and grants. Tax revenue collections are constantly on the rise with the consolidation of business recovery and the implementation of tax reform measures and tax administration management. Non-tax revenues increased by about 11.4% on average over the period in relation to occasional repayments, including mobile telephony and signature bonuses. Grant mobilization increased by an average of 6.2% over the period with the increase in the level of C2D grants following the integration of the debt conversion program into development projects since 2017.

Total expenditures and net loans increased at an average annual rate of 11.2%. This increase is explained by the rise in public investment expenditures to meet the needs of economic recovery and structural transformation. It is also explained by the management of the general government's operating requirements and the repayment charges induced by the public debt. The amount of public investment expenditures reached an average of 6.3% of GDP due to the implementation of the government's ambitious investment program aimed at turning the country's economy into an emerging economy. General government current expenditures were increased to an annual average level of 14.1% of GDP, taking into account the management of measures to improve staff salaries. Finally, interest payments on public debt also increased, mainly due to payments made in connection with euro bond issues.

The basic primary balance showed an average deficit of CFAF 156.0 billion (about -0.7% of GDP). The average overall deficit is about CFAF 622.3 billion, i.e. -3.3% of GDP. It is partly financed by the issuance of government securities on the sub-regional monetary and financial market and the international financial markets.

Table 41: Evolution of TOFE (2013-2022)

Billions of CFAF	2013	2014	2015	2016	2017.	2018	2019 Proj	2020 Proj	2021 Proj.	2022 Proj
Total revenues and grants	**3039.5**	**3 293.3**	**3 916.8**	**4 176.6**	**4 523.4**	**4 764.1**	**5 259.1**	**5 711.4**	**6 164.5**	**6 651.4**
Total revenues	2838	2 989.4	3 634.6	3 884.2	4 257.3	4 517.9	4 945.3	5 370.7	5 804.7	6 311.5
Tax revenues (including assigned and parafiscal revenue)	2408.6	2 573.3	2 954.9	3 352.6	3 660.8	3 882.4	4 299.4	4 742.1	5 153.0	5 620.4
Direct Taxes	765.5	741.0	788.4	851.9	948.3	1 093.9	1 203.6	1 364.6	1 501.9	1 642.1
Of which: taxes on oil profits	141.8	92.4	72.0	55.0	64.1	87.3	76.6	66.5	69.1	70.5
Indirect taxes	537.4	603.2	691.6	789.7	839.9	860.6	1 016.1	1 140.7	1 283.2	1 431.5
Non-tax revenues	429.4	416.1	679.8	531.6	596.5	635.6	645.9	628.6	651.8	691.1
Social security contributions	307.3	340.7	383.5	443.3	455.7	479.2	503.4	525.0	553.1	583.0
Others	122.2	75.4	296.2	88.3	140.7	156.4	142.6	103.6	98.6	108.1
Of which: PETROCI dividends	26.1	0.0	6.0	0.0	2.6	8.5	12.5	8.2	5.1	10.5
Grants	201.5	304.0	282.2	253.5	266.1	246.2	313.7	340.7	359.8	340.0
Projects	96.2	137.0	128.6	105.9	115.2	87.4	143.9	171.4	212.2	192.4
Programs (including those related to the crisis)	105.2	167.0	153.6	147.6	150.9	158.7	169.9	169.3	147.6	147.6
Total expenditures	**3385.6**	**3 669.6**	**4 469.8**	**5 014.6**	**5 521.8**	**5 708.3**	**6 049.2**	**6 574.2**	**7 090.5**	**7 660.3**
Current expenditures	2451.4	2 677.8	2 777.2	2 890.4	3 317.9	3 424.5	3 609.2	3 766.0	3 943.3	4 149.7
Wages and salaries	1038.9	1 183.3	1 331.6	1 400.8	1 512.3	1 621.9	1 720.8	1 770.2	1 828.8	1 945.0
Social security benefits	252.2	258.4	255.4	260.7	263.7	296.3	323.7	346.1	363.8	382.5
Subsidies and other current transfers (including education and health)	325	304.1	414.7	385.8	430.1	403.7	420.2	427.2	454.0	440.7
Of which: electricity subsidy	84.1	60.7	77.7	7.5	28.9	18.2	16.4	14.4	14.1	14.1
Other current expenditures	545.2	656.1	369.4	353.7	687.3	635.7	576.1	502.3	605.5	644.1
Of which: Toxic Waste Damage /Ebola	5	0.0	13.2	20.9	4.0	0.9	0.0	0.0	0.0	0.0
Crisis/Security Expenditures	75.4	62.2	108.7	129.4	44.9	32.6	36.2	95.9	27.9	28.1
Interest dues	214.8	213.6	297.5	360.1	379.5	434.2	532.1	624.3	663.2	709.4
Domestic debt	115.6	119.5	145.3	183,2	203.6	206.1	211.6	238.8	231.7	237.2
External debt	99.1	94.2	152.2	177,0	175.8	228.0	320.5	385.5	431.5	472.2
Capital expenditures	934.2	994.2	1 247.3	1 408,4	1 526.8	1 547.3	1 596.4	1 816.1	2 191.1	2 502.0
Financed from domestic resources	618	608.1	783.7	1 031,4	873.7	871.2	830.5	919.5	1 273.2	1 494.9
Financed from external resources	316.2	386.1	456.3	354,4	599.6	656.1	735.9	865.6	885.9	981.4
Net loans	0	-2.4	-0.2	0,0	0.0	0.0	0.0	0.0	0.0	0.0
Basic primary balances[1]	**-11.7**	**-80.5**	**-68.1**	**-394,9**	**-281.4**	**-99.2**	**164.1**	**286.4**	**263.3**	**342.0**
Overall balance, including grants	-346.2	-376.2	-553.0	-837,9	-998.3	-944.2	-790.2	-862.8	-926.0	-1 008.8
Overall balance, excluding grants	-547.7	-680.2	-835.2	-1 091,5	-1 264.5	-1 190.4	-1 103.9	-1 203.5	-1 285.8	-1 348.8
Change in domestic arrears (not including debt servicing)	39.7	-152.4	1.5	78,9	-76.2	-53.1	-25.0	-25.0	-53.7	-40.5
Net change in external arrears (interest)	-16.8	0.0	0.0	0,0	0.0	0.0	0.0	0.0	0.0	0.0
Payment of arrears	-16.8	0.0	0.0	0,0	0.0	0.0	0.0	0.0	0.0	0.0
	0	0.0	0.0	0,0	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance (cash basis)	**-323.3**	**-528.6**	**-551.4**	**-759,1**	**-1 074.5**	**-997.3**	**-815.2**	**-887.8**	**-979.7**	**-1 049.3**

Source :MEF

8.1.3 General presentation of the budget

Generally speaking, over the 2013-2018 period, education expenditures have been allocated an average of CFAF 1,059 billion, i.e. 28.3% of the budget envelopes. They represent the second budget item behind the item of unallocated expenditures including, among others, public debt servicing expenditure, global credits (benefiting from an average allocation of CFAF 1420 billion, i.e. 38% of total allocations). This level of credit allocation to the education sector takes into account the Government's efforts to improve access to primary education and the other components of the education system. Allocations to the education sector could be increased to an average level of CFAF 1370 billion in 2019 and 2020.

The administration and infrastructure development sector with an average allocation of CFAF 408.3 billion represented about 22.6% of the total allocations. This expenditure could amount to CFAF 1317 billion on average over the next two years.
The health sector has been allocated an average of CFAF 331 billion and accounts for 8.8% of budgetary allocations. This allocation could reach about CFAF 392 billion in 2019-2020.

Table 42: Functional distribution of the State budget

Côte d'Ivoire	2013	2014	2015	2016	2017	2018 Est	2019 Proj	2020 Proj
Sovereignty	286.1	252.7	374.1	429.1	457.5	308.9	397.8	397.8
Defense and Security	391.4	375.4	483.3	470.8	488.3	431.6	524.6	853.9
General and Financial Affairs	241.8	289.3	376.8	530.3	614.5	397.3	726.5	1175.4
Education, Training, Research	765.9	850.8	1048.8	1266.5	1197.8	1221.1	1341.9	1398.2
Culture and entertainment	52.6	48.3	74.7	97.1	162.9	97.4	136.6	162.9
Health and Social Action	232.9	260.2	327.1	414.3	394.3	355.2	439.3	344.0
Administration and infrastructure development	656.8	686.9	787.9	860.1	1159.6	931.5	1459.2	1175.4
Production and Trade	134.4	231.9	202.9	284.2	252.7	172.4	317.0	410.0
Expenditures not allocated by sector (including public debt)	978.8	1179.5	1318.3	1520.4	1974.7	1548.1	2031.4	1416.7
Total	**3740.6**	**4174.9**	**4994.0**	**5872.9**	**6702.3**	**5463.6**	**7374.2**	**7334.3**

Source : SEPMBPE

8.1.4 Presentation of the budget by item (function) of expenditures

The estimated level of the budget implemented in 2018 amounts to $5,463.6 billion. These resources have been allocated to the different sectors as indicated below:
Education and training:
The resources have been used to cover, inter alia:
- Subsidies to private schools for the tuition fees of pupils and students assigned to private schools (CFAF 128.1 billion),
- the purchase of school kits and scholarship fees (CFAF 50.8 billion) in support of the Government's voluntary program in favor of education,
- the organization of examinations and competitions (CFAF 11.6 billion)

In addition, they have made it possible to bear the costs of equipment, infrastructure rehabilitation and

construction of high schools and middle-schools (CFAF 28 billion), and the costs of building and equipping five (5) girls' high schools with boarding facilities (CFAF 10.3 billion) to address gender concerns in secondary education.
To increase the intake capacity in technical education and vocational training, many construction and rehabilitation projects have been financed, including the rehabilitation of three vocational high schools (CFAF 2 billion), the construction project for the Bouna vocational training center for agriculture and fisheries (CFAF 2.2 billion), the project for the creation and renovation of technical and vocational education establishments (CFAF 1.9 billion) and the project for the development of the vocational training system (CFAF 1.8 billion). Concerning higher education, funding has been put in place to ensure the construction, rehabilitation and equipment of universities (CFAF 17.9 billion). C2D support was even devoted to strengthening higher education infrastructure (CFAF 12.5 billion).

Defense, security and justice
The 2018 implemented budget includes CFAF 431.6 billion for defense, security and justice, including CFAF 260.3 billion for the services of the armed forces, CFAF 79.3 billion for the gendarmerie and CFAF 174.3 billion for the police. The justice sub-sector received CFAF 70.6 billion to strengthen the judicial and prison system.

Administration and Infrastructure
The resources implemented in favor of this sector amounted to CFAF 931.5 billion and enabled the reinforcement and maintenance of road infrastructures and the continuation of the construction of engineering structures. The projects that benefited from these resources include, among others, the development of the Boulevard de Marseille (CFAF 14.7 billion), the continuation of the work on the Ivorian-Japanese friendship exchanger (CFAF 8.3 billion), the repair and opening of roads, the Road Maintenance Fund, etc. They also managed concerns related to sanitation and electricity.

Production and trade
This sector includes the agriculture, animal and fishery resources and trade sub-sectors. Expenditure amounted to CFAF 172.4 billion and met the needs of the agricultural development program, the hydro-agricultural development project, livestock farming, fishing and the development of food crops to ensure food self-sufficiency.

Health and Social Affairs
The health and social affairs sector received an allocation of CFAF 355 billion, which met the cost of scholarships for pupils and students (CFAF 6.3 billion), the cost of work to rehabilitate health facilities, and to continue HIV/AIDS prevention, contingency charges related to free targeted care (CFAF 15 billion), targeted social expenditures (CFAF 6.8 billion) to support the costs of antiretroviral drugs and vaccines, subsidies for orphanages and day-care centers, subsidies to cover costs related to Universal Health Coverage (UHC).

8.2 Tax Policy

8.2.1 General budget revenue broken down by source

The average level of tax revenue collected at the level of the State budget over the 2016-2019 period is estimated at CFAF 3 790.7 billion. The levies for which collections have been significant remain in order of importance:
- VAT with an average collection of CFAF 407.3 billion, the tax base of this levy is the final consumption of goods and services.
Since 2018, two tax rates are applicable: the common law rate set at 18% and applicable on the turnover excluding corporate tax and the rate of 23.76% applicable on the distribution margin of tobacco, cigars and cigarettes.

In terms of VAT returns, the IMF estimates at 23.3 (as a % of GDP) the budgetary efficiency (gain in number of GDP points that each unit of VAT collected allows to reach) against an average coefficient of 28.4 (as a % of GDP) in comparable countries such as Senegal or Cameroon. The extensive granting of VAT exemptions for incentive policy purposes (granted by the investment and mining codes to develop the mining sector and facilitate the inflow of private investment), the shortcomings of the control mechanism in place, which does not effectively combat tax fraud and false tax declarations, and the inappropriate segmentation of the tax population limit the mobilization of VAT receipts;

- the tax on income and wages collected, averaging about CFAF 487.2 billion over the period, is taxable on the income and wages of individuals, with total exemption of retirement pensions below CFAF 300,000 and partial exemption of retirement pensions above CFAF 300,000. The payroll tax on wages represented at least 80% of the recovery of this tax;

- revenues from export taxes averaging CFAF 411.2 billion over the period under review have as their main tax base the exported quantities of cocoa beans and cocoa by-products (oilcake, fat, paste, butter, cocoa powder) according to their degree of processing. The decree 415 of 20 June 2014 modifying the Single Exit Tax on cocoa beans sets the levies under the DUS on cocoa beans at 14.6% of the CIF price of cocoa beans, while the DUS rate on processed cocoa is set within a range of 9.6%, 11% and 13.2% of the CIF price of processed cocoa by-products (oilcake, fat, oil, butter, powder, cocoa paste) according to the nature and degree of processing of the product;

- the tax on Industrial and Commercial Profit was recovered at an average level of CFAF 421.3 billion. The tax base remains the profit of industrial businesses and that of the commercial activities of private persons. The tax rate for the profits of commercial activities of individuals is 20%. The administered rate on the profit of the activities of legal entities outside the telecommunications sector is 25% against 30% for the profits of legal entities in the telecommunications sector;

- Registration and stamp duties are generally collected on stamp fees and declarations and registrations of coffee and cocoa exports. Its average yield over the period was CFAF 136.4 billion. Its tax rate was 1.5%;

- the tax on petroleum products, whose average collection level was CFAF 362.7 billion. It is levied on the consumption of petroleum products consisting mainly of super fuel and gas oil. An adjustment mechanism is in place to reflect changes in the international price of a barrel of oil on the price at the pump. It results in monthly downward or upward adjustments of pump prices according to the international barrel prices. Thus, in August 2013, the price of a liter of super gasoline had reached CFAF 766 ($1.33) before falling to CFAF 570 ($0.99) in March 2016 and rising to CFAF 595 ($1.03) in December 2017. In November 2018, the price of a liter of fuel rose from CFAF 620 to 640 ($1.12 to $1.16) after two previous increases in April and August 2018. The price of diesel oil rose from CFAF 610 to 615 ($1.06 to $1.07) in November 2018.

- The tax on income and investment income, which averaged CFAF 100.8 billion over the period, is taxable on dividends distributed by companies. Its rate is composite and includes (i) a 12% ordinary taxation, (ii) a levy at a rate of 18% for distributions of profits exempt from the BIC or not having borne the BIC tax rate at the ordinary taxation rate, and finally (iii) a tax rate of 6% on products and lots issued in Côte d'Ivoire for at least five (5) years,

- the tax on general goods excluding petroleum products (and excluding VAT) collected at 474.8 billion on average over the sub-period. The fiscal base of this tax is made up of imports of general goods (capital goods, consumer goods).

Table 43: Evolution of domestic levies by major type of taxes

	2013	2014	2015	2016	2017	2018
BIC (tax base: profits from industrial and commercial activities, provision of services, handicrafts, forestry, agricultural, mining and oil activities)						
private persons	20%	20%	20%	20%	20%	20%
Legal entities outside the Telecom and ICT sector	25%	25%	25%	25%	25%	25%
Company in the Telecom and ICT sectors	25%	30%	30%	30%	30%	30%
Recovery rate	111.6%	99.3%	94.4%	97.2%	102.6%	100%
VAT (tax base: supply of goods and services excluding wages and agricultural activities, construction activities, specialized transport and supply of materials extracted in Côte d'Ivoire)						
Ordinary tax rate	18%	18%	18%	18%	18%	18%
VAT/distribution margin for tobacco, cigars and cigarettes						24%
VAT/imported dairy products and milk, 100% wheat semolina pasta	9%	9%	9%	9%	9%	9%
Recovery rate	115.3%	90.8%	100.4%	103.5%	102.0%	88.2%
Taxes on income and wages (Tax base = total net personal income including retirement pensions)						
Tax rates	Progressive rate according to income, exemption of retirement pensions less than or equal to CFAF 300,000, partial exemption of 25% of retirement pensions above CFAF 300,000					
Recovery rate	109.9%	100.0%	104.4%	97.6%	92.3%	102.9%
Taxes on petroleum products (Tax base: Fuel and diesel prices at the pump)						
Tax rates	Mechanism for adjusting the price of petroleum products at the pump based on changes in the international price of a barrel of oil					
Recovery rate	107.3%	105.9%	109.9%	93.5%	101.5%	148.3%

Source: SEPMBPE & MEF

The evolution of the social security contribution revenues of the two functional bodies is contained in the table below. They increased between 2013 and 2019, despite a slight decline in CNPS revenue in 2017.

Table 44: Social security contribution revenues

In billions of CFAF	2013	2014	2015	2016	2017	2018	2019 prev
Social security contribution	**307.3**	**340.7**	**383.5**	**443.3**	**455.7**	**479.2**	**503.4**
CNPS	162.9	187.5	204.9	251.1	244.1	256.4	270.5
CGRAE	144.4	153.2	178.6	192.2	211.6	222.8	232.9

Source : MEF

8.2.2 Presentation of tax innovations recently voted or under discussion

The measures taken by the Government to raise the tax burden to 17.1% of GDP by 2022 against about 16.5% of GDP in 2017 are based on measures aimed at increasing the tax burden to 17.1% of GDP by 2022 against about 16.5% of GDP in 2017:

- The increase in tax rates: raising excise duties on tobacco and alcoholic beverages by 1 and 2% respectively in 2018, the continuation of the harmonization measure started in 2014 relating the rates applicable to capital income in order to adapt the Ivorian tax system to WAEMU community standards, introduction of a new tax on telephone communications at a rate of 3% of the turnover, and raising the BIC tax rate for companies in the sector from 25% to 30%, institution of a withholding tax on sales of wood logs, institution of a levy on winnings from gambling activities, institution of a tax on cashew nut exports, the rate of which has been temporarily revised to 3.5% pending a favorable situation for a 10% tax,
- strengthening control and the fight against fraud: introduction since January 2017 of a system for programming and implementing the automated tax control program to avoid overlapping controls and to diversify the companies subject to this procedure, strengthening the control of processing regimes under customs control to ensure the truthfulness of declarations, strengthening of the control of international transit to improve the traceability of goods in transit, strengthening the transfer pricing control system to contain tax evasion and indirect transfer, integrating the risk analysis dimension into the tax control system of the Investigations, Intelligence and Risk Analysis Directorate of the customs administration, implementing the tax control plan with an emphasis on credit declarations without payments,
- deepening the segmentation of the tax population with the creation of four (4) medium enterprise management centers in Abidjan,
- optimizing the reimbursement of VAT credits for companies: speeding up the procedure to make funds available to the department dedicated to the reimbursement of VAT credits,
- improving the administrative management of taxes through the process of digitizing tax management: the electronic output of the first financial statements based on the 2017 financial year, implementation of the electronic land register for online consultation of land titles, generalization of online tax declarations and payments at the level of large and medium-sized companies, tax payments by mobile phone.

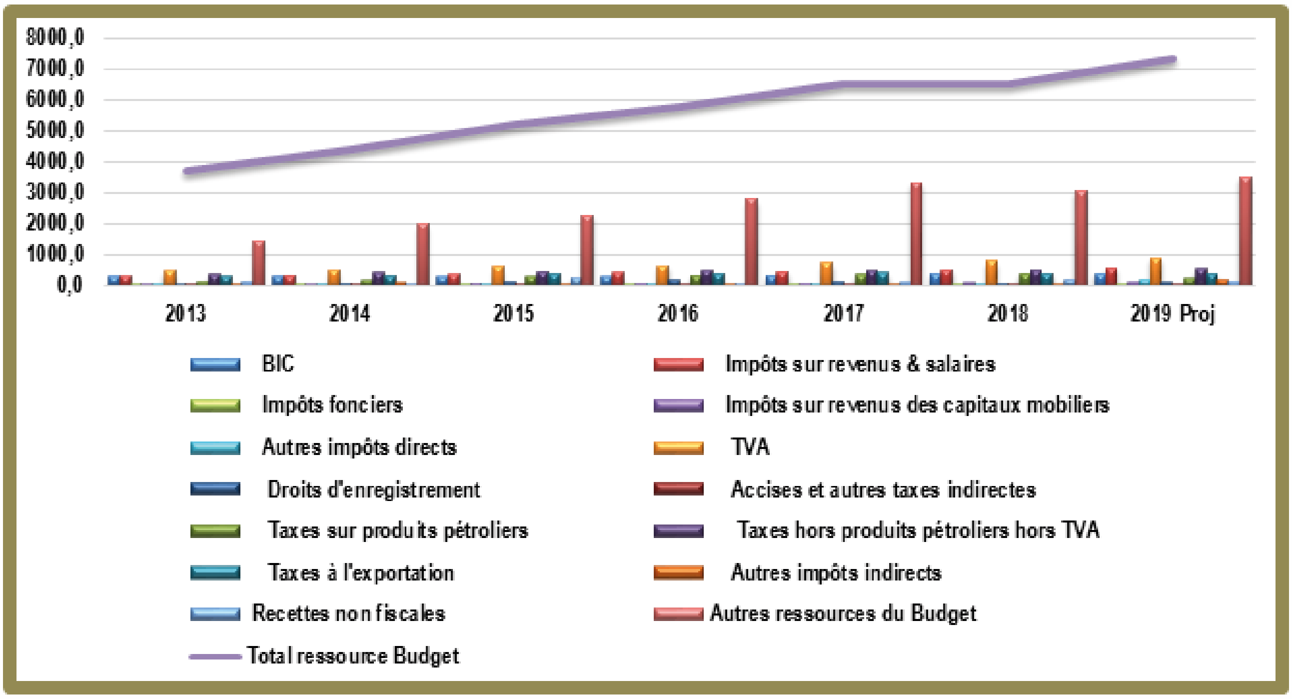
8.3 2020-2021 Budget Outlook

The budgetary policy for 2019 takes into account the priority actions of the 2016-2020 NDP set out in the Public Investment Program (PIP). In 2019, the aim is to continue implementing the Government's priorities, in particular increasing the supply of socio-economic infrastructure and basic services, improving the education and health systems and improving the living conditions of the population.

8.3.1 Detailed presentation of the 2019 State budget revenue

The graph illustrates the main components of the State budget revenue.

Figure 9. Budget revenue by source over the 2013-2019 period (in CFAF billion)



Source : MEF/ SEPMBPE

Resources

Total resources are projected at CFAF 7149.9 billion, an increase of 8.2% over the budget voted in 2018. Tax revenues are expected to reach CFAF 3607.7 billion concerning the assumptions of good economic activity in 2018, the increase in the level of consumption, the strengthening of the digitalization of tax management, the collection efforts expected from the tax and customs administrations, the streamlining of exemptions and the intensification of the segmentation process and the use of risk analysis in the control mechanism.

- BIC revenues excluding oil, projected at CFAF 401.5 billion, up by CFAF 52.8 billion compared to 2018 management. This takes into account the assumption of effective implementation of reforms aimed at ensuring the truthfulness of financial statements transmitted by companies and strengthening the fight against tax evasion. Oil and gas revenues would amount to CFAF 115.2 billion (up by CFAF 3.5 billion compared to the 2018 estimates) with the assumption of two crude oil withdrawals in 2019 to the benefit of the State and a rise in the dollar rate (estimated at CFAF 560.5 in 2019 against CFAF 553.1 in 2018) and the price of a barrel of oil remaining on the rise. Taxes on income and wages would amount to CFAF 573.1 billion against CFAF 499.7 billion in 2018 in relation to job creation, control efforts introducing risk analysis and collection of tax arrears. Taxes on income from investment are projected at CFAF 120.7 billion under the assumption of a higher distribution of dividends compared to 2018, with the improvement of companies' accounting results. The total value of value-added tax is projected at CFAF 884.4 billion, taking into account the growth in consumption helped by the good performance of the economic activity, improved tax control and the reimbursement of VAT credits.

- Customs revenue would be projected overall at CFAF 1573.7 billion. The details include taxes on petroleum products, general goods and exports. Taxes on petroleum products are projected at CFAF 229.4 billion in relation to the increase in the volume of diesel (3%) and super fuel (25%) consumption and taxation at CFAF 153.9 per liter of diesel and CFAF 134.2 per liter of super fuel. Taxes on general goods excluding VAT would amount to CFAF 541.9 billion with the assumption of a 6% growth in foreign trade excluding the oil platform and an average tax rate of 26.1%. Export taxes are projected at CFAF 402.1 billion for a volume of cocoa production of 1 952 995 tons at an average CIF price of CFAF 1244.1, a volume of the coffee production of 63 750 tons at an average CIF price of CFAF 802.2 and a volume of cola nuts of 721 527 at an average CIF price of CFAF 671.4.

- Other domestic revenue, public loan issues on the sub-regional money and financial market or international financial markets and collection from external resources would amount to CFAF 3662.5 billion.

Expenditures

Programmed regular expenditures are estimated at CFAF 2877.7 billion (an increase of CFAF 139.9 billion from the 2018 budget) and capital expenditures at CFAF 2095.2 billion. Expenditure on public debt servicing would be CFAF 1 821.4 billion. It would include CFAF 1062.4 billion for servicing the domestic debt and CFAF 759 billion for the external debt.
The breakdown by the function of budgetary items is as follows. The projections for 2019 are based on an increase in expenditures for all budget items.

Table 45 Distribution of the budget by item (function)

Côte d'Ivoire	2013	2014	2015	2016	2017	2018 Est	2019 Proj
Sovereignty	286.1	252.7	374.1	429.1	457.5	308.9	397.8
Defense and Security	391.4	375.4	483.3	470.8	488.3	431.6	524.6
General and Financial Affairs	241.8	289.3	376.8	530.3	614.5	397.3	726.5
Education, Training, Research	765.9	850.8	1048.8	1266.5	1197.8	1221.1	1341.9
Culture and entertainment	52.6	48.3	74.7	97.1	162.9	97.4	136.6
Health and Social Action	232.9	260.2	327.1	414.3	394.3	355.2	439.3
Administration and infrastructure development	656.8	686.9	787.9	860.1	1159.6	931.5	1459.2
Production and Trade	134.4	231.9	202.9	284.2	252.7	172.4	317.0

Source : SEPMBPE

In order to modernize the management of its tax administration, Côte d'Ivoire wants to deepen the segmentation process by setting up Centers for Medium Enterprises (CMEs). The CMEs are responsible for the management of the tax base services, collection, control and verification of the accounts of the companies in their field of competence. Started in 2014 with the creation of 02 CMEs in Abidjan, the current number of these centers has increased to 04.

Between 2014 and June 2018, the advent of the CMEs reduced the default rates recorded for VAT (18.2% in 2014 to 7.5% in 2018) and payroll tax (22.22% in 2014 to 8.4% in 2018). The default rate of a company that falls within the scope of CMEs is reduced following its transfer to the CME management sphere. The Tax General Directorate indicates an average default rate of between 3 and 5% for companies that have joined the CMEs in 2015. For companies that have recently joined CMEs, the tax authorities expect the average default rate to fall from 16 to 6.8%. The number of tax audits has also increased with CMEs. This resulted in an increase in collections following these controls with recorded collections that reached CFAF 7.5 billion in 2017 against CFAF 3.5 billion in 2015. The adhesion rate of companies admitted to the CMEs to the online tax payment system was 76% in June 2018 and should increase considerably in 2019.

In addition, to control the evolution of the payroll and to comply with the WAEMU convergence pact criterion on the issue, a strategy was adopted in 2014 and its implementation brought the ratio of the wage bill to tax revenue to 41.8% in 2016, compared to 46% in 2014. The implementation of the memorandum of understanding on wage demands led to a categorical index bonus and additional charges that led to the payment of stocks of arrears over the 2017-2025 period.

Thus, the compulsory education policy implies recruiting teachers at a higher level than that defined when the strategy was adopted. To contain the impact of these measures, the Government is considering recruiting assistant teachers instead of regular teachers and reducing recruitment from sectors other than education and health. The Government also intends to identify the terms and conditions for the promotion of non-managerial and managerial staff in 2020 and to adopt a job and skills inventory to ensure consistency between the needs and profile of the staff to be recruited. Continued implementation of these measures should make it possible to maintain the downward trend in the ratio of the payroll to tax revenue (which is 41.5% of GDP in 2017 and 41.4% in 2018) until the target of 35% in 2021. Consultations between the government and the trade unions to monitor the memorandum of understanding on the social truce and wage claims should help prevent backsliding in the implementation of the strategy's measures.

9.1 General description of the Public debt

9.1.1 global picture

In 2012, Côte d'Ivoire reached the completion point of the Heavily Indebted Poor Countries (HIPC) initiative. This enabled the country to benefit from a debt stock reduction of 4,090 billion, including 1,491 billion in bilateral debt cancellation in the form of a Debt Reduction and Development Contract (C2D) granted by the Agence Française de Développement (AFD). Côte d'Ivoire's public debt profile is as follows. According to estimates, public debt represents 48.6% of GDP in 2018, i.e. CFAF 11 607.8 billion - of which CFAF 7 613.4 billion in external debt and CFAF 3 994.4 billion in domestic debt.

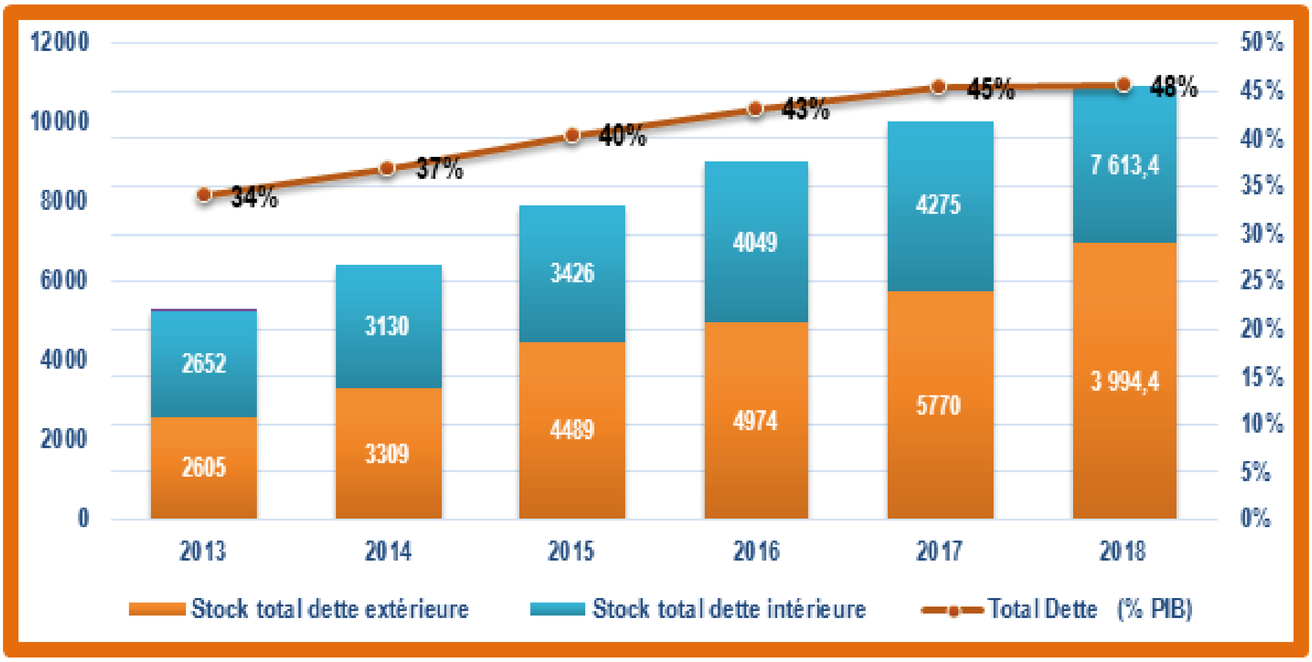
Table 46: Stock, outstanding, services and arrears of public debt (2013-2018)

Côte d'Ivoire	2013	2014	2015	2016	2017	2018 Est
Public Debt stock (in % GDP)	**34.0**	**36.9**	**40.4**	**43.1**	**45.3**	**48.6**
Total stock of public debt (CFAF billion)	**5 257.3**	**6 438.5**	**7 914.8**	**9 023.2**	**10 045.07**	**11 607.77**
Outstanding	4 948.20	6 018.60	7 896.50	9 023.20	10 045.07	11 607.77
Arrears	309,1	419,9	18,3	0	0	0
Service due	887.74	1 028.24	1 151.67	1 309.19	1 448.18	1 547.19
Paid	649.04	995.07	1 093.69	1 309.19	1 448.18	1 547.19
Total stock of external debt (CFAF billion)	**2 605.40**	**3 308.70**	**4 489.10**	**4 974.20**	**5 770.00**	**7 613.4**
Outstanding	2 605.40	3 308.70	4 489.10	4 974.20	5 770.00	7 613.4
Arrears	0	0	0	0	0	0
Service due	131.79	144.97	176.04	263.98	333.03	556.25
Service paid	131.79	144.97	176.04	263.98	333.03	556.25
Total stock of domestic debt (CFAF billion)	**2 651.90**	**3 129.80**	**3 425.70**	**4 049.00**	**4 275.07**	**3 994.4**
Outstanding	2 342.80	2 709.90	3 407.40	4 049.00	4 275.07	3 994.4
Arrears	309.1	419.9	18.3	0	0	0
Service due	742.77	852.20	887.69	976.16	891.93	936.97
Service paid	504.07	819.03	829.71	976.16	891.93	936.97
Nominal GDP (current prices) CFAF billion	15 445.76	17 461.00	19 595.38	20 931.40	22 150.80	23 899.78

Source MEF/DDPD

The distribution of the stock of public debt as a % of GDP and the levels of external debt and domestic debt in CFAF billions from 2013 to 2015 is represented by the following diagram.

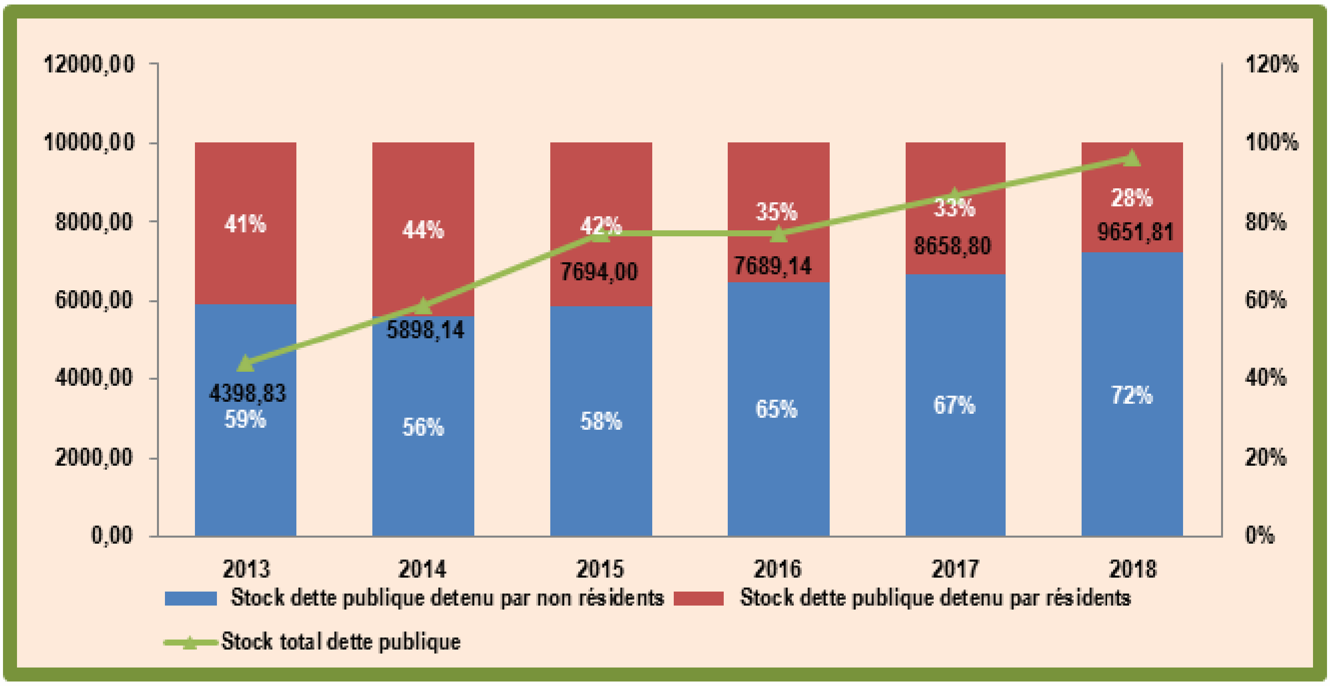
Figure 10. Breakdown of the stock of public debt as % of GDP and the levels of external and domestic debt stocks in billions of CFAF from 2013 to 2018



Source : MEF/DDPD/SEPMBPE

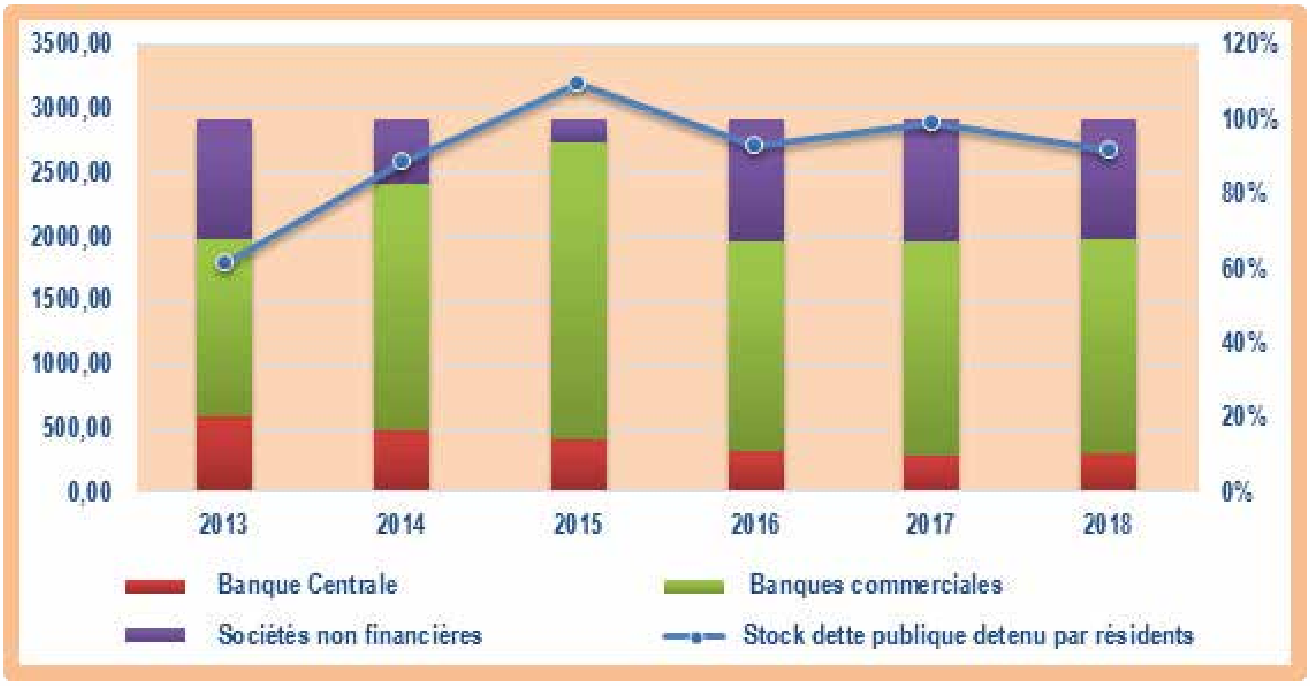
Public debt is divided between residents and non-residents according to the graph below. The share of the public debt stock held by non-residents increased between 2014 and 2018 from 51% to 66%.

Figure 11. Distribution of public debt between residents and non-residents



Source : MEF/DDPD

Figure 12. Detailed breakdown of the stock of public debt held by residents



Source : MEF/DDPD

9.1.2 Time profile of the debt to be repaid

The time profile of the public debt to be repaid is shown in the following table. 0.5% of the debt is due in the short term according to the initial maturity. For the 99.5% of the debt due in the long term by initial maturity, 8.4% (of the total debt) is due in one year or less, and 91.1% in more than one year.

Table 47: Time profile of debt to be repaid

in %	2013	2014	2015	2016	2017	2018
Short-term according to initial maturity	**4.8**	**1.1**	**0.5**	**1.5**	**0.7**	**0.5**
Treasury Bills	4.8	1.1	0.5	1.5	0.7	0.5
Long-term, by initial maturity	**95.2**	**98.9**	**94.4**	**98.5**	**99.3**	**99.5**
due after 1 year or less:	**10.1**	**11.8**	**5.9**	**8.2**	**10.1**	**8.4**
Loans	2.2	2.9	2.2	2.3	3.9	2.0
Treasury Bills	1.6	3.0	1.5	1.1	1.8	0.5
Bonds	4.8	3.8	0.1	3.5	3.5	5.2
Materialized Securities	1.6	2.0	1.9	0.7	0.5	0.3
Eurobonds	0.0	0.0	0.4	0.6	0.5	0.5
Due after more than 1 year:	**85.0**	**87.2**	**88.4**	**90.3**	**89.2**	**91.1**
Loans	36.9	27.9	29.0	29.3	31.6	33.0
Treasury Bills	3.7	1.8	1.3	2.0	0.5	0.0
Bonds	17.8	28.1	23.7	28.8	27.1	22.6
Materialized Securities	3.2	2.3	2.3	1.8	1.0	0.3
Eurobonds	23.4	27.0	32.1	28.5	28.9	35.2
Total	100.0	100.0	94.9	100.0	100.0	100.0

Source : MEF/DDPD

9.1.3 Amount of the debt repaid

Table 48 shows the debt service repayable in the short-term. In 2018, the amount of external debt paid amounted to CFAF 600.5 billion. The amount of domestic debt paid was CFAF 925.9 billion. This amount does not include C2D, fees and commissions.

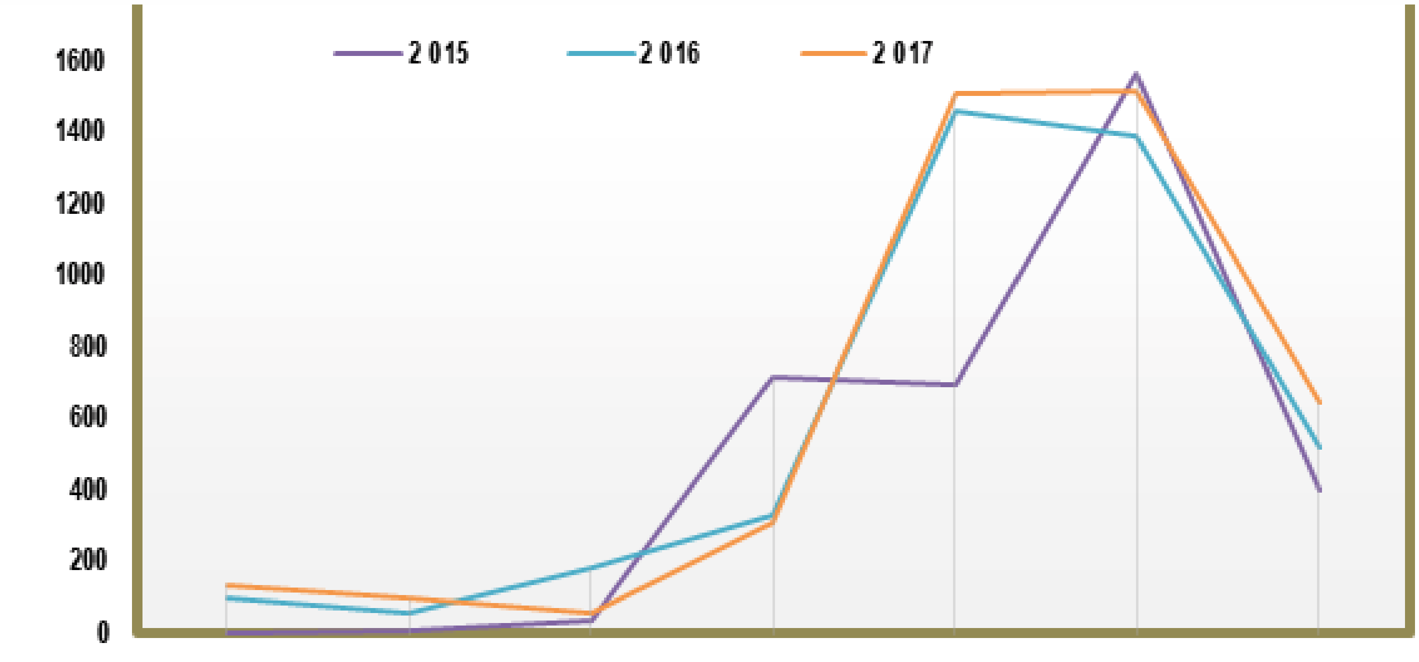
Table 48: Public debt service to be paid in the short term

Côte d'Ivoire Billions of CFAF	2013	2014	2015	2016	2017	2018 Prov	2019 Proj	2020 Proj
Amount of payable external debt	**145.1**	**176.1**	**263.9**	**333**	**556.24**	**600.5**	**747.8**	**864.5**
Multilaterals	22.3	27.1	63.9	71.4	104.1	126.9	151.5	184.8
Interests	4.1	4.5	8.5	11	13.4	22.35	31.91	42.17
Principal	18.2	22.6	55.4	60.4	90.7	104.55	119.64	142.64
Bilateral	30.2	44.1	67	76.6	226.5	243	273.87	260.9
Interests	23.5	15.2	15.8	16.5	18.6	26.18	35.83	36.86
Principal	6.7	28.9	51.2	60.1	207.9	216.82	238.05	224.03
Debt security holders	88.2	100.5	127.7	179.9	208.4	220.31	297.13	310.51
Interests	71.4	100.5	127.7	149.3	143.8	174.95	240.19	252.66
Principal	16.8			30.6	64.6	45.36	56.94	57.85
Other creditors	4.4	4.4	5.3	5.1	17.24	10.29	25.26	108.32
Interests	4.3	4.2	5.1	5	0	4.56	12.58	53.83
Principal	0.1	0.2	0.2	0.1	17.24	5.73	12.68	54.48
Amount of payable domestic debt	**504.2**	**822.8**	**853.7**	**994.4**	**883.2**	**925.9**	**1008.3**	**1253.9**
Central Bank	47	29.5	38.1	39.8	38.26	37.20	30.36	10.27
Interests	14.6	4.7	11.2	12	9.4	7.65	6.75	6.72
Principal	32.4	24.8	26.9	27.8	28.86	29.55	23.61	3.55
Commercial Banks	17.7	415.3	371.7	569.3	586.75	610.9	972.15	1238.51
Interests	4.2	57.9	72.2	117.8	124.57	123.70	204.8	231.5
Principal	13.5	357.4	299.5	451.5	462.18	487.2	767.3	1007
Non-Banking sector	439.5	378	443.9	385.3	258.21	277.8	5.78	5.1
Interests	102	59.9	67	65.7	64.6	74.79	0	0.6
Principal	337.5	318.1	376.9	319.6	193.61	203.03	5.78	4.5
Total	**649.3**	**998.9**	**1117.6**	**1327.4**	**1439.46**	**1526.4**	**1756.1**	**2118.4**

Source : MEF/DDPD

There was little change in the maturity rate curve between 2015 and 2017.

Figure 13. Maturity rate curves for 2015, 2016 and 2017



Source : MEF/DDPD

9.2 Debt strategy and debt sustainability

9.2.1 Description of the strategy

Government debt issues each year are consistent with the Medium-Term Debt Strategy (MTDS) and the Debt Sustainability Analysis (DSA). At the end of 2018, the debt ratio, at 48.6%, was below the WAEMU multilateral surveillance debt ceiling of 70%. The risk of over-indebtedness is moderate. New financing over the 2018-2022 period for the implementation of the National Development Plan (NDP) amounts to CFAF 30 000 billion, including about CFAF 11 284 billion for the public sector. To achieve this objective, the Government plans to diversify investors and seize new financing opportunities, including access to(i) the international financial market, (ii) Islamic loans and (iii) the regional government securities market.

The Government's objective, following the MTDS, is to borrow on terms that would extend the maturities of government securities, reduce the cost of borrowing, limit exchange rate risk and give preference to external financing for structuring projects. It intends to use concessional, semi-concessional and non-concessional loans to finance the investments of the 2016-2020 NDP within the limits of long and medium-term fiscal sustainability. This strategy takes into account the control of the average cost of the debt portfolio. It also reduces refinancing risk, limits the risks associated with exchange rate fluctuations and increases the debt ratio to 41.3% in 2023, compared with 48.6% in 2018.

The 2019 financing plan according to the MTDS, targets a financing of CFAF 2 344.9 billion, divided into project loans: CFAF 816.8 billion, budgetary support: CFAF 207.5 billion and government securities issues on the sub-regional and international markets: CFAF 1 320.6 billion. This option is consistent with the National Policy and Institutional Assessment (NPIA) of the World Bank and the IMF and especially with the debt-to-GDP ratio, which is below the 55% reference point of the IMF Debt Sustainability Framework (DSF).

Table 49: Public debt profile 2019-2023

SOURCES AND TYPES OF INSTRUMENTS	2019	2020	2021	2022	2023	2019-2023 Average
External debt (%)	**60**	**70**	**70**	**70**	**70**	**68**
Instruments						
Concessional	11	7	7	7	0	6
Semi-Concessional	29	28	28	28	35	30
Commercial	20	35	35	35	35	32
Domestic debt (%)	**40**	**30**	**30**	**30**	**30**	**32**
Instruments						
WAEMU market	**38**	**27**	**27**	**27**	**27**	**29**
1 year Bill	3	3	3	3	3	3
2-5 years Bond	14	12	12	12	12	12
> 5 years Bond	21	12	12	12	12	14
external debt/ Conv.debt/ Securitisation(1) in CFAF	**2**	**3**	**3**	**3**	**3**	**3**

Source: MEF/NPDC

To enable the Government to meet its debt targets, a reform of the institutional framework for public debt management has been undertaken since 2011. It led to the establishment of the National Public Debt Committee (NPDC) by Decree No. 2011-424 of 30 November 2011. It is responsible for coordinating the government's debt policy and monitoring the implementation of the MTDS. The NPDC is also in charge of validating the financing plan and possibly making adjustments to this plan to include non-concessional loans that were not initially planned. Also, the Directorate in charge of public debt management has been reorganized along front, middle and back office lines. In terms of debt accounting, the portfolio has been expanded to include the debt of certain public companies. A strategic document on debt (MTDS) and a debt sustainability analysis is regularly drawn up and updated. Under Community provisions (Article 13 of WAEMU Regulation No. 9); a manual of procedures, on borrowing and debt management functions, activities and operations, is available.

9.2.2 Viability of the public debt

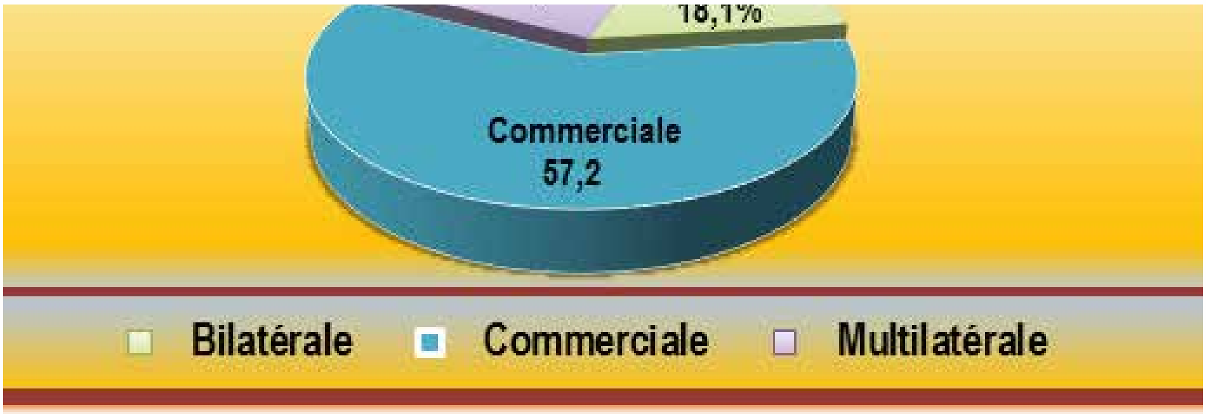
According to the IMF's assessment, the medium-term outlook would emphasize an investment financing risk associated with the assumption of a tightening of external financing flows to the country, which could stem from a slowdown in financing by foreign investors. Weak domestic revenue mobilization, combined with rising social demands, would significantly reduce the Government's fiscal space to finance its investment program and priorities. The contraction of regional sovereign debt financing could increase the cost of indebtedness. On the other hand, the assumption of higher prices for exportable agricultural commodities would increase the collection of government revenues from these export commodities. The confidence of external investors reflected in the success of the Eurobonds, the structural reforms undertaken and the adherence to the G20 Compact for Africa could contribute to an additional increase in private investment for the benefit of the Ivorian economy.

9.3 External Debt

9.3.1 The holders

The distribution of the estimated external debt stock as of 31 December 2018 by creditor category is illustrated in the chart below. External debt is 57.2% commercial, 24.7% multilateral and 18.1% bilateral.

Figure 14. Breakdown of external debt stock as of 31 December 2018



Source : MEF/DPPD

54.4% of external debt is held by Eurobond investors (almost all commercial external debt), 14.6% by China, and 10.2% by the IMF.

Table 50 : Breakdown of external debt by category of creditor as of 31 December 2018

CREDITORS	Outstanding on 31 December 2018	In % of debt Stock	In % of GDP
EXTERNAL DEBT			
COMMERCIAL	4 355.71	57.2%	18.2%
Eurobond investors	4 141.07	54.4%	17.3%
Others	214.64	2.8%	0.9%
BILATERAL	1 379.49	18.1%	5.8%
PARIS CLUB	87.60	1.2%	0.4%
Non-C2D ODA	23.09	0.3%	0.1%
Non-ODA	64.52	0.8%	0.3%
of which AFD	57.40	0.8%	0.2%
Excluding PARIS CLUB	1 291.89	17.0%	5.4%
Of which CHINA	1 111.33	14.6%	4.6%
MULTILATERAL	1 878.18	24.7%	7.9%
IMF	780.32	10.2%	3.3%
WB-IDA	542.92	7.1%	2.3%
AfDB/ADF	169.55	2.2%	0.7%
IDB	164.48	2.2%	0.7%
WADB	127.83	1.7%	0.5%
Others	93.09	1.2%	0.4%
GDP (current prices)			23 899.8

Source : MEF/DDPD

9.3.2 Situation of external debt payment

As of 31 December 2018, the service due amounted to CFAF 628.3 billion. CFAF 610.2 billion of external debt service has been paid. No arrears are noticed.

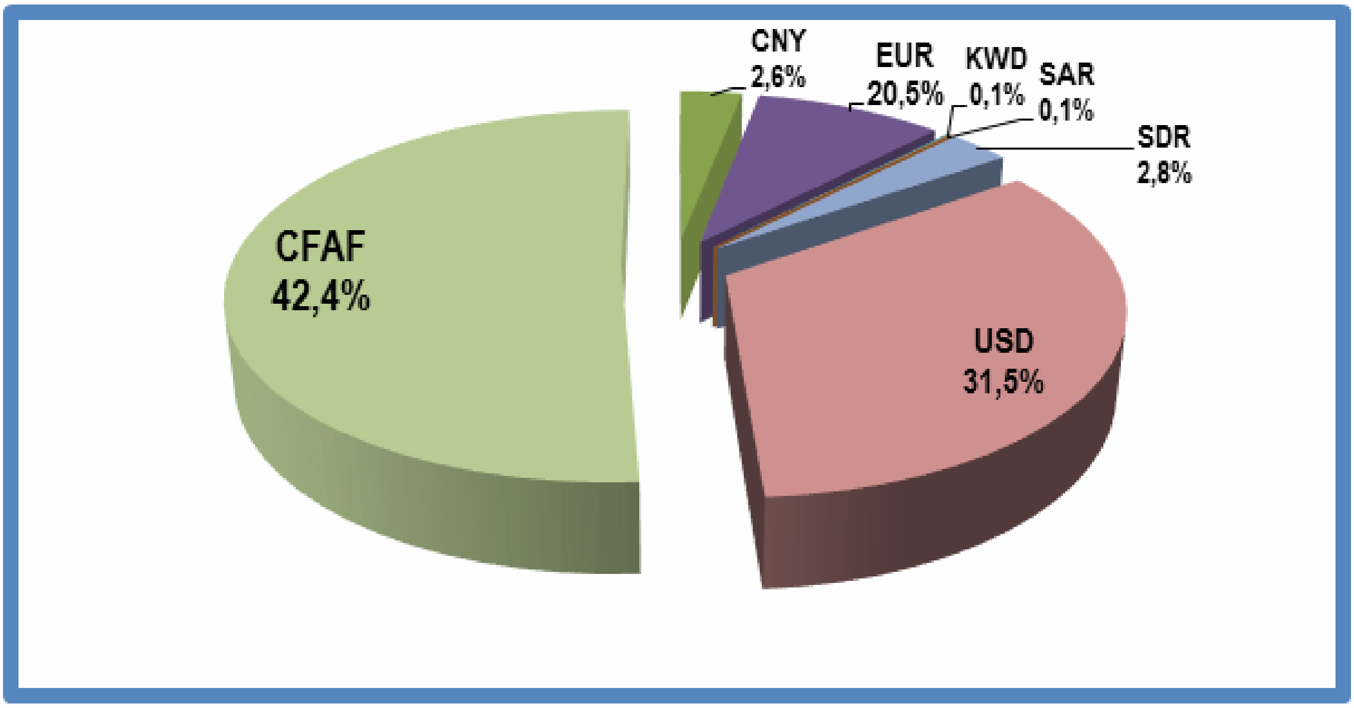
Table 51: External debt situation excluding exceptional charges as of 31 December 2017

Situation as of 31 december 2018		Multilateral			Bilateral			Private Creditors			Total		
		Capital	Interests	Total	Capital	Interests	Total	Capital	Interests	Total	Capital	Interests	Total
Outstanding as of 31/12/2017		1 582.4	0.0	1 582.4	1 216.7	0.0	1 216.7	2 970.9	0.0	2 970.9	5 770.0	0.0	5 770.0
Drawing in 2018		394.5	0.0	394.5	221.2	0.0	221.2	1 300.6	0.0	1 300.6	1 916.3		1 916.3
Service due	Total	104.6	22.3	126.9	216.8	26.2	243.0	51.1	189.2	240.3	372.5	237.8	610.2
	Debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Maturities	104.6	22.3	126.9	216.8	26.2	243.0	51.1	189.2	240.3	372.5	237.8	610.2
Service paid	Total	104.6	22.3	126.9	216.8	26.2	243.0	51.1	189.2	240.3	372.5	237.8	610.2
	Debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Maturities	104.6	22.3	126.9	216.8	26.2	243.0	51.1	189.2	240.3	372.5	237.8	610.2
Arrears	Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Maturities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Outstanding as of 31/12/2018		1 878.2		1 878.2	1 379.5		1 379.5	4 355.7		4 355.7	7 613.4		7 613.4
Stock as of 31/12/2018		1 878.2		1 878.2	1 379.5		1 379.5	4 355.7		4 355.7	7 613.4		7 613.4

Source: MEF/DDPD

The CFAF is the most important currency in the government debt portfolio (42.4%), followed by the US dollar representing 31.5% of the portfolio. The portion of the portfolio exposed to the exchange rate fluctuations risk concerns 56.6% of the outstanding external debt. This share could be covered by the trade surplus that has emerged around 7% of GDP over the last five years despite the sharp fall in the world price of cocoa, Côte d'Ivoire's main export product. The good performance of other speculations (palm oil, rubber, cashew nuts, cotton, etc.) has maintained the increase rate in exports at 8%. This made it possible to contain the increase in imports of capital goods, debt charges and the deterioration of the balance of services. For the next two years, Côte d'Ivoire expects to maintain the upward trend in exports of goods and services with the dynamism of the mining and energy sectors, as well as with the increase in cashew, rubber and palm oil production in particular.

Figure 15. Proportion of foreign currencies in the external debt portfolio at the end of December 2018



Source : MEF/DDPD

Table 52: Debt stock as of December 31, 2018, by applicable currency

Currency	Stock debt in millions of the currencies	Exchange rate /CFAF	Stock of debt in billions of CFAF	Exchange rate/US Dollar	Stock of debt in millions of US Dollars	Breakdown by currency (%)
CNY	3 417.7	86.9	296.9	0.2	518.3	2.6
EUR	3 627.3	656.0	2 379.4	1.2	4 154.7	20.5
KWD	7.5	1 886.6	14.1	3.3	24.6	0.1
SAR	76.1	152.7	11.6	0.3	20.3	0.1
SDR	408.9	796.5	325.7	1.4	568.7	2.8
USD	6 386.7	572.7	3 657.6	1.0	6 386.7	31.5
CFAF (1)	4 922 538.6	1.0	4 922.5	0.0	8 595.5	42.4
TOTAL			11 607.8		20 268.9	100.0

Source: MEF/DDPD

9. 3.4 Arrears of payment

Since external debt relief in 2012, external debt service payments have been regular and no external arrears have been observed.

9. 4 Domestic Debt

9.4.1 Presentation of the situation as of 31 december 2017

The structure of the domestic debt on 31 December 2018 by instrument is shown in the table below. 14.2% are bank loans, 88.3% government securities and 11.7% other loans.

Table 53: Structure of domestic debt as of 31 December 2018 by instrument

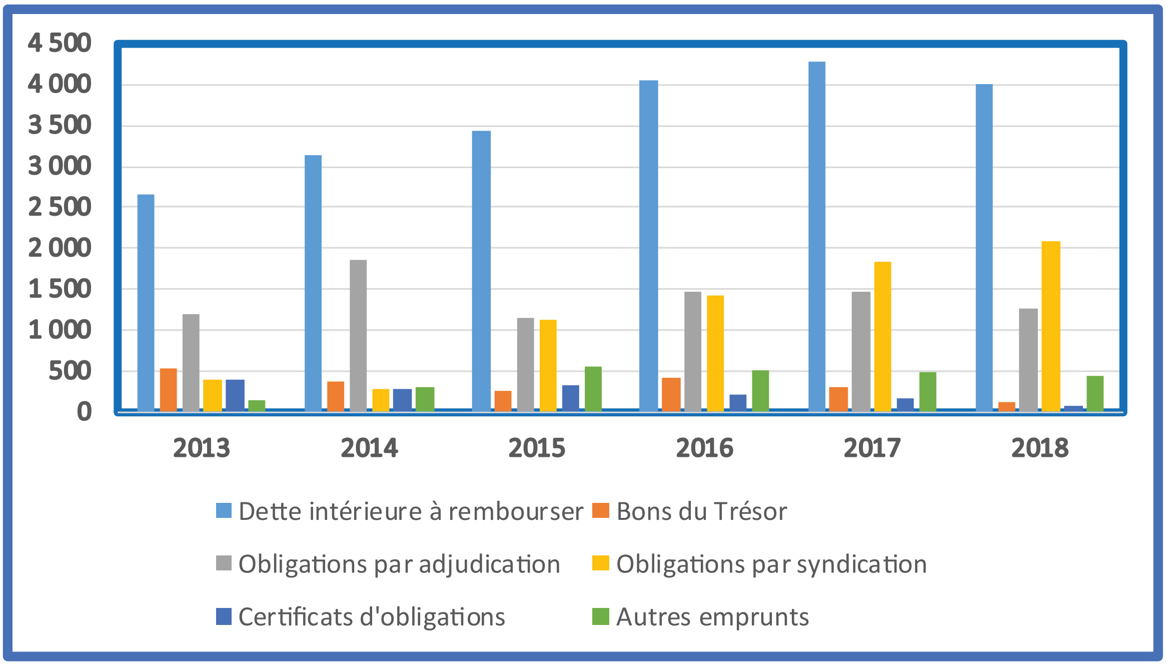
Côte d'Ivoire: situation as of 31 december 2018	Domestic debt expressed in value terms (CFAF billion)	Domestic debt expressed in % of total debt	Domestic debt expressed in % of 2018 nominal GDP
Total domestic debt	3 994.4	100.0%	16.7%
Securities	3 558.5	89.1%	14.9%
Treasury Bills	113.8	2.8%	0.5%
Bond by auction	1 268.7	52.0%	5.3%
Bonds by syndication	2 076.9	2.5%	8.7%
Bond certificates	99.2	10.9%	0.4%
Other loans	435.9	10.9%	1.8%
Bank Loans	503.2	14.2%	2.1%
BCEAO	395.4	9.9%	1.7%
Commercial banks	107.8	2.7%	0.5%
Securities	3 479.5	87.1%	14.6%
Companies	11.7	0.3%	0.0%
Total	3 994.4	100.0%	16.7%

Source: MEF/DDPD

9.4.2 Evolution of the domestic debt component over the past five years

The graph below describes the evolution of domestic debt from 2013 to 2018. Bonds through syndications, which were marginal until 2014, became predominant from 2017 onwards. Bonds by auction also account for a large share of Côte d'Ivoire's domestic debt.

Figure 16. Evolution of domestic debt 2013-2018



Source: MEF/DDPD

As part of its strategy to reform public debt management, the government has included in its portfolio, from 2012, that of certain companies operating in strategic sectors with high growth potential and whose performance could facilitate the structural transformation of the economy. In doing so, it intends to have at its disposal strategic interest reports on the financial situation of these entities, making appropriate adjustments to enable them to return to the path of healthy production. This decision naturally has implications for the level of the government deficit and could give rise to significant budgetary risks. For this reason, the Government has put in place a comprehensive recovery plan for these institutions.

9.4.3 Situation of the domestic debt payment

The following table presents the situation of the domestic debt payments. As of 31 December 2018, the debt service due was CFAF 918.98 billion. CFAF 936.97 billion of debt service has been paid. The current outstanding debt as of 31 December 2018 is estimated at CFAF 3,994.4 billion.

Table 54: Domestic debt as of 31 December 2018

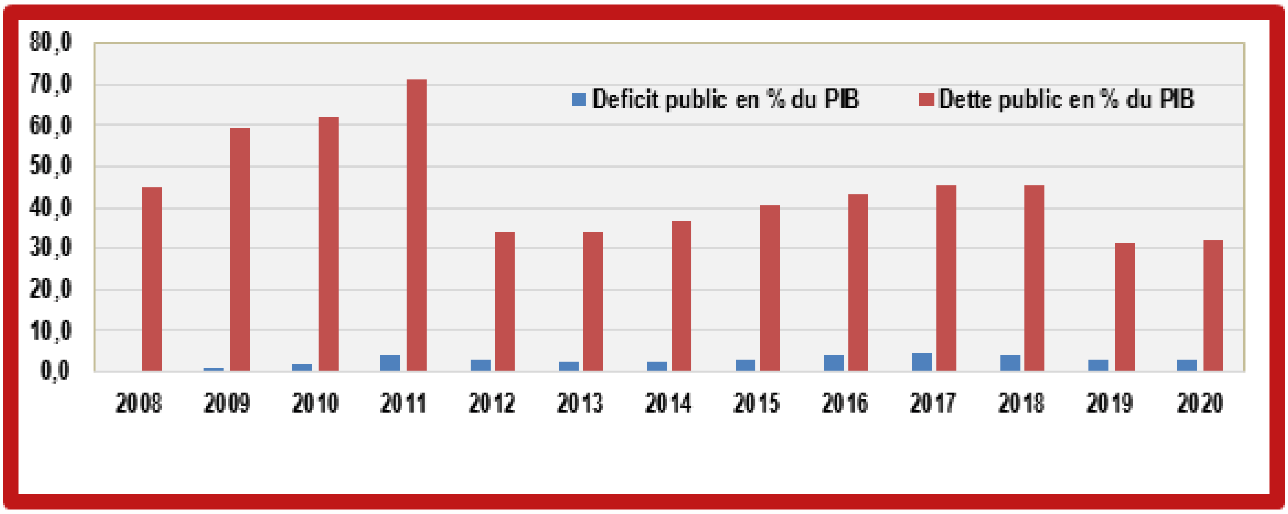
	BCEAO			BANKING SECTOR			NON-BANKING SECTOR			TOTAL		
	Capital	Interest	Total	Capital	Interest	Total	Capital	Interest	Total	Capital	Interest	Total
1. Outstanding as of 31/12/2017	**424.94**	**-**	**424.94**	**2 463.86**	**-**	**2 463.86**	**1 386.27**	**-**	**1 386.27**	**4 275.07**	**-**	**4 275.07**
as a % of GDP	*1.92%*		*1.92%*	*11.12%*		*11.12%*	*6.26%*		*6.26%*	*19.3%*		*19.3%*
2. LOANS AND GOVERNMENT SECURITIES ISSUES as of the 1/1/2018 au 31/12/2018	-	-	-	**442.11**	-	**442.11**	**24.15**	-	**24.15**	**466.26**	-	**466.26**
3. PROCESSING				**102.07**		**102.07**				**102.07**		**102.07**
Total	29.55	7.65	37.20	487.18	123.70	610.88	203.03	74.79	277.82	719.76	206.14	925.89
4. SERVICE DUE *Arrears*												
maturities	29.55	7.65	37.20	487.18	123.70	610.88	203.03	74.79	277.81	719.76	206.14	925.89
Total	29.55	7.65	37.20	487.18	123.70	610.88	203.03	74.79	277.82	719.76	206.14	925.89
5. SERVICE PAID *Arrears*												
maturities	29.55	7.65	37.20	487.18	123.70	610.88	203.03	74.79	277.81	719.76	206.14	925.89
Total	-	-	-	-	-	-	-	-	-	-	-	-
6. ARREARS *Arrears* **maturities**	-	-	-	-	-	-	-	-	-	-	-	-
7. TOTAL SETTLEMENT (OUTSTANDINGS)	-	-	-	**-129.25**	-	**-129.25**	-	-	-	**-129.25**	-	**-129.25**
8. OUTSTANDING 31/12/2018 (1+2+3-4 " Principal maturities " - 7)	**395.39**	**-**	**395.39**	**2 353.41**	**-**	**2 353.41**	**1 245.59**	**-**	**1 245.59**	**3 994.39**	**-**	**3 994.39**
as a % of GDP	*1.65%*	-	*1.65%*	*9.85%*	-	*9.85%*	*5.21%*	-	*5.21%*	*16.7%*	-	*16.7%*

Source : MEF/DDPD

9.5 Viability and Sustainability

The following graph shows the increases in public debt and deficit as a percentage of GDP. After increasing between 2008 and 2011, public debt as a percentage of GDP plummeted in 2012. It then increased until 2018, remaining at a lower level than between 2008 and 2011. Public debt as a percentage of GDP is estimated to decrease again in 2019 and 2020.

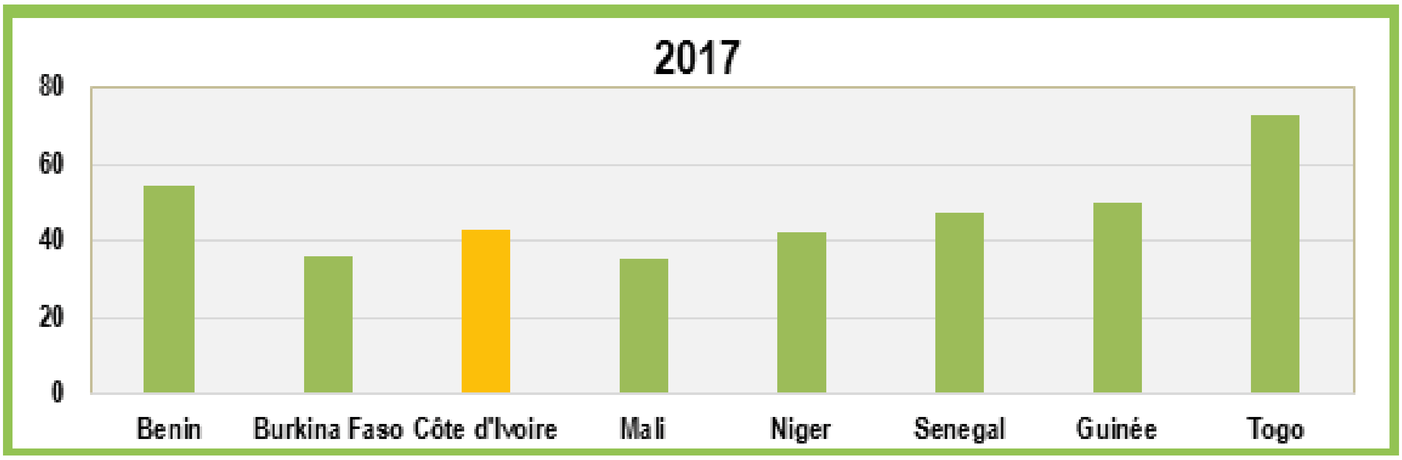
Graph 17: Increase in public debt and budget deficit as a percentage of GDP (2008-2020)



Source : MEF/DDPD

The debt stock in 2017 of the eight WAEMU member states is shown in the diagram below.

Graph 18: Debt as a percentage of GDP of the 8 WAEMU countries.



Source: Commission of WAEMU

Financing requirements and government securities issues 2019-2021

According to the SPMBPE and the MEF, the State's financing requirement for 2019 would be CFAF 2,344.9 billion. The conclusions of the public debt management strategy for the 2019-2023 period place this requirement at an average level of CFAF 1 924.4 billion.

External borrowing should account for 70% of this financing requirement expressed over the period. These borrowings would comprise 9% concessional loans, 41% semi-concessional loans and 50% non-concessional loans.

The contributions of internal loans should make meet the gross financing requirements up to 30%. These borrowings would be issued in the form of short (10%), medium (40%) and long-term instruments (40%) and loans in the form of credits from funders such as the WADB and the IMF (10%).

The indicative amounts of the securities to be issued are shown in the following table:

Table 55: Indicative amount to be mobilized 2019-2021

In billions of CFAF	2019	2020	2021
Indicative amount of securities to be issued	1 320.6	1494.4	1450.0

Source : SEPMBPE

Auction (for government securities): the auction of securities issued by the central government. In the WAEMU region, it is organized by BCEAO and only banks and other regional financial institutions with accounts with BCEAO may participate. Other entities may only subscribe to auctions through the intermediary of WAEMU banks.

Depreciation or maturity: the period between the disbursement of a loan and its final repayment, consisting of the grace period and the repayment period.

Public offering: competitive bidding on the financial market for public securities through an IMC. It is open) to all investors.

Net external assets (NEA): Net claims or liabilities of monetary institutions (central bank or banks) on the outside world. It is open to all savers. It is open to all investors. It is calculated by deducting from gross foreign assets all foreign liabilities, including medium- and long-term liabilities.

Government financing requirement: the overall amount needed to cover the primary budget deficit and the interest and depreciation charges associated with the debt.

Treasury bills: short-term public securities with a maturity of between 7 days and 2 years, issued by a WAEMU member state.

Paris Club: an informal group of creditor countries (usually OECD countries) that meet in Paris to negotiate debt restructuring agreements with debtor countries experiencing debt service problems.

Bilateral creditors: governments, central banks, agencies and export credit agencies that lend to a debtor government on an intergovernmental basis.

Multilateral creditors: international institutions that lend funds on concessional and/or non-concessional terms, such as the IMF, Regional Development Bank.

Credit to the economy (CE): all loans granted to the economy by banks (refinanced or not), financial institutions (partly refinanced by the central bank) and the treasury (through the acceptance of customs drafts).

Domestic credit = credit to the economy + government net position (see GNP).

Disbursement: the payment of all or part of the amount contracted under the terms of a loan.

Budget deficit: Difference between total revenue and total expenditure and net lending.
Current account deficit: current account deficit balance of the balance of payments.

Primary deficit: negative difference between revenue and expenditure, excluding interest payments.
External public debt: central government loans from non-residents.

Domestic public debt: central government loans from residents.

Non-concessional debt: debt contracted at market conditions.

Public debt: sum of all central government debt (external and domestic).

Economic data :
-**Achievements:** Economic data for past years based on the comprehensive economic information collected on the economic activity by national administrations. They should correspond more or less to the data in the final accounts for year N-3.
-**Estimates:** Corresponds to the semi-final or provisional accounts, drawn up based on economic information for a given year. They are generally non-exhaustive and/or not fully validated.

-**Economic projections or forecasts:** Corresponds to economic data calculated based on assumptions made about the future development of economic activity. These projections may partially cover certain accounts for which only provisional and/or partial data are available.

Donation element: the difference between the nominal value (NV) and the present value (PV) of the debt service expressed as a percentage of the nominal value of the loan ((NV-PV)/PV).

Concessional borrowing: loans of credits that have a long amortization period and/or below-market interest rates, such that they have a grant element of at least 30%.

Eurobond: dollar-denominated bond on the London financial market.

Inflation: generalized increase in consumer prices. This results in a loss in the purchasing power of money.

Multilateral Debt Relief Initiative (MDRI): an initiative launched in June 2005 to accelerate progress towards the Millennium Development Goals (MDGs).

HIPC Initiative: a framework adopted by the World Bank and the IMF in 1996 to address the external debt problems of the Heavily Indebted Poor Countries (HIPCs), which aims to provide comprehensive debt relief sufficient to achieve debt sustainability.

Money supply (MS): all claims held by the rest of the economy on monetary institutions.
It comprises monetary (currency in circulation + overnight deposits) and quasi-monetary (savings accounts and time deposits) liquid assets.
Treasury bonds; medium- and long-term government securities issued through auctions or public offerings.

Conditional liabilities: liabilities incurred by other public entities except central government (local authorities and the quasi-public sector).

Government Net Government (GNP): Net claims or liabilities of the treasury vis-à-vis the rest of the economy. The government's net position is the difference between the treasury's liabilities and its claims on the central bank, banks and individuals and corporations. By convention, a creditor GNP is preceded by a (-) sign and a debtor GNP is preceded by a (+) sign.

Tax Burden: the ratio of tax revenue to GDP

Refinancing risk: risk associated with the renewal of maturing debt. It may relate to the cost of refinancing or the impossibility of obtaining the desired amounts.

Interest rate risk: Interest rate risk refers to the vulnerability of the Government's debt portfolio and the cost of the Government's debt to high market interest rates, to the point where maturing fixed-rate and floating-rate debt are revalued.

Foreign Exchange Risk: Risk associated with fluctuations in foreign exchange rates.

Debt service: any payment to be made on the principal, interest and fees of a loan.

Primary balance: (see primary deficit)

Basic primary balance: total revenue excluding grants - current expenditure + interest on public debt - capital expenditure on own resources

Stock of public debt: the amount at a given date of disbursements of debts that have not yet been repaid.

Exchange rate: the price of one currency in terms of another.

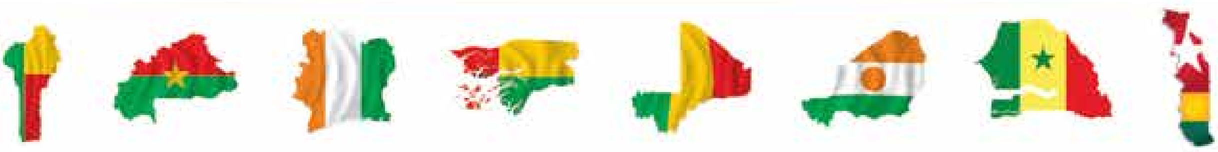
Debt ratio: ratio of the stock of public debt to GDP

Investment rate of a country's economy: a ratio that indicates the gross fixed capital formation of all economic agents (government, businesses, households) expressed as a percentage of GDP. For a country, GFCF is the sum of hardware and software investments made during one year in that country.

The terms of trade: expresses for a country the ratio between the price of exports and the price of imports. They are generally calculated from price indexes and indicate a change in relation to a reference year (T= (export price index / import price index) x 100).

The terms of trade improve over time ( ) if an economy exports a smaller quantity of goods to purchase the same quantity of imported goods (in other words, the same quantity of exports buys more imported goods): export earnings improve in this case. In the opposite case, the terms of trade deteriorate (T). This price ratio thus translates the evolution of the purchasing power of exports into imports, for a given volume of trade (the structure of trade is fixed): it reflects the price competitiveness of a country (independently of the quantity effect).

BUILDING A BENCHMARKED REGIONAL GOVERNMENT SECURITIES MARKET FOR THE DEVELOPMENT OF WAEMU STATES



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