



## *Casa África – Business Opportunities*

### **Ivory Coast**

Côte d'Ivoire's economic outlook was very favourable before the pandemic, with average annual growth of 7.1% over the period 2015-2018 and 6.9% in 2019. The country is likely to be affected by the consequences of the global pandemic, but is not expected to enter recession in 2020. Compared to initial forecasts, a loss of growth of between 4.2% and 5.7% is expected in 2020, due to the expected slowdown in agriculture, transport, tourism, manufacturing, construction and trade. GDP growth is expected to slow down to 3% at best, and to 1.5% if the pandemic is prolonged. The health crisis is expected to have a particular impact on public finances, with increased spending on health, social protection and direct business support, and lower fiscal revenues due to lower imports and a slowdown in private sector activity. The current account deficit is expected to remain stable, and no inflationary pressure is expected to result from this situation. Economic growth could pick up by 2021 to between 5 and 6.6%, driven by agriculture, construction and telecommunications on the supply side, and final consumption and investment on the demand side.

In Côte d'Ivoire, the agricultural sector is fundamental to economic development and the production of products such as cocoa and cashew nuts is an important weight in its exports. As a result, 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 has been estimated due to increased market prices for the cocoa crop and favourable weather conditions.

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

In the last three years, the government has carried out reforms in tax administration, but tax policy is still considered weak due to exemptions and high taxes on exports. Nevertheless, political stability has improved in recent years, particularly with regard to investment; in this regard, efforts have been made to promote dialogue between public and private enterprises, to promote investment and to improve bureaucratic processes for business creation. The elections in 2020 are expected to improve the political and business climate, as well as economic dynamics. The challenges in the political context for the current period will be (i) reconciliation, (ii) providing adequate responses to social demands, (iii) efforts in the area of justice, (iv) resolving conflicts over nationality and land ownership, and (v) enhancing 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.

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

AEO (Suplemento COVID-19): <https://www.afdb.org/en/documents/african-economic-outlook-2020-supplement>

ICEX: [http://www.exteriores.gob.es/Documents/FichasPais/COSTADEMARFIL\\_FICHA%20PAIS.pdf](http://www.exteriores.gob.es/Documents/FichasPais/COSTADEMARFIL_FICHA%20PAIS.pdf)

**APPENDIX: Economic Tables**

**Table 1: Macro-economic indicators**

	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020 (p)</b>
<b>Real GDP growth</b>	7,7	7,4	7,4	7,2
<b>Real GDP per capita growth</b>	5,0	4,7	4,8	4,6
<b>Inflation</b>	0,6	0,6	1,0	1,5
<b>Budget balance (% GDP)</b>	-4,5	-3,9	-3,1	-3,0
<b>Current account (% GDP)</b>	-2,7	-4,7	-3,9	-3,8

Source : Banque africaine de développement, (p) predictions before COVID-19