

COUNTRY PROFILE:**REPUBLIC OF COTE d'IVOIRE****DATED:****JANUARY 2008****CREDIT GUARANTEE:**

IES/02: ATTACHMENT A

	<i>Country Rating</i>	<i>U/W Method</i>
<i>Short-term</i>	3C	Off Cover

Recent Political Highlights

- ❑ President Laurent Gbagbo has been in power since October 2000. The president is elected by popular vote for a five-year term. The next election that was scheduled for October 2007 was postponed to June this year and is now likely to be further delayed due to technical issues by a month or two;
- ❑ Officials estimate that it will take several months to disarm thousands of soldiers who fought in the country's 5-year old civil war. The country has one Government but two armies controlling the northern and southern halves of the country. The president and the former rebel leader, now Prime Minister Guillaume Soro planned to visit towns on either side of the ceasefire to drum up support for a united country.

Recent Economic Highlights

- ❑ Cote d' Ivoire has a population of 18m that was expected to grow at a rate of 1.9% in 2007. Government has been held accountable for the country's intense poverty. Political upheavals and exodus of workers to Burkina Faso and Liberia over the past five years have depressed the cocoa harvest by 30%. Between 1990 and 2005, wars in Africa cost \$300bn, while tribal conflict and ethnic loyalties cost the continent approximately \$18bn per annum;
- ❑ The country is among the world's largest producers and exporters of coffee, cocoa beans and palm oil. Despite Government's efforts to diversify the economy, it remains heavily reliant on agriculture and related activities that employ about 70% of the total population;
- ❑ Government has granted several foreign firms oil exploration and exploration rights in a vast region off the coastal city of Abidjan while retaining a 31.5% stake. Ivory Coast is the leading oil producer in the West African Monetary Union comprising eight countries, making petroleum one of the top exports. The president has called for the country to become the leader in transforming, refining and transporting the product;
- ❑ The economy minister expected the resource-rich country to grow by 2.9% in 2008 – the fastest rate of expansion since the 2002-03 civil war split the country in two. GDP growth was 1.5% last year. Export revenue from cocoa was expected to rise by more than a fifth based on the forecast of total cocoa production of 1.3m tonnes in 2008. Government will raise 204bn CFA francs in export revenue this year from 167bn in 2007. The US is set to meet with Government, industry representatives and cocoa producing families on a two-day visit related to child labour in cocoa production. They are keen to see how Government is implementing its national strategy to monitor and end the worst forms of child labour in the cocoa industry. Ivory Coast produces 40% of the world's cocoa supply;
- ❑ Tata Steel and Sodemi, state-owned company of Ivory Coast have entered into a joint venture agreement for the development of Mount Nimba Iron ore deposits. The initial phase will involve exploration and detailed feasibility assessments followed by construction of the mine and beneficiation facilities.

Latest Trade Developments

- ❑ Major exports: cocoa, coffee, timber, petroleum, cotton, bananas, pineapples, palm oil and fish;
- ❑ Major imports: fuel, capital equipment and food;
- ❑ Main trading partners: France, Netherlands, US, Nigeria, Germany and China;
- ❑ The Ivory Coast and the EU have an interim agreement in place before preferential trade terms expired at the end of 2007. The trade accord includes terms on market access and promoting cooperation. The two parties will also continue negotiating on a broader Economic Partnership Agreement which is expected to be signed in 2008;
- ❑ SA exports to Cote d' Ivoire totaled R321m in 2006 from R297m in 2005 and R399m in the year to October 2007.

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