

## **Côte d'Ivoire: Brief Profile**

### **September 2009**

#### **Domestic Economy**

- Real GDP growth of Côte d'Ivoire increased by an estimated 2.3% in 2008 as compared to 1.7% in the previous year, primarily due to higher prices of cocoa and fuel exports during the first half of 2008.
- In absolute value terms, GDP amounted to an estimated US\$ 23.1 bn in 2008, while capita income stood at an estimated US\$ 1,197.
- Consumer price inflation averaged to an estimated 6.3% in 2008, higher than 1.9% in 2007, mainly as a result of higher food and oil prices during the first half of 2008.
- The highest contribution to the GDP comes from the tertiary sector, which accounted for 55.0% of GDP in 2007 (as per the latest data available). The primary sector and the secondary sector accounted for 27.9% and 17.1%, respectively, in the same year.

#### **Trade and External Sector**

- Côte d'Ivoire's exports stood at an estimated US\$ 10.1 bn in 2008, rising by 16.1%, from US\$ 8.7 bn in the previous year. This was attributable to the increased exports of fuel products.
- Fuel product (US\$ 3,002.5 mn), cocoa (US\$ 2,033 mn), timber (US\$ 286 mn), and coffee (US\$ 166.4 mn) dominated Côte d'Ivoire's export basket in 2006 (*as per latest data available*).

- Total imports of Côte d'Ivoire amounted to an estimated US\$ 6.8 bn in 2008, up by 11.5%, from US\$ 6.1 bn in 2007, mainly due to the increase in import of basic goods.
- Capital equipment & raw materials (US\$ 2,065.6 mn), fuels (US\$ 1,757.9 mn) food, and beverages & tobacco (US\$ 1,016.5 mn) are the most important items of Côte d'Ivoire's imports in 2006 (*as per latest data available*).
- Côte d'Ivoire had a positive trade balance of US\$ 3.3 bn at the end of 2008, up from US\$ 2.6 bn recorded in the previous year.
- The main destinations of exports in 2008 were Germany (11.2%), US (10.4%), the Netherlands (10.0%), Nigeria (9.5%) and France (6.5%).
- The major origins of the country's imports in 2008 were Nigeria (32.1%), France (15.2%), China (7.9%) and Thailand (3.9%).
- The current account balance of Côte d'Ivoire turned from a deficit of US\$ 139 mn in 2007 into a surplus of an estimated US\$ 488 mn in 2008.

### **Currency, Foreign Exchange Reserves & External Debt**

- The local currency is the CFA Franc. The CFA franc is pegged to the euro at a rate of CFAfr 655.96: Euro 1. Average exchange rate was CFA fr 447.8: US\$ 1 in 2008, showing an appreciation over CFA fr 479.3: US\$ 1 in 2007, due to strengthening of euro against the dollar.
- Total international reserves decreased from US\$ 2,519 mn in 2007 to US\$ 2,252 mn in 2008. Reserves reflected an import cover for 4 months.
- Total external debt decreased from US\$ 13.9 bn in 2007 to US\$ 13.5 bn in 2008.

### **Country Risk Ratings**

- *Euromoney*, in its March 2009 risk ranking of 187 countries, placed Côte d'Ivoire at 145, which is a fall of 14 places from its previous ranking in September 2008. India is placed at 78 in the same year.
- *Institutional Investor's* ranked Côte d'Ivoire at 152 in its March 2009 rankings of 177 countries, which is a fall of eight places, compared to the previous ranking of September 2008. India was placed at 52 in the same year.
- *Export Credit Guarantee Corporation of India Ltd. (ECGC)*, which ranks countries in seven categories (A1, A2, B1, B2, C1, C2, D) in ascending order of risk, has placed Côte d'Ivoire in Group B2 as at the end of June 2009.

### **Bilateral Trade Relations with India**

- India's exports to Côte d'Ivoire decreased by 63.9% from US\$ 258.8 mn in 2007-08 to US\$ 93.3 mn in 2008-09, mainly due to higher exports of pharmaceutical products.
- India's imports from Côte d'Ivoire also increased by 58.4% to US\$ 315.7 mn in 2008-09 from US\$ 199.3 mn in 2007-08, mainly as a result of higher imports of raw cotton.
- India's trade balance with Côte d'Ivoire, thus, turned from a surplus of US\$ 59.5 mn in 2007-08 to a deficit of US\$ 222.4 mn in 2008-09.
- The major export items to Côte d'Ivoire in 2008-09 (April-February) were transport equipment (9.3%), manufactures of metals (9.3%), meat and preparations (8.2%), pharmaceutical products (7.4%), cotton yarn fabric madeups (6.9%), and primary and semi-finished iron and steel (6.7%).

- Cashew nuts (59.3%), wood and wood products (15.0), petroleum crude (14.2%), metalliferous ores & metal scrap (7.0%), raw cotton (1.4%), and non-ferrous metals (0.5%) dominated India's import basket from Côte d'Ivoire in 2008-09 (April-February).

### **Macroeconomic Outlook**

- The real GDP of Côte d'Ivoire is expected to grow by just 3.2% in 2009, as the global economic downturn affects economic activity, before accelerating to 4.0% in 2010, as reconstruction work speeds up. Performance of agriculture and services sector is expected to support economic activity in 2009.
- Inflation is expected to fall to an average of 2.0% in 2009, mainly due to weak international fuel and food prices, and rise to 3.5% in 2010, as a result of expected gentle rise in commodity prices.
- The CFA franc is pegged to the euro at a fixed rate of CFAfr 655.96: Euro 1. In accordance with the movement of Euro against the dollar, the CFA franc is expected to depreciate from an estimated CFAfr 447.8: US\$ 1 in 2008 to CFAfr 481.3: US\$ 1 in 2009, before strengthening to CFAfr 472.8: US\$ 1 in 2010.
- After posting an estimated surplus of 2.1% of GDP in 2008, the current account is expected to record a deficit equivalent to 0.2% of GDP in 2009 and 0.8% of GDP in 2010, largely as a result of the widening services deficit.
- Côte d'Ivoire was awarded an IMF-supported three-year poverty reduction and growth facility (PRGF) in March 2009, which could pave the way for large external debt write-offs in late 2010.

**Côte d'Ivoire : Economic Structure**

<b>Economic Indicators</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008<sup>b</sup></b>	<b>2009<sup>c</sup></b>
GDP (US\$ bn)	16.4	17.4	19.8	23.1	22.5
GDP at market prices (CFA fr bn)	8,631	9,081	9,487	10,340	10,827
Real GDP growth (%)	1.3	0.7	1.7	2.3	3.2
Consumer price inflation (av;%)	1.4	3.9	1.9	6.3	2.0
Population (mn)	18.3	18.6	18.9	19.3	19.6
Exports fob (US\$ mn)	7,697	8,477	8,669	10,091	8,640
Imports fob (US\$ mn)	5,251	5,368	6,105	6,760	6,372
Current account balance (US\$ mn)	40	479	-139	488	-49
Total International Reserves (US\$ mn)	1,322	1,798	2,519	2,252	2,645
Total external debt (US\$ bn)	11.9	12.8	13.9	13.5	11.6
Exchange rate (av.) CFA fr : US\$ Local currency is CFA Franc	528.3	527.5	479.3	447.8	481.3

Note: <sup>b</sup> Estimates; <sup>c</sup> Projections.

Source: EIU Country Report.