

Ivory Coast Business Mission Fact Sheets



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Opportunities in Ivory Coast:

- The development of **cocoa production** for export, and foreign investment makes Cote d'Ivoire one of the most prosperous of the West African states.
- One of the largest exporters of coffee is Ivory Coast which is important for investment.
- The **primary sector** remains crucial, at 28.1 per cent of GDP. Such as cocoa, coffee, rubber and palm oil. In general the agriculture sector remains trailblazer for investment.
- **Commercial sector** is also a leading and growing sector which makes it good for investment. The sectors in this include such as building and construction equipment and material, Oil/Gas Field Equipment, Drugs/Pharmaceutical Products etc.

Cote d'Ivoire has the third-largest economy in Sub-Saharan Africa. Leading sectors for export and investment include:

- Building and construction equipment and materials
- Drugs and pharmaceutical products
- Automobiles/automotive parts
- Plastic materials and resins
- Oil/gas field equipment
- Agricultural chemicals
- Cosmetics and toiletries
- Computers/peripherals and telecommunications equipment¹

General opportunity, Crude oil and refined oil products have overtaken cocoa as the largest source of export receipts.

According to data from the United Nations Trade and Development Conference, crude oil, natural gas and refined products accounted for 36.9 percent of exports in 2006 while cocoa represented 25 percent, rubber had a 4 percent share and wood accounted for 3.8 percent.

¹ <http://www.buyusa.gov/westafrica/en/125.html>

General Introduction

Côte d'Ivoire was originally made up of numerous isolated settlements; today it represents more than sixty distinct tribes, including the Baoule, Bete, Senoufou, Agni, Malinke, Dan, and Lobi. Côte d'Ivoire attracted both French and Portuguese merchants in the 15th century who were in search of ivory and slaves. French traders set up establishments early in the 19th century, and in 1842, the French obtained territorial concessions from local tribes, gradually extending their influence along the coast and inland.

Close ties to France since independence in 1960, the development of cocoa production for export, and foreign investment made Cote d'Ivoire one of the most prosperous of the West African states, but did not protect it from political turmoil. In December 1999, a military coup - the first ever in Cote d'Ivoire's history - overthrew the government. Junta leader Robert GUEI blatantly rigged elections held in late 2000 and declared himself the winner. Popular protest forced him to step aside and brought Laurent GBAGBO into power. Ivorian dissidents and disaffected members of the military launched a failed coup attempt in September 2002. Rebel forces claimed the northern half of the country, and in January 2003 were granted ministerial positions in a unity government under the auspices of the Linas-Marcoussis Peace Accord. President GBAGBO and rebel forces resumed implementation of the peace accord in December 2003 after a three-month stalemate, but issues that sparked the civil war, such as land reform and grounds for citizenship, remained unresolved. In March 2007 President GBAGBO and former New Force rebel leader Guillaume SORO signed the Ouagadougou Political Agreement. As a result of the agreement, SORO joined GBAGBO's government as Prime Minister and the two agreed to reunite the country by dismantling the zone of confidence separating North from South, integrate rebel forces into the national armed forces, and hold elections. Several thousand French and UN troops remain in Cote d'Ivoire to help the parties implement their commitments and to support the peace process.

Country Facts

Area	total: 322,463 sq km land: 318,003 sq km water: 4,460 sq km
Coastline	515 km
Terrain	mostly flat to undulating plains; mountains in northwest
Land use	arable land: 10.23% permanent crops: 11.16% other: 78.61% (2005)
Irrigated land	730 sq km (2003)
population	20,617,068
Population growth rate	2.133% (2009 est.)

Economic Facts

Market overview & trade statistics (source: Ministry of Finance):

- GDP (2008 est.): \$33.85 billion
- GDP per capita (2008): \$1,700
- Annual growth rate (2008 est.): +2.3%
- Population (2008 est.): 20,617,068
- Agriculture (200 est.) products: coffee, cocoa beans, bananas, palm kernels, corn, rice, manioc (tapioca), sweet potatoes, sugar, cotton, rubber; timber
- Industries: foodstuffs, beverages; wood products, oil refining, truck and bus assembly, textiles, fertilizer, building materials, electricity, ship construction and repair
- Natural resources (2004 est.): Offshore petroleum production: 22,000 barrels per day; Gold mining: 708.6 kilos
- Trade (2004 est.): Exports (41.3% of GDP), cocoa, coffee, timber, rubber, cotton, palm oil, pineapples, bananas; Imports (29.6% of GDP) --consumer goods, basic foodstuffs, capital goods.

Economic facts table

Subject	Units	2004	2005	2006	2007	2008	2009	2010	2014
GDP, constant prices	Annual percent change	1.6	1.9	0.7	1.6	2.3	3.7	4.0	6.0
GDP, current prices ²	Billion, U.S. Dollars	15.501	16.392	17.383	19.824	23.508	22.011	23.006	-
GDP, per capita current prices ³	U.S. Dollars	837.918	862.729	888.268	983.484	1,132.25	1,029.28	1,044.50	-
Inflation Rate, consumer price	Annual percent change	1.5	3.9	2.5	1.9	6.3	5.9	3.2	2.5
Current Account Balance ⁴	Billion, U.S. Dollars	\$0.501	(\$0.4215)	(\$0.193)	\$0.460	(\$0.146)	\$0.142	-	-
Current Account Balance	Percent of GDP	1.6	0.2	2.8	-0.7	2.4	24.6	1.1	-4.0

Economic Situation

Cote d'Ivoire is the world's largest producer and exporter of cocoa beans and a significant producer and exporter of coffee and palm oil. Consequently, the economy is highly sensitive to fluctuations in international prices for these products, and, to a lesser extent, in climatic conditions. Despite government attempts to diversify the economy, it is still heavily dependent on agriculture and related activities, engaging roughly 68% of the population. Since 2006, oil

² http://www.economywatch.com/economic-statistics/ivory-coast/GDP_Current_Prices_US_Dollars/

³ http://www.economywatch.com/economic-statistics/ivory-coast/GDP_Per_Capita_Current_Prices_US_Dollars/

⁴ http://www.indexmundi.com/cote_d_ivoire/current_account_balance.html

and gas production have become more important engines of economic activity than cocoa. According to IMF statistics, earnings from oil and refined products were \$1.3 billion in 2006, while cocoa-related revenues were \$1 billion during the same period. Cote d'Ivoire's offshore oil and gas production has resulted in substantial crude oil exports and provides sufficient natural gas to fuel electricity exports to Ghana, Togo, Benin, Mali and Burkina Faso. Oil exploration by a number of consortiums of private companies continues offshore, and President GBAGBO has expressed hope that daily crude output could reach 200,000 barrels per day (b/d) by the end of the decade. Since the end of the civil war in 2003, political turmoil has continued to damage the economy, resulting in the loss of foreign investment and slow economic growth. GDP grew by nearly 2% in 2007 and 3% in 2008. Per capita income has declined by 15% since 1999.⁵

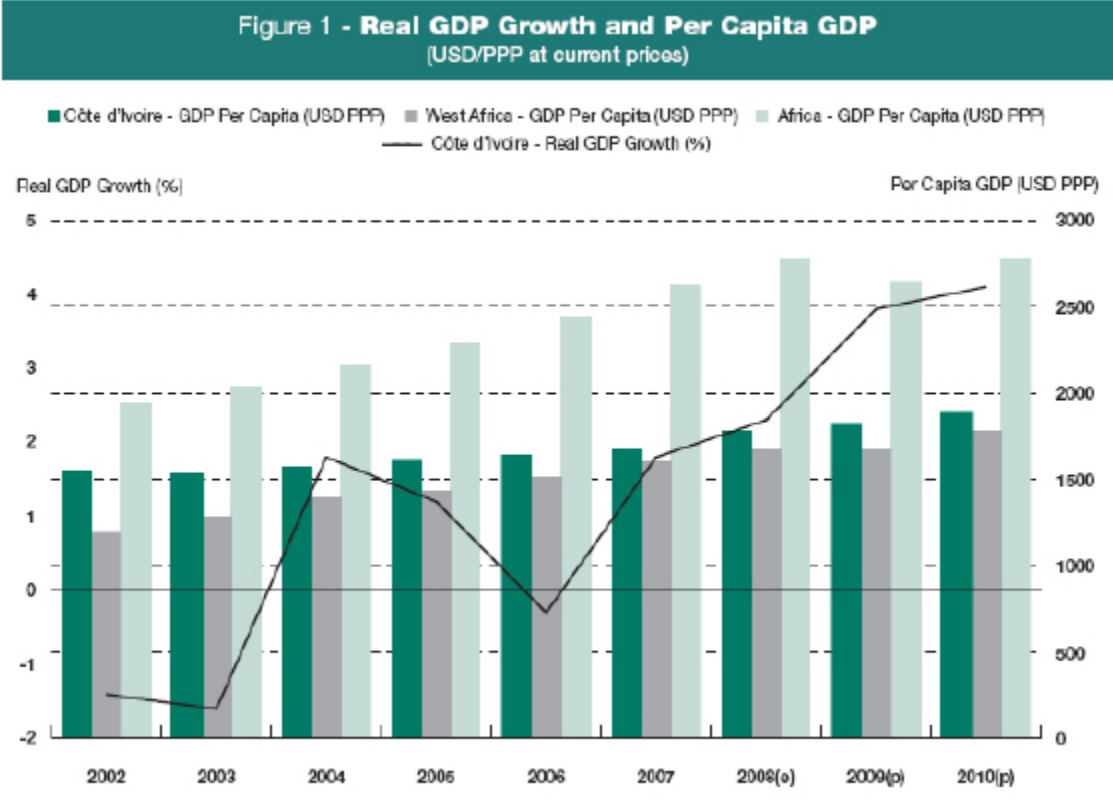
The primary sector continues to dominate and accounted for 28.1 per cent of GDP in 2008, compared to 27.2 per cent in 2007. Most income in this sector is generated by cash crops such as cocoa, coffee, rubber and palm oil. Cotton production, on the other hand, is on the decline, supplanted by cashew nuts in the north. Growth in the agricultural sector continued in 2008 (reaching 3.2 per cent, after 0.1 per cent growth in 2007), despite drops in the production volume of some goods. This notable growth was driven above all by the increase in international prices of commercial goods, including cocoa, which rose by approximately 18 per cent in 2008. Additionally, abundant rainfall helped increase production volumes of some crops, including cashew nuts (19.8 per cent), cottonseed (8.6 per cent), cocoa (6.1 per cent) and rubber (6.1 per cent). Coffee and cocoa remain the twin drivers of Côte d'Ivoire's economy. Côte d'Ivoire is the world's largest cocoa producer and Africa's largest coffee producer. After a 4.9 per cent decrease in 2007, coffee bean production rose from 1.3 million tonnes in 2007 to 1.38 million tonnes in 2008. Coffee production followed the opposite trend, due to poor maintenance of plantations; production dropped from 170 800 tonnes in 2007 to 80 000 tonnes in 2008. The socio-political crisis contributed to international increases in the prices of these two products from 2002 to 2008.

The Ivorian economy found renewed vigour in 2007. Growth was estimated at 2.3 per cent in 2008, driven primarily by strong performance in the construction sector and cocoa exports. This favourable economic trend is expected to continue over the next few years. Indeed, economic growth is expected to reach 3.8 and 4.1 per cent in 2009 and 2010 respectively, levels of growth not seen since before the crisis. The country is nonetheless in a difficult transition phase due to the uncertain political climate, which has weakened the economic recovery.⁶

⁵ <https://www.cia.gov/library/publications/the-world-factbook/geos/iv.html>

⁶ <http://www.africaneconomicoutlook.org/en/countries/west-africa/cote-dlvoire/#/overview>

GDP Growth, annual percentage change (IMF)



Source: IMF and local authorities' data; estimates (e) and projections (p) based on authors' calculations.

Foreign Aid

The World Bank's goal is to reduce poverty and improve living standards by promoting sustainable growth and investment in people. To achieve this objective, the bank provides loans, technical assistance and policy guidance to developing-country members. It works in more than 100 developing economies, bringing a mix of finance and ideas to improve living standards and eliminate the worst forms of poverty. Therefore Ivory Coast is one of the countries receiving this aid. In the other hand Ivory Coast also received, Economic aid of \$60 million in 2007 from ODA.

Foreign Investment

Foreign Direct Investment

Direct foreign investment plays a key role in the Ivoirian economy, accounting for between 40% and 45% of total capital in Ivoirian firms. France is overwhelmingly the most important foreign investor. In recent years, French investment has accounted for about one-quarter of the total capital in Ivoirian enterprises, and between 55% and 60% of the total stock of foreign investment capital.

Despite the ongoing political/economic crisis, the Ivorian government actively encourages foreign investment through mergers, acquisitions, joint ventures, takeovers, or startups. It is not unusual for high-ranking Ivorian officials, including the President, to meet with potential foreign investors. There are no significant limits on foreign investment nor are there generally differences in treatment of foreign and national investors, either in terms of the level of foreign ownership or sector of investment. The government does not screen investments and has no overall economic and industrial strategy that discriminates against foreign-owned firms. The investment code was designed to boost private sector investment and increase national production. The code includes incentives, such as tax breaks, for larger investments and for investments outside of Abidjan and other urban industrial areas. There is also a Petroleum Investment Code and a Mining Investment Code, which were revised to encourage foreign investment in these sectors by making them eligible for exemption from income and other taxes. The exemption also extends to the value added tax on equipment, materials and the first consignment of spare parts, except when there are equivalent products either made in Cote d'Ivoire or available in country at similar cost. The government has privatized some parastatal enterprises, but additional privatizations are not likely until after national elections take place.

As part of the 2006 new tax schedule, the GOCI introduced, on August 26, 2006, fiscal measures to reduce company tax burden and stimulate economic activity. These measures include:

- The reduction of the corporate income tax from 35 to 27 percent, effective December 31, 2006.
- The awarding of three-year corporate income tax exemption and free tax registration for the relocation of companies that left the country as a result of the crisis.

Cote d'Ivoire has an investment promotion center called CEPICI, (Centre des Promotion des Investissements en Cote d'Ivoire contactable at www.cepici.net), which provides investment information and assistance for entrepreneurs interested in starting a business or foreign enterprises interested in investing in Cote d'Ivoire. CEPICI provides a "one-stop-shop" for investors, an outreach program to match opportunities with potential investors, and a public-private liaison program. CEPICI also maintains a file of projects seeking foreign investment.

The World Bank's 2009 "Doing Business" report ranks Cote d'Ivoire 161st of 181 countries evaluated, noting that it takes 40 days to start a business in Cote d'Ivoire.

Foreign companies are free to invest and list on the regional stock exchange (BRVM), which is based in Abidjan and is dominated by Ivorian and French companies. With the inception of the regional exchange, the West African Economic and Monetary Union (WAEMU) members established the Regional Council for Savings and Investment, a regional securities regulatory body.

Trade

Exports - partners: Germany 11.1%, US 10.3%, Netherlands 9.9%, Nigeria 9.4%, France 6.5%, Burkina Faso 4.1% (2008)

Imports - partners: Nigeria 32%, France 15.1%, China 7.8% (2008)

Top export products:

Top Products Exported by Cote d'Ivoire		Market Value: 70 (millions)		
Product	Trade Value	Share	Growth	
	(thousands)	(%)	(% 5yr)	
4403 - Lumber	3,726	5.35	NA	
4802 - Uncoated Paper	2,764	3.97	NA	
7404 - Copper Waste & Scrap	2,130	3.06	NA	
7219 - Stainless Steel Products- > 600MM Wide	1,369	1.97	NA	
7204 - Ferrous Waste & Scrap	1,284	1.84	NA	
7308 - Structures & Parts of Iron or Steel	815	1.17	NA	
2401 - Tobacco	786	1.13	NA	
2615 - Niobium	770	1.11	NA	
8542 - Electronic Integrated Circuits	609	0.88	NA	
3202 - Synthetic Tanning Substitutes	519	0.74	NA	
3201 - Tanning Extracts of Vegetable Origin	425	0.61	NA	
0713 - Leguminous Vegetables	409	0.59	NA	
6106 - Knitted Womens & Girls Blouses & Shirts	349	0.50	NA	
0305 - Dried Fish	301	0.43	NA	
3304 - Beauty & Make-up Perparations	281	0.40	NA	
1207 - Oil Seeds & Oleaginous Fruits	268	0.38	NA	
0106 - Other Animals	236	0.34	NA	
2905 - Acyclic Alcohols	223	0.32	NA	
5806 - Narrow Woven Fabrics	218	0.31	NA	
7210 - Iron & Steel > 600 mm Wide - Clad	198	0.28	NA	
5201 - Cotton	161	0.23	NA	
8431 - Parts For Fork Lifts, Bulldozers & Graders	159	0.23	NA	
8471 - Computers, Printers & Storage Units	149	0.21	NA	
5205 - Cotton Yarn - > 85%	145	0.21	NA	
0304 - Fish Fillets	144	0.21	NA	

Top import products:

Top Products Imported by Cote d'Ivoire		Market Value: 33,680 (millions)		
Product	Trade Value	Share	Growth	
	(thousands)	(%)	(% 5yr)	
2709 - Crude Oil	8,210,241	24.38	147.10	
2710 - Non Crude Oil	2,852,699	8.47	1,041,909.50	
8517 - Telephone, Fax & Switching Apparatus	18,301	0.05	250.39	
8703 - Passenger Vehicles	15,308	0.05	2,453.51	
1511 - Palm Oil	14,718	0.04	79,607.43	
8525 - Cel Phones, Video Recorders & Radio Transceivers	10,417	0.03	324.70	
8006 - Tin Tubes & Pipes Including Pipe & Tube Fittings	8,607	0.03	169,562.92	
8485 - Machinery Parts	6,534	0.02	(40.42)	
8415 - Air Conditioners	5,525	0.02	1,990.46	
8431 - Parts For Fork Lifts, Bulldozers & Graders	5,493	0.02	NA	
3923 - Plastic Containers	5,480	0.02	1,401.65	
7215 - Iron & Steel Bars & Rods	4,158	0.01	13,312.90	
8418 - Refrigerators & Freezers	3,430	0.01	2,810.81	
7308 - Structures & Parts of Iron or Steel	3,132	0.01	17.48	
1507 - Soybean Oil	3,115	0.01	NA	
1901 - Malt Extract	3,048	0.01	NA	
8521 - Video Recording Equipment	2,303	0.01	721.60	
4011 - New Pneumatic Tires	2,180	0.01	2,909.73	
0402 - Concentrated Milk & Cream	2,158	0.01	(56.35)	
8527 - Reception Apparatus For Radiotelephony	2,139	0.01	824.09	
7310 - Tanks - < 300 Liter	2,136	0.01	NA	
3823 - Ind Monocarb Fat Acids	2,072	0.01	(94.70)	
5407 - Woven Fabric of Synthetic Filament Yarn	1,679	0.00	3,525.83	

Agriculture

Growth in the agricultural sector continued in 2008 (reaching 3.2 per cent, after 0.1 per cent growth in 2007), despite drops in the production volume of some goods.

In the agricultural sector, reforms implemented have mainly focused on the coffee/cocoa industry. Enhancement of the coffee/cocoa committee's authority, for example, has allowed for improved transparency and management of the sector. Likewise, the coffee/cocoa committee initiated reforms aimed at raising producer incomes and providing the marketing system, along with effective government monitoring of the sector. A judiciary inquiry into allegations of embezzlement in the cocoa sector, initiated in October 2007, led to the arrest of almost all regulatory body executives in 2008. It should be pointed out that quasi-taxes on the 2005-06 and 2007-08 harvests were lower.

Opportunities in the agricultural sector

The main opportunity products in the agriculture sector are as mentioned below:

Food agriculture:

1) Rice

(Thousand metric tons)	2002/2003	2003/2004	2004/2005
Total Market Size	1149 TMT	1002 TMT	1060 TMT
Total Exports	3 TMT	15 TMT	10 TMT
Total Imports	762 TMT	737 TMT	720 TMT

Rice is the main staple food in Côte d'Ivoire. The import market was fully liberalized in January 1997. The main competitors in this sector are the US, India, Vietnam, and Thailand, although all, except Thailand, mainly sell into the low quality, ordinary rice market. White rice, polished from U.S. brown rice, has a well-established reputation. In addition to shipments under the Food for Progress food aid program, since 2000 importers have purchased commercially.

2) Wheat

(Thousand metric tons)	2002/2003	2003/2004	2004/2005
Total Market Size	263 TMT	257 TMT	265 TMT
Total Imports	263 TMT	257 TMT	265 TMT

Wheat and flour imports were liberalized in May 1995, ending a monopoly by the local flour mill. Continuing the liberalization process, import duties on wheat flour were reduced from 30

percent to 20 percent in December 1997, but maintained at 5 percent for wheat. The decreased duty makes imported flour competitive with flour produced by the local mill. A Monaco-based company owns this flour mill with several mills in West Africa and has close ties to the French wheat industry. High protein U.S. or German wheat is imported for blending with low protein French soft wheat. The percentage of U.S. or other high protein wheat varies from 10 to 25 percent depending on the relative costs. In 1999, the flour mill started producing on trial basis high-protein flour for baking of Fanti bread, which uses 40 percent U.S. Dark Northern Spring wheat. However, the production was stopped for no obvious reason since the market exists and informal flour imports from neighboring countries persist.

3) Corn

(Thousand metric tons)	2002/2003	2003/2004	2004/2005
Total Market Size	828 TMT	752 TMT	803 TMT
Total Imports	8 TMT	2 TMT	3 TMT

Rapid expansion in modern egg and poultry production has boosted compound feed production. Local corn supplies, which are mostly used for direct human consumption, are not adequate to meet a year round demand for feed grains. High moisture content and poor quality make local corn difficult to store. While feed millers prefer to purchase locally, they have had to import during the lean season, from April to June. The main import sources are the United States and South Africa. Imports since outbreak of the political crisis in 2002, have been small and primarily from South Africa due to the depressed economy.

Dairy products:

Whole Milk Powder

(Thousand metric tons)	2003	2004	2005
Total Market Size	13 TMT	11 TMT	12 TMT
Total Imports	16 TMT	11 TMT	13 TMT

Using European Union subsidies, **France and the Netherlands** dominate the market. Although the Dairy Export Incentive Program (DEIP) is available to subsidize U.S. exports into this market, it has not been utilized for several years. Whole milk powder is consumed directly and used in the manufacture of UHT milk, condensed milk, ice cream, and yogurt. Packaging and labeling are vital to success. Consumer ready products are also popular imports, including concentrated and UHT milk, butter, cheese, ice cream, whole milk powder, and yogurt.

Alcoholic Beverages

(Hectoliters)	2003	2004	2005
Total Market Size	277,870 HL	173,450 HL	198,800 HL
Total Imports	279,370 HL	174,450 HL	200,000 HL

Wine accounts for over 85 percent of spirits imports. Bulk wine from Spain makes up the majority, but there are significant imports of medium and high quality wine from France. As a former colony, Cote d'Ivoire has a firmly-established wine tradition. There are opportunities for other countries exporters in medium quality wines with ex-winery prices of USD 40 to USD 50 per case. The data above do not include beer, which is dominated by local production of around 2 million hectoliters (HL). One market niche, which is open for exploitation is light and non-alcoholic beer, as the middle and upper class, becomes more weight conscious.

Varietal Meats

(Thousand metric tons)	2003	2004	2005
Total Market Size	48 TMT	46 TMT	53 TMT
Total Imports	44 TMT	40 TMT	45 TMT

The U.S. is the major supplier of varietal meats (beef/pig offals) to Cote d'Ivoire. Post forecasts slow but steady growth in this market and expects U.S. suppliers to capture an even larger percentage of imports. Offals are sold for further processing and directly to consumers.

Due to competition from Burkina Faso and Mali, the demand for non-varietal meat from the U.S. is small.

Canned and Dry Goods for Groceries

Côte d'Ivoire has the most sophisticated consumer and supermarket infrastructure in West Africa. If Côte d'Ivoire's economy resumes its growth, so too will the urban population and the middle class. A niche market is growing for Western-style snack foods, breakfast cereals and other consumer products. Supermarkets are growing in importance, particularly in Abidjan. In addition, hotel/restaurant and other food services are potential growth areas for these products. At present, most of these products come from the EU or South Africa.

Agricultural Chemicals, Agricultural Machine and Equipment

The primary end-users of agricultural chemical imports are Ivoirian farmers grouped in cooperatives and professional associations, as well as large companies involved in agro-industry. As a result of the country's partition, agricultural chemical imports have fluctuated since many of the farms are in the rebel-held territories.

Best Products/Services

Best sales prospects range from fertilizers to fungicides to orthophosphates.

Opportunities

The agriculture sector is still one of the important sectors of the economy. Therefore, the use of fertilizers and fungicides represent a great business opportunity.

Commercial Sectors

Building and Construction Equipment and Material

Building and construction has been one of the least effected sectors during the last three years despite the troubled political situation. While several major government-tendered infrastructure projects were stopped in 2000 and have yet to resume, many private operators continued to finish investments in infrastructure begun before the coup d'etat. For example, telecommunications firms, including cellular telephone companies and internet providers, have continued to make substantial investments in infrastructure, facilities and equipment. In addition, construction of the new parliament house and other official residences in the political capital of the country has led to a rise in imports. Over the next few years, assuming a stable economy, the market is expected to grow given the large gap in housing that exists in Cote d'Ivoire

Best Products/Services

Both the housing market and outdoor-marketplace market in Cote d'Ivoire offer good opportunities to promote high-tech western building materials based on advanced western technology. Western value-added building products that may have very good market prospects include steel products, air conditioning and refrigeration.

Opportunities

In addition to the building and construction sector, the Ivoirian remodeling market has the potential to grow significantly over the long term.

Drugs/Pharmaceutical Products

Products and drugs enter the Ivoirian market under European licensing agreements through European laboratories. As for the local production, only one company (CIPHARM) produces pharmaceutical products in Côte d'Ivoire. While the market for pharmaceutical products is large, entry into the market is difficult. There are only three approved importers of drugs into Côte d'Ivoire: Laborex (60 percent of the private market), COPHARMED (30 percent) and DPCI (10 percent). Drugs are not sold in bulk as in the Europe and restrictions force repackaging and French labeling.

Foreign pharmaceutical companies and laboratories export from Europe, mainly from France. Two American firms are represented in the Ivoirian market: Pfizer Laboratory, with its West African regional office in Dakar, and Phyto-Ryker, which manufactures generic drugs in Ghana and sells through Laborex and associated channels.

Best Prospects/Services

Most foreign laboratories deal with local companies which act as wholesalers. Marketing of pharmaceuticals and drugs is done on a push basis through sales agents who target doctors, nurses and hospitals throughout the country. These sales agents, representing the various laboratories, use these channels to market their products and educate the market much as in the Europe. Official statistics provided by the Ivoirian Ministry of Health show that approximately 4,200 products are sold in the country, chiefly antibiotics, painkillers, and anti-parasitic drugs. With the implementation of the West African harmonized tariff system, the price for end-users of all drugs and pharmaceuticals was increased by 1 percent. In 2002, the Ivoirian government passed a law to market AIDS drugs with a tax-exempt status.

Opportunities

Gradual familiarization with and use of generic products is occurring and local pharmacists are selling them. There may be a substantial market for generic products. In addition, there is a strong interest in the use of homeopathic, natural medicines, and supplements (all of which are only sold through pharmacies.) Again, product packaging and labeling in French is necessary.

Automobile/Automotive Parts, Passenger Cars, New and Used, Trucks and Buses

The used automobile market has been growing for the last seven years and has reached a level of 25,000 units annually. Reasons for this growth are the demand for inexpensive automobiles, market liberalization measures, and the lack of adequate credit policies for potential clients and buyers of new cars.

Another attractive segment of the market is the auto spare-parts and accessories market, which is growing quickly because of the need for replacement of spare-parts for existing automobile fleets.

Best Prospects/Services

Best sales prospects include:

- Consumables: oil and air filters, wiper blades, rubber blades, hoses, gaskets and rings, engine parts, brake parts, exhaust system parts, car body parts
- Accessories: wheel covers, car/truck bed covers, car batteries, exterior accessory lights

- Auto security products: alarms and steering wheel locks
- Service equipment for electronic diagnosis, monitoring, testing and analyzing, wheel balancing, tire changing, oil changing
- Battery chargers, quick repair kits, tools, and paints

Opportunities

If the political situation returns to normal, good opportunities exist in importing European second-hand cars and buses, spare parts, security/antitheft devices and safety devices.

Plastic Materials and Resins

Best Prospects/Services

Plastic imports consist primarily of PVC, polyethylene, hard density polyethylene, and resins. Local manufacturers use these products to manufacture plastic consumer products, plastic bags, plastic glassware and containers for the food processing industry. In terms of market share, France leads the market with 15.1% followed by Saudi Arabia with 11.5% and the U.S. with 10.1% of the total import market.

Opportunities

During the past two years the demand for plastic bags has increased significantly with an increase in food security concerns and waste management purposes.

Oil/Gas Field Equipment

Upstream development: In the past years the pace of exploration has remained static due to the uncertain political and economic environment. Most oil companies here have taken a wait-and-see attitude. However, several oil and gas projects have come into production, with companies importing large amounts of oil and gas field equipment. It is advised that companies interested in exporting to Cote d'Ivoire have their headquarters liaise with Ivoirian authorities first, before entering the market. This way, western companies can take advantage of tax breaks available in the Ivoirian investment code.

Downstream: Oil and gas is bought through or from S.I.R. (Societe Ivoirienne de Raffinage), the only Ivoirian oil refinery and its associated storage company GESTOCI. Companies currently participating in the market include Texaco, Exxon/Mobil, Total/Elf/Fina, and several smaller Ivoirian companies. The majority of their product is bought through or refined by S.I.R., with the larger companies owning shares in the refinery. Should the market for these products finally be liberalized, there will be significant opportunity for additional European and U.S. companies. Africa is one of the fastest growing areas of the world for downstream oil and gas consumption and margins are significant.

Best Prospects/Services

The largest opportunities for gas and oil are currently in exploration, not production. With the availability of additional speculative data and new analysis of offshore and onshore data, and with new technology making deepwater drilling economically viable, the deep-water shelf area of Côte d'Ivoire has shown significant potential.

Opportunities

The entire oil and gas equipment market is a great opportunity for European and U.S. companies.

Conclusion

STRENGTHS

- The country's agricultural and mining potential is among the highest in West Africa.
- The country boasts a developed processing industry and good infrastructure (transport, financial services, and telecommunications).
- Despite a gridlocked political situation, its membership in UMOA, the West Africa Monetary Union, constitutes an element of stability.

WEAKNESSES

- The civil war that broke out in March 2002 and the continuing political instability since then have resulted in deteriorated living conditions, dilapidated infrastructure, and a bloated informal economy.
- This context has generated considerable extra costs for companies and impeded an economic recovery.
- The ongoing political crisis has jeopardized the role of Ivory Coast as a regional economic hub (finance, transit, commercial base) and undermined investor interest in the country.
- The business environment remains marked by many weaknesses including security and shipping costs, trafficking and racketeering.

OPPURTUNITIES:

- Cote d'Ivoire has the third-largest economy in Sub-Saharan Africa. Leading sectors for export and investment are wide open.
- More favorable credit terms by European suppliers to local importers.
- Since the Ivoirian currency is pegged to the Euro, local companies will only make payments in the local currency (CFA Franc) or Euros.

Appendix

Doing Business in general:

Ease of Doing Business Rankings: 161 out of 181

The Ease of Doing Business Ranking is reported yearly by The World Bank, a financial assistant to developing countries. The Doing Business Ranking provides measures of business regulations and their enforcement across countries by measuring specific regulatory obstacles to doing business, such as protection of investors, protection of property rights, employment issues, and contract enforcement capabilities. The highest ranked country has the most favorable environment for conducting business in the world.

Index of Economic Freedom: 111 out of 155

The Index of Economic Freedom is reported annually by the Heritage Foundation, a research and educational institute. The Index of Economic Freedom analyzes a wide range of issues including trade barriers, corruption, government expenditures, property rights, and tax rates to generate an overall ranking of economic freedom. The highest ranked country is the country with the least number of restrictions and constraints on businesses

Country Rating: **Rating: D**

A high-risk political and economic situation and an often very difficult business environment can have a very significant impact on corporate payment behavior. Corporate default probability is very high.

Risk Assessment

The political situation remains uncertain despite significant progress that resulted in the March 2007 Ouagadougou Accords concluded between the President Laurent Gbagbo and the representative of the New Rebel Forces Guillaume Soros. Based on the accords, an interim government was set up under Soros' leadership. Symbolic acts of reconciliation (incineration of weapons) raised hopes of real pacification after the many failed attempts at mediation in the past. The process of disbanding the militias has stalled, however, and country's reunification seems likely to suffer further delays. These uncertainties are associated with the stumbling pace of the process of identifying the population — a central rebel demand and a prerequisite to holding free and democratic elections by year end as planned. In this context, a resurgence of acts of violence

remains possible.

The economy proved to be relatively resilient to the civil war with the country posting positive growth since 2004 even if it remains well below the sub-Saharan African average of six per cent. It should nonetheless exceed three per cent in 2008, driven by the increase in gas and oil production and development of the telecommunications sector.

Market Challenges/Downsides

- Country remains divided in two, with an uneasy cease-fire in place and a high level of social tension. The prospects for peaceful reunification are uncertain.
- Historical lack of Netherlands interest due to the relatively small market size; limited data; and perceived French domination of the market due to French-based legal, commercial, and financial systems.
- Primary use of French language, business practices, and technical standards. Please note that there are some Ivoirian businesses trying to overcome the language barrier and work directly with other companies.
- Higher freight rates and longer transit times from the Europe.
- High business costs relative to neighboring African countries such as water, electricity, labor costs, port processing and customs duties.
- Infrastructure (electricity, roads, and telecommunications) is good compared with other countries in the region, but deteriorating.
- Uncertain legal protections and weak judiciary.
- Corruption is a problem.
- Limited Ivoirian purchasing power.

POLITICAL SITUATION:

In this part we are going to discuss about the possible political stability and situations of the country.

Looking toward the country's future, the fundamental issue is whether its political system following the upheavals of recent years will provide for enduring stability, which is critical for investor confidence and further economic development. The political system in Cote d'Ivoire is president-dominated. The prime minister concentrates principally on coordinating and implementing the 2007 Ouagadougou Political Agreement.

However, political dialogue is much freer today than prior to 1990, especially due to the opposition press, which vocalizes its criticism of the government. Beginning in 1990, Cote d'Ivoire evolved, with relatively little violence or dislocation, from a single-party state.

Opposition parties, independent newspapers, and independent trade unions were made legal at that time. Since those major changes occurred, the country's pace of political change had been slow, prior to the period of turmoil ushered in by the December 1999 coup.

Whether further democratic reform will take place, adequate to meet future challenges, is unknown. As is generally true in the region, the business environment is one in which personal contact and connections remain important, where rule of law does not prevail with assurance, and where the legislative and judicial branches of the government remain weak. The political system is becoming less centralized, with the president stepping out of his role as ruling party leader, while attempting to decentralize many legislative functions. President Gbagbo has promised less executive interference in the judicial system, but it still lacks basic strength and independence.

Contacts of company lists:

Contacts in the Agriculture sector:

Company name	Street address	City	Province/State	Country/Region	Zip	Telephone	Type
Coopagriculture	Cocody	Abidjan	Abidjan	Cote D'Ivoire	05	225-225 -05 22 27 88	Distributor/ Wholesalers
Groupe Sigef	Bd Des Martyrs	Plateaux	Abidjan	Cote D'Ivoire	-	-	Distributor of cocoa, coffee, fertilizers.

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