

Business in Cote d'Ivoire
FIELD AFRICA



Cote d'Ivoire Market Overview

Looking at the commercial environment and political situation of Cote d'Ivoire separately results in two contrasting pictures. On the one hand, the market potential of Coted'Ivoire is substantial - it is one of the largest economies in Sub-Saharan Africa, has a business infrastructure superior to many other countries in the region, and has been an industrial and transportation hub of the region. On the other hand, Cote d'Ivoire remains mired in a political/military crisis that has undermined the economy and investor confidence. The country is physically divided and a resumption of civil war, social unrest, or both could occur at any time.

Nevertheless, despite the uncertainty, businesses continue to function - profits are down, but companies are still able to conduct their affairs. If the political situation does not stabilize, the damage to the economy and commercial environment will continue to deteriorate. Companies considering doing business in Cote d'Ivoire must weigh their options carefully and decide if the potential profits outweigh the risks.

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

- GDP (2004 est.): \$17.4 billion
- Annual growth rate (est.): +0.7% (Declines in 2002 by 1.6% and in 2003 by 1.7%)
- Population (2004 est.): 18,700,000
- Agriculture (2004 est.)
 - Cocoa: 1.45 MMT
 - Coffee: 154,082 tons
- 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.



Market Challenges

- 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 U.S. interest due to the relatively small market size; limited data; and perceived French and European 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 U.S. companies.
- Higher freight rates and longer transit times from the U.S. than Europe.
- More favorable credit terms by European suppliers to local importers.
- High business costs relative to neighboring African countries such as water, electricity, labor costs, port processing and customs duties.
- Infrastructure (electricity, roads, 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.
- Since the Ivoirian currency is pegged to the Euro, local companies will only make payments in the local currency (CFA Franc) or Euros.

Market Opportunities

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 equipment

Market Entry Strategy

- Using agents: Local agents or distributors are not required but a foreign company attempting to enter the market should retain a person or persons resident in Côte d'Ivoire.
- U.S. companies interested in Cote d'Ivoire should consult with the U.S. Commercial Service and U.S. Department of State.



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