



Casa África – Business Opportunities

Côte d'Ivoire

In recent years, the Ivorian economy has remained strong, with a GDP growth rate of around 7.4% in 2018 and 2019, approximately one percentage point less than previous years, and was estimated to remain above 7% in the years ahead before the arrival of the crisis caused by the coronavirus. Despite the fact that the agricultural sector constitutes a strong support in the economy, according to the African Development Bank (AfDB) the service sector is the main economic driver for the country. As for public debt, it increased to 52% in 2018, while the current account deficit increased to 4.7%; it subsequently improved in 2019 to 3.9%. On the demand side, the growth experienced is largely due to private investment and also the service sector. This shows that the country has been immersed in diversification and economic dynamism for some years, encouraging new activities in the areas of commerce, transport and telecommunications, as intended by the National Development Plan 2016-2020. It is estimated that the agricultural sector will also benefit from this private investment.

In Côte d'Ivoire, the agricultural sector is fundamental to economic development and the production of products such as cocoa and cashew nuts is a major factor in its exports. Because of this, the country is strongly affected by adversities such as weather and international prices. In this regard, for the years 2019-2020 a favourable outlook for the country was estimated due to the increase in market prices for the cocoa crop and favourable weather.

Côte d'Ivoire has an outward-oriented economy open to investment. With data for 2015, exports reached 27.4% and the Netherlands has overtaken Côte d'Ivoire's other main trading partners, with France and Germany in second and third place, and finally the United States. Ghana and Nigeria are the African countries with which it has the greatest trade relationship, but since 2016 China and France have replaced Nigeria as the main supplier. According to the IMF, foreign direct investment (FDI) has been increasing consecutively, reaching around 2% between 2018-2020.

In the last three years there have been reforms in tax administration by the government, but fiscal policy is still considered weak due to exemptions and high taxes on exports. Nevertheless, there have been improvements in political stability in recent years, especially in relation to investment; in this regard, efforts have been devoted to dialogue between public and private enterprises, investment promotion and improvements in the bureaucratic processes of business creation. The 2020 elections are expected to improve the political and business climate, as well as economic momentum. For the current period, the challenges in the political context will be (i) reconciliation, (ii) providing adequate responses to social demands, (iii) devoting efforts in the area of justice, (iv) resolving conflicts regarding nationality and land ownership, and finally (v) strengthening security in the country. On the other hand, the government also seeks to improve revenue collection and generate sustainable and inclusive growth, which will translate into improvements in social welfare.

AfDB: <https://www.afdb.org/en/documents/african-economic-outlook-2020>

AEO: <https://www.africaneconomicoutlook.org/cote-divoire/>

ICEX: http://www.exteriores.gob.es/Documents/FichasPais/COSTADEMARFIL_FICHA%20PAIS.pdf