

# COUNTRY PROFILE

## Quarterly update

July 2016



United Nations  
Economic Commission for Africa

**CÔTE D'IVOIRE**

## Introduction

The main objective of this document is to provide an update to the 2015 Côte d'Ivoire Country Profile, with a particular focus on the recently released annual data for 2015.

## Recent developments— Key highlights

- Côte d'Ivoire drew up and adopted its new National Development Plan for 2016-2020 with a firm resolve to join the small circle of emerging countries by 2020. Growth during the period 2016-2020 is expected to rise from 9.5 per cent in 2015 to 9.8 per cent in 2016, falling to 8.9 per cent in 2017 and reaching an average of 8.4 per cent between 2018 and 2020, with total investment of 30,000 billion CFA francs (50 billion US dollars).
- In March the country was struck by a terrorist attack in the resort of Grand Bassam, an incident which underlined the risk to growth posed by poor security.

## Economic performance

### Economic growth

Steady economic activity continued during the first quarter of 2016 (7.4 per cent), but fell below the annual target of 9.8 per cent for 2016 set in the new National Development Plan for 2016-2020. The growth stemmed mainly from good performance in the extractive industries (crude oil and natural gas)(86.1 per cent). The trend in the manufacturing sector dropped back by 0.9 per cent at an annual

rate. The index of non-oil industrial output remained roughly stable, with year-on-year growth of 0.2 per cent during the first quarter of 2016.

Growth during the period 2016-2020 is expected to rise from 9.5 per cent in 2015 to 9.8 per cent in 2016, falling to 8.9 per cent in 2017 and reaching an average of 8.4 per cent between 2018 and 2020, with total investment of 30,000 billion CFA francs (50 billion US dollars), including 11,284 billion CFA francs (18.8 billion US dollars) for the public sector and 18,716 billion CFA francs (31.2 billion US dollars) for the private sector. This investment focuses on engines of growth which are both cross-cutting (security, governance, justice, health, education and the environment) and vertical (agriculture, energy, mines, oil and gas, industry, tourism and the financial sector)(National Development Plan for 2016-2020).

### Budgetary policy

In 2015, the budget deficit stood at 3 per cent of GDP, compared with a target of 3.7 per cent set in the Finance (Amendment) Act, largely as a result of a low level of implementation of investment decisions and higher than expected revenues, for example thanks to the sale of telecommunications licences. However, this budget deficit marked a deterioration from the level of -2.2 per cent of GDP in 2014. The causes of this situation include new expenditure in the education sector and on the army, and subsidies to the energy sector.

According to the International Monetary Fund (IMF), the total budget deficit in 2016 should be around 4 per cent of GDP, as a result of the increase in public investment and expenditure on security, together with interest charges.

## **Inflation and monetary policy**

The Monetary Policy Committee of the Central Bank of West African States (BCEAO) decided at its meeting on 1 June 2016 to make no change in the minimum bid rate for liquidity provided by open market operations and the marginal lending rate, which have been at 2.5 per cent and 3.5 per cent respectively since 16 September 2013. The statutory reserve requirement applicable to the area's banks has stood at 5 per cent since 16 March 2012.

Average annual inflation at the end of June 2016 was 1.1 percent below the community convergence threshold of 3 per cent set by the West African Economic and Monetary Union (WAEMU). Prices of food and non-alcoholic drinks rose most, at an annual average rate of 4.7 per cent over the first six months of the year. This rise in prices reflected falls in food production due to the drought in the last quarter of 2015.

### **Current account**

The external position worsened in 2015: the current account deficit was -1.7 per cent of GDP, compared with -0.7 per cent of GDP in 2014, owing to buoyant domestic demand for investment, in particular, and the deterioration in the terms of trade caused by the fall in oil prices. The worsening of the external position in 2015 was attenuated by the rise in exports of cocoa beans, which account for over a third of exports.

Exports of cocoa beans during the first half of 2016 stood at about the same level as last year, at 677,000 tons. Exports of coffee increased to 23,000 tons from 19,000 tons during the same period in 2015, a rise of 20 per cent. Cocoa bean prices have been rising since the start of 2016. Crude and refined oil prices have fallen substantially. The fall in the price of refined products has led to a drop in pump prices. Where imports of commodities are concerned, international rice and wheat prices fell by 9.6 per cent and 20.7 per cent respectively during the first half of 2016.

## **Capital account and financial account**

Thanks to the continued improvement in the business climate in Côte d'Ivoire, the flow of foreign direct investment rose to 8 per cent of gross fixed capital formation in 2015 from 7.7 per cent in 2014.

## **Social developments**

### **Poverty**

In 2015, the poverty rate was estimated at 46.3 per cent, against 48.9 per cent in 2008 and only 10 per cent in 1985. Poverty is more widespread in rural areas (56.8 per cent) than in urban areas (35.9 per cent). In poor households, 50.2 per cent of consumer expenditure is allocated to food, compared with 40.7 per cent among those who are not poor. Other significant expenditure items for poor households are housing (13.4 per cent), transport (9.2 per cent), clothing (7.1 per cent), communication (6.4 per cent), education (3.5 per cent) and health (2.8 per cent).

### **Health**

High levels of fertility in Côte d'Ivoire (4.9 children per woman in 2015) coexist with a high level of maternal mortality: 610 deaths per 100,000 live births in 2012. This figure is higher than the regional average (500 deaths per 100,000 live births) and over three times the world average (200 deaths per 100,000 live births).

### **Education**

The gross primary enrolment rate rose steadily between 2008 and 2015, from 76.2 per cent in 2008-2009 to 95.4 per cent in 2014-2015. This progress is due to a number of measures designed to improve access to basic education, such as the abolition of registration and tuition fees in primary and pre-school education in 2001 and the free distribution of textbooks and manuals to primary schoolchildren.

# Annex: Côte d'Ivoire

## Economic performance

Macroeconomic performance	Value	Year
GDP, current prices (billions of CFA francs)	18,880	2015
Real GDP growth rate (%)	9.5	2015
Inflation rate (%)	1.2	2015

Fiscal policy (billions of CFA francs)	Value	Year
Total revenue and grants	4639.8	2015
of which: tax revenue	2719.4	2015
of which: non-tax revenue	252.1	2015
Total expenditure and net lending	5196.0	2015
of which: current expenditure	2361.0	2015
of which: salaries and wages	1328.4	2015
Investment	1502.2	2015
Debt servicing	1213.3	2015
Total balance including grants	-556.2	2015
Total balance excluding grants	-646.2	2015

Monetary policy	Value	Year
Minimum bid rate (%)	2.50	2015
Marginal lending rate (%)	3.50	2015
Interbank rate (%)	4.90	2015
Average borrowing rate (%)	6.09	2015
Average loan rate (%)	5.01	2015

Current account (billions of CFA francs)	Value	Year
Trade balance	1,590.1	2015
Exports (FOB)	7,818.8	2015
Imports (FOB)	8,051.0	2015
Current account	-676.1	2015
Capital and financial accounts (billions of CFA francs)		2015
Foreign direct investment	573.0	2015
Private capital flows	-188.2	2015
Capital account	515.8	2015
Financial account	1.9	2015

## Social developments

Demography	Value	Year
Population (millions)	22.7	2015
Annual average population growth (%)	2.6	2015

Poverty and employment	Value	Year
Poverty rate (%)	46.3	2015
Unemployment rate (%)	9.4	2015
Health		
Infant mortality rate (‰)	66.6	2015
Child mortality rate (‰)	37.9	2015

Education	Value	Year
Gross enrolment rate in primary education (%)	95.4	2015
Adult illiteracy rate (%)	58.0	2015

# References

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