THE REPORT

Côte d'Ivoire 2022

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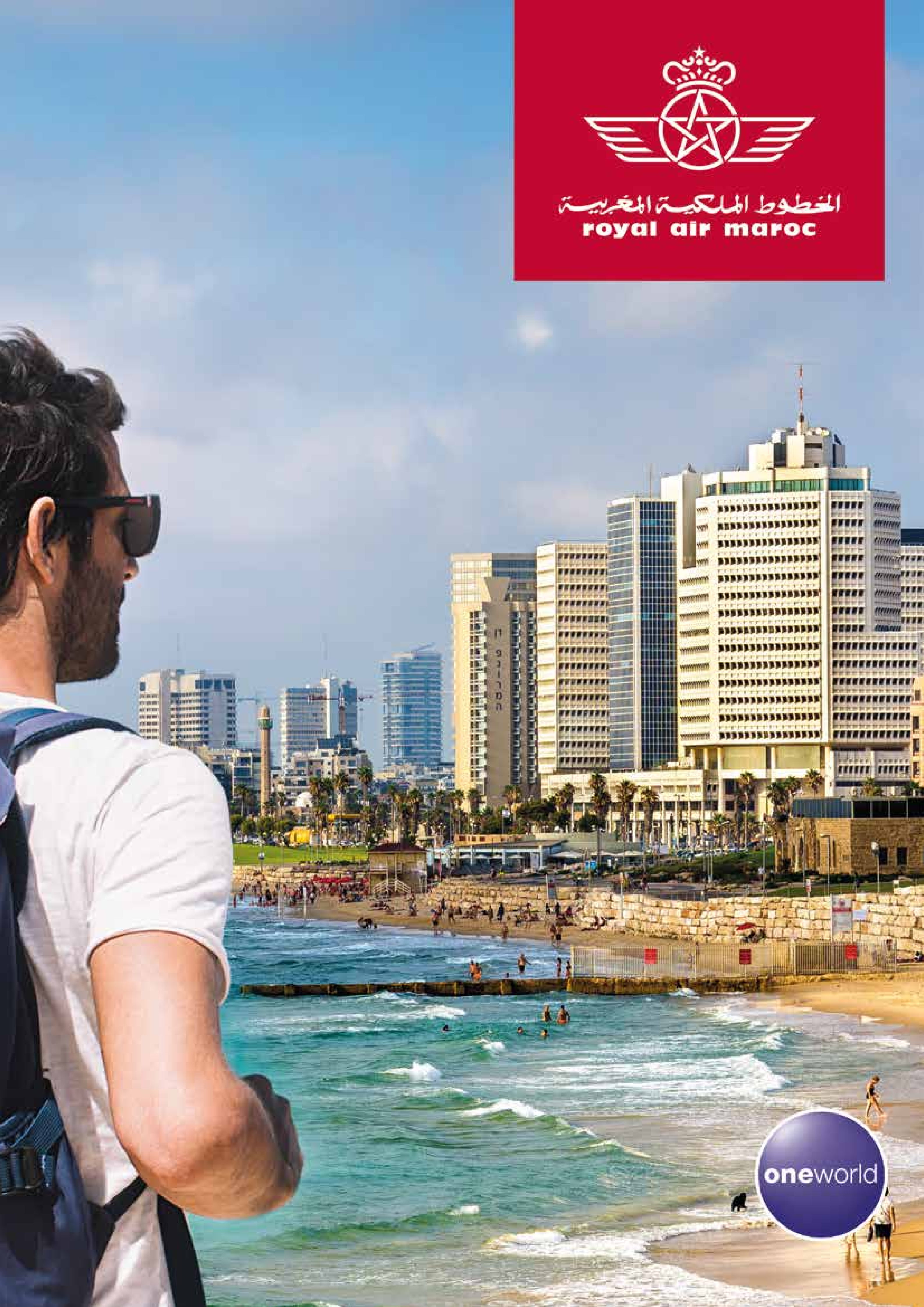
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Back to business

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Côte d'Ivoire's sustained high growth in the last decade ranks it among the best-performing countries in sub-Saharan Africa. In 2012-19 real GDP growth averaged around 8.5%, compared to less than 0.5% in 2000-11. Fuelled by strong domestic demand and high public and private investment, as well as investment-related imports such as machinery and intermediary goods, growth in 2021 is estimated to have been around 7%, according to data from the IMF.

SNAPSHOT

COUNTRY PROFILE

ECONOMY

BANKING

CAPITAL MARKETS

Market analysis & data provided by Atlantique Finance

Bridging the gap

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The banking sector has played a key role in post-2012 recovery and growth, financing large-scale infrastructure projects, private sector industrial expansion, agricultural activity and the services industry. While access to finance can be a hurdle, the emergence and adoption of mobile and digital money services, and the development of a robust microfinance environment, are helping to bridge this gap.

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In the pipeline

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As of 2020 the power sector was the third largest in Africa by installed capacity, and total energy consumption increased by 14.2% between 2011 and 2020. Ensuring that energy supply is able to keep up with rising demand poses some challenges, but it also presents major opportunities as the government seeks to meet its policy targets.

INSURANCE

ENERGY & MINING

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CONSTRUCTION & REAL ESTATE

TRANSPORT & LOGISTICS

Firm footing

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Responsible for approximately one-fifth of GDP and employing two-thirds of the population, agriculture is a key part of the economy, as well as the social, cultural and political fabric of the country. Côte d'Ivoire is the world's leading cocoa producer and shares the title of number-one cocoa grinder. It is also the top cashew nut exporter and dessert banana producer.

Making a mark

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As urbanisation continues apace, the industrial sector is continuing to grow, with more people being employed in industry as traditional agricultural employment decreases. However, agriculture continues to play a significant part in the industrial sector through the development of new processing and packaging facilities for key crops like cocoa and cotton.

Digital drive

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Côte d'Ivoire is one of the most-developed telecoms markets in West Africa, with 162% mobile penetration as of 2021. Rapidly changing consumer habits present new opportunities for growth. As more affordable smartphone options enter the market and 4G and 5G services are rolled out, mobile internet usage and mobile money subscriptions will continue to grow.

Road to growth

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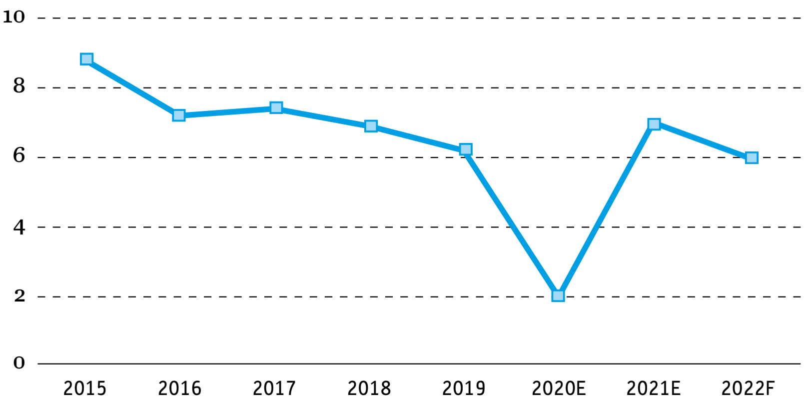
Numerous office space, health care and entertainment projects are under way in the economic centre of Abidjan, as well as industrialisation efforts in other regions. Investment in major transport routes across the country, and those linking to its neighbours, will enhance and encourage trade.

Côte d'Ivoire in brief

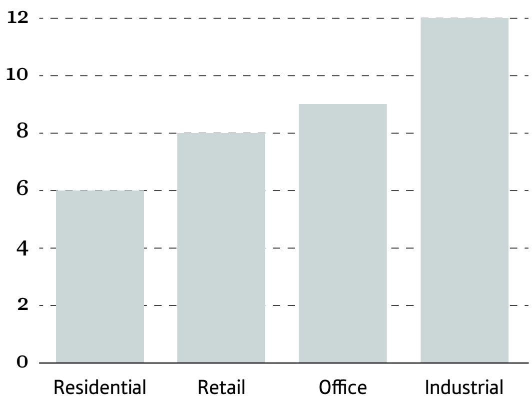
After achieving a region-leading economic recovery in the decade since political stability was established, future growth and industrialisation strategy will continue to be shaped by the National Development Plan 2021-25, which constitutes a holistic approach to achieving emerging market status and meaningful poverty reduction by 2030. The plan brings together overarching objectives of structural economic transformation in order to foster the development of human capital, reduce poverty, increase investment in infrastructure, advance digitalisation, promote transparency and good governance, expand effective environmental protection and eradicate regional disparities.

GDP growth, 2015-22F (%)



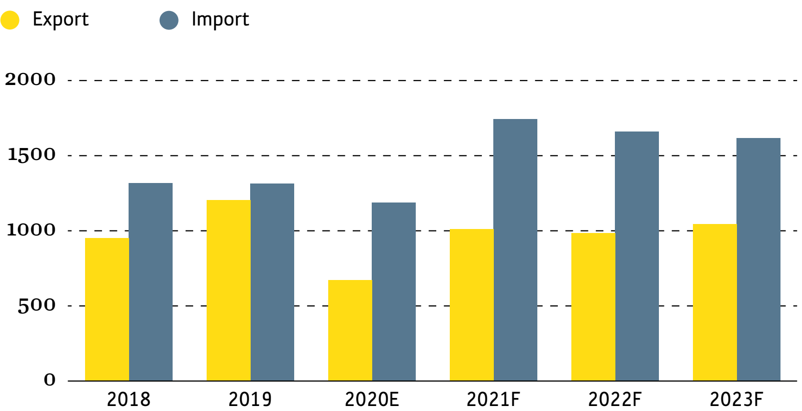
Source: IMF

Average prime rental yields, 2022 (%)



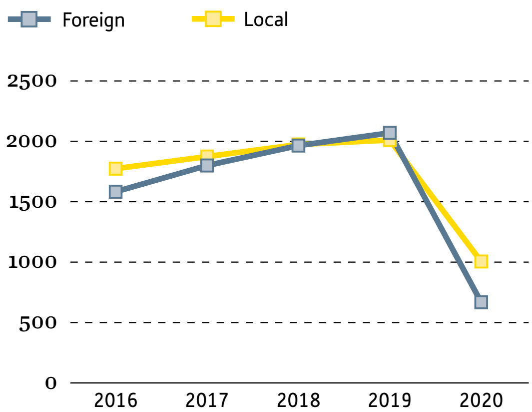
Source: Knight Frank

Trade in crude oil & refined products, 2018-23F (CFA bn)



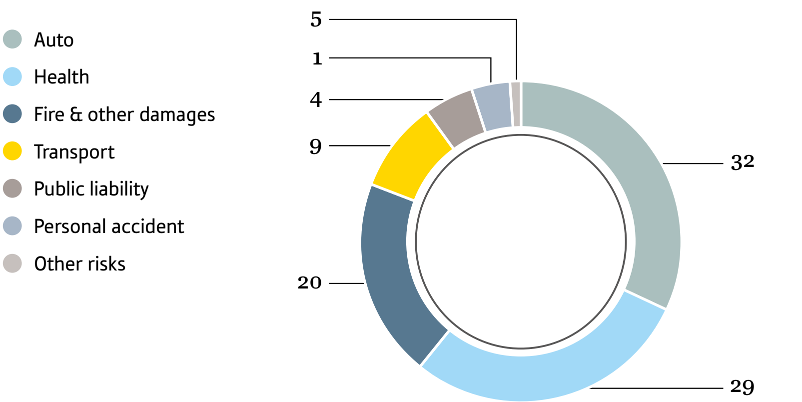
Source: World Bank

Tourist visits, 2016-20 (000)



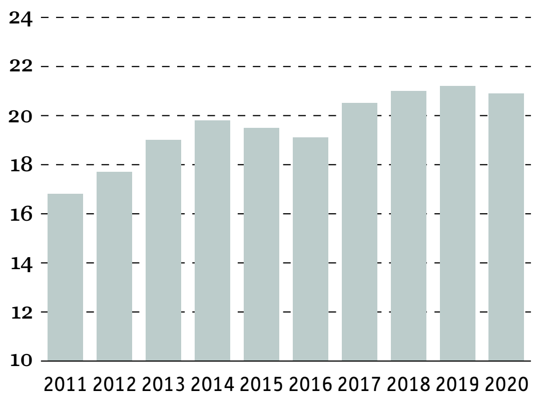
Source: Open Data Côte d'Ivoire

Non-life premium by segment, 2021 (% of total)



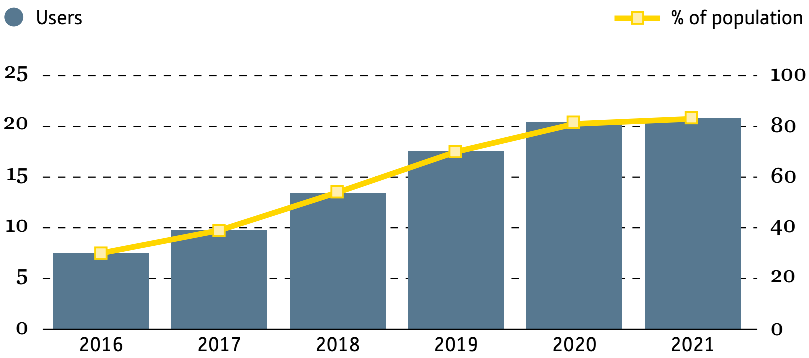
Source: SIKA Finance

Industry value added, 2011-20 (% of GDP)



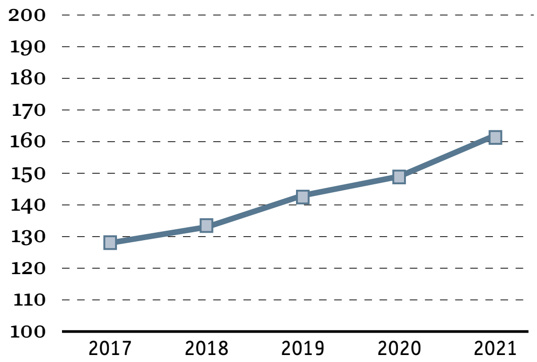
Source: World Bank

Mobile banking penetration, 2016-21



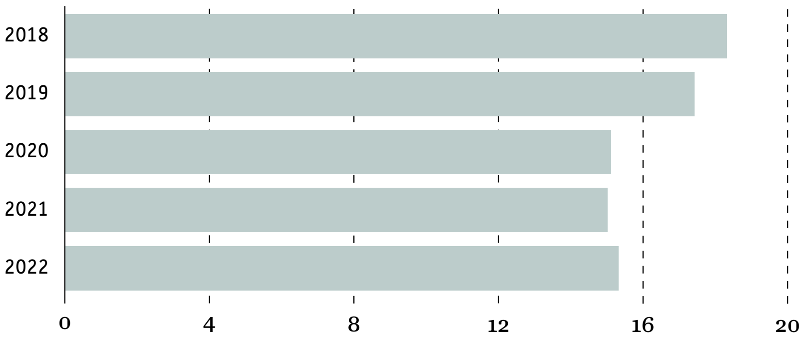
Source: ARTCI

Mobile phone penetration, 2017-21 (%)



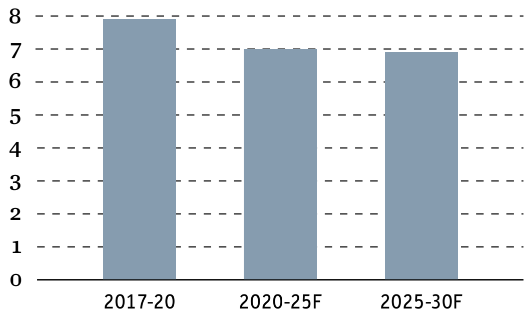
Source: ARTCI

Government expenditure on education, 2018-22 (% of total budget)



Source: MEF

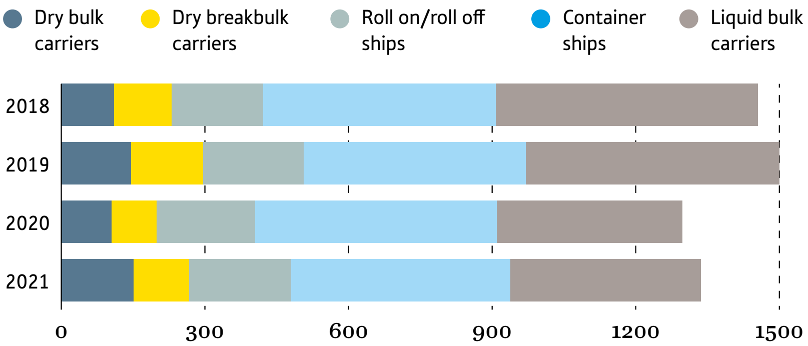
Annual growth* in construction value added, 2017-30F (%)



Source: World Bank

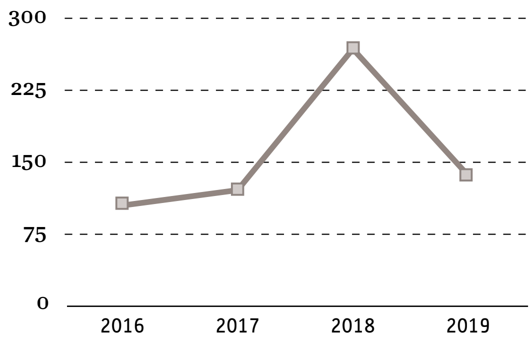
*period average

Port calls by vessel type, 2018-21



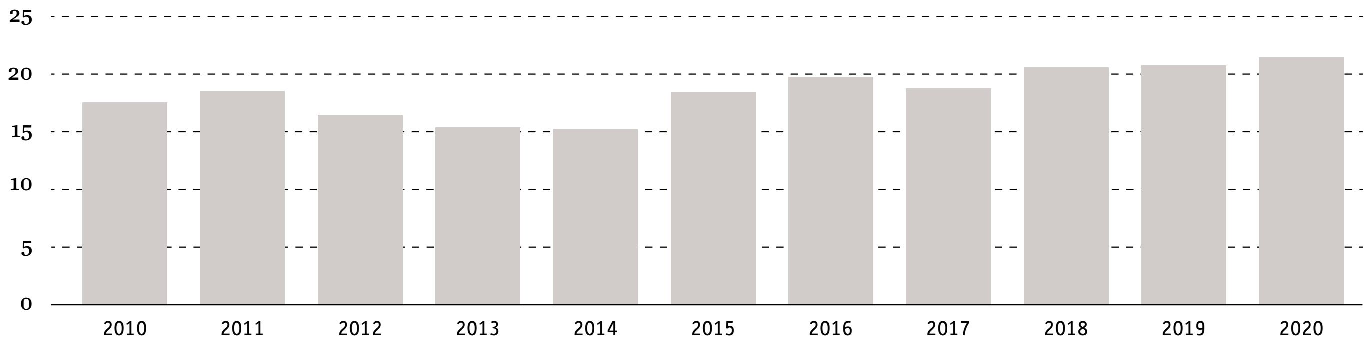
Source: UNCTAD

Mining sector investment, 2016-19 (CFA bn)



Source: EITI

Agriculture, forestry & fishing value added, 2010-20 (% of GDP)



Source: World Bank

Country Profile

An abundance of natural resources and landscapes

The authorities maintain focus on regional integration

A young, diverse and growing national population

Policymakers prioritise an ambitious reform agenda

Côte d'Ivoire has a range of natural resources and varied landscapes

Dynamism and diversity

The country's vibrant culture, strategic location and ethnically diverse communities add to its economic potential

The IMF estimated that real GDP could grow by

6%

in 2022

A dynamic, diverse and rapidly growing country, Côte d'Ivoire is one of the largest economies in West Africa, with a promising growth outlook and favourable demographic prospects. Côte d'Ivoire has a range of natural resources and varied landscapes inhabited by a wide variety of peoples speaking different indigenous languages and practising distinct faiths. The optimistic economic projections following the Covid-19 pandemic remain counterbalanced by downside risks from global economic instability. Despite Côte d'Ivoire's complex political climate, the country has come a long way in recovering from a period of civil conflict that ended in 2011. The 2021 National Assembly election was peaceful, and was deemed fair by international observers.

The country made a strong economic turnaround and projections promise a sustained post-pandemic recovery. The country's economic resilience partly enabled the rebound during the pandemic, with the IMF estimating that real GDP could grow by 6% in 2022, following estimated expansion of 7% in 2021. This lowered growth outlook reflects disruptions to global markets such as Russia's invasion of Ukraine, a shortage of essential foods and inflation. To reach its economic potential, the country would do well to hedge against disruptions in global demand patterns, potentially through enhanced regional integration; continue on a path of reform; and ensure economic inclusivity and gender equality, such as by increasing female land ownership and boosting manufacturing employment.

DEMOGRAPHICS: The country's population was estimated to be approximately 27.6m in 2022, with an annual growth rate of 2.6%, showing a gradual decrease from the peaks of population growth in the 1970s and 1980s. Reflecting the diversity of the country's landscapes, the population is unevenly spread, with the majority of residents living in the southern and coastal parts of the country. The coastal city of Abidjan alone is home to a total of 4.8m people, making it the world's third-largest francophone city after Paris and Kinshasa.

Côte d'Ivoire has a young population and a dynamic demographic outlook, with citizens above the age of 65 representing about 2.9% of the population and an average life expectancy of 58 years. With 55.6% of the population in the working-age bracket and a remaining 41.5% under 15 years of age, the country's population is expected to expand rapidly. According to World Population Review, the population is set to reach 51.3m in 2050 and almost 90m by 2100.

Côte d'Ivoire has a young population and a dynamic demographic outlook, with citizens above the age of 65 representing about 2.9% of the population.

GEOGRAPHY: Côte d'Ivoire lies between Guinea and Liberia to its west, and Ghana to the east. Its low-lying coastal plains, tropical forests and lagoons open onto the Gulf of Guinea, while its mountains – including the country's highest peak Mount Nimba – define its north-west. To the north lies the sandier savannah region, beyond which are Mali and Burkina Faso. The northern areas are more arid, and in the winter seasons they are exposed to the hot winds of the Sahara called the harmattan. The winds amplify a dry season that usually begins mid-November and ends in May.

In contrast to the arid north, which features only one rainy season after the winter months, the southern parts of the country experience two rainy seasons: from October to November and from May to July. These are most pronounced on the coast, but the north-western mountains receive more rainfall overall (2000 mm per annum) than the dryer regions. The southern areas usually experience all four seasons, but temperatures stay consistently high even in the coldest months, rarely falling below 22°C in Abidjan. Temperature variations are more noticeable in the north, which experiences a maximum of 36°C in February and March, and lows of 19°C in January and December.

Four rivers flow from the north to the Gulf of Guinea, out of which three finish their course in Côte d'Ivoire, while the Cavalla River ends in Liberia and serves as part of the border between the two countries. The Bandama River is the country's longest, while the Komoé River runs through a national park of the same name – itself, a UNESCO world heritage site for its ecological value and a case study of an ecosystem transition from the savannah to the forest. Lake Kossou, formed by damming the Bandama River, is the largest in the country.

LANGUAGE, ETHNICITY & RELIGION: The West African country is home to significant ethnic and linguistic diversity. The Akan, composed of subgroups such as the Baoulé and the Agni, make up one of the biggest ethnic groups in the area. In addition to the Akan, there are over 60 different ethnicities. They can be broadly clustered into Sénoufo and Lobi communities living in the north; the Krou living in the south-west; and Southern and Northern Mandé who live in the west and the north-west of the country, respectively.

Migrants account for almost 10% of the population, although some estimates indicate a foreign worker share approaching 20%. Foreign inhabitants of Côte d'Ivoire have diverse origins ranging from Europe – notably France or Spain – to the Middle East and Asia, notably Vietnam. However, most migrants are from neighbouring African countries, such as Guinea or Burkina Faso. Foreign workers are usually employed in low-skill agricultural jobs, but profiles vary.

The official language of the country is French, yet a multitude of other languages or regional dialects are also spoken. French influence spawned standalone language derivates such as the Français de Moussa, the popular French-derived pidgin dialect, common in the south of the country and Abidjan. A Mandé group tonal trading language called Dyula-Taboussi serves as another lingua franca and boasts millions of speakers.

Historically, Islam descended along Dyula trade routes deep into the territory of modern Côte d'Ivoire. Today, Islam is the second-most-prevalent religion in the country, practised by around 37.5% of the population, with the majority being followers of the Maliki school of Sunni Islam. According to the Pew Research Centre, Christians comprise around 44% of the population, about half of which are Protestant and the other half being Catholic. Over 10% of the country's inhabitants practice various traditional religions, and around 8.1% professed no affiliation with a particular belief system. A certain degree of syncretism between various religious beliefs typical of such diverse societies can also be observed in some areas of the country.

NATURAL RESOURCES: Côte d'Ivoire's offshore oil and natural gas reserves have attracted international attention, with major oil findings announced by the Italian firm Eni off the country's coast in 2021. According to a statement from the Ministry of Mines, Petroleum and Energy in 2021, the estimates for the discovery were around 1.5bn-2bn barrels of oil and 1.8trn-2.4trn cu feet of gas. The country is already a net energy exporter and features several refineries, but they mainly process heavier imported crude instead of the locally produced variety.

The country is also endowed with ample renewable energy sources, including wind, solar and hydro power. Investment in oil, gas and renewable energy is projected to increase with rising domestic and global demand. The country's underexplored mining potential has also received increasing attention and investment following

Côte d'Ivoire is endowed with ample renewable energy sources, including wind, solar and hydro power

the introduction of a new mining code in 2014, with gold remaining the most valuable mining resource in the country. According to the ministry, production grew significantly in recent years to reach 41.9 tonnes in 2021 after registering a 7.6% growth from the previous year. Other notable mineral resources include manganese, nickel, bauxite, diamonds and iron. Production of manganese rose rapidly from 50,000 tonnes in 2011 to some 1.4m tonnes as of 2020.

In terms of agriculture, the country is a top exporter of cacao and cashew nuts. Even though the added value of agriculture, forestry and fishing has dropped from nearly 50% in 1960 to about 21.4% in 2020, unprocessed agriculture exports continue to be a main component of the economy. Coconuts, Brazil nuts, coffee, cocoa, cotton, rubber, palm oil and tropical fruits are notable agricultural exports from the country. Fishing is primarily small-scale and comprises about 3.2% of the agricultural GDP. While the country does feature some rainforest and thus prized tropical timber, the agricultural forest cover is diminishing.

ECONOMY: In 2021 the World Bank and the IMF praised Côte d'Ivoire's economic performance and pandemic resilience. The institutions noted the country's remarkable pre-pandemic growth and a GDP rebound of 7% in 2021. The economic indicators imply that Côte d'Ivoire will remain among West Africa's top performers and retain its significance as an economic leader in francophone West Africa. Implementing an ambitious economic reform and recovery agenda remains fundamental to continuing prosperity of the country.

Key reforms include enhancing human capital, enabling the growth of the private sector, improving public finance management, building on pandemic-spurred digitalisation trends and empowering business creation in the information and technology sectors. Inflows of foreign direct investment remained subdued in the wake of the pandemic, falling to growth levels of 0.8% in 2020, down from 1.5% in 2019.

Côte d'Ivoire's offshore oil and natural gas reserves have attracted international attention, with major findings announced by international oil companies off the country's coast in 2021.

President Alassane Dramane Ouattara

Investing in the future

President Alassane Dramane Ouattara, on leveraging large-scale infrastructure projects to facilitate socio-economic development

Peace and stability were consolidated in 2021, with the first inclusive legislative elections in Côte d'Ivoire in 20 years. On the security front, defence and security forces have been mobilised to counter all issues at a time when terrorism constitutes a threat both within our borders and throughout the subregion. We will continue to strengthen our defence and security capacities. We will also invest in socio-economic infrastructure in order to combat terrorism and all other forms of threats.

The year 2021 was the first year of the implementation of the One Côte d'Ivoire Solidarity project, which aims to consolidate the government's achievements in the years since 2010 and accelerate the transformation of our economy. Indeed, the government has implemented important reforms, and at the same time made significant investment in the rehabilitation and extension of our economic and social infrastructure. This was done in order to provide better quality of life to our fellow citizens. We will continue to invest in infrastructure to improve traffic flow in Abidjan, open up rural areas to commerce and investment, connect all regional capitals and make all towns accessible via paved roads. Large-scale projects such as the fourth Yopougon-Plateau bridge, the Cocody bridge and the Indénié interchange will be completed by end-2022. Looking to the future, in 2022 the government will continue to build the extension of the North Motorway to Bouaké, the rehabilitation of the Abidjan-San Pédro coastline and launch the construction of eight new interchanges in Abidjan.

The difficulties we experienced in the first half of 2021 in the energy sector are behind us. Our goal is to electrify all localities in the country before the end of 2025. We have already made strides: in 2021 around 205,000 households benefited from the Electricity For All programme, bringing the total number of beneficiaries to around 1.2m households.

In 2021 Cote d'Ivoire made an important discovery of oil and gas in the Whale field, which will begin production in 2023. The facility will boost the country's output of oil and gas, and supply an adequate quantity of gas to the power sector. This important discovery bodes well for our country in terms of resources for financing development projects and training our young people, as well as in terms of job creation and economic opportunities.

We have provided access to drinking water to millions of Ivorians. As of early 2022 more than 80% of Ivorians living in our cities and over 70% living in rural areas had access to drinking water. The government will continue to strengthen the national drinking water supply in order to cope with the rapid urbanisation of our cities. These efforts will also improve the quality of life in our villages. In the education sector, meanwhile, recent reforms and new recommendations will help improve the content and teaching methods of our education system.

The transformation of our economy we must go even further and faster in transforming Côte d'Ivoire and improving the standard of living for each of its inhabitants. This is why we are going to modernise the agriculture sector: to increase yields and incomes of producers, reduce the cost of living and accelerate industrialisation. These will be done through the local transformation of raw materials and enhanced access to education, health care and decent housing at an affordable cost.

Another priority for 2022 is supporting the employment of young people and women. Developing the private sector will be key to meeting this goal, as is fostering a strong start-up ecosystem. We will establish a programme to support and promote the financing of start-ups and young entrepreneurs, and work with the private sector to reduce payment delays. We will also promote local content in order to emerge as leaders in key areas of the economy.

Côte d'Ivoire is one of the top exporters of cocoa, coffee and palm oil

A rich history

The country is taking steps to ensure economic prosperity

Côte d'Ivoire is part of a region with a vibrant history defined by the movement of goods, peoples and religious evolution. The country is located on the southern edge of the most prominent and wealthy West African empires. Following early Neolithic findings, subsequent populations in the area have left few archaeological traces and evolved on the periphery of the Sudanic empires of Western Sahara. These included the empire of Ghana, with a heartland in western Mali and eastern Mauritania, and the empires of Mali and Songhai.

Even though the rainforests in the south of current-day Côte d'Ivoire made settlement difficult, the country was well integrated into the complex trading networks that linked the region to the Sudanic empires and beyond the Sahara. Those trade routes served as a conduit of religious learning, with Islam spreading south from the Sudanic empires around the 12th century. Trade also accompanied pathways of migration.

Eventually, important states also arose in northern Côte d'Ivoire, such as the Muslim Kong Empire founded by Dyula peoples who migrated south along the trading pathways and the Akan Gyaman kingdom. A powerful Akan state in the territory of modern Ghana, Asanti, provoked waves of further migration into the tropical forests of southern Côte d'Ivoire, and contributing to the founding of the kingdom of Baoulé in the centre of the country's modern territory.

EUROPEAN PRESENCE: The importance of the southern and coastal regions gradually increased with the arrival of European traders, the first of which were the Portuguese, who first sailed along the coast of Côte d'Ivoire in the 15th century. Unlike in neighbouring Ghana, they did not establish permanent trading posts due to a lack of sheltered bays. This delayed European exploration of the hinterlands and essentially saved the ancestors of Ivoirians from the transatlantic slave trade.

Côte d'Ivoire got its name from the flourishing ivory trade in the area between the 17th century until the near extinction of elephants in the 18th century. Although a few Christian missionaries had arrived in the 16th century, the religion did not begin spreading until the increase in French presence. Initially striking deals with local powers, French commercial and political interests soon attained a colonial character when France assumed control of its forts and trading posts in 1886. A military force marched in the following year, culminating in French protectorates and effective control over lands to the south of the Niger River.

The country officially became a French colony in 1893 as France sought to legalise its gains during the Scramble for Africa. Initially, the French had sought to include the Upper Volta and French Sudan into the colony to increase cocoa, palm oil and coffee exports. Further integration followed when, together with Burkina Faso, Côte d'Ivoire was assigned to the Federation of French West Africa. Côte d'Ivoire left the federation in 1958 to achieve independence through peaceful means in 1960. Its present borders were defined in 1947.

INDEPENDENCE & STABILITY: In the aftermath of independence, Côte d'Ivoire emerged as a new state with disparate ethnicities and regions. In those years, Felix Houphouët-Boigny, president of the republic until his death in 1993, dominated Ivorian politics. Coming from a tribal chieftain's family, he rose to prominence as a politician in French governments and the National Assembly. President Houphouët-Boigny's long rule was characterised by cautious liberal free-market economics, especially in contrast with nearby Ghana.

Under his rule Côte d'Ivoire welcomed foreign investment and aligned itself with France and more broadly the Western bloc, carving out a niche for itself in cocoa, coffee, palm oil and tropical fruit exports. His rule was characterised as a time of economic prosperity and left a strong legacy, such as the shifting of the official capital to Yamoussoukro, the president's birthplace.

While economically prosperous, the country had a few safety valves for evacuating popular discontent as opposition parties were banned. Two reported coup

Under President Felix Houphouët-Boigny's rule Côte d'Ivoire welcomed foreign investment and carved out a niche for itself in cocoa, coffee, palm oil and tropical fruit exports.

Côte d'Ivoire is part of a region with a vibrant history defined by the movement of goods and people

attempts were foiled. However, opposition candidates were allowed to compete in the 1990 election, which was won by the incumbent.

POWER VACUUM: After President Houphouët-Boigny's death, Henri Konan Bédié, former president of the National Assembly, won the 1995 election and restored stability, even as his government's practices were denounced by the opposition as mired in corruption and repression. President Bédié's government fell to a coup spearheaded by General Robert Gueï in 1999, who lost the following year's presidential election to Laurent Gbagbo. However, he only conceded after mass demonstrations. During his short stint in power, General Gueï significantly destabilised Côte d'Ivoire's multi-ethnic cohabitation by restricting voting to citizens with both parents born in the country, disenfranchising a significant portion of the population.

A revolt in the country's north led to Gueï's death in 2002 as the civil war expanded into a confrontation between the loyalist south and a separatist north. France, the UN and ECOWAS intervened to negotiate a series of ceasefires. Eventually, a power-sharing agreement was established. The incumbent president's term was prolonged and Guillaume Soro from northern Côte d'Ivoire became the prime minister.

The 2010 election was mired in controversy as both President Gbagbo and his opponent Alassane Dramane Ouattara claimed victory, with the UN and ECOWAS lending weight to the latter's claims and imposing sanctions on the Gbagbo administration. Ouattara eventually became president and subsequently won a landslide victory in the 2015 election. The winner softened ethnic tensions by issuing a new constitution and repealing the controversial parenthood rules.

The 2016 constitution aimed to strengthen the legislature by adding an upper chamber and creating the post of vice-president for the executive branch, while retaining the presidential system.

NEW CONSTITUTION: Following President Ouattara's rise to power, the economy started recovering and peacekeepers withdrew from the country in 2017. In the 2020 elections, Ouattara was reelected for a third term following the death of his party's previous nominee, Amadou Gon Coulibaly. Ouattara won 95% of the vote in an election marked by an opposition boycott. An African Union observer report issued in 2020 characterised the election's judicial framework as conforming to international standards.

A new constitution implemented in 2016 aimed to strengthen the legislative wing by adding an upper chamber and creating the post of vice-president for the executive branch, while retaining the presidential character of the republic. The president's justification for the legality of his third term is grounded in this constitution, as the incumbent and his supporters claim that the 2016 constitution effectively reset presidential term limits. The constitution also established the National Chamber of Kings and Traditional Chiefs to strengthen the representation of customary leaders and develop traditional dispute intermediation.

In the post-2016 political system, the president retained significant power and was given the authority to appoint a vice-president running mate who succeeds the president in case they are incapable of fulfilling their duties. The president also names the head of state and the Cabinet, currently composed of 32 ministers, reduced from 41 in April 2022. Presidential privileges include submitting bills to the legislature or a referendum; the appointment of military, civil service and diplomatic personnel; setting and implementing national policy; and the right to grant pardon. The president is the head of the armed forces and is empowered to declare a state of emergency in exceptional situations.

LEGISLATIVE BRANCH: It consists of two chambers, the higher branch, the Senate, and the lower house, the National Assembly. 169 members of the assembly are elected for five-year terms in a first-past-the-post system in constituencies around the country. The remaining 86 are elected in the 36 multi-member constituencies through the plurality-at-large system.

The most recent election took place in 2021, with the incumbent president Ouattara's Rally of Houphouëtists for Democracy and Peace (Rassemblement des Houphouëtists pour la Démocratie et la Paix, RHDP) winning a majority of 137 out of 255 seats despite losing 30 seats compared to the 2016 election. The ruling party started as a broad coalition and became a unitary party in 2018. Other prominent parties in the assembly include the centre-right Democratic Party of Côte d'Ivoire African Democratic Rally in coalition with Together for Democracy and Sovereignty party, which has 50 seats in the assembly; and the Democratic Party of Ivory Coast, with 23 seats. The Ivorian Popular Front (FPI) party, founded by Gbagbo and currently headed by Pascal Affi N'Guessan, participated in the election in the Together to Build coalition with the Union for Democracy and Peace in Ivory Coast (Union pour la démocratie et la paix en Côte d'Ivoire; UDPCI) and other allied parties. Their combined result was eight seats.

Independents constitute the third-largest force in the assembly, with 26 seats. While the FPI claimed to seek electoral stability, the UDPCI accused the ruling party of holding fraudulent elections despite most international observers' comments that the legislative election results were credible. Following the legislative election, the National Assembly chooses a president who oversees the debate and is empowered to propose legislation. Adama Bictogo, an executive of the ruling party, was elected president of the assembly after his predecessor Amadou Soumahoro's death in May 2022.

The Senate, the upper house of Parliament, is a legacy of the 2016 constitution. According to the constitution, the 99 senators are to be elected by National Assembly members, councillors and district governments, with each region and autonomous district selecting two senators and the president appointing one. In the 2018 senatorial election, which was boycotted by the opposition, 33 senators were indirectly elected to the chamber, while the president appointed the other 33. RHDP holds 50 seats out of 66, with 33 seats vacant pending another election in 2023.

JUDICIARY: Côte d'Ivoire's judiciary is influenced by both French civil law and customary law. The country's judiciary is separated into an upper level composed of the Supreme Court; the High Court of Justice, empowered to put to trial members of government; and the State Security Court. The judiciary's lower level is composed of justice of the peace courts, courts of appeals, nine courts of first instance with authority over minor criminal cases and civil law cases, and courts of assizes. The Constitutional Council is tasked with matters of constitutional law and regulating the functioning of public administration. Meanwhile, customary law retains some importance in rural areas and is promulgated on the national level by the National Chamber of Kings and Traditional Chiefs.

LOCAL GOVERNMENT: Côte d'Ivoire's constitutional order concedes a relatively significant power to local governments, administered by the Ministry of Interiors' General Directorate of Decentralisation and Local Development. The country is divided into 14 districts, two of which are cities. These are subdivided into 31 regions, which are split into 108 departments. The departments contain a total of 510 sub-prefectures composed of several village authorities. They are sometimes grouped into communes, of which Côte d'Ivoire boasts 197. The number of local authorities in the country has continued to grow ever since the first departments were created in 1961, reflecting the rapidly expanding population. The next municipal and regional elections are scheduled to take place in 2023. The ruling coalition won the 2018 election. The incumbent's coalition won 46% of the vote in municipalities and 60% in the regions.

OUTLOOK: Following a contested presidential election in 2020, the National Assembly elections of 2021 took place in relative calm, a pattern that will hopefully be repeated for the local elections of 2023 and the presidential election scheduled for 2025. With another presidential election coming up, the government has prioritised its ambitious reform agenda and worked to address the main roots of conflict in the country.

The country is divided into 14 districts, two of which are cities. These are subdivided into 31 regions, which are split into 108 departments.

Kandia Camara

Maximum growth

Kandia Camara, Minister of State and Minister of Foreign Affairs, African Integration and Diaspora, on leveraging diplomacy to attract investment

To what extent could Côte d'Ivoire's membership in the African Continental Free Trade Area (AfCFTA) strengthen trade ties?

CAMARA: Côte d'Ivoire is working to boost the value of investment in the country from 23.1% of GDP in 2021 to 27.1% in 2025. This will factor in an increase in the private investment rate from 16.5% of GDP in 2021 to 20.5% over the same period, while public investment will stabilise at 6.6% of GDP.

The government will rely on the private sector to finance the National Development Plan (Plan National de Développement, PND) 2021-25. This means that the country must take all necessary measures to strengthen and maintain a favourable business climate for foreign direct investment (FDI). The programme aims to boost FDI from $913m in 2020 to $1bn by 2025. This will allow foreign companies to choose Côte d'Ivoire as a destination to develop their operations. While public investment will remain constant through 2025, the government will leverage the country's large market by increasing production capacity and adopting industrial transformation strategies. These will focus on reinforcing the industrial base, developing value chains and strengthening infrastructure that supports the energy, transport, ICT and tourism sectors.

Once these goals are achieved, the country will be able to boost its export volume and become an important trading partner for countries in the AfCFTA region and beyond.

In what ways can new partnerships enable Côte d'Ivoire to increase power generation and position itself as an energy leader in Africa?

CAMARA: Between 2011 and 2019 Côte d'Ivoire energy generation capacity increased by 60%, reaching 2230 MW a year. This has allowed us to register a surplus and increase exports to countries such as Ghana, Togo, Benin, Burkina Faso, Mali and Liberia.

In order to strengthen Côte d'Ivoire's position as a leader in energy in the region, the government has prioritised the sector in both the PND 2016-20 and PND 2021-25. Further efforts have also been made to expand energy partnerships with neighbouring countries. Major projects have been implemented to this end under the auspices of the PND 2021-25, including the construction of thermal, coal, hydroelectric and solar power plants across the country. These projects will enhance production to help the country meet growing demand from our partners, furthering our reputation as a leader.

How can diplomats and the private sector find synergies to increase exports and attract more FDI in high-value-added sectors?

CAMARA: Between 2011 and 2022 Côte d'Ivoire has relied on its diplomacy to be a strategic instrument in its efforts to attract capital and foreign investment. The ministry has been successful in mobilising FDI, as well as in supporting Ivorian companies in international markets through our targeted programmes implemented by our foreign missions.

Cooperation with the private sector is imperative to future economic growth, and in May 2021 the government signed a memorandum of understanding (MoU) with representatives of the private sector to collaborate in our efforts. Entities such as the Chamber of Commerce and Industry Côte d'Ivoire, the General Confederation of Businesses of Côte d'Ivoire, the Federation of Small and Medium Enterprises, and the Investment Promotion Agency have committed to working with us to leverage innovative mechanisms to increase the export of Ivorian products and services. Under the MoU, we will to jointly publish reliable information on the economy; participate in fairs, trade shows, exhibitions, forums and conferences; and organise missions of international businesses that operate in Côte d'Ivoire.

Côte d'Ivoire is a member of various international organisations

The path of diplomacy

Officials focus on strengthening regional and global integration

Côte d'Ivoire is exploring new friendships, in addition to its traditionally close alignment with France and the West. While the years of conflict chipped away at the country's regional influence and international diplomatic ties, today Côte d'Ivoire is a crucial member of the regional security infrastructure, notably in opposing the threat of extremism in the Sahel.

FRENCH CONNECTION: In its post-independence years Côte d'Ivoire retained warm relations with France. Indeed, during the long rule of former President Felix Houphouët-Boigny Côte d'Ivoire has been deeply involved in the francophone world culturally, socially and economically by maintaining the CFA franc and French advisors. The country's security infrastructure was also integrated with France and sealed by a mutual defence agreement concluded in 1961.

Following Houphouët- Boigny's death, relations with France and most international players deteriorated during the years of civil conflict, with then-President Laurent Gbagbo decrying France's unwillingness to assist him to victory in 2011. Instead, France played a role in deploying a peacekeeping force along the buffer zone during the time of civil conflict. Socioeconomic recovery after peace was achieved in 2011 meant that Côte d'Ivoire reestablished its connections with France, facilitated by presidential state visits.

WIDER DIPLOMATIC OUTREACH: The country is a member of numerous international organisations, including the UN, the World Trade Organisation and the IMF, of which President Alassane Dramane Ouattara was a former deputy managing director. Abidjan serves as the headquarters of the African Development Bank and the country is also a member of ECOWAS, the Non-Aligned Movement, the African Union (AU) and other important organisations. Côte d'Ivoire was the first West African state to apply for reciprocity with the EU and signed an Economic Partnership Agreement with the bloc in 2016. Beyond its traditionally amicable relationship with France and the US, Côte d'Ivoire increasingly developed its relationships with other countries, including China, India, the UK and Nigeria. China became the country's top supplier and among the top three partners in terms of trade volume with bilateral trade increasing from $1.4bn in 2014 to $8.9bn in 2016 according to Souleymane Diarrassouba, the minister of trade and industry and small and medium-sized enterprise promotion. Côte d'Ivoire is also actively involved in China's Belt and Road Initiative.

The trade relationship between Côte d'Ivoire and the UK solidified further after the signing of the Economic Partnership Agreement in 2020. The country also ratified an Economic Partnership Agreement with the EU in 2016. Trade relations with neighbours are improving and are being institutionalised with the implementation of the African Continental Free Trade Area (AfCFTA).

REGIONAL INTEGRATION: Côte d'Ivoire and its neighbours are also building resilience by strengthening regional integration, a trend best exemplified by the AfCFTA. Following the pandemic-induced slowdown in activity, this creation of the AU, signed in March 2018, is becoming increasingly important. It is supported by 54 out of 55 AU members. If fully implemented, the AfCFTA's combined GDP would be around $3.4trn and the project aims to double intra-African trade by 2035. The UN Conference on Trade and Development highlighted in its December 2021 report that the deal could achieve significant inclusive growth, emphasising that the continent already has $22bn in untapped export opportunities. This could be increased by $9.2bn if tariff liberalisation under the AfCFTA is achieved by 2026.

In a 2020 report, the World Bank projected that the AfCFTA will increase incomes by 7%, allowing for an acceleration of wage growth for women and lifting millions out of extreme poverty. The Mo Ibrahim Foundation, an independent good governance think tank, estimated in a 2019 report that if the AfCFTA is fully implemented, it could generate a combined consumer and business spending of $6.7trn by 2030.

If fully implemented, the African Continental Free Trade Area could have a combined GDP of

$3.4trn

The African Continental Free Trade Area is projected to increase incomes by 7%, allowing for an acceleration of wage growth for women and lifting millions out of extreme poverty.

Franck Riester

Mutual goals

Franck Riester, Former Minister Delegate for Foreign Trade and Economic Attractiveness of France, on deepening bilateral cooperation and capacity building

How would you assess the level of economic cooperation between France and Côte d'Ivoire?

RIESTER: Côte d'Ivoire is a major economic partner for France, and our economic cooperation is long-standing and dynamic. This is the reason why our trade has grown since 2014 and has been able to withstand the impacts of the Covid-19 pandemic. In fact, in 2020 Côte d'Ivoire was our second-largest trading partner and second-largest supplier among the sub-Saharan African countries. French exports to the country reached €1.1bn in 2020, while imports from Côte d'Ivoire reached €900m.

Many French companies have chosen to establish operations in Côte d'Ivoire to meet the needs of the Ivorian market and manage their activities on a regional scale. Nearly 700 French companies, including some 250 subsidiaries of French groups, have established strong relationships in the country and are determined to further deepen these ties.

What role can France play in accelerating the growth of the Ivorian economy, and what sectors offer further opportunities for investment?

RIESTER: Since 2017 we have been working to strengthen our relationship with African markets, with the objective of developing long-term partnerships. In regard to Côte d'Ivoire, we also offer financial and technical support through the expertise of our companies and French public operators.

Investment opportunities are plentiful and constantly diversifying, and span areas such as infrastructure, energy, technology, industry, agriculture, trade and services. In this regard, French companies continue to provide solutions and support for Côte d'Ivoire's development. For example, French chocolatier CÉMOI created the first chocolate production unit in Côte d'Ivoire, making it possible to develop the country's local manufacturing segment and enhance export capacities of chocolate – not just raw cocoa.

Our commitment to Côte d'Ivoire also extends to the financial sector, which is essential for creating the conditions for robust and sustainable growth. The Debt Reduction and Development Contract is a mechanism for converting debt into development projects that demonstrate economic cooperation between two countries. Since 2012, €1.7bn has been mobilised through the first two components of this mechanism, while the third component of €1.1bn was signed on October 27, 2021. This financial support will be allocated to Côte d'Ivoire's National Development Plan 2021-25 and will target the following areas: social aspects, including education, employment and health; urban development; agriculture; and the governance of public institutions, particularly financial institutions.

In what ways are French companies working to facilitate knowledge transfer and technological development in Côte d'Ivoire?

RIESTER: Emphasis should be placed on the development of technical training through apprenticeships. Indeed, we have observed that technical skills are not sufficiently represented in the job market. To this end, France would like to accelerate the trend set in motion by the majority of French companies that are hiring locally in Côte d'Ivoire and contributing to the development of skills through ambitious policies of social and environmental responsibility.

In the digital field, several French IT companies are becoming involved in training programmes and equipping the labour force with qualifications. For example, a degree programme in data science – the first of its kind in Côte d'Ivoire – was launched in 2017 in partnership with the French telecoms group Orange. More recently, in the field of construction and civil engineering, the Ivorian Ministry of National Education and Technical Training signed an agreement with Club Abidjan Ville Durable in November 2021 to improve the training and employability of youth in urban planning.

Economy

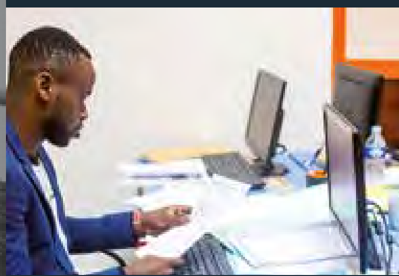
Diversification offers a path to sustainable growth

Government measures to curb global inflation trends

Education programmes target need for skilled labour

Private investment key to success of development plans





Investment in agro-processing is fuelling agricultural diversification

Back to business

Diversification and high levels of investment form the backbone of plans for sustainable growth and development

The service sector accounted for
42%
of GDP in 2020

Thanks in large part to renewed political stability, Côte d'Ivoire's sustained high growth in the last decade ranks it among the best-performing countries in sub-Saharan Africa. Between 2012 and 2019 real GDP growth averaged around 8.5%, compared to less than 0.5% over the 2000-11 period.

The post-2012 period has been marked by ambitious public and private investment programmes, giving the economy substantial resilience. The country enjoyed high global prices for its cash crops during this period, while improved economic diversification and production capacity rendered the country less vulnerable to external shocks and price fluctuations.

Reflecting global trends, growth was adversely affected by the Covid-19 pandemic; however, the country proved to be one of the most resilient in sub-Saharan Africa. Due to weakened global demand for exports and business disruptions, GDP growth slowed to under 2% in 2020. The country rapidly bounced back from the effects of the pandemic, with recovery efforts observed as early as the second half of 2020. Fuelled by strong domestic demand and high levels of public and private investment, as well as investment-related imports such as machinery and intermediary goods, growth in 2021 is estimated to have been around 7%, according to the IMF. Recovery efforts are expected to be sustained in 2022, with GDP growth forecast at 6%.

STRUCTURE: The service sector accounts for the most significant share of the economy, generating 42% of GDP in 2020 and employing 47% of the workforce in 2019, according to the World Bank.

The country's telecommunications segment has been a vital driver of GDP growth. ICT institutions and the enabling environment have drastically improved, as evidenced by the World Economic Forum Network Readiness Index. Financial services, transport, retail and tourism also help propel the sector.

The construction segment has benefitted from public and private infrastructure projects such as the rehabilitation of the industrial zones in Abidjan and the construction of the Soubré hydroelectric dam.

Generating 21.4% of GDP in 2020 and employing 40% of the workforce in 2019, agriculture is Côte d'Ivoire's second-largest sector (see Agriculture chapter). The country is the world's largest producer and exporter of cocoa, with 30% of global production; one of the top-three producers and exporters of cashew nuts; and a major exporter of palm oil and coffee. The global share of cash crop exports has been on an upward trajectory in recent years. To enhance the sector's competence beyond cocoa and cashew nuts, the government is looking to both diversify agricultural production and increase the share of higher-value-added crops, partly to shield the sector from the adverse effects of deforestation and climate change. It has turned to sustainability criteria to meet these ends. For example, the cocoa sector has adopted the African Standard on Sustainable Cocoa, which regulates labour and sustainability to penetrate the EU market. The government also aims to increase the domestic processing rate for cocoa beans, with 2020 figures at 50%, up from 30% in 2016.

The industrial sector accounted for 20.9% of the economy in 2020 and 13% of the working population in 2019 (see Industry & Retail chapter). The construction segment, a key contributor to growth of the sector, has benefitted from public and private infrastructure projects, notably the rehabilitation of industrial zones in Abidjan, the construction of Soubré hydroelectric dam, and upgrades to the Azito and Ciprel thermal power plants under public-private partnership (PPP) arrangements, as well as additional infrastructure works in secondary cities. The country's manufacturing sector largely consists of low-tech industries, dominated by agro-processing. Medium- to high-tech industries account for a much smaller share of the sector, including chemicals, machinery production, and light vehicle, motorbike and bicycle assembly. Textiles, construction materials, plastics, cosmetics and fertilisers are also important industrial activities.

EXTRACTIVES: The country is home to a growing extractive industry, with 51 identified oilfields, four of which are in production and 26 in exploration, and an average output of around 70,000 barrels per day. The country's gold output in 2021 reached 41.9 tonnes, up 10% from 38 tonnes in 2020. The mining sector is on track to reach its target of contributing 6% to GDP by 2025 (see Energy & Mining chapter).

PERFORMANCE: A strong recovery from the repercussions of the pandemic – led by private consumption, stable exports, and high levels of public and private investment – pushed GDP growth in 2021 to an estimated 7%, according to the IMF, with real GDP per capita rising by 4.3%, and private consumption up 5%.

GDP reached $70.1bn in 2021 and was projected to hit $72.5bn by 2022. Thanks to the robust real growth rate in recent years, GDP per capita stood at $2533 in 2021, up 31.1% from $1932 in 2015, and is forecast at $2556 in 2022. GDP growth has been in line with the goal of achieving emerging market status by 2030.

Industrial production saw an increase of 6.5% in 2021, fuelled by export-oriented production. Due to weakened global demand, Ivorian agricultural exports contracted by 2.2% and the agricultural sector overall experienced moderate growth in 2021. Fallout resulting from the pandemic and the containment and mitigation measures taken has greatly disrupted economic activity in the services sector. With the lifting of such measures and the uptick in general economic activity, the services sector is expected to catch up in 2022.

FISCAL & MONETARY POLICY: Following a period of accommodative monetary policy and a low and stable average inflation rate of 0.7% between 2015 and 2019, inflation rose to 2.4% and 4.2% in 2020 and 2021, respectively, mirroring global trends. Inflation, forecast to increase to 5.5% in 2022, is to a large extent domestically driven, due to supply disruptions and labour shortages, and further exacerbated by security issues along the country's northern border with Burkina Faso and Mali. Government measures such as price caps, subsidies and price adjustments are expected to help contain further increases, predominantly in food prices, which are the main driver of inflation. Global spikes in fuel, commodity and wheat prices stemming from Russia's invasion of Ukraine will also have a direct effect on the consumer price index.

Strong and stable domestic revenue mobilisation can be observed on the fiscal side, owing to tax policies and government measures undertaken in the post-2012 period. The revenue-to-GDP ratio hovered around 15% between 2015 and 2020; it was estimated at 15.3% in 2021 and is forecast to fall to 14.2% in 2022. Total government expenditure is projected to hold steady at 20.9% in 2021 and 20% in 2022, up from its average of 17.5% in the 2015-20 period. This increase has largely been fuelled by public investment and is expected to mitigate the impact of inflation.

The government aims to reach its goal of 6.6% of GDP worth of expenditure on public investment by 2022 through continued spending on infrastructure, in addition to security, digitalisation and social policy-related measures. The fiscal deficit reached 5.1% of GDP in 2021, up from 2% in 2015 but 0.5 percentage points

Education initiatives seek to meet the private sector's labour needs

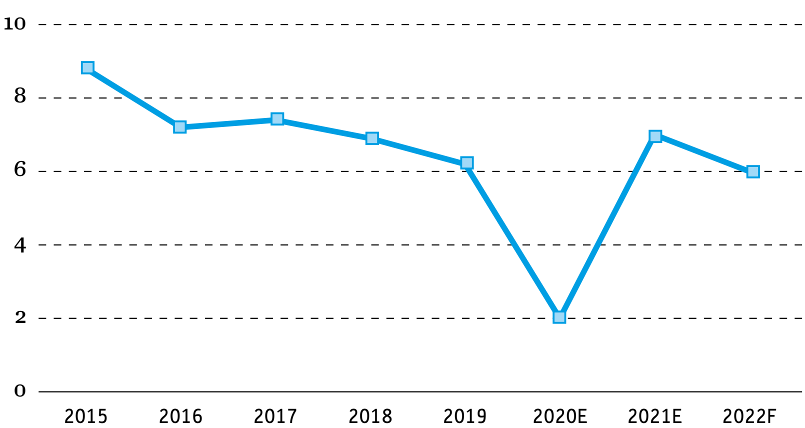
lower than forecast, as improved tax administration offset increased security spending.

Côte d'Ivoire has experienced a substantial increase in government borrowing coupled with strong credit growth in the private sector. General government debt as a share of GDP increased from 29.5% in 2015 to 38.4% in 2019 and 47.6% in 2020, reaching 52.1% in 2021, with the 2022 figure forecast at 52.9%, well below the 70% threshold set by UEMOA. The ratio of interest payments to GDP is expected to stand at 2.3% in 2022, up from 1.3% in 2016-18. The country's financial stance remains stable, with a slight decline observed in non-performing loans and most banks able to maintain minimum solvency ratios.

However, global developments are expected to have an impact on borrowing. "Tightening monetary policy in Europe and the US will increase external borrowing costs and debt vulnerabilities across emerging economies. As a result, West African economies with market access such as Cote d'Ivoire may find it more attractive

Government expenditure is set to hold steady at 20-21% of GDP in 2021-22. This spending has largely been fuelled by increased public investment and is expected to mitigate the impact of inflation.

GDP growth, 2015-22F (%)



Source: IMF

Exports recovered to post 32.1% growth in 2021, with imports up 34.5%

Unemployment is relatively low and has experienced a steady decline since its recent peak of 7.2% in 2012, reaching around 3.5% as of 2021.

to borrow at home. However, local financial markets may gradually follow suit as the Central Bank of West African States recently raised its policy rate to prevent the spillover of commodity-driven inflation," Hermann Yohou, country economist at the World Bank, told OBG.

TRADE: External trade has recovered significantly following pandemic-induced disruptions, with exports up 32.1% and imports up 34.5% in 2021. This trajectory is expected to continue in 2022, with the growth rate forecast at 30.4% for exports and 35.8% for imports.

However, the country's integration into the regional and global economy largely depends on a limited number of commodity exports. Cocoa beans and cocoa products continue to make up the largest share of exports, at 41.5%, for a traded value of $5.1bn. Gold constitutes 11% of exports, worth $1.5bn, followed by petroleum with a 10% share and $1.2bn worth of trade. Other important exports include fruits and nuts, with 10%; rubber (9%); and cotton (4%). In 2021 the Netherlands, the US, France, Switzerland and Malaysia were the top destinations for exports.

The country's main imports are petroleum products, making up 19% of all imports; machinery and parts, at 9%; cereals, at 6.5%; and motor vehicles, at 6%. China, France, Nigeria, India and Belgium were the country's largest import partners in 2021.

Export diversification and the transition from products with low economic complexity to those with higher value added is a key policy area of the government in the short and medium term, with priority given to cashew nuts, cotton, horticultural products, rubber and palm oil. Furthermore, through investment in transport infrastructure and Customs procedure reform, the country is looking to pursue increased trade with regional partners, which has been low in recent years despite its membership in ECOWAS and UEMOA. The reduction in tariffs and non-tariff barriers as part of the African Continental Free Trade Area is expected to have a positive impact on regional trade and various export-oriented sectors.

LABOUR & EDUCATION: Unemployment in Côte d'Ivoire is low and has experienced a steady decline since its recent peak of 7.2% in 2012 to 3.5% in 2021, according to International Labour Organisation estimates. The figure is slightly higher for youth, at 5.8%, and women, at 4.1%. Employment within the formal productive sectors is limited, however, with large parts of the working population employed in informal and semi-informal activities in trade, retail and distribution. The informal sector is estimated to account for 70-75% of the economy, according to the Chamber of Commerce and Industry of Côte d'Ivoire.

While labour productivity has historically been low, it has improved substantially in recent years. Indeed, the country's labour productivity increased at a faster rate than its peers in sub-Saharan Africa between 2012 and 2021, according to the World Bank. Even so, low-productivity activity in agriculture and non-agriculture informal labour remains the largest subcategory of the labour force. The private sector also struggles to find skilled labour to meet its growing needs, especially in the manufacturing industries, where the workers often are not trained to operate the machinery needed to increase the competitiveness of the sector. Industries such as textiles, rubber processing, pharmaceuticals and cosmetics in particular face growth challenges due to the limited labour pool and could benefit from improved training programmes.

"Developing entrepreneurship in Côte d'Ivoire is crucial to support economic development. It is not just about creating, but also forming and building, and is something that needs to be mentored and supported," Issiaka Savane, general director of Unacoopec, told OBG, highlighting the importance of a skilled workforce that can meet the requirements of the private sector.

Economic indicators, 2021-24F

	2021E	2022F	2023F	2024F
GDP, current prices (CFA bn)	38,841	42,699	46,357	50,015
GDP per capita, current prices (CFA 000)	1404	1504	1592	1674
Inflation, avg. consumer prices (% change)	4.2	5.5	2.3	1.7
Vol. of imports of goods & services (% change)	2.5	-5.6	4.5	7.6
Vol. of exports of goods & services (% change)	6.2	-5.9	7.4	11.6
Population (m)	27.7	28.4	29.1	29.9
General gov't revenue (CFA bn)	5955	6066	6831	7594
General gov't revenue (% of GDP)	15.3	14.2	14.7	15.2
Total gov't expenditure (CFA bn)	8102	8539	8889	9305
Total gov't expenditure (% of GDP)	20.9	20	19.2	18.6
Gov't net lending/borrowing (CFA bn)	-2176	-2015	-1746	-1487
Gov't net lending/borrowing (% of GDP)	-5.6	-4.7	-3.8	-3
Gov't gross debt (CFA bn)	20,236	22,587	24,244	25,557
Gov't gross debt (% of GDP)	52.1	52.9	52.3	51.1
Current account balance (% of GDP)	-3.8	-4.8	-4.6	-4.1

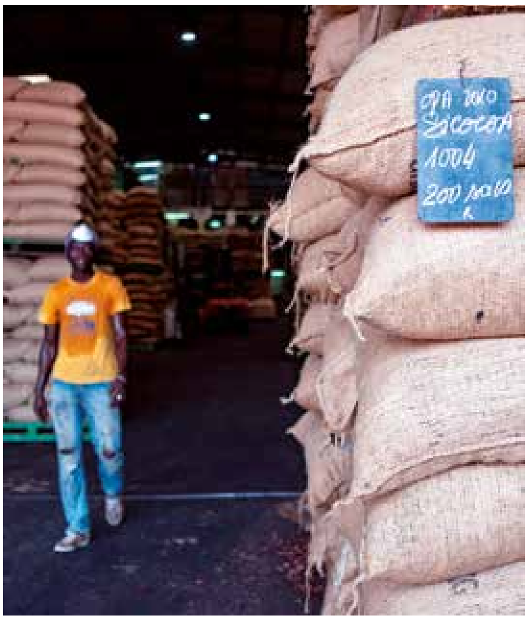
Source: IMF

The mismatch between the available labour force and the skills sought by the economy is being targeted through the vocational education and skill development programmes, apprenticeships, on-the-job certification and continuing education initiatives carried out by the Ministry of Employment and Social Protection, the private sector and the country's development partners. As part of the National Development Plan (Plan National de Développement, PND) 2021-25, the current roadmap is outlined in the Education Sector Plan 2016-25, which highlights the context for the education and training sector, strategic diagnosis and frameworks for its subsectors, as well as implementation capacities and their financing.

INVESTMENT: High levels of public and private investment have been the key drivers of growth in the post-2012 period. Gross investment increased from 17% of GDP in 2012 to 22.4% in 2020 and 25.6% in 2021, with a figure of 25.8% anticipated for 2022, according to the World Bank. Government investment increased from an average of 2.8% of GDP in 2000-11 to 6.7% in 2012-18, and stood at 6.6% in 2020 and 8.4% in 2021. Increased public investment is reflected in the reduction in the infrastructure gaps in transport and improved access to electricity. Public investment in infrastructure has been supported by successful PPP programmes in the road, rail and energy sectors (see Construction & Real Estate chapter).

The country's accommodative monetary policy has also contributed to an increase in credit growth, which in turn helped support private investment growth. Although the global tightening of monetary policy is expected to have an impact on the public investment-driven growth model, the government aims to meet its investment goal of 6.6% of GDP in 2022, fuelled by infrastructure spending for the 2023 Africa Cup of Nations, to be held in the country.

Foreign direct investment (FDI) inflows have been low historically, compared to other sub-Saharan African countries as well as other middle-income peers.



Cocoa, cashews and palm oil are all significant export commodities

Telecommunications and improved ICT institutions have been drivers of growth in the service sector

Net FDI inflows as a share of GDP averaged around 1% annually between 2015 and 2020, reaching an estimated 1.5% in 2021. FDI in the country is mainly concentrated in the telecommunications, agro-processing, construction and extractive sectors.

OUTLOOK: Economic growth is expected to continue following the robust post-pandemic recovery, with a projected growth rate of 6% for 2022. However, the global inflationary environment and the geopolitical uncertainty caused by Russia's invasion of Ukraine, as well as increased commodity and oil prices, are expected to have important implications for both household incomes and exports.

The government aims to achieve its public investment goals for 2022 in part through the successful implementation of PPP programmes in the road, rail and energy sectors to meet growing infrastructure needs for industry and transport. Export diversification, as well as the sophistication and capacity development of the manufacturing sector, will be key areas to help ensure lasting economic resilience. Additionally, the positive political and social developments experienced since the 2020 elections are expected to enhance political dialogue, which will be an important factor in the lead-up to the 2025 presidential elections.

The country's overall growth and industrialisation strategy will continue to be shaped within the context of the PND 2021-25, which constitutes a holistic approach to achieving emerging market status and meaningful poverty reduction by 2030. The plan brings together overarching objectives of structural economic transformation in order to foster the development of human capital, reduce poverty, increase investment in infrastructure, advance digitalisation, promote transparency and good governance, expand effective environmental protection and eradicate regional disparities. As a result, Côte d'Ivoire's ongoing economic and social transformation will depend largely on the successful implementation of the PND 2021-25.

Foreign direct investment is primarily concentrated in segments such as telecommunications, agro-processing, construction and mineral extraction.

Solange Amichia

Mobilising money

Solange Amichia, Managing Director, Investment Promotion Agency of Côte d'Ivoire (Centre de Promotion des Investissements en Côte d'Ivoire, CEPICI), on green financing

Côte d'Ivoire made significant strides towards improving the business climate between 2011 and 2020. These efforts have contributed to economic development, resulted in the mobilisation of CFA5trn ($8.6bn) in private investment and created 58,000 jobs over that timeframe.

Considering the global economic context and the disruptions resulting from the Covid-19 pandemic, Côte d'Ivoire has introduced a new strategy to reinforce its position as a centre for investment in the ECOWAS region. This framework includes digitalising administrative services, improving infrastructure, optimising logistics and facilitating access to finance. Taken together, these steps will strengthen its status in an increasingly competitive investment ecosystem.

Of the CFA59trn ($101.4bn) investment that will be realised from the National Development Plan (Plan National de Développement, PND) 2021-25, 75% will be allocated to the private sector and 25% to the public sector. CEPICI will mobilise 15% of the CFA43.6trn ($75bn) i.e. nearly CFA6.5trn ($11.2bn) between 2022 and 2026. PND 2021-25 also aims to accelerate the structural transformation of the economy through industrialisation, local development and enhanced inter-regional cooperation.

CEPICI is focusing on the development of inclusive and sustainable value chains within francophone Africa. The current disruptions in global supply chains have prompted us to further encourage trade and joint ventures within the region, while leveraging the competitive advantages of each country. This type of cooperation is a way to promote the local products of each country for the benefit of the regional market. It is possible to produce locally, process goods in another francophone country and have these manufactured products consumed within the francophone network.

Considering challenges related to climate change and their impact on our region in particular, our organisation is committed to supporting companies with sustainable projects to help develop a green economy – especially in terms of sustainable innovations for soil protection and land rehabilitation. Côte d'Ivoire can mobilise more green investment by demonstrating to investors and green funds that there is a regulatory and legislative framework in place at the national level defining the conditions, obligations and rights of citizens. It will also be important to showcase the framework in place for corporate environmental and social responsibility.

CEPICI adapted to these changes and introduced incentives for investment in infrastructure related to sustainable and socially responsible development. We established a service to connect investors and founders of eco-friendly projects in order to facilitate fundraising, support and training for those carrying out these initiatives. Additionally, we have a team dedicated to problem solving day-to-day issues and obstacles that arise when international companies establish operations in the country.

The government's aim to build a green economy can be realised by strengthening our fight against deforestation, desertification, land deterioration and the effects of drought. This will require increased support from the private sector, particularly through the mobilisation of green fund financing.

While the EU remains our primary foreign partner, we aim to diversify the sources of foreign direct investment (FDI) by attracting investors from Asia and the Americas. Côte d'Ivoire accounted for 28% of the total FDI in UEMOA in 2020, making it the largest recipient of capital in the zone. Despite these successes, Côte d'Ivoire will need to implement further reforms. CEPICI is committed to partnering with international investors who seek to benefit from the opportunities offered by Côte d'Ivoire. This will help us attract investment to finance and fuel the economy, while also encouraging entrepreneurship.

Three consecutive plans have fostered growth amid political stability

Stepping stones

Building on previous strategies, the National Development Plan 2021-25 sets its sights on sustainable economic transformation

The National Development Plan (Plan National de Développement, PND) 2012-15, the first of three in recent history, was successful in stabilising and reviving the economy in an environment of restored peace. Both in planning and implementation, the PND 2012-15 constituted the backbone of the recovery and growth of the economy, supported by the country's development partners. This helped Côte d'Ivoire achieve a robust average growth rate of 9% over this period and the creation of 2m jobs in four years, making it one of the fastest-growing countries in the world. The country's economic performance resulted in the improvement of living conditions for millions of citizens and major declines in income inequality in rural and urban areas, as well as the rehabilitation of the country's infrastructure.

MAINTAINING SUCCESS: Following the successful implementation of the PND 2012-15, Côte d'Ivoire adopted its second plan, covering the 2016-20 period. Under the PND 2016-20, the government aimed to accelerate the structural transformation of the economy through industrialisation and inclusive growth, particularly in favour of the most vulnerable population groups. The strategic focus of the PND 2016-20 was improving the agricultural commodity processing rate and diversifying the industrial production base by promoting the manufacturing industry. "Côte d'Ivoire registered a very positive growth trajectory over the past five years within key sectors, driven by a strong dynamic of public Investment and digital transformation mechanisms," Mamadou Sanon, general director of Coris Bank, told OBG, noting the positive impact of the second PND.

Additionally, internet penetration increased from 21% in 2015 to 73% in 2020, while electricity generation capacity rose from 1975 MW to 2229 MW. Through structural transformation of the economy, Côte d'Ivoire reaffirmed its aspiration of achieving emerging market status with low levels of poverty.

Supported by pro-market reforms, the government and the PND Advisory Committee sought to secure external financing for the plan through stronger links with both traditional and non-traditional actors. These included the country's development partners, bilateral and multilateral donors, other high-growth emerging markets, and sovereign wealth funds, as well as private and institutional investors for specific project financing. The overall investment to be made over five years as part of the PND 2016-20 was set at CFA30trn ($52bn), CFA11.2trn ($19.3bn) of which was public and CFA18.7trn ($32.1bn) private investment. The actual amount raised and invested was estimated at CFA33trn ($56.7bn).

FUNDING THE FUTURE: The PND 2021-25, which was adopted on September 22, 2021, capitalises on the lessons learned from previous plans and aims to remove the remaining barriers to economic and social transformation. The government is projecting an average annual growth rate of 7.7% for 2021-25, up from the 5.9% average annual growth rate achieved from 2016-20. To achieve this goal, Côte d'Ivoire plans to increase the investment-to-GDP ratio gradually from 23.1% in 2021 to 27.1% in 2025. The PND 2021-25 covers a total investment of CFA59trn ($105bn), almost double the size of the financial package for the previous development plan. The private sector is expected to drive the majority of the investment – a projected 74%, or CFA43.6trn ($74.9bn) – mobilising around CFA9trn ($15.5bn) a year. The remaining 26%, or CFA15.3trn ($26.3bn), will be covered by public investment, for which the government is looking to increase the tax-to-GDP ratio, in addition to external financing.

The PND 2021-25 was developed with the participation and consultation of national and regional administrative bodies, decentralised communities, the private sector, technical and financial partners, and academia. Through this participatory approach,

Under the National Develpment Plan 2016-20, internet penetration increased from 21% to 73%, while electricity generation capacity rose from 1975 MW to 2229 MW.

The National Development Plan 2021-25 is set to receive

74%

of its funding from the private sector

The National Development Plan 2021-25 aims to remove the remaining barriers to economic development

The three values of peace, security and justice are central to the National Development Plan 2021-25, with a focus on maintaining political dialogue and ensuring border security.

the plan was built on the principles of results-based management, respect for human rights, gender equality, risk management and environmental sustainability, as well as integration of cross-sector policies and local development plans. The plan was designed in alignment with the government's 10-year Côte d'Ivoire 2030 and 2040 strategies, as well as regional and international development priorities such as the UN Sustainable Development Goals and the African Union's Agenda 2063.

UPHOLDING VALUES: The economic and social transformation objectives of the PND 2021-25 are based on six pillars: accelerating the structural transformation of the economy through industrialisation and the evolution of business clusters; development of human capital and job creation; private sector expansion and investment; strengthening of inclusion, national solidarity and social policies; regional development, environmental protection and climate change; and strengthening governance, modernisation of the state and cultural transformation.

The PND 2021-25 further aims to promote peace, security and justice as central values, building on the momentum of social and political stability observed since the 2020 elections and characterised by the national reconciliation process and improved political dialogue. Additionally, the government is expected to continue expanding its security expenditure to tackle insurgencies along the country's northern border with Burkina Faso and Mali.

The following focus areas have been identified to ensure effective implementation of the plan at the national level: agriculture, industrialisation, health, education and training, road infrastructure, employment and job creation, environmental protection, access to safe drinking water, energy and access to electricity, sanitation, security, tourism, enhanced governance, institutional capacity and digitalisation, improved housing, and peace and social cohesion.

The National Development Plan 2021-25 will allocate 11% of its total investment to increase the industrial sector's contribution to GDP to 28% by 2025.

KEY SECTORS: The plan's success will largely depend on the transformation of the country's key economic sectors. In this regard, 11% of the planned investment will target industry, while mining and hydrocarbons each will receive a 10% share, and agriculture a 4% share, accounting for 35% of the total investment. Key industries to be promoted within the industrial and manufacturing sector include agro-processing, plastics and chemicals, construction materials, pharmaceuticals and cosmetics, textiles, packaging and vehicle assembly. The plan also includes the establishment and construction of six new industrial development zones and nine regional trade ports. Overall, the PND 2021-25 aims to increase the GDP contribution of the industrial sector to 28% by 2025, up from 21.2% in 2019 (see Industry & Retail chapter).

In addition, a CFA1trn ($17.2bn) Industrial Investment and Development Fund will be established to support public-private cooperation. Regarding the role of the private sector in such cooperation, Jean-Marie Ackah, president of the General Confederation of Businesses of Côte d'Ivoire, confirmed "the readiness of the private sector to fully play its part in the achievement of its ambitions in terms of development and progress", stating to the media that "it is essential to assign a strategic dimension to public-private partnerships as the driving force behind the much-hoped-for structural and cultural transformations" planned for the country.

The government is aiming to increase agricultural production by an average of 7.5% per year while achieving an improvement in productivity of 100% by 2025. Increasing the agriculture sector's competitiveness and sustainability are key objectives of the PND 2021-25, as doing so will ensure food security while enabling better integration into regional and global distribution channels. As part of this goal, the plan highlights the need to establish a diversified local agro-processing industry that generates added value cocoa, coffee, cashew nuts, cotton, horticultural products, rubber and palm oil. Another objective is achieving 95% rice self-sufficiency by 2025.

As an overarching goal, the plan aims to reduce the level of informal employment and increase opportunities for youth. Under its second pillar, the number of apprenticeships per 100,000 inhabitants is expected to reach 828 by 2025, up from 415 in 2019.

The PND 2021-25 makes note of several key infrastructure projects intended to fuel economic transformation. By boosting investment in energy and renewables, the government aims to increase electricity generation capacity to 4015 MW by 2025, up from 2229 MW in 2019, and achieve 100% electricity coverage among localities with more than 500 inhabitants. To improve transport networks, the total length of paved roads is projected to reach 9500 km by 2025, up from 7500 km in 2020, accounting for 61% of the primary road network. Other key upcoming infrastructure projects include Line 1 of Abidjan Metro, the San-Pédro-Man railway and the construction of two bus rapid transit lines in Abidjan.

China plans to open green lanes to facilitate African agricultural imports

Cooperative ties

Increased bilateral trade with Africa aims to offset decline in state-backed investment from China

Despite global supply chain challenges, the value of trade between China and Africa rose to record levels in 2021. The increase partially reflected a shift in China's policy away from government-backed investment towards enhanced trade and cooperation. According to the Chinese Customs Agency, the value of the country's trade with Africa rose by 35% to $254bn that year, driven by an increase in exports to the continent.

Looking to the future, trade volume looks set to continue this expansive trend, with trade constituting a key element in a joint plan released at the November 2021 Forum on China-Africa Cooperation (FOCAC) meeting.

FOCAC & TRADE: Launched in 2000, FOCAC has given rise to an ever-closer relationship between China and the African continent in both diplomatic and economic terms. However, the Covid-19 pandemic prompted a change in direction. The 2021 FOCAC conference saw China announce a pivot away from the government's role as a direct financer of projects in Africa. This was reflected in President Xi Jinping's pledge that year of $40bn to the continent – a 33% drop on the $60bn pledged at the preceding conference in 2018, and the first time that the sum committed by China decreased.

There was notably no concrete budget assigned to concessional lending, which has traditionally been the principal vehicle by which China has invested in infrastructure projects. It would seem that China envisages that trade and private investment will offset the drop in government-backed funding.

The FOCAC conference also saw the launch of the 2035 Vision for China-Africa Cooperation, the first mid- to long-term cooperation plan jointly developed by the two parties. Echoing China's own Vision 2035, this document laid out eight areas of cooperation, among them development, trade and industry. In terms of trade, a key element was China's promise to work to close the trade gap by importing $300bn of goods from Africa through 2024. This will be facilitated by the opening of green lanes for African agricultural exports, an easing of inspection and quarantine procedures, and a broadening of the number of products on which no tariff is charged. This reflects a growing Chinese appetite for products from Africa, with agricultural goods doing particularly well: between July 2020 and July 2021 the value of exports of rubber, cotton and coffee doubled.

Meanwhile, in September 2021 the second China-Africa Economic and Trade Expo took place in Changsha City in central China, with some $22.9bn worth of agreements inked, according to government sources. Nonetheless, $300bn in three years represents a relatively modest target, considering that in 2013 China imported $100bn of goods from the continent, although the figure has dropped in the years since. Furthermore, this is substantially less than the value of goods imported from the EU.

INFRASTRUCTURE GAP: China's reduction of state funding may be a source of concern to African governments, given the traditionally important role China has played in developing infrastructure projects.

According to the Centre for Global Development, between 2007 and 2020 China's two main overseas development banks were among the top-three lenders to the African continent. The Export-Import Bank of China invested the largest sum over this period, at $20.1bn. The next-biggest lender was the African Development Bank (AfDB) ($4.5bn), followed by the China Development Bank ($2.9bn).

The combined $23bn invested by the two Chinese banks was $8bn higher than the total of the eight other top lenders to the continent, among them the World Bank and the AfDB. Combined lending to Africa stood at around $9bn per year as of mid-2022. This was, however, still far below the level of infrastructure funding that the continent requires to complete future initiatives. According to the AfDB, Africa's infrastructure investment needs are valued at $130bn-170bn a year, with a financing gap of between $67.6bn and $107.5bn to support and accelerate further economic expansion.

Chinese trade with Africa increased by approximately 35% in 2021 to $254bn, driven largely by an increase in Chinese exports to the continent.

Approximately $22.9bn worth of deals were signed at the second China-Africa Economic and Trade Expo, which took place in Changsha City, in central China, in September 2021.

The number of digital remittance users is set to reach 15.6m by 2025

Ease of transfer

A number of remittance-focused start-ups and other players are expanding operations in emerging markets

Remittances to low- and middle-income countries are slated to grow by 4.2% to $630bn in 2022. Sub-Saharan Africa expects to see 7.1% growth in remittance flows in 2022.

Financial technology (fintech) firms are gaining market share that was formerly the preserve of established remittance service providers. Remittances have grown in importance in recent years and today constitute the largest source of foreign income for many developing economies. They also tend to be countercyclical, increasing during economic downturns or natural disasters when other capital flows generally dwindle. Growth in the segment has gathered pace, with the importance of remittances as a source of income for emerging economies and financial service providers alike set to rise further in the coming years.

INFLATION & INVESTMENT: As inflation and global food insecurity place financial pressure on many countries around the world, remittance inflows to emerging markets are expected to continue to provide crucial support in 2022. In a May 2022 report, the World Bank's Global Knowledge Partnership on Migration and Development (KNOMAD) estimated that remittances to low- and middle-income countries (LMICs) will grow by 4.2% to $630bn in 2022. In sub-Saharan Africa, KNOMAD expects to see 7.1% growth in remittance flows in 2022. Despite projections from the World Bank in April 2020 that the Covid-19 pandemic would lead to a 19.7% contraction in year-end remittance flows to LMICs, they instead held firm and increased by 0.8% in 2020.

Such transfers took on greater importance as foreign direct investment (FDI) to LMICs fell by 13.5% over the course of 2020. Indeed, that year the value of remittances to LMICs ($540bn) surpassed the equivalent value of FDI ($259bn) and overseas development assistance ($179bn) combined. In many instances, these inflows provided a source of replacement income to cover essentials such as housing and food, as pandemic-related curfews and other health restrictions curtailed the ability of many people to work in person – particularly those active in the informal sector.

Lockdowns and border closures led to a 48% increase in mobile payments in 2021 alone. Many financial technology players are keen to move into the remittances space, which is seen as having significant potential.

TECH EVOLUTION: While approximately 97% of global remittance inflows are paid in cash and transmitted via traditional brick-and-mortar banks and financial institutions, there has been a noticeable increase in fund transfers using alternative methods. Indeed, lockdowns and border closures led to a 48% increase in mobile phone payments in 2021 alone. Many fintech start-ups are keen to move into the remittances space, which is seen as having significant potential. London-based consultancy and data provider Tellimer estimates that 45% of the global fee pool is above the 3% mark and therefore ripe for disruption.

Meanwhile, data aggregator Statista anticipates that the digital remittances segment will reach $127.3bn in 2022 and $166.4bn by 2025, with 15.6m users by the end of the period. The market is increasingly characterised by intense competition on fees, with apps competing in terms of price. Some have even eliminated remittance fees altogether.

REDUCING COSTS: Both public and private sector bodies are working to facilitate lower-cost remittances across emerging markets, often by expanding their own digital offerings or by partnering with a fintech firm. In January 2022 the Nigerian Postal Service launched an e-debit card and finalised arrangements to launch a microfinance bank that will enable 52m previously unbanked Nigerians to conduct financial transactions. Also in Africa, in October 2021 Western Union – an established global remittance company – announced that clients of KCB Bank Kenya, Diamond Trust Bank and the Kenya Post Office Savings Bank would be able to send and receive money via their mobile banking apps.

CRYPTO EXPANSION: In parallel to these regional and global developments, the remittances space is being disrupted by blockchain-based digital currencies. Among other advantages, cryptocurrency is traded internationally and its transfer requires no intermediaries. If cryptocurrency expands as far and as fast as its most ardent supporters predict, the technology could challenge legacy service providers and fintech companies alike for a slice of the global remittances pie.

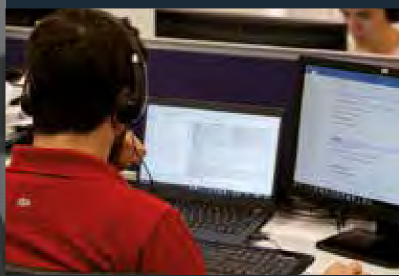
Banking

Expansion of digital and mobile money services

Financial technology spurring inclusion gains

Banking penetration rate trending upwards

Fintech Supervision Bureau to drive innovation



Bank deposits grew from $19.8bn in 2020 to $23.6bn by the end of 2021

Bridging the gap

A concerted focus on expanding financial inclusion and digital money is fuelling competition in the sector

With around 40% of UEMOA's total money supply, the Ivorian banking sector is the largest in the region, and the economic importance of the capital, Abidjan, is growing.

Côte d'Ivoire's banking sector has played a key role in the country's post-2012 economic recovery and growth, financing large-scale infrastructure projects, private sector industrial expansion, agricultural activity and the services industry. Sector players have remained largely unchanged during this time, with 29 banks and two financial institutions operating in the country, according to the Central Bank of West African States (Banque Centrale des Etats de l'Afrique de l'Ouest, BCEAO). Traditionally, the sector has been dominated by large entities – typically subsidiaries of French and Moroccan banks – but emerging local and pan-African banks have been gaining market share.

The banking landscape is therefore competitive, and the importance of the capital, Abidjan, as a regional financial centre is growing. With around 40% of UEMOA's total money supply, the Ivorian banking sector is the largest in the region. The banking penetration rate has been on an upward trajectory, reaching 32.6% when account holders at microfinance institutions are included. This makes Côte d'Ivoire one of the most-improved countries in Africa on this metric. Meanwhile, the total number of bank branches more than doubled from 324 in 2010 to 725 in 2019, the latest year for which data is available.

Despite these developments, financial inclusion remains a challenge. Cash continues to be the primary mode of payment in the country, and high operating costs and low demand have weighed on commercial banks' efforts to extend their branch networks to rural areas with limited formal economic activity. While access to finance can be a hurdle, especially for small and medium-sized enterprises (SMEs), the emergence and adoption of mobile and digital money services – as well as the development of a robust microfinance environment – are helping to bridge this gap.

STRUCTURE & OVERSIGHT: Côte d'Ivoire's banking sector continues to be dominated by large players, with five banks accounting for more than 50% of the market. Their position has broadly remained stable. In 2021 Société Générale de Banques en Côte d'Ivoire, a subsidiary of France's Société Générale, kept its leading position with CFA3trn ($5.2bn) in assets and 17% in market share, up from 15% in 2020. Togo-headquartered Bank Atlantique Côte d'Ivoire remained the second largest, with 10% market share and CFA1.9trn ($3.3bn) in assets, followed by pan-African Ecobank, with 9% and CFA1.69trn ($2.9bn); local player NSIA Banque, with 9% and CFA1.65trn ($2.8bn); and Société Ivoirienne de Banque, a subsidiary of Morocco's Attijariwafa Bank, with 7% and CFA1.3trn ($2.2bn).

Although the leader board has held steady in recent years, the banking industry has seen several local and pan-African banks – including Ecobank, Burkina Faso's Coris Bank International and Togo's Bank Oragroup – emerge and gain market share. This trend, seen elsewhere on the African continent, has partially resulted from the withdrawal and scaling back of French banks in the region. In 2019 BNP Paribas pared back its operations, maintaining its presence only in Morocco, Senegal and Côte d'Ivoire.

In a similar vein, increased competition in the African and Ivorian banking sectors from pan-African banking groups has been a key factor behind European banks' departure from the continent. Attijariwafa Bank, Coris Bank International and local players like NSIA Banque, among others, have been gaining market share from more established banks in Côte d'Ivoire and across the greater region. The relatively low profitability and high operating margins of African subsidiaries – often above 60% – the slowdown in African economies, and strategic refocussing on the local, US and Asian markets are also important drivers of the exit of European banks. In parallel, the growing adoption of mobile banking and e-wallet solutions has led to lower demand for traditional banking products.

Sector assets were up

15%

in 2021

PERFORMANCE: The banking sector recorded a growth rate of 15% in 2021, with total assets reaching

CFA17trn ($29.2bn), up from CFA14.7trn ($25.2bn) in 2020. This performance can be partially attributed to Ivorian banks' involvement in large-scale investments made during this period, particularly for infrastructure projects and the financing of Covid-19 pandemic recovery efforts. By end-2021 the sector's combined assets had reached CFA18.1trn ($31bn), posting a growth rate of 13% and crossing the symbolic threshold of CFA18trn ($30.9bn). At the same time, the Ivorian interbank market recorded an increase of 45% to hit CFA2.8trn ($4.8bn), while the consumer market expanded by 10% to CFA9.5trn ($16.3bn).

Reflecting global developments, inflation is expected to rise to 5.5% in 2022, continuing its upward trend from 2.4% in 2020 and 4.2% in 2021, after a low and steady rate of 0.6% between 2016 and 2019. Meanwhile, the ratio of non-performing loans to total gross loans remained largely stable, at around 8.5%, between March 2020 and March 2021, partially as a result of the loan repayment moratorium that was imposed. During the same period, the ratio of liquid assets to total assets experienced a slight decrease from 29.6% to 26.7%, while credit in the private sector remained strong, expanding by 8.7% year-on-year.

According to the latest data available at the time of writing, the sector's profitability was on the rise, with return on assets net of tax standing at 1.7% and return on equity net of tax at 20.2% as of the end of 2019, compared to 1.3% and 16.5%, respectively, in 2018.

LENDING & DEPOSITS: In June 2022 the BCEAO increased the minimum interest rate on submission and the interest rate at the marginal loan window by 25 basis points, to 2.25% and 4.25%, respectively. Within the sector's client operations, term loans saw a 13% increase in 2021, reaching CFA2.1trn ($3.6bn). This follows robust growth of 14% in 2019 and 10% in 2020. Bank deposits, meanwhile, expanded to CFA13.7trn ($23.6bn) at the end of 2021, an improvement from CFA11.5trn ($19.8bn) in 2020. According to statistics from the Association of Banks and Financial Establishments in Côte d'Ivoire, deposit growth remained on an upward trajectory, posting respective increases of 11% and 10% in 2019 and 2020, up from CFA8.4trn ($14.4bn) and CFA9.5trn ($16.3bn) one year prior.

The sector breakdown of loans granted largely mirrors the country's growth trends and the government's objectives outlined in the National Development Plan (Plan National de Développement, PND) 2021-25. Accounting for 32% of total loans granted, commerce – which includes the tourism and hospitality industries – received the lion's share of loans granted by the sector through to June 2020, according to the latest data published by the IMF, followed by manufacturing industries, with 18.7%. The insurance, real estate and business services category and the transport, storage and communications grouping each accounted for 11.3% of the total. Other large recipient sectors included electricity, gas and water utilities; and agriculture, forestry and fisheries.

BANKING PENETRATION: While relatively low by international standards, banking penetration in Côte d'Ivoire has been trending upwards thanks to measures implemented to strengthen financial inclusion. According to the BCEAO, in December 2021 some 32.5% of Ivorians had a bank account. This figure, up from 30.7% at end-2020, included adults with accounts at traditional banks, postal services, national savings banks and the Treasury, as well as microfinance institutions. Among the challenges to be addressed to unlock greater penetration are inefficient services, long wait times, low branch network coverage, delays in credit and debit card issuance, scarcity of point-of-sale machines and difficulties obtaining loans.

Although traditional banking has grown at a moderate pace in recent years, the mobile money services segment has made substantial gains. According to the Telecommunications/ICT Regulation Authority of Côte d'Ivoire, around 20.8m Ivorians used mobile money services in 2021, equivalent to 83% of the population, compared to 30% in 2016 and 54% in 2018. This change reflects the broader consumer trends that are being observed across West Africa.

In rural areas – where there tends to be lower financial literacy levels, a relative scarcity of bank branches and ATMs, and limited working hours – mobile money services are starting to bridge the gap. In addition to their practicality and availability, mobile money service providers attract customers by providing short-term micro-loans with low fees. To compete with newly established players, many traditional banks are introducing mobile money services of their own, along with user-friendly apps and cross-border payment solutions. In line with this trend, banks are seeking partnerships with technology and telecommunications companies to develop or offer similar solutions.

Another way commercial banks are adapting to current market conditions is by lowering expenses. "Opening a brick-and-mortar branch can cost north of €100,000," Oloufemi Cédrick Montetcho, investment manager at Oiko Credit, told OBG. "By digitalising

In 2020 the interbank market rose by 45% to $4.8bn, while the consumer market expanded by 10% to $16.3bn

Accounting for 32% of total loans granted, commerce – which includes the tourism and hospitality industries – received the lion's share of loans granted by banks through to June 2020.

32.5%

of Ivorians had a bank account as of December 2021

There were some 687m digital financial services transactions in 2020

Achieving meaningful gains in terms of financial inclusion is key to the government's national development plans and other targets set for 2030.

their operational desk and products, Ivorian banks are making progress towards bringing their operating ratio below the regulatory cap of 65%," he added.

FINANCIAL INCLUSION: Achieving meaningful financial inclusion is key to the government's national development plans and other targets set for 2030. According the World Bank, Côte d'Ivoire's financial services sector grants three to four times less credit than its counterparts in middle-income countries on the continent, and two out of three companies name access to credit as a major constraint to development. While the growth of digital money services and microfinance institutions is helping to address this, financial inclusion remains a challenge, particularly for women, youth and those in rural areas of the country.

As such, the authorities have taken steps to enhance the provision of financial services for low-income populations and SMEs. As outlined in the PND 2021-25, promoting and encouraging the transition from the informal to the formal sector remains a priority in this regard. Tax incentives, financial literacy programmes, the development of microfinance institutions and mobile money, the digitalisation of government services and the expansion of branch networks in rural areas are all positive steps in this transition.

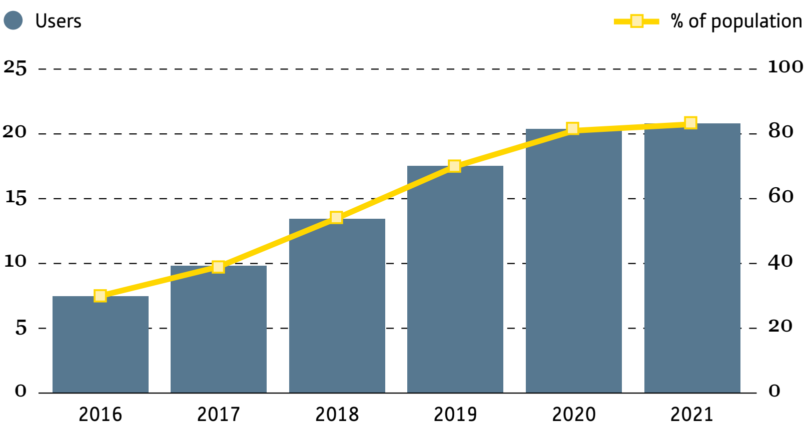
Highlighting its commitment to the issue, in May 2019 the government adopted the National Financial Inclusion Strategy 2019-24. This followed the creation of the Agency for the Promotion of Financial Inclusion the year prior. Structured around five key pillars, the strategy is geared towards physical infrastructure, taxation frameworks, and consumer protection regulations and safeguards to extend financial services to vulnerable and excluded populations. In addition, it targets establishing a healthier microfinance sector and a well-developed payment systems. These last goals are especially pertinent in the Ivorian context, given that increased adoption of services offered by non-bank financial institutions has been the primary growth driver of financial inclusion in recent years.

"Financial inclusion does not have to be fuelled by traditional banks. It is perhaps unrealistic for them alone to promote financial inclusion in Côte d'Ivoire," Victorine Attia, head of client coverage at Stanbic Bank, told OBG. "Given Basel III, conditions can hinder banks from financing certain categories of economic operators. Microfinance institutions and other non-traditional players will therefore drive financial inclusion. Many people still need financial services, particularly in rural areas, most of which cannot be under the umbrella of universal banks," she added.

INNOVATION: Like their peers in West Africa, financial technology (fintech) companies in Côte d'Ivoire are catalysts of financial inclusion, offering convenient and affordable products and services. The Ivorian ecosystem consisted of 37 fintechs and 13 e-money institutions, with 20.4m individuals holding 27.7m electronic money accounts at the end of 2020. The combined activity of digital financial services reached 687m transactions at a total value of CFA13.9trn ($23.9bn) that year, compared to 642m transactions and CFA10.7trn ($18.4bn) in 2019. Digital financial infrastructure supporting this activity also increased in 2020, with the number of service points and central accounting systems reaching 286,000.

The government appears increasingly focused on fintech and mobile money services, with the regulatory framework being updated to meet the needs of Côte d'Ivoire's rapidly changing environment. In April 2022 the BCEAO announced the creation of the Fintech Supervision Bureau (Bureau de Connaissance et de Suivi des FinTech, BCSF) to promote financial innovation, initiatives and start-ups. Through the BCSF, the BCEAO aims to coordinate regulatory bodies and fintech players in order to boost financial inclusion across West Africa. The BCSF will function as a one-stop shop for collecting and processing information, and completing other duties connected to technological innovation and financial services sector regulation. Eventually, the bureau may also consider issuing new taxation guidelines for the broader fintech segment.

Mobile banking penetration, 2016-21



Source: ARTCI

While the bulk of Ivorian fintechs operate in the domain of payments and money transfers, players offering services in the realm of micro-loans and savings and investments are emerging with solutions to target a variety of customer bases.

SycaPay, Julaya, CinetPay and HUB2 are among the top payment and money transfer solutions providers in Côte d'Ivoire, offering innovative digital finance services, particularly for smaller traders and SMEs. Another key player, QuickCash, provides regional money transfer services aimed at low- and middle-income farmers, while PayQin offers virtual payment cards targeted at young entrepreneurs.

Although Côte d'Ivoire's burgeoning banking sector and its key players have experienced substantial growth in recent years, the industry has reached a more advanced stage of development in large regional markets such as Nigeria, Kenya and South Africa. While this can be attributed in part to Côte d'Ivoire's own funding constraints, there are other areas with room for improvement that could make the Ivorian market more competitive, including underlying business models, innovation, the level of experience of management teams and scaling capacity – all of which are important elements to the investment attractiveness of fintechs.

At the same time, the activity of Ivorian angel investors, impact investors, venture capitalists and private equity funds is at an early stage for now, particularly as regards fintech start-ups, and the country does not yet have an investment tool targeted directly at fintechs. "There is a lot of homogeneity when it comes to Ivorian fintechs: most are SMEs focused on developing payment technology applications," Montetcho told OBG. "To scale up, they could consider emulating their peers in English-speaking markets by attracting family offices, venture capitalists and private equity funds, in addition to regulated banks," he added.

OUTLOOK: The landscape of Côte d'Ivoire's banking sector is expected to remain competitive in the short term, with both traditional banks and non-bank players increasing their product offerings in an effort to attract customers. Given the enabling regulatory framework in the country, the accelerating adoption of digital and mobile money services could see fintechs and non-bank financial institutions expand further into micro-loans, while traditional banks will likely continue to scale down their operational costs, particularly branch networks.

At the policy level, the sector is central to the PND 2021-25, which targets public and private investment as a driver of economic formalisation. Global inflation and monetary policy tightening are expected to impact banks' lending capacity and consumers' ability to repay their loans due to ongoing disruptions in economic activity and lower disposable incomes. As a result of these factors, growth in credit is likely to moderate somewhat in the coming years, contingent on the regional and global macroeconomic outlook.

Given the enabling regulatory framework in the country, the accelerating adoption of digital and mobile money services could see financial technology players and non-bank financial institutions expand further into micro-loans.

Mobile money transactions increased to reach $24m in value in 2020

Forward thinking

Targeting availability and affordability to boost inclusion

The number of Ivorians using mobile money services rose from 7.5m in 2016, or 30% of the population, to 20.7m in 2021 – accounting for 83% of the population.

The availability and affordability of financial services such as payments, savings, credit and insurance are central to financial inclusion. Rural populations, women and low-income groups in Côte d'Ivoire have historically had less access to financial services, which has impeded growth and economic activity. The comparatively high cost of traditional banking products has also been a contributor to low uptake. However, the development and increasingly widespread use of mobile money and digital financial services are playing a significant role in the country's economic performance and catalysing financial inclusion.

MOBILE MONEY: The number of Ivorians using mobile money services rose from 7.5m in 2016, or 30% of the population, to 20.7m in 2021 – accounting for 83% of the population. Total mobile money transactions have also seen a notable increase, reaching CFA13.9trn ($24m) in 2020. MTN Mobile Money, Moov Money, SycaPay, Julaya, CinetPay, Djogana Money Services, QuickCash and PayQin are among the key players offering mobile money and payment services.

With the growth in adoption, competition in the digital financial services space is increasing, and traditional banks are trialling their own solutions to preserve market share. Examples include YUP, from France's Société Générale; Togo-based Ecobank's Xpress Account; and Orange Bank Africa, owned by French telecom giant Orange and Ivorian lender NSIA Banque. As the mobile money market matures, traditional banks' ability to develop a diverse set of financial products is expected to give them an advantage.

The success of mobile money providers has by no means been a coincidence, with prominent players analysing the African market and local consumer behaviour for more than a decade. "New waves of actors are changing the landscape and serving as success stories for mobile money services and financial inclusion in Côte d'Ivoire and the broader region," Ismael Fanny, deputy executive director at the Association of Banks and Financial Establishments in Côte d'Ivoire, told OBG. "For example, quickly after entering the Ivorian market, Orange Bank Africa exceeded its objectives in terms of customer acquisition and levels of activity," he added.

In addition to actors in payments and money transfer, the ecosystem is exploring adjacent solutions. For example, Messenka works with messaging apps and mobile money providers to offer an artificial intelligence-enabled virtual assistant, while Keiwaaccounting has developed a reporting and stock management solution aimed at traders in the informal sector.

In parallel to advances being made by the private sector, the government is increasingly focused on digital services for its financial inclusion strategy.

DIGITAL SERVICES: In parallel to advances being made by the private sector, the government is increasingly focused on digital services for its financial inclusion strategy. In 2020 the government, in partnership with financial ecosystem stakeholders, put two major initiatives into motion: Net Collect Service, a pilot application to digitise local authorities' revenue-collection systems; and TresorPay, an electronic platform enabling Ivorians to collect and make payments online in matters concerning the Treasury.

Coordination between the government and mobile money solution providers is also growing. "Financial technology (fintech) players have found an advocate in the Ministry of Economy," Oloufemi Cédrick Montetcho, investment manager at Oiko Credit, told OBG. "They have set up professional associations to voice the needs of the industry, such as the annual African Fintech Forum," he added.

Whether the large-scale adoption of first-generation mobile financial services leads to greater financial inclusion in Côte d'Ivoire remains to be seen. As digital financial services are still in their infancy, usage and product offerings have been limited to payments and money transfers. However, it is hoped that Ivorians' high levels of mobile money account ownership will lead to the adoption of other services like formal savings accounts, credit or insurance products.

Tiémoko Meyliet Koné

Wider reach

Tiémoko Meyliet Koné, Former Governor, Central Bank of West African States (Banque Centrale des Etats de l'Afrique de l'Ouest, BCEAO), on improving services and fostering financial inclusion

What measures can be taken to increase the volume of credit and encourage long-term financing?

KONÉ: The BCEAO has implemented several mechanisms to consolidate the banking sector's capacity and increase its ability to finance economic activity. These include assistance provided to small and medium-sized enterprises (SMEs) as part of a financial support scheme launched in 2018 designed to help such entities build bankable applications. Credit institutions have also been offered incentives such as the refinancing of loans granted to SMEs, as well as prudential relief of exposures to these companies.

We have also deployed factoring, a mechanism that aims to improve working capital financing and develop subcontracting. A bill was prepared by the BCEAO to this end and was adopted by the Council of Ministers in December 2020. As of mid-2022 it was being incorporated into the domestic legal order of the states. We have also introduced a leasing scheme that allows firms to access unsecured funds, as well as Islamic finance products adapted specially for SMEs.

The central bank monitors all these instruments and appropriate measures are taken regularly to facilitate their adoption by financial institutions to increase financing granted to SMEs. The BCEAO is also committed to preserving the solidity and solvency of banks while preventing systemic risk.

How does the central bank ensure that digital banking activities are appropriately regulated?

KONÉ: In UEMOA digital banking activities are regulated by community texts, particularly the law on banking regulation, instructions from the BCEAO's governor, and laws drafted by the states regarding cybersecurity and personal data protection. Regulation No. 15 of 2015 governs the conditions and modalities for conducting the activities for electronic money issuance. It extends electronic payment services to non-banking actors and lays down provisions applicable to electronic currency activities, regardless of the status of issuers. It also sets out the minimum-security conditions to benefit from new technologies.

The provision of digital financial services in UEMOA is subject to vigilant monitoring by the central bank, combined with supervision by the General Secretariat of the Banking Commission of the UEMOA, the banking supervisory authority. There are no specific mechanisms in place to control the use of data by banks and financial actors. However, there has been some movement on addressing the challenges of open banking, with the creation of a dedicated committee to promote the harmonised development of financial technology.

Lastly, the Council of Ministers established the Credit Information Bureau to collect available data on the credit and payment history of consumers from financial institutions and major billers. Derived products, including credit reports and scoring, are commercialised so credit institutions can make informed decisions.

To what extent will the measures taken by the BCEAO contribute to the new development plan?

KONÉ: The National Development Plan aims to raise Côte d'Ivoire to the rank of upper-middle-income countries by 2030. The central bank's actions generally differ from the specific development plans initiated by UEMOA members. Its activities mainly consist of maintaining macroeconomic stability, increasing financing opportunities and promoting digital payment methods. The stability of prices is reflected in the low-risk bonus on interest rates, which creates more favourable financing conditions for companies.

Several institutions have been launched by the central bank to help provide finance to regional economies. These include the West African Development Bank, the Regional Stock Exchange, the Regional Market for Public Securities and UEMOA-Securities. The BCEAO also implemented measures to allow the sector to pursue its financial intermediation activities more efficiently.

Aymeric Villebrun

Tailored approach

Aymeric Villebrun, CEO, Société Générale Côte d'Ivoire, on development trends in the banking sector

What measures could be implemented to increase the level of banking penetration?

VILLEBRUN: There is a wide distribution of income and wealth in Côte d'Ivoire. A certain proportion of the country already has full access to banking services; however, there is another segment that could benefit more from these services, but the available programmes do not specifically meet their needs. At the same time, there is another group that has yet to gain full access to banking and other financial services.

One of the major steps that needs to be taken to boost banking penetration is to improve the banking network itself. Banks are primarily located in Abidjan, where wealthier customers are concentrated, with less penetration in other parts of the country. Once the banking footprint has been successfully extended, it will be important to develop financial products and services that meet the specific needs of customers.

However, it is essential to bear in mind the related point of operational costs, as a broader banking ecosystem – ranging from customer support services to issuing bank cards – engenders significant costs for banks. As such, it will be important to maintain a minimum unit value for each customer. Finding the right balance is critical to increasing banking penetration among the population and thereby supporting the country's socio-economic development.

How can small and medium-sized enterprises (SMEs) obtain credit and financing more easily?

VILLEBRUN: A variety of actions are needed to facilitate access to finance for SMEs, which account for a substantial share of the country's economic output. In addition to difficulty obtaining credit, SMEs typically lack training and education on the legal and accounting tools that can help ensure that their activity is formalised. This means that a holistic approach, based on a combination of solutions, should be implemented to help these businesses to accelerate their growth.

Several measures have been taken over recent years by public authorities to address these issues. A dedicated structure for SMEs has been created to help them overcome barriers by providing advisory services and information on accounting standards, the legal framework and access to capital. These efforts are supported by the participation of chartered accountants, lawyers and investment fund managers.

This approach, based on a range of solutions, should enable SMEs to improve their performance and boost long-term development. Indeed, the development of SMEs is considered by the government to be a crucial component of the country's wider economic growth, and public leaders are implementing a range of regulatory measures to support this segment. The banking sector is engaged in this pursuit as well, namely by reviewing the financing conditions for SMEs.

To what extent has the digital banking segment been developed in Côte d'Ivoire?

VILLEBRUN: Given the high level of mobile phone usage in the country, digital banking has significant growth potential. The use of electronic devices is highly integrated into the habits of many people, and uptake is progressing very quickly across virtually all segments of society. The digital maturity of our customers is quite similar to that of Morocco, for example.

Individuals who use electronic banking services rely on tools such as mobile phone applications to provide a secure, high-quality interface to conduct their operations. Mobile money applications, in particular, helped to fuel 20% growth in the number of financial account holders in the country between 2014 and 2018. As demonstrated by the more than 30% of the adult population who had a mobile money account in 2021, the market has achieved substantial reach and is continuing to grow rapidly. As such, Côte d'Ivoire has significant potential to make a sizeable leap in the field of mobile payment and digital banking services.

Electronic payments rose sharply in Africa due to the Covid-19 pandemic

Fiscal reach

Many authorities are attempting to bridge tax revenue gaps by introducing levies on electronic transactions

A number of sub-Saharan African countries have sought to introduce taxes on mobile transactions, in response to the sustained uptake prompted by the Covid-19 pandemic. While such moves have been met with criticism, they represent an opportunity to boost tax revenue significantly. The Covid-19 pandemic and its knock-on effects gave rise to a sharp increase in electronic payments across the African continent – a trend that is set to continue. In parallel to this, public finances in the region have taken a significant hit, as revenue from taxes and exports was eroded by the 2020-22 global economic crisis. Many governments are consequently looking to the e-finance boom to help plug their respective tax gaps, as well as to expand their fiscal reach in the informal economy.

DIGITAL TAXES: A timely example is Ghana, which was due to introduce a 1.75% tax on electronic transactions of more than GHS100 ($14.92) in February 2022, though it had yet to be rolled out as of August 2022. If enacted, the levy would apply to everything from mobile money to inward remittances. Announcing the planned measure, Ken Ofori-Atta, the minister of finance, said it would help to widen the tax net, and increase the country's tax-to-GDP ratio from 11% to 16%.

In 2021 Ghana's mobile money sector was the fastest growing in Africa, with the Bank of Ghana recording a 143% year-on-year (y-o-y) increase in transaction value in the first quarter of 2021, alongside a 64% y-o-y increase in transaction volume, according to the World Bank. These figures suggest there is significant untapped fiscal potential in the space. However, critics have expressed concern that the new tax will stymie the development of e-commerce in Ghana.

Furthermore, it is thought that the levy could disproportionately affect the rural poor, who have limited payment options and often depend on remittances. On a similar note, many argue that the levy will limit financial inclusion. These concerns echo recommendations made by the World Bank to Malawi, which in 2019 moved to impose a similar tax. Ultimately, Malawi's government decided not to institute the tax. If it goes ahead with the levy, Ghana would join a growing list of African nations, including Cameroon and Tanzania, that have introduced similar taxes in the wake of the pandemic, often giving rise to critiques along similar lines.

PRE-PANDEMIC FORERUNNERS: Prior to the Covid-19 pandemic various countries had imposed taxes on digital transactions, with mixed results. For example, in Uganda a 1% levy on all mobile money transactions was introduced in July 2018, but this was quickly cut to 0.5% following public opposition and a 24% drop in transaction value. A 2021 study by the UN Capital Development Fund found that the tax provoked wealthier Ugandans to switch to agent banking. In other words, the levy on electronic transactions disproportionately impacted lower-income people, as well as having a regressive effect on the regulation and formalisation of Uganda's informal economy.

Côte d'Ivoire, meanwhile, attempted to introduce a 0.5% mobile money transaction tax in 2018, but this was swiftly withdrawn and replaced in 2019 with a tax on providers' total revenue, rather than the transactions themselves. The government insisted that providers not pass this extra cost on to their users, which led companies to cut back on operational and infrastructure spending. This outcome would seem to confirm another of the fears of critics of such taxes, namely that they stand to limit the growth of the sector itself.

Zimbabwe, for its part, introduced 2% tax in 2019 on intermediated money transfers. While unpopular, this levy has achieved the desired effect of boosting government tax revenue. By the end of 2021 the tax accounted for nearly half of the contribution of corporate tax, which is second only to value-added tax in the fiscal mix. In this light, it would seem reasonable to expect similar taxes to be imposed going forwards. However, governments may need to balance fiscal priorities with digitalisation and financial inclusion targets.

Many governments are looking to e-finance to help plug their respective tax gaps, as well as to expand their fiscal reach in the informal economy.

Côte d'Ivoire attempted to introduce a 0.5% mobile money transaction tax in 2018, but this was swiftly withdrawn and replaced in 2019 with a tax on providers' total revenue.

Some $14bn in digital currencies was sent to illegal addresses in 2021

Riding the wave

Tackling cryptocurrency crime by strengthening legislation

Cryptocurrency transaction volume increased by

567%

in 2021

Amid record levels of cryptocurrency crime, many emerging markets are looking at ways to strengthen their cryptocurrency-related protections. The incidence of cryptocurrency-linked crime is increasing as the uptake of the payment medium rises rapidly and broadly. A record $14bn in digital currencies was transferred to illegal addresses in 2021, according to blockchain data platform Chainalysis, up 79% from the $7.8bn recorded in 2020.

Illicit addresses are defined as accounts or wallets tied to criminal activities such as ransomware, Ponzi schemes, scams or other forms of crypto-theft. Despite this increase in crypto-crime, transactions involving illicit addresses in 2021 accounted for 0.2% of total cryptocurrency transaction volume, which increased by 567% in 2021 to $15.8trn. Nevertheless, the spike in such crime is concerning.

BOLSTERING REGULATION: In response to the increased risk of crypto-crime, many emerging markets have sought to strengthen protections. In Chainalysis' 2021 ranking of adoption rates, Vietnam, India and Pakistan took the first three spots, with the US being the only mature economy in the top 10. One of the main ways governments are working to strengthen protections is by legislating the use of cryptocurrencies. Although at an early stage, these efforts represent a crucial step in regulating cryptocurrency trading.

In September 2021 El Salvador became the first country in the world to adopt Bitcoin – the world's most popular cryptocurrency – as legal tender, allowing residents to use it in all transactions. The country's Bitcoin Law outlines regulations concerning the trade of the cryptocurrency and its conversion rate with the US dollar. At the same time, Chivo, the state-run e-wallet, provides residents with a commission-free platform on which it can be traded.

Elsewhere in Latin America, Brazil stands as a regional trailblazer. In 2021 the Brazilian Stock Exchange debuted three crypto-dedicated exchange-traded funds (ETFs). In mid-February 2022 the country also saw the launch of the world's first ETF dedicated to decentralised finance networks. Around the same time, the Senate's Economic Affairs Committee paved the way for more expansive regulation by unanimously approving the country's cryptocurrency bill, which is set to be debated and voted on first in the Senate itself and then in the lower house. Among other functions, the bill will define virtual assets, outline the responsibilities of service providers and determine which body will enforce crypto regulation.

GLOBAL DISRUPTIONS: Among the major geopolitical events of recent times, none is more illustrative of the potential opportunities and risks of cryptocurrencies than Russia's ongoing invasion of Ukraine. Since the invasion began on February 24, 2022, Ukraine has embraced cryptocurrencies as a form of alternative financing amid concerns over traditional currency transfers and delays to conventional payments.

Already a leader in cryptocurrency adoption before the conflict, the country set up official government wallets in March 2022. These wallets accept cryptocurrency payments and implement legal structures designed to bolster the industry. For example, cryptocurrency exchanges are now able to operate in the country, with the National Bank of Ukraine and the National Securities and Stock Market Commission appointed as regulators. Partly as a result of such efforts, Ukraine raised more than $100m in cryptocurrency donations in March 2022, providing access to funds to purchase essentials.

However, there are also concerns that cryptocurrencies are being used as a way for the Russian government and those on sanctions lists to evade international financial and trade penalties. The emergence of cryptocurrencies has sparked a debate about its future. Despite the increase in criminal activity, with improved regulations in place, cryptocurrencies are likely to become a part of the mainstream financial system.

One of the main ways governments are working to strengthen protections is by legislating the use of cryptocurrencies. These efforts represent a significant step in regulating their trade.

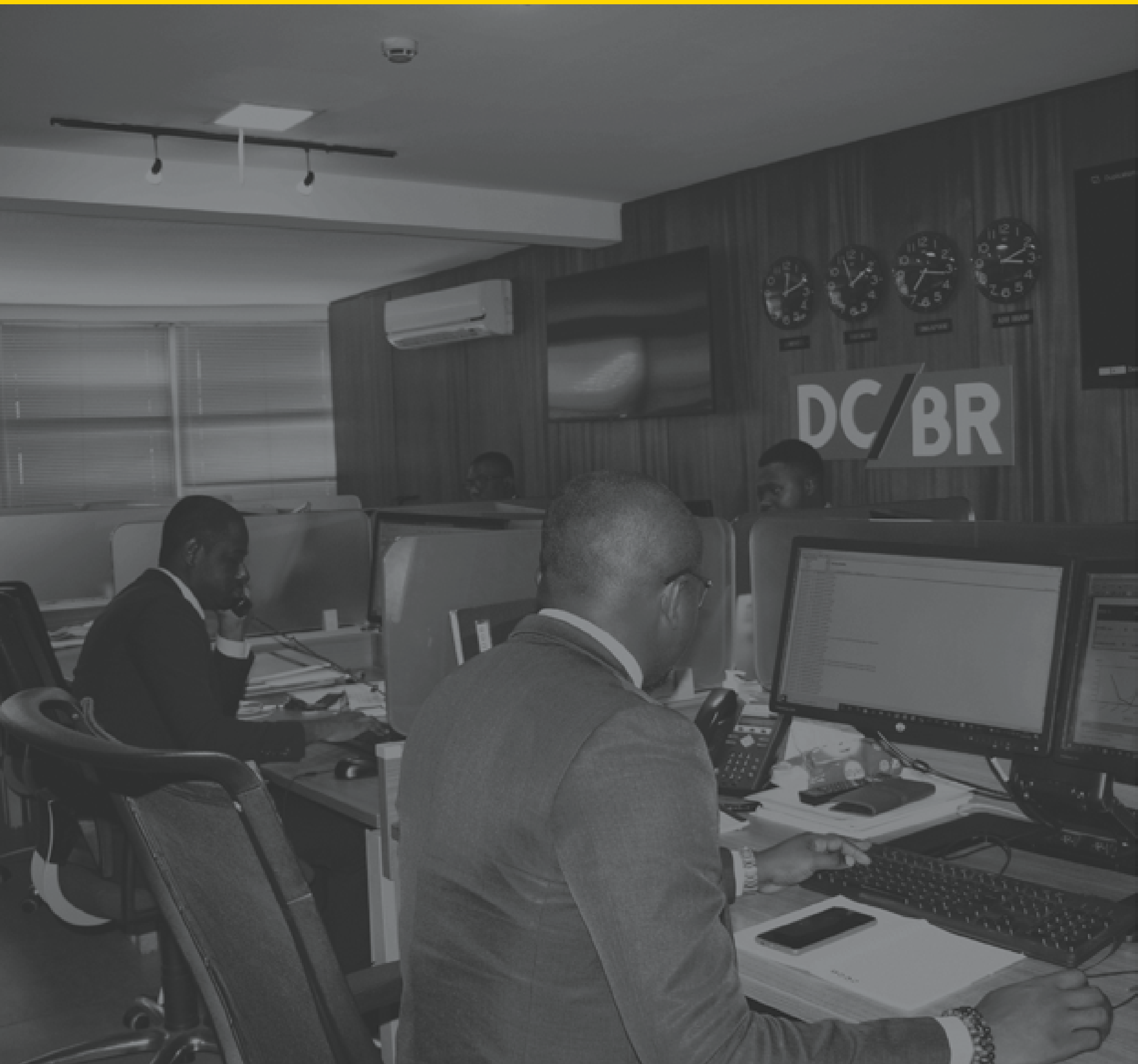
Capital Markets

Key indices charted a path to recovery throughout 2021

Capital increases help regional market bounce back

New bond issuances to fuel debt market fundraising

Agriculture companies capitalise on rising prices



The stock exchange has served the UEMOA member states for 25 years

Expanding links

After navigating the challenges of the 2016-20 period, the Bourse Régionale des Valeurs Mobilières looks to new horizons

After peaking in 2015, the regional stock exchange experienced a four-year period of decline before returning to an upward trajectory in 2021.

Headquartered in Abidjan, the Bourse Régionale des Valeurs Mobilières (BRVM) is the regional stock exchange that serves the capital markets of the eight members of UEMOA. The BRVM has experienced turbulent periods of growth and decline over its 25 years of existence. During the period that coincided with the civil and political unrest in Côte d'Ivoire, the BRVM showed limited progress in terms of trading activity and institutional development. In the early recovery years of the post-2012 era, the BRVM experienced substantial growth, recording a rise of 39.3% in 2013, its best annual performance to date. Growth continued in the following years, with the combined equity and bond market increasing by 11.2% in 2014 and 17.8% in 2015.

BOUNCING BACK: The exchange peaked in 2015 before its sharp fall between 2016 and 2020, falling by almost 50% in terms of market capitalisation, despite the economic growth experienced in Côte d'Ivoire in the same period. Following four years of decline, in 2021 the stock market was back on an upward trajectory, with the flagship indices experiencing their highest growth rates since 2013. The balance sheet of the regional stock exchange shows the evolution of capital markets within the past 25 years, as they increased their combined equity and bond market capitalisation from CFA1.1trn ($1.9bn) in 1998 to over CFA14trn ($24.1bn) in 2022.

Although the geographic composition of the BRVM has evolved over the years, Côte d'Ivoire, as the economic powerhouse of the region, shows a clear dominance on the stock exchange, both in the debt and equity markets. Similarly, the sector composition represented on the exchange does not fully reflect that of the country or the region. Efforts to encourage more listings and promote greater participation in the capital markets are under way and are likely to increase the diversity of the BRVM. Together with regulatory improvements and programmes aimed at further integration of regional markets, the BRVM is likely to improve its standing on the continent and attract both investors and listings in the upcoming years.

STRUCTURE & OVERSIGHT: The structure of the regional stock market has remained broadly unchanged over recent years, with 46 companies listed on the BRVM as of May 2022. In terms of sector composition, financial services are the largest group, with 15 listings, most of them banks. This is followed by companies operating in the industrial sector, with 12 listings; the distribution sector, with seven operators; and agriculture, with five company listings. Additionally, there are four utility companies listed on the BRVM, two operating in transport and the large construction firm SETAO.

Ivorian companies represent the majority of the listings on the BRVM, with 35. Senegal and Burkina Faso are represented with three companies each, and Togo has two listings. Additionally, Benin, Mali and Niger each have one company listed on the regional stock exchange. Guinea-Bissau is the only UEMOA member with no companies represented. In addition to the number of listings, Côte d'Ivoire also accounts for the largest share in terms of market capitalisation. However, the country is closely followed by Senegal, which despite having three listed companies, is largely supported by the market capitalisation of Sonatel Sénégal. As of May 2022 the Senegalese telecoms operator was by far the largest company listed on the exchange, with a market capitalisation of CFA1.5trn ($2.5bn).

Unlike the equity market, the BRVM's bond market has experienced substantial growth in the past years, with 101 bond securities listed as of May 2022. With 79 listings, government bonds were the largest category, followed by regional bonds, with 12. In addition, seven corporate debt titles and three *sukuk* (Islamic bonds) are also listed on the BRVM.

Ivorian companies represent

35

of the 46 listings on the Bourse Régionale des Valeurs Mobilières

As of May 2022 the total market capitalisation of the equity market stood at CFA6.2trn ($10.7bn), while the bond market had reached CFA7.8trn ($13.4bn), bringing the combined market capitalisation to over CFA14trn ($24.1bn).

TRADING ACTIVITY & PERFORMANCE: The BRVM closed 2021 with a record increase, achieving its best figures since 2013. The BRVM Composite Index, which is calculated based on the performance of all the stocks listed on the exchange, was up 39.2% in 2021, greatly exceeding the 11.2% increase experienced in 2014 and the 17.8% increase seen in 2015. The last time this index crossed the 35% growth mark was in 2013, when it rose by 39.3%.

The combined equity and bond market capitalisation of the BRVM increased from CFA10.4trn ($17.9bn) to CFA13.3trn ($22.9bn) in 2021, equivalent to 28% growth. Within the combined figure, the equity market saw an increase of 39% in 2021, and the bond market recorded 19% growth, with the equity market reaching CFA7.2trn ($12.4bn) by the end of December 2021, up from CFA6.1trn ($10.4bn) in December 2020, and the bond market reaching CFA6.1trn ($10.5bn). In terms of volume, the regional stock exchange achieved a record performance, with 983,078 securities and an average of CFA2.9bn ($5m) traded daily.

In comparison to other African stock exchanges, the BRVM Composite Index ranked fourth in terms of performance in 2021, behind the Ghana, Zimbabwe and Zambia stock exchanges. The high ranking of the BRVM Composite Index in 2021 was fuelled by the overall performance of Ivorian companies, particularly Nestlé Côte d'Ivoire and Société Ivoirienne des Tabacs, which achieved the largest valuation increases of all listed companies in Africa.

Reflecting the exchange's broader performance, the BRVM 10, the flagship index that lists the BRVM's 10-most-liquid titles, closed the year with an increase of 17.3%. The value of transactions on this index stood at CFA722bn ($1.2m), up 293% compared to 2020. The BRVM 10 comprises seven Ivorian listings, including SIFCA Group, Compagnie Ivoirienne d'Electricité and Unilever Côte d'Ivoire, as well as Senegalese and Burkinabe telecoms companies Sonatel and Onatel, and Togolese Ecobank.

Accounting for the lion's share of the BRVM in terms of market capitalisation and number of listings, the economic outlook of Côte d'Ivoire has a crucial impact on the region's capital markets. "The performance of the BRVM should be correlated with the economic activity in Côte d'Ivoire, since a good majority or the companies listed are Ivorian. This dominance is particularly felt if we only look at the industrial sectors, compared to financial services and telecoms, where representation from other UEMOA countries is fairly strong," Omo-dele Egue, managing partner at Kemol Capital, told OBG.

The regional stock exchange's performance has been reflected in the capital gains of investors. A total of CFA1.4trn ($2.4bn) was distributed to investors during 2021 in dividends, interest on bond securities and repayment of bond loans.

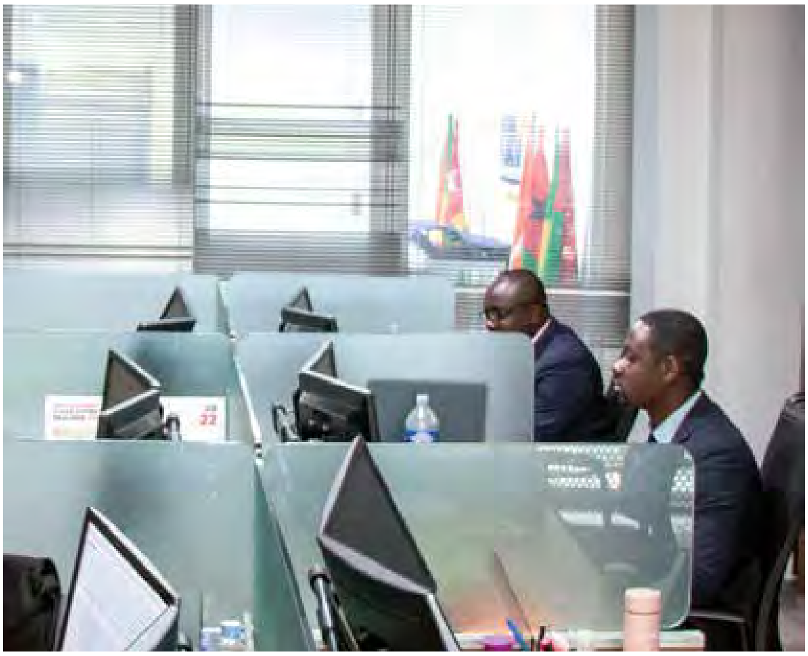
The BRVM Composite Index was up 39.2% in 2021, its highest recorded increase since rising by 39.3% in 2013

LEGAL CHANGES: In March 2022 the BRVM adopted a code of governance for companies listed on the exchange in cooperation with the International Finance Corporation. The code will serve as the sustainability and corporate governance guidelines for listed companies, and is expected to impact the region's economic actors through its core principles, particularly in relation to shareholder rights, gender equality and social development.

Another important initiative is the African Exchange Linkage Project (AELP), a flagship initiative of the African Securities Exchanges Association (ASEA) and the African Development Bank to facilitate cross-border trading of securities in Africa. The pilot phase of the AELP was planned to start with seven stock exchanges before being opened to all the stock exchanges on the continent. Nine stock exchanges are now involved in the pilot phase: the BRVM, the Johannesburg Stock Exchange, the Egyptian Exchange, the Casablanca Stock Exchange, the Nigerian Exchange, the Nairobi Securities Exchange, the Stock Exchange of Mauritius, the Ghana Stock Exchange and the Botswana Stock Exchange. With the launch of the first phase planned for the second half of 2022, stakeholders are currently at the stage of implementing the technological platform that will enable the routing of stock exchange orders and transaction confirmations among the brokers of the stock exchanges participating in the pilot phase.

In addition, changes to the regulatory framework governing private equity in UEMOA are also under way. The reforms were approved by the Regional Council for Public Savings and Financial Markets and are in the adoption stage. They aim to enhance the investment climate through the implementation of attractive tax measures and the relaxation of entry and exit requirements. "This was something the

The regional exchange achieved a record performance in 2021 in terms of volume, with 983,078 securities and an average value of $5m traded on a daily basis.



The market's structure has remained broadly unchanged in recent years, with financial services dominating

private equity players had been requesting for years and would be a real step forwards," Aurélie Pujo, senior partner and general counsel at Paris-based investment fund manager Amethis, told OBG. "The reforms to be adopted provide the necessary environment for private equity, with structures and facilities to set up funds and formally define the concept of professional investors."

Further anticipated developments include the second phase of the West African Capital Markets Integration project, which entails the harmonisation of regulations to allow qualified West African brokers to participate directly in markets across the region, as well as upcoming reforms to help promote the mortgage and securities markets.

REGIONAL EQUITY MARKET: Following its robust performance in 2021, the BRVM equity market stagnated somewhat in the first half of 2022. As of May 2022 the BRVM Composite Index was down 0.3% year-on-year, while the BRVM 10 Index showed a minor increase of 0.6% compared to same period in 2021. Within the individual sector indices of the BRVM, transport experienced the largest decline, with a drop of 7.2%; followed by the distribution sector, which was down 2.7%; and the industrial sector, which decreased by 1.3% year-on-year.

In a similar manner, price-to-earnings (P/E) ratios have lost their attractiveness somewhat compared to 2021 but remain well below their averages in previous years. As of May 2022 the BRVM's overall average P/E ratio stood at 8.3. Within the individual sector indices, agriculture had the lowest monthly average P/E ratio, with 5.9; followed by financial services and transport, both with 7.3. Reflecting broader index trends, the industrial and distribution sectors had the highest monthly average P/E ratios, with industry recording a ratio of 28.1 and distribution reaching a ratio of 31.5. Taking into account the BRVM's growing international attractiveness over the past decade, an estimated 25-27% of the regional exchange's equity market is traded by investors from outside the region.

Among the listings on the BRVM's equity market, Senegalese telecoms operator Sonatel remains by far the largest listing, with a market capitalisation of CFA1.5trn ($2.5bn) as of May 2022, followed by several banks. Among them, Société Générale Côte d'Ivoire is the largest, with CFA447bn ($768m); followed by Burkina Faso's Coris Bank International, with CFA304bn ($523m); the local subsidiary of Togo's Ecobank, with CFA242bn ($416m); and Société Ivoirienne de Banque, a subsidiary of Morocco's Attijariwafa Bank, with CFA230bn ($395m). Apart from banks, Burkinabe telecoms operator Onatel, Togolese banking group Oragroup and Ecobank Togo are the largest players listed on the BRVM. Among companies listed in other sectors, SIFCA Group's agriculture and agro-processing company Palmci, Nestlé Côte d'Ivoire and Total Côte d'Ivoire are medium-sized players on the stock exchange. As of May 2022 the total equity market capitalisation of the BRVM stood at just over CFA6.2trn ($10.7bn).

Total equity market capitalisation stood at

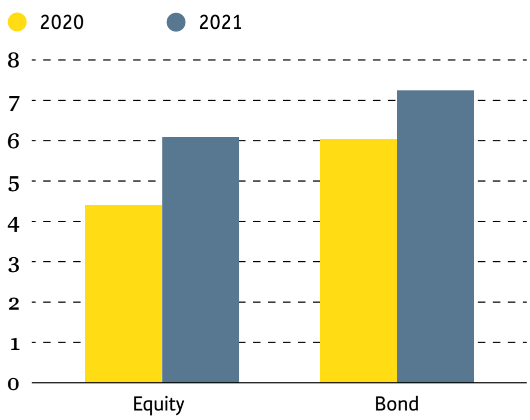
$10.7bn

as of May 2022

DEBT MARKET: The regional stock exchange's debt market reflects the geographic trends observed in the equity market. With 53 sovereign listings out of the total of 79, Ivorian bonds represent the largest share of the BRVM debt market as of May 2022. Côte d'Ivoire is followed by Burkina Faso, with 10; Mali, with seven; Niger, with four; Benin, with three; and Senegal, with two. Additionally, 12 regional and seven private bonds are listed on the BRVM. Three sukuk from Côte d'Ivoire, Senegal and Togo are also listed, bringing the total market capitalisation of the BRVM debt market to around CFA7.4trn ($12.7bn).

"In contrast to the equity market, the debt market of the BRVM, particularly the primary market, is very vibrant and has experienced consistent growth over the past decade, led primarily by Côte d'Ivoire in the sense that it makes regular issuances. All the countries in the UEMOA region recorded high GDP growth rates in the past decade, including Côte d'Ivoire, and sovereign debt has been a key

Market capitalisation, 2020-21 (CFA trn)



Source: BRVM

element of this growth," Soualiou Fadiga, executive director of the Professional Association of UEMOA Management and Intermediation Companies, told OBG. "Before the establishment of the regional capital market, multilateral institutions were by far the biggest source of funding. Now states are finding it increasingly easy to raise funds locally in local currency, compared with previous efforts to raise funds internationally," he added.

PLANNED LISTINGS: Initially announced by then-Prime Minister Amadou Gon Coulibaly in November 2017, telecoms operator Orange Côte d'Ivoire's planned initial public offering (IPO) had been postponed due to unfavourable market conditions. In April 2022 it was reported in the media that the negotiations were well under way, and the IPO was planned to be launched in the second half of 2022.

SME FINANCING: Small and medium-sized enterprises (SMEs) in Côte d'Ivoire account for 98% of companies. However, their contribution to GDP stands at around 20%, according to the national SME agency, Agence Côte d'Ivoire PME (CIPME), which was created by the government in 2014 and began operating in 2017. Historically, insufficient access to finance has been the main obstacle contributing to the low economic contribution and capacity development of Ivorian SMEs.

The regulatory and operational framework for SMEs improved with the creation of an SME-specific board on the BRVM in 2017, as well as alterations to the central bank's financing window and the government's efforts to render SME financing free of provisions starting from 2020. However, most SMEs have yet to benefit from these developments. The BRVM's SME platform has not seen listings in recent years due to eligibility and balance sheet requirements. A low level of financial literacy on the part of SMEs has translated into a reluctance to engage in capital markets. However, the evolving microcredit market is poised to become an important source of funding for SMEs, and institutions have scaled up their operations from nano-loans to bigger micro- and mezzo-loans worth up to CFA200m ($344,000).

> "The regulatory and operational framework for SMEs improved with the creation of an SME-specific board on the BRVM in 2017, as well as alterations to the central bank's financing window and the government's efforts to render SME financing free of provisions"

The discrepancy between the lending requirements of commercial banks and the capabilities of Ivorian SMEs remains a considerable obstacle to development, according to Salimou Bamba, director-general of CIPME. "The business models of formal banks are not quite aligned to the economic realities of the country. The level of organisation and business management of SMEs needs to be enhanced in order to adapt to bank standards. For example, they are often unable to provide the necessary documentation for an investment like purchasing new machinery. They also need more managerial knowledge and resources in order to be able to prepare a business plan," Bamba told OBG.

Recent legislative changes aim to increase the GDP contribution of small and medium-sized enterprises

In addition to limited access to business development services and skills, the collateral requirements of banks also pose a challenge for SMEs, which often lack land titles and encounter problems with property regulations and identification, particularly in rural areas. "SMEs in Côte d'Ivoire historically lack the equity size required to justify bank leverage. For example, transaction-based instruments can be developed to address the specific needs of SMEs for contract finance," Oloufemi Cédrick Montetcho, regional investment officer of Oikocredit, told OBG.

OUTLOOK: The global inflationary environment is likely to impact monetary policy both in Côte d'Ivoire and across the West Africa region. The relevant authorities are aiming to tame price increases, potentially through tighter monetary policies. A predicted rise in the cost of credit, combined with an increase in prices of raw materials and oil, could have a negative impact on corporate growth dynamics and in turn, affect stock market activities.

Fortunately, while the first half of 2022 saw signs of stagnation, the momentum that drove market performance in 2021 is expected to continue. In addition to prospects of new company listings and increased transactions on the BRVM, forecasts are positive, projecting that the regional exchange will close the year with a market capitalisation of CFA6.4trn ($11bn). Furthermore, efforts to engage UEMOA capital markets in the West African Capital Markets Integration initiative and wider African stock exchange projects are expected to come to fruition in 2022, laying the foundation for a more resilient stock market ecosystem on the continent.

After being postponed due to unfavourable market conditions, the initial public offering of one of the country's telecoms operators is planned for the second half of 2022.

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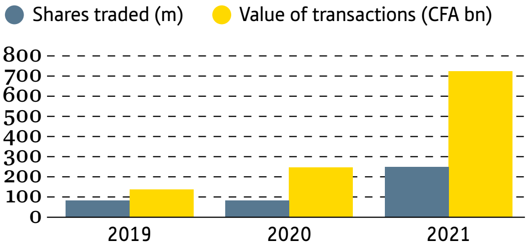
MEMBRE DU GROUPE BCP

Market analysis & data provided by Atlantique Finance

BRVM performance indicators, 2019-21



Source: BRVM; DC-BR Report/Atlantique Finance

Remunerating progress

Boasting resilience and robust growth, the Bourse Régionale des Valeurs Mobilières remains a top-performing exchange

The Bourse Régionale des Valeurs Mobilières (BRVM) of UEMOA, which includes Benin, Burkina Faso, Côte d'Ivoire, Guinea Bissau, Mali, Niger, Senegal and Togo, began its activities in 1998 with 35 listed shares. The exchange has since grown considerably – by the end of 2021 it had 46 securities, 35 of which were issued by Ivorian companies; and 123 bond lines, 94 of which were listed on the bond market and 29 unlisted.

The BRVM has been a top-performing African stock exchange since 2015, when it experienced a 17.7% increase in its composite index. Thanks to the robust evolution of its main indicators over four successive years, in 2016 the BRVM joined the stock exchanges of Nigeria, Morocco, Tunisia, Kenya and Mauritius in the MSCI Frontier Market Index.

However, after these prosperous years, the BRVM fell into the red between 2017 and 2020. It reached its lowest point in 2019, when it fell by 29.1%, before posting a 39.2% recovery in 2021, becoming the second-best-performing African stock exchange.

This performance reflects the dynamism of stock market activity in UEMOA in 2021, notwithstanding the international disruption of economic activity caused by the Covid-19 pandemic and the regional impact of the socio-political crises in Mali and Burkina Faso. The resilience of regional economies in the face of these events can in part be attributed to measures by regional governments to stimulate economic activity and the accommodative monetary policy of the Central Bank of West African States, which has supported businesses and households through measures like cuts in key interest rates and the postponement of the maturity of debts of businesses affected by the pandemic.

KEY FIGURES: The improvement was also felt in terms of transactional flows, with a volume of 248m securities traded on the stock market in 2021, quintupling the amount traded to CFA723bn ($1.2bn), compared with the amount lost in 2019. The shares of Sonatel Sénégal remained the most active in terms of value, with more than CFA49bn ($84m) traded.

The BRVM increased its overall capitalisation to CFA13.3trn ($22.7bn) in 2021, a strong increase (48.6%) compared to the CFA9trn ($15.5bn) recorded at the end of 2019. The equity and bond segments contributed 46% and 54%, respectively.

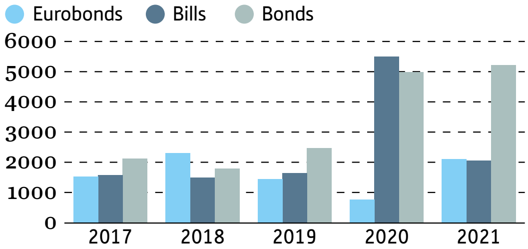
In terms of variation in the market, the best performance in the equity market was achieved by the shares of Nestlé Côte d'Ivoire, whose price increased by a factor of 14 in one year, rising from CFA320 ($0.55) at the end of 2020 to CFA4605 ($7.92) at the end of 2021. In contrast, the shares of Société Ivoirienne de Câbles exhibited the weakest performance, increasing by 0.5% for the year 2021.

Despite the challenging situation faced by the BRVM in 2020, more than CFA323bn ($555m) was distributed in net dividends this year by 32 of the 46 listed companies, compared to the CFA282bn ($485m) paid by 24 companies in 2019.

MARKET DEVELOPMENTS: The regional market could still experience an upturn in the coming years, considering that the negative factors that pushed it into the red between 2016 and 2020 have already reached their peak, meaning that their impact has been fully integrated into current stock prices. Additionally, the BRVM has engaged in major projects and has innovated constantly to develop its activities and capacities for a number of years. A third market dedicated to small and medium-sized enterprises, which will soon be launched, will make the BRVM more attractive. New features such as online trading, which is already active, and new financial instruments, notably exchange-traded funds, will help reduce market costs and improve accessibility. Lastly, the upcoming launch of project bonds and the creation of a commodities market could provide a better economic outlook and give the BRVM an even brighter future in the short and medium term.

Market analysis & data provided by Atlantique Finance

Issuance by instrument, 2017-21 (CFA bn)



Source: BCEAO/Monetary Policy Reports Mar 2022

Favourable figures

New maturities on bond issuances debut as the regional debt market remains a key source of financing for UEMOA states

Economic activity in UEMOA strengthened in 2021, resulting in 6.1% estimated growth in GDP after a sharp slowdown in 2020 due to the effects of the Covid-19 pandemic. Economic stimulus measures implemented by member states and the accommodative monetary policy maintained by the Central Bank of West African States (Banque Centrale des Etats de l'Afrique de l'Ouest, BCEAO) were the primary drivers of this growth. The average annual inflation rate was estimated at 3.6%, compared with 2.1% in 2020, due to the rise in the price of imported food products and the decline in local agricultural production. UEMOA's foreign exchange reserves stood at CFA14trn ($22.3bn) as of 2021, amounting to a monetary emission coverage rate of 79.3% and providing the bloc with six months of imports.

However, the acceleration of public investment within the framework of each member state's stimulus plan has boosted public expenditure sharply compared to revenue, bringing the overall budget deficit including commitments and grants to CFA5.89trn ($10.1bn) in 2021, around 5.9% of regional GDP, compared with 5.6% in 2020, with some disparities between states. Accounting for capital transactions, UEMOA's overall financing requirement, estimated at CFA4.14trn ($7.12bn) in 2021, up 42.3% compared to 2020, was covered by capital inflows from the regional financial market and eurobond issues.

FUNDRAISING: Notwithstanding the fiscal consolidation supported by the IMF, the regional public debt market remained the main source of financing for UEMOA governments during 2021. Issues on the regional public debt market amounted to CFA7.3trn ($12.5bn) gross, a CFA3.2trn ($5.5bn) drop from 2020. This decrease is explained in particular by the 62.6% decline in bill issues following the end of the Covid-19 bill programme set up by the BCEAO at the end of 2020. The 4.6% increase in Treasury bond issues, however, helped mitigate the decline.

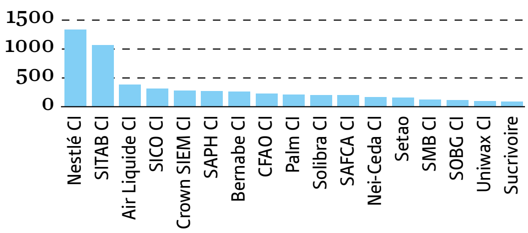
More than CFA2.1trn ($3.5bn) in Treasury bills was raised in 2021 – amounting to 28.3% of the total resources raised on the regional financial market – compared to CFA5.5trn ($9.5bn) in 2020. This included Support and Resilience Bonds, representing 32.1% of the resources raised, or CFA660bn ($1.13bn), with strong demand for the 12-month maturity, for a total of CFA1.2trn ($2.1bn), or 59.4% of the bonds issued over the time period.

Bond issuances spanned multiple maturities. CFA698bn ($1.2bn) was issued at a three-year maturity, CFA773bn ($1.33bn) at five years, CFA763bn ($1.3bn), at seven years, CFA609bn ($1.1bn) at 10 years and CFA11.3bn ($19.4m) at 12 years. Bonds carrying 15-year maturities were issued for the first time, at a value of CFA130bn ($223m). Additionally, three UEMOA countries raised resources totalling CFA2.1trn ($3.6bn) through eurobond issues: Benin, for a total amount of €1.5bn; Côte d'Ivoire, with €926.7m; and Senegal, for an amount of €775m.

RISKS & OPPORTUNITIES: The macroeconomic outlook within UEMOA over the next five years remains favourable, despite an increase in risk due to geopolitical tensions between Russia and the Europe-US bloc; disruptions caused by regional security, health and socio-political crises; and adverse weather conditions. States will have significant recourse to local and international markets to finance their programmes. To this end, several measures have been planned to improve regional financial market operations, including the adoption of a single central securities depository and the transition to integrated market supervision to open traditional markets to non-bank investors; the development of the secondary securities market through the adoption of a reliable rate curve; and, lastly, the implementation of new products in the regional market, a measure that should allow UEMOA member states to raise financial resources with longer maturities.

Market analysis & data provided by Atlantique Finance

Largest share price fluctuations as of December 31, 2021 (% change y-o-y)



Source: BRVM/Atlantique Finance

Sowing success

Export commodity prices and new company groupings are adding dynamism to the regional agriculture sector

In 2021 the global economy was marked by an exacerbation of market supply difficulties, in line with the persistent impact of the Covid-19 pandemic. In this context, crude oil prices on international markets jumped by 49.8% in one year in US dollar terms. Over the same period, agricultural producer prices increased by 17.6% compared to 2020. For the main commodities exported by UEMOA countries, prices also rose over the whole of 2021, by 60.6% for coffee, 41.8% for cotton and 31.6% for rubber.

NEW GROUPINGS: The agriculture sector of the Bourse Régionale des Valeurs Mobilières (BRVM) consists of five companies grouped under Ivorian law. These companies include palm oil producer Palmci, rubber producer Société Africaine de Plantations d'Hévéas (SAPH) and cane sugar producer Sucrivoire, which are subsidiaries of Sifca Group; palm oil and rubber producer SOGB, which is a subsidiary of the Bolloré Group; and shredded coconut producer Société Ivoirienne de Coco Râpé (SICOR). The main products marketed by the issuers of securities in the agriculture sector were positively impacted throughout 2021 by a relative increase in the prices of agricultural raw materials at the international level. The top performer, rubber, witnessed a robust rise of 31.6%, while palm oil saw an increase of 12%.

By capitalising on favourable economic and price conditions over the first nine months of 2021, SAPH, Palmci and SOGB recorded improved profitability. More precisely, SOGB saw its profits double, while SAPH saw them quadruple and Palmci's increased by a factor of five compared to the third quarter of 2020. Confronted with land issues concerning village populations in its areas of operation, SICOR saw its 2019 profits fall by 99% compared to 2018. As of mid-2022 the company had yet to publish any additional figures. A similar situation exists for Sucrivoire, which saw its net profit fall by 98% in the third quarter of 2021 on a year-on-year basis, due to the low sugar content of the harvested cane in addition to a lack of rainfall that has negatively impacted the water resources needed for irrigation.

At the end of 2021 the sector index more than tripled to 216.41 points, strongly driven by the favourable annual performances recorded by the shares of these five companies. Shares of Sucrivoire doubled in value compared to 2020 prices, shares of SICOR quadrupled, shares of Palmci tripled, shares of SOGB doubled and shares of SAPH quadrupled.

In terms of agriculture sector-related trade in 2021, more than 2m securities were traded at a value of CFA7bn ($12m), equivalent to 40% of the transactions conducted on the BRVM. The capitalisation of the agriculture sector on the BRVM more than doubled in 2021 to exceed CFA288bn ($495m), in line with the increase in prices.

MEDIUM-TERM PROSPECTS: With the exception of the shares of SICOR, which have limited visibility in terms of fundamentals, the performance of the BRVM's agriculture subsector will continue to be guided in the medium term by the international economic environment and planned investments by companies to secure existing plantations. The returns of the sector's stocks will therefore remain sensitive to both fluctuations in the commodity market on a regional and global level, and the value of the US dollar internationally.

Regardless of global risk factors, Palmci, SAPH and SOGB – all of which have shown resilience during cycles of falling prices – have proven capable of making the necessary investments to maintain their margins in case of a worsening economic situation. As for the sugar industry, the Ivorian government has decided to dedicate CFA151bn ($260m) in support of the investments of sugar-producing companies over the period 2021-25 through plan contracts. Thanks to high-performing shares and government support, the medium-term outlook remains positive.

Tardy Kouassiblé

Money in motion

Tardy Kouassiblé, Deputy Managing Director, Atlantique Finance, on monetary policy and fostering financial stability

To what extent does exchange rate volatility risk affect the movement of funds, and what can be done to ensure financial stability?

KOUASSIBLÉ: Over the past four decades foreign capital flows have intensified, driven by financial liberalisation. This has helped to increase production, support domestic demand in the various countries in UEMOA and promote growth. Capital movements have also been reflected in the deepening of the financial system. The attractiveness of these flows is linked to improved economic fundamentals, such as macroeconomic stability and an expanding financial account, as well as a more favourable political climate.

However, the risk of exchange rate volatility is a factor that can promote or deter investment and potentially impact the flow of capital to the regional economy. The short-term profitability of assets may be higher when volatility rises, but so too are the losses, which can exacerbate inflation and threaten financial stability.

Although capital flows bring several benefits that can improve the economy, certain conditions remain essential to sustain this activity. These include the development of the financial system, improvements in the institutional framework, sound macroeconomic policy and trade openness. The policy rate and reserve requirements are additional tools to create a better understanding of financial movements.

How is the sector reacting to inflation risk related to supply tensions in the international market?

KOUASSIBLÉ: Inflation in the country increased slightly to 5.6%, compared to the authorised 3% ceiling in UEMOA. Several factors have contributed to this situation, such as the rising cost of maritime transport, the increase in oil prices on global markets and the security situation in the Sahel – the country's primary source of agricultural commodities.

Various regulatory tools are available to keep inflation within an optimal range to promote growth without reducing the currency's purchasing power. These measures include setting monetary policy such as tightening the money supply and raising interest rates to maintain a low, but not zero, inflation rate, and pursuing a fiscal and budgetary policy that aims to achieve an optimal balance between supply and demand. In Côte d'Ivoire, where the capital market is managed by the Central Bank of West African States, the decision was made to raise its two key policy rates, thereby opting for a reduction in liquidity in line with all other UEMOA member countries. The minimum bid rate for liquidity injection tenders rose from 2% to 2.25%, and the marginal lending rate increased from 4% to 4.25% between June 2020 and June 2022.

However, tightening the money supply to fight inflation implies that inflation is sustained by a surplus of liquidity, which could be described as monetary inflation. In this case, inflation in UEMOA is essentially linked to the rise in international commodity prices.

What role can capital markets play in helping the country achieve the objectives set out in the National Development Plan 2021-25?

KOUASSIBLÉ: Within the plan's framework, 75% of investment has been delegated to the private sector. The question is how businesses will be able to seize financing opportunities through the capital markets. Companies must have adequate resources to finance such investment since the private sector is obligated to invest CFA44trn ($75.6bn) between 2021 and 2026 to aid in the country's development.

Given the amount of capital to be raised and the complexity of the investment to be made, capital markets could look to tailored financing to achieve this objective. To address the unique requirements of particular projects, structured finance can be applied by customising the financing to the initiative. This could be realised through public-private partnerships, green bonds, project bonds, blue bonds and securitised debt.

Insurance

Reforms enacted to redefine and reshape the market

Digitalisation streamlines automobile policy coverage

Increasing financial inclusion through micro-insurance

Positive prospects for intra-regional market expansion

The sector has benefitted from West African economic integration

Premium performance

Reforms aim to expand the country's footprint in the industry and strengthen its regional standing

Although Côte d'Ivoire's insurance sector is progressing each year and has a substantial direct and indirect impact on the economy and job creation, the penetration rate – measured as premium relative to GDP – remains low. While combined life and non-life insurance sector premium nearly doubled from CFA270bn ($464.1m) in 2015 to CFA462.7bn ($795.4m) in 2021, the 2-3% insurance penetration rate is below that of South Africa, which leads the continent at 14%, and below the global average of 7%.

The factors contributing to the low penetration rate include a lack of public awareness and education about the industry as a whole. Other reasons include limited access to insurance services and low levels of financial literacy and banking penetration. To date, foreign firms operating in the country and employees of large international corporations are the primary beneficiaries of insurance products.

STRUCTURE & OVERSIGHT: The sector has benefitted from the economic integration of West African countries. In terms of industry regulation and oversight, Côte d'Ivoire is connected with the 13 other member countries of the Inter-African Conference on Insurance Markets (Conférence Interafricaine des Marchés d'Assurances, CIMA). Foreign insurers are permitted to operate local branches, but they must adhere to the CIMA code in the same way as local firms. For example, insurers in the zone have a minimum capital requirement of CFA3bn ($5.2m), which is expected to rise to CFA5bn ($8.6m) by 2024. In addition, they must comply with any on-site and off-site inspections that CIMA carries out.

Côte d'Ivoire is a key regional player in the insurance sector, accounting for most of West Africa's premium and home to the headquarters of the bloc's biggest insurance companies. As of May 2022, 32 companies were operating in the country – 21 in non-life and 11 in life segments. The sector is dominated by five players, which include a mix of local, pan-African and international companies. In 2021 South Africa's Sanlam Group led the non-life segment with a 22% market share. Within the broader non-life category, auto coverage captured 32% market share, at CFA65.5bn ($112.6m). Health insurance followed with 29% and CFA59.2bn ($101.8m) in premium, and fire insurance earned a 20% share with CFA40.9bn ($70.3m) in premium. The remaining largest non-life segments in 2021 were cargo and transportation insurance, with 9%; public liability insurance, with 4%; and personal accident and other risk insurance, with 6%. In the life segment, five players command the landscape with a combined 70% market share; pan-African SUNU Group has the largest stake, at 29.3%, followed by Ivorian NSIA with 20%, Germany's Allianz with 14.8%, Sanlam with 13% and Morocco's Wafa Assurance with 7%.

PERFORMANCE & SIZE: The insurance market in Côte d'Ivoire has seen a substantial increase in the life and non-life segments. Premium in the non-life segment increased by 11.2% in 2021 to CFA257bn ($441.8m), up from CFA231bn ($397.1m) in 2020. The life segment recorded a similar growth rate of 12.8% in 2021 and reached CFA204bn ($350.7m), as compared to CFA181bn ($311.1m) in 2020. As a result, the combined turnover of the life and non-life insurance market in Côte d'Ivoire grew to CFA462.7bn ($795.4m) in 2021, up 11.9% from CFA413.6bn ($711m) in 2020.

The sector's overall expansion is reflected in the performance of the individual players, particularly the newcomers to the Ivorian market. Génération Nouvelle d'Assurances Côte d'Ivoire (GNA), which has been active in the country since 2008, achieved the highest growth in 2021, at 175.8%. SMABTP, which entered the Ivorian market in 2017, earned a modest turnover of CFA3.4bn ($5.8m) in 2021 and recorded the second-highest growth rate, at 143%. Cameroon-based Activa Assurances came in third in 2021 and recorded a 124% growth rate. However, the recent increase in premium has not been accompanied by a

In 2021 the combined premium of the life and non-life insurance markets reached

$795.4m

The country is a key regional player in the sector, accounting for the majority of premium and home to the headquarters of the bloc's biggest insurance companies.

Companies aim to expand their market by offering micro-insurance to Ivorians working in the informal sector

Within the non-life insurance space, auto coverage maintained its standing as the largest subsegment in 2021, with 32%. Following closely behind was health insurance, at 30%.

Regional harmonisation of the regulations governing auto insurance across ECOWAS has been a welcome step for motorists. Thanks to the Brown Card scheme, drivers are protected by their local insurance when they travel through member nations.

rise in market penetration. "The insurance sector is very closely linked to the economic situation – it even reflects it. For example, when the GDP growth rate decelerates, we can expect to see a similar decline in activity in the sector," Romuald Kouassi, general director at GNA Assurance, told OBG.

NON-LIFE & LIFE: Five major insurance companies retained their market positions from 2020 to 2021. Among the biggest players in the non-life market, Sanlam solidified its top spot among the industry's major competitors with a growth rate of 7.8% in 2021 and a total turnover of CFA56.6bn ($97.3m). Following Sanlam, Allianz held on to second place and grew by 8.7%, reaching CFA29bn ($49.9m). NSIA retained its number-three position, growing by 11.8% and reaching CFA24bn ($41.3m). France's AXA and SUNU Group were the fourth- and fifth-biggest players in terms of market share, growing at 8.4% and 3.8%, respectively.

Within the non-life insurance space, individual subsegments largely retained their market share and positions. Auto coverage maintained its standing as the largest subsegment, with 32% in 2021, compared to 34% in 2020. Following closely behind was health insurance, which dropped slightly from 30% to 29%. The fire insurance subsegment saw an increase in its market share to 20%, up from 17% in 2020.

Among the insurance companies active in the life segment, Leadway earned the top spot in 2021. The firm boosted its overall turnover, jumping 72.1% from CFA1.2bn ($2.1m) in 2020 to CFA2.1bn ($3.6m). Similar to the non-life insurance segment, the largest players retained their market positions from 2020 to 2021. SUNU Group remained the biggest player in terms of turnover, growing by 10.6% and reaching CFA60.2bn ($103.5m) in 2021. Following SUNU Group, NSIA was the second-largest company in the life segment, experiencing a growth rate of 17.3% and bringing the group's total turnover to CFA41.1bn ($70.7m), up from CFA35bn ($60.2m) in 2020. With growth rates of 10.1% and 2.7%, respectively, Allianz and Sanlam were the third- and fourth-largest companies in the Ivorian life insurance market that year. Rounding out the top five, Wafa Assurance experienced substantial growth of 43.7%, from CFA9.9bn ($17m) in premium in 2020 to CFA14.2bn ($24.4m) in 2021.

Despite this performance, coverage uptake remains the biggest obstacle to the sector's competitiveness. "The Ivorian insurance market has experienced robust, sustained growth over the years in terms of premium. However, this is less significant in light of the relatively small penetration rate. As such, the top priority is how to increase the number of people covered, which is essential for the development of the market," Luc Noubissi, senior insurance specialist at CIMA, told OBG.

Some stakeholders believe that the low penetration stems in part from mistrust of insurance companies. "There has been relatively stagnant growth in the insurance penetration rate in Côte d'Ivoire, as well as a lack of general awareness about the different insurance products on offer. Some failures to pay claims on time have also negatively impacted confidence in the sector," Balamine Dicoh, executive secretary of the ECOWAS Brown Card Scheme, told OBG.

AUTOMOBILE INSURANCE: Automobile liability insurance is mandatory in order to cover damages or injuries in the event of a traffic accident. It comprises the largest share of non-life insurance premium, at 32% of the market. Regional harmonisation of the regulations governing auto insurance across ECOWAS has been a welcome step for motorists. Thanks to the Brown Card initiative introduced as part of the revisions, drivers are protected by their local insurance when travelling through ECOWAS nations. Furthermore, they are exempt from formalities regarding legal liability since government authorities in the bloc recognise the brown card.

La Poste de Côte d'Ivoire, the nation's postal service, has been distributing automotive insurance goods since June 2021. Its Poste Auto product, which is accessible at post office locations across the country, allows drivers to renew or purchase insurance policies for their vehicles and submit claims. To improve the customer experience, staff members complete specialised training on insurance products, claims management practices and customer service. Pan-African Sonam Générale Assurances and insurance broker Inclusive Guarantee collaborated to carry out the programme. Through this campaign, the authorities hope to boost the penetration rate of motor insurance.

In July 2021 the Directorate General of the Treasury and Public Accounting and the Association of Insurance Companies of Côte d'Ivoire (Association des Sociétés d'Assurances de Côte d'Ivoire, ASA-CI), signed an agreement to create a digital platform to produce and manage motor insurance certificates. The platform, which aims to streamline processes in the sector, will operate on a secure server and will generate encrypted electronic certificate numbers. It will also monitor civil liability and mandatory tariffs. The digitalisation project "will make it possible to accelerate the process of compensating victims and fighting against uninsured vehicles," Mamadou Koné, president of ASA-CI, told local media.

HEALTH INSURANCE: With an average annual growth rate of 10% over the last five years, the health insurance market has outperformed all other policy lines. This performance is largely attributable to higher rates set by health maintenance organisations (HMOs) rather than increasing insurance penetration. In recent years, growing use of medical services and hospitalisations have increased health insurance rates alongside the rising cost of health care.

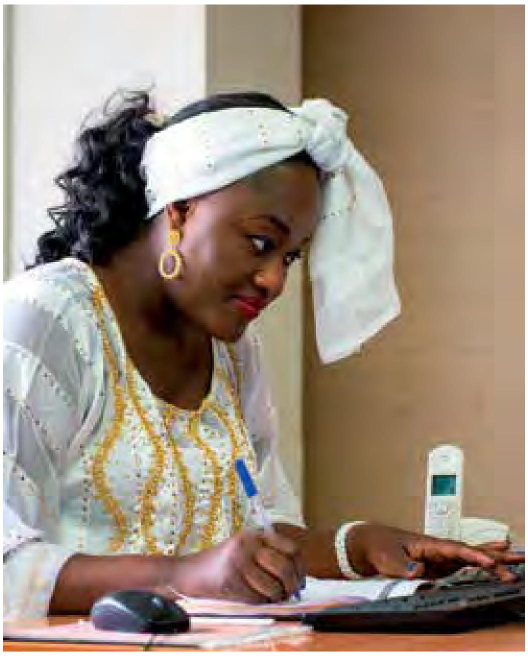
Elevated costs in the segment are also related to administrative factors at the hospital level. For example, some health care facilities face payment delays when patients are covered by third-party insurers. Additionally, the diversity of players – in particular insurance companies and HMOs, each with its own management platform and coding system – adds to the administrative costs for clinics and can lengthen the time and resources needed to provide patient care.

MICRO-INSURANCE: Companies aim to expand their market by offering micro-insurance to the large proportion of Ivorians working in the informal sector. The increasing adoption of mobile money and digital financial services has paved the way for digital operators to offer 100% digital insurance products for low-income populations that lack access to traditional insurance products. For example, micro-insurance financial technology (fintech) firm aYo, in collaboration with Sanlam and telecommunications operator MTN, began offering hospitalisation and death coverage of up to CFA600,000 ($1030) using mobile phones and mobile money in August 2021.

Micro-insurance is expected to play an increasingly important role in the agriculture sector as well, which is the largest source of employment for Ivorians (see Agriculture chapter). Agriculture insurance technology (insurtech) start-up OKO offers inclusive agricultural and crop micro-insurance aimed at securing the income of small-scale farmers affected by unfavourable weather conditions, droughts and floods. The company operates in cooperation with Allianz Re, which analyses and approves risk calculations, as well as other local insurance partners, and uses satellite data and mobile money transfer services to design automated micro-insurance products. As an emerging pan-African player, OKO established a presence in Uganda and Mali, where it has about 7000 customers and compensated more than 1000 flood-affected farmers in 2020. The start-up raised $1.2m in funding in April 2021 which will be used for its expansion into the Ivorian market.

DISTRIBUTION CHANNELS: The distribution of insurance products in the country relies on insurance brokerage firms and professionals, who act as intermediaries between clients and insurance firms, guaranteeing terms, coverage and payment conditions. As

The increasing adoption of mobile money and digital financial services has paved the way for digital operators to offer 100% digital insurance products for low-income populations that lack access to traditional products.



Brokerages are innovating and digitalising products to improve access

The growing middle class and the country's transition from an informal economy to a formal one will create a broader need for diversified insurance offerings.

of May 2022, 334 brokerage firms and professionals were active in Côte d'Ivoire. As a regional regulator, CIMA works in coordination with the ministries of finance in its member states and is in charge of licensing and supporting insurance intermediaries, and implementing training and certification programmes for insurance professionals.

To expand their footprint, brokerages are innovating product design to improve access and customer experience. Insurtech start-up Baloon offers digital insurance products online and through the company's mobile application. The company, which first developed on a business-to-consumer distribution model for automobile coverage, has now expanded into health and travel insurance, working with both insurers and brokers. Baloon currently serves some 20,000 customers within francophone Africa.

Another notable player is Abidjan-based consulting firm and insurance brokerage Optimus, which serves small and medium-sized businesses. In collaboration with Dakar-based insurtech company Assuraf, it launched a digital insurance platform in January 2022 to provide access to insurance. The solution provides insurance issuance, renewal and premium comparison services for all segments. The company offers a 100% digital insurance product, including quotations, subscriptions, payment and claims reporting.

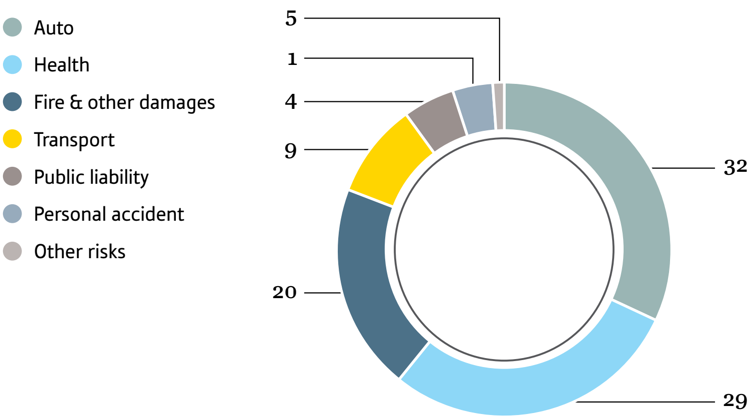
REINSURANCE: Amendments to Article 308 – which limits local insurers' reinsurance cessions outside of the CIMA zone and adjusts the percentage of reinsurance transfer based on the type of activity – has had a significant impact on the regional reinsurance market. The reforms require full local ceding of coverage for small risk segments such as health, vehicle, accidents and life; this was previously capped to a maximum of 75% outside of CIMA. Up to 50% of risks including property damage and general civil liability may be transferred beyond the zone, with exceptions only approved by national ministries of finance.

Côte d'Ivoire's position in the bloc's reinsurance market has improved as a result of the reforms, making it easier for international companies to open offices there. Morocco's Wafa IMA Assistance is the most recent entrant, receiving an operating licence for its reinsurance business in August 2021. The company's Abidjan office will support the group's activities in Côte d'Ivoire, Cameroon, Senegal and Mali. It joins Swiss Re, the world's largest reinsurer by net premium written; Germany's Hannover Re; Kenya's Kenya Re and ZEP-RE; Sierra Leone's WAICA Re; and Morocco's Société Centrale de Réassurance, which all opened offices in the country between 2017 and 2018. However, the Ivorian reinsurance market remains dominated by pan-African reinsurers, CICA-RE and Africa Re, with local players NCA Re and Aveni Re Assurance dominant in the property damage segment.

OUTLOOK: New opportunities for the insurance industry will arise as a result of economic progress and diversification in Côte d'Ivoire as well as the larger CIMA area. The growing middle class and the country's transition from an informal economy to a formal one will create a broader need for diversified insurance offerings. Local insurance players will be better able to operate outside of the bloc as a result of the gradual alignment of CIMA legislation with those of the other regional economic unions on the African continent. However, to increase the level of trust in the system, insurance companies will need to reassure consumers by upholding their contractual commitments and expediting claims settlement.

Innovation and digitalisation will be central to efforts to expand product selection to attract the country's large underinsured population. The growing importance and adoption of digital financial services and mobile money products are expected to facilitate partnerships between insurance companies and mobile solution providers to offer digital insurance products, including micro-insurance. Expansion of the distribution channels from traditional insurance companies and banking networks will also go hand in hand with Côte d'Ivoire's financial inclusion strategy.

Non-life premium by segment, 2021 (% of total)



Source: SIKA Finance

The country is a catalyst for public and private insurance integration

Outward bound

New opportunities for Ivorian players to expand in UEMOA

Côte d'Ivoire's importance as a regional centre for the insurance sector is growing, as an increasing number of pan-African players open offices and branches in Abidjan. The country has been a catalyst for the integration of public and private insurance stakeholders in the 14 member countries of the Inter-African Conference on Insurance Markets (Conférence Interafricaine des Marchés d'Assurances, CIMA). Even though large pan-African and international players dominate the insurance sector in Côte d'Ivoire, and in the CIMA region more broadly, Ivorian insurance players have an eye on extending their operations in UEMOA.

REGIONAL LEADER: In terms of total premium for the life and non-life segments, Côte d'Ivoire is the largest market in the CIMA zone, followed by Cameroon and Senegal. Prominent international players such as Germany's Allianz, France's AXA, Morocco-based Saham and pan-African SUNU Group operate through their local branches and contend for market share in an increasingly competitive environment. In recent years strategic partnerships and acquisitions have shaped this landscape, with the larger firms targeting specific markets and segments to facilitate regional expansion.

> Increased competition is likely to pave the way for more consolidation, with potential acquisitions of small local operators by pan-African and international groups

Ivorian-based insurer NSIA illustrates this trend well. In September 2021 the company grew its presence by acquiring four Sanlam subsidiaries, including the firm's life insurance units in Togo and Gabon, and the non-life insurance units in Congo and Guinea. At the same time NSIA was expanding into those countries, it sold its non-life subsidiaries in Mali to the South African firm.

REGULATORY HURDLES: As Ivorian insurers aim to replicate their success outside their home market, they are navigating legal and regulatory idiosyncrasies in other markets. "There are good experiences of Ivorian companies expanding their operations in ECOWAS and Central Africa, but other regions have greater barriers to entry. In North and Southern Africa, Ivorian players need to comply with additional requirements like notations, accreditation from internationally recognised agencies, higher minimum initial capital and partnerships with local investors, which are not enforced in CIMA," Luc Noubissi, senior insurance specialist at CIMA, told OBG. In terms of operational capability, the modest size of the CIMA market has the potential to give large pan-African businesses an advantage.

Increased regional and continental competition is likely to pave the way for more consolidation, with potential acquisitions of small local operators by pan-African and international groups. At the same time, there has been increasing harmonisation of the insurance landscape of the region, as seen in Morocco, Cameroon, Gabon, Burkina Faso, Senegal and Kenya, which is reflected in the growing dominance of the top-five players in Côte d'Ivoire.

Such developments dovetail the second phase of planned increases in insurance companies' minimum capital requirements within the CIMA region. The increase will raise the threshold from CFA3bn ($5.2m) to CFA5bn ($8.6m). Initially planned for the end of 2021, the implementation of the regulatory change had been postponed to 2024 at the request of smaller insurers, to enable them to prepare for this mandate and recover from the effects of Covid-19.

Aside from strategic acquisitions, businesses are seeking regional alliances to concentrate their operations on the continent. For example, smaller insurance providers in Côte d'Ivoire and beyond could stand to benefit from discussions between Allianz Group and Sanlam about their operations outside of South Africa.

Strategic partnerships and acquisitions have shaped the insurance landscape, with large players targeting specific markets and segments to facilitate broader regional expansion.

The minimum capital requirement for insurance companies in the Inter-African Conference on Insurance Markets zone is slated to increase from $5.2m to $8.6m in 2024.

Roland Ouedraogo

In safe hands

Roland Ouedraogo, General Director, Sanlam Assurance Côte d'Ivoire, on growth in the insurance market

Where do you envision opportunities to expand the insurance penetration rate?

OUEDRAOGO: The penetration rate – or more simply the share of insurance premium to GDP – is still considerably low in Côte d'Ivoire. It amounted to 1.1% in 2020 according to estimates by Atlas Magazine, compared to around 3% for the continent the same year. Real opportunities exist and must be exploited for this to improve. These include the penetration of mobile phones and mobile payments, a young population hungry for digital consumption and the dynamism of Côte d'Ivoire's economy, which has shown sustained growth of around 8% over the past decade.

Three factors can increase the insurance penetration rate. First, improvements in the claims experience of policyholders and victims of traffic accidents can lead to greater insurance penetration. A second area is innovation to attract consumers through simple, accessible and transparent products. Finally, additional lines of compulsory insurance to cover certain liabilities can increase demand and penetration.

Which sectors do you see as drivers of growth for the domestic insurance market?

OUEDRAOGO: After modest growth in 2020 due to the Covid-19 pandemic, the insurance market picked up again in 2021, according to figures provided by the Association of Insurance Companies of Côte d'Ivoire. Expansion was led by property insurance – excluding motor – which saw growth of 21% over the year, followed by life insurance (13%) and health insurance (8%). We saw that infrastructure, industry and service projects have had an impact on insurance premium.

Despite more cars on the road, the auto segment grew by a relatively low 5%. Competition cutting prices does not alone explain this. Fraud and the non-insured auto segment remain prevalent issues in the market.

Insurers must be able to support the country's growth, and offer traditional and new insurance products. However, fundamentally growth must come from the industry offering to the general public products that are accessible to all citizens.

In which areas do you see increased potential for investment in technology and the use of data to improve the products and services on offer?

OUEDRAOGO: The pandemic had a strong impact on all sectors, including insurance. Digitisation is no longer an option, but a strategic imperative. These developments have been accompanied by issues related to information and transaction security, or cyber-risk, and consequently by new needs in terms of insurance coverage. Improving data-led products can allow us to calibrate more tailor-made offers adapted to the real needs of customers. The digitisation of our value chain can have considerable impact from onboarding to the payment of claims, including contracting and scheduled or occasional interactions. Moreover, data allows for the automation of routine tasks and integration with our partners to be even more efficient.

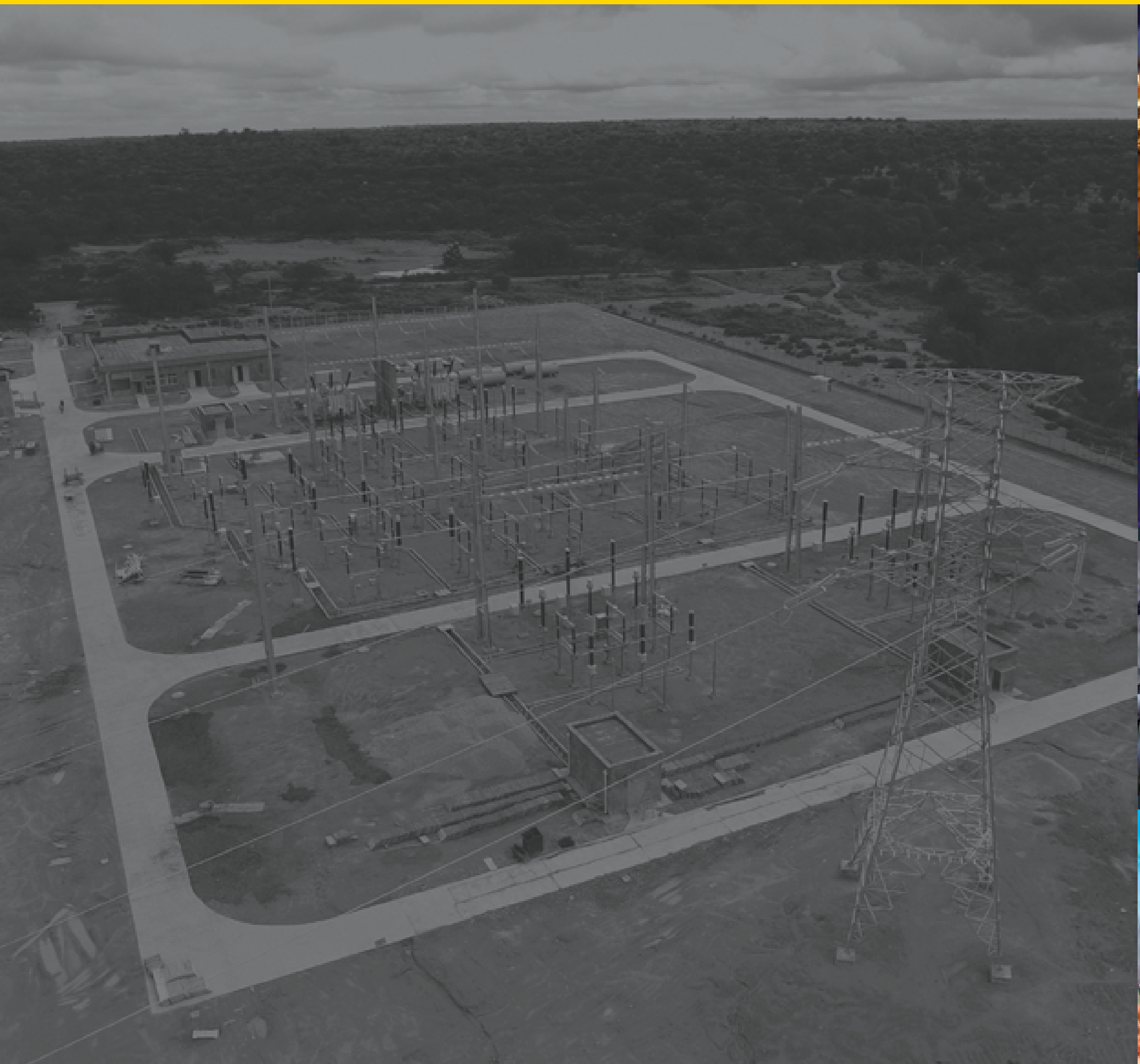
To what extent can closer collaboration with the regulator be achieved?

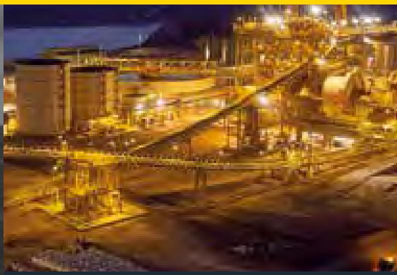
OUEDRAOGO: Regulators have undertaken great efforts to better supervise insurers, and guarantee respect for the interests of policyholders and victims. However, not all issues have been addressed related to the digitalisation of processes, for example in the acceptance of electronic signatures and receipts. We know that related initiatives are in the pipeline and that regulators are open to experimentation that will help support the development of a digital ecosystem.

Furthermore, compulsory coverage should be extended, but in return for quality services from insurers. It is important for insurance companies to develop self-regulation capacities so that they are able to collectively increase their quality standards in order to sustain the trust of the whole population.

Energy & Mining

Electrification campaigns help improve coverage
New oil and gas discovery promises to boost capacity
Robust growth in minerals and metals production
Efforts to reform national and regional mining codes





Private firms were responsible for 100% of energy distribution in 2020

In the pipeline

Boosted by new oil and gas discoveries, the sector has seen a steady stream of projects in both hydrocarbons and renewables

Energy consumption increased by

14.2%

between 2011 and 2020

Côte d'Ivoire's robust economic growth in the years since the country regained political stability in 2011 has resulted in a surge in energy consumption, particularly in urban areas. As of 2020 the electricity sector was the third largest in Africa in terms of installed capacity, and total energy consumption increased by 14.2% between 2011 and 2020.

While the Covid-19 pandemic brought challenges for the sector, energy demand is likely to remain strong moving forwards. Ensuring that energy supply is able to keep up with this rising demand poses some significant challenges, but it also presents major opportunities as the government seeks to meet the targets set by the National Development Plan (Plan National de Développement, PND) 2021-25. These opportunities include new offshore natural gas discoveries, as well as investment in an ambitious $20bn plan to boost generation capacity by the end of the decade. Renewables will also play an increasingly important role in the energy mix. As a signatory of the UN Paris Agreement, Côte d'Ivoire has a nationally determined contribution target of 42% renewable energy generation by 2030.

However, it may face difficulties ensuring that sustainable new energy investment is rolled out across the country in an equitable way, and guaranteeing a reliable and scalable supply to industry and commerce. The impact of the Russian invasion of Ukraine on energy prices – and wider inflation – has also posed further challenges for energy companies and consumers.

STRUCTURE & OVERSIGHT: Since the government opened up Côte d'Ivoire's power sector in 1993, a mixture of private and state-owned operators have been responsible for meeting the country's energy needs. The private sector has become increasingly important: as of 2020, private firms were responsible for 70% of the country's energy production and 100% of its distribution, according to the World Bank.

In April 2022 the Ministry of Mines and Geology was merged with the Ministry of Petroleum, Energy and Renewable Energy (Ministère du Pétrole, de l'Energie et des Energies Renouvelables, MPEER) to create the Ministry of Mines, Petroleum and Energy (Ministère des Mines, du Pétrole et de l'Energie, MMPE), with Mamadou Sangofowa Coulibaly appointed head of the ministry. The MMPE is the main government body responsible for energy policy, security, promotion and development. The ministry and its predecessors have supported the government as it has sought to make the development of the energy sector a national priority through the introduction of a new electricity code in 2014 and the creation of the National Electricity Regulation Authority (Autorité Nationale de Régulation du Secteur de l'Electricité, ANARE-CI) in 2016.

The MMPE's policies align with the government's broader Strategic Development Plan 2011-30 and its associated short-term five-year strategies, including the PND 2021-25. Within the Strategic Development Plan, there is an annex detailing extensive plans for conventional electricity, renewables and other new energy segments. The annex identifies 66 projects across four strategic areas: matching supply and demand for conventional electricity; sustainability in energy through the development of renewable resources; capacity building and institutional framework development; and financial viability.

The implementation of the four strategic goals is expected to cost $7.9bn. The government will take on the regulatory and enabling role, while the private sector is invited to contribute to generation, transmission and distribution. The PND 2021-25 reiterates these goals and sets some specific targets for the sector. These include boosting installed capacity from 2229 MW in 2020 to 3428 MW by 2025; increasing access to electricity; and strengthening power infrastructure to improve reliability and reach.

ELECTRICITY POLICY: ANARE-CI regulates the country's independent power producers (IPPs), which are responsible for the majority of power generation.

As a signatory of the UN Paris Agreement, Côte d'Ivoire has a nationally determined contribution target of 42% renewable energy generation by 2030.

In recent years IPPs have benefitted from strong government support, as well as funding from global organisations such as the World Bank's International Finance Corporation (IFC), the African Development Bank (AfDB) and the French Development Agency.

IPPs operating in Côte d'Ivoire as of mid-2022 include the Compagnie Ivoirienne de Production d'Electricité (CIPREL), which began operations in 1995 and is the country's oldest IPP. Others include Scotland's Aggreko and Azito Energie, a subsidiary of the UK's Globeleq and Industrial Promotion Services West Africa. IPPs supply power under a system of power purchase agreements.

Côte d'Ivoire's IPP plants largely rely on natural gas, which made up 69.5%, or 7661 GWh, of its total electricity generation by source in 2020. The second-most prevalent energy source was hydroelectric power, which contributed 3354 GWh, or 30.5%. Other sources – such as diesel, solar and biomass – made up the remainder of the energy mix.

INVESTMENT DRIVE: Between 2012 and 2018 Côte d'Ivoire's real annual GDP growth averaged 9%, according to the IMF. Though growth slowed to around 2% in 2020 due to the pandemic, projections for 2021 and 2022 forecast that the economy will be quick to rebound. As a result of this economic expansion, there has been a dramatic increase in electricity demand. At times, demand has outstripped supply: while demand for power grew at around 6% per year between 2003 and 2012, supply increased by just 2%, according to the Africa Investment Forum. This resulted in a major ramp up of investment in the electricity sector leading to 2020. According to government-owned energy company Société des Energies de Côte d'Ivoire (CI-Energies), total installed capacity increased from 1391 MW in 2011 to 2269 MW in 2021. Over the same period, electrification campaigns helped expand coverage from 34% of the population to around 94%. The government has set a goal of 99% coverage by 2035.

Côte d'Ivoire's rapid electrification has been supported by the Social Government Programme 2019-20, which sought to improve public services in rural areas and helped add 900 villages per year to the grid. In comparison, 265 villages per year gained electricity access between 2010 and 2018.

SECURE SUPPLY: Though the country is generally able to meet its electricity needs, a series of issues in 2020 and 2021 highlighted the need for sufficient supply in the event of an emergency. In 2020 unusually low rainfall meant that hydroelectric reservoir levels were sometimes insufficient to drive turbines at optimal rates. "In early 2021 Côte d'Ivoire faced an electricity deficit of more than 200 MW due to insufficient water in the country's hydroelectric dams, as a result of drought and breakdowns in the facilities," Kassim Cisse, business developer at EDF Côte d'Ivoire, told OBG. These issues were made worse by the staff shortages and disruption caused by the pandemic.

In April 2021 overburdened equipment contributed to the breakdown of the Azito power plant near Abidjan. The plant, which generates around one-third of

The government aims to increased installed capacity from 2229 MW in 2020 to over 3400 MW by 2025

the country's electricity, was restored in July after 45 days of energy rationing. Following the energy crisis and a change of leadership at MPEER and CI-Energies, a 100- to 200-MW floating, offshore fuel oil emergency power plant was commissioned from Turkey's Karpowership at the start of 2022. In addition, a number of expansion programmes are under way at existing, IPP-run combined-cycle gas turbine (CCGT) plants. CIPREL is in the process of constructing an additional 111-MW gas turbine at the Atinkou power plant, which will bring its total installed capacity to 543 MW. In late 2021 local media announced that the fifth phase of the expansion plan was under way, which is set to add a new $451.4m, 390-MW CCGT at Lagunes. The plant is expected to be commissioned in 2022-23.

Meanwhile, the 453-MW Azito plant is also being expanded through a $370m, 253-MW CCGT project. The project is being financed by the IFC; the AfDB; the OPEC Fund for International Development; the German Investment Corporation; Dutch, French and Belgian state development agencies; and the West African Development Bank, reflecting the wide range of institutional investors such projects typically rely on.

OIL & GAS: Société Nationale d'Opérations Pétrolière de la Côte d'Ivoire (Petroci), the national oil company, operates as a holding company and is divided into three branches: Petroci Exploration-Production; Petroci Gaz, responsible for natural gas; and Petroci Industries-Services, which manages associated services. International oil companies such as TotalEnergies, ENI, Canadian Natural Resources and Tullow Oil also operate in the country under production-sharing contracts (PSCs) with the MMPE. While the country remains a net importer of oil and gas, recent discoveries by Petroci and international oil companies in shallow offshore waters should help to boost capacity and may pave the way for further discoveries.

The country has one oil refinery, located in Abidjan, which has an output of 3.8m tonnes per year as of

As of 2021

94%

of the population had access to electricity

Rapid electrification has been supported by the Social Government Programme 2019-20, which sought to improve public services in rural areas and helped add 900 villages per year to the grid.

Nearly 70% of electricity in the grid is generated from natural gas

The country is a net importer of crude oil, which it turns into petroleum and other refined products for domestic use and export. In 2021 it imported $2.9m of crude and refined products and exported over $1.7m.

mid-2021. The facility is operated by Société Ivoirienne de Raffinage (SIR), which is the largest refinery in French-speaking West Africa. Founded in 1962, SIR is majority owned by the government and a number of international oil companies. It ensures the refining of crude oil and distribution of petroleum products in the country and to the rest of the world.

In July 2021 SIR contracted US refining supplier and licensor Honeywell UOP to enable production of low-sulphur fuels that comply with Euro-5 and AFRI-6 emissions reduction standards.

EXPLORATION & PRODUCTION: The country is a net importer of crude oil, turning this into petroleum and other refined products for domestic use and export. In 2021 the IMF estimated that the country imported CFA1.7bn ($2.9m) of crude and refined products and exporting just over CFA1bn ($1.7m). The bulk of the country's known resources are offshore, with significant fields including Espoir, Lion and Panthere off Jacqueville, and Baobab around 6 km further south. Other blocks lie closer to the Ghanaian maritime boundary. This boundary was long the subject of dispute, though this was eventually settled by the International Tribunal for the Law of the Sea in 2017.

Oil production has fallen from a high of 37,200 barrels per day (bpd) in 2019 to 35,100 bpd in 2020 and 31,600 bpd as of November 2021. The impact of the Covid-19 pandemic and historically low international oil prices in 2020-21 were partly responsible for this decline, though the ageing of oil deposits is the primary reason output has declined in recent years.

Natural gas is also found offshore in the Gulf of Guinea. Panthere also provides gas, while Foxtrot lies close to shore, off Abidjan, with the Kudu, Eland and Ibex fields closer to the Ghanaian maritime boundary. Like oil, natural gas output has also been in decline. The country's output has fallen from around 216m cu feet per day in 2018 to 202.5m cu feet in 2019. As of 2019 the country's proven oil and gas reserves were estimated at 100m barrels of oil and 1trn cu feet of natural gas, though a new discovery made in September 2021 could significantly increase this figure.

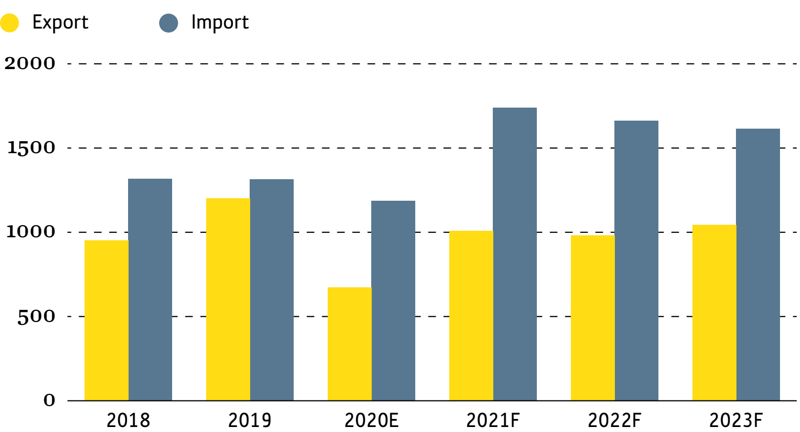
The country has been taking steps to strengthen its long-term supply of gas by building a new liquefied natural gas (LNG) regasification terminal, which will provide an alternative import route, and connect to local power plants and regional gas partners. The contract to build and operate the terminal was awarded in 2016 to a consortium made up of TotalEnergies, Royal Dutch Shell, Golar LNG, Endeavour Energy, the State Oil Company of the Azerbaijan Republic, and Petroci and CI-Energies. The terminal will process up to 3m tonnes of LNG per year. In August 2021 MPEER also unveiled plans to build a 200-MW LNG-fuelled power plant. Karpowership is reportedly bidding for the project, along with TotalEnergies, Aggreko and GE.

RENEWABLES: While new oil and gas discoveries have boosted the country's hydrocarbons sector, Côte d'Ivoire is also looking to expand its renewable energy capacity. The country aims to increase the share of renewables in its energy mix to 38% by 2026 and 42% by 2030. Along with environmental benefits, renewables are expected to be instrumental in improving energy access, particularly in remote regions. "Renewables allow for decentralised access to energy," Cheikhou Badio, energy consultant at SAIF Côte d'Ivoire, told OBG. "They can help to quickly meet growing demand for energy in geographical areas that have been ignored in the past."

Hydropower is a key part of the country's sustainable energy drive. A 2016 study conducted by Renewable Energies Africa estimated Côte d'Ivoire's untapped hydropower potential at 7000 MW, of which roughly 1847 MW could be exploited. This is a considerable increase on the country's installed hydropower capacity, which stood at 879 MW in 2019.

Among the largest dams are the Buyo (165 MW), Taabo (210 MW) and the largest, Soubré (275 MW), located on the Sassandra River and inaugurated in July 2019. Soubré was constructed for CI-Energies by China's Sinohydro, which is also behind another dam

Trade in crude oil & refined products, 2018-23F (CFA bn)



Source: World Bank

on the Sassandra, the estimated $345m, 112-MW Gribo-Popoli dam. The Export-Import Bank of China provided financing for both projects.

One major project currently under way is the construction of the 44-MW, $240m Singrobo Hydroelectric Power Station, which being built by Ivoire Hydro Energy on the Bandama River. It is the first facility of its kind in West Africa to be developed by an IPP. Construction commenced in 2020 and has been partly funded by international investors including the AfDB and the Emerging Africa Infrastructure Fund. It is expected to be completed in 2023. Other hydro projects currently under way include a 283-MW facility in Louga with an expected commissioning date of 2023; a 156-MW plant in Boutoubré set to be commissioned in the second half of 2022; and a 220-MW project in Tiboto with a planned commissioning date of 2028.

Many mini-hydro projects – or those below 10 MW – have also been given the green light as part of the government's renewable energy strategy, with around 40 MW of small projects planned across 20 sites.

Solar power is also set to play an important role in efforts to ramp up Côte d'Ivoire's renewable energy capacity. The country aims to achieve 400 MW of solar power capacity by the end of the decade — a substantial increase on its 13-MW capacity in 2020. Côte d'Ivoire joined the World Bank's Scaling Solar programme in late 2019 to help achieve this goal, with the IFC assisting in the establishment of two solar plants with a combined capacity of 60 MW. Both facilities will be developed as IPPs.

Additionally, dam reservoirs could be set to provide locations for solar projects. In February 2022 CI-Energies launched a tender for a floating solar array on the Kossou dam. The 20-MW facility will be built close to the Kossou Hydroelectric Power Plant and will be financed through an €80m loan from the French Development Agency with the aim of supporting renewable energy expansion in Côte d'Ivoire.

BIOMASS: Biofuel and waste have long been the main sources of energy, with charcoal and wood fuel used for cooking – the former mostly in urban areas, the latter in rural. However, as the use of these fuels adds to greenhouse gas emissions, the government has taken steps to replace this with 'clean cooking'. As part of the National Renewable Energy Action Plan, the government aims to provide 90% of the population with access to alternative cooking fuels by 2030. The bulk of this is expected to be liquefied petroleum gas.

OUTLOOK: As the country returns to robust economic growth and its population expands, electricity demand is set to rise. At the same time, new offshore discoveries promise a brighter future for the country's hydrocarbons sector, while the renewables segment will be instrumental in helping the country achieve its clean energy goals and improving access in remote areas. Amid this backdrop, demand for projects across the sector looks set to continue at a steady pace.

The country aims to achieve 400 MW of solar power generation capacity by the end of the decade — a substantial increase on its 13-MW capacity in 2020.

John van Zuylen

Brighter days

John van Zuylen, CEO, African Solar Industry Association, on new energy solutions for the continent

What is the investment potential for solar energy projects in Côte d'Ivoire?

VAN ZUYLEN: Côte d'Ivoire currently produces roughly two-thirds of its electricity from fossil fuels, and the remainder comes from hydropower. Solar energy currently represents a very small fraction of the energy mix: there are no large-scale projects connecting solar electricity directly to the grid, but several companies and individuals – mostly in off-grid areas – rely on solar for their own electricity consumption.

Things may change, however, as the country enjoys high solar irradiation and aims to benefit from cheap solar electricity by adding it to its energy mix. Several projects are now in progress, such as the 37.5-MW-peak (MWp) Boundiali project, the 20-MWp floating solar project at the Kossou dam and two 60-MWp projects supported by the International Finance Corporation under the Scaling Solar programme.

There is also potential for commercial and industrial projects. Companies installing a solar system for their own consumption could greatly reduce their total electricity bill. At present they pay between \$0.08 and \$0.15 per KWh for electricity from the grid, and current solar system prices would enable many companies across the country to benefit from having cheaper electricity.

In what ways can local authorities further promote the solar energy subsector?

VAN ZUYLEN: The government has reduced the value-added tax on solar photovoltaic components from 18% to 9%. This is of course welcome, but has not yet led to increased solar technology usage across the country. An easier solution is net metering, a system that allows solar system owners to sell excess solar electricity for an offset on their monthly electricity bill. This electricity can then be used by other users on the grid. This system is attractive for companies, individuals and the country as a whole, as more power is produced from the sun and not from fossil fuels.

How will new innovations affect electricity storage?

VAN ZUYLEN: Solar equipment has experienced a drastic cost reduction over the past 10-15 years, and storage solutions are now witnessing technological improvements and mass-production levels that lead to a similar downward curve of prices.

More significant, however, is the range of applications this storage enables. Transmission and distribution grids in Africa are traditionally poorly maintained and relatively weak, hence the widespread connection of renewable energy is difficult. However, large-scale storage solutions in Côte d'Ivoire offer precisely the flexibility and buffer potential to absorb large quantities of renewables and add this green electricity to the grid in a stable way and when it is most needed.

At a smaller scale, storage solutions also enable electrification in areas where it previously was impossible, either technically or financially. User-friendly solar kits are now available at affordable prices on the market and allow people who live in off-grid areas to enjoy similar comforts to people living in the city, without having to wait until the grid is extended.

Where do you see countries in the region collaborating to reap the benefits of solar energy?

VAN ZUYLEN: The West African Power Pool could be a tool for the further development of solar across the region. By developing and installing solar plants strategically, the entire region could benefit from more abundant, greener and cheaper electricity.

In several African countries, floating solar offers great potential for the continent as a whole. Ghana currently hosts the largest floating solar plant in Africa, at the Bui dam, and is in the process of expanding the size of this project. Côte d'Ivoire has also engaged in floating solar with the 20-MWp Kossou project. By virtue of this innovative approach, the region could develop true expertise in this niche solar solution and assist other countries throughout the continent.

As of 2019 the country's natural gas reserves stood at 1trn cu feet

Capacity boost

A new oil and gas discovery in the Gulf of Guinea is expected to increase the country's reserves significantly

In September 2021 Côte d'Ivoire announced the country's first large-scale oil and gas discovery in two decades. The discovery was made by Italy's Eni in Block CI-101 on the Baleine prospect, some 60 km off the coast on the Gulf of Guinea. According to initial estimates, the discovery is thought to total 1.5bn-2bn barrels of oil and 1.8trn-2.4trn cu feet of natural gas. This would significantly increase the country's reserves, which as of 2019 stood at 100m barrels of oil and 1trn cu feet of natural gas.

Another key player in Côte d'Ivoire's hydrocarbons sector is France's TotalEnergie, which along with Italy's Eni was awarded exploration and production contracts in 2019 worth $185m. As of 2021 the country had identified a total of 51 oilfields, four of which were in production and 26 in the exploration stage.

Considering international oil companies had typically been shying away from potentially expensive deepwater discoveries at the time, as hydrocarbons prices plummeted in the wake of the Covid-19 pandemic, oil majors' interest in Côte d'Ivoire suggests a belief that the country holds significant potential.

It also reflects the success of the partnership models currently used for energy projects in Côte d'Ivoire. Eni had undertaken its exploration and production activities in the block as part of a consortium with Petroci, the state-owned oil company, and the government now owns a 10% stake in the discovery.

According to estimates made by energy research firm Rystad Energy, the initial early production systems phase is expected to start in 2023, and full field development is set to be completed by 2027.

MOVING AHEAD: Côte d'Ivoire is now facing the challenge of turning its discoveries into viable production, while maintaining momentum in its offshore exploration and production activities.

This, in turn, could see the country ramp up its production of refined products and expand its role as an exporter within the region. The discoveries should also take pressure off domestic demand for crude oil and gas as the country continues on a path of robust economic growth and its population expands.

As Thomas Camara, then-minister of petroleum, energy and renewable energy, said upon the announcement of last September's discovery, the find will not only "greatly increase the proven reserves of Côte d'Ivoire," but also strengthen its "oil and gas production in the years to come".

The majority of Côte d'Ivoire's exploration and production has traditionally been carried out in the central and eastern regions of its maritime zone. In the latter area, however, a dispute over boundary lines with neighbouring Ghana hampered activity for some time, with this dispute only resolved after a ruling by the International Tribunal for the Law of the Sea in 2017. Nonetheless, in the years prior to the 2021 discovery, survey work continued to indicate major potential throughout the region.

A US Geological Survey report published in 2000 suggested that just over 1bn barrels lay in the Gulf of Guinea province, along with 10trn cu feet of natural gas and 282m barrels of natural gas liquids. Further surveys have echoed the view that there is significant potential in the country's waters, with numerous discoveries made indicating a trend of natural gas in the Upper Cretaceous, along with oil in the Lower Cretaceous stratigraphic and structural traps.

BLACK GOLD: Eni's discovery will transform Côte d'Ivoire's oil and natural gas output. Oil production had fallen to around 34,000 barrels per day (bpd) as of 2021, from four blocks: C-11, operated by Petroci; CI-26 and CI-40, operated by Canadian Natural Resources; and CI-27, operated by France's Bouygues. If initial estimates are correct, the CI-101 block would multiply the country's current proven reserves by a factor of 20.

The oil discovered is light and extends into the adjacent block CI-802, which is also an Eni concession. The

The new discovery could increase oil reserves by as much as

2bn

barrels

The majority of Côte d'Ivoire's exploration and production has traditionally been carried out in the central and eastern regions of its maritime zone.

A major refinery makes the country an attractive centre for oil and gas

In recent years oil majors have cited Côte d'Ivoire's political stability and developed local infrastructure as reasons for investing in the country.

Italian oil company managed five blocks in Côte d'Ivoire as of May 2022, with CI-205, CI-501 and CI-504 as the remaining three holdings. ENI has committed to expanding its exploration operations to include CI-180 to "assess the significant upside potential of the overall structure", according to a press release published in September 2021.

The transition from exploration to production is also expected to be rapid. The government announced in December 2021 that it was planning on seeing a daily output from the new find of around 12,000 bpd of oil and 17.5m cu feet of gas by the second quarter of 2023. From there, production will ramp up to between 75,000-100,000 bpd – along with 140m cu feet of gas – by 2026.

FUTURE PROSPECTS: While the pandemic initially delivered a hit to the global hydrocarbons sector – forcing oil companies to scale back operations and, in some cases, face severe financial difficulties – Côte d'Ivoire's success in pursuing and discovering new fields shows that a significant recovery in exploration and production activity is now under way – and with Africa the leading global destination.

As supply from legacy oil and gas fields diminishes across the continent, there is a need for new exploration activities, according to an African Energy Chamber report published in the first quarter of 2022. The report notes that Eni's Baleine discovery is one of the nine largest drivers of oil and gas investment in the continent between 2020 and 2025, sharing the spotlight with projects in Angola, Mozambique, Mauritania, Algeria, Uganda, Kenya and Senegal.

ATTRACTING INVESTMENT: While Côte d'Ivoire's oil and gas output is considerably lower than West African hydrocarbon giants such as Nigeria and Ghana, the country has made a major leap forward with this discovery. The country's possession of a major refinery also adds to its attractiveness as a centre for regional oil and gas traffic. Indeed, the Société Ivoirienne de Raffinage facility in Abidjan is the largest refinery in French-speaking West Africa.

Developing this into an integrated upstream-downstream chain – and upscaling to take account of the sheer size of the new discoveries – will require considerable effort in the years ahead. In order for this to be successful, significant levels of investment will be needed, but Côte d'Ivoire's long history of dealing with international oil firms and proven regulatory framework, human resources and local infrastructure make it an attractive location for investment.

In recent years oil majors have cited Côte d'Ivoire's political stability and developed local infrastructure as reasons for investing in the country. As the economy continues to grow and recover from the impact of the pandemic, the sector is expected to remain an attractive option for foreign investors. At the same time, Petroci has gained experience in oil and gas since it was founded in 1975, making it well positioned to share knowledge and expertise with international oil companies looking to invest in West Africa and beyond.

Russia historically accounted for 40% of natural gas imports in Europe

In short supply

An EU ban on seaborne imports of Russian oil has implications for emerging markets and the rollout of renewable energies

Emerging markets are exploring opportunities to help meet the EU's energy demand following the bloc's announcement to ban seaborne imports of oil from Russia. The move, announced in May 2022 and set to be implemented by the end of the year, forms part of the sanctions crafted in response to Russia's invasion of Ukraine in February 2022.

Roughly 90% of the EU's oil imports from Russia arrive on seaborne tankers, with the rest coming through the Druzhba pipeline. The exemption for pipeline imports allows Hungary – which receives 65% of its imports via the pipeline – and other landlocked European countries to maintain supply.

GLOBAL MARKET: The decision is set to tighten the market for oil, which continues to be the largest source in the global energy mix. Indeed, the ban pushed oil prices to more than $120 per barrel in the week after it was announced. The International Energy Agency estimates that the EU will need to gain access to an alternative supply for roughly 2.2m barrels per day (bpd) of crude oil and another 1.7m bpd of petroleum products.

Members of the Organisation of the Petroleum Exporting Countries (OPEC) and other allied oil-producing nations, collectively known as OPEC+, responded to the EU's announcement by agreeing to increase production by 648,000 bpd for July and August 2022. However, this will not make up for the shortfall in supply. Major OPEC producers Saudi Arabia, the UAE, Kuwait and Iraq have roughly 4m bpd of spare capacity that could be brought on-line quickly; however, the complexity of geopolitics and economics within the OPEC+ group has led many analysts to suggest that these countries may be hesitant to increase production significantly.

Russia has the world's largest natural gas reserves and historically accounted for some 40% of imports in Europe. The ban therefore presents an opportunity for investment in countries that have the resources to fill the gap. African gas-producing countries such as Algeria, Egypt and Nigeria are in a position to benefit from increased gas exports to the EU.

OPEC OPTIONS: Geopolitical considerations will continue to shape how the EU meets its needs in 2022, but the broader dynamics present an opportunity for oil-exporting emerging markets – both OPEC and non-OPEC members – to increase production to meet demand. An increase in oil production and exports would bolster the EU's – and in turn, the world's – energy security by providing supply. It would also provide an economic boon to certain emerging markets, many of which are still recovering from the economic effects of the Covid-19 pandemic.

One such country is OPEC member Libya, which holds the largest oil reserves in Africa. The country's location on the Mediterranean coast allows for easy access to ports across Southern Europe, thus offering lower shipping costs than oil coming from the Americas or east of the Suez Canal. Libya is also exempt from OPEC+ production cuts.

Libya's oil production reached 1.3m bpd in early 2022, though protests at production sites caused output to drop to 800,000 bpd in April. Returning to first-quarter levels would free up oil that could be exported to the EU. Financing is another hurdle. A delay in the approval of the government budget resulted in Libya's National Oil Corporation in May of that year to order companies in the country to suspend maintenance and drilling operations.

Despite these challenges, any arrangement by the EU to increase oil imports from Libya could provide an incentive for private investment in the country's energy sector. In November 2021 the government began appealing to international oil firms and other multinational companies for investment to expand oil operations and resume upstream activity.

Another nation that stands to benefit is Nigeria. While OPEC increased Nigeria's production quota

The International Energy Agency estimates that the EU will need an alternative supply for roughly 2.2m barrels per day (bpd) of crude oil and 1.7m bpd of petroleum products.

Libya holds the largest oil reserves in Africa, has easy access to ports across Southern Europe, and offers lower shipping costs than oil from the Americas or east of the Suez Canal.

Supply shortages amid rising demand could impact the energy transition in oil-exporting emerging markets

Argentina could double its shale oil production by 2026 and increase its exports from the current level of less than 100,000 barrels per day (bpd) to more than 500,000 bpd.

from 1.7m bpd in April 2022 to 1.8m bpd in June of that year, the country has struggled to reach these targets. It produced 1.4m bpd in May, and while this was the highest monthly figure observed in the first half of 2022, the result was still lower than the 1.8m bpd reported in early 2020.

Declining levels of production have long been an issue for Nigeria, with output falling by 40% between 2012 and 2021. In a report released in May 2022, the World Bank cited a lack of maintenance and a deterioration in infrastructure efficiency as factors behind the decline. Even so, Nigeria stands to benefit from an increased output in line with its revised OPEC quota.

Despite these challenges, efforts to reduce the EU's reliance on Russian gas pose an opportunity for investment in Africa. Almost half of the countries on the continent have proven natural gas reserves, estimated at around 800trn cu feet. Nigeria has the largest proven reserves, which are equivalent to 206.5trn cu feet. Algeria has the second largest, with deposits of 159.1trn cu feet, which account for around 8% of natural gas exports to the EU. Egypt is another OPEC country with high natural gas reserves, with 77.2trn cu feet. Yet, it will be important to address logistical and infrastructure issues to further leverage the potential of Africa's gas-producing countries.

LATIN AMERICA'S POTENTIAL: Several non-OPEC emerging markets in Latin America are also being considered as potential sources of oil supply. In June 2022 international media reported that Italian energy company Eni and its Spanish counterpart Repsol could begin shipping Venezuelan oil to Europe as early as July 2022, with the US set to relax some sanctions on the South American country to allow for the resumption of oil-for-debt exchanges.

Meanwhile, Argentina's oil production from shale fields reached decade-high levels in January 2022, with analysts commenting that further investment in infrastructure could help the country nearly double its overall production by 2026 and increase exports from current levels of less than 100,000 bpd to more than 500,000 bpd. The Argentine government is working on a bill to ease capital controls on access to foreign currency that would incentivise energy companies to increase oil production for export.

Elsewhere on the continent, in April 2022 Colombia's then-President Iván said his country could produce additional oil to meet the EU's needs, but stressed that it needed more foreign investment in exploration and production. Colombia's oil production averaged 740,000 bpd from January to November 2021, and the government reported aims to increase production in 2022 to 780,000-800,000 bpd.

Another potential supplier is Mexico. State-run oil company Pemex recorded $6.2bn in net profit in the first quarter of 2022, reversing a $2bn deficit recorded in the same period of 2021, as production increased by 2.3% year-on-year (y-o-y). The company has strong public backing and received $2.8bn in government support between January and March 2022 to help pay down its debt and finance the construction of the Olmeca refinery. Additionally, the Mexican private sector saw an expansion in production. Mexican oilfields operated by private companies witnessed growth of 63% y-o-y in the first four months of 2022.

IMPACT ON THE TRANSITION: With oil demand rising, particularly in light of the supply shortages resulting from Russia's invasion of Ukraine, the situation has prompted discussion about the implications this could have for the energy transition in oil-exporting emerging markets. While some are likely to ramp up oil production in the short term to help meet increasing global demand, many governments and energy companies remain committed to the long-term rollout of renewable energies.

For example, Saudi Arabia – the world's largest oil exporter – aims to generate 50% of its electricity from clean sources by 2030, in part by rapidly expanding its total solar power capacity from the current level of 455 MW to 40 GW by 2025. Key projects include a $5bn hydrogen plant in the NEOM smart city, as well as 400 MW in solar generation capacity and the world's largest off-grid energy storage facility at the 34,000-sq-km Red Sea residential and tourism mega-project. Additionally, other Gulf countries are pushing ahead with energy transition plans. As part of its aims to neutralise carbon emissions by 2050 and bolster its renewable energy capacity, in May 2022 the UAE government invited companies to bid for a share of up to 40% in a new 1.5-GW solar plant to be built in Ajban, Abu Dhabi.

Latin American countries have similarly ramped up renewable energy investment after a pandemic-induced downturn in 2020. International media reported that the continent increased its solar and wind capacity by a record of 17.5 GW in 2021. Significantly, Mexico, Argentina, Brazil and Chile all produce greater than 10% of their domestic power from renewable sources. Recently, the region has witnessed investment of $18bn in new projects.

Saudi Arabia aims to generate 50% of its electricity from clean sources by 2030 and is expanding its solar power capacity from 455 MW to 45 GW by 2025.

The sector largely maintained production during the Covid-19 pandemic

Good prospects

Minerals production has continued to increase, and exploration work suggests the sector has significant untapped potential

With potentially significant untapped resources and the government committed to making mining a key pillar of growth for the economy, Côte d'Ivoire's extractive minerals sector looks set for robust growth. Gold, nickel, bauxite, diamonds, manganese, columbite and tantalite are already in production, and Côte d'Ivoire's miners are ready to become key players in the country's drive towards economic diversification.

Under the National Development Plan (Plan National de Développement, PND) 2021-25, the government aims to increase the mining sector's share of GDP from around 3% in 2022 to 5% in 2023 and 6% by 2025. It also targets an increase in gold production from 38.6 tonnes in 2019 to 40.5 tonnes by 2025.

Though the sector continues to expand, challenges remain. The country's mining code, introduced in 2014, has left debate over the relationship between miners and local communities, while the industry also seeks to boost local content. Like many other mining countries, striking a balance between environmental sustainability and profitable exploitation is still a complex issue. Further steps to formalise the sector are also being taken, along with efforts to ensure a more equitable distribution of its rewards (see analysis).

Despite these challenges, the sector continues to show robust growth after emerging from the Covid-19 pandemic with little break in production. The sector is well placed for expansion, both in underdeveloped regions and areas that have been previously explored.

STRUCTURE & OVERSIGHT: The main government body responsible for overseeing and regulating the sector is the Ministry of Mines, Petroleum and Energy (Ministère des Mines, du Pétrole et de l'Energie (MMPE), which was created in April 2022 with a merger of the Ministry of Mines and Geology (MMG) and the Ministry of Petroleum, Energy and Renewable Energy. The government-owned operator, Société pour le Developpement Minier (SODEMI), is charged with overseeing all prospecting and exploration activities, and is also itself a major participant in many of the country's mining projects.

The mining code of 2014 is the main legal framework governing the industry. The code stabilised tax and Customs regimes relating to mining, introduced greater transparency in permit allocation procedures and extended the maximum exploration period from three to four years. It also reduced the maximum size of an exploration concession from 1000 sq km to 400 sq km. Additionally, the mining code introduced international arbitration for dispute resolution.

KEY PLAYERS: Several major international mining firms are active in Côte d'Ivoire, including Canada's Barrick (previously RandGold Resources), which operates the northern Tongon gold mine; exploration company Red Rock Resources, which works through local subsidiary LacGold Resources; French-Canadian Foraco International; Canada's Fortuna Silver Mines, which operates in the Séguéla gold project and purchased fellow local player Roxgold in 2021; Australia-headquartered Perseus Mining, which operates the Sissingué and Yaouré gold mines; and Endeavour, which acquired Teranga Gold in 2021. Through this acquisition Endeavour took over management of a Teranga-Sodim joint venture, the Afema exploration project in south-eastern Côte d'Ivoire. The company also owns an 85% stake in the Société Minière d'Ity (SMI), which runs the Ity gold mine – the country's oldest – near the border with Liberia. In March 2021 Endeavour sold its interest in the Agbaou mine to Allied Gold, which in turn owns the nearby Bonikro mine.

Australian exploration company Atlantic Lithium, formerly IronRidge Resources, also began drilling in the Kineta North licence in the north-east of the country in 2021. The company acquired local miner Major Star in 2020, which also has a technical partnership with All Africa Mineral Explorer (AAME).

Many of the country's miners, however, fall into the artisanal and small-scale miner (ASM) category.

Under the National Development Plan 2021-25, the government aims to increase mining's share of GDP from 3% in 2022 to 5% in 2023 and 6% by 2025.

The country aims to produce

40.5m

tonnes of gold per year by 2025

The mining sector's annual turnover was estimated at $1.9bn in 2021, up from $1.7bn the previous year

Small-scale operators are active in the mining of a range of minerals, including precious metals and stones such as gold, silver and diamonds, as well as base metals like nickel and manganese. Many of Côte d'Ivoire's ASMs operate informally, and illegal activity remains an issue. There were around 240 illegal gold mines in the country as of 2020, according to the EU. The government has sought to combat this by creating a special police force to counter illegal mining activity, which uses satellite and drone technology to identify potential violations. There have also been efforts to encourage legal small-scale mining activity by supporting ASMs and promoting sustainable practices.

International agencies have also been supporting Côte d'Ivoire in developing traceable supply chains. The EU's Just Gold project, for example, announced its first successes in ensuring traceability from the point of production in the country in November 2020.

PERFORMANCE & SIZE: Côte d'Ivoire's mining industry has continued to expand despite the disruption caused by the pandemic. According to government data, the sector's annual turnover in 2020 reached CFA998.8bn ($1.7bn), up nearly 30% from CFA762bn ($1.3bn) in 2019. The ministry estimated that the sector generated CFA1.1trn ($1.9bn) in turnover in 2021. This was supported by the commencement of production at the Yaouré gold mine, the opening of new quarries and output at the Issia mine. The ministry estimated that a total CFA500bn ($859.5m) was invested in the country's mining sector in 2021.

GOLD: According to government figures, industrial gold production was set to reach 45 tonnes in 2021, up from 38.3 tonnes in 2020. The ministry projects that output will reach 52 tonnes in 2022 and 60 tonnes in 2023 as the Floleu and Zoukougbeau mines enter production. The most recent government figures also noted that ASMs produced 253.5kg of gold in 2020.

In 2022 Côte d'Ivoire was the eighth-largest producer of manganese, which is central to electric vehicle manufacturing. China's steel industry is one of the country's top customers.

Though mining operations were impacted by the pandemic and the global economic downturn, production has continued to expand. Players in the sector also sought to address potential health risks to miners so they could safely return to work. "Today, sanitary conditions are extremely well regulated and are strictly followed by all market operators," Nouho Koné, mining sector expert and member of the Professional Miners Association of Côte d'Ivoire (Groupement Professionnel des Miniers de Côte d'Ivoire, GPMCi), an employers' association, told OBG.

The economic downturn worked in the gold market's favour in some ways, as a flight to safety pushed up precious metal prices. In March 2020 international gold prices averaged $1590 per fine ounce. This had risen to $1970 by August of that year.

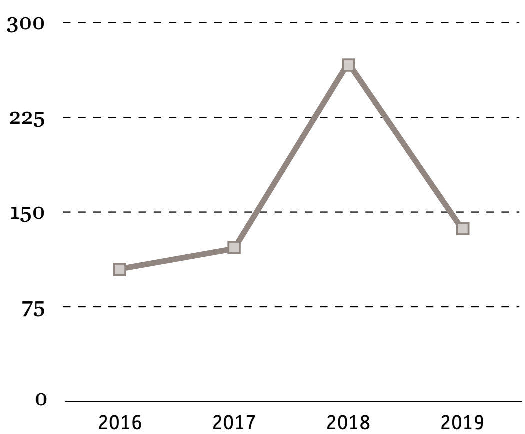
The country's gold industry has also benefitted from the expansion of the Ity mining complex in 2020 and the opening of the Séguéla and Daloa mines in 2021. According to Jean-Claude Diplo, president of the GPMCi, four more gold mines are scheduled to commence production in 2025 and 2026, ensuring a continuous expansion of the country's gold production.

BASE METALS: As of the end of 2020 the country had four operational manganese mines – Bondoukou, Guitry, Kaniasso and Lagnonkaha – as well as one nickel producing region in the Biankouma-Touba area and one operational bauxite mine at Bénéné.

Manganese production is estimated to reach 1.45m tonnes in 2021, up from 1.3m tonnes in 2020. In spite of the disruption caused by the pandemic, the country managed to exceed its forecast output of 1.25m tonnes in 2020. According to international media, Côte d'Ivoire ranked eighth in the world's top-10 manganese producers in 2022, up from ninth place in 2021. China's steel industry is one of the country's main customers, while manganese's importance in electric vehicle production is now also driving the industry worldwide. The government forecasts that the country's manganese production will increase to approximately 1.6m tonnes in 2022 and 1.75m tonnes in 2023.

Nickel has also become an increasingly vital commodity as the global energy transition picks up pace. According to official estimates, production of the metal

Mining sector investment, 2016-19 (CFA bn)



Source: EITI

reached 1.5m tonnes in 2021, up from 1.4m in 2020. As a result of efforts to make extraction, transportation and loading of nickel ore more efficient, production has more than doubled from 660,000 tonnes in 2019. It is forecast to reach 1.6m tonnes in 2022 and 1.8m tonnes in 2023. Nickel production is currently dominated by the Foungouesso and Moyango open cast mines in the Biankouma-Touba region, operated by Compagnie Miniére du Bafing (CMB), and the Sipilou North licence, held by CMB's sister company Nickel de l'Ouest Côte d'Ivoire. A further project is currently underway at Samapleu, carried out by SODEMI's Sama Resources.

The bauxite mine began production in 2020. Bauxite production is estimated to have reached 1.7m tonnes in 2021, up from 272,300 tonnes the previous year. Output was disrupted in 2020 after the country's bauxite mine temporarily halted activity in October 2020, after becoming a focus for civil disturbances around the presidential elections being held that month. The mine was reopened in December of that year, however, with the operator, Lagune Exploitation Bongouanou, announcing plans at the time to boost production to 2m tonnes between 2020 and 2022.

DIAMONDS: According to the Kimberley Process, an initiative established in 2003 to prevent conflict diamonds entering the international market, Côte d'Ivoire's diamond output has risen rapidly since the UN removed sanctions on Ivorian diamond exports in 2014. Production of rough diamonds increased from 1074 carats in 2014 to a peak of 20,200 carats in 2016. Although it fell to 4020 carats in 2020, in 2021 output was estimated at 5000 carats. The MMPE anticipates that production will increase to 5500 carats in 2022 and decrease to 5100 carats in 2023. Although output has increased, the industry's export value fell from $1m in 2019 to $602,550 in 2020 as global diamond prices took a hit amid the pandemic. In 2021, however, global prices began recovering, with the sector expected to see a significant revival as a result.

EXPLORATION: Côte d'Ivoire's mineral resources have often been overshadowed by its agricultural commodities, but exploration work has determined that there is extensive untapped potential in the country. Much of its under-exploited resources lie in the Birimian Greenstone Belt, a geological feature that extends under the south-eastern border with Ghana, which has become one of Africa's richest and most productive areas.

Endeavour's Afema project is one example of recent efforts to expand output in this region, with more than 550 holes drilled there by January 2021 and further work ongoing as of June 2022.

Local gold explorer Tietto Minerals is also continuing work in its Abujar prospect, which has already revealed high-grade gold deposits. The company is now drilling in additional areas to expand its 3.5m-ounce resource. The company's AG South prospect is likely to be the location for major full-scale gold mining activity between 2022 and 2024, according to Tietto officials.

Australia's Mako Gold is also continuing to explore its Napié project located in north-central Côte d'Ivoire. In March 2022 the company announced plans to

Bauxite production is estimated to have reached 1.7m tonnes in 2021, up from 272,300 tonnes in 2020

intensify its drilling at the project's Gogbala prospect after striking additional high-grade gold deposits.

In April 2022 Turaco Gold announced positive results from drilling at the Satama gold discovery, which lies within the Eburnea Gold Project in central Côte d'Ivoire, close to Endeavour's Fetekro gold project and Allied Gold's Bonikro and Moz Agbaou gold mines.

In September 2021 new prospecting permits were granted by the then-MMG to Divo Metals, Battle Resources and Yam's Mining, while an exploitation permit was granted to La Mancha Côte d'Ivoire, an Endeavour subsidiary, for gold mining in Dabakala.

Existing mining areas have also expanded thanks to active exploration campaigns. In April 2022, for example, Perseus Mining announced further intersections of high-grade gold mineralisation at its CMA underground prospect at the Yauoré gold mine.

At the same time, a major drilling campaign took place in the second quarter of 2022 at the Atex dual lithium-tantalum project after exploration company Firering appointed Foraco International's FOREMI as its drilling contractor for the project in April 2022. The company believes Atex may become one of West Africa's major lithium resources, which would significantly strengthen Côte d'Ivoire's international mining profile, given significant global demand for this critical mineral.

OUTLOOK: Amid the surge in exploration activity, Côte d'Ivoire's mining sector is well positioned to continue its expansion. As only a small fraction of the country's mining area has been explored thus far, there is significant growth potential in the years ahead. Tietto Minerals' Abujar gold project, for example, was only 10% explored in 2020, according to its CEO Caigen Wang.

The government's commitment to the sector and its further expansion also bodes well for the future, while debate about updating the mining code show a receptiveness to industry and community concerns. Moving forwards, sustainability and awareness of mining's impact on the environment will remain key priorities.

As only a small fraction of the country's prospective mining area has been explored thus far, there is significant growth potential in the coming years.

A dedicated compliance body shut down 222 illegal mines in 2019

Code of conduct

Efforts are being made to strengthen the mining industry's regulatory framework on both the national and regional level

The 2014 mining code requires that foreign companies prioritise domestic firms over foreign contractors and offer training to local businesses.

As mining investment continues to increase across the region, many West African countries have introduced regulations to ensure that mining operators take into account the needs of local communities and the potential impact on the environment.

The UEMOA community mining code was adopted in 2003 with the aim of protecting these interests. In 2014 Côte d'Ivoire introduced its own mining code to ensure that mining operators within the country respect the local environment, and the new law replaced a previous regulation implemented in 1995.

In the years since, there have been calls from governments, businesses and communities to reform and update these regulations. In particular, there has been controversy surrounding provisions in Côte d'Ivoire's mining code for mining companies to compensate local communities. Potential updates to the UEMOA code are also likely to impact miners operating in the country.

LOCAL FOCUS: Relations between mining companies and local communities have sometimes been fractious in Côte d'Ivoire, like many other mining countries. Mining has a direct impact on local agriculture by taking up land, and can affect the health and well-being of local communities if sustainable methods are not used. A lack of rehabilitation plans or requirements can also leave mining sites uninhabitable for many years after production has ceased. At the same time, unregulated mining, particularly among artisanal and small-scale miners (ASMs), can bring with it a range of issues, from worker exploitation to criminality.

The 2014 mining code sought to create a mechanism for addressing these issues via the establishment of mining local development committees. These entities operate as representatives of the local community and negotiate arrangements with mining companies. The latter are now required to produce a community development plan before commencing operations. The plan is funded by the mining company, on an annual basis, with details of the fund set out in its original mining permission application. The 2014 code also requires that mining companies give priority to qualified Ivorian firms over foreign contractors and offer training to local businesses. Additionally, the mining company must have a rehabilitation plan for mine sites post-production, and must establish a fund at the start of operations to pay for environmental repair over the course of a given mine's lifetime.

A mining company must have a rehabilitation plan for mine sites post-production, and must establish a fund at the start of operations to pay for environmental repair during a mine's lifetime.

In an effort to enforce compliance of the code and prevent illegal mining activities, the government created the Brigade for the Repression of Mining Code Offences in 2018. This has been extremely successful, shutting down 222 illegal mines in 2019 alone.

CALLS FOR REFORM: The moves enshrined in the code were broadly welcomed by mining communities, companies and environmentalists, but interpretation of its requirements has been an issue. This has led to legal claims and counter-claims, particularly over the levels of compensation that should be paid by mining companies to local communities. A system of special committees set up by the Supreme Court to deal with these disputes has faced difficulties in impacting court actions at a lower level in the judicial chain. At the same time, ambiguity over the legal status of the code – particularly regarding tax law – has also led to litigation. As a result, there have been calls for the code to be updated to better deal with these issues.

REGIONAL CHANGES: At the same time, there have been efforts to update the UEMOA mining code. An updated community mining code was approved by the eight UEMOA member states in 2019, though it has not yet been ratified by the individual countries. The draft code includes provisions covering transfer pricing and tax-base erosion, local content policies, community development and related funding, and environmental management. As miners in Côte d'Ivoire have long argued for more transparent ways to establish foreign currency accounts and repatriate profits, they will be watching these moves closely in the year to come.

Agriculture

Production of cotton continues to trend upwards

Rice self-sufficiency could be reached as soon as 2025

Government plans to expand national forest cover

Focus on the growth of digital services in the sector

Agriculture is responsible for approximately one-fifth of total GDP

Firm footing

Emphasis on value addition and environmental goals expected to increase access to high-value export markets

The country is the world's leading cocoa producer and shares the title of number-one cocoa grinder with the Netherlands. It is also the top cashew nut exporter and dessert banana producer.

Côte d'Ivoire's agriculture sector, responsible for approximately one-fifth of the country's GDP and employing two-thirds of the population, is a key part of the economy, as well as the social, cultural and political fabric. The sector is also significant at the global level, exporting cocoa, cashew nuts, palm oil, bananas, coffee, rubber and cotton worldwide. Indeed, Côte d'Ivoire is the world's leading cocoa producer and shares the title of number-one cocoa grinder with the Netherlands. It is also the top cashew nut exporter and dessert banana producer.

Moving forwards, as Côte d'Ivoire begins rolling out its National Development Plan (Plan National de Développement, PND) 2021-25 and pursuing environmental and sustainability goals for 2030 and beyond, the agriculture sector will be key to meeting development targets. The use of digital solutions, a greater emphasis on in-country refining and processing of agricultural commodities, and ensuring more equitable distribution of the sector's rewards are among the policy goals for the coming years.

However, with international agricultural commodity prices displaying increased volatility stemming from a combination of climate change, the Covid-19 pandemic and fallout from Russia's ongoing invasion of Ukraine, agriculture is likely to become more strategically important in the years to come.

STRUCTURE & OVERSIGHT: Côte d'Ivoire's agriculture sector covers four general climatic zones: the Sudan savannah, with 900-1400 mm of annual rainfall; the Guinea savannah, with 1000-1500 mm; the semi-mountainous forest zone, with 1200-1600 mm; and the forest zone, with 1200-1600 mm of annual precipitation. Around 64% of land in the country is agricultural, with roughly 17.7m ha under permanent crop or pasture production, and 2.9m ha under arable cropping systems.

Around 64% of land is agricultural, with roughly 17.7m ha under permanent crop or pasture production, and 2.9m ha under arable cropping systems.

Several government ministries play crucial roles in the sector. Among the most important are the Ministry of Agriculture and Rural Development (MARD), the Ministry of Animal Resources and Fisheries, and the Ministry of Water and Forestry. As of mid-2022 these ministries were headed by Kobenan Kouassi Adjoumani, Sidy Tiémoko Touré and Laurent Tchagba, respectively. Previously, a separate Ministry for Rice existed, in recognition of the crop's domestic importance; however, reforms to the government structure in late 2020 and early 2021 merged this ministry with MARD to integrate rice development with overall agricultural strategy. As of May 2022 the formation of a separate department for rice under the auspices of MARD was still under way.

There are also a number of state boards responsible for the regulation, promotion, marketing and development of specific crops. These include the Coffee and Cocoa Council (Conseil du Café-Cacao, CCC), the Cotton and Cashew Council (Conseil du Coton et de l'Anarcade, CCA), the Palm Oil Council (POC), state forestry management company SODEFOR and the National Rice Development Office (Office National du Développement de la Riziculture, ONDR). The CCC sets the purchase price for coffee and cocoa producers, and implements price stabilisation mechanisms when appropriate. The CCA and POC undertake similar tasks for their subsectors, while the ONDR regulates rice and rice seed production and coordinates and monitors investment.

INTERNATIONAL BODIES: The country is a member of several key international and bilateral agriculture and fisheries bodies, including a cocoa initiative with Ghana that was established in 2019. The two countries produce around 60% of the cocoa in the world, giving them major influence on the global market. The initiative also administers the living income differential (LID), a $400-per-tonne additional remuneration to cocoa farmers.

International organisations present in Côte d'Ivoire include the UN World Food Programme, the UN

Food and Agriculture Organisation, and the International Fund for Agricultural Development.

In addition, Côte d'Ivoire is a member of the International Cocoa Organisation (ICCO), which brings together the top cocoa-importing and exporting countries from around the world.

While many farming, forestry and fishing sector operations are undertaken by artisanal and small-scale cooperatives, the country is also home to a number of local subsidiaries of major multinational agri-businesses and agro-industrial outfits, including US-based Cargill, commodity trading and processing company ECOM Agroindustrial and Switzerland's Barry Callebaut, among others. These major players are represented by the Association of Professional Coffee and Cocoa Exporters of Côte d'Ivoire (Groupement Professionnel des Exportateurs de Café et de Cacao de Côte d'Ivoire, GEPEX).

PLANS & PROGRAMMES: The sector's development is guided by a series of government plans, including the second iteration of the National Agricultural Investment Programme (Programme National d'Investissement Agricole, PNIA) 2018-25, the Strategic Development Plan (Plan Stratégique de Développement, PSD) 2011-30 and the PND 2021-25. In addition, the agriculture sector is expected to contribute to the country's nationally determined contributions under the Paris Agreement, including a 28% reduction in greenhouse gas emissions by 2030.

The PNIA's main objectives are enhancing value addition in agricultural commodities, increasing productivity, boosting access to finance, strengthening the institutional framework and achieving sustainable resource management. The PSD, meanwhile, sets out a range of strategic clusters for areas with a competitive advantage where robust growth can be sustained, such as agriculture and agro-industry. The PSD is divided into five-year instalments, including the PND 2021-25. This scheme continues along the same lines as the aforementioned plans and sets a number of specific goals, such as establishment of nine agropoles – or clusters – for commodity processing, to receive special attention and support. They include rice, sugar, cocoa, coffee, cashew nuts, cotton, horticulture (mango, pineapple, dessert bananas and other fruits), rubber and palm oil.

These nine agropoles will be the focus of 16 high-value-added activities throughout country's various regions. The south-western Port of San-Pédro, for example, will become a centre for processing cash crops like cocoa and plantains, and in addition will have a fish-processing facility. North of the port, the provinces of Cavally, Guémon and Tonkpi will host food granaries and the development of a valuable coffee-growing region at Man (see analysis).

NATIONAL DEVELOPMENT PLAN: The PND 2021-25 aims to boost productivity, targeting 7.8% annual growth in agricultural production. The plan also calls for the rapid development of aquaculture; the formalisation of farming; self-sufficiency in high-quality rice, supported by increased mechanisation; the development of a system of agricultural insurance; and a permanent method of collecting statistics.

Around 70% of fish production comes from artisanal fleets, which land a combined 100,000 tonnes per year

The National Development Plan 2021-25 aims to boost the sector's productivity, targeting 7.8% annual growth in agricultural production over the period.

In 2019 approximately 49% of Côte d'Ivoire's meat and offal requirements were met by local production, along with some 19% of milk and dairy needs. The PND 2021-25 forecasts these figures will rise to 60% and 25%, respectively, by the end of the plan's timeline. In developing solutions to meet these targets, the PND 2021-25 also notes some of the challenges facing the sector and the country as a whole. Around 45% of the population lives under the poverty threshold, while a 2018 study by the UN World Food Programme found that roughly 10.8% of the population was experiencing food insecurity. Though these numbers have fallen in recent years, food security remains an important strategic goal.

The PND 2021-25 is the most ambitious national programme to date, with more than double the amount of investment envisaged than under its immediate predecessor, at $105bn in total. The private sector is targeted to supply 74% of the required investment, about 4% of which will go to agriculture. The plan has the backing of the African Development Bank (AfDB) and is being rolled out nationwide.

In May 2022 the government announced the launch of the five-year Abidjan Initiative, a scheme to use $1.5bn of private investment to restore degraded forests and boost food production. According to President Alassane Dramane Ouattara, desertification and drought affect 60% of the territory, and up to 90% in the sub-Saharan north. Restoring land and forests is therefore key for the future, and crucial to the agriculture sector.

SIZE & PERFORMANCE: Agriculture, forestry and fishing constituted 21.4% of GDP in 2020, according to the World Bank. This share had risen for a number of years after reaching a low of 15% in 2009. Previously, however, the sector was responsible for substantially more of the country's GDP, at 47.9% in

In May 2022 the government announced the launch of the five-year Abidjan Initiative, a scheme to use $1.5bn of private sector investment to restore degraded forests and boost food production.

The agriculture sector covers four climatic zones with varying rainfall

2.25m

tonnes of cocoa beans were produced in 2020/21

1960 and 34% in 1992, for example. The decline is largely due to the growth of extractive and other industries, as the total value of the sector has steadily increased over the last two decades. In 2008 agricultural value added was $7bn; by 2018 that figure had reached $8.8bn and in 2020 hit $9.3bn.

COVID-19: As the pandemic took hold in early 2020, Côte d'Ivoire was able to avoid some of the more serious impacts seen elsewhere, but the crisis nonetheless required support programmes for vulnerable and vital sectors such as agriculture. Some CFA1700bn ($29.2bn), or 5% of GDP, was committed to an emergency pandemic plan in March of that year, with CFA300bn ($515.7m) of that going towards the Agricultural Emergency Programme – CFA50bn ($86m) for food production and CFA250bn ($429.8m) for the agricultural export subsector.

These measures partly took the form of price supports – subsidies to exporters to encourage them to buy crops at set farm-gate prices. CFA35bn ($60.2m) was allocated to support cashew nuts, and CFA5.6bn ($9.6m) was earmarked for cotton. A further CFA6.1bn ($10.5m) went to rubber, CFA500m ($860,000) to palm oil, and CFA500m ($860,000) to banana growers. Pineapple and mango farmers received similar packages. By December 2021 CFA66bn ($113.5m) had been disbursed in total.

These measures helped to alleviate the worst effects of the pandemic; however, waning global demand for agricultural exports continued to weigh on the sector's performance. AfDB figures show agro-exports were down 2.2% that year, while agro-food industries contracted by 1.3% and forestry fell by 16.5% as global construction – and therefore demand for materials – shrank dramatically.

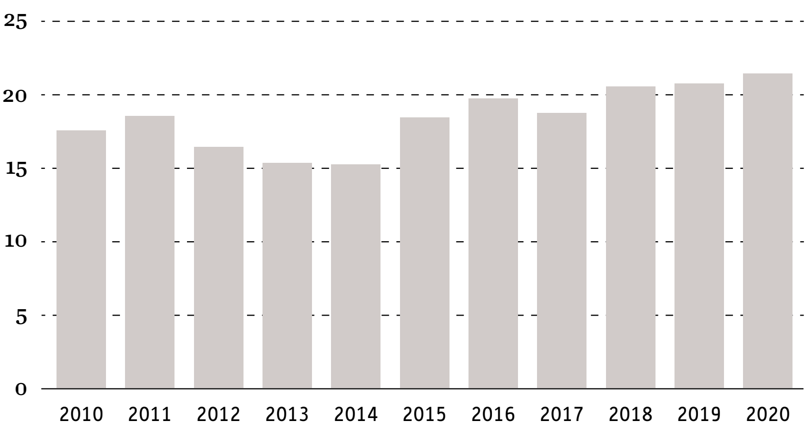
In 2021 both the global economy and Côte d'Ivoire's agriculture sector began to pick back up. The Ministry of Economy and Finance reported 3.3% growth in agricultural exports and 4.5% growth in food agriculture for the year, while the Economist Group expected the sector's contribution to GDP to grow by 5% in 2022 and 4.5% in 2023. However, Russia's invasion of Ukraine, which began in February 2022, has had a negative impact across the sector. Amid global fertiliser and oil price volatility, productivity appears likely to diminish somewhat.

COCOA: Côte d'Ivoire's position in the global cocoa market is strong, particularly given its cocoa initiative with Ghana. As with all harvested crops, production is ruled by the seasons. In Côte d'Ivoire, there is an October-to-March main crop, followed by an April-to-September mid-season crop. The rainy season runs from April to mid-November. Inadequate rainfall is likely to lead to smaller pods and lower yields, while excessive rain during drier periods can also impact the crop, increasing the risk of mould on the beans. Given these sensitivities, climate change is a significant concern for the sector.

Key regions for cocoa include the central belt of Bongouanou and Yamoussoukro, the centre-west region of Daloa and the western region of Soubré, the southern zones of Agboville and Divo, and the eastern region of Abengourou. Most cocoa is grown and harvested by local cooperatives; a system of purchasers and exporters bring the crops from the farm gate to the final market, largely overseas. Europe is the main destination, with the EU receiving around 67% of the country's cocoa exports.

According to the ICCO, the 2019/20 season saw Côte d'Ivoire produce some 2.1m tonnes of cocoa beans out of a global total of 4.7m tonnes, giving it a 44.4% share. The following season, the country produced an estimated 2.25m tonnes, an increase of 6.7%. However, global cocoa bean production volumes were higher that season, which reduced the country's share of the world's combined production to 43%. For the 2021/22 season, the ICCO projected cocoa bean production would moderate to 2.2m tonnes amid rainfall variable, although in May 2022 Reuters reported that many growers were optimistic about the prospects of a good harvest.

Agriculture, forestry & fishing value added, 2010-20 (% of GDP)



Source: World Bank

Côte d'Ivoire is also a major producer of cocoa grind. In April 2022 GEPEX reported that total grind stood at 364,000 tonnes since the beginning of the 2021/22 season, up from 334,000 tonnes recorded throughout the same period in 2020/21.

Meanwhile, efforts to ensure sustainable growing practices and financial support for farmers continue apace. Enforcing the LID has sometimes been challenging, but the bilateral cocoa initiative with Ghana is working with the EU, in particular, to help enforce better pricing and higher rewards for growers.

COFFEE: Côte d'Ivoire produces mostly Robusta beans, which are mainly used in the production of instant coffee, with France and Italy its top export markets. Although the country was once a major exporter, this position has eroded somewhat in recent years. According to the International Coffee Organisation, Côte d'Ivoire exported 1.8m 60-kg bags in 2020. Reviving the subsector's fortunes, therefore, has been a major goal of the CCC. In addition, an initiative under the PND 2021-25 seeks to promote production of higher-quality – and therefore higher-priced – Arabusta beans, which are grown in the mountainous Man region (see analysis).

CASHEWS: Over recent years Côte d'Ivoire has emerged as the top global producer of raw cashew nuts – a versatile crop used in everything from cooking to aircraft braking systems. In 2021 approximately 968,000 tonnes of cashew nuts were produced nationwide, up from 500,000 tonnes in 2013. The quality of the harvest has also improved, as measured by the kernel output ratio (KOR), which rose from 46 in 2013 to 48 in 2021. Another quality measure – dryness – has also improved, as humidity levels fell from more than 10% to 8% over the same period. Bondoukou, Bouna, Bouaké, Katiola, Boundiali, Odienné, Yamoussoukro, Zuénoula, Korhogo, Ferkessédougou, Séguéla and Mankono are the primary growing regions for the crop.

Around 10% of cashews are currently processed in-country. Traditionally, raw nuts are exported to Asia, where Vietnam – the world's leading cashew processor – is responsible for processing 52.8% of the global total, compared to Côte d'Ivoire's 2.6%. After processing, the bulk of the output is re-sold to the world's primary cashew market, the US. In keeping with Côte d'Ivoire's strategic plans to encourage greater value addition in the sector, recent years have seen the government enact programmes in an effort to boost the level of processing taking place domestically to 50% by 2025/26.

These plans include moves by the CCA to boost crop quality to a KOR of 52, an orchard rehabilitation programme, training for cashew producers in up-to-date methods, capacity-building among sector bodies, and a double-bagging system at the bush and warehouse stages to reduce moisture. In addition, in early 2022 the government was drafting plans for a $20m guarantee fund for cashew farmers, incentivising investment in the sector by securing improved access to finance for potential growers.

In 1990-2015 some 300,000 ha of land was lost to deforestation per year, with total losses since 1960 at 80%

COTTON: The 2021/22 season was a successful one for Côte d'Ivoire's cotton farmers, with the forecast revised to a record 600,000 tonnes, up 7% from the previous season's output. The season for cotton is May to April, after sowing from late April to June and harvesting from October to January. Ginning and marketing begin in November.

Five organisations currently control cotton production, purchasing, transformation and export in the country: Compagnie Ivoirienne pour le Développement du Textile, which was state run until it was privatised in 2016; Ivoire Coton; Compagnie Ivoirienne de Coton (COIC), which in 2019 took over zones previously operated by the Société Industrielle Cotonnière des Savanes; the Société d'Exploitation Cotonnière Olam (SECO-OLAM); and Global Cotton. Ivoire Coton and COIC were responsible for a combined 61% of production in 2020/21.

The companies had a total annual ginning capacity of 635,000 tonnes as of 2021. Production gains have been due in part to the efforts of the National Centre for Agricultural Research, which has developed new seed varieties, and a seed multiplication and distribution scheme that is run by COIC, Ivoire Coton and SECO-OLAM, leading to a climbing germination rate, from 40% in 2018/19 to 60% in 2020/21.

Almost the entire cotton crop is exported, most of which is unwoven, with $23.3m of woven fabrics sent mainly to neighbouring countries in 2020. Imports of woven fabrics were higher that year, at approximately $27.5m. Under the PND 2021-25 and other government plans, the drive to boost local value addition may see these numbers change.

RICE: The West African coast has a long history of rice cultivation, but the modern sector developed in tandem with major irrigation works in the 1960s. Several rice development programmes followed, most recently the National Rice Development Strategy (Stratégie Nationale de Développement de la

Almost the entire cotton crop is exported, most of which is unwoven, with $23.3m of woven fabrics sent mainly to neighbouring countries in 2020.

In 2019 approximately 49% of the country's meat and offal requirements were satisfied by local production

Rising private sector involvement along the agricultural value and supply chains is expected to make future investment more attractive to both local and international players, and achieve higher capacity utilisation rates and greater profitability.

Riziculture, SNDR) 2020-30. Today, domestic rice covers roughly 50% of consumption, making Côte d'Ivoire the fifth-largest importer of rice globally. Demand for the crop is set to grow as economic development places it within more people's budgets.

"Rice used to be a luxury good, but now it is a staple food," Aminou Arouna, programme leader and impact assessment economist for the Africa Rice Centre, told OBG. "Rice consumption on the continent stands at around 27 kg per capita, compared to 77 kg per capita in Asia, so there is still plenty of room for consumption growth. However, strategic policy actions such as investment in water management and attracting private investment are required to achieve self-sufficiency in rice."

As part of the goals of the SNDR 2020-30, the government is pushing for rice self-sufficiency by 2025. Expanding local rice production has, however, become increasingly challenging in the face of recent external pressures. Rising international oil and gas prices, for example, have driven up fertiliser costs around the world – a dynamic that has been exacerbated by Russia's invasion of Ukraine. At the same time, climate change is negatively impacting water supply and its dependability, which, in combination with large-scale production of irrigated rice, weighs on productivity.

However, there are ongoing efforts to harness private sector investment to boost output, despite some structural and legacy issues. Mills leased out to private companies have at times struggled to reach profitable capacity levels, particularly as productivity has been impacted by rising costs for rice farmers in terms of fertiliser or fuel for equipment. Enabling private sector production of rice, while building up the irrigation infrastructure to support continued investment, may be a suitable way forwards.

FORESTRY: Côte d'Ivoire was once home to extensive forested areas, but deforestation presents a pressing issue for the country – particularly as large areas of land are converted to cash crops like cocoa. Between 1990 and 2015 some 300,000 ha of forested area was lost to deforestation annually, with the total amount lost since 1960 standing at around 80%. This negatively impacts agricultural exports to the EU, where regulations on halting imports from deforested land have tightened.

The government has taken several steps to stop and reverse this trend. Enacted in 2018 in partnership with neighbouring Ghana, the Cocoa and Forests Initiative reduced forest loss to an average of 26,000 ha per annum over the three years to 2021. The government is currently planning to expand forested cover to 20% of the total territory by 2030. A tree-planting campaign will assist in these efforts, with plans to plant 3bn trees on government land over the next decade. In the longer term, the country aims to develop a more sustainable forestry industry while at the same time cracking down on illegal farming and deforestation.

FISHERIES: Around 70% of fish production in Côte d'Ivoire comes from artisanal fleets, which land a combined 100,000 tonnes of fish per year. The sector makes a 0.4% contribution to GDP, employing around 70,000 people directly and another 400,000 indirectly. It is also responsible for a share of the country's international trade flows, with the main export being processed tuna and the main import frozen fish from neighbouring countries and Europe.

Smoked fish accounts for around 65% of all fish traded domestically, and most smoking is done by artisanal outfits. However, as electrification and refrigeration spread throughout the country, along with campaigns to encourage more sustainable use of wood for fish smoking, the relative weight of smoked fished in the local market is likely to wane.

OUTLOOK: In the short term, with high fertiliser and fuel prices impacting farmers in the first half of 2022, productivity and profitability may be dampened in the year ahead. At the same time, discussions over government support continue; eventual measures would help to ease some of the financial burdens on farmers from international headwinds.

In the longer term, mobilising investment in areas such as irrigation and sustainable practices will head off some of climate change's impact on output and future harvests. Rising private sector involvement along the agricultural value and supply chains is expected to make future investment more attractive to both local and international players, and achieve higher capacity utilisation rates and greater profitability across a variety of segments.

At the same time, enforcing strict regulations on deforestation and other environmental concerns will help to protect access to high-value markets around the world. Investing in local value addition – a principal goal of the government's medium-term strategy – also presents a significant opportunity for investors, both local and foreign, to participate in the development of a future-ready economy.

The government is prioritising the use of digital solutions in agriculture

Digital growth

The future of many farms may lie online

In the countryside some 50 km outside Abidjan, a coffee-roasting plant is using the latest digital technology to produce subtle variations on a new theme: Arabusta coffee beans from the Man region.

Adjusting the roast scientifically while introducing other flavours and aromas, the coffee produced by Augur Industries is a combination of high-tech industry and traditional agriculture, and represents a level of digital mechanisation that is far from the norm.

"When it comes to digitalisation, the level in agriculture is still under development," Roger Kouassi, head of planning, monitoring, evaluation and statistics at the Fund for Agricultural Research and Advice, told OBG.

Recent years have seen a range of new programmes and initiatives from the government, sector players and the ICT industry, aimed at supporting wider uptake of digital solutions in agriculture. These campaigns aim to leverage growing electrification and smart phone connectivity to boost farmers' incomes.

According to the government's National Development Plan (Plan National de Développement, PND) 2021-25, roughly 98% of the population had access to electricity in 2019, while in 2020 some 94.6% of the country had 3G coverage and 60% had 4G. Mobile phone penetration, meanwhile, reached 140% by end-2020. Using digital resources to help agriculture by sharing information on optimal farming methods, crop yields, weather conditions and market prices is increasingly practical and cost-efficient.

The PND 2021-25 also establishes wide-ranging goals for digitalisation – from its use for payments in the agriculture sector, to broader plans to boost mobile phone penetration to 190% by 2025, and internet usage from 36.5% of the population in 2019 to approximately 50% by the end of the plan period.

JOINING IN: Agricultural digitalisation has already attracted a number of global institutions and companies. In 2018 the World Bank took up the challenge of digitalising sector practices by funding a five-year, $70m e-agriculture project in the country, set to run to 2023. Working with low-yield farms, the project targets the upgrade of local ICT infrastructure and digital equipment, along with the modernisation of agricultural information systems. In particular, it aims to strengthen the role of women in agriculture by increasing their access to ICT, and legal and institutional frameworks in rural areas.

In January 2021 telecoms firm MTN Côte d'Ivoire reached an agreement with the Federation of Food Cooperative Societies of Côte d'Ivoire to help digitalise the agriculture sector. Under this initiative, MTN will work on digitising payment systems within the sector, making them faster and more secure.

E-AGRICULTURE: Elsewhere, researchers at the Ecole Supérieure d'Agronomie, an agricultural school in Yamoussoukro, have developed an app to inform farmers of the best time to carry out agricultural activities such as watering or harvesting, based on real-time meteorological information from weather satellites operated by the US National Aeronautics and Space Administration. Other apps are being developed to establish a virtual marketplace, bringing agricultural produce suppliers and buyers together online.

At the same time, a string of innovative local disruptors – known as agripreneurs – have emerged within the e-agriculture movement, developing precision agriculture methods and disseminating information about optimal farming practices via smartphone.

Connectivity to both power and internet may be growing nationally, but in many rural areas gaps remain. While prices for data have fallen, they can still be high for artisanal and small-scale agricultural producers. Training and capacity-building for farmers unaccustomed to digital methods is therefore a key priority moving forwards. However, with the government, ICT companies, research institutions, global organisations and agripreneurs all working to advance digitisation, the future for many farms may lie online.

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Massogbé Touré

Cashing in

Massogbé Touré, Group Director, Société Ivoirienne de Traitement d'Anacarde, on efforts to bolster local processing of cashew nuts

How will the African Continental Free Trade Area (AfCFTA) boost agricultural trade within the region?

TOURÉ: All stakeholders involved in cashew nut production are aware that the AfCFTA agreement was primarily established to enhance trade among African countries and increase farmers' income. An increase in trade and exports of agricultural products within the region would help increase domestic production, while also improving the quality of products over the next few years. The agreement will provide access to a much larger market with promising economic prospects.

This agreement will reassure stakeholders by maximising Côte d'Ivoire's production capacity. However, it will be difficult to increase output if farmers are discouraged by low prices. Better incentives and public aid should be provided to encourage farmers to develop their products further and increase their income. Producers are also more likely to continue working efficiently and professionally if they receive fair compensation. The main challenge for the whole world remains ensuring sustainable production, as in Côte d'Ivoire, which pays 60% of the price to producers.

To what extent can investment in the processing of cashew nuts increase their export value?

TOURÉ: Africa produced 60% of the world's raw cashew nuts in 2021, with Côte d'Ivoire being the biggest contributor to this output. However, less than 15% of this crop was processed on the continent. Côte d'Ivoire processed just 12% of the nuts, foregoing significantly higher earnings from value-added exports. Most of the processing is carried out in Asia, where manufacturing plants run at high speeds and capacity, transforming raw cashew nuts into ready-to-use consumer products such as snacks or spreads destined for European and US markets. Relocation of cashew processing to Africa could be a significant source of revenue for the region.

The government has also adopted an action plan to provide the continent with modern industrial zones that meet international standards to support the acceleration of the economy's structural transformation through industrialisation. The cities of Bondoukou and Korhogo, and the savannah region will be key areas for cashew processing with the establishment of large production units. This will allow operators who are interested in investing in the agriculture sector to locate in the area to contribute to its development. The objective is to enact the first pillar of the National Development Plan 2021-25, devoted to accelerating economic and structural transformation and maintaining high growth.

What steps are needed to modernise technological equipment in the cashew nut industry?

TOURÉ: The 2021 cashew commercialisation campaign achieved remarkable results. Côte d'Ivoire must capitalise on this to boost the processing of raw nuts by acquiring modern technological tools that will maintain these high production levels, competitiveness gains and improved quality standards. While these results are favourable for the world's largest cashew producer, farmers are not likely to benefit as much from the growing market. Local processing is also limited to around 10% of total output. The authorities have deployed several measures recently, supplemented by an agreement signed in 2019 with 12 companies in the sector. Through these measures, companies hope to increase raw cashew nut processing to more than 400,00 tonnes over the next four years.

The president inaugurated the Cashew Innovation and Technology Centre in Yamoussoukro with an investment of CFA3.9bn ($6.7m). The aim is to increase the sector's processing capacity to 170,000 tonnes by 2023 and capture markets beyond India, Brazil and Vietnam, where processing takes place locally. Côte d'Ivoire is being aided by the World Bank and the IMF to fund the purchase of technological tools and provide producers access to subsidies to strengthen local processing and improve the quality of the produce.

Sub-Saharan African has 60% of the world's uncultivated arable land

Ecological transformation

Farmers in emerging markets are transitioning to green solutions to meet the world's increasing agricultural demands

In light of the Covid-19 pandemic, supply chain disruptions and broader environmental concerns, many countries are looking to improve the efficiency of agriculture and reduce its carbon footprint. The drive for sustainable agriculture gained impetus in 2022 following Russia's invasion of Ukraine, which curtailed exports of maize, wheat and cooking oil from key producers – raising broader concerns about food security. Moreover, a heat wave in India and Pakistan in April and May 2022 killed dozens of people and caused significant damage to crops and smallholder incomes – exacerbating climate change fears.

SUSTAINABLE AGRICULTURE: While many countries have moved to shore up supply chains and improve agreements with suppliers, some are also looking towards sustainable agriculture. This usually involves practices that are focused on preserving soil fertility, preventing water pollution and protecting biodiversity, and can involve measures such as rotating crops, planting cover crops and eliminating tillage. Also important is the adoption of a green economic model, which refers to an alternative development model that is low carbon, resource efficient and socially inclusive.

Home to over 60% of the world's uncultivated arable land, sub-Saharan Africa has a role to play in feeding the world's growing population. While agriculture will certainly drive the industrialisation of African economies, a balance must be set between economic development and global climate change mitigation efforts. According to the Centre of Climate and Energy Solutions, the continent is responsible for 4% of global carbon emissions. As the agriculture and forestry industries are heavier polluters, it is important to focus on sustainable practices, otherwise the inefficient use of fertilisers or deforestation may lead to the exponential increase of emissions. It is therefore vital for the continent to transition towards a green economic model.

Sustainable agriculture uses up to 56% less energy per unit of crop produced and emits 64% less greenhouse gas per ha, according to a June 2021 report from the UN Environment Programme (UNEP). Although more sustainable methods require higher labour costs, the UNEP estimates that they have the potential to generate up to 30% more jobs than conventional farming, and noted that sustainably produced products generally command higher sale prices.

ROLE OF EMERGING MARKETS: Although developed economies lead the way in sustainable agriculture, emerging markets are increasingly adopting such practices. In April 2022 Indian agri-tech venture capital firm Omnivore launched a $130m fund – with up to $30m in investment from the US International Development Finance Corporation – that will focus on supporting start-ups that make farming in India more resilient, sustainable and profitable. Omnivore has invested heavily in the space since 2012, providing finance to start-ups that offer financial technology services, business-to-business marketplace platforms, and post-harvest technologies to boost efficiency and sustainability.

One such start-up is Fasal, which provides growers with precision agricultural equipment utilised in micro-irrigation systems. Using artificial intelligence and the internet of things (IoT), Fasal has installed soil moisture sensors across more than 16,000 ha of farmland in India to conserve water. Another Omnivore beneficiary is BioPrime AgriSolutions, which develops tailor-made biological crop inputs to enhance yields.

Elsewhere, the MENA region has been a leader among emerging markets in terms of adopting sustainable agricultural solutions. In 2020 Kuwait's NOX Management teamed up with Hamburg-based agri-tech company &ever to open a commercial indoor vertical farm just outside Kuwait City. Spanning 3000 sq metres, the farm uses IoT sensors to digitally control seeding, germination, harvesting, temperature, humidity, emissions and airflow, using 90% less water and 60% less fertiliser than traditional farming. This comes amid regional reports that Kuwait is fast tracking the

Sustainable agriculture uses up to

56%

less energy per unit of crop produced than conventional farming

In 2020 Kuwait's first commercial indoor vertical farm was opened, spanning 3000 sq metres. It consumes 90% less water and 60% less fertiliser than traditional farming.

There are around 280 agri-tech start-ups in Africa providing services from tractor-hailing to soil mapping

A recent study found that farms with regenerative practices were 78% more profitable than conventional farming, thanks to lower input costs for seeds and fertilisers, and the ability to sell to more lucrative markets.

development of a sustainable farm project. Half completed as of June 2022, the farm aims to reduce fresh water usage in agriculture by using treated water and improve the efficacy of various agricultural practices through technological upgrades. The project will also use solar-powered greenhouses, develop six lakes for sustainable aquaculture as well as construct a recycling facility for agricultural waste.

AFRICA IN THE SPOTLIGHT: While agriculture in Africa accounted for 23% of the continent's GDP in 2019, there has been little investment in local agri-tech start-ups and ventures. This can explain why the adoption of technology on the continent has lagged behind other regions where agriculture has been reshaped thanks to ICT innovations. Despite the lack of funding, Africa has around 280 agri-tech ventures that provide services from tractor hailing to soil mapping. These technological start-ups are mostly concentrated in countries such as Kenya, Nigeria, South Africa, Tanzania, Uganda and Ghana. They address challenges faced by African farmers and other local market players. For example, in Nigeria, Verdant AgriTech helps farmers access information and recommendations in real time about weather, soil and market conditions via mobile phone.

As agricultural practices have to adapt to the challenges that come with climate change, farmers face the dual hardship of having to increase agricultural output to feed a growing population, while reducing its impact on the environment. A potential solution is the sector's implementation of climate-smart agriculture, an integrated approach to agricultural production that looks to improve resilience, boost productivity and mitigate climate change. An important aspect of this approach is the implementation of efficient irrigation systems, sustainable water and soil management. Other significant measures include mitigation techniques such as the reduction of fertiliser use.

In this sense, in March 2022 the World Bank approved a $180m loan to support water governance, improve irrigation services and implement water-saving irrigation technologies in Morocco. The World Bank reported that this came as the country's water resources were witnessing increasing pressure due to climate change. The innovations included in the project, which aims to support 16,000 farmers, are seen as important for addressing water scarcity in the country.

REGENERATIVE AGRICULTURE: While incorporating many of the principles of sustainable agriculture, regenerative agriculture goes a step further by rehabilitating the environment to a state where it can naturally regrow food on its own. By increasing soil biodiversity and organic matter, regenerative agriculture renders soil more resilient, and therefore able to withstand the severe weather impacts of climate change.

According to a 2021 study by Bain & Company and Nature United, transitioning to regenerative agriculture could help farmers halve emissions and increase profits. However, the study cautioned that farmers would need four years on average to realise these benefits and would ultimately lose profitability during the transition.

Another study, by the Ecdysis Foundation, found that farms with regenerative practices were 78% more profitable than conventional farming, thanks to lower input costs for seeds and fertilisers, as well as the ability to sell to more lucrative end markets. To this end, in 2021 food and beverage giant Nestlé launched a regenerative agriculture plan to invest $1.3bn over five years to help 500,000 farmers and 50,000 suppliers around the world improve soil organic matter and fertility.

In 2021 a regenerative agriculture plan was launched to invest $1.3bn in five years to help 500,000 farmers and 50,000 suppliers improve soil organic matter and fertility.

The project aims to help farmers retain water and improve drainage, protect and restore biodiversity, and sequester carbon. Nestlé is also developing more environmentally friendly crops, including higher-yielding coffee and cocoa varieties, and is co-investing in their adoption by farmers in an effort to assume some of the costs and risks of the transition.

At the multilateral finance level, the Inter-American Development Bank is supporting projects to regrow pine and cacay trees in Colombia. The project hopes to increase yields of pine resin and cacay nuts, thereby giving indigenous farmers new income streams while helping to reverse deforestation.

Elsewhere, smaller-scale projects are using regenerative approaches to fight deforestation and reduce carbon emissions and pollution. In Peru, the World Wildlife Fund runs 10 fieldwork projects in the Madre de Dios region to promote regenerative agriculture techniques among local farmers. In addition, more than 200 farmers in Madre de Dios are participating in the Alliance for Regenerative Ranching in the Peruvian Amazon. The programme aims to ensure greater sustainability in ranching practices by implementing an agro-ecological system that allows soil to recover without undermining livestock productivity.

The programme builds technical capacity and understanding of practices that interspace cattle farms with wooded areas in order to provide a buffer against deforestation. Farmers then have the benefit of earning additional income from harvesting products and ingredients that the Amazon naturally produces.

Industry & Retail

Emphasis on enhancing value-added processing

Free zones and incentives aim to bolster investment

Measures to formalise the growing commercial sector

E-commerce segment helping to drive retail expansion

Exports and investment were the primary drivers of GDP growth in 2021

Making a mark

The world's biggest cocoa producer is creating opportunities for investment in processing, energy and transport

The National Development Plan 2021-25 aims to shift the economy from its primarily agricultural focus, using industrialisation as a driver of job creation.

As urbanisation continues, the industrial sector is growing, with more people being employed in industry while traditional agricultural employment decreases. However, agriculture continues to play a significant part in the industrial sector through the development of new processing and packaging facilities. Cocoa and cotton, two major exports, were largely resilient to the impact of the Covid-19 pandemic, and government support for small and medium-sized enterprises (SMEs) ensured that producers could continue many of their economic activities despite supply chain challenges impacting the global economy.

The industrial sector comprises several other subsegments that have steadily developed over the last few years. There is potential for private investment across the energy, construction and machinery, manufacturing, automotive, telecommunications equipment, plastics, and paper and packaging industries.

STRUCTURE & OVERSIGHT: The Ministry of Commerce and Industry implements government policy across the sector. It also manages the regulation of all subsectors, as well as industrial imports and exports.

The Ministry of Agriculture and Rural Development also plays an important role, with agro-industry making up a considerable proportion of industrial production. It implements regulations through commodity-related organisations such as the Coffee and Cocoa Council and the Cotton and Cashew Council.

The 2018 Investment Code simplified the investment law, offering tax benefits to attract private investors. In addition, the National Development Plan (Plan National de Développement, PND) 2021-25 seeks to transform the country socially and economically, aiming to achieve average economic growth of 7.65% between 2021 and 2025. Pillar two of the plan focuses on job creation, specifically the industrialisation of the economy to drive employment across clearly defined subsectors. It aims to shift the agriculture sector to be more focused on agricultural processing and exports.

As of 2020 the industrial sector employed

13.4%

of the workforce

The government developed the PND 2021-25 with support from the UN Industrial Development Organisation, in line with the UN Sustainable Development Cooperation Framework, which spans the same period.

PERFORMANCE & SIZE: The sector has been gradually expanding in recent years thanks to urbanisation and greater private investment. As the gateway to West Africa, Côte d'Ivoire is a strategic import and export market and is home to several ports, including the Port of Abidjan, considered the most significant on the West African coast. In addition, the Abidjan-Lagos corridor links the country with Ghana, Togo, Benin and Nigeria, supporting over 75% of West Africa's trade.

The economy is projected to grow by around 6% in 2022, supported by the development of the agriculture sector, manufacturing industries, mining, energy, transport, telecommunications and trade. GDP growth increased by approximately 7% in 2021, according to the IMF, mainly driven by exports and investment. Employment in the industrial sector is growing steadily, totalling 13.4% of the working population in 2020, compared to a figure of 11.3% in 2010.

According to the World Bank, while the construction sector and public investment were major contributors to economic growth before the pandemic, the manufacturing sector, services and exports are expected to drive the economy in 2021-22. However, it highlighted the need for greater financing for micro-enterprises and SMEs to develop the sector further. In addition, worker productivity growth has decreased in recent years, falling from 6% in 2012 to 3.2% in 2019, and even lower in 2020 to 1% due to pandemic restrictions.

Russia's invasion of Ukraine has led many world powers to consider the impact on energy and consumer goods. West Africa currently imports a substantial quantity of food from Russia, which could be affected by the conflict. With inflation expected to reach around 5% in 2022, the increase in food prices could severely impact consumer spending. However, Olivier Marion, head of West and Central Africa at the Bühler Group, told OBG that these developments could enable Côte d'Ivoire and neighbouring countries to develop their food processing capabilities and diversify the types of food crops being grown. The African Development Bank announced in March 2022 it would be releasing $1bn to accelerate wheat production and help reduce regional dependence on wheat from Russia. This could change the face of the West African agro-industry and provide support for the government's efforts to develop the domestic food processing industry.

AGRO-INDUSTRY: Agri-business remains Côte d'Ivoire's main industrial activity, with around 40% of the population employed in agriculture. The country is one of the largest producers of cocoa, cashews and cotton in the world. The agricultural processing industry has developed substantially in recent years, with the aim to increase the processing of agricultural commodities by 50% by 2025. In 2019 agriculture contributed around 16% of GDP and an estimated 60% of exports, according to the World Bank.

Côte d'Ivoire is the largest cocoa bean producer and exporter in the world, with production rising from 1.4m tonnes in 2012/13 to 2.2m in 2020/21. In 2020 the country exported $3.5bn worth of cocoa beans, mainly to the Netherlands, the US, Malaysia, Turkey and Germany. Unfavourable weather conditions and the vegetative rest required by the crops could weigh on production levels in 2021/22. Additionally, lower farmgate cocoa prices will see farmers paid around 21% less than the previous year for the 2022 harvest, which could make the segment less attractive and drive some smallholders to rubber farming.

TELECOMMUNICATIONS EQUIPMENT: The telecommunications sector has been rapidly expanding and currently contributes approximately 10% of GDP. The mobile penetration rate was around 149% in 2020, meaning that many people have more than one mobile account or SIM card. Most Ivorians access the internet via a mobile device rather than a fixed connection, though use of the latter grew by just over 19% in 2020.

There is significant potential to expand the telecoms manufacturing industry. In February 2022 the government announced plans to launch 5G coverage in 2023, requiring the expansion of existing internet infrastructure. Progress is being made in the manufacturing industry, with the launch of the first domestically produced smartphone and computer in 2021. The factory, managed by CERCO Group, is expected to produce up to 4000 units a day, with the potential to extend production to LED lamps, cameras and other devices. This supports the government's aim of promoting Côte d'Ivoire as a leader in the digital field, according to Roger Adom, minister of digital economy, telecommunications and innovation.

INVESTMENT: Having invested substantial public funds in industry in recent years, the government is now orienting policy towards attracting private and foreign investors. Projects such as the 2018 Port of Abidjan expansion and $2.8bn in spending on the construction and renovation of roads between 2017 and 2019 are expected to increase the country's investment prospects. Enhanced transport links and greater import-export capacity, coupled with the PND 2021-25, will likely attract increased foreign investment.

The development of packaging facilities supports food processing targets for key crops like cocoa and cotton

With 40% of the population employed in agriculture, the country is the world's largest producer of cocoa, as well as a major producer of cotton and cashews.

The accessibility of the market for foreign investors is evident in the evolution of the country's investment metrics. Foreign direct investment (FDI) stock grew by approximately five-fold over the past two decades, from $2.5bn in 2000 to $12.2bn in 2020, according to the UN Conference on Trade and Development (UNCTAD). As the strongest ECOWAS economy, Côte d'Ivoire remains a popular destination for foreign investment. However, FDI inflows dropped from nearly $1bn in 2019 to $509m in 2020 due to the pandemic, according to UNCTAD's "2021 World Investment Report".

However, several challenges remain for foreign companies operating in the industrial sector. "Market entry has been significantly facilitated by the government, even for foreigners in terms of work permits. The taxation system, however, remains challenging to navigate, especially for new companies," Marion told OBG. This, he suggested, means that new companies can at times struggle to thrive in the market.

In 2021 the World Bank approved $200m in financing from the International Development Association to enhance the competitiveness of export-oriented agro-industry and manufacturing in support of Vision 2030. The Competitive Value Chains for Jobs and Economic Transformation Project aims to diversify the economy through the development of key sectors. The funds will go towards establishing a long-term investment facility as well as supporting 3000 smallholder farmers and over 200 start-ups and early-stage SMEs.

The development of the energy sector also promises to attract greater investment. The oil and gas industry has drawn higher levels of foreign investment in recent years. Côte d'Ivoire currently has 100m barrels of proven oil reserves and 1trn cu feet of gas reserves. Italian firm Eni's offshore oil discovery in 2021 could

Enhanced transport links, increased import-export capacity and economic diversification through the National Development Plan 2021-25 have all increased opportunities for foreign direct investment.

A new renewable energy project aims to use waste from cocoa production to power biomass operations, burning shells, husks and sweatings in a turbine to produce electricity.

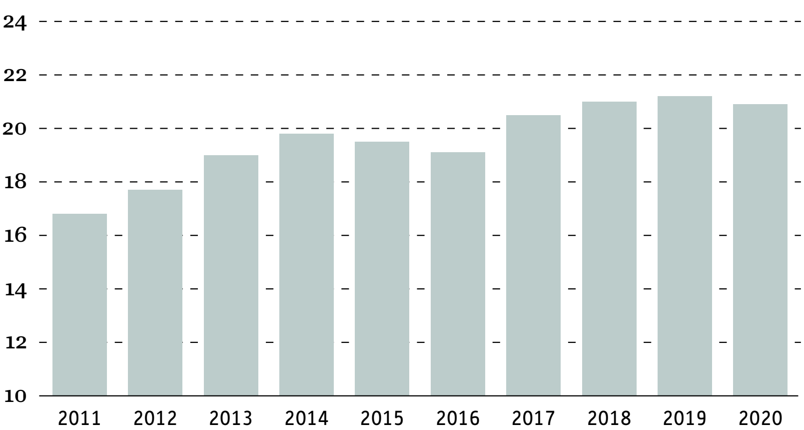
encourage greater interest, with the company hoping to start oil and gas production in 2023. Eni and French firm TotalEnergies invested $185m in exploration operations in 2019 (see Energy & Mining chapter).

The country's only refinery, located in Abidjan, increased its crude output from around 2.5m tonnes per year in 2018 to 3.1m tonnes per year in 2019. State-owned Société Ivoirienne de Raffinage announced in 2021 that it had signed a contract with US corporation Honeywell to license the technology for the production of low-sulphur fuels, which supports the aim of using diesel fuels containing only 10 parts per million of sulphur across the continent by 2030. In 2018 the UN Development Programme estimated a refinery upgrade of this type would require approximately $300m worth of investment.

This expansion will support the manufacturing industry as demand for oil and gas equipment for exploration, drilling, storage and related services increases. The burgeoning renewable energy sector will also require new equipment. In line with its target to source 42% of electricity from renewable sources by 2030, the government signed a contract with the World Bank to join its Scaling Solar programme in 2019. Funds to develop 60 MW of grid-connected solar power will come from the Ministry of Foreign Affairs of the Netherlands, the Ministry of Foreign Affairs of Denmark, US Agency for International Development's Power Africa and the Infrastructure Development Collaboration Partnership Fund.

The Ivorian company Société des Energies Nouvelles (SODEN) is working on an innovative project that could support the growth of the renewable energy industry using waste from cocoa production. Pilot projects have been carried out using bean shells, pod husks and cocoa sweatings, which are normally discarded in the production process, to power biomass operations. Instead of fossil fuels, waste is burned in a turbine to generate electricity. With support from the US Trade and Development Agency, SODEN plans to build a $244m facility in Divo, with nine plants being built across the country. The Divo plant is expected to be the largest in West Africa, with 46-70 MW of installed generation capacity starting from 2023.

Industry value added, 2011-20 (% of GDP)



Source: World Bank

FREE ZONES & INCENTIVES: The government is attempting to expand industrial activities beyond Abidjan through the construction of a new industrial zone in the port city of San-Pédro. This expansion is part of an agreement signed between the government and ARISE Ivoire in August 2020 that outlines for the construction of three industrial centres in Akoupé Zeudji (Abidjan), San-Pédro (south-west) and Ferkessédougou (north), at a cost of $1.7bn. This will be supported by the launch of the Project to Improve Services to Industries in Côte d'Ivoire, led by Souleymane Diarrassouba, the minister of trade and industry and SME promotion, and funded by the African Development Bank.

The 2018 Investment Code enhanced incentives for companies working in industry. The code can be used for domestic and foreign investment and includes two specific tax incentive regimes: the Investment Declaration Regime and the Investment Approval Regime. There is no minimum investment threshold, but companies must meet certain criteria. For example, private companies must dedicate at least 15% of their annual expenses to research, development and technological innovation to benefit from the related exemptions and tax credits.

The manufacturing industry contributed almost 11.2% of GDP in 2020, with the annual value added by the sector totalling $6.9bn, compared to just under $5bn in 2015. Several new manufacturing projects were set up in 2021, expanding the number of processed items being produced.

In September 2021 the Netherlands-based animal nutrition firm De Heus began the construction of its new greenfield compound feed factory in the industrial zone of PK in Attingue. With a capacity of 100,000 tonnes per year, the facility will produce high-quality complete feed to support local farmers. Production is expected to start in the second half of 2022, with the aim of expanding to allow for eventual regional export.

In November 2021 the US corporation Cargill completed a $100m expansion of its cocoa processing site in Yopougon, thought to be the largest in Africa. It is expected to increase production capacity by around 50%. The site produces cocoa powder, cocoa butter, liquid cocoa liquor and solid cocoa liquor to meet rising global demand. Additionally, Cargill plans to invest $6m in farmer training and $3.5m in traceability projects.

VALUE-ADDED POTENTIAL: The majority of agricultural exports, such as coffee, rubber and cotton, remain unprocessed. The government hopes to add significant value to the country's exports by expanding the agricultural processing industry. Some of its main exports, including cashew nuts, cocoa and palm oil, could be processed as biofuel and refined industrial oil through the development of new facilities.

One of the initiatives designed to add value to the industrial sector is the promotion of the Made in Côte d'Ivoire label, part of the PND 2021-25. This is aimed at the cocoa industry, to signal to consumers that they are buying a premium product from the world's biggest producer, in a way similar to other major producers through schemes like Café de Colombia.

Additionally, a favourable 2014 mining code established greater transparency and allowed for exploration permits to be provided for 10 years, adding value and encouraging interest in the gold sector. Mining activities increased by around 43% in 2019, generating $1.3bn in revenue and supporting 55,000 jobs.

SUPPLY CHAINS & INPUTS: The country is part of several regional and international trade agreements, including UEMOA, the West Africa-EU Economic Partnership Agreement and the African Continental Free Trade Area. This facilitates trade with Côte d'Ivoire for companies across both West Africa and Europe.

Private companies have shown growing interest in recent years in promoting responsible supply chain control. As consumers around the world increasingly attempt to purchase more responsibly, labels such as Fairtrade and Cocoa Life have grown more popular. As the main market for Ivorian cocoa, at around 67%, the EU launched a Sustainable Cocoa Initiative aimed at stopping child labour in cocoa production. Similar initiatives have been initiated in the gold mining industry.

Côte d'Ivoire is gradually attracting greater international investment in the development of new industries, which could eventually shift its supply chain needs. Jean Maurice Ibrahim, chairman and CEO of Distribution de Matériel Electrique Industriel et Bâtiments, emphasised the importance of supporting local production. "There is a need for better regulation of imported industrial products to avoid saturating the market with foreign goods, and to increase the competitiveness of local industry," he told OBG.

Until recently, the country had imported all of its vehicles. In 2018 the government passed a law that limited the importation of private-use vehicles over five years old, and mini-buses older than seven years. As well as increasing the sale of new cars by 16% in 2018 and 2019, it also encouraged private investors to commence automotive operations in the country. In 2018 French-Italian automotive manufacturer Iveco

The Port of Abidjan is considered the most significant in West Africa

established a partnership with Société des Transports Abidjanais to open a vehicle assembly factory.

In January 2022 the companies launched the first domestically produced mini-buses. The plant has an annual production capacity of approximately 1000 vehicles, to be sold under the Daily Ivoire brand. If successful, it could encourage more domestic automotive projects and decrease dependence on vehicle imports.

OUTLOOK: By investing heavily in the development of the industrial sector and making national policy more favourable for private investment, the government has helped accelerate the growth of industry. Traditional sectors such as agriculture are being transformed as processing capabilities expand through the development of new industrial zones, adding greater value to the sector. Furthermore, international investment in the oil and gas industry, expected to grow substantially over the next decade, will be complemented by the ongoing development of the renewable energy sector.

As consumers increasingly attempt to make more ethical purchases, fair trade labels have grown in popularity, sparking interest from private companies in promoting responsible supply chain control.

The Industrial Services Improvement Project runs until December 2022

Eyes on the future

The government is looking to minerals, pharmaceuticals and more for development beyond agro-industry

The fifth-biggest commodity export in 2020, oil and mineral fuels could become a top segment as the country expands technological capabilities at its Abidjan refinery to produce low-sulphur fuels.

The government has introduced several new policies to enhance the country's industrial sector and, in turn, enable private and foreign investors to enter the market. While agro-industry remains the country's largest industrial segment, the authorities plan to develop other industries and export sectors as the country's population becomes increasingly urbanised.

INDUSTRIAL DEVELOPMENT: The National Development Plan (Plan National de Développement, PND) 2021-25 focuses on governance and modernisation through diversification, human capital, social inclusion and infrastructure. Pillar two of the PND is job creation, emphasising the government's role in the structural transformation of the economy through industrialisation and private investment. This is supported by the improved categorisation of industrial segments in the 2018 Investment Code, which has made it easier for private investors to access incentive schemes.

The Industrial Services Improvement Project, running from November 2020 to December 2022, is expected to help advance industry. A $357,500 investment from the African Development Bank's Middle Income Country Technical Assistance Fund will support long-term employment programmes in a more competitive industrial landscape. The funds, managed by the Ministry of Commerce and Industry, will contribute to a feasibility study for the creation of the Industrial Development Fund, a technical study for the development of the Assouba-Aboisso industrial zone in the south-east and a monographic study of the existing industrial zones in San-Pédro in the south-west.

GROWING INDUSTRIES: In addition to developing its agro-industry through the expansion of processing facilities for key food products, Côte d'Ivoire has begun to develop other industrial activities through greater private investment. There is significant promise in the downstream oil and gas, minerals and pharmaceuticals segments, all of which have attracted greater interest from investors following the introduction of the PND.

Côte d'Ivoire is expanding its refining capabilities to produce low-sulphur fuels, including diesel that complies with Euro 5 and AFRI 6 emissions standards. The state-owned refining firm Société Ivoirienne de Raffinage has signed an agreement with Honeywell UOP to incorporate new technologies into the company's 3.8m-tonnes-per-year refinery in Abidjan. The continent as a whole is targeting a sulphur content of 10 parts per million in its diesel fuels by 2030, meaning that Côte d'Ivoire could substantially expand its export market by boosting output. Oil and mineral fuels were the fifth-biggest commodity export in 2020, at 5.7% of total exports and a value of $673.5m.

The minerals and metals industries have also grown, with gold output reaching almost 42 tonnes in 2021, an increase from 38 tonnes in 2020. The government hopes to achieve 65 tonnes of gold output by 2025. Côte d'Ivoire has five gold mines in operation and expects to start production across four more by 2026. As the fourth-largest export category, gems and precious metals exports accounted for $995m in 2020 and represented 8.4% of all commodity exports. The government aims to increase the sector's contribution to GDP to 5% by 2023 and to 6% by 2025. A favourable mining code has streamlined operations for private companies.

In October 2021 France's Triden Pharma entered the market, expanding the pharmaceuticals segment. Triden intends to establish manufacturing and distribution capacities at a drug manufacturing unit to be completed in 2023. The project is expected to cost around CFA50bn ($86m) and create 400 jobs. In July 2021 the government signed a $300m financing agreement with the World Bank's International Finance Corporation to expand clinics across the country and acquire medical equipment from Philips and GE. Increased funding could allow clinics to become subregional hospitals and open possibilities for pharmaceuticals and medical equipment manufacturing, transforming the country into a medical centre for the greater West African region.

A $300m financing agreement with the World Bank's International Finance Corporation will help the country expand clinics and secure medical equipment.

Christian Schindler

Dress for success

Christian Schindler, Director-General, International Textile Manufacturers Federation, on how West Africa can position itself as a leader in textiles and apparel

What factors underpin West Africa's potential to be a regional leader in textiles?

SCHINDLER: West Africa has not traditionally been known as a destination for textiles or apparel manufacturing. Now that nearshoring is gaining traction, several factors work in favour of efforts to capture a share of China's market share. The most evident of these is the abundance of cotton grown in the region. West Africa's location is attractive relative to Asia, given its proximity to the North American and European markets. Moreover, it offers advantageous trade terms under schemes such as the EU's Generalised Scheme of Preferences and Everything but Arms, and the US' African Growth and Opportunity Act.

Labour costs in Africa are lower than in most Asian countries, especially China, and the continent has a large labour pool. These factors can be great assets if labour productivity can also become comparable. Energy costs are another criterion of competitiveness, especially in textiles. In Benin, for example, electricity costs are offered to industrial parks at $0.08 per KWh – a globally competitive rate. The region is also competitive in terms of other inputs, such as water.

When you invest in an industry, it is important to utilise the latest technologies to be both energy efficient and productive. This can give West Africa a competitive edge, as more established players need a transition period to phase out existing machinery and production methods in order to meet sustainability goals.

In what ways can textile parks and government policy support industry development?

SCHINDLER: Textile parks provide the main ingredients needed to attract investment. They offer high-quality, reliable and cost-efficient infrastructure – and in many cases a source of clean energy. They also feature administrative assistance facilities, and operators benefit from attractive investment incentives in terms of taxes and duties. Such factors encourage a wide variety of actors to establish operations, which in turn creates a cluster effect that supports value-chain development.

Education is the most important area for government intervention. Upskilling the workforce with the explicit intention of meeting the industry's needs is critical to ensuring steady growth. It is also imperative for employment opportunities that arise at all levels to be taken up by locals, rather than foreigners.

How quickly can West Africa develop its textiles and apparel industry to capture global market share?

SCHINDLER: China is responsible for more than 50% of global textiles and around 35% of apparel production. In this context, even a 5% market share is a significant volume that no country can take up overnight. The relocation trend has been happening gradually since the beginning of the Industrial Revolution.

There is room for West Africa to grow in terms of spinning and apparel, but the remaining parts of the value chain will take time to develop. The textiles industry is capital intensive, while apparel is labour intensive. Development typically starts either in spinning or apparel because these are relatively easy to set up in terms of the technical know-how and capital needed. The bottleneck of the value chain is related to activities such as weaving, finishing and dyeing.

It is possible to expand cotton-based industries with the right political and regulatory will, along with public and private sector collaboration. A prime example of this is Uzbekistan. In 2015 the country was exporting almost all of its cotton. It had been trying to develop a local industry but was blacklisted in the Western markets due to forced and child labour practices. However, a new president turned this situation around. All the cotton produced is now transformed locally and end products are exported to Western markets, owing to strides made in collaboration with the International Labour Organisation. With concerted efforts, West African countries could be even more successful.

Most wholesale outlets and shopping malls are located in Abidjan

Promising trend

Retail is undergoing a rapid transformation, supported by favourable demographics and a growing e-commerce segment

Consumers are gradually shifting towards formal retail spaces, which offer a variety of products and services. People are increasingly visiting modern retail centres as migration to cities continues apace.

In 2021 retail's contribution to GDP was just over 14%. The sector's turnover index increased by 5.9% year-on-year in the first quarter of 2021, with household consumption reaching $40.6bn in 2020.

The retail sector in Côte d'Ivoire has expanded significantly in recent years, attracting foreign brands and seeing the emergence of a number of national retail companies. The issuance of identification cards to official retail traders has helped organise the largely informal commercial sector. The programme also enables small shopkeepers to gain better access to funding. Several new opportunities for growth are emerging as the country undergoes rapid urbanisation, its middle class expands and industrialisation gathers pace.

STRUCTURE & OVERSIGHT: The Ministry of Commerce, Industry, and the Promotion of Small and Medium-sized Enterprises (SMEs) oversees activities across the retail sector, working closely with the Ministry of Economy and Finance. The interests of commercial enterprises is represented by the Côte d'Ivoire Chamber of Commerce and Industry, which provides support to businesses. In 2017 the government established a new commission, the National Council, consisting of ministry representatives and actors from the private sector, trade unions and consumer associations. Its principal role is to monitor the prices of everyday commodities.

The credit ratings agency Fitch Solution increased its inflation prediction in 2022 from 2.6% to 5% due to rising inflation across West Africa fuelled by increased energy and food prices worldwide and the disruptions associated with Russia's invasion of Ukraine in February 2022. Consumer prices in the country increased by 4.2% in 2021, with food prices in particular rising due to poor weather conditions affecting harvests. This trend will likely continue in 2022 due to shortages and difficulties across supply chains. In March 2022 Souleymane Diarrassouba, minister of trade and industry and SME promotion, announced that the government would provide more than $88m to tackle increasing commodity prices. Under the programme, the prices of several staple food products will be controlled.

PERFORMANCE & SIZE: The retail sector is playing an increasingly important role as the country becomes more urbanised and its middle class expands. Consumers are gradually shifting towards formal retail spaces, which offer a variety of products and services. People are increasingly visiting modern retail centres as migration to cities increases, in line with Côte d'Ivoire's transition from traditional agricultural work to industrial expansion. Indeed, a 2020 analysis predicted that an additional 600,000 sq metres of retail space would be added through to 2030 to meet the rising demand.

In 2021 the retail sector's contribution to GDP was just over 14%. The retail sector's turnover index increased by 5.9% year-on-year in the first quarter of 2021, with household consumption reaching $40.6bn in 2020, indicating a change in income.

GROWTH TRENDS: The expansion in the e-commerce segment during the Covid-19 pandemic demonstrated the potential of the consumer market. With 35% of the population having received at least one dose of the vaccine by June 2022, household consumption is likely to continue its upward trend. However, traditional trade through open markets and local shops still dominates the retail sector. The practice of bargaining remains common, and many Ivorians value knowledge about and price of the products they buy regularly.

Significant efforts have been made to formalise the sector, principally with the introduction of an identification card for retailers. Launched in 2018, it allows official retailers to access retail financing schemes, online banking for businesses and other benefits. The programme aims to facilitate financing in the sector, enhance social security for retailers, improve distribution routes and gather more reliable information. However, the sector remains largely informal, with the grey economy comprising around 75% of all retail businesses. High retail rents and government red tape have driven many retailers to sell their products online, and further incentivised informal retail sales.

The Ivorian economy has been one of the fastest growing in the world, with average annual GDP growth of 8% from 2012 to 2021. Despite this progress, poverty remains the country's most compelling challenge. The poverty rate fell from 46.3% in 2015 to 39.4% in 2020, and was largely concentrated in urban areas. Meanwhile, rural poverty levels increased by 2.4 percentage points over the same period. Nonetheless, the country's retail market is expected to steadily expand over the next decade due to rapid industrialisation and a growing expatriate community. In addition, consumption is expected to be a major contributor to GDP growth, which is projected to reach 6% in 2022.

Two distribution companies dominate retail: Groupe Prosuma, the country's largest local retailer in terms of revenue, and Compagnie de Distribution de Côte d'Ivoire (CDCI). The two companies have been competing for market dominance by offering promotions, reduced prices and loyalty card programmes. For example, in 2018 French retail group Carrefour, in partnership with CDCI, formed a sales platform with online sales leader Jumia in response to Prosuma's launch of the online marketplace Yaatoo. Several international companies have also entered the market, including Carrefour in 2015 and Moroccan company Retail Holding in 2014. Targeting a wider spectrum of consumers, these projects demonstrate the shift from local retail to large-scale urban spaces.

SUPERMARKETS: Most wholesale outlets and modern shopping malls are located in Abidjan, Côte d'Ivoire's industrial and trade centre. Several company headquarters, banks, regional offices and outlets are also located in the city. As of mid-2022 Abidjan was home to nine shopping malls, the most recent of which was the Ivoire Trade Centre. The Investment Promotion Agency of Côte d'Ivoire worked to facilitate such retail activity by making it easier for foreign companies to enter the local market by acting as a one-stop shop for new businesses in the country.

Carrefour has partnered with the specialist distributor CFAO, a group serving middle-class consumers across Côte d'Ivoire, Cameroon and Senegal. CFAO operates 18 production and assembly sites for the automotive, health care, plastics, beverage and cosmetics markets. It opened a Heineken-partnered BRASCO brewery in Congo in 2015 and a Yamaha assembly plant in Nigeria in 2016. As of mid-2022 there were eight Carrefour hypermarkets across Côte d'Ivoire.

CFAO most recently launched a 750-sq-metre Supéco Terminus 47 store – a budget Carrefour shop – in Sogefiha district in February 2021. Among the biggest supermarket brands are King Cash and Hayat. They offer imported goods and target the middle class as they are viewed as more expensive than local brands.

According to a 2021 report from market researcher Sagaci Research, the leading supermarkets in terms of customer satisfaction were Carrefour, Super U and BonPrix, while stores in the market that ranked lower were Club Sococé, Supéco, Casino, Leader Price, CDCI, Miniprix and Monoprix. Smaller supermarket stores are gradually becoming more widely recognised. Miniprix increased its brand awareness from 15% to 20% between March and July 2021, according to the survey.

The retail market is expected to steadily expand over the next decade

Retail Holding entered Côte d'Ivoire in the hopes of using Abidjan as a launchpad for expansion across West Africa. In 2019 the company acquired a majority stake in CDCI, whose operations it plans to modernise throughout Côte d'Ivoire. The Ivorian retail chain currently has 122 stores across the country, with 57 shops in Abidjan. It has three store models: wholesale, semi-wholesale and retail sale. Retail Holding hopes to open 20 to 30 new CDCI stores a year starting in 2022, totalling 100 new stores by 2026. In May 2021 Retail Holding inaugurated an 11,000-sq-metre logistics centre for the movement of merchandise to stores.

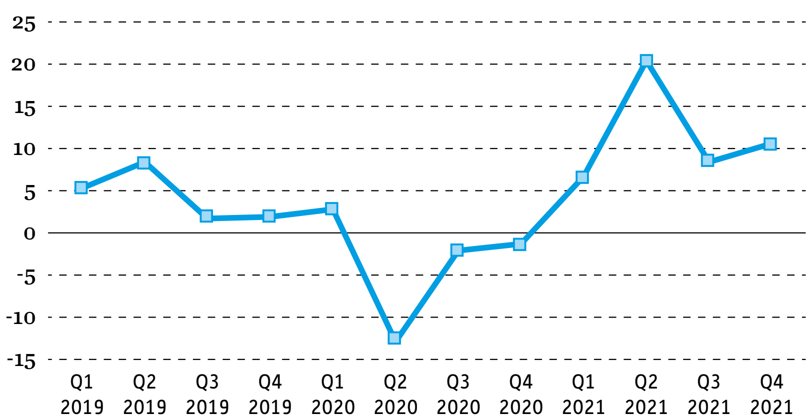
SHOPPING MALLS: Shopping malls are an increasingly popular option for commerce. In August 2021 Ivorian firm Emergence Plaza issued a green bond to refinance its debt to build the Cosmos Yopougon shopping mall. The shopping centre was built across 3 ha in 2018 and in July 2020 was awarded an Excellence in Design for Greater Efficiencies (EDGE) certification – an award established by the World Bank Group's International

Consumption is expected to be a major contributor to GDP growth, which is projected to reach

6%

in 2022

Covid-19 pandemic impact on retail sales, 2019-21 (% change y-o-y)



Source: Trading Economics

Retailers are turning to social media to sell their products due to high rents and taxes on sales in formal spaces

Finance Corporation (IFC) to measure the environmental impact of buildings. In line with its efforts to support sustainable development, in August 2020 Emergence Plaza announced that it reduced carbon emissions from the mall by 44% between 2018 and 2020 by implementing the EDGE system to optimise energy consumption.

This was the first example of a francophone West African country issuing this type of bond, offering optimism for similar developments across UEMOA. The green bond was valued at $18.1m and allowed the company to secure financing when many traditional banks were not funding climate projects. Société Ouest Africaine de Gestion d'Actifs purchased the Cosmos Yopougon eight-year notes at a yield of 7.5%.

In August 2021 London-based real estate investment company HC Capital Properties announced plans to issue green bonds in the future to develop similar retail spaces across francophone West and Central Africa, including in Cote d'Ivoire. Efforts such as these are expected to boost job opportunities in the retail sector and spur formalisation by developing local supply chains and expanding domestic retail brands.

There has also been an increase in the number of high-end boutiques in Abidjan. The Ivoire Trade Centre, inaugurated in Cocody, Abidjan in September 2021, is working to position itself as a destination for luxury goods. It provides 13,000 sq metres of office space and a 4000-sq-metre mall.

E-COMMERCE: The e-commerce segment is steadily growing in Africa. An expanding youth population, supported by high levels of smartphone uptake and greater urbanisation, could see the segment develop substantially over the next decade. Africa has already become a leader in mobile transactions, accounting for around 50% of global transactions by value in 2021. Businesses and individuals alike have benefited from this fast-paced digitisation of payments. The number of people accessing social media services has similarly increased, with social media penetration projected to reach 557.8m by 2025. According to research firm Statista, Côte d'Ivoire's e-commerce revenue is expected to reach $561.3m in 2022.

98%

of the population accesses the internet through their phones, underscoring the potential of e-commerce

A report by the Telecommunication Regulatory Authority revealed that mobile penetration has also increased considerably reaching 149.4% in 2020 – meaning that many of the country's 26m citizens have more than one mobile account. Orange, MTN Group and MOOV Telecom are the main networks, offering 2G and 3G services in 90% of the country. 4G services are available across around 59% of Côte d'Ivoire, and the government is working to launch 5G coverage by mid-2023. Smartphones are an important driver of internet use, with 98% of the population accessing it through their mobile phones. Meanwhile, the number of fixed internet subscriptions remains low but is gradually increasing, rising from 175,000 in 2018 to 260,000 in 2020, according to the World Bank. Around 36.3% of Ivorians had access to Wi-Fi in 2019.

In 2020 a Mastercard report on consumer spending revealed that three in five consumers in Côte d'Ivoire were using more online shopping services since the start of the pandemic. Over 55% of respondents said they were spending on topping up data, 61% on clothing, and 48% on computers and other equipment. Around 57% of consumers said they use online banking. Several highlighted the role of social media in retail, with 85% saying they had found new sellers on Facebook and 34% on Instagram. In addition, 73% of SMEs stated that they believe e-commerce services will have a positive impact on their business. This corresponds with a 2021 finding from the OECD that 70% of SMEs worldwide increased their use of digital services in response to restrictions imposed during the pandemic.

The use of online platforms reflects a growing trend of retailers turning to social media to sell their products to help alleviate high rent prices and taxes on sales in formal spaces. A shop in the centre of Abidjan can cost between $200 and $2000 a month, with an obligatory 12-month deposit. Meanwhile, the average monthly wage in Côte d'Ivoire is $156. To help circumvent these costs, small-scale retailers are establishing a presence on social media and paying courier services to deliver their products at a comparatively low price.

Côte d'Ivoire's e-commerce is largely unregulated, allowing retailers to sell their products informally online. This highlights the potential of the segment to bolster government revenue once it is formalised. Value-added tax stands at 18%, except for some basic food products, on which it is levied at 9%. To help capture some of this revenue, in January 2021 the government introduced a new law requiring delivery services to obtain a licence to deliver parcels, at a cost of $10,000.

OUTLOOK: Greater formalisation could fuel retail sector growth as urbanisation encourages consumers to spend in supermarkets and shopping malls. Côte d'Ivoire has experienced significant economic development in recent years, which should support the establishment of a more structured commercial sector. Even so, much of the retail market remains informal, with low interest in formalising due to the high costs.

The retail sector is developing in tandem with increasing urbanisation

Bouncing back

Despite ongoing challenges, growth and purchasing power are trending upwards after a pandemic-related slowdown

West Africa is experiencing a higher rate of inflation due to lingering pandemic-related challenges, as well as Russia's invasion of Ukraine in February 2022. Constraints on commodity supply chains have dramatically increased the price of several goods, such as food and energy. Meanwhile, sanctions on Russian exports, especially oil and gas, are likely to push global prices higher, making it more difficult for consumers to access several products due to price and scarcity.

INFLATION SITUATION: According to Fitch Solutions, the national inflation rate is expected to reach around 5% in 2022 before stabilising in 2023. This goes beyond the original estimated inflation average of 2.6%. In early 2022 the inflation rate rose to 5.6% – a 10.5-year high – before falling to 4.5% in March. However, the ongoing war in Ukraine is expected to impact inflation rates worldwide, as supply chains are disrupted and product prices reach record levels.

Consumer prices rose by 4.2% in 2021, a figure that is expected to be surpassed in 2022. The consumer price index has been steadily rising since September 2021, from 119 that month to almost 123 in February 2022, compared to a 2010 base rate of 100.

As the top destination for investors in West Africa, the country's economy grew at an average rate of 8% per year between 2012 and 2020. Economic growth slowed during the pandemic, to 2% in 2020, but GDP is expected to expand by 6% in 2022.

PURCHASING POWER: The country has experienced rapid urbanisation in recent years. While the level of disposable income remains much higher than in several other lower middle-income countries, the middle class is expanding quickly amid industrialisation. The number of people living in urban areas increased from just over 3.9m in 2010 to 5.2m in 2020, equal to almost 20% of the total population. The retail sector is developing alongside the expansion of urban areas, with hundreds of supermarkets located across the country and several shopping malls now in major cities.

There are mixed predictions about purchasing trends for 2022. Fitch Solutions suggests that elevated food and fuel inflation will reduce consumer activity. Others believe that the CFA franc's peg to the euro will help limit inflation and support consumer spending, as it has helped the country avoid some of the currency fluctuations experienced in other parts of West Africa.

However, rising product costs are already causing retailers to alter their products to ensure profit margins are maintained. For example, in March 2022 the Organisation of Bakery Employers stated it was considering reducing the weight of a baguette due to the rising cost of wheat. Meanwhile, below-average vegetation conditions could exacerbate food insecurity. The European Commission reported that an estimated 38.3m people are expected to fall into poverty by the summer of 2022 in West Africa if no action is taken.

The government introduced a price ceiling on refined palm oil, sugar, milk, rice, tomato paste, beef and pasta in March 2022 to help consumers. Additionally, the authorities announced an €83.8m subsidy on petroleum products, including diesel, and permit requirements for exporting certain staple foods to ensure their local availability and affordability.

An increase in Covid-19 infections at the beginning of 2022 had little effect on economic activity. While purchasing power will inevitably be affected by an increase in inflation, the impact of the pandemic in the first half of 2022 appeared to be minimal, with many consumers returning to their regular activities.

An April 2022 IMF report suggests that the government evaluate recent measures to ensure they "do not generate market distortions, remain temporary and well-targeted towards the most vulnerable, and are kept in line with medium-term fiscal sustainability targets". As the economy rebounds from Covid-19, purchasing power is likely to continue increasing in the long term, even if the 2022 disruption to global supply chains slows this growth in the short term.

After an eight-year period of GDP growth averaging 8% annually, growth fell to 2% in 2020 during the pandemic, but is expected to rebound to 6% in 2022.

In March 2022 the government introduced price ceilings on key food products, a subsidy on petroleum products and permit requirements for staple food exports to combat price fluctuations.

Pascal Bordeaux

Evolving market

Pascal Bordeaux, General Manager, CFAO Retail - Carrefour Côte d'Ivoire, on rising demand for e-commerce solutions

What are the main assets that characterise the retail market in Côte d'Ivoire?

BORDEAUX: Côte d'Ivoire has seen an improvement in several macroeconomic indicators in recent years, with GDP increasing at a rate of between 7.5% and 8% annually since 2012. Despite the Covid-19 pandemic, Côte d'Ivoire was one of the few countries around the world that saw positive GDP growth in 2020. Additionally, of the 26m people living in the country, a large percentage is young, which means a larger workforce and more opportunities for innovation and economic development. Combined with an increasingly stable political environment, these factors have contributed to a buoyant market.

There is also a willingness on the part of the government to create a modern distribution supply chain, both locally and internationally, to diversify the economy. At the same time, retail operators are trying to meet demand from the local population through specific distribution formats such small outlets near city centres and larger venues in the suburbs. It is anticipated that this model will offer products at differentiated prices, and this type of tiered pricing is possible due to low capital expenditure and operating expenses.

The country depends on a well-developed road and transport system for trade. Abidjan's infrastructure is comparatively strong and is constantly improving. However, this is not the case in the interior. For example, getting to smaller towns and villages still requires extensive travel time. The retail industry needs a robust logistics network in order for it to continue expanding, and this will be dependent upon sustained investment.

How has the pandemic affected household purchasing and consumption patterns?

BORDEAUX: Although the purchasing habits of Ivorian consumers have not changed significantly since the start of the pandemic, there has been a slight decrease in purchases of non-essential goods. This trend is observed mainly among the middle class, which represents a large portion of the population.

Unfortunately, lower-wage earners are more affected by inflation and price increases. Indeed, when people earn less than €150 net per month, the cost of household staples such as rice, sugar and palm oil will impact their budget more acutely than middle-class consumers. As such, it is mainly this segment of the population that has suffered from the financial crisis.

At the same time, the purchasing habits of the middle class have evolved, and they are gradually adopting specific consumption patterns. Many consumers are interested in buying imported products from international brands, and people are paying more attention to product quality.

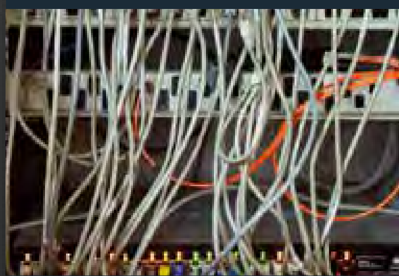
To what extent can e-commerce benefit consumers and sellers, and what factors are impeding its development in the country?

BORDEAUX: In recent years we have seen increased demand for e-commerce in Côte d'Ivoire. In November 2018 Carrefour Côte d'Ivoire signed a deal with pan-African technology company Jumia to introduce our retail operations on the digital platform, leading to strong financial results. This rising awareness about digital tools can be attributed to a youth demographic that uses electronic devices extensively. Their interest in all things digital bodes well for the future of e-commerce. Although these products are available primarily for the middle class, it is not yet part of the purchasing and consumption habits of low-income consumers. While this presents a challenge, it is also an opportunity to expand the consumer base in the future. Despite these constraints, e-commerce is performing well due to strong interest and high customer satisfaction.

ICT

Rise in the number of fixed-line internet subscriptions
Ecosystem facilitates rapid start-up development
Improved infrastructure to bolster service provision
Plan to digitalise all government services by 2023




The sector directly and indirectly employs an estimated 200,000 people

Digital drive

Ongoing infrastructure rollout set to establish Côte d'Ivoire as the leading digital centre in West Africa

In the fourth quarter of 2021 sector revenue totalled

$522.6m

Mobile network operators have invested significantly to upgrade their communications infrastructure to manage the surge in data traffic, committing $61.7m in the fourth quarter of 2021.

Côte d'Ivoire is one of the most developed telecommunications markets in West Africa. Its mobile phone penetration rate was 162% in 2021 and continues to grow as more Ivorians use multiple SIM cards to take advantage of promotional offers. There is strong competition between the existing mobile network operators (MNOs), each of which has invested heavily in expanding and improving their coverage and services.

The fixed-line segment, meanwhile, shows a significant opportunity for growth. Just over 1% of the population has access to the internet through fixed-line services, and a single provider dominates the segment; however, the ongoing rollout of fibre-optic technology is slowly changing this dynamic as consumers and businesses subscribe to high-speed fixed-line services. While infusing the market with greater dynamism, fibre-optic technology also supports the growth of Côte d'Ivoire's tech start-ups. Together with the imminent launch of 5G, these technologies will underpin the government's ambitious strategy to establish the country as the leading digital centre in West Africa.

STRUCTURE & OVERSIGHT: As the telecoms industry continues to expand, the government has prioritised improving the quality of service. The Telecommunications/ICT Regulation Authority of Côte d'Ivoire (Autorité de Régulation des Télécommunications/TIC de Côte d'Ivoire, ARTCI) oversees and regulates the sector. In recent years it has stepped up its efforts to enhance the quality of service, regularly fining operators for non-compliance and even stepping in to revoke the operating licences of smaller firms.

Côte d'Ivoire has three MNOs. France-headquartered Orange, which merged with the previously state-owned monopoly operator Côte d'Ivoire Telecom in 2010, maintains a dominant position in key segments like internet and mobile money services. MTN, a subsidiary of South Africa's MTN Group, operates fixed-line and mobile telecoms services, while MOOV Telecom, acquired by Maroc Telecom in 2014, competes only in mobile services. Domestic firm VipNet specialises in fixed-line internet services. With around 19.3m customers in the country, Orange leads the market in the mobile, landline, internet and mobile money segments. However, it faces growing competition from the other operators. As of end-2021 Orange accounted for some 43% of mobile phone subscriptions, while MTN and MOOV represented 33% and 24%, respectively.

PERFORMANCE & SIZE: The ICT sector represents approximately 10% of GDP and contributes annual tax revenue of around $800m. While the three existing MNOs employ over 2900 workers, the entire sector employs an estimated 200,000 people both directly and indirectly. According to the ARTCI's most recent quarterly report, in the fourth quarter of 2021 sector revenue totalled CFA304bn ($522.6m), up from CFA268bn ($460.7m) the same period of 2020. The mobile segment brought in CFA254bn ($436.6m), or 84% of sector revenue, in the last three months of 2021. Orange accounted for 50% of revenue in the segment, while MTN and MOOV contributed 30% and 20%, respectively. The increase in revenue is largely attributable to expansion in data and mobile money, which offset a significant drop in revenue in voice and SMS services. For example, Orange's SMS traffic fell by 51% during this period, while its revenue from mobile internet increased by more than 27%.

INVESTMENT: MNOs in Côte d'Ivoire invest significantly in upgrading communications infrastructure to manage the surge in data traffic. In the fourth quarter of 2021 MNOs invested CFA35.9bn ($61.7m) to expand and upgrade their mobile phone networks, down from CFA40.4bn ($69.5m) during the same period of 2020. Working towards increasing its stake in the market, MOOV invested the largest portion, at 39%, with MTN and Orange contributing 36.1% and 24.6%, respectively. Orange continues to invest heavily in expanding its fixed-line infrastructure, mostly on the rollout of fibre-optic technology. Total investment in fixed-line and mobile internet increased more than ten times between the fourth quarters of 2020 and 2021, rising from CFA179m ($308,000) to CFA1.9bn ($3.3m). Orange invested the largest share at almost 94%, followed by VipNet (4%) and MTN (2%).

HIGH-SPEED CONNECTIONS: Côte d'Ivoire launched 4G services in 2016. Orange boasts the widest total coverage, offering 4G services across 23% of the country as of end-2021. Its coverage in terms of the percentage of the population was much higher, at 58%, in large part due to its accessibility in densely populated urban areas. The company's 3G network was available to 92% of the population located across 82% of the national territory during that period.

In the face of rising demand from mobile subscribers, banks and large companies – and increasing competition – MTN has also invested to improve its network coverage and 4G speeds. In late 2021 the company announced it was conducting a pilot phase of 5G services across nine sites in Abidjan. Côte d'Ivoire's first 5G network is expected to go live by 2023 – ahead of the country hosting the 2023 Africa Cup of Nations in June and July of that year.

MOBILE SEGMENT: The number of mobile phone subscribers reached 44.6m users in the fourth quarter of 2021, up 11% from 40.1m in the same period in 2020. Of these, 99.7% were pre-paid subscribers and 0.3% were post-paid; the split between the two segments has remained largely stable in recent years. The largest portion of operators' revenue is derived from voice calls (54%), followed by mobile internet (32%), value-added services (7%), mobile money (3%), SMS traffic (2%) and handset sales (1%).

The mobile segment's average annual revenue per user (ARPU) reached CFA23,000 ($39.54) in 2019, down from CFA27,200 ($46.76) in 2018, according to the most recent figures from the ARTCI. However, ARPU per company varied, with Orange leading the market at CFA30,800 ($52.95), followed by MOOV at CFA20,100 ($34.55) and MTN at CFA17,500 ($30.08).

The number of Ivorian mobile users with access the internet via their mobile phones has increased steadily in recent years, expanding from 43.4% in 2016 to 79.1% in 2021. According to a 2018 study by GSMA Intelligence, a UK-based trade body representing operators worldwide, some Ivorians living in areas with internet coverage faced impediments such as the inability to afford smartphones and low digital literacy rates, and thus did not use mobile internet. To address this, in early 2022 Orange announced that the company would offer smartphone financing to its customers in Côte d'Ivoire. The new service will be provided via a three-way partnership with Yabx, a Dutch firm offering credit products across multiple African countries, and Cofina, an Ivorian financial institution offering financing to small and medium-sized enterprises.

INTERNET: Even so, most Ivorians access the internet on mobiles. At the close of 2021 there were 21.8m active mobile internet users; in contrast, there were only around 336,300 fixed-line internet customers, with Orange holding a 98% stake in the latter segment.

Despite challenges related to high wholesale prices and limited bandwidth, the fixed-line and broadband segments display significant room for growth. The number of fixed-line internet subscriptions are on the rise, with pricing becoming more competitive and fibre-optic technology – which allows for more secure and efficient data transmission – expanding. Indeed, between 2020 and 2021 fixed-line internet subscriptions increased by over 28%. Although around 70% of internet connections still use ADSL or WiMAX networks, the share of fibre-optic internet users increased significantly, rising from 5% in 2018 to 31% in 2021.

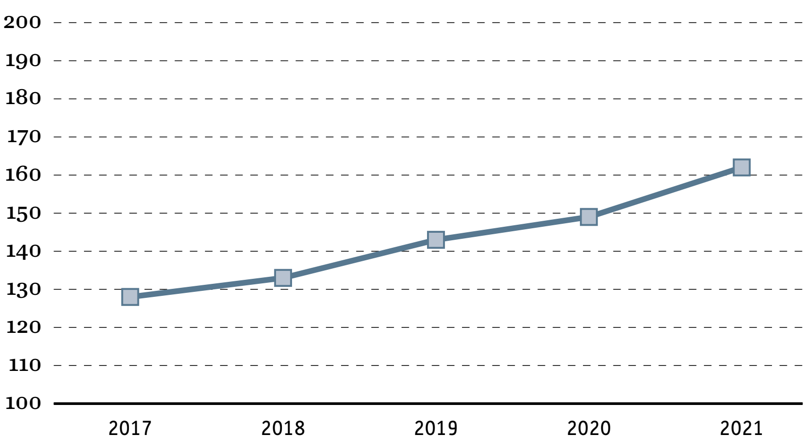
Mainly due to expanded fibre-optic connections, average fixed-line internet download speeds increased by over 68% to 24 Mbps in 2021. The majority of investment in expanding fibre-optic networks is undertaken by Orange, which operates terrestrial fibre links stretching to the borders with Burkina Faso and Mali. Orange Group, also operates the Djoliba cable system, which was launched in November 2021. It connects several countries and the authorities aim to leverage the connection to bolster internet connectivity.

MOBILE MONEY: Despite government attempts to encourage Ivorians to open bank accounts, financial inclusion remains low, with only 19% of the population owning a bank account. Sluggish services, faulty or empty ATMs, delays in the issuance of bank cards and difficulty obtaining loans contribute to this challenge. MNOs have tapped into the large unbanked population by offering mobile money services.

Côte d'Ivoire's mobile money market is one of the largest in West Africa. Total mobile money users reached 19.8m in the second quarter of 2021, up 7% from 18.5m in 2020 and more than double the 7.9m registered in 2017, according to the ARTCI. Orange held a 46% share of the market in 2021, down from 52% in 2020. Meanwhile, MTN and MOOV continue to grow their share, accounting for 42% and 12% of the total, respectively. There are also a handful of non-MNO mobile money providers with a smaller footprint. More than 687m mobile money transactions were completed in 2020 for a total of $26bn, according to the GSMA.

Total mobile money users reached 19.8m in the second quarter of 2021, up 7% from 18.5m in 2020 and more than double the 7.9m registered in 2017.

Mobile phone penetration, 2017-21 (%)



Source: ARTCI

In 2020 the government announced Digital Côte d'Ivoire 2030, a strategy prioritising the expansion of high-speed broadband networks to create an inclusive digital economy.

Mobile money revenue from transaction fees for the country's three MNOs totalled approximately CFA8.1bn ($13.9m) in the final quarter of 2021.

TRANSFORMATION & E-GOVERNMENT: The digital transformation of the economy is a key priority for the government. In 2020 it announced an initiative to create a national strategy to develop the digital economy with the help of Chinese telecoms giant Huawei. Dubbed Digital Côte d'Ivoire 2030, the strategy prioritises the expansion of high-speed broadband networks to create an inclusive digital economy.

In the interim, government initiatives are guided by the National Digital Development Strategy 2021-25 (Stratégie nationale de développement du numérique, SNDN). Under this programme the government has set aside CFA2trn ($3.4bn) for 96 projects over the five-year period, with targets such as digitalising all government services by 2023. SNDN also includes digital initiatives in key sectors like health, energy and industry. "The Covid-19 pandemic has accelerated the digitalisation of a number of public sector processes, and looking to the future there is hope that this trend will expand to not only other government operations but also to the private sector as well," Cyrille Koffi, general director of local IT management firm Société de Gestion et de Concept en Informatique, told OBG.

Indeed, local players expect the emphasis on e-government and digital transformation to have a trickle-down effect on emerging ICT segments. "Open source software has the potential to boost cloud computing in the coming years, supporting companies' efforts to adopt digital technologies," Mohamed Sounkere, co-founder and CEO of open source and cloud computing provider VEONE, told OBG.

START-UPS: Government-led digital economy initiatives and substantial investment in telecoms infrastructure by MNOs are bolstering Côte d'Ivoire's thriving start-up ecosystem, which is one of the fastest-growing on the continent. In 2021 local start-ups raised $13.7m, a 249% increase from $3.9m in 2020, itself a 240% expansion from the previous year. Most Ivorian start-ups that successfully secured funding in 2021 were financial technology companies. Others are driving innovation in health care, transport, e-commerce and energy. Moja Ride, a local mobility-as-a-service solution that offers a reservation and cashless payment system secured an undisclosed amount from Toyota Tsusho, the trading arm of Japan's Toyota Group in March 2020.

OUTLOOK: Côte d'Ivoire has long been a highly profitable market for traditional mobile segment services such as voice and SMS, but rapidly changing consumer habits present new opportunities for growth. As more affordable smartphone options enter the market and 4G and 5G services are rolled out, mobile internet usage and mobile money subscriptions will continue to grow. Expanded fixed-line internet infrastructure is also a key development, with rising numbers of Ivorians signing up for fixed-line fibre-optic internet services.


The government has accelerated the implementation of digital services

Cementing change

As many Ivorians continue to work from home, the public sector is looking to make Covid-19 digitalisation trends permanent

While many countries worldwide signalled a shift towards economic recovery in late 2021 and into 2022 after the initial impact of the Covid-19 pandemic, Côte d'Ivoire appears to have weathered the global crisis better than many. The country's GDP expanded by 2% in 2020 and 7% in 2021; by comparison, global GDP contracted by 3.1% in 2020 and grew by 6.1% in 2021, according to the IMF. Côte d'Ivoire's economic expansion is forecast to continue apace, growing by an average of 6.2% per year between 2022 and 2026.

Part of this resilience can be attributed to digital readiness, agile government interventions and developed mobile money networks keeping money flowing through the economy – even as many other processes came to a standstill. Meanwhile, the private sector is working to digitalise operations, complementing an ongoing initiative aimed at digitalising all government services by 2023 (see overview).

Even as quarantine measures eased, many Ivorians have opted to continue work from home and order food delivery via mobile apps. Côte d'Ivoire's trend toward digitalisation, accelerated by the pandemic, looks set to continue in the years ahead.

RAPID RESPONSE: Within a month of the World Health Organisation declaring Covid-19 a global pandemic, Côte d'Ivoire's government implemented a number of key measures to bolster the local digital economy and soften the potential impact of pandemic-related lockdowns. It distributed social grants using mobile payment systems, and fees on certain mobile money transfers used to pay for utility bills were scrapped to encourage the use of digital payments. Mobile network operators supported these initiatives by waiving mobile money transaction fees and subsidising internet services.

Meanwhile, the government accelerated the digitalisation of key public services, quickly launching Citizen's House, a one-stop online public service counter, to provide remote access to a range of products and services including birth certificates and criminal record checks. It also worked with the private sector to employ innovative safety measures, launch online virus-tracking dashboards and run effective information campaigns.

DIGITAL ARCHITECTURE: As of mid-2022 the government's focus had shifted towards creating the regulatory framework required to support an increasingly digitalised economy. In January 2022 it issued a decree making remote work an officially recognised mode of employment, protected by the Labour Code. The decree has been broadly welcomed by citizens and the business community alike. "Business no longer needs to be conducted face-to-face. That means lower costs for entrepreneurs who can now hire employees and manage their human resources interface without a physical office space," Kassim Kouadio Assirou, CEO of local consultancy DG Cloud4Africa, told OBG.

Other reforms aimed at enabling business continuity include the creation of a digital tax reporting system launched in January 2022. While increasing the efficiency and speed of tax filing, the system aims to bolster the government's ability to ensure compliance and carry out audits. The government also plans to incorporate value-added tax and property tax declaration into these digital processes.

EMERGENCY PREPAREDNESS: The pandemic motivated the government to accelerate many digitalisation initiatives already in place. It also demonstrated responsiveness to the business community, amending regulations such as the Labour Code and implementing other measures aimed at establishing Côte d'Ivoire as an attractive destination for foreign business. Indeed, several international companies, including Spanish food delivery giant Glovo, are increasing their investment in the local market: Glovo plans to invest CFA2.9bn ($5m) in 2022 alone.

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Fatoumata Bâ

Bridging the gap

Fatoumata Bâ, Founder and Executive Chair, Janngo Capital, on propelling small business growth

Where do you see the most potential in the development of digital ecosystems in Côte d'Ivoire?

BÂ: Financial services and energy were the two main sectors attracting tech investments 10 years ago. Now tech is helping to accelerate more sectors of the formal economy. From health care and education to logistics and trade, technology market platforms are expanding the economic frontier. In these sectors, in particular for e-commerce, habits are shifting and the growth achieved has proven to be long lasting.

The Covid-19 pandemic offered the opportunity to create and use digital platforms for education, health or the provision of government services. Many companies went from having a few dozen clients to thousands of visitors and clients daily on their digital platforms. In education, for example, traditional training companies were able to transform into edtech companies to service schools and universities, enabling students to access educational content at all times. The pandemic had a significant negative impact on the overall economy but it also presented opportunities for firms to invest in tech and reap the benefits of digitalisation.

What are the most significant challenges for small and medium-sized enterprises (SMEs) to scale?

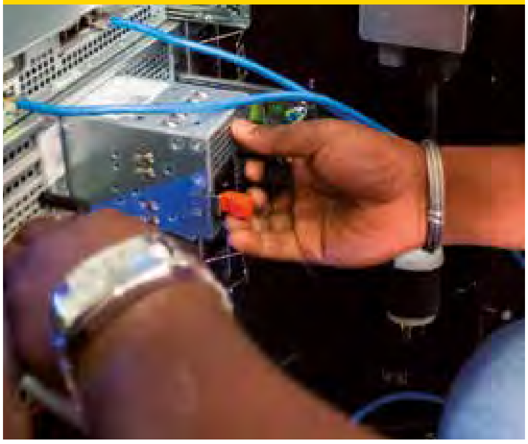
BÂ: African SMEs, in particular Ivorian SMEs, need access to three main elements. The first is access to markets to enable businesses to get their products to as many customers as possible while functioning competitively, for instance regarding logistics costs. On average, 55% of the cost of goods sold in Côte d'Ivoire goes to logistics and transportation, which means that even before you start competing on a global scale, you are already uncompetitive. The second relates to access to capital to fund growth, access to trade finance or, broadly speaking, access to financial services. The third dimension is access to technology. It is essential to look at the intersection of tech and SMEs, since around 98% of Ivorian companies are SMEs and constitute a significant part of GDP. SMEs need to understand how to leverage tech, especially since they are not always very tech-savvy. Technology market platforms can match supply and demand almost on a real-time basis, consolidating orders from different SMEs for certain trade corridors to enable access to the best prices through economies of scale. Policymakers need to address these three dimensions together and not respond to only one need.

Which technologies or digital trends do you expect to have a positive impact on the country?

BÂ: We are seeing exciting changes in the trade space. There are more than 10m mini retailers in Africa; therefore, connecting a manufacturer or service provider with a retailer through digital platforms brings a lot of added value. It can help cut down on intermediaries and enable the direct integration of the business into the value chain. This also helps reduce product waste, since in emerging markets there are high levels of waste due to the lack of value-chain integration. Beyond decreasing end-user prices, technology investments in this area positively impact the planet.

How can the venture capital (VC) ecosystem help bridge gender inequality and create new entrepreneurial opportunities for women?

BÂ: Women in Africa are the most entrepreneurial in the entire world. The total entrepreneurship activity rate for women is 27%. However, recently they have attracted less than 14% of investment in Africa's VC space, down from 17% in 2018. This is a business issue. The continent is losing $300bn in GDP as a result of the $42bn funding gap for women entrepreneurs. Investors do not have to choose between a high-performing portfolio or a diverse portfolio. We have invested in 11 successful startups to date that are 56% female-led, with a woman founder or CEO. VC is a powerful engine to help bridge the gender equity gap in Africa.



Hackers targeted businesses as financial transactions moved online

Heightened concern

Governments work to counter a global rise in cyberthreats stemming from digitalisation and the shift to remote work

Russia's invasion of Ukraine in early 2022 has caused disruptions across the global economy, from food to energy, and prompted an increase in the number and sophistication of cyberattacks – exacerbating similar impacts from the Covid-19 pandemic.

According to a poll of 800 chief audit executives conducted by the UK-based Chartered Institute of Internal Auditors, 77% of respondents thought the war had elevated cybersecurity and data-security risks. Senior cybersecurity analysts have said that the invasion has been accompanied by a sustained cyber-conflict, with a large number of attacks and threats launched since the start of the war.

On February 23, 2022, one day before Russia's military forces invaded Ukraine, a wave of distributed denial-of-service attacks attributed to Russian hackers disabled Ukrainian government, military and bank websites. That same day, US and UK intelligence agencies warned that a Russian state-backed hacker group known as Sandworm had created a new malware called Cyclops Blink. Although US government officials announced in April 2022 that they had disrupted the malware, worries remain.

While cybersecurity officials say that Russia has primarily focused cyberattacks on Ukrainian companies and infrastructure, rather than on targets in the EU, the US or emerging markets, there are nevertheless concerns that cyber-conflict could spill over as the war progresses. An example of this was seen in the February 2022 cyberattack on Viasat, a US satellite communications provider used by the Ukrainian military. EU, UK and US officials blamed Russia for the attack, which affected customers not only in Ukraine, but also throughout Europe.

COVID-19 & CYBERTHREATS: The increased threat of cyberattacks builds on the already heightened cybersecurity environment triggered by the Covid-19 pandemic. As financial transactions have increasingly migrated online since the outbreak of Covid-19, businesses around the globe have become targets for hackers. According to a 2022 report from security vendor SonicWall, global ransomware attacks were up 105% in 2021, including a 1885% increase in attacks on government agencies, with health care (755%), education (152%) and retail (21%) entities also seeing a notable rise in breaches.

The rapid adoption of digital solutions over the course of the pandemic heightened cyberthreats to the education sector and emerging markets with large digital industries. This threat has continued into 2022. For example, leading Nigerian betting platform Bet9ja announced in early April that its website had been hacked by the BlackCat group, a syndicate of Russian hackers that is not believed to be aligned with the government.

This followed a ransomware attack in January 2022 on Bank Indonesia, the country's central bank, that was ultimately unsuccessful in disrupting public services and did not result in critical data being leaked. Meanwhile, in February of that year the website of television broadcaster CNN Philippines was shut down after a cyberattack while the network was hosting a presidential debate in the lead-up to the country's May 2022 election.

Cryptocurrencies have provided similarly fertile ground for hackers around the world. A record $14bn in digital currencies were transferred to illegal addresses in 2021, according to blockchain data platform Chainalysis, up from $7.8bn in 2020.

SECURITY MEASURES: With cyberattacks on the rise in recent years, several emerging markets have taken steps to bolster security. In late May 2022 Saudi Arabia's National Cybersecurity Authority launched the National Portal for Cyber Security Services (HASEEN), a body that aims to develop and manage cyber-services, support communication mechanisms and enhance cybersecurity capacities. Once it is fully rolled out, all government agencies will be able to

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In June 2022 international media reported that the US and the EU were developing plans to fund secure digital infrastructure in a number of developing countries.

access HASEEN, which planned to have the capacity to offer its services to more than 400 national entities by the end of 2022. Earlier in the year Saudi Arabia launched the initiative Wamda, which aims to develop the leadership skills of female Saudi cybersecurity specialists. The country's approach to increase its flexibility and readiness in order to neutralise attacks as they evolve could provide an example for others in the region. According to market research platform MarketsandMarkets, the cybersecurity market in the Middle East is projected to grow from \$20.3bn in 2022 to \$44.7bn in 2028.

Nigeria has also taken notable steps to improve its cybersecurity. In June 2022 it announced that it had created cybersecurity toolkits for more than 41m micro-, small and medium-sized enterprises. Many other emerging markets have indicated they will develop their own national strategies in the near term. For example, that same month Kenya announced that it planned to develop strategies to protect its national digital ecosystem.

In a sign of the global importance being placed on the issue, in June 2022 international media reported that the US and the EU were developing plans to fund secure digital infrastructure in developing countries. The proposal marks the first time the two will work together to fund and protect other countries' critical infrastructure from cyberattacks. Initial projects are slated to take place in Africa and Latin America.

REGIONAL VARIATIONS: While cybersecurity awareness is growing, some regions remain at greater risk of attack than others. According to the Cyber Risk Index for the second half of 2021, Latin America has the highest risk, followed by Europe, North America and Asia Pacific. Africa was not included in the report. Although the report noted that the global rise in cyberthreats in 2021 had largely stemmed from the pandemic and the increase in remote work, Latin America's elevated risk was attributed to the lower level of perceived readiness of the region's organisations when it came to responding to cyberattacks. Cyberattacks in Latin America were up 600% in 2021, according to cybersecurity company Fortinet.

Meanwhile, in Africa there has been a rise in reports of malicious cyber-activities in the form of losses from digital fraud and illicit financial flows, as well as national security breaches and sabotaged public infrastructure. There are several strategic areas of interest that could be targeted to reinforce the continent's cybersecurity preparedness, including investing in technologies to detect and mitigate crime, committing to the enforcement of robust legislation that protects digital rights and cyber-activities, ensuring stronger implementation and better coordination in places where cybersecurity strategies are already in place, and increasing awareness campaigns so internet users are aware of cyberthreats and can adopt preventive measures.

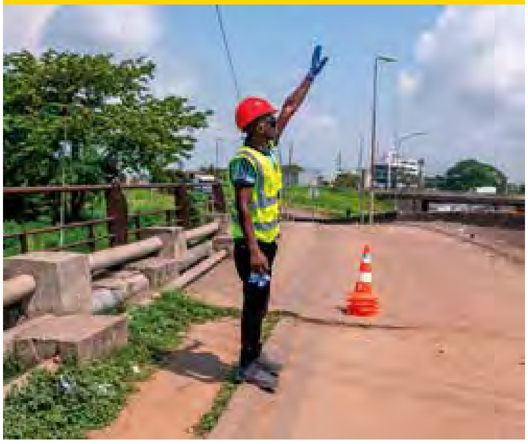
Construction & Real Estate

Urbanisation is driving sector expansion

Infrastructure projects attract foreign investment

Demand grows for formal housing in urban areas

Green bonds promote more sustainable practices



Around 10% of the workforce was employed in the sector as of 2019

Road to growth

Urbanisation and trade are driving post-pandemic builds

Industrialisation has increased the need for larger industrial zones and commercial centres, as well as an expansion of modern transportation networks across the country.

Following the outbreak of Covid-19 in 2020 and the subsequent economic impact of the pandemic, Côte d'Ivoire's construction sector helped the economy recover. There has been growing demand for residential properties to house the expanding middle class due to rapid urbanisation. Furthermore, industrialisation has increased the need for larger industrial zones and commercial centres, as well as an expansion of modern transportation networks across the country.

STRUCTURE & OVERSIGHT: The Ministry of Construction, Housing and Urban Planning (Ministère de la Construction, du Logement et de l'Urbanisme, MCLU) oversees the implementation of policy in terms of both infrastructure development and the construction sector. The MCLU also provides permits for commercial and residential infrastructure programmes.

The Ministry of Equipment and Road Maintenance (Ministère de l'équipement et de l'Entretien Routier, MEER) supports the MCLU by carrying out national priorities across several public works segments. MEER manages the design and construction of the road network, airfields, airports, ports, urban and national railways, river infrastructure and public water distribution systems. It also sets regulations for the maintenance and management of related public infrastructure.

PERFORMANCE & SIZE: The construction sector is expected to achieve a compound annual growth rate of 6% globally between 2019 and 2026. In 2021 the sector contributed 4% to Côte d'Ivoire's GDP, and several projects slated for 2022 onwards mean this figure will likely grow through to 2027. The industry is the third-largest source of employment, with around 10% of the workforce employed in construction in 2019, and 28,000 employees in buildings and public works in 2020. According to the Ivorian Barometer of Building and Public Works Group, between 2012 and 2018 the buildings and public works sector saw annual growth of around 26%. The World Bank reported the construction sector and public investment were the primary growth drivers in 2019. This is expected to shift to manufacturing services and exports, which have grown as a result of recent infrastructure improvements.

The construction sector is expected to achieve a compound annual growth rate of 6% between 2019 and 2026, with several projects slated to take place from 2022 onwards.

A financial package from the IMF approved in April 2020 totalling $886.2m to be drawn under the Rapid Credit Facility and Rapid Financing Instrument, and the government's emergency spending plan helped mitigate the economic impact of the pandemic. Although GDP growth slowed in 2020 to 2% – below the 6.4% seen in 2019 – investment in construction and industry has helped the economy rebound at pace. New construction projects are expected to contribute to future employment creation and a decline in poverty levels.

The focus on public spending is set to continue, as increased public investment associated with the implementation of National Development Plan (Plan National de Développement, PND) 2021-25 will support the construction of the port of Abidjan, the Abidjan-Dakar highway, the development of transport networks with Niger and Burkina Faso, infrastructure related to the organisation of the 2023 Africa Cup of Nations football tournament, and the Abidjan Metro (see Industry analysis). The government anticipates that significant investment in strategic infrastructure will encourage greater private funding across multiple industries.

LAND ACQUISITION: Land use and rights are among the most significant obstacles to construction and infrastructure development. Although constitutional reforms passed since 2000 affirmed that land ownership is restricted to Ivorian citizens, as of 2017 around 0.3% of certifiable land had been formalised, according to the World Bank. This indicates that much of the rural land in Côte d'Ivoire is subject to ownership disputes, making it challenging to find property for development.

As urbanisation progressed, the government launched several initiatives to improve land access. The most recent programme for the simplification and digital transformation of urban land management was proposed in 2021 by the MCLU and the Ministry of

Budget, with the goals of accelerating administrative processes, reducing land-related disputes and enhancing the business environment. Geographic information consultancy IGN France International was selected to launch the Integrated Urban Land Management System of Côte d'Ivoire, which will digitalise and register over 100,000 land records during the initial phase of the project, spanning between 2021 and 2023.

An additional challenge for the industry is quality. Urban areas in particular have a housing shortage and as of March 2022, the country had a housing gap of approximately 500,000 units. This issue is compounded by the fact that around 80% of buildings in Abidjan do not have building permits, highlighting the need for stricter safety measures. Nevertheless, according to a 2021 IMF report the perceived quality of public infrastructure is relatively high, particularly regarding trade-related infrastructure such as ports and airports. Furthermore, Côte d'Ivoire's ranking in the World Bank's Logistics Performance Index, which evaluates Customs performance, infrastructure quality and other trade aspects across 160 countries, improved its overall ranking from 95th to 50th between 2016 and 2018.

BUILDING MATERIALS: Access to building materials and cement has become increasingly important in line with the expansion of the construction sector. Between 2003 and 2018 the demand for building materials increased by an estimated 3.9%. At the same time, companies have faced challenges acquiring these inputs during the pandemic due to supply constraints. "We faced major shortages in cement supply for several months," Jean-François Moreau, then-president of the Chamber of Urban Developers and Developers-Builders of Côte d'Ivoire, told OBG. In addition, firms are finding it difficult to purchase materials due to increased energy costs. "PVC pipes cost two to three times as much as before the pandemic," Moreau added.

Another issue related to building materials is sustainability. As of mid-2022 nearly 80% of building materials used in the market were imported from abroad, underscoring the segment's ecological impact. Moreover, more than half of the energy consumed in the country is used to cool homes. However, in recent years contractors have increasingly adopted bio-architecture elements into housing construction. This has helped to fuel a trend that is both environmentally friendly and in line with urban planning standards.

Demand for cement doubled between 2012 and 2018, growing from 2m tonnes to 4m tonnes a year. In February 2022 the Société de Ciment Côte d'Ivoire inaugurated its second grinding plant in Abidjan and aims to double its installed cement production to 3m tonnes per year. Swiss firm LafargeHolcim also announced plans for the production of white cement in its Abidjan grinding plant starting in 2022. Turkish firm Limak Cement plans to establish operations in Africa, starting with an investment in a $50m facility in Côte d'Ivoire for the first phase of its project.

ENERGY PROJECTS: Côte d'Ivoire has two major energy projects planned for 2022 that will expand its renewable energy sector and diversify its energy mix to position the country as a West African electricity centre. The first biomass power plant on the African continent will be located 100 km east of Abidjan. BIOVEA Energie, in a joint venture with French firm EDF, public infrastructure financer Meridiam and Biokola, a subsidiary of the SIFCA Group, will operate the facility. The consortium and Proparco, a subsidiary of the French Development Agency, are expected to invest €22m in the project. The second project is Singrobo, a 44-MW hydroelectric power station, scheduled to come on-line in 2023. Located south-east of Yamoussoukro, Singrobo will diversify the country's energy mix as part of the government goal to source 42% of its electricity from renewable sources by 2030. When complete, the plant is expected to deliver 217 GWh of power annually, reducing carbon emissions by approximately 124,000 tonnes per year.

NEW HEIGHTS: The government has attracted attention as Abidjan continues to expand. The Belgian construction group BESIX was awarded two major projects in the city currently under construction. The first is the F Tower, expected to be the tallest building in Africa once complete, measuring over 280 metres. Designed by PFO Africa in partnership with the MCLU, the building will have 64 floors of office space and a 200-seat auditorium. BESIX's second project is the Abidjan Exhibition Centre, also called the Palais des Congrès. The exhibition centre was designed and developed by PFO Africa. The new structure will be 37 metres high, with a surface area of 12,000 sq metres and a capacity of 10,000 people. Construction began in June 2021 and, when complete, the space will host trade fairs, cultural and sporting events, and international conferences.

SUBSECTOR INVESTMENT: China has invested heavily in Africa, providing $11.2bn across the continent between March 2020 and June 2021. This trend is expected to continue, with China being the main driver of foreign direct investment in Africa over the next decade. Chinese firms invested approximately $4.9bn

The demand for cement doubled between 2012 and 2018, growing from 2m tonnes to 4m tonnes a year

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The construction of a new 1081-km motorway between Abidjan and Lagos is expected to benefit Côte d'Ivoire, Ghana, Togo, Benin and Nigeria. ECOWAS is funding the $15.6bn project, which will further develop transport and trade routes in the region.

in Côte d'Ivoire between 2010 and September 2021. This includes infrastructure projects such as China Harbour Engineering Company's $430m investment in the construction of a second container terminal at the Autonomous Port of Abidjan, which is expected to be complete by the end of 2022, and an agreement between the China State Construction Engineering and the Ministry of Transport in September 2021 to modify and build Abidjan's fourth bridge.

In response, the EU announced a $22.7bn financing package in 2022 for various initiatives on the continent, including the support of African transport networks. The EU hopes to raise €150bn in investment in the scheme by 2027. Among the list of projects targeted by the programme is the Dakar-Abidjan corridor, establishing a strategic link with neighbouring countries.

TRANSPORT: The government is focusing on transport infrastructure to strengthen regional trade links. As of 2020 Côte d'Ivoire had approximately 6500 km of asphalt roads and an additional 75,600 km of unpaved roads. However, three-quarters of bitumen roads are between 15 and 35 years old, indicating additional investment is needed to update the road network.

A new 1081-km motorway between Abidjan and Lagos is expected to benefit the five West African economies of Côte d'Ivoire, Ghana, Togo, Benin and Nigeria. ECOWAS agreed to the project in March 2022, and is funding the $15.6bn public-private partnership (PPP). The route facilitates around 75% of West Africa's commercial activities, and its expansion will further develop transport and trade across the region. Colas Afrique was awarded a contract to redesign and construct the major Route de l'Est in May 2021, as well as another to develop road networks in towns connected to the road. The project, which is expected to be complete by late 2023, is in line with the PND 2021-25's goals to improve inter-urban infrastructure. In 2020 Colas completed the widening of a section of the Route du Nord, connecting Bouaké and Kanawolo.

In April 2020 the ECOWAS Bank for Investment and Development agreed to give $25m in funding to construct 11 steel bridges across Côte d'Ivoire. This is part of the government's aim to build 100 new bridges across 1000 critical locations in rural areas as outlined in the previous PND running from 2016 to 2020.

The government has developed PPPs to improve inner-city transport as well. Plans for an 18-station, 37-km metro network in Abidjan are under way. A consortium of French groups Bouygues Travaux Publics, Alstom, Colas Rail and Keolis are collaborating on the $1.6bn project. Once complete, the network's projected daily capacity will be an estimated 540,000 passengers.

INDUSTRY: The government has invested $1.7bn in constructing three industrial zones in Akoupé Zeudji near Abidjan; San-Pédro in the south-west; and Ferkessédougou in the north. The African Export-Import Bank started construction on the PK24 Industrial Park in Abidjan in 2021, and once complete, is expected to host 60 companies and generate 1m jobs. The creation of another industrial zone on 540 ha of land in San-Pédro will help expand industrialisation beyond Abidjan.

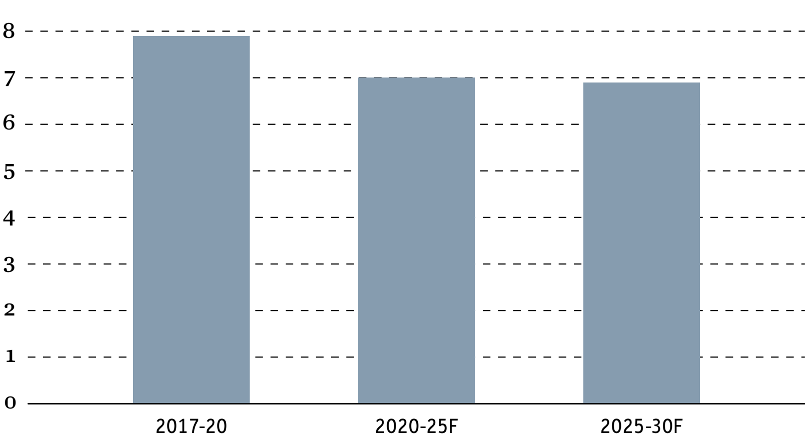
The agro-processing industry has seen a rise in private investment as well. Cargill finished a $100m upgrade of its cocoa processing facility in November 2021. The Yopougon grinding facility is among the largest of its kind on the continent. In the PK24 Industrial Park, the Dutch company De Heus is building a 7500-sq-metre animal feed plant scheduled for completion in the latter half of 2022.

HEALTH CARE: UK Export Finance (UKEF) is supporting developer NMS Infrastructure's aim to build six new hospitals across the country by 2024. The €326m project will support the construction of health care facilities in Bouaké, Boundiali, Katiola, Kouto, Minignan and Ouangolodougou. This is part of a broader investment outlook, as UKEF intends to fund up to £2m in new business in Côte d'Ivoire.

SPORT INFRASTRUCTURE: The construction and renovation of six stadia in preparation for the Africa Cup of Nations football tournament in January 2024 will drive funding in the construction sector, according to an April 2022 report from Fitch Solutions. In October 2018 the late Prime Minister Amadou Gon Coulibaly pledged $345m to support that objective. A 60,000-seat stadium in Ebimpe, a 35,000-seat stadium in Bouaké, and a 20,000-seat venue in Yamoussoukro are among the sites for the tournament. Two 20,000-capacity venues in San-Pédro and Korhogo, as well as the 50,000-seat Stade Félix Houphout-Boigny in the heart of Abidjan, will all be completed in time for the event.

OUTLOOK: The government's efforts to boost infrastructure investment appear to be paying off, as it is gaining greater levels of private investment for construction across the economy. Numerous infrastructure projects in terms of office space, health care facilities and entertainment are under way in the economic centre of Abidjan, as well as industrialisation efforts in other regions. Investment in major transport routes across the country and those linking to its neighbours will enhance and encourage trade. Given the country's resilience in the face of the pandemic, the construction sector is likely to grow over the coming decade, attracting more funding from both China and the EU.

Annual growth* in construction value added, 2017-30F (%)



Source: World Bank

*period average

Côte d'Ivoire intends to increase its investment in affordable housing

Window of opportunity

A boost in public funding and foreign direct investment is opening doors for numerous infrastructure projects

The government unveiled the National Development Plan (Plan National de Développement, PND) 2021-25 to improve infrastructure development and support the expansion of the construction sector. This agenda is also expected to attract more public and private investment, and boost exports.

ATTRACTING FOREIGN INVESTMENT: The swift response by the government and financial support from the IMF alleviated the burden of the Covid-19 pandemic, making Côte d'Ivoire one of the few African countries to see economic growth in 2020. In its April 2022 World Economic Outlook, the IMF predicted that the PND 2021-25 will help yield annual GDP growth of 7.7% on average between 2021 and 2025, with the contribution of private investment increasing from 14.4% of GDP in 2021 to 22.7% in 2025.

According to the UN Conference on Trade and Development's "World Investment Report 2021", Côte d'Ivoire attracted $936m in foreign direct investment in 2019 and $509m in 2020. While China was the largest investor in the country, contributing over $4.9bn between 2010 and September 2021, significant levels of financing also came from the EU and Canada. This was amplified by the implementation of the Investment Code of 2018, which has simplified the process for international investors to provide financing and establish businesses in Côte d'Ivoire.

INFRASTRUCTURE PROJECTS: The government's expansion of the Autonomous Port of Abidjan will enhance the country's reputation as a gateway for trade in West Africa. The second container terminal, the Côte d'Ivoire Terminal, is expected to be operational in late 2022 and will support the expansion of the country's industrial development.

Foreign investors are assisting Abidjan in becoming an economic centre by building a number of energy, transport and commercial projects. The PND 2021-25 aims to strengthen energy security by raising energy production from 2229 MW in 2020 to 3428 MW in 2025. This objective is based on the development of private ventures, including oil and gas exploration, solar power generation and the electrification of rural areas.

In response to foreign interest in establishing offices in Abidjan, several commercial building projects are in progress. "One aspect we need to focus on involves boosting the volume, capacity and availability of office space for the government. We aim to construct buildings of 15-20 floors to meet these demands," Amadou Koné, minister of transport, said at a roundtable discussion in 2021. To achieve this, renovations on and construction of towers by Belgian firm BESIX are under way. This will boost employment in construction and encourage job creation in the professional sector.

Confidence in Côte d'Ivoire's growth as a regional economic and industrial leader is evident through the construction of the new 1081-km Abidjan-Lagos highway. The $15.6bn initiative is being led by the ECOWAS.

SOCIAL HOUSING & REAL ESTATE: Another goal of the PND 2021-25 is to improve the business climate and overall quality of life by expanding investment in housing and providing universal access to education, health care and electricity. An influx of low-wage and middle-class workers into the major cities is increasing the demand for affordable housing and public services.

However, the growth of Abidjan has recently gained precedence over the housing needs of the rural population. The government plans to address the issue by constructing more housing in rural areas. The creation of new public-private partnerships may facilitate this process. Some businesses, such as the real estate investment firm Econyx Group, and social organisations are already assisting the creation of more affordable housing in Abidjan in light of the shifting demand across the country and the difficulties securing financing. Increased funding from the African Development Bank and the International Fund for Agricultural Development, in partnership with the government, is expected to improve economic security in under-served areas.

According to the UN Conference on Trade and Development's "World Investment Report 2021", Côte d'Ivoire attracted $936m in foreign direct investment in 2019 and $509m in 2020.

Foreign investors are assisting Abidjan in becoming an economic centre by building several energy, transport and commercial projects.

Nicolas de Roquefeuil

Innovation and development

Nicolas de Roquefeuil, General Manager, SETAO, on modernising infrastructure and the legal framework governing the sector

How would you assess the performance of the construction sector over the last two years?

DE ROQUEFEUIL: The sector recorded growth of 18% in 2021 after a temporary setback in 2020 due to the Covid-19 pandemic. Development is continuing apace in Côte d'Ivoire, which has positively impacted all construction and development segments. Many operators are taking an interest in the country, and we are working to ensure competitiveness.

To what extent can the modernisation of road and logistics infrastructure facilitate growth?

DE ROQUEFEUIL: Infrastructure upgrades, particularly to roads, are favourable for national development as they facilitate the free movement of goods and people. Realising the importance of sound infrastructure, Côte d'Ivoire has been working to develop its transport network for the past 10 years. In this regard, the San-Pédro port project, located near the country's primary cocoa-producing region, will serve as an alternative to the Port of Abidjan and will help to boost exports to the rest of the continent over the medium and long term.

Which areas of the construction sector have been affected by the ongoing inflation?

DE ROQUEFEUIL: Inflation has affected all ongoing construction projects and companies that committed themselves to lump sum prices. Depending on the legal provisions of the contracts, some additional costs incurred as a result of inflation can be claimed, while others cannot be recovered and translate into operating losses. In the current context of price instability, we rely on the expertise of our purchasing department. Prices of all metal products have increased significantly and remain volatile as of August 2022.

For construction projects under negotiation, we must offer our customers price revision formulas that allow us to adjust our prices throughout the project and with complete transparency. For more than 10 years public procurement actors have worked in moderate inflation environments. These players will have to adapt to the new inflationary context.

What is your perception of the legal and administrative framework of the construction sector?

DE ROQUEFEUIL: The public procurement framework was revised in 2019 and is consequently up to date. Electronic procurement management holds immense potential but has yet to be adopted by construction firms. In my opinion, the new generation of engineers should work in fields where innovation could prove very profitable for all stakeholders.

There is no particular legal framework in place for private contracts. Each operator adopts the specifications that suit their interests in line with Ivorian law. For successful project execution, private investors should improve their knowledge of legal and administrative frameworks. They must also comprehend legal and administrative procedures, such as the acquisition of building permits, conducting compliance monitoring, establishing design offices and obtaining approvals from the National Environment Agency. Constant monitoring of the process is critical to ensuring that the investment is recognised and approved by the Investment Promotion Agency of Côte d'Ivoire.

In what ways are operators adapting to environmental, social and governance (ESG) standards?

DE ROQUEFEUIL: Very few construction operators are currently adopting ESG standards in Côte d'Ivoire. In this regard, we are committed to reducing the environmental impact of our construction sites by implementing new monitoring and energy reduction systems. The informal sector still accounts for a large share of construction activity, which limits the formal sector's development. However, many construction companies are trying to develop ESG policies to improve labour standards and working conditions for their employees.

Construction contributes some 40% of global energy-related emissions

Green by design

Innovative practices are seen as key to lowering emissions

Amid efforts to reduce the carbon footprint associated with the construction industry, there is increasing recognition of the benefits of sustainable and regenerative architecture as a means of lowering emissions. According to the "2019 Global Status Report for Buildings and Construction" published by the UN Environment Programme (UNEP), the sector is one of the world's biggest polluters and accounts for close to 40% of global energy-related greenhouse gas emissions. In light of this, a greater emphasis has been placed on sustainable architecture in recent years.

Although definitions vary somewhat, sustainable architecture is generally considered to be architecture that seeks to minimise the negative environmental impact of buildings. This is often achieved through the use of environmentally sustainable, low-emissions materials, and site-specific designs that utilise the natural environment to improve efficiency and lower costs related to areas such as lighting and heating.

While much progress has been made on sustainable architecture in recent years, there is still potential for improvement. According to modelling from UNEP's International Resource Panel, emissions from the material cycle of residential buildings in the G7 and China could be reduced by at least 80% by 2050. This could be achieved through a series of material efficiency strategies, such as building with fewer or alternative components, or recycling more construction materials.

MODERNISING MATERIALS: Some emerging markets are taking the lead when it comes to sustainable architecture, often by incorporating traditional designs and materials into construction. For example, in March 2022 Diébédo Francis Kéré, an architect from Burkina Faso, became the first African to be awarded the Pritzker Architecture Prize for his work designing sustainable and collaborative buildings in Africa.

Kéré modernises traditional construction techniques and integrates buildings into the natural environment in order to improve their effectiveness and energy efficiency in terms of light, heating and cooling. His first major project – a single-storey schoolhouse in his home village of Gando in Burkina Faso – features a filtered light system that allows natural light into the building while keeping the interior cool. He has since designed schools, health centres, assembly halls and public buildings in other African countries such as Benin, Mali, Togo, Kenya, Mozambique and Sudan.

Meanwhile, in Egypt, local design and building company Hand Over has been a forerunner in sustainable construction in recent years. Using a technique known as rammed earth construction, which deploys eco-friendly materials such as gravel, mud and sand, plus a small amount of cement, the company has constructed a number of sustainable housing and building projects across the country. The technique has been shown to reduce heat and dampness in a building, leading to an estimated 30% reduction in carbon emissions on the back of lower energy usage.

REGENERATIVE ARCHITECTURE: There has also been discussion around the benefits of regenerative architecture. The principle behind this practice is to design buildings that adapt to their surroundings, reverse damage and have a net-positive impact on the environment.

One example is the Ilima Primary School in Tshuapa in the Democratic Republic of the Congo. Located between farmland and jungle, the school was designed to act as a bridge between the two landscapes. Using mud bricks and locally sourced beams, the school also features woven and dyed vines that grow around the building, to keep the interior cool. The school's construction emitted 307 fewer tonnes of carbon than the global average for schools of the same size.

The Sahara Forest Project Pilot Facility in Qatar is another example of regenerative architecture to enable restorative growth in desert areas. Since its opening in December 2012, the saltwater-cooled greenhouse has attracted various birds, grasshoppers, butterflies and rodent species in an area that was once barren desert.

Emissions from the material cycle of residential buildings in the G7 and China could be reduced by at least 80% by 2050 through the implementation of efficiency strategies.

Some emerging markets are taking the lead in sustainable architecture, often by incorporating traditional designs and materials into construction.

The cost of registering property is about 7.1% of the property price

Rapid expansion

Demand for housing grows alongside boom in urban population

In 2022 a brigade was set up to reduce illegal construction, with representatives from local government and the Directorate of Urban Sanitation and Drainage.

Côte d'Ivoire's real estate sector is growing rapidly as the demand for formal housing in urban areas increases. As the country undergoes industrialisation, developed areas like Abidjan are seeing greater influxes of middle-class populations, expatriates and diaspora communities seeking accommodation.

International companies are responding to the growing demands of these demographics by building more retail space, hotels, road networks and other infrastructure. However, ongoing difficulties accessing credit and a significant housing deficit across major cities have left many Ivorians living in improvised and informal housing, creating opportunity for private companies to fill the gap in the market.

STRUCTURE & OVERSIGHT: The real estate sector in Côte d'Ivoire is overseen by the Ministry of Construction, Housing and Urban Planning (Ministère de la Construction du Logement et de l'Urbanisme, MCLU). The MCLU manages the implementation of government policy, oversees property developers and improves access to urban and rural housing. It also manages several campaign activities for real estate, including promoting property construction and investment, and encouraging the use of local materials in developments. Meanwhile, the Ministry of Equipment and Road Maintenance (Ministère de l'équipement et de l'Entretien Routier) works with the MCLU to establish road links for developments across rural and urban areas to improve accessibility.

Côte d'Ivoire's government introduced a Construction and Housing Code in 2019, grouping real estate matters such as residential leases, building permits, the sale of real estate for construction and real estate development into one framework. The legislation aims to better regulate the sector, curbing unauthorised construction and improving safety provisions. To support the implementation of the code, the government has introduced a new building permit system for buildings over two stories.

In addition, in 2022 a brigade was established to reduce illegal construction around the country, with representatives from local government and the Directorate of Urban Sanitation and Drainage. It is estimated that around 80% of existing buildings were built without the necessary permits; however, the new code is expected to reduce this figure in the coming years as developers adopt the new provisions.

PERFORMANCE & SIZE: Between 2003 and 2018 the real estate sector attracted 2.9% of inward foreign direct investment by type of project and 12.8% by capital expenditure, making it the ninth-largest industry for foreign investment. As the government anticipates an average annual growth of 7.7% between 2021 and 2025, the sector is likely to expand further. A number of foreign construction companies have entered the market in recent years, and domestic companies are flourishing as demand increases.

URBANISATION & INDUSTRIAL CENTRES: Growth of the real estate sector has been concentrated largely in urban centres such as Abidjan and Yamoussoukro, which are experiencing influxes of working populations as they become more industrialised.

Since 2011 Abidjan's real estate market has grown at an annual rate of around

18%

Abidjan's real estate market has grown by around 18% per year since 2011. In 2018 the urbanisation rate stood at 3.5%, and Abidjan's population is expected to increase to 6.7m by 2025, up from 5.5m in 2022. Due to this rapid expansion, the African Development Bank estimated in a 2019 report that there was an affordable housing gap of 600,000 units, rising by 10% a year, with around one-third of the figure in Abidjan. In 2020 the annual number of dwellings built stood at 15,000, and in 2021 the monthly rent of the cheapest newly-built, 45-sq-metre house was CFA100,000 ($172) with a purchase price of CFA8.5m ($14,600).

"Côte d'Ivoire's government has concentrated most of its infrastructure investment in Abidjan and other urban centres," Nelly Domoraud-Abobi, managing director of local real estate firm Kalimba Immobilier, told OBG. "This has driven up the standard of living in these areas, making them more attractive to the middle class. However, it deters many people from considering alternative locations because of the lack of offerings available in smaller cities."

In terms of formal dwellings, in 2019 the total number of residential properties with a title deed stood at just over 4m. With the country's total population being 26.4m with an urban population of 13.6m, this figure remains low. The cost of registering property is about 7.1% of the property price and requires carrying out five procedures over an average of 39 days.

NEW REGULATIONS: The government has greatly improved the protection of property rights and the acquisition of new property through the ongoing introduction and implementation of new legislation. However, the issue of land ownership continues to be a challenge, with only 4% of land titled in 2018 according to the World Bank (see Construction chapter). Meanwhile, land documentation in urban areas has gradually improved through the implementation of the Certificate of Change of Land Ownership under Côte d'Ivoire's urban land reform.

In addition, in 2016 the government made it easier to apply for building permits by establishing a one-stop shop, the Investment Promotion Agency of Côte d'Ivoire. The urban land digitisation project, launched in 2021, will establish a central database for land ownership. French firm IGN-FI will manage the Integrated Urban Land Management System with funding from public investment bank BPIFrance.

HOUSING FINANCE: The majority of Ivorians – or over 80% of workers – continue to work informally. This makes accessing credit difficult, particularly as around 19% of the population does not have a bank account. Due to this low penetration, the cost of credit is relatively high, and mortgage purchasers typically make a 10% down payment on property.

In 2020 there were 23 residential mortgage providers, and in 2021 the ratio of mortgages to GDP was 0.1%, suggesting that mortgage penetration is relatively low. One of Côte d'Ivoire's principal banking institutions, Société Générale de Banques en Côte d'Ivoire, offers a minimum mortgage value of CFA5m ($8600), at a rate of 9.1%. While this amount may be considered relatively affordable, the monthly repayments are too high for most workers, who have a minimum interprofessional guaranteed salary of CFA60,000 ($103). According to a survey by the Centre for Affordable Housing Finance in Africa, 94% of households in Abidjan earn less than CFA300,000 ($515), leading most to rent rather than buy property.

During the Covid-19 pandemic many households became more financially vulnerable. Subsequently, in 2020 there was a decrease in the number of property rentals and purchases. In response to these challenges, the government introduced a moratorium on rent increases and evictions. It also froze rent or provided a rent discount between April and June 2020 for those who lost their jobs. While these efforts were helpful, the pandemic continued to impact the market through 2021.

Local and foreign firms have invested heavily in developing offices as well as retail and entertainment spaces

The government has mainly focused on the development of middle-class housing in urban areas. Most social housing programmes promote the building and financing of formal housing that can only be accessed by those working in formal employment with a bank account. In addition, the construction of housing and amenities in response to the needs of different demographics has led to the development of distinct districts. "The real estate sector has shaped the appearance of different urban neighbourhoods, attracting demographic categories according to the market prices in those areas," Domoraud-Abobi told OBG.

It is also important to consider the diaspora population that has contributed to a real estate boom in recent years. The Ministry of Foreign Affairs, African Integration and Diaspora promotes Côte d'Ivoire as an investment space for the diaspora.

According to Jean-François Moreau, then-president of the Chamber of Urban Developers and Developers-Builders of Côte d'Ivoire, the diaspora population is essential to the expansion of country's real estate market, suggesting activity decreased during the pandemic as a result of the diaspora being unable to access and invest in Côte d'Ivoire. "The most significant contributor to the decrease in the market's client potential came from the Ivorian diaspora," Moreau told OBG. "The diaspora could not travel, and for many promoters this can represent at least 25% of turnover." Diaspora communities also invest in prime real estate areas, a trend that is likely to continue after the pandemic.

As such, rent and property prices vary considerably depending on the neighbourhood. For example, rent for a four-bedroom apartment in the prime residential neighbourhoods of Cocody and Plateau in Abidjan falls between CFA800,000 ($1380) and

In 2020 there were 23 residential mortgage providers, and in 2021 the ratio of mortgages to GDP was 0.1%, signalling that the penetration rate is relatively low.

With the construction of the F Tower – expected to be Africa's tallest building – commencing in late 2021, Abidjan is likely to attract greater international interest. The tower will have 64 floors of office space and room for entertainment.

CFA1.2m ($2060) on average. In contrast, rent in Yopougon, Abobo and Bingerville is lower, averaging between CFA100,000 ($171) and CFA200,000 ($344).

INFORMAL SECTOR: The government's Support Fund for Housing and Housing Mobilisation Account provide banks with below-market rates, allowing them to lend to mortgage applicants at an interest rate of 5.5%. This is intended to help lower-income households increase their purchasing power; however, many still find it difficult to access mortgages due to the high monthly costs. These high mortgage prices, which restrict ownership and increase rent costs associated with the housing shortage in urban areas, have driven many individuals to establish residence in informal or temporary housing.

In recent years the government has rolled out initiatives to provide greater levels of public housing, but conflicts over land ownership have significantly hindered these programmes. The aim to increase the supply of social housing is echoed in the National Development Plan (Plan National de Développement, PND) 2021-25, but little progress has been made as of mid-2022. This has led several private companies to recognise the demand for greater housing for low-income and middle-class households in urban areas.

"Abidjan has faced a housing crisis for several years, with the availability of residential properties far lower than the demand," Domoraud-Abobi told OBG. "This situation has caused the population to expand towards the suburbs of Abidjan and the development of new neighbourhoods. The urban landscape of cities has been transformed, and small neighbourhoods in the periphery of residential areas are much more modest," she added.

There is also a notable gap between urban and rural housing. While urban residential housing is gradually becoming formalised, in rural areas around 90% of the population lives in temporary structures. Many of these buildings are made from wood and are vulnerable to fire, leaks and collapse. In addition, thatched roofs leave residents susceptible to disease caused by insect infestations and mosquitoes.

Average prime rental yields, 2022 (%)

Source: Knight Frank

COMMERCIAL PROPERTY: Alongside urban population growth, local and foreign companies have invested heavily in developing offices, retail and entertainment spaces, and housing. The high demand for housing and other infrastructure has caused office prices, which were previously stable, to rise.

The demand for office space has increased substantially as several international companies set up their West African headquarters in Abidjan, the region's economic centre. The African Development Bank relocated its headquarters from Tunis to Abidjan in 2014, and several other companies have since followed. According to Knight Frank, Abidjan is one of the fastest-growing office markets in Africa, and it continues to pick up the pace with the construction of large-scale new office buildings.

With the construction of Abidjan's F Tower – expected to be Africa's tallest building upon completion – commencing in late 2021, the city's real estate market is likely to attract greater international interest. The tower, plans for which are being managed by Belgian contracting company BESIX Group, will have 64 floors of office space, as well as areas for entertainment and recreational use.

INDUSTRIAL SPACE & RETAIL: In recent years Côte d'Ivoire's government has made significant investments to diversify the agriculture-dependent economy towards industry, in line with the goals of both PND 2016-20 and PND 2021-25. The development of the PK24 Industrial Park in Abidjan, as well as three other industrial zones in Akoupé Zeudji, a town roughly 13 km north-west of Abidjan, San-Pédro in the south-west, and Ferkessédougou in the north, at a cost of $1.7bn, has encouraged greater private investment in industrial real estate.

Several new retail spaces have also been developed, mainly concentrated in Abidjan. With the arrival of French supermarket Carrefour in 2015 and a number of other foreign brands entering the market in the years since, dozens of supermarkets and eight shopping malls have been built in Abidjan. However, while international brands are renting commercial spaces in cities, many local retailers find access to commercial spaces challenging due to the high rent prices involved. Monthly retail rents in the centre of Abidjan run between CFA100,000 ($172) and CFA1m ($1720) on average. To lease a shop, retailers must also acquire documentation for their business and pay a 12-month deposit.

OUTLOOK: Having invested heavily in infrastructure, the government has successfully promoted Côte d'Ivoire as an industrialised centre in West Africa. The real estate sector is growing at pace, with several residential and commercial projects planned for urban areas. However, the lack of housing for low-income families and difficulties in accessing finance have driven the development of informal housing. As the country undergoes urbanisation and industrialisation, there is an opportunity for officials to provide social housing with alternative financing options for informal workers and lower-income populations.

Climate bonds have been tapped to finance green developments

Sustainable solutions

Encouraging investment in eco-friendly construction

By 2030 the government aims to source

42%

of power from renewable energy

Green bonds are becoming an increasingly popular form of financing worldwide as companies strive to improve their environmental, social and governance practices. Green bonds, or climate bonds, refer to a fixed-income instrument provided for climate-related or environmental projects. Institutions such as the World Bank and the European Investment Bank often issue green bonds to encourage companies to improve their environmental approach to new construction.

Between 2007 and 2020 the global green bond market achieved $1trn in the cumulative issuance of the bonds. However, fewer than 1% of these were issued in Africa between 2007 and 2018, with South Africa, Morocco and Nigeria accounting for the majority.

COMMERCIAL REAL ESTATE: In 2021 Emergence Plaza, owner of the Cosmos Yopougon shopping mall in Abidjan, issued a corporate green bond at a value of $18.1m. This demonstrated a new type of financing that could boost sustainable construction across the country. Emergence Plaza sold the bond to Benin-headquartered Société Ouest Africaine de Gestion d'Actifs to improve its cash position. It was issued at a rate of 7.5% over eight years. Cosmos Yopougon achieved green status by way of the Excellence in Design for Greater Efficiencies (EDGE) certification from the International Finance Corporation. According to Emergence Plaza, the shopping mall used the EDGE system to reduce its carbon emissions by 44% in 2020.

This marks the first example of green bonds issued in francophone West Africa, as commercial banks typically do not issue climate financing – meaning companies rely on capital markets to connect them with buyers. Following the successful transaction, the UK's HC Capital Properties intends to extend the programme to several of its future retail projects across West and Central Africa. "The development of this market is especially important in light of the UN's climate change report, which underscores the need for issuers and investors to increase their focus on sustainability," Kadi Fadika-Coulibaly, managing partner of Hudson & CIE, the transaction's placement agent, told OBG. "Green bonds have the potential to support more environmentally friendly real estate investment and development, so this bond will pave the way for more issuance on that front."

POTENTIAL FOR GREEN BONDS: With Côte d'Ivoire's government announcing new environmental aims in its National Development Plan 2021-25, it is expected that private companies will be encouraged to strive for sustainable development. This will be supported by the government's goal to source 42% of the country's power from renewable energy by 2030.

The issuance of green bonds is a relatively new concept on the African continent. Between 2007 and 2018, 11 such bonds were issued across the region, most of which went towards the development of buildings and energy projects, at a total value of $2bn. This compares to the 222 green bonds, valued at $120bn, issued in the Asia-Pacific during the same time frame. However, there is significant potential for this figure to increase in the decade ahead as the African Development Bank Group (AfDB) develops its green bond programme. The initiative seeks to achieve green growth across the region by providing funding for climate change projects ,with additional support from private investors.

Viewed as the economic centre of francophone West Africa, Côte d'Ivoire is likely to attract greater attention from companies aiming to develop projects in line with AfDB climate goals. The country is developing several renewable energy projects, including a 44-MW hydroelectric power station and Africa's first biomass plant. In addition, in 2020 public works developer PFO Africa completed the construction of the La Mé drinking water treatment plant for €45m. The government's commitment to the development of a robust renewable energy sector and large-scale investment from private foreign companies in sustainable development could support greater investment in green bonds for infrastructure, energy and other climate projects in the coming years.

Several renewable energy projects are under development, including a 44-MW hydroelectric power station and Africa's first biomass plant.

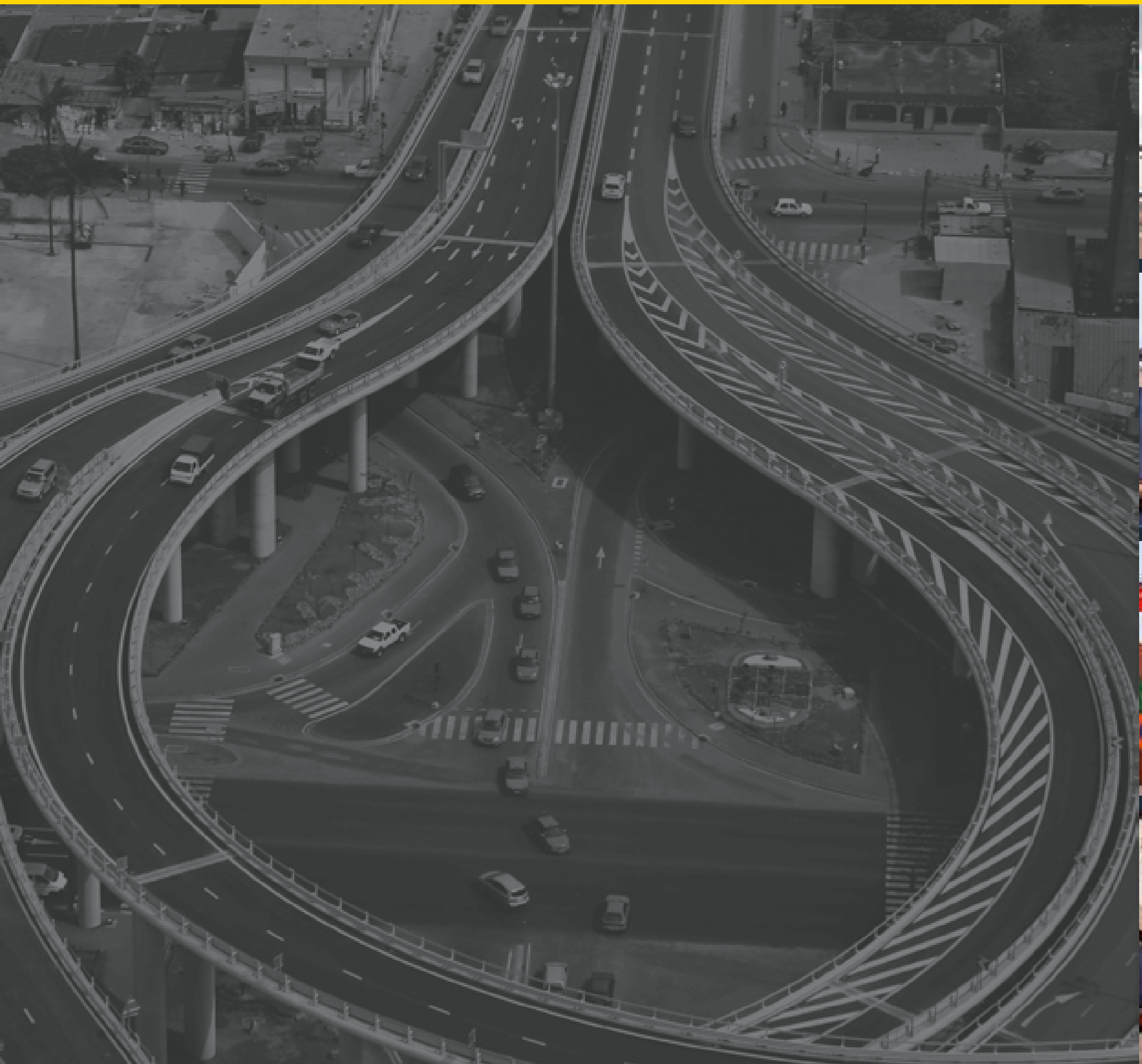
Transport & Logistics

Renewed focus on boosting private sector involvement

Expansion programme to increase domestic air links

The government targets urban mobility improvements

New trade patterns are impacting ports and shipping




The National Development Plan 2021-25 includes plans for mass transit

Paving the way

Ongoing expansion of ports, land and air links should prime the sector for a period of sustained growth

The private sector is key to the National Development Plan 2021-25, and is set to provide nearly three-quarters of the $105bn in investment the government is seeking to mobilise.

Recovering at pace from the global Covid-19 pandemic, Côte d'Ivoire's transport and logistics sectors are now set to benefit from a wide range of new projects – from ports to airports and railways to motorways. The National Development Plan (Plan National de Développement, PND) 2021-25 seeks to almost double the level of economic investment outlined in its predecessor, the PND 2016-20, with the transport sector taking a crucial role in the roll out.

The private sector is key to these plans, and is expected to provide nearly three-quarters of the $105bn total investment the government is trying to mobilise for the new plan. Indeed, the third pillar of the six-pillar PND makes explicit reference to private sector involvement in transport. This has been widely welcomed by businesses and investors in the country, as the network in Côte d'Ivoire features bottlenecks and a lack of rapid connections between its ports, commercial and industrial zones, and rural areas.

With GDP growth averaging 8.3% per year between 2012 and 2019 – and the pandemic impacting Côte d'Ivoire less than many of its peers – economic development has occasionally outstripped the capacity of transport and logistics infrastructure. Getting the transport and logistics network in-step with the country's burgeoning needs is more crucial than ever, creating major new opportunities for investors.

STRUCTURE & OVERSIGHT: The Ministry of Transport is the main body responsible for monitoring and implementing government policy in the sector, with Amadou Koné the minister of transport as of mid-2022. Other key participants in sector development include the Ministry of Road Equipment and Maintenance, led by Amedé Koffi Kouakou; the Ministry of Construction, Housing and Urban Development, led by Bruno Nabagné Koné; and the Ministry of Planning and Development (MPD), led by Kaba Nialé.

The Ministry of Transport has also a number of key sector outfits under its supervision, including Aeria, the management company for Côte d'Ivoire's main international air gateway, Félix-Houphouët-Boigny Airport, also known as Port-Bouët, and Abidjan International Airport; and Air Côte d'Ivoire, the national flag carrier. Also under its remit are the Autonomous Port of San-Pédro (Port Autonome de San-Pédro, PASP); the Autonomous Port of Abidjan (Port Autonome d'Abidjan, PAA); vehicle testing and control agency SICTA; railway infrastructure management outfit the Ivorian Railway Heritage Management Company; the Abidjan transport firm Société des Transports Abidjanais (SOTRA); the Société d'Exploitation et de Développement Aéroportuaire, Aéronautique et Météorologue, which is responsible for airport development; the Office of Road Safety; the Transport Circulation Observatory, which surveys usage and fluidity; the Road Transport Development Fund; and the Agency for Road Infrastructure (Agence de Gestion des Routes, AGEROUTE).

In addition, the Ministry of Transport monitors private rail company Sitarail, which has the concession to operate the formerly state-owned railway from Abidjan to Ouagadougou, the capital of Burkina Faso. Sitarail is part of French conglomerate Bolloré, although in April 2022 it was in the process of being sold to the Italian-Swiss MSC, with the transfer expected to be complete by 2023. Bolloré was in the process of exiting its African transport and logistics operations in the first half of 2022, selling them to MSC. The Ministry also oversees the Ivorian Shippers' Office, an organisation of importers and exporters using transport services, which also levies a tax paid by carriers transporting goods within the country.

The National Development Plan 2021-25 is a major focus for the sector, with 10% of the plan's target investment earmarked for transport programmes.

PLANNING AHEAD: The PND 2021-25 is a major focus for the sector, with 10% of the plan's target investment going to transport. The MPD is the plan's author, as well as its monitoring and managing agency.

Under the third pillar of the plan, which calls for private sector development and investment, a number of key performance indicators are given to the transport sector. First, the proportion of the population living fewer than 2 km from an all-season road should rise from 60% in 2020 to 75% by 2025. Second, the proportion of primary roads that are metalled should rise from 48% to 61% over the same period, while the total length of sealed roadway is expected to rise from 7500 km in 2020 to 9500 km by end-2025.

The plan also includes a number of projects involving mass transport. The first is the construction of the Abidjan Metro line from Anyama to Port-Bouët, a distance of around 37.4 km. Additionally, a railway line will be built between San-Pédro and Man, a length of 640 km; and lastly, the construction of an east-west bus rapid transit (BRT) line between Yopougon and Bingerville and a BRT line along Boulevard Latrille, part of Abidjan's north-south roadway. These projects will join a range of works under way to improve transportation and logistics infrastructure, such as the expansion of the PAA with Côte d'Ivoire Terminal and expansion at the PASP, with plans also in place for the extension of the existing MSC container facility.

PERFORMANCE & SIZE: Despite the global slowdown caused by the pandemic, Côte d'Ivoire's transport sector has displayed a notably quick recovery. After shrinking by 1.8% in 2020, the latest figures from the MPD show transport growing by 11% in the first quarter of 2021 in terms of gross value added to GDP, and by 32.8% and 19.2% in the second and third quarters, respectively. Overall, this contributed 0.9 percentage points to the country's 5% GDP growth in the third quarter of 2021. In its 2022 budget the government predicted sector growth of 8.2%, outstripping predicted overall GDP expansion of 6%.

Behind this resilience lies the strategic location, depth and history of transport connections both within Côte d'Ivoire and throughout West Africa. The rail link to neighbouring Burkina Faso was constructed between 1905 and 1954, while a road link, the Trans-West African Coastal Highway connecting the country to Ghana, Togo, Benin and Nigeria has origins in a 1971 UN development plan. Roads also connect from this motorway to Burkina Faso and landlocked Mali. Furthermore, Côte d'Ivoire has four-lane highways linking the main industrial and commercial centre, Abidjan, to the capital, Yamoussoukro, and Grand Bassam on the south-east coast.

In terms of ports, the PAA and the PASP are major international shipping destinations, while three other ports – Sassandra, Dabou and Aboisso – serve mainly regional and local trade along the coast.

Meanwhile, Côte d'Ivoire has some 27 airports, although most serve internal flights only. The main international gateway is the Abidjan airport, which has regular services around Africa, and to Europe and the Middle East. Yamoussoukro also has an airport, as does the country's second-largest port, San-Pédro, which conducts flights via San-Pédro airport.

LAND: With more than half the country's population urban dwellers – a figure likely to reach two-thirds by 2050 – and a rapid pace of economic growth, urban

The government signed a deal in 2021 to boost Félix-Houphouët-Boigny Airport's annual capacity to 5m

congestion issues have been a feature of life. Indeed, in 2021 sales of new vehicles rose by 57%, and this kind of rapid expansion created particularly acute challenges in Abidjan. The city is expected to reach a population of 10m by 2050, while by 2019 about 80% of all formal enterprises in the country were located there. As such, improving urban mobility is crucial to economic activity and general well-being. It is also key to climate change goals, with Côte d'Ivoire aiming to cut greenhouse gas emissions by 28% of their 2012 level by 2030. Greenhouse gas emission from road transport almost tripled between 2005 and 2016.

Recognising these challenges, the government is working to implement of its Abidjan Urban Transport Project (AUTP) 2017-21, in tandem with the greater Abidjan urban master plan. The Abidjan Metro is a substantial part of this and has become a priority in the PND 2021-25 and for the Ministry of Transport. Three French companies – Bouygues, Alstom and Keolis – have been building the Abidjan Metro's first line, a 37.5-km, $1.5bn elevated rapid transit network line, since November 2017. Passenger services are expected to begin in 2022/23. The line is financed by France's Treasury and the French Development Agency. It will connect 18 stations and seven municipalities in Abidjan, establishing a link between the Anyama centre in the north of the city and Abidjan airport and Port-Bouët. Daily traffic is expected to reach 500,000 people, creating around 2000 jobs.

The AUTP 2017-21 and the PND 2021-25 also list specific road development projects for Abidjan, with two BRT lines being created by the Abidjan Urban Mobility Project. The first, a Yopougon-Bingerville BRT route, is being implemented with financing of $300m from the World Bank. A 20-km separated bus lane will transport 175m passengers annually along this connection, with construction set to begin by end-2022 and completion expected in 2023/24. The project will also be a public-private partnership

In 2021 sales of new vehicles grew by

57%

Passenger services on the Abidjan Metro's first line, a 37.5-km, $1.5bn elevated rapid transit network line under construction since November 2017, are set to begin in 2022/23.

The transport sector grew by 19.2% in the third quarter of 2021

Around $6.5bn worth of investment is being injected into road repair and improvement under the auspices of the National Road Development Programme 2016-25.

(PPP). The second, a 9.8-km BRT lane along Boulevard Latrille, saw SOTRA partner with Swedish commercial vehicle manufacturer Scania for 450 new buses and with Canada-headquartered Trapeze Group to install an intelligent transport system for their management. The project is expected to be completed in 2023.

Additionally, in January 2022 SOTRA announced it was partnering with Italian transport vehicle manufacturer IVECO to manufacture minibuses for the urban Gbaka and inter-urban Massa bus lines. Approximately 1000 of the 26-seater minibuses will be built for public transport and other specialist transport uses such as freight and ambulance.

ROADWAYS: While these projects will improve mass transit, the new tolled motorway leading east out of Abidjan to Abengourou should ease transport in and out of d'Ivoire's largest city. The three-lane motorway will cost some $93m, with financing from the government and the African Development Bank (AfDB). Côte d'Ivoire's road links to its northern neighbours, Mali and Burkina Faso, have long been vital connections for these landlocked countries, although recent times have seen a number of growing security concerns over the frontier. A three-lane tolled motorway runs north to Yamoussoukro, after which metalled roads extend to Bouaké and Korhogo. This northern extension is being upgraded with the latest phase of the Autoroute du Nord project, with work under way on the Yamoussoukro-Tiébissou-Bouaké, Bouaké-Satama-Sokoura and Tiébissou-Sakassou-Béoumi stretches in March 2022.

Another international connection is also nearly set to come on-line – the Bomoko-San-Pédro corridor, linking the Malian capital to Côte d'Ivoire's western port of the PASP. This 1000-km route is funded by the two countries' governments, as well as the AfDB and the UEMOA, with construction commencing in 2016. As of mid-2021 the motorway was reported to be nearly 90% complete on the Côte d'Ivoire side.

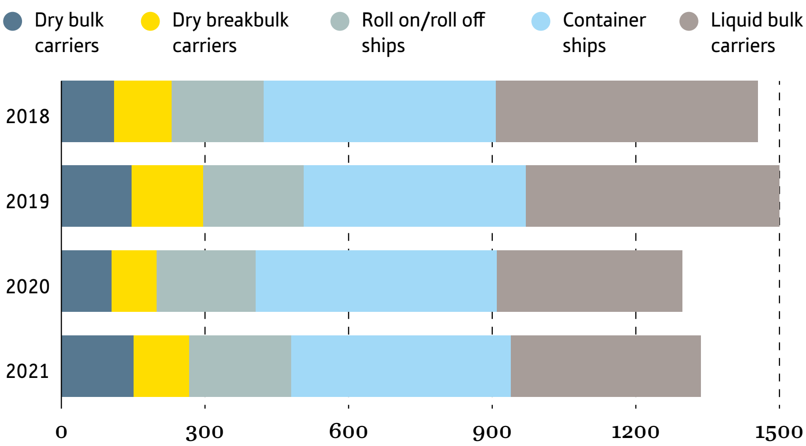
Meanwhile, to the north-east – and the border with Liberia – the EU has funded €20.2m of the €53.2m Manu River Union Development and Transport Facilitation Programme to improve road crossings between the two countries, connecting to Liberia's planned Sanniquellie dry port. Under the National Road Development Programme 2016-25, some $6.5bn will be injected into road repair and improvement, with key implementation bodies being AGEROUTE and the Road Transport Development Fund. One such project is a $550m rehabilitation of the 353.5-km Abidjan-San-Pédro coastal road. Work on this is due to complete in December 2022, in time for the 2023 Africa Cup of Nations, to be held in both cities.

In 2021 the Ministry of Transport adopted a five-year road safety strategy, targeting increased use of digital solutions for traffic monitoring, training and control. The strategy aims to reduce the road accident mortality rate by 50% by 2030.

Near the Liberian and Guinean borders, the city of Man is set to benefit from a $2bn, 640-km railway to the port of San-Pédro, financed by the Export-Import Bank of China. The line will primarily serve freight, connecting to mining and agricultural activities in the Man region. Once complete, the line will join the current rail portfolio, which includes the metre-gauge Abidjan-Kaya (Burkina Faso) railway. This carries approximately 200,000 passengers and 900,000 tonnes of freight per year and is operated by Sitarail.

AIR & SEA: In recognition of growing demand, the Ministry of Transport has rolled out a programme aimed at enhancing domestic air transport links. It aims to boost Abidjan's role as an international centre for pan-African air travel. The Félix-Houphouët-Boigny Airport was thus expanded in 2012, with annual passenger numbers doubling to 2.3m by 2019. A further expansion programme is under way, after the Ivorian and French governments signed an agreement in April 2021 to increase the airport's annual capacity further to 5m passengers. Bringing in more visitors, Qatar Airways began a schedule of regular flights to the airport from Doha in mid-2021.

Port calls by vessel type, 2018-21



Source: UNCTAD

In 2016 the government approved a $1.8bn, 3700-ha Aérocité project to develop a new "aerotropolis" around the Félix-Houphouët-Boigny Airport, which will add hotels, industrial and commercial complexes, and residential districts to the area, further enhancing the airport's regional and international status. As part of this development, in April 2022 it was announced that Bolloré would construct a new CFA3.4bn ($5.8m) logistics facility on a 9000-sq-metre area within the Aérocité zone. Set to be completed in September 2022, Bolloré plans to add pharmaceutical packaging facilities in the near future.

In February 2021 the national flag carrier, Air Côte d'Ivoire, took delivery of its first Airbus A320neo, as it continues its extensive upgrading and expansion programme. The new addition brought the airline's fleet (58% government owned, 11% Air France-KLM owned and 23% owned by local consortium Golden Road) to four De Havilland Canada Dash-8 turboprops, three Airbus A3192 and two Airbus A320ceos. In addition, San-Pédro airport's extension project, planned since 2014, was re-launched in 2020. Other regional airports are due for modernisation and expansion as the country seeks to develop its internal logistics.

Both of Côte d'Ivoire's main ports – the PAA and the PASP – are undergoing significant expansion and upgrade programmes as Abidjan and San-Pédro vie for a larger share of regional trade. The cities are competing with a number of regional rivals who have recently challenged Côte d'Ivoire's position as the key route to interior, land-locked neighbours such as Mali, Burkina Faso and Niger (see analysis).

DEVELOPING LOGISTICS: As a key east-west and north-south West African transport corridor, Côte d'Ivoire has long been home to numerous logistics outfits. However, they continue to face challenges in reaching beyond the main motorways and conurbations. For example, a 2018 study of last mile by the US Agency for International Development discovered that only 7% of companies surveyed had warehousing or bases outside Abidjan, while approximately 64% of their land transport fleet consisted only of heavy trucks designed for shipping bulk cargo such as agricultural crops and mining, but unsuitable for moving fragile or sensitive goods.

Delivery times and costs can also be high, with a 2018 report by the Africa Transport Policy Programme suggesting the 1200-km Abidjan-Ouagadougou route was the most expensive in West and Central Africa, costing nearly $5100 to transport a single 20-foot container along its length. However, the report also stated that while 43% of Burkinabe companies owned just one truck, that figure was lower in Côte d'Ivoire, at just 15%. Indeed, Côte d'Ivoire now boasts a range of substantial logistics outfits, including DHL and MSC, Bolloré Transport & Logistics, Packing Service International, Alogistik, Côte d'Ivoire Logistique and Groupe Centaures. Many of these companies offer warehousing, road, rail, sea and air freight services, with some firms – such as Bolloré and MSC – also operating container terminals and dry port shipyards.

Both of Côte d'Ivoire's main ports are being expanded as Abidjan and San-Pédro compete for trade volumes

Yet, the informal sector continues to dominate, particularly in trucking operations. Raising the overall level of professionalism in the sector, many argue, is one way of bringing the informal sector into the formal one. Training and certification schemes for drivers and company operatives would boost regulation and quality, as would proper enforcement of standards, such as the Quality, Safety, Health and Environment certification currently required but ignored by many informal players. In turn, further regulation and professionalism would lead to the development of a more contemporary, integrated transport and logistics industry, boosting the range of ancillary contractors, uptake of digitisation and more efficient, cost-competitive solutions.

OUTLOOK: With the government determined to keep up the pace of investment in transport infrastructure, using PPP as its preferred model, the years ahead will see plenty of new opportunities for transport and logistics companies to expand in Côte d'Ivoire. The country's robust economic growth will also continue to drive demand. Outside the major centres, road networks require significant investment to accommodate such growth, with the PND 2021-25 aiming to meet this challenge. Ongoing upgrades and expansion of air and rail links, urban mass transport and ports all bode well for sustained growth.

Shifts in global supply chain mechanisms towards more local sourcing may benefit Côte d'Ivoire, as many ports see a downsize in vessel draughts and a move from container to bulk. Increased regional trade will also help ports such as the PAA and the PASP. Downside risks include recent hikes in global fuel prices and freight charges, which continued into the second half of 2022, along with supply chain bottlenecks caused by lockdowns in China. These factors will continue to impact sector players; however, the transport and logistics sector has repeatedly shown its resilience in the face of unexpected external headwinds.

Shifts in global supply chain mechanisms towards more local sourcing may benefit Côte d'Ivoire, as many ports see a downsize in vessel draughts and a move from container to bulk.

Efforts are under way to relieve bottlenecks and improve infrastructure

Shift in focus

New trends in ports and shipping lead to an increasingly price-conscious and competitive regional market

The new 37.5-ha Côte d'Ivoire Terminal, expected to wrap up construction by end-2022, will be the port's second container terminal and will add a 1100-metre quay to the facility.

According to the US International Trade Commission, in the decade to 2018 container trade in West Africa grew more than in any other region around the world, doubling over the period to more than 5m twenty-foot equivalent units (TEUs). Côte d'Ivoire has seen its share of this boom, with the number of container ships calling at the country rising from 485 in 2018 to 504 in 2020.

NEW FACILITIES: Given the trend towards containers, the two main ports – the Autonomous Port of Abidjan (Port Autonome d'Abidjan, PAA) and the Autonomous Port of San-Pédro (Port Autonome de San-Pédro, PASP) – have focused on investing in new facilities and capacities for this versatile type of cargo. The PAA is seeing solid progress in the development of the new Côte d'Ivoire Terminal (CIT), with construction expected to wrap up by the end of 2022. The 37.5-ha CIT, a joint venture between French Bolloré Ports and Dutch APM Terminals and built by China Harbour Engineering Company, will be the port's second container terminal and on completion will add a 1100-metre quay to the facility. The quay will have two 300-metre rail tracks and reefer plugs for up to 1100 containers. Simultaneously, thanks to a €90m loan from the Japan International Cooperation Agency, a new grain terminal and storage area is under construction at the PAA. The PASP also has a new general cargo facility in operation, with plans for an extension to the port's existing MSC container facility under deliberation as of mid-2022.

The hope is that these new developments will help Côte d'Ivoire compete more effectively with regional rivals, all of which have seen major investment in recent years, supplying local markets and landlocked countries. However, recent shifts in global trade patterns and supply chains pose challenges to all of West Africa's ports. "We are at the beginning of a migration from past to future," Koen de Backker, managing director of the CIT, told OBG. "Global manufacturers are looking for ways to outsource goods and components from more remote areas and ensure their supply chains," he said.

While global trade slumped in the initial stages of Covid-19, recovery saw a surge in demand, ratcheting up freight rates for containers in particular.

CONTAINER TO BULK: While global trade slumped in the initial stages of the Covid-19 pandemic, the recovery saw a surge in demand, ratcheting up freight rates for containers in particular. For example, in 2020 China-Africa rates were around $2000-2500 per TEU, doubling to $4000-5000 in 2021. The rise in costs fuelled a move away from containers and towards break bulk, reversing the trend of previous decades. This has been experienced sharply in West Africa, where profit margins on individual shipments have long been low, meaning hikes in costs have significantly impacted profitability.

Indeed, the number of container ships arriving at Côte d'Ivoire's ports fell from 504 in 2020 to 458 in 2021, while dry bulk carriers and break-bulk carriers rose from 105 to 151, and 94 to 116, respectively. In addition, slow turnaround times at ports and bottlenecks have added to costs. In the second quarter of 2022 pandemic restrictions caused delays at ports of origin in China and India, further hampering competitiveness. While these issues may be temporary, concerns over efficiency and congestion remain.

On de-bottlenecking, the location of the PAA and the PASP within already congested industrial and commercial areas adds constraints to entering and exiting these ports, and to the amount of space available for warehousing and storage. With the move from containers to bulk, finding storage for items like grain and other food products has become challenging. Given volatile global commodity prices, the value of cargo on board can differ from ship to ship, creating uncertainties in pricing all along the supply chain. Consequently, government plans to improve road and rail infrastructure to alleviate bottlenecks have been widely welcomed by sector players, as have been calls for more digitisation and automation of Côte d'Ivoire's ports.

Indeed, with an increasingly price-conscious and competitive regional market, progress on de-bottlenecking and ensuring transparent, IT-based systems at the country's ports will be crucial in the coming years.

Laurent Loukou

Friendly skies

Laurent Loukou, CEO, Air Côte d'Ivoire, on facilitating growth in West Africa's aviation industry

What needs to be done to develop aviation in the West Africa region further?

LOUKOU: Air transport is more expensive in West Africa than other regions of the world because of high production costs resulting from a combination of monopolies and the taxes imposed on airlines that operate in West Africa. A regional solution is needed to reduce these costs in order to ensure reasonable ticket prices for passengers and stimulate growth.

The Ivorian government is working to address these issues, and introduced a plan to help the industry reduce production costs and achieve profitable operations. This plan consists of fiscal incentives and commercial arrangements with airport operators. This issue has global dimensions and will need to be addressed at a regional level to maximise the impact of such reforms on transport fares.

Where do you see the most pressing aviation infrastructure needs in Côte d'Ivoire?

LOUKOU: The government of Côte d'Ivoire plans to begin construction of a new airport to enable air traffic growth. This will ensure that the industry has room to expand and offer quality services to its customers. It will also enhance connectivity with other hubs. Therefore maintaining and upgrading facilities across the country is an important task.

Aviation in Africa has an average annual expansion of nearly 5% and is set to become one of the fastest-growing aviation sectors in the next two decades. Investment to boost operational capacity will ensure that we can benefit from the region's potential.

West African countries need to leverage more private investment in infrastructure. Côte d'Ivoire offers an example of the benefits of public-private partnerships, as has been shown with the Abidjan International Airport. The airport is managed by a private organisation, with a technical partner and the national government as the other stakeholders. These types of partnerships can stimulate investment and lead to greater efficiency, higher revenue and improved quality of service.

To what extent have the Covid-19 pandemic and high fuel prices impacted the aviation sector, and how can the industry recover?

LOUKOU: Similar to markets around the world, the pandemic caused significant losses in Africa's aviation sector in terms of passengers and turnover. These effects are expected to last until at least 2023. Additionally, during the health crisis African airlines received lower levels of governmental support than those based in Western countries, a factor that has made the post-pandemic recovery journey longer.

The strategy of some airlines will be to reduce production costs where possible and increase the price of passenger tickets to partly compensate for rising fuel costs. We are already seeing airlines increase their fares to limit the impact of fuel prices, which represent an average of 30% of total costs. It has been more difficult in Côte d'Ivoire, as production costs are higher and, as such, there is less room to balance fuel costs that are borne by airlines.

How can Côte d'Ivoire leverage connectivity to help it link with regional and long-haul networks?

LOUKOU: The regional aviation network is mature and expansions will need to consider profitability, especially in the current economic context. High industry costs would make it difficult to sustain more routes, aside from strategic ones. The long-haul network is more profitable, which is why we need to help develop it as soon as possible. Locally, to facilitate long-haul flights, we need to build Abidjan as a regional aviation centre. The continued partnership with the government will help to ensure the industry's success and enable the country to maximise its connections for the mutual benefit of both customers and trade.

Tourism

Significant budget allocated to overhaul the sector

Hotel projects under way to expand the portfolio

Considerable scope for developing niche segments

Marketing efforts seen as key to revitalising tourism

Much of the natural environment is relatively intact and undeveloped

Blueprint for success

The country is positioning itself as a regional tourism destination, with plans to revive the sector following the Covid-19 pandemic

Côte d'Ivoire aims to establish tourism as the third pillar of its economy with a target of attracting 5m foreign tourists per year and creating 700,000 jobs in the sector by 2025. These targets seek to build on the substantial gains the sector has made since the political and security situation stabilised in 2012. In the subsequent years tourism grew steadily, with international tourist arrivals rising 10-fold in 2011-19. The sector's contribution to GDP increased from 0.6% to 8.5% over that same period, indicating robust recovery.

Despite the Covid-19 pandemic and the imposition of global travel restrictions in early 2020, the government is forging ahead with investment plans to establish Côte d'Ivoire as a regional tourist destination. "Domestic tourism is a niche that could be further developed in the future, reducing reliance on foreign tourists while diversifying the client base," Monique Philippe, general director of Ivoire Voyages Tourisme, told OBG.

STRUCTURE & OVERSIGHT: Responsibility for oversight and development of tourism falls under the Ministry of Tourism (MoT), and the sector is regulated by the Tourism Code. The National Tourism Board (Office National du Tourisme, ONT) implements the government's tourism policy and promotes the country as a tourism destination. There are 12 separate Regional Tourism Directorates which are supported by 20 departmental directorates under the ONT. In addition, 11 foreign representative agencies are charged with promoting Côte d'Ivoire abroad.

Tourism operators, hotels, guides and other sector players are represented by two key umbrella organisations: the National Federation of Tourism of Côte d'Ivoire (Féderation Nationale de l'Industrie Touristique de Côte d'Ivoire, FENITOURCI) and the National Federation of Hospitality of Côte d'Ivoire (Féderation Nationale de l'Industrie Hôtelière de Côte d'Ivoire, FNIH-CI). FENITOURCI represents around 200 members and works to enhance their professional training and contributes to structuring the sector's legal framework more broadly. FNIH-CI provides similar representation and services to its members and recently became an official member of the African Tourism Board. This continent-wide organisation fosters tourism through collaboration, marketing and investment promotion.

At the national level, the government's tourism strategy is guided by an eight-year policy for the 2018-25 period known as Sublime Côte d'Ivoire. Comprising nine reforms, the policy is a CFA3.2trn ($5.5bn) development blueprint for overhauling the tourism landscape by strengthening the Tourism Code, upgrading transport and infrastructure, developing new attractions, and improving administrative procedures. Its principal goal is to position the country among the top-five tourism destinations on the continent.

DIVERSE LANDSCAPES: Côte d'Ivoire has a wide array of tourist attractions, including cultural, religious and leisure sites, and underexploited niche segments such as sport or ecotourism. With four main cultural identities, over 60 ethnic groups and almost as many languages, Côte d'Ivoire is a culturally diverse country of 27m inhabitants well known for being receptive and hospitable towards foreigners. The country's diversity is reflected in the various festivals celebrated throughout the year, with the Abissa festival in Grand-Bassam among the nation's oldest and most popular events. The festival typically attracts thousands of visitors each year. Other festivals on offer include the Popo Carnival in Bonoua and the Ignames festival celebrated in the country's east. With a substantial proportion of its natural environment relatively intact and undeveloped, as well as several large national parks, ecotourism is one of the industry's high-potential segments.

PERFORMANCE & SIZE: Following the launch of Sublime Côte d'Ivoire, the travel sector's contribution to GDP increased from 6.3% in 2018 to 7.3% in 2019. The government also secured investment commitments worth more than $11.4bn. However, as with many countries around the world, the growth of the country's

Côte d'Ivoire has dedicated **$5.5bn** to fund its 2018-25 tourism strategy

The government plans to overhaul the tourism landscape by strengthening the Tourism Code, upgrading transport infrastructure, developing attractions and improving administrative procedures.

Côte d'Ivoire is a culturally diverse country of roughly 27m inhabitants

Business tourism represented **67%** of travel and tourism spending in 2020

tourism sector has stalled due to the pandemic. According to a study by FNIH-CI, turnover for the tourism and leisure sector fell by 73% in 2020. While the government offered financial support to the industry, only four of FENITOURCI's 200 affiliated companies were able to access it due to stringent eligibility requirements. As a result of these disruptions, the sector's contribution to GDP fell to 4.8% in 2020, the last year for which data is available. According to figures from the World Travel & Tourism Council (WTTC), the tourism sector contributed $2.1bn to the economy in 2020, a 44% decline from 2019. The industry also shed more than 218,000 jobs, bringing the sector headcount to around 492,000 people, or 5.9% of the workforce.

The sector continues to be driven by business tourism, representing 67% of travel and tourism spending in 2020, while leisure spending accounted for the remaining 33%. However, leisure spending as a share of tourism inflows continues to grow, having risen from 28% in 2017. Domestic spending is still the dominant source of tourism receipts, accounting for 89% of spending compared to 11% for international spending. In 2020 total tourism receipts fell to $900m compared to almost $2bn in 2019.

Prior to the pandemic, the WTTC had forecast an increase in business travel spending of 7.6% in 2019, with leisure spending expected to increase by 5.9% the same year. With Côte d'Ivoire hosting a series of major international events in 2022 and 2023, including the COP15 to the UN Convention to Combat Desertification, the Africa Cup of Nations and the third Intra-African Trade Fair, the government is hoping to attract more international business and leisure travellers.

VISITOR NUMBERS & SOURCE MARKETS: The number of international visitors rose sharply from 300,000 in 2012 to 2.1m in 2019; however, it fell to 668,000 in 2020 due to the pandemic. French nationals accounted for 24% of inbound arrivals in 2020, followed by residents of Guinea (13%), Burkina Faso (9%), Mali (8%) and Senegal (7%). This marked a slight decrease in French tourists. US visitors declined significantly, from 7% of total foreign arrivals in 2019 to virtually zero in 2020. Domestic tourism fell sharply, with slightly less than half the number of trips taken in 2020 compared to 2019.

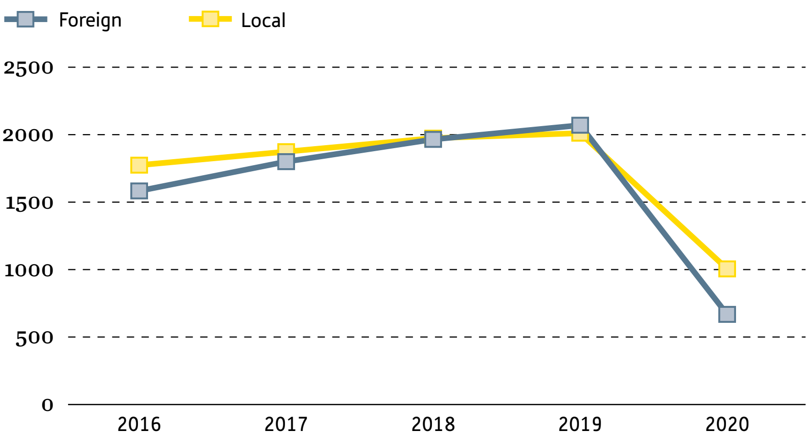
Apart from the pandemic, Côte d'Ivoire is also working to tackle issues that undermine its competitiveness as a regional and global tourism destination. In the 2019 World Economic Forum's Travel and Tourism Competitiveness Index, Côte d'Ivoire ranked 119th out of 140 countries, with poor road and port infrastructure cited as one of the principal challenges. In recent years, the government has implemented visa liberalisation policies while also investing in road and national park infrastructure in an effort to attract more foreign tourists. Developing infrastructure is one of the nine priority reforms outlined in Sublime Côte d'Ivoire.

HOTEL INFRASTRUCTURE: The hotel industry in the country is highly competitive. However, there are a limited number of quality establishments, and this presents an opportunity for both luxury and niche hotel operators. There are approximately 2000 hotels in the country, with a total capacity of 38,000 rooms. Most are in Abidjan, where several leading international hotel chains, including Sofitel, Pullman, Ibis and Radisson, have entered the market in recent years and plan to expand their portfolio in the country. Others such as Novotel, Adagio, Ritz-Carlton, Four Seasons and Sheraton are also set to launch hotels.

According to the "2021 Hotel Chain Development Pipelines in Africa" report published by the W Hospitality Group, Côte d'Ivoire ranks in the top-10 African countries in terms of its hotel chain development pipeline. There are 15 hotels currently planned or under construction, which will add an additional 2337 rooms to the hotel portfolio.

BUSINESS TOURISM: Côte d'Ivoire ranks third on the continent for business tourism, behind Nigeria and Morocco. Business travel accounts for more than two-thirds of tourist spending, mostly from regional conferences and exhibitions. Despite this, the country's potential to become a regional destination for

Tourist visits, 2016-20 (000)



Source: Open Data Côte d'Ivoire

meetings, incentives, conferences and exhibitions remains largely untapped. There is currently no major conference centre able to accommodate more than 5000 people. The Abidjan Conference Centre, which spans approximately 2000 sq metres, is the only large venue and is located outside of the city centre. To address this issue, the MoT is focusing on expanding conference facility infrastructure.

One of the projects in the pipeline is the Abidjan Business City, a scheme to create a central location for hosting meetings and conferences, which will include a 5000-person-capacity conference centre and hall. The WTTC forecasts that business tourism spending will double from the CFA1.5trn ($2.6bn) registered in 2018 to nearly CFA3trn ($5.2bn) in 2029.

NICHE MARKETS: Tourism segments like ecotourism, agro-tourism and cruises also hold immense potential. Côte d'Ivoire is a major producer of high-quality cocoa and coffee. Building tourism experiences around these plantations could attract more visitors. This model of tourism has already seen some success in other African countries such as Ghana and Rwanda.

Since 2016 the government has also accelerated efforts to promote ecotourism through the conservation of parks and national reserves. The West African country is also a signatory of the first African Charter on Sustainable and Responsible Tourism. Several initiatives have already enjoyed success, including an ecotourism project in Taï National Park that invests in the conservation of animals like chimpanzees through sustainable tourism initiatives. The government also has an agreement with Le Vertendre, a Canadian specialist in sustainable development, to build eco-lodges in the country. Under Sublime Côte d'Ivoire, and with the support of regional bodies such as ECOWAS, efforts are also under way to promote cruise tourism across the region. Luxury cruise line companies already operate tours that stopover in Abidjan.

The MoT has identified creating an effective marketing strategy as key to revitalising the tourism sector. Following its successful hosting of World Tourism Day 2021 celebrations in Abidjan, a rebranding was conducted as part of a new marketing campaign for 2022. The director-general of Côte d'Ivoire Tourism, Malékah Mourad-Condé, also unveiled a new logo, song and slogan – "Ivory Coast, inspiring land of hospitality" – to promote tourism in the country in early 2022. A website showcasing the country's diverse tourism offerings is also in the pipeline as part of the strategy.

OUTLOOK: The reopening of global travel following Covid-19 restrictions should facilitate the sector's recovery. According to Oxford Economics Africa, the number of jobs created by tourism will exceed 2019 levels by 2024, while visitor arrivals are set to eclipse pre-pandemic levels by 2025. Even if travel is periodically limited due to additional waves of Covid-19 in 2022, the country has shown it will continue to prioritise tourism to realise the full potential of the industry.

According to forecasts by the World Travel & Tourism Council, business tourism spending is expected to double from $2.6bn in 2018 to nearly $5.2bn in 2029.

The government has launched projects to attract tourists to beaches

Bouncing back

The government is eyeing recovery from the Covid-19 pandemic using a long-term, multi-pronged strategy

Long-term projects in the sector include national parks, resorts, hotels and a national airline targeted at the local and regional markets. The government is also prioritising local festivals and events.

Promoting domestic tourism was identified as a key area of potential growth for Côte d'Ivoire's tourism sector when the government first launched Sublime Côte d'Ivoire in 2018 and has since become an even more pressing priority. Travel restrictions imposed due to the Covid-19 pandemic have kept international visitors away. Hotel room occupancy at iconic tourist resorts averages less than 40%, and the government is hoping that local tourists can fill this gap. Long-term projects include national parks, resorts, hotels and a national airline targeted at the local and regional markets. While these come to fruition, the government is also prioritising local festivals and events as a launching pad for a thriving domestic tourism industry.

GROWTH DRIVERS: The World Travel & Tourism Council (WTTC) has identified Côte d'Ivoire as one of Africa's strongest markets for domestic tourism spending. Historically, local tourists have been the country's dominant source of tourism receipts, accounting for 89% of spending compared to 11% for international visitors. Local travellers injected as much as $2bn into the tourism sector prior to the pandemic.

In terms of domestic trips, two-thirds are made for leisure, with spiritual reasons, shopping and family being the main drivers of travel. Abidjan is the most popular destination, followed by Assinie and Yamoussoukro. The WTTC previously forecast that leisure spending by both domestic and international tourists would more than double in 2018-29, from CFA608.2bn ($1bn) to CFA1.3trn ($2.2bn). However, the broader impact of Covid-19 on this sector is expected to dampen growth.

The World Travel & Tourism Council has identified Côte d'Ivoire as one of Africa's strongest markets for domestic tourism spending. Local tourists have been the dominant source of receipts, accounting for 89% of tourism spending.

The Ministry of Tourism (MoT) has prioritised the development of domestic tourism as one of its four key pillars. Specifically, it wants to establish the country as an entertainment destination by targeting the growing middle class and visitors from neighbouring countries. It hopes to create 100,000 jobs, increase tourism revenue by 50%, and attract 1.8m domestic and subregional visitors by 2025. To achieve this, it has created three plans of action. The first seeks to develop accessible and affordable tourism options for locals, such as budget or mid-priced hotels. The second is to establish Abidjan as the flagship cultural, amusement and shopping destination in the subregion. Lastly, the MoT wants the country to once again become the capital of leisure tourism in the region.

As part of this strategy, the government has earmarked two projects to attract local and regional tourists to beaches and cities. Belle Plages pour Tous (Beautiful Beaches for All) focuses on coastal regions and aims to develop, clean and improve security on more than 20 km of beachfront in Grand-Bassam, Assinie, Jacqueville and Abidjan. Initially set to start in 2019, the project experienced several delays but is now back on track and has been piloted in Grand-Bassam. In addition to prioritising environmental protection, the project will drive job growth and economic activity through the construction of leisure parks and hotels.

AkwabaPark, the other key project, is a 100-ha, CFA80bn ($132.3m) amusement park which is set to be the largest in West Africa. The site is strategically located in Port-Bouët, just outside Abidjan and next to the international airport. The government hopes that, when complete, the entertainment complex comprising a shopping mall, amusement park and hotels will attract more than 1m tourists per year.

LAUNCHING PAD: The government is also looking for ways to promote festivals and heritage routes targeted at domestic travellers. In September 2021 the MoT organised six tourism routes as part of a two-week festival called Ivorian Tourist Fortnight. On each route, mobile caravans of artists, musicians, chefs, dancers and other tourism professionals treated visitors and spectators to different aspects of the country's diverse attractions, including its cultural and religious heritage, natural beauty, entertainment and gastronomy. Following its success, the government plans to stage Ivorian Tourist Fortnight as an annual event.


Siandou Fofana

Main attraction

Siandou Fofana, Minister of Tourism, on promoting the country as a destination for leisure and business travel

What concrete steps should be taken to position Côte d'Ivoire as a leading tourist destination?

FOFANA: Côte d'Ivoire's ambition is to make the country one of the top-five destinations in Africa and to increase tourism's contribution to GDP from 7.3% in 2019 to 10% by 2025. To that end, the government is committed to bringing in a total of 4.2m visitors by the aforementioned date. Projections suggest that GDP from tourism will double from CFA2.5trn ($4.3bn) in 2019 to more than CFA5trn ($8.6bn) in 2025, facilitating the creation of more than 250,000 direct and indirect jobs, and stimulating consumer spending in the local economy. The government launched the Sublime Côte d'Ivoire tourism development strategy in September 2018 to meet the country's strategic goals of increasing GDP growth and expanding tax revenue, promoting territorial development outside Abidjan, and creating a pool of skilled and unskilled jobs.

Following the implementation of this programme, and overall improvements in travel and tourism, the sector's contribution to GDP rose from 2.4% in 2012 to 7.3% in 2019. Revenue from direct tourism expenditure grew from CFA1trn ($1.7bn) in 2015 to CFA1.2trn ($2.1bn) in 2019. The number of domestic tourists increased from around 1.7m in 2015 to approximately 2m in 2019. The total number of international and domestic tourists went from 3.1m in 2015 to 4.1m in 2019, generating some CFA1.2trn ($2.1bn). Furthermore, public and private investment between 2015 and 2019 totalled CFA594bn ($1.02bn) – 99%, or CFA588bn ($1.01bn), of which came from the private sector.

How can the ministry and the private sector jointly develop synergies to promote the country internationally and attract more tourists?

FOFANA: The context for developing the tourism industry is shaped by the government's aim of increasing the sector's contribution to GDP from 7.3% in 2019 to 10% in 2025. The sector is underdeveloped and offers competitive options at a lower cost in a dynamic business environment. Since 2012 the private sector has emerged as one of the driving forces of economic growth in Côte d'Ivoire. Indeed, according to the World Bank, the private sector recorded an increase in investment of 13.9% and consumption of 4.6% in 2018. This increase in activity contributed to the 6.9% GDP growth rate in 2018. This positive dynamic was amplified by the acceleration in investment approved by the Investment Promotion Agency of Côte d'Ivoire and by the rise in foreign direct investment from 1.2% to 1.4% of GDP between 2016 and 2018.

Synergies between the Ministry of Tourism and the private sector are due in part to several government reforms related to the governance framework for private investment, the business environment, support for small businesses, and the mobilisation of domestic and foreign private capital. In terms of the business environment and support for the private sector, the 2020 Ibrahim Index of African Governance highlights a substantial improvement in the country's ranking. In 2008 Cote d'Ivoire ranked 41st out of 54 African countries. By 2020 it had jumped 23 spots to 18th place.

To what extent could the introduction of a harmonised visa regime in the ECOWAS increase tourism?

FOFANA: The ECOWAS Commission is working towards the introduction of a harmonised ECOVISA regime for foreign countries in the region. The visa will permit international tourists to travel within the 15 ECOWAS member countries. This development is expected to boost local tourism and encourage business travellers to explore potential investment opportunities.

Côte d'Ivoire intends to make it easier for local and international visitors to find affordable, high-quality tourism packages. To achieve this, the government will focus its efforts on diversifying travel and leisure offerings, improving access to tourist destinations, and developing more robust security and safety measures.

Resorts and hotels have taken significant steps towards decarbonisation

Greener destinations

The global tourism industry looks to adopt sustainable practices as part of its post-pandemic recovery strategy

In 2019 there were
1.5bn
tourist arrivals worldwide

The global tourism industry faces numerous challenges when it comes to decarbonisation, as highlighted by a November 2021 report from the World Travel & Tourism Council (WTTC), in collaboration with the UN Environment Programme and multinational consulting firm Accenture. In the years prior to the pandemic the sector thrived, recording its 10th consecutive year of growth in 2019. Moreover, with 1.5bn international tourist arrivals worldwide, it contributed more than 10% of global GDP and accounted for around one in 10 jobs.

However, the industry was also responsible for approximately 8% of global greenhouse gas emissions. For a range of countries – many of which are developing economies – tourism was a principal source of income prior to the Covid-19 pandemic. As such, the effects of border closures and lockdowns have been particularly severe, and many of these countries are looking to reboot tourism as soon as possible.

GLOBAL CENTRE: However, some industry players are arguing that a return to business as normal could ultimately prove damaging and unsustainable. Instead, they argue, the sector should commit to net-zero emissions and adopt more environmentally conscious practices. A leading voice in this debate is the Sustainable Tourism Global Centre, a multinational coalition launched in October 2021 that aims to accelerate the tourism sector's transition to net-zero emissions. Harvard University will support the initiative with research and capacity-building, while the UN Framework Convention on Climate Change will help to accelerate industry action.

The coalition faces an uphill struggle. Of the 250 businesses analysed in the WTTC report, around 42% had defined a climate target, of which 20% were aligned with the Science-Based Target initiative (SBTi) guidance. The SBTi is a global body that provides companies with a defined framework to reduce greenhouse gas emissions in line with the Paris Agreement.

The pilot phase of the UN's Carbon Offsetting and Reduction Scheme for International Aviation was launched in 2021, with 88 countries participating.

The significance of science-based targets is that they are universal, making it harder for companies to misjudge or misrepresent their sustainability performance. This is especially important, as the WTTC report found that the tourism sector applies different approaches to target metrics, deadlines, baselines and emissions-reduction commitments, all of which makes comparability difficult.

AVIATION TRANSITION: When it comes to air travel – a major source of emissions – a range of initiatives are in place to help the industry transition to net zero. In 2016 the UN launched its Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). The initiative is intended to empower carriers to purchase emissions offsets from other sectors, thereby compensating for any increase in their own emissions. CORSIA's pilot phase launched on January 1, 2021, with 88 countries participating. Its voluntary first phase begins in 2024, followed in 2027 by a mandatory second phase.

The International Air Transport Association's Aviation Carbon Exchange (ACE) was launched in November 2020 to support these efforts. ACE is a centralised marketplace for CORSIA-compliant emissions units, enabling airlines and other aviation stakeholders to trade carbon emissions credits. At the end of 2021 Qatar Airways became the first carrier in the world to make a transaction on the platform.

RESORT TRAILBLAZERS: Various resorts and hotels have already taken significant steps towards decarbonisation. In 2018 the Bucuti & Tara Beach Resort in Aruba became the first resort in the Caribbean – and one of the first in the world – to go carbon neutral. Other resorts have followed suit. In Thailand, the Santiburi resort in Koh Samui was certified as carbon neutral in 2019 by the Thailand Greenhouse Gas Management Organisation and VGreen. Going forwards, it is anticipated that a growing number of resorts will put carbon neutrality front and centre.

Health & Education

Universal health coverage being prioritised

Projects to build health facilities under way

Meeting rising demand for higher education

Curricula reform to align with market needs

There are over 4000 public and private health facilities in the country

Prioritising recovery

Expanding infrastructure, coverage and technologies to rebuild and strengthen the health care system

Government spending on health care rose to

$760m

in 2022

After the return to political stability and peace in 2012, health care has been an area of focus for the government and the private sector alike. In recent years the government has worked on expanding hospital infrastructure alongside universal access to health care. Greater regulation and integration of private sector players – which serve a large portion of the population – is also a top priority of the government, particularly given continuing gaps in access to health care outside of urban centres.

STRUCTURE & OVERSIGHT: Responsibility for the provision of health care sits with the Ministry of Health, Public Hygiene and Universal Health Coverage (Ministère de la Santé, de l'Hygiène Publique et de la Couverture Maladie Universelle, MSHP-CMU). The health system is organised in a pyramidal form with three levels. At the tertiary or central level, the key actors are the Cabinet of the Minister and central level directorates. The main service providers are tertiary hospitals. At the secondary or regional level, there are 20 regional health offices and the main service providers are regional hospitals. At the primary or district level, there are 113 district offices charged with implementing health policies. In total, there are over 4000 public and private health facilities across all levels of the health pyramid in the country.

GENERAL INDICATORS: Securing funding is critical to efforts to rebuild and expand the country's health system. While annual government spending on health care rose from CFA330.4bn ($568m) in 2016 to CFA440bn ($760m) in 2022, the sector's share of the total budget fell over that period from around 7.8% to 4.4%. International development partners have played an important role in bridging the funding gap, which is expected to exceed CFA1.1trn ($1.8bn) over the 2020-23 period.

According to a report by World Bank partners, the Ivorian government would need to increase its health budget every year by 25% and allocate 14% of its budget to health by 2024 to meet sector development requirements. Low levels of investment in the sector are reflected in the country's health indicators. Despite its lower-middle-income status, Côte d'Ivoire's epidemiological profile remains comparable to low-income countries and health outcomes are among the poorest regionally and globally. While life expectancy has been increasing, it remains the lowest in West Africa, at 58 years. Similarly, infant mortality rates have been declining but remain high, at almost 58 per 1000 live births in 2020. Côte d'Ivoire's maternal mortality ratio stood at 617 deaths per 100,000 live births in 2017. It is among the highest in the world, though it is slowly decreasing.

According to a report by World Bank partners, the Ivorian government would need to increase its health budget every year by 25% and allocate 14% of its budget to health by 2024 to meet sector development requirements.

DISEASE BURDEN: Communicable, maternal, neonatal and nutritional diseases are the leading causes of death and disability in Côte d'Ivoire, representing approximately 58% of the disease burden in 2019, down from 72% in 1990. Infectious diseases such as malaria, HIV and tuberculosis impose a significant burden. Côte d'Ivoire has the second-highest HIV prevalence in West Africa, at 2.1%, and there are 16m cases of malaria every year. While these figures are high, the trend in recent years has been notably downward. HIV prevalence, for example, almost halved between 2010 and 2020.

While the incidence of infectious disease is on the decline, urbanisation and increasingly unhealthy lifestyles have led to a rise in non-communicable diseases (NCDs), a common trend in developing countries that can place further burden on the health system. In 2000 NCDs accounted for 24% of all premature deaths; by 2019 this figure had reached 36%. The most prevalent NCDs in Côte d'Ivoire are cardiovascular disease, chronic respiratory disease, cancer and diabetes. Data on the incidence of other NCDs is not up to date, but according to a 2017 government survey, 6.2% of the population had diabetes and an estimated 17.8% of adult women and 7.3% of adult men were obese

– figures which are likely to have increased in the intervening years. Much of the government's work to address the rise of NCDs has focused on treatment, while NGOs such as the Obesity and Diabetes Association of Côte d'Ivoire have focused on awareness-raising campaigns to promote care, prevention and cure.

The health sector's response to Covid-19 was initially slow, largely owing to limited vaccine supply and public distrust. The country received its first batch of the Oxford-AstraZeneca vaccine in February 2021 and administered 40,153 doses in the first month. By the end of 2021, 1.3% of the population had been fully vaccinated. However, a three-week mass vaccination campaign in February 2022 saw over 2m people vaccinated, bringing the total number of vaccine doses administered to 10.1m and the percentage of the fully vaccinated populace to 8%.

PUBLIC HEALTH CARE: The primary level of the Ivorian health care system consists of facilities called urban health centres (centres de santé urbaine, CSUs), rural health centres (centres de santé rurale, CSRs) and rural dispensaries. Although CSUs and CSRs both constitute the primary care level, they differ significantly in the services they provide. CSR facilities are usually run by a small unit of nurses and midwives and offer very basic services. In contrast, CSU facilities are significantly larger; have on staff more than five nurses and midwives each, at least one generalist physician; and offer all services provided at CSR facilities. They also offer more laboratory tests, diagnoses, basic surgery and non-communicable disease interventions.

The secondary level consists of regional hospitals that offer every service offered at CSU facilities, as well as treatments for more complicated ailments. Lastly, the tertiary level offers specialised care for conditions that are not treated at the primary or secondary level and involves complex diagnostics.

The public health system faces a number of challenges, including underfunding, infrastructure shortfalls, a lack of skilled health workers, medication shortages and inadequate coverage in rural areas outside of major cities. According to a 2017 study, 45% of primary and secondary facilities lacked reliable electricity supply and 35% did not have ready supply of water. Long distances to the nearest facility and weak referral systems pose a barrier to accessing health care, with 32% of the country's population living outside a 5-km radius from a health facility.

Strategies and programmes are in place to address these shortfalls. Since 2012 the government has prioritised the rehabilitation and construction of hospitals and health centres. From 2012 to 2019, 271 first-class health facilities were built and a further 371 were rehabilitated. Between 2019 and 2021 the government secured CFA800bn ($1.3bn) to upgrade and expand health care infrastructure as part of a larger programme to build 20 hospitals and rehabilitate 22 others. By 2024 its aim is to mobilise double that amount from international donors and investors.

Plugging human resource gaps is another government priority. "The state is making efforts to expand health infrastructure, but the challenge in terms of human resources remains significant," Seydou Kouyate, executive director at Health Alliance Côte d'Ivoire, told OBG. "Most health workers prefer to stay in Abidjan, leading to a shortage of doctors and surgeons in regional hospitals." However, starting in the first half of 2022 the government has moved to address this, transferring doctors of all specialities from Abidjan to regional health centres to improve service provision around the country, Kouyate added.

Plugging human resource gaps in the health sector is among the current administration's policy priorities

UNIVERSAL COVERAGE: Limited accessibility to health facilities in rural areas, a lack of trained professionals, long waiting times and poor service quality have historically deterred many from seeking care. Around 10% of Côte d'Ivoire's population has adequate health coverage. To this end, the government implemented universal health coverage (couverture maladie universelle, CMU) in late 2019, following a successful pilot programme. The CMU is monitored by the National Health Insurance Fund (Caisse Nationale d'Assurance Maladie, CNAM) and has two tiers of payment. The first is a monthly contribution scheme of CFA1000 ($1.65) per insured person, 50% of which is paid by the policyholder's employer if they work in the formal sector. CNAM covers 70% of medical expenses, and the patient bears the remainder out-of-pocket.

There is also a non-contributory medical assistance system which provides free health insurance to the poorest segments of the population. The CMU is a compulsory health insurance scheme which, in theory, every person residing in Côte d'Ivoire must join. Within six months of rolling out the system nationally, 2.3m people had enrolled. According to the latest government figures, 3.2m people, or around 12% of the population, had CMU as of the end of 2021. By 2023 the government is hoping to increase enrolment to cover 38% of the population.

PRIVATE CARE: The private sector plays a significant role in the provision of care in Côte d'Ivoire,

The government secured $1.3bn in investment to upgrade and expand health care infrastructure as part of a larger programme to build 20 hospitals and rehabilitate 22 others.


The construction of health care sector infrastructure is being prioritised

The government recently secured $300m in financing from the World Bank to provide credit to small clinics that have difficulty obtaining loans to buy equipment and transition to newer technologies.

delivering 25% of health care services and 80-90% of pharmaceutical products. Private establishments are mostly concentrated in urban areas of the country, particularly in and around Abidjan. There are close to 2000 private health care establishments across Côte d'Ivoire. The majority of these facilities focus on primary care and consultations. There are 13 polyclinics offering multiple services. A significant gap exists in the market for specialist services.

Although private hospitals and pharmacies serve millions of patients, many of these facilities are not adequately regulated due to limited government resources. A census carried out by the MSHP-CMU in 2016 found that 70% of private health facilities were not fully authorised to operate. To address this problem, the government has sought to organise and increase the private sector's involvement in the health system through mechanisms such as public-private partnerships. Legislation adopted in 2019 set out measures to overhaul the management of the health system by transforming public health centres into public hospital establishments (établissements publics hospitaliers, EPHs), increasing the revenue of public hospitals and improving the quality of services. EPHs will remain under state supervision but will be run as private businesses with a results-based management approach to increase revenue and reduce costs.

The country has been working to tackle the lack of modern medical equipment and technologies that are an integral part of health care. A 2017 survey of the public sector revealed that 22% of facilities had all the required items for infection prevention and 4% had all the equipment necessary to diagnose and monitor patients.

In July 2021 the government secured $300m in financing from World Bank to provide credit to small clinics that have difficulty obtaining loans to buy or rent the necessary equipment. With access to technology, clinics will be able to expand and take on more patients. In the long term, the government hopes to establish Côte d'Ivoire as a regional destination for medical treatment in part through the transition to newer technologies and easier access to funds.

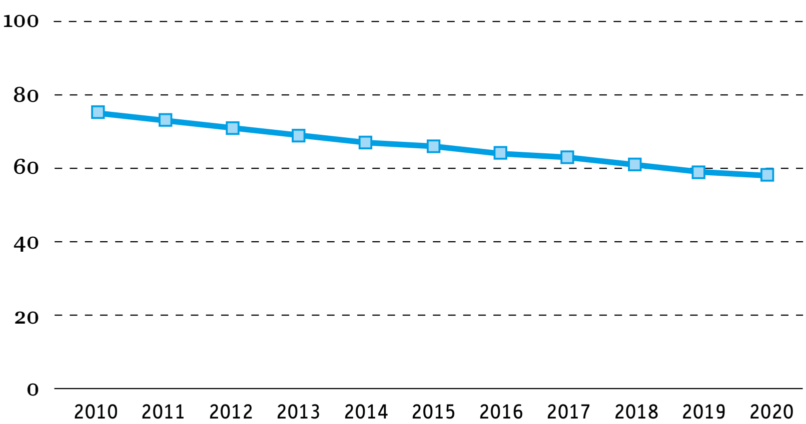
PHARMACEUTICALS: The government has made efforts to mitigate, monitor and prevent shortages of drugs. The private sector has an important function in the pharmaceutical industry in Côte d'Ivoire. According to the law, public primary care facilities must procure all their drugs from the public sector through the state-controlled New Public Health Pharmacy. In practice, however, and to overcome drug shortages and ensure access to medication, the private sector plays a large role in drug provision and supply chains. There are four private wholesale distributors, eight factories producing about 6% of the pharmaceutical market and 1100 private pharmacies.

Although drugs are available via the private sector, their high price can limit access for some segments of the population. "Less than 50% of drugs in the market are generic, and this is a major problem because brand-name drugs are expensive," Arounan Diarra, president of the Conseil National de l'Ordre des Pharmaciens, a professional body of pharmacists and other pharmaceutical market players, told OBG.

Local prices for both generic and brand-name drugs in Côte d'Ivoire are much higher than international reference prices. Pharmacies and hospitals are also highly dependent on drugs imported from other countries. More than 90% of pharmaceutical supplies are imported, which has left Côte d'Ivoire's pharmacies and hospitals vulnerable to the supply chain disruptions brought about by the Covid-19 pandemic.

OUTLOOK: The government is prioritising the rollout of the CMU while expanding its Covid-19 vaccination campaign. Meanwhile, infrastructure projects such as hospitals and clinics are moving ahead. In the medium to long term, the government wants to shift some of the burden to the private sector. This will generate investment opportunities, ranging from the manufacturing of pharmaceuticals and contracts for hospital management, to the construction of new facilities.

Infant mortality rate, 2010-20 (per 1000 live births)



Source: World Bank


BC
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The government plans to construct 376 health facilities for $1.3bn

Standard of care

Latest health development plan lays out an ambitious agenda

The five-year National Health Development Plan seeks to increase the percentage of the population living within a 5-km radius of a health facility from 69% in 2018 to 80% by 2025.

Since the implementation of the first five-year National Health Development Plan (Plan National de Développement Sanitaire, PNDS) in 2011, the government has focused on bringing health care infrastructure up to international standards. During the first two iterations of the PNDS, covering the period 2011-20, the state built 10 general hospitals, and rehabilitated 22 regional hospitals, 78 general hospitals and 233 health clinics. Despite the Covid-19 pandemic, the construction of primary and secondary care facilities forged ahead in 2020, with 706 public and private hospitals and clinics built that year. Significant headway has also been made to plug staff shortages. Between 2016 and 2020 the government recruited 16,481 doctors, nurses and midwives, while deploying over 11,000 community health workers. The PNDS 2021-25 prioritises many similar initiatives, and other reforms to foster dynamism and competition in the sector have been laid out.

"Although the pandemic presented serious challenges, one positive point that can be highlighted is the degree of collaboration between the public and private sectors, which was strengthened thanks to government support," Ange Désiré Yapi, general director of the Nouvelle Pharmacie de la Santé Publique, told OBG.

AMBITIOUS TARGETS: In the PNDS 2021-25, the government has set ambitious targets to improve general health indicators. By 2025 it aims to reduce infant and maternal mortality rates by half and increase the average life expectancy from 57 to 62 years. The strategy focuses on improving access to health care across the board through infrastructure development, staff training and better financing options for the system.

The government aims to increase the share of the population living within a 5-km radius of a health facility from 69% in 2018 to 80% by 2025. It plans to construct 376 new health establishments at a cost of $1.3bn. This includes four university hospitals, 17 regional health centres and 45 regional hospitals. Others, including university hospitals in Cocody and Yopougon, will be rehabilitated. The PNDS 2021-25 also plans to construct specialist medical facilities in several cities, including a radiotherapy centre in Abengourou, an emergency unit in Daoukro and Séguéla, a trauma centre in Toumodi, and a surgery and emergency unit in Bouna.

HUMAN RESOURCES: The training of health workers remains a key priority under the PNDS 2021-25. An additional 510 doctors, other senior health managers and 2475 personnel will be recruited each year. The government will set up incentive programmes to encourage health care professionals to work in rural regions. Through this system, the government hopes to double the number of doctors working in some of the country's most isolated areas.

While many of these measures are similar to previous plans, the PNDS 2021-25 outlines significant reforms relating to financing, industrialisation and the private sector. The government aims to increase the health budget from 4.4% to 10% of the total by 2025, with a long-term goal of 15%. It has also singled out industrialisation, including pharmaceutical industrialisation, as a strategic priority for the sector.

The government aims to increase the health care budget from 4.4% to

10%

of the total by 2025

MANAGEMENT REFORMS: Reforming the current organisational structure of hospital management is also high on the agenda. The government intends to develop legislation under which public hospitals will continue to be supervised by the state but will run as private businesses with a results-based management approach to increase revenue and reduce costs. It will also carry out inspections of 500 private health establishments per year to ensure compliance.

The PNDS 2021-25 recognises the financial implications of such an undertaking and is looking to international donors and investors to achieve its targets. Resource optimisation will also be key. To cut costs and encourage improved services, public health facilities will be financed based on their performance. Various overlapping health programmes will also be merged and consolidated to reduce workforce and lower costs.

Pierre Dimba

Access to excellence

Pierre Dimba, Minister of Health, Public Hygiene and Universal Health Coverage, on improving health care services and access

How will the ministry work to strengthen the health sector in the coming years?

DIMBA: The plan is to position Côte d'Ivoire as a leading medical destination in West Africa by 2025 and provide advanced services in specific fields such as oncology and cardiology. We also intend to improve the efficiency and performance of the entire medical system, especially second- and third-level health care establishments, through the construction and rehabilitation of university and regional hospitals, as well as specialised units. In addition, we aim to increase the accessibility and quality of medical treatment, with a particular focus on low-access areas in the implementation of continuous health care centres. To this end, we want to optimise the construction of hospitals, first-contact health centres, patient care units and maintenance units.

Our objective is to improve the performance of the health system by 2025 via the implementation of these reforms. We also aim to accelerate private health sector restructuring, improve public health finances, and implement a new accounting and financial system that ensures resource traceability. We aspire to attract more foreign direct investment (FDI) in the sector to benefit from accessible financial resources. Financing structures and the harmonisation of financing schemes for health establishments are crucial to achieving the objectives of the Strategic Purchasing and Alignment of Resources and Knowledge in Health Project, which aims to make substantial improvements to medical services and technology used in health care across the country.

To what extent can technology contribute to improving health care quality and access?

DIMBA: There are many areas that lack access to water, electricity and communication networks. New technologies such as telemedicine represent a major development that could improve the quality and accessibility of health care services in rural areas. These technologies could also enhance health services by facilitating the transfer of medical data between stakeholders and improving access to information. This will allow us to optimise the quality of treatment for patients in both rural and urban areas.

Since 2020 the administrative aspect of the health system and the dematerialisation of several administrative procedures have improved, along with the implementation of e-government services. Even though Côte d'Ivoire has made progress in international rankings like the UN E-Government Survey, we must continue our digitisation efforts. In the medium term, our objective is to promote the digital transformation of the health system and implement projects such as the Universal Health Coverage project, which is nearly 70% complete.

What steps must be taken to improve access to quality human resources in the health sector?

DIMBA: Human resources are an essential part of health care. We need to strengthen and develop capacity by establishing more training centres. It is also important to plan resource allocation to meet the needs of our population more effectively. However, as the sole provider of resources, the public sector will not be able to overcome the current gap between supply and demand alone.

The Ministry of Health, Public Hygiene and Universal Health Coverage and other ministries in charge of education need to revise legislation to open up the training network to the private sector or increase subsidies to provide additional training to health care professionals. The ongoing improvements to health care infrastructure as part of our strategic plans will also improve the working and training conditions of health care workers. This represents an essential part of our country's ability to attract more qualified physicians and retain them over the long term.

Plastic took on a more prominent role during the Covid-19 pandemic

Plastic bubble

Solutions to address the environmental and health risks of plastic

The OECD estimates that 9% of global plastic waste is recycled, with 50% ending up in landfill, 22% evading traditional waste-management systems and 19% incinerated.

With many emerging markets still facing high levels of plastic waste two years into the Covid-19 pandemic, solutions are being developed to address its environmental and health challenges. Plastic – which accounted for 12% of global solid waste pre-pandemic, according to the World Bank – took on a more prominent role as personal protective equipment (PPE) and single-use plastics by delivery food services proliferated. Although the OECD found that overall plastic use fell by 2.2% in 2020 due to lockdowns, the increased use of PPE and single-use plastics exacerbated plastic littering.

Pandemic-level production of PPE and single-use plastics has continued in some spheres: China's recent mass-testing strategy has resulted in copious plastic and medical waste. Compounding the issue is poor recycling. The OECD estimates that 9% of plastic waste is recycled, with 50% ending up in landfill, 22% evading waste-management systems and 19% incinerated.

EMERGING MARKETS: The situation poses a number of challenges for emerging markets. Unlike global carbon emissions, the creation of plastic waste is more evenly spread. According to the World Bank, in 2018 the US, China and India were responsible for 13%, 11% and 9% of plastic waste, respectively. Europe – excluding Russia – comprised 20%, Latin America 11%, sub-Saharan Africa 9%, and the Middle East and North Africa 7%.

Emerging economies, which often bear the brunt of the damage plastic waste can inflict, therefore have an important role to play in tackling the issue. On top of the plastic that emerging markets produce, plastic waste is often exported from developed nations to emerging markets. While this provides opportunities for lower-income countries, much of the plastic is difficult to recycle and ends up in local ecosystems. The toxic chemicals contained in burned or discarded plastics have been linked to serious health issues such as cancer for those sorting through plastics. For example, Zambia has experienced several cholera outbreaks due to poor drainage exacerbated by plastic-clogged systems.

Unlike global carbon emissions, the creation of plastic waste is more evenly spread. In 2018 Latin America was responsible for 11% of global plastic waste, sub-Saharan Africa 9%, and the Middle East and North Africa 7%.

SOLUTIONS: At the public level, emerging markets have been leaders in banning certain plastics. Bangladesh was among the first in the world to ban thin plastic and polythene bags in 2002, while more than 30 African countries have implemented full or partial bans – or introduced heavy taxes – on plastic products. In May 2021 the Association of South-East Asian Nations launched a regional action plan to combat marine debris. It includes guidelines to phase out single-use plastics, harmonise standards on recycling and packaging, and strengthen measurement and monitoring.

Foreign countries have also offered aid. The US International Development Finance Corporation gave India's Banyan Sustainable Waste Management a $9m loan in 2022 to boost its plastic recycling capacity from 15,000 to 51,000 tonnes per year. It also pledged to provide Sri Lanka's BPPL Holdings, a polyester yarn manufacturer using recycled plastic materials, a $15m loan to expand its capacity and strengthen recycling infrastructure.

On the innovative end, Hong Kong-based start-up EcoBricks uses plastic waste from old washing machines to create construction materials. In June 2022 its inaugural project provided 15,000 bricks to pave a promenade in Hong Kong's Tuen Mun district, with the plastic sourced from 560 old appliances. In a similar initiative, a team from Indonesia's University of North Sumatra developed a biodegradable wood-plastic composite to construct houses, fencing or furniture. While research is continuing, initial tests suggest the material could be digested by termites native to Indonesia, which could position the composite to replace other more environmentally harmful building materials.

These tools build on existing innovations. In 2018 Siam Cement Group and Dow Thailand Group unveiled a 220-metre strip of road made from recycled plastic that was collected, cleaned and crushed into smaller pieces before being mixed with asphalt. The recycled road is 15-30% more stable than asphalt concrete and is also thought to be more resistant to water erosion.

Access to education and improving teaching quality are top priorities

Adapting to the times

Sector policy prioritises vocational and technical training

Côte d'Ivoire has made significant progress in rebuilding its education system since the political situation in the country stabilised, with various initiatives bearing fruit. This is evidenced by the number of new schools, the recruitment drive for teachers and legislation making school compulsory for children aged six to 16. As a result of investment and reforms, enrolment at primary schools has climbed steadily.

However, the limited number of secondary schools, universities and other tertiary institutions presents an obstacle to expanding enrolment. For now, the government is relying on private institutions to meet rising student demand. In the longer run, it seeks to expand the sector's capacity by implementing innovative education technology (edtech) solutions such as distance learning and encouraging students to explore alternative career paths through technical and vocational education and training (TVET) institutions.

STRUCTURE & OVERSIGHT: The education system in Côte d'Ivoire is made up of government and private institutions and community-run schools. The system dates back to the French colonial period and covers preschool (three years), primary education (six years), general secondary education (four years) and high school (three years). After high school, students take a national-level exam known as the baccalaureate to gain access to higher education.

The majority of secondary, higher education and vocational institutes are private, while most preschools and primary schools are public. With the proliferation of high-quality private educational institutions, there is a high degree of competition for students.

EDUCATION POLICY: Expanding access to education and improving teaching quality are top priorities in the government's Vision 2030 development programme and the current five-year National Development Plan (Plan National de Développement, PND) 2021-25. The latter is built on five pillars to help the country realise its goal of being a dominant West African market with a strong industrial base and high living standards. The key components of the plan are to promote sustainable and inclusive social and economic growth, and provide training and opportunities for the next generation. Currently, more than one-third of the government's annual budget is allocated to social expenditure, with a concentration on education, health and gender equality.

Additionally, the government has established a 10-year education sector plan known as the Education and Training Sector Plan (Plan Sectoriel Education/Formation, PSE) 2016-25, which works in conjunction with the PND 2021-25. Some $1.4bn had been allocated for investment as part of the PSE for the 2017-20 term, with primary, general secondary, technical and higher education receiving the majority of the funding.

The government continues to invest in education, even though its budget allocation has plateaued in recent years. Education spending as a percentage of overall government spending dropped from 22.3% in 2016 to a low of 15% in 2020, before slightly increasing to 15.3% in 2021. For 2022 the sector was allocated CFA1.1trn ($1.9bn), down from CFA1.4trn ($2.4bn) in 2021. However, the government has pledged to increase the education budget for 2023 to CFA1.7trn ($2.9bn). In 2022 much of the government's investment is going towards the construction of seven technical schools and two universities, and the expansion of a nationwide school meals programme.

PRESCHOOL: Since the government passed a compulsory education law in September 2015 requiring any child over the age of six to attend school, there has been an increase in the number of pre-primary institutions. In 2015/16 there were 2223 preschools and this number increased to 3475 institutions in 2019/20. In the 2019/20 academic year public preschools accounted for about 69% of preschools, followed by private (27.5%) and community-run institutions (3.5%). Although the number of preschool facilities and teachers has grown, relatively few families take advantage

More than one-third of the government's annual budget is allocated to social expenditure, with a concentration on education, health and gender equality.

The government has pledged to increase the education budget to

$2.9bn

for 2023

The Ministry of Education and Literacy has been collaborating with government stakeholders and international partners to design new education policies that would improve accountability and regulations for the private education sector.

of these educational opportunities. According to data published by the Ministry of Education and Literacy (Ministère de l'Education Nationale et de l'Alphabétisation, MENA), 244,357 children attended preschool in the 2019/20 school year, representing 10.4% of the country's estimated population of children between the ages of three and five.

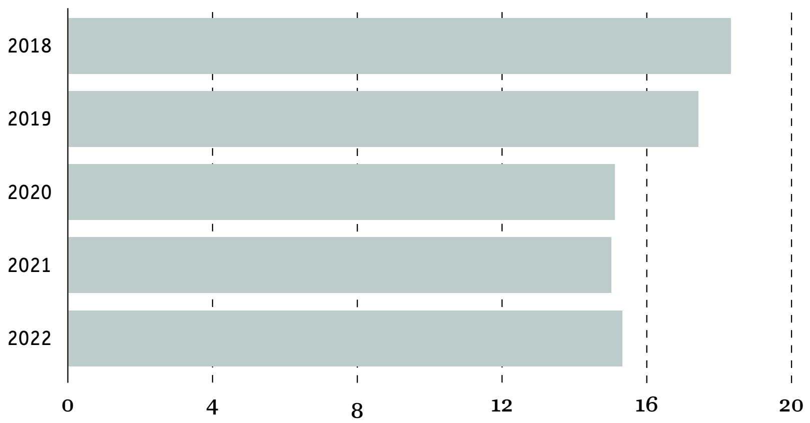
PRIMARY EDUCATION: In comparison, primary school attendance is higher. In the 2019/20 school year an estimated 4.1m children – approximately 98% of the eligible population – attended primary school. Enrolment climbed by 17.3% between 2015 and 2020. Over this same period the number of primary schools expanded from 15,547 to 18,258, with the private sector growing twice as fast as public institutions.

While the government has prioritised primary education, allocating more than 40% of its education budget to it, the need for improving broader learning outcomes and student performance is well understood. According to a 2021 UNICEF policy briefing, 17% of Ivorian students leaving primary school had achieved a minimum proficiency level in maths and 40% had attained proficiency in reading. These figures were below the average for West and Central African nations and substantially lower than the levels achieved by countries such as Gabon and the Republic of the Congo, which invest less in education.

SECONDARY EDUCATION: There were 2331 secondary schools in the country as of the 2019/20 academic year, up from 1479 in 2015/16. Over the same period the number of students in classrooms climbed from 28,357 to 34,946. However, a closer look at regional enrolment shows significant variation. For example, in 2019/20 net enrolment rates for high school were about 30% in Abidjan and Yamoussoukro, but as low as 5% in rural regions like Bafing, Folon and Worodougou.

PRIVATE SECTOR: Given the comparatively low government investment in secondary education and quality assurance issues, as well as lack of choice, it is perhaps unsurprising that many parents opt for private schools. Furthermore, while the government has focused on improving state provision of primary

Government expenditure on education, 2018-22 (% of total budget)



Source: MEF

education, it has also actively encouraged the private provision of secondary education.

Private institutions now dominate the secondary school market, and many of them are helping the system manage rising enrolment rates. While the number of students in each classroom at public primary schools declined from 44 to 39 between 2016 and 2018, the classroom size in public middle schools climbed from 70 to 76, and the number of students in public high school classrooms increased from 50 to 58. In 2019/20 the teacher-to-student ratio was 1:46 for middle schools and 1:35 for high schools.

While the increase in the number of private schools has helped meet growing demand for secondary education, it also requires investment in teacher training to ensure quality instruction. According to a 2021 report by the Global Initiative for Economic, Social and Cultural Rights, there is limited oversight of private schools and up to 50% of teachers do not have the proper licensing required by the state. To address these concerns, MENA has been collaborating with government stakeholders and international partners to design new education policies to improve accountability and regulations for the private education sector.

HIGHER EDUCATION: In recent years the number of students accepted to public universities has remained constant as the system has continued to face capacity constraints. In 2021/22 a total of 69,332 baccalaureate holders applied to study at public universities. However, the seven public universities had room for 19,620 students, or 28.3% of applicants. In response, the government has built additional universities, such as the University of San Pedro, which welcomed 450 undergraduate students in the 2021/2022 school year and will eventually house over 20,000 students.

While the government is committed to accommodating qualified applicants and improving quality at public universities, the higher education sector relies heavily on private universities and colleges to absorb many high school graduates. In 2020/21 private higher education institutions accepted 59,863 students, or 76.8% of high school baccalaureate applicants, a decline from 62,624 in 2019/20, likely due to Covid-19 secondary education system disruptions. In 2020/21, 27% of the students accepted into private higher education institutions enrolled in degree-granting programmes, while the remaining 73% were assigned to large private colleges for short-term technical training.

Private higher education institutions are generally more expensive, charging students up to CFA1m ($1720) per year, compared to CFA30,000 ($51.57) for undergraduate courses, CFA60,000 ($103) for master's studies and CFA90,000 ($155) for doctoral programmes at public universities. Increasing costs and rising demand for admittance have opened the door for new institutions to compete on price and ability to help graduates secure employment. "Engaging with companies to understand their needs and then adapting our programmes and training accordingly is key to success," Soulaymane Soumahoro, academic director at the Ecole de Commerce et de Gestion, told OBG.

TECHNICAL & VOCATIONAL TRAINING: Typically, TVET is taught in two- or three-year programmes. Between the 2011/12 and 2017/18 academic years the number of TVET institutions increased significantly, from 433 to 747. However, that figure declined to 535 in the 2019/20 academic year as the introduction of more stringent regulations forced many private training facilities to close. Of the 63,291 students studying in these institutions in 2019/20, 340 students were being trained to work in primary industries such as fishing and farming; 24,007 in secondary industries such as baking, plumbing and carpentry; and 38,944 in tertiary services such as tourism, logistics and fashion.

DISTANCE LEARNING: The closure of schools and universities in 2020 due to the Covid-19 pandemic forced the government to accelerate and expand virtual learning programmes. Through digital technology and communications channels, the government implemented a programme called Ma Classe à la Maison (My Class at Home). As part of this programme, MENA created distance learning digital platforms for the school system – covering preschool to secondary school – and another for the TVET sector. It also produced and hosted educational content that was broadcast over TV and radio. Looking ahead, MENA is developing a national ICT in education policy which will expand distance learning opportunities and standardise technology training for teachers. "The use of digital tools in education has been hampered by the low levels of digital literacy among teachers. The various national awareness campaigns on the necessity of ICT technologies and training are important to address this issue," Aka Kouame, general director of Institut Universitaire d'Abidjan, told OBG.

MENA is also working with private companies to bring digital tools to school campuses, creating investment opportunities. According to a report by early-stage venture capital fund Seedstars, the market for ICT technologies on school campuses is upwards of $60m, while the forecast for e-learning at the primary, secondary and tertiary levels exceeds $210m.

OUTLOOK: In the medium to long term, MENA is looking to build on the areas where policy and initiatives have borne fruit as part of a number of major strategic reforms in the sector. These include expanding ICT infrastructure and e-learning opportunities, increasing enrolment in TVET institutions, developing financial literacy programmes and tackling gender disparity across different school levels. There is also recognition of the significant challenges that remain, as well as the need for detailed information about what the reforms might entail. Meanwhile, the private sector has seized the opportunity to fill gaps, a trend that appears likely to continue over the medium term. Managing the balance between the private sector fulfilling an important role in the country's education system while also developing the state's capacity will be key to both keeping pace with demand, and maximising outcomes.

The market for ICT technologies on campuses is expected to reach $60m, while the forecast for e-learning at the primary, secondary and tertiary levels exceeds $210m.

Government funding has remained relatively consistent in recent years

Common knowledge

The importance of matching skills to labour market needs

New educational reforms seek to align technical and vocational education and training curricula with the needs of the labour market, helping to curb youth unemployment and fill ICT job vacancies.

In December 2021 the government of Côte d'Ivoire adopted a bill outlining a comprehensive reform package for the technical and vocational education and training (TVET) industry. If approved by the Parliament and implemented, the bill would usher in widespread changes to the country's existing TVET governance and financing structures, as well as establish new training and evaluation mechanisms to boost the quality of instruction and improve learning outcomes. Importantly, these educational reforms seek to align TVET curricula with the needs of the labour market, which should both help to curb high youth unemployment, and assist employers in recruiting and retaining national talent to fill ICT job vacancies.

REFORM EFFORTS: The new bill builds on prior initiatives to transform the TVET segment. In 2009 the government signed a partnership agreement with private sector players and trade chambers to draft TVET enhancements and implement changes. Since 2011 oversight of the TVET industry has shifted to several different ministries in response to the relocation or restructuring of departments and central offices.

Government funding for the segment has remained relatively consistent in recent years, at around CFA41bn ($70.5m). Roughly 93% of this funding is allocated to TVET teachers' salaries, operating costs and subsidies for private vocational education, the latter of which accounts for nearly half of all student enrolment. The remaining 7% of the budget is earmarked for work equipment and tools.

PRIVATE SECTOR: As at other levels of the education sector, the private sector plays an important role in delivering TVET instruction (see overview). However, many private establishments charge high tuition fees and are not necessarily located in rural areas of the country, where access to training centres and employment opportunities is particularly important for graduates. There is also a perceived lack of regulation in the segment, which undermines confidence.

In a recent report, the African Center for Economic Transformation (ACET) noted that, relative to the rest of sub-Saharan Africa, Côte d'Ivoire's TVET segment was more focused on traditional trades, such as carpentry, motor mechanics, fashion and catering, which rely on older technologies. As a result, many graduates lack the technical, communications, ICT, business and entrepreneurship literacy skills sought by the labour market. An estimated 84% of TVET establishments in the country do not use digital ICT equipment. With many employers in Côte d'Ivoire struggling to find suitable candidates for digital security, robotics, home automation, and computer and network maintenance roles, there is a strong investment case for expanding the provision of ICT-based TVET.

UNLOCKING SYNERGY: As case studies in other emerging markets demonstrate, strengthening collaboration between private industry and government stakeholders would help to align TVET curricula with current labour market needs. Since 2016 stakeholders from the private sector have been included in the development and implementation of training curricula for TVET institutions; however, according to a survey conducted by ACET, roughly 81% of employers in the country are not actively engaged in curricula development, revision or reform, highlighting the importance of promoting further dialogue and collaboration.

With the government having set a target of 30% enrolment of secondary school-age students in TVET programmes by 2030, boosting student confidence in TVET as an avenue for employment and professional development will be crucial to success. A number of the initiatives included in the latest TVET reform agenda could help to achieve this, including the development of new training facilities, an increase in the number of scholarships on offer and improved regulatory oversight. However, perhaps more than anything, greater synergy with the needs and expectations of private industry could prove to be the key to success.

The government is targeting

30%

enrolment of secondary school-age students in the segment by 2030

Higher education is realising the potential of extended-reality learning

The metaverse in education

Building a digital landscape in institutes of higher learning

In a bid to expand access, education is increasingly exploring the possibilities of the metaverse and extended-reality (XR) approaches. The former comprises a range of technologies which immerse users in a virtual environment. It denotes a 3D medium that combines virtual reality (VR) and augmented reality (AR) into a new digital realm, sometimes known as XR. These environments are accessed through VR headsets and are typically immersive, interactive and social.

EXPANDING ACCESS: The world's leading tech companies are investing heavily in XR. In 2021 Facebook rebranded as Meta, indicating how important it believes XR will become. Indeed, following the massive shift to online learning during the Covid-19 pandemic, XR is becoming more prominent among educational institutions globally. At the end of 2021 Roblox – a US-based XR platform and game-creation system – announced that it had invested $10m to develop a set of XR games at the middle school, high school and university levels. These activities will teach robotics, space exploration, and computer, engineering and biomedical science.

Higher education also realises the potential of XR. The University of Michigan has recreated the decommissioned Ford Nuclear Reactor in XR, while the Massachusetts Institute of Technology's Electrostatic Playground is a room-scale XR environment where students can explore the principles of electrostatics. Universities are also developing infrastructure and processes to leverage XR. The University of Glasgow's new Advanced Research Centre, for instance, is a dedicated XR space and is one of the biggest in the UK. In late 2021 Meta announced plans to build 10 digital campuses in the US within a year, giving remote students the chance to immerse themselves in interactive learning environments that are exact replicas of physical campuses.

XR IN EMERGING MARKETS: While higher education institutions in developed economies are leading the way when it comes to XR integration, many institutions in emerging markets are also exploring its benefits.

The Seoul-based Korea Advanced Institute of Science and Technology (KAIST) plans to open a virtual campus within its Kenya-KAIST campus at the Konza Technopolis, some 60 km outside Nairobi. In China – where in early 2022 Morgan Stanley anticipated that the metaverse market could soon be worth some $8trn – its development is being spearheaded by a group of leading universities, led by Tsinghua x-lab, the innovation incubator at China's Tsinghua University. In parallel, the Communication University of China announced the launch of a digital campus in January 2022.

The Caribbean is also beginning to recognise XR's potential. In 2021 the University of the West Indies in Jamaica announced a partnership with EON Reality, which specialises in AR and VR learning, to roll out XR at its Open Campus – a first for the zone. These stories and others highlight how XR is increasingly seen as a key component of educational offerings worldwide. As 2022 progresses, such examples are likely to multiply.

POSSIBLE DRAWBACKS: Despite its potential, deploying XR is not without challenges – perhaps the most significant of which is associated with digital interactions. Computers and smartphones are synonymous with leisure and distraction as much as work and study, and stakeholders question whether students will be able to maintain focus on a lecture in the metaverse.

At the height of the pandemic, many companies discovered that business could continue remotely. However, many are now realising an intangible, unquantifiable value associated with face-to-face interaction like the well-known "water-cooler moment", where people exchange ideas during impromptu gatherings. Some researchers point to a similar dynamic in education and have asked whether chance face-to-face encounters with peers and teachers can enrich the educational experience in ways not possible in a virtual setting. As advancements in XR continue apace, universities and private companies alike must work to ensure that benefits from this realm can be shared equitably.

Following the massive shift to online learning occasioned by the Covid-19 pandemic, extended reality is becoming more prominent among educational institutions.

As advancements in extended reality continue apace, universities and private companies alike must work to ensure that benefits from this realm can be shared equitably.

Moussa Diaby

Lifelong learning

Moussa Diaby, Director-General, Institut National Polytechnique Félix Houphouët-Boigny, on matching local capacity with the needs of the country's changing job market

In which sectors could research and development (R&D) efforts have the greatest impact?

DIABY: Côte d'Ivoire has four centres of excellence, two of which are housed at our institute. One is focused on environmental issues, while the other is concentrated on the recovery of waste and the creation of value-added products. Targeting specific areas is important to create a competitive advantage and equip the workforce with knowledge and skills that can translate into fruitful projects. Indeed, the creation of high-technology clusters will be key to further economic expansion.

Côte d'Ivoire ranks first in the world in terms of cocoa production and is also a top producer of other essential crops. However, we must bring added value to these raw products. Through local processing we will be able to create new goods that enhance the country's involvement in higher-value segments. Côte d'Ivoire has several strengths to help it meet these goals, including vast expanses of arable land, but it is particularly exposed to climate change. Traditional agricultural techniques are not enough to meet growing demand for food. R&D will help us adapt our core operations to produce new and resilient outputs that will enable our country to grow.

How do you assess Côte d'Ivoire's ability to equip youth with the skills needed to excel?

DIABY: The government is working to develop the economy, a goal that can only be achieved with well-trained human resources and specialised professions. In order for the country to successfully reach this point, it will be necessary to review current training methods, which have already evolved significantly in recent years.

Looking to the future, it will be important to establish very high academic requirements in order to support the level of national development that is envisioned. From the agriculture sector to energy and ICT, the country's priorities need to be reflected in the evolving structure of educational programmes. We need a transformation of the country's human capacity-building initiatives to allow the next generation to reach their full potential.

In what ways can the private and public sectors work together to develop local capacities that respond to the needs of the labour market?

DIABY: The private sector plays a key role in developing high-quality human resources. Elite academic institutions prepare students for employment, and if there is a gap between the education of the people trained and the skills needed in the labour market we will fail to fully take advantage of new economic opportunities. As such, universities and companies need to work together to define the needs of the economy and adapt training accordingly. Beyond the matching of skills, it is important to develop cognitive abilities and pedagogical training, as well as promote lifelong learning to be able to continually adapt to an always-changing job market.

What can be done to attract a greater number of Ivorian students to science and technology?

DIABY: The most important steps that can be taken to attract more people to fields in science and technology are to ensure the economic attractiveness of employment prospects in these areas and develop the country's industrial fabric.

Once a country achieves economic stability, which Côte d'Ivoire has enjoyed for over a decade, it is essential to invest in science and leverage the innovative changes that are taking place around the world. Science and technology are key for development, and people will orient themselves in careers that allow them to thrive. Our youth is looking for this kind of dynamism, and it is up to us to support an orientation towards science at every schooling level.

Tax

New regulations favour investment opportunities
VAT territoriality changes affect online businesses
Micro-insurance amendments offer risk mitigation
Incentives encourage innovation and industrialisation

There are several notable amendments related to taxes on investment

Special provisions

The major developments in the Finance Law 2022

In Côte d'Ivoire, the preparation of finance laws traditionally includes a consultation between the private sector and the tax administration. This is an opportunity for companies to initiate tax reforms that could affect activities related to their industry.

NEW MEASURES: The Directorate General of Taxation (Direction Générale des Impôts, DGI) announced the tax annex to the Finance Law 2022 (Law No. 2021-899 of December 21, 2021), which formalised the state budget for 2022. This law and its regulations were published in the Official Gazette No. 18 special issue of December 28, 2021, effectively published on December 31, 2021.

Pursuant to Decree No. 61-175 of May 18, 1961, the provisions of the tax annex are applicable three business days after publication. The new measures came into force on Tuesday, January 4, 2022.

The tax annex was developed to support the economy and employment, provide a more balanced distribution of the tax burden, and strengthen the means of the state through improved tax mobilisation, governance and accountability. In addition to these strategic axes, the tax annex includes technical measures and aims to rationalise the tax system.

As part of these provisions, there are several notable amendments related to taxes on investment. These include:

- The establishment of a framework that offers favourable measures to investment companies with fixed capital;
- The value-added tax (VAT) liability from online sales and digital services platforms;
- Modification of the rules governing tax abatement on the profit earned from investment activities in Côte d'Ivoire;
- Tax measures that support micro-insurance; and
- The reinforcement of tax incentives for firms that prioritise industrialisation by acquiring patents and adopting next-generation manufacturing processes.

The tax annex offers a favourable tax regime for fixed capital investment companies (entreprises d'investissement à capital fixe, EICFs). Companies are exempt from income tax for a period of 15 years from the date a company is incorporated. In addition, registration fees and capital gains tax from the sale of securities are excluded.

PRIVATE EQUITY SUPPORT: A private equity (PE) investment is a negotiated investment in equity and/or quasi-equity in an unlisted company, made by an investment fund and managed by a management company on behalf of qualified investors.

PE firms target businesses that cannot be financed on the stock market. Additionally, since these unlisted companies are typically small and medium-sized enterprises (SMEs), they either face challenges accessing bank financing or are subject to prohibitive interest rates.

Financial institutions are hesitant to lend to unlisted companies for a number of reasons, including a lack of information needed to determine SMEs' ability to repay loans and the low realisation value of collateral.

Although there is strong demand for financing from unlisted companies, including SMEs, the supply of capital is limited. Faced with this structural shortage, PE presents itself as an alternative source of financing.

Indeed, PE can provide the capital and debt financing necessary for unlisted companies to ensure their start-up (venture capital), their growth (development capital), their transfer (replacement capital), and occasionally their recovery and survival (turnaround capital).

Additionally, PE can direct institutional investors towards companies with a measurable economic and social impact.

In Côte d'Ivoire, capital is typically invested in unlisted companies operating in strategic sectors such as renewable energy, agri-business, education, health care and telecommunications. Capital is also injected into large-scale projects through public-private partnerships related to electricity, water and infrastructure.

Furthermore, PE helps a growing number of SMEs by providing structural support and introducing their management teams to best practices. Indeed, thanks to their experience, sector-specific competencies and international presence, PE firms offer entrepreneurs and SMEs several benefits, including:

- Assistance with strategic decision-making;
- Introductions to new customers, suppliers and financial backers due to the presence of a shareholder investor; and
- Financial management (reliability of financial data, management control, reporting and cash flow management).

SMEs that receive this support also tend to have a structuring effect on their value chains by helping subcontractors to formalise and develop.

FINANCIAL BASE: Abidjan's growing importance as a financial centre and a crossroads for subregional financial activity is due in part to the operations of numerous international financial institutions such as the African Development Bank, the Bourse Régionale des Valeurs Mobilières and the African Export-Import Bank. Their presence has facilitated the installation of PE players as well. However, the regulatory framework has not evolved in a way that harmonises with the favourable community measures applied in other UEMOA countries.

The Uniform Law of March 20, 2003 on EICFs in UEMOA and Directive No. 2/2011/CM/UEMOA of June 24, 2011 aim to harmonise the tax liability for these enterprises within UEMOA. The law defines the legal and financial policies, procedures, rules and regulations for PE companies at the community level, and specific tax exemptions which apply.

Going forwards, Article 24 of the 2022 Tax Annex incorporates into Ivorian law Directive No. 02/2011/CM/UEMOA of June 24, 2011 the harmonisation of taxation applicable to EICFs within UEMOA.

Closed-end investment companies are organisations that contribute their own capital or raise funds on a limited basis to strengthen the equity capital of other businesses. They sell a fixed number of shares to investors on an exchange by way of an initial public offering.

These companies currently benefit from an advantageous tax regime on industrial and commercial profits (bénéfices industriels et commerciaux, BICs), securities and registration fees.

This inclusion provides an attractive tax framework for PE players and the first step towards the best practices observed in the financial markets of the country's primary foreign trading partners such as France, Luxembourg, the Netherlands and Mauritius. The expected effects of this measure include:

- A guarantee of legal security for PE players;
- An increase in the flow of capital towards Ivorian SMEs that cannot access financing through banks or the stock market;
- Greater awareness of companies with a substantive economic and social impact from institutional investors; and
- Improved structuring of SMEs and leadership exposure to best management practices thanks to the experience, sector-specific expertise and international presence of participating management companies.

VAT LIABILITY: Due to the development of the internet and ICT, online sales of goods and digital services have seen remarkable growth globally as well as in Côte d'Ivoire.

In principle, provisions in the General Tax Code (Code Général des Impôts, CGI) specify that sales are subject to tax when the delivery takes place on Ivorian territory, while the provision of services is taxable in Côte d'Ivoire when used there.

However, in practice, the tax administration has challenges collecting VAT from the online sales of goods and services, in part because many online operators or digital services providers have no physical or professional presence on Ivorian territory. Nor do they all voluntarily pay VAT.

This situation deprives the government of significant tax revenue and leads to distorted competition between traditional companies and those using highly digitalised economic models.

To remove any ambiguity regarding the taxation in Côte d'Ivoire of online sales and digital services made or used in the territory, Article 7 of the 2022 Tax Annex clarifies the territoriality rules applicable to such transactions.

The new provision also introduces a remote registration and tax reporting obligations on both resident and non-resident digital platform operators and imposes penalties and fines on businesses that do not comply.

Tax on income from securities & registration fees

Taxes	Incentives taken
Tax on industrial & commercial profits	Exemption for closed-end investment companies for a period of 15 years from the date of establishment of the company, subject to the following conditions: • To have at all times a minimum of 50% of the net value of the global portfolio composed of shares of unlisted companies • To attach to the income tax return a statement allowing to assess at the end of each year the 50% quota mentioned above
	Exemption of income generated by funds deposited under management for a minimum period of 3 years with venture capital companies
Income tax on securities	Exemption for closed-end investment companies for a period of 15 years from the date of their creation
	Exemption of capital gains on the sale of securities held by closed-end investment companies when the securities sold have been held in their portfolio for a minimum period of 3 years from their acquisition date
	Exemption for capital gains on the sale of securities reinvested in other securities within 12 months of the year of sale
Registration fees	Free registration of deeds of extension, increase or reduction of capital, and dissolution of closed-end investment companies
	Free registration of deeds recording the acquisition of holdings in the capital of other companies by closed-end investment companies

Going forwards, resident and non-resident online trading platform operators and digital services providers are subject to VAT on the following activities:

- Sales of tangible and intangible personal property made via digital platforms;
- Digital services purchased through these platforms; and
- Commissions paid or received by these platforms in connection to the transactions mentioned above.

If the beneficiary of an online purchase or digital service is located in Côte d'Ivoire at the time a transaction is completed, they are responsible for paying VAT.

Regarding the commissions perceived by digital platform operators, VAT is due in Côte d'Ivoire if the operator, the salesperson of the good or the service, or the purchaser or user of the aforementioned good or service is on Ivorian territory at the time the transaction is completed.

According to Article 7 of the 2022 Tax Annex, digital platform operators that are not established in Côte d'Ivoire but conduct business within the country are now required to register with the DGI to declare their turnover and pay VAT.

Registration with the DGI must occur within three months of the time the firms begin sales activity in Côte d'Ivoire.

Furthermore, if those vendors are not established on Ivorian territory, the declaration of taxes payable for the month is made online and remotely no later than the 15th day of the following month.

All of these obligations will be carried out virtually following a simplified procedure set up by the DGI.

Operators that do not adhere to the country's registration rules or fail to pay VAT on taxable transactions could be subject to sanctions, including the suspension of their account access.

Prior to the 2022 Tax Annex, Article 15 of the 2019 Tax Annex mandated that vendors were obliged to issue electronic invoices for any goods or services they sold online.

In the same vein, Article 17 of the 2020 Tax Annex introduced a tax on the distribution of video on-demand and streaming services. This tax is levied at a rate of 3% on the pre-tax price of the service.

These reforms codify Ivorian taxation rules related to all online commercial operations.

However, for Ivorian officials, implementing these measures will be a significant undertaking, insofar as a number of previously adopted regulations have not been effectively implemented. This includes the standardised electronic invoice, the conditions of which are still being specified by the minister of the budget.

INVESTMENT PROFIT: Article 10 of the 2022 Tax Annex modifies the provisions of Article 110 of the CGI relating to the tax abatement of profit realised from investment in Côte d'Ivoire.

These adjustments are related to the increase in the minimum investment threshold and the source of the invested sums.

To encourage self-financing, Article 110 of the CGI permits natural or legal persons who reinvest all or part of their profits in Côte d'Ivoire to obtain a tax reduction on BIC up to CFA10m ($17,200), excluding recoverable VAT.

Insurance provisions enable disadvantaged populations to protect themselves against specific life risks

The amount spent and the type of investment are two factors that determine whether firms qualify for a tax reduction. To take advantage of these exemptions, businesses must maintain and submit documentation, including accurate and current accounting records.

The investment programme must be related to a new initiative, innovation or diversification of an existing activity, and be carried out within two years of December 31 of the year in which the scheme was approved.

The tax assessment is capped at a maximum of 50% of the taxable profits of each of the relevant financial years and is based on the performance of the four financial years that follow the completion of the approved programme.

The deduction limits are based on investment zones and are as follows:

- 35% of the amount invested for the region of Abidjan (departments of Abidjan, Aboisso, Adzopé and Agboville); and
- 40% for all other regions.

Following the provisions of Article 10 of the 2022 Tax Annex, to benefit from the tax reduction, the minimum threshold of the investment programme has been raised from CFA10m ($17,200) to CFA100m ($172,000).

This incentive excludes investment programmes financed by bank loans or means other than the reinvestment of actual profits. As a result, businesses wishing to take advantage of this incentive must present proof of the funding source. This clarification was introduced to prevent the illicit flow of capital and to combat money-laundering.

MICRO-INSURANCE: In Côte d'Ivoire, the insurance industry plays a significant role in the economy. However, due to their cost, traditional insurance products are not accessible to a large segment of

Companies will receive a tax credit when they acquire new patents

the population, including low-wage earners and those who receive irregular income. Several provisions now enable disadvantaged groups to shield themselves from the financial loss of unanticipated events.

SAFETY NET: To help vulnerable communities protect themselves against certain life risks, the Council of Ministers of the Inter-African Conference on Insurance Markets (Conférence Interafricaine des Marchés d'Assurances, CIMA) adopted a resolution in April 2012 establishing micro-insurance. CIMA defines this financial tool as "an insurance mechanism characterised mainly by the low premium and/or capital, by the simplicity of the coverage, of the formalities of subscription, management of contracts, declaration of claims and compensation of victims".

To facilitate access to coverage, Article 15 of the 2022 Tax Annex adjusts the tax provisions related to micro-insurance.

These changes relate to the tax levied on insurance contracts, registration fees and banking transactions to encourage more individuals to purchase policies.

2022 Tax Annex

Nature of the risks	Insurance rates	Micro-insurance rates
Risks of all kinds of navigation sea, river or air	7%	3.5%
Insurance against fire	25%, reduced by half for the insurance of religious buildings	12.5%
Life annuity contracts, including deferred annuity contracts of less than 3 years	5%	2.5%
Export credit insurance	0.1%	N/A
Individual health insurance	8% reduced to 3% for group health insurance	4% reduced to 1.5% for group health insurance
For all other risks	14.5% reduced to 7% for insurance of religious buildings against theft	7.25%

Under Article 422 of the CGI, any insurance or life annuity agreement transacted with an insurance company or any other Ivorian or foreign insurer is subject to an annual and compulsory tax, regardless of the place in which it was conducted or the date it was concluded.

The tax rate varies according to the type of risk. Under the provisions of Article 15, the tax rate on applicable micro-insurance contracts is reduced by 50%.

The 2022 Tax Annex specifies that the risks are those that fall within the scope of application of micro-insurance. Indeed, the risks covered by micro-insurance are limited to bodily injury, illness, loss of crops, loss of livestock, fishing, other agricultural insurance, property damage, death, life, savings and capitalisation.

Article 15 of the 2022 Tax Annex reduces the registration fees applicable to micro-insurance agreements by more than 50%, from CFA18,000 ($30.94) to CFA5000 ($8.60).

Previously, these agreements and any written record of their modification or amicable termination, as well as mailings, extracts or copies, were subject to a registration fee of CFA18,000 ($30.94).

This fee was based on Article 703-20, which states that all acts that are not subject to any other article and which cannot give rise to the proportional or progressive duty are registered at a fixed fee of CFA18,000 ($30.94).

Article 395 et seq. of the French General Tax Code imposes a tax on banking transactions related to financial activities and, in general, to the trade in securities and money.

The standard tax rate of 10% is applicable on a tax-free basis.

However, for small and medium-sized businesses that operate exclusively in the micro-insurance industry, this rate is decreased to 5% for bank fees on business loans. This rule extends to qualifying companies regardless of their turnover.

INNOVATION: Technological innovation is key to improving business competitiveness and fuelling economic growth. To promote modernisation and innovation, SMEs are encouraged to acquire industrial property rights and promote industrial development in Côte d'Ivoire. Firms that carry out these initiatives will receive tax credits.

To enable these companies to be at the forefront of technological innovation and to be competitive in the market, Article 112 of the CGI provides a tax credit on BIC for the acquisition of patents and the latest generation manufacturing processes.

Previously, eligible businesses could receive a tax credit of 20% of the acquisition value of these economic assets. Article 3 of the tax annex increases this rate to 30%.

As a reminder, and in accordance with Article 113 of the CGI, SMEs are firms which carry out an annual turnover all taxes included lower than CFA1bn ($1.7m).

OBG would like to thank *EY* for its contribution to THE REPORT Côte d'Ivoire 2022

Éric N'guessan

Sustainable reform

Éric N'guessan, Managing Partner, EY Côte d'Ivoire, on how new tax regulations can help achieve development targets

In recent years Côte d'Ivoire has been engaged in a structural reform of the tax and legal system, along with the dematerialisation of tax and Customs procedures. This digitisation of public services has gone far in reducing delays in the creation of new companies and promoting transparency in administrative procedures.

Finance Law 2022 increased the tax credit rate applicable to the acquisition of patents and new manufacturing processes by 10 percentage points, from 20% to 30%. The tax annex in Finance Law 2020 granted tax benefits to private companies engaged in research, development and technological innovation activities, as well as to individuals and legal entities that had acquired shares in the capital stock of such companies.

However, one of the major changes in Finance Law 2022 is the implementation of a preferential tax regime for closed-end investment companies. This reform could allow private equity to support the emergence of a national productive base mainly composed of small and medium-sized enterprises (SMEs). Thanks to the tax exemptions granted by the legislation, more foreign investors may be able to invest in companies in strategic sectors and infrastructure projects with high growth potential, thus contributing to the modernisation of the economy.

In addition, the National Development Plan (Plan National de Développement, PND) 2021-25 enabled a growth rate of 7% in 2021, compared to 2% in 2020 due to the disruptions caused by the Covid-19 pandemic. The fiscal annex in Finance Law 2022 cancelled a series of tax exemptions for industrial and commercial profit, income from movable capital, patents and value-added tax (VAT). These modifications were based on UEMOA recommendations for VAT and the intention to rationalise tax exemptions with limited social impact – particularly in terms of increasing the cost of living. The cancellation of these tax exemptions constitutes less tax expenditure and therefore is a vital source of funding for the objectives set by the PND 2021-25.

Similarly, with the rise of online sales platforms, Finance Law 2022 specified the conditions for non-resident operators to be subject to VAT – also a significant source of financing. The new legislation and the ongoing reforms, which are to be further re-evaluated as they are implemented, are expected to enable the government to achieve its strategic targets.

The latest developments in the regulatory and tax framework governing private equity could allow investors to invest directly in a target company or create an investment fund that will then provide capital to the target company, a process called intermediated investment. A requirement of tax neutrality is that intermediated investment not be a source of additional taxation compared to a direct investment, and there should not be any tax friction between the assets of the investment fund and the investors. Instead, the intermediated investment fund must be tax neutral.

That being said, the current tax framework does not guarantee such neutrality to private equity investors, compared to the best practices observed in reference markets. The alignment of Finance Law 2022 with UEMOA Directive 2/2011 related to the harmonisation of taxation applicable to closed-end investment companies within the region is good news. The resulting tax system will improve tax neutrality, a key measure of a country's attractiveness for private equity operators. This tax reform could increase the flow of savings to unlisted companies, including SMEs, and consequently generate inclusive growth to attract investors.

Furthermore, it is important to note that knowledge about environmental, social and governance (ESG) criteria has never been so important. Investors are integrating ESG criteria into their investment policies, and investment fund management companies are making it a differentiating factor. Reforming the tax regulations for private equity could attract more ESG-oriented investors. This would foster the long-term transition to a more sustainable economic model.

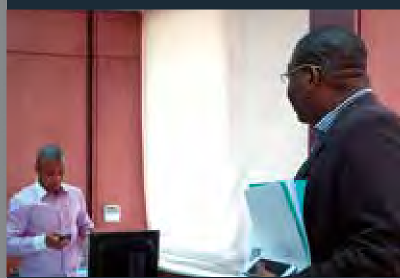
Legal Framework

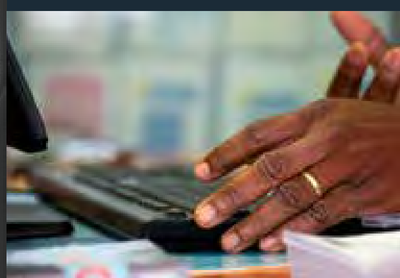
Efforts to provide secure climate for economic activity

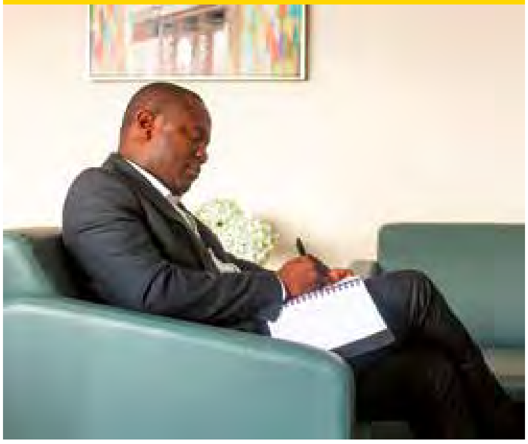
Adapting legislation to accommodate remote work

Economic and Financial Criminal Division launched

Special jurisdiction to deal with business law offences







Côte d'Ivoire has increased its efforts to facilitate economic activity

Promoting stability

The authorities have adapted legislation to support the economy

The legal system in Côte d'Ivoire has historically proven to be highly adaptive, evolving to offer legal frameworks that facilitate the proper functioning of the economy. Regulations provide order and stability, two factors that are critical for the progress of economies and societies. It is important to note that they underpin markets, protect the rights of citizens, and ensure the successful delivery of public goods and services. In recent years the government of Côte d'Ivoire has made a concerted effort to establish institutions with exclusive jurisdiction over economic activity, such as the Economic and Financial Criminal Division.

Ivorian law has also shown significant responsiveness in adapting to economic challenges. For example, the recent introduction of regulations regarding remote work into the legal system illustrates the commitment of the government to amend laws in line with the evolving needs of the business community.

ENABLING ENVIRONMENT: Côte d'Ivoire has increased its efforts to provide a secure climate for economic activity. The country joined the Organisation for the Harmonisation of Business Law in Africa (OHADA), which resulted in the acceptance of the jurisdiction of the Common Court of Justice and Arbitration (Court Commune de Justice et d'Arbitration, CCJA), the apex court for resolving disputes related to business law.

OHADA was established in 1993 to harmonise economic laws and improve the functioning of judicial systems in Africa to restore investor confidence, facilitate trade between countries in the region and develop a vibrant private sector. As of mid-2022 there were 16 members of the organisation and its legal framework was first implemented in Côte d'Ivoire in 1996.

A commercial court was established in 2012, which was later upgraded to become the Commercial Chamber of the Court of Appeals to settle disputes related to economic activities. A plan to extend the court to cities other than Abidjan has yet to be realised.

Companies operating in Côte d'Ivoire also have access to an arbitration framework, which recognises decisions made by foreign arbitration bodies. In 2022 the Economic and Financial Criminal Division was created to add to the judicial infrastructure designed to improve the business climate.

With its headquarters in Abidjan, the Economic and Financial Criminal Division is, according to Article 1 of Law No. 2022-193 implemented in March 2022, "a criminal court of first instance, specialising in economic and financial crime, and responsible for the prosecution, investigation and trial of offences within its jurisdiction".

These efforts reflect the country's willingness to fulfil international obligations to combat corruption and money laundering. They also highlight the prioritisation of the protection of the business community by organising dedicated and specialised system. The evolution of the judicial branch to safeguard economic activity is expected to attract both local and foreign investors and other stakeholders.

RISKS & CHALLENGES: However, concerns remain regarding the creation and implementation of the criminal division. These reservations arise from an analysis of the law in light of certain principles of criminal law and from the scope of its jurisdiction that entails a risk of overlap with other pre-existing bodies or administrations. The offences falling within the jurisdiction of the Economic and Financial Criminal Division were defined in line with international standards. Article 4 of the law defines crimes based on material acts, using expressions such as Customs and tax offences instead of detailing them individually.

Article 4 of the law on the creation, competence, organisation and functioning of the Economic and Financial Criminal Division states, "Customs, tax and foreign exchange offences; offences relating to financial markets, banking and financial institutions; [and] offences relating to commercial and


The Economic and Financial Criminal Division was created to improve the business climate in Côte d'Ivoire

economic activities" constitute offences within the law. This text reveals repetitions and risks of overlapping offences due to the procedure used. For example, it is unclear whether a Customs or tax offence would be considered an economic offence. Under the principles of criminal legality and the restrictive interpretation of criminal law, it would have been desirable to include a comprehensive list of tax and Customs offences, along with other crimes that relate to commercial activity and fall within the scope of the Economic and Financial Criminal Division. Côte d'Ivoire would do well to ensure the efficiency and briskness of the division, which justified its establishment, by addressing these issues.

The risk of overlapping jurisdictions is also concerning. Customs officers are authorised to establish, confiscate, seize, apprehend and carry out transactions. The establishment of the division raises several questions about these powers. The interpretation adopted could recommend an implicit synergy between the criminal division and other administrations that are competent in fields affected by fraud and other economic offences.

It will be important to establish a dialogue between the Economic and Financial Criminal Division and representatives of other regulators with overlapping competencies. The institution is likely to undergo several adjustments in the future. However, its establishment has noticeably changed the Ivorian legal order, particularly in terms of the implementation of the OHADA law.

OHADA ALIGNMENT: Indeed, to regulate business law, OHADA has to determine the offences that fall within the body's domain. This requires countries to grant their sovereignty in criminal matters to the organisation. Since a complete surrender of authority is impossible, member states collaborated to list the offences for OHADA, but the definition of these crimes is determined based on domestic competence.

OHADA has included criminal offences in its uniform rules since the first Uniform Acts. However, member states have not kept pace by adapting their national criminal laws to reflect the changes brought about by the system. Côte d'Ivoire has only relatively recently made this adaptation in 2017, with Law No. 2017-727 implemented in November 2017, on the repression of offences provided for by the Uniform Acts of the Treaty on the Harmonisation of Business Law in Africa.

Five years later, in 2022 the country instituted an economic and financial criminal division. With the transformation of the Ivorian criminal system, the country has set an example by not only adapting its criminal legislation to the requirements of OHADA, but also organising a special jurisdiction to deal with offences relating to business law, particularly commercial and economic activities.

ADAPTING TO CHALLENGES: In addition to these changes in criminal law, the country made several advances in labour law. Côte d'Ivoire's legal system has responded to emergent economic challenges, as evident by the introduction of legislation that outlines regulations related to remote work.

The purpose of any business is to produce goods or provide services. In either case, an employment contract is essential except for sole proprietorships. Events that prevent employees from working, such as riots, public unrest and health crises such as the Covid-19 pandemic impact economic activity. It is, therefore, necessary for any legislation affecting the economy's growth trajectory to be agile.

Teleworking has been on the rise in recent years, and a rising proportion of the global workforce is employed in the technology sector. Business start-ups are also becoming increasingly cost-conscious, often opting to share workspaces or avoiding them altogether. These trends have led to a significant rise in the number of employees working remotely, or from home. The pandemic further accelerated this trend,


Côte d'Ivoire's legal system has adapted to several economic challenges

as many companies changed their policy towards full-time employees, allowing them to work from home. To stay ahead of this trend, the government made changes to the Uniform Act related to labour laws to reflect the growing use of technology and innovative tools throughout the economy. Introduced by Ordinance No. 2021-902 in December 2021, it modifies Law No. 2015-532 of July 2015 related to the labour code. Under the new framework, remote work is mentioned as key to boosting economic activity and a beneficial solution for companies and their employees.

For workers, remote work helps to ensure the continuity of work in the event of a crisis that would otherwise lead to technical unemployment or dismissal for economic reasons. Indeed, remote work can help businesses prevent job losses and absenteeism. This innovation is more than a trend for African countries as it offers long-term stability and job security. This change of work location raises many problems previously unknown to labour lawyers.

BOOSTING EFFICIENCY: For employers, remote work is an innovation that ensures the maintenance of production during unexpected circumstances. Companies can also save overhead costs such as utilities and resources for in-office employees. However, legal issues can inevitably arise from remote work, which relies heavily on computers, internet connectivity and the availability of electricity. Except in cases where dedicated centres are provided, remote work can only be conceived as any work performed at the employee's home on behalf of the organisation.

From a technical viewpoint, since work is performed using computers an employee's performance is dependent on external factors such as an uninterrupted power supply and a stable internet connection. Unexpected stoppages to these utilities could make remote work impossible. Electricity is spotty in many African countries, limiting work hours and reducing productivity. Ensuring constant electricity for teams throughout their working hours is a challenge that needs to be addressed. Furthermore, little progress has been made to extend the internet's coverage network, bandwidth and speed in markets across the continent.

LEGAL CONSIDERATIONS: Under remote work, there is a blurring of boundaries between the professional and private lives of employees. This raises questions over which laws are applicable to the employment contract if telework is the result of a relocation of operations to another country or legal territory.

In the context of remote work, an individual's private residence becomes the workplace during the time that workers perform their duties. The transition from the professional to the personal sphere, and vice versa, is more frequent during a work shift. When a worker participates in a videoconference from home seated on a sofa, should it be considered part of his personal or professional life? The same could be asked about an employee who uses equipment provided by the employer for teleworking for personal purposes, such as sending personal messages.

Under remote work, there is a blurring of boundaries between the professional and private lives of employees

It is important to determine the laws governing matters such as minimum wage and the right to leave and strike when an employee is teleworking due to relocation of the company to another country. Challenges can arise if remote workers are located in a number of different states or countries. It may be necessary to decide which state's mandatory laws should govern the right to leave and the guaranteed minimum wage, especially since the minimum wage depends on the standard of living, and the economic and social considerations of each geographic location.

The minimum wage may vary widely from country to country. For example, Côte d'Ivoire's minimum wage is CFA60,000 ($103.14), while in Burkina Faso, it falls to CFA33,100 ($56.90). If a company relocates from Côte d'Ivoire to Burkina Faso, it will have to decide the new terms of contracts for employees who stay behind and provide their services by telecommuting.

The same applies to traditional labour law issues, which have been made more complex due to remote work. For example, does an accident that occurred while a worker was working remotely from home constitute a workplace accident? And should remote workers be protected like other employees? Employers also have certain obligations towards employees, such as providing an adequate performance framework.

PANDEMIC EFFECT: Economies around the world have been significantly affected by the pandemic. Food and fuel costs are rising, and economic growth has considerably slowed, squeezing profit margins for many businesses. In their attempts to mitigate these costs, more companies are likely to implement teleworking. But the legislation governing teleworking arrangements still has limitations. All stakeholders will have to work together to fill this legal void with regulations and policies to improve teleworking arrangements.

OBG would like to thank *Bilé-Aka, Brizoua-Bi & Associés* for its contribution to THE REPORT Côte d'Ivoire 2022

Joachim Bilé-Aka

Ease of business

Joachim Bilé-Aka, Managing Partner, Bilé-Aka, Brizoua-Bi & Associés, on fostering a strong and sustainable legal framework

Which provisions should be put in place to improve the legal framework for investment?

BILÉ-AKA: The current legal framework for investment can certainly be improved, but it must be well adapted for both foreign and domestic investors if we are to hope for an even greater increase in private investment. Ensuring greater transparency of tendering procedures can contribute significantly to this if it is reinforced, for instance, by requiring contracting authorities to audit their award procedures, at regular timeframes, varying from three to five years.

How will the 2022 fiscal annex on tax incentives impact the technology and agro-industrial sectors?

BILÉ-AKA: The reform of the tax incentive to reinvest profits made in-country, ushered in by Finance Law 2022, is a setback from our point of view. The reform will increase eligibility for this scheme from CFA10m ($17,200) to CFA100m ($172,000). This closes access to this scheme to smaller potential investments that could have been launched by local entrepreneurs. As a result, it does not reflect a real willingness to provide tax support to investors, either in general or in the technology and agri-business sectors.

To what extent can a comprehensive legal framework facilitate the local operations of multinational corporations, particularly in terms of offshoring?

BILÉ-AKA: The offshoring process can be an important asset if a legal framework exists that both stimulates and secures investment by multinational companies that are in the process of outsourcing some of their activities. As an example, facilitating the use of night work schedules could allow the alignment of working hours here with the working hours of the countries where such multinational corporations already have operations. The development of niche specialities through the training of skilled human capital is also key to attracting multinational corporations.

What are the main legal constraints facing foreign investors today, and how can they be remedied?

BILÉ-AKA: In our opinion, the constraints put on foreign investors are more administrative than legal. The application of certain conventions, laws and decrees by government officials may raise issues of interpretation. Dialogue with the administration has the potential to become a difficult exercise if the public official feels personally challenged, even if the investor is only challenging the legality of the administrative act. The administration should allow its decisions to be examined by administrative mediators or by courts – entities that are responsible for settling differences in the interpretation and application of the law. This could be done by requiring that each administrative decision include the ways and means of appeal that are available to contest it, with suspensive effect.

In what way will recent reforms influence how businesses choose their tax regimes?

BILÉ-AKA: Article 14 of the tax annex to Finance Law 2021 increased the period of validity of the tax system certificate of companies under a real tax system by two years, in order to benefit from the exemption from withholding tax as an advance payment of income tax in the informal sector. This reduces the administrative formalities required of businesses and may encourage those who were subject to flat-rate tax regimes to consider opting for a real tax regime.

Why is a suitable legal framework essential to the transition towards a more sustainable economy?

BILÉ-AKA: To protect the environment, the global production and distribution systems of goods and services must be modified. The establishment of a framework that encourages companies present in the country to adopt sustainable production methods will certainly foster a wider transformation of the production methods of other companies, here and abroad.

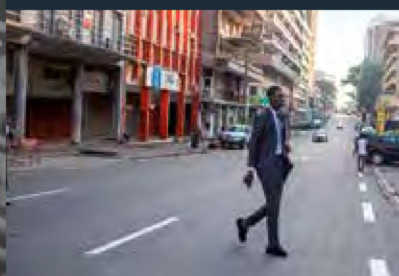
The Guide

List of hotel accommodation across various cities

Etiquette and working hours for business travellers

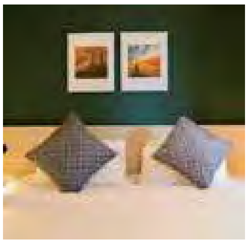
Transportation, security and visa information




Hotel Tiama

Home away from home


Ivotel

ABIDJAN

HOTEL TIAMA
Boulevard de la République, Plateau
T: (225) 2031 3333
www.hotel.tiama.ci
reservation@hotel.tiama.ci

Rooms: 138 classic, superior, junior and executive suites. Room-only option or with breakfast included.
Business & Conference Facilities: 5 meeting rooms ranging from 50 to 160 sq metres.
Health & Leisure Facilities: Pool, fitness centre, game room, and spa with steam room and sauna.
Guest Services: Indoor parking, airport drop-off and pick-up shuttle, car hire, room service, ATM on site, currency exchange and 24-hour front desk.
Dining: Akwaaba, L'Ambassadeur and L'Equateur.

IVOTEL
Rue Gourgas Plateau - 01 BP 1560
T: (225) 2025 6666
www.ivotel.com
ivotel@ivotel.com

Rooms: 150 rooms, comprising superior and deluxe rooms, junior and corner suites, studios and apartments.
Business & Conference Facilities: 7 conference rooms with a total capacity of around 300 people.
Health & Leisure Facilities: Fitness centre and spa.
Guest Services: Beauty centre, airport shuttle, ATM and banking services, and 24-hour front desk.
Dining: Restaurant Le K par K and bar.


Residence Ecologe

RESIDENCE ECOLOGE
Zone 4 C - Rue des Alizées - 26 BP 985
T: (225) 2124 9870 / 5870 5834
www.ecologeci.com
residence@ecologeci.com

Rooms: 14 mini-suites and 2 suites with kitchenettes.
Health & Leisure Facilities: Pool, gym, sauna and jacuzzi.
Guest Services: Laundry, car rental, free 24-hour return airport shuttle and shuttle on request.
Dining: Restaurant with free breakfast and bar.

HEDEN GOLF HOTEL
Cocody Riviera Golf
T: (225) 2243 7400
www.hedengolfhotel.com
resagolf@iroko.ci

Rooms: 114 rooms and suites.
Business & Conference Facilities: Banquet and conference rooms.
Health & Leisure Facilities: Pool, tennis courts, garden, gym and off-site golf course for additional charge.
Guest Services: Travel agency, ATM, airport shuttle service and car hire.
Dining: Restaurant and bar.

HOTEL PULLMAN
Plateau, Rue Abdoulaye Fadiga, 01
T: (225) 2030 2020
www.accorhotels.com
H1146@accor.com

Rooms: 265 rooms and suites.
Business & Conference Facilities: 8 meeting rooms allowing for up to 280 attendees in the largest room.
Health & Leisure Facilities: Pool, spa, live music, and off-site golf and tennis for additional charge.
Guest Services: Pets allowed for free, 24-hour front desk, ATM, currency exchange and paid shuttle service.
Dining: Le Rive Gauche restaurant, poolside Select Bar&Terrace and lobby bar Social Bar&Terrace.

PALM CLUB HOTEL
Boulevard des Martyrs - 04 BP 2430
T: (225) 2240 5300
www.hotelpalmclub.com
palmclub@hotelpalmclub.com

Rooms: 76 rooms, 8 twin rooms and 4 suites.
Business & Conference Facilities: 6 banquet and conference rooms with capacity for 15-250 people.
Health & Leisure Facilities: Pool, fitness centre, live music, shuttle service, car rental and 24-hour front desk.
Guest Services: Pressing, private parking, boutiques, ATM, currency exchange and travel agency.
Dining: Restaurant offering free breakfast and bar.

GRAND HOTEL D'ABIDJAN
Rue du Commerce, Plateau - 01 BP 1785
T: (225) 2032 1200 / 2033 6150
www.grandhotelabidjan.com
contact@grandhotelabidjan.com

Rooms: 79 rooms, comprising standard and superior rooms, junior suites and apartments.
Business & Conference Facilities: 4 meeting rooms.
Guest Services: Pressing, Wi-Fi, 24-hour front desk, airport shuttle service and car hire.
Dining: Restaurant and bar.

ROOTS HOTEL APARTMENTS
Rue du Canal, Macory
T: (225) 2125 4722
www.roots-hotel.com
info@roots-hotel.com

Rooms: 23 rooms, suites and a penthouse.
Health & Leisure Facilities: Pool and fitness centre.
Guest Services: 24-hour front desk.
Dining: Esuro restaurant and Purple lobby cafe.

AZALAI HOTEL
Marcory
T: (225) 2122 2555
www.azalai.com
reservationaha@azalaihotels.com

Rooms: 200 rooms, comprising 176 standard rooms, superior rooms, executive rooms and suites.
Business & Conference Facilities: 10 meeting rooms, ranging from 81 to 328 sq metres.
Health & Leisure Facilities: Gym, pool, spa and hairdresser.
Guest Services: ATM, 24-hour front desk and shuttle.
Dining: Le Banco, La Terrasse and Bar Oasis.

RADISSON BLU HOTEL
Boulevard de l'Aéroport
T: (225) 2122 2000
www.radissonhotels.com
info.abidjan@radissonblu.com

Rooms: 261 rooms; and junior, premium and presidential suites. Two connected rooms.
Business & Conference Facilities: 13 meeting rooms, maximum capacity of 650 people.
Health & Leisure Facilities: Fitness centre, pool, spa and wellness centre.
Guest Services: Travel agency, 24-hour front desk, ATM, currency exchange, airport and general shuttle.

Dining: Larder Restaurant, Lounge Bar&Terrace, Lobby cafe and poolside bar.

ASSINIE

AKWA BEACH HOTEL
9.5 km
T: (225) 2200 0666 / 5437 0144
www.akwabeach.com
info@akwabeach.com

Rooms: 35 rooms, 6 suites and 3 family rooms.
Business & Conference Facilities: Business centre, workshop and seminar rooms.
Health & Leisure Facilities: Pool, gym and water sports.
Guest Services: Shuttle, parking and 24-hour front desk.
Dining: Restaurant and bar.

GRAND-BASSAM

HOTEL L'ETOILE DU SUD
Rue de la Justice - BP 167
T: (225) 2130 2939 / 2130 2932
www.hoteletoiledusud.org
info@etoiledusud.ci

Rooms: 42 classical rooms, mini-suites and suites.
Business & Conference Facilities: 4 conference rooms.
Health & Leisure Facilities: Pool, jacuzzi, beach, garden.
Guest Services: 24-hour front desk and shuttle bus.
Dining: Bar and restaurant.

YAMOUSSOUKRO

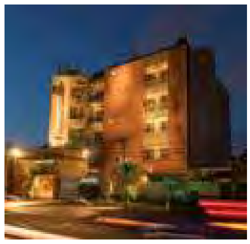
HOTEL PRESIDENT
Administrative District
T: (225) 3064 6464 / 3064 1581
www.hotelpresident.ci
reservation@hotelpresident.ci

Rooms: 285 standard and deluxe rooms and suites ranging from junior to presidential.
Business & Conference Facilities: 14 meeting rooms, with capacity ranging from 20 to 1800 people.
Health & Leisure Facilities: Pool, tennis, golf and spa.
Guest Services: Laundry, catering, shops, cinema and tours.
Dining: Le Panoramique, Bolooh, Bandama and L'Allocodrome restaurants; Barika, Bandama and Kpangbassou bars; Koutou club; and Karaoke Lounge President.

HOTEL DES PARLEMENTAIRES
Quartier Millionnaire
T: (225) 3064 6800 / 0701 9601
www.hoteldesparlementaires.com
info@hoteldesparlementaires.com

Rooms: 300 rooms.
Business & Conference Facilities: 2 meeting rooms.
Health & Leisure Facilities: Pool, fitness centre and spa.
Guest Services: Laundry and 24-hour front desk.
Dining: Le Beoue, Le Parlement, Le Bafing, room service.


Hotel Pullman


Roots Hotel Apartments


Akwa Beach Hotel

Facts for visitors

Helpful information for business and leisure arrivals

ETIQUETTE: Business etiquette mirrors some French practices, such as three kisses on the cheek for female acquaintances. Handshakes and business cards are ubiquitous, and French is the predominant business language, although English speakers abound in large cities and companies, and translators are usually readily available. Some degree of small talk before business meetings is both common and expected.

CURRENCY: Like other UEMOA members, Côte d'Ivoire uses the West African CFA franc, which is pegged to the euro at €1: CFA655.957 and is backed by the French Treasury. The currency is interchangeable with the Central African CFA franc. In 2019 it was suggested that the currency be renamed to eco and be used across a wider range of ECOWAS countries.

VISAS: Travellers should check with consulates and embassies for visa prices and application procedures. If travellers pre-enrol several days in advance, a leisure and tourism visa can usually be obtained on arrival. Proof of vaccination or a negative PCR test for Covid-19 taken within 72 hours of departure must be presented on arrival to avoid quarantine. Business visas usually allow for multiple entries and are valid for up to 90 days, with some exceptions for up to a year. Supplementary documents such as the traveller's company cover letter and an invitation letter from the host company or entity should be provided with the visa application.

SECURITY: Big cities, and especially Abidjan, tend to be safe. Crime remains an issue, though it is not common. Visitors are advised to avoid the border areas with Burkina Faso and Mali. Travel is best done during the day; those travelling at night should stay particularly vigilant on the roads. The road network is improving, but flights are recommended for travel to cities such as San-Pédro, the main port city, which lie further from the main networks linking the urban centres of Abidjan, Assinie, Grand-Bassam and Yamoussoukro.

ELECTRICITY: The 220-V, 50-Hz power network uses European-style plug types C and E with two round pins.

COMMUNICATIONS: The internet penetration rate stood at close to 50% of the population as of 2022, and Wi-Fi connections are increasingly common in hotels, restaurants and other businesses in the hospitality sector. The country code is +225, and the two main mobile operators are Orange and MTN. Mobile telecommunications prices have been falling in recent years, and mobile internet speeds have grown exponentially, especially in large urban centres.

HEALTH: Visitors are advised to follow their government's travel advice on vaccinations and precautions, and should keep an eye on local Covid-19 measures. The standard of medical treatment in Abidjan is good, especially in private clinics; for more serious medical cases and complicated surgeries, visitors are advised to seek treatment outside the country when possible.

BUSINESS HOURS: Businesses are usually open from 8.00 to 9.00am to 4.00 to 6.00pm, depending on the business. Most businesses and public establishments close on public holidays; otherwise, businesses tend to follow European working hours. Lunch is typically between 12.00 and 2.00pm, and Friday afternoons tend to be quiet. Fridays in predominantly Muslim areas overall are characterised by more muted business activity

TRANSPORT: Private travel by car remains the most widespread means of transport in the country. Taxis are usually widely available in urban areas; orange cabs generally cover the entire city, and are available late into the night in more central and crowded areas. Since taxis in the country rarely have meters, it is best to agree on a price for the trip before riding. As of mid-2022 the standard fare was around CFA805 ($1.38). Hotels often provide shuttle services and private taxi rides. In terms of intercity travel, rented cars are an option, though both aeroplanes and buses are a common means of travel between cities. The main railway line running from Abidjan to Ouagadougou in Burkina Faso is mostly used for freight traffic and has been declining as a means of passenger transport since the early 2000s.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Abidjan
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