

## Global leader in cocoa production



### General Information

<b>GDP</b>	USD34.25bn (World ranking 95, World Bank 2014)
<b>Population</b>	20.81mn (World ranking 56, World Bank 2014)
<b>Form of state</b>	Multiparty Presidential Republic
<b>Head of government</b>	Alassane Dramane OUATTARA
<b>Next elections</b>	December 2016 legislative; October 2020 presidential



### Strengths

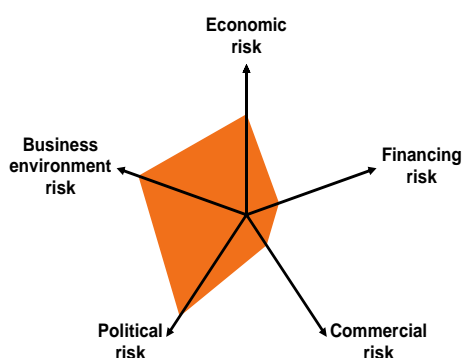
- Some political consolidation and signs that democratic evolution is deepening.
- Close links with France, which maintains a rapid-deployment force for regional interventions.
- World's leading producer of cocoa (approximately 35-40% of global supply).
- Membership of the West African Monetary Union (WAMU) and the CFA franc zone provide relative monetary stability, a common currency and access to a regional central bank. Low exchange rate and transfer risk.
- Considerable debt relief under the HIPC initiative and, latterly, through the Paris Club.

### Weaknesses

- Despite recent advances, the domestic political environment retains some fragilities. Overall security still dependent on UN peacekeepers.
- Ethnic and regional tensions.
- Uncertain regional influences including borders with Mali, Liberia and Guinea.
- Vulnerability to climatic effects on agricultural output and to changes in internationally-determined commodity prices.
- Fiscal and current account deficits.
- Structural business environment is strengthening, but from a weak base.

### Country Rating

**C3**



Source: Euler Hermes

### Trade Structure

By destination/origin (% of total)

Exports	Rank	Imports
Netherlands	10% 1 22%	Nigeria
United States	8% 2 12%	France
South Africa	7% 3 9%	China
France	6% 4 5%	Bahamas
Nigeria	5% 5 5%	India

By product (% of total)

Exports	Rank	Imports
Coffee, tea, cocoa, spices, and	37% 1 25%	Petroleum, petroleum products and
Petroleum, petroleum products and	19% 2 6%	Other transport equipment
Vegetables and fruits	8% 3 6%	Cereals and cereal preparations
Gold, non-monetary (excluding gold	5% 4 6%	Road vehicles
Other transport equipment	5% 5 4%	Other industrial machinery and parts

Source: UNCTAD

## Economic Overview

The overall policy stance is generally sound and the IMF in its most recent review of the country's reform programme (end-May 2016) indicated that economic performance has "been impressive" and the outlook is "favorable". The Fund is likely to provide further financial assistance, if requested; an Extended Credit Facility (ECF) expired in December 2015. Moreover, regional (including the AfDB and UEMOA, see below) and other multilateral agencies remain supportive. Indeed, in May 2016, more than USD15bn was pledged at a donor meeting, almost double the amount Côte d'Ivoire was seeking to help fund a five-year development programme.

### Now in a period of rapid expansion, after a protracted period of low GDP growth

Following years of low growth (see chart) resulting from political fragility and a debilitating civil war (annual average GDP growth in 1999-2007 was only +0.1%), the economy entered a period of relative stability from 2008, although GDP contracted by -4.4% in the politically-troubled 2011. Rapid expansion in 2012 resulted in GDP growth of +10.7% followed by +9.2% in 2013, partly reflecting a corrective bounce from earlier years and partly some policy adjustments. EH expects GDP growth of +7.5% and +7% in 2016 and 2017, respectively.

### Regional support, the CFA franc zone

Membership of a regional economic bloc, UEMOA, with a common banking and financial structure, provides support and relative monetary stability. The CFA franc issued by the Central Bank of West African States (BCEAO) is pegged to the EUR at a rate of XOF655.96:1EUR. This arrangement has served to help keep inflationary pressures relatively low, even during periods of political and social disturbance. The rate of inflation this year and in 2017 is forecast to remain below 2%, on average and by end-period. Transfer/inconvertibility risk remains mitigated by membership of the CFA franc zone and EH does not expect that there will be a significant change within the regional system within the forecast period.

### External debt declined through relief programmes

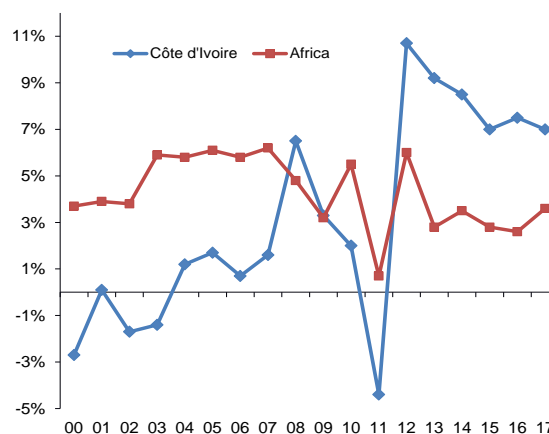
External debt relief under the HIPC scheme and through the Paris Club of official creditors significantly added to the lowering of the country's debt stock (see chart); debt/GDP halved between 2000 and 2010. The associated reduction in repayment obligations freed up financial resources for more productive use and aided economic recovery. Debt servicing (debt repayments/export earnings) is now down to single digits.

### Key Economic Forecasts

	2014	2015	2016f	2017f
GDP growth (% change)	8.5	7.0	7.5	7.0
Inflation (% end-year)	0.9	1.4	0.5	0.5
Fiscal balance (% of GDP)	-2.6	-2.8	-3.0	-2.5
Public debt (% of GDP)	36.0	35.7	33.5	31.0
Current account (% of GDP)	-0.9	-1.1	-2.0	-3.0
External debt (% of GDP)	36.7	45.0	45.5	41.5

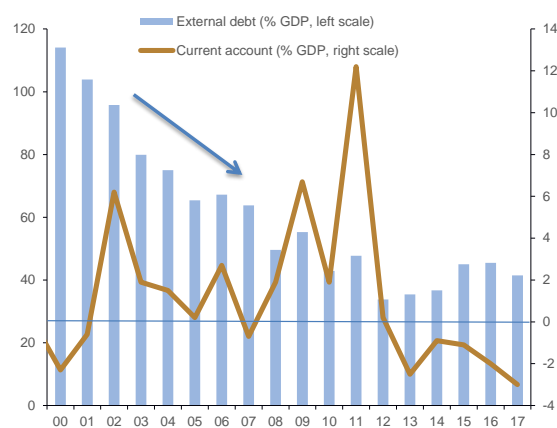
Sources: National Sources, IHS, Euler Hermes

### GDP Growth (%)



Sources: National sources, IHS, Euler Hermes

### Current Account Balance and External Debt (% of GDP)



Sources: National sources, IHS, Euler Hermes

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