

AFRICA RISK CONSULTING

Côte d'Ivoire Monthly Briefing August 2022

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President Alassane Ouattara (2010-present) is hosted by South African President Cyril Ramaphosa (2018-present) at the South Africa-Côte d'Ivoire Trade and Investment Business Forum on 22 July. Ouattara and Ramaphosa jointly welcome the signing of a Ukraine-Russia agreement, lifting the blockade on Ukraine's grain exports. Ouattara announces the pardoning of his presidential predecessor, Laurent Gbagbo (2000-2010) on Independence Day. Togo leads unsuccessful mediation between Mali and Côte d'Ivoire to free 49 Ivorian soldiers captured in Bamako, Mali. The Italian oil company, ENI, announces fresh oil and gas discoveries off the coast of Assinie, Côte d'Ivoire. The new discovery, announced on 28 July, significantly boosts Côte d'Ivoire's potential reserves by 25% with estimates increasing from 2 billion barrels to 2.5 billion barrels. Côte d'Ivoire has a total of 51 identified oil fields of which 21 remain untapped.

Ouattara visits South Africa

South Africa's President **Cyril Ramaphosa** (2018-present) hosted President **Alassane Ouattara** (2010-present) in **Pretoria**, South Africa's political capital, at the **South Africa - Côte d'Ivoire Trade and Investment Business Forum (the Forum)** on 22 July 2022.¹ The primary purpose of the Forum was to discuss efforts to strengthen bilateral trade and investment between the two. Secondary matters were also discussed, including Ivorian tensions with **Mali** and issues regarding constrained grain supply from **Ukraine** after the **Russian** invasion in March.²

In 2015, South Africa and Côte d'Ivoire established a joint commission and drafted memoranda of understanding (MOU) to strengthen economic relations.³ However, since Ramaphosa's term as president began in February 2018, engagements between the Ivorian and the South African government have escalated significantly, particularly after the **African Continental Free Trade Area (AfCFTA)** was established in 2018. The Forum follows a state visit Ramaphosa made to Côte d'Ivoire in December 2021, which resulted in the signing of ten MOU each aimed at deepening bilateral trade and investment.⁴ South Africa's trade, industry and competition minister, **Ebrahim Patel**, accompanied Ramaphosa on his visit to Côte d'Ivoire. Patel led engagements between South African business representatives, the **Department of Trade, Industry and Competition's (DTIC) Centre for Export Development (CED)** and key Ivorian economic stakeholders. The DTIC's visit was part of an initiative to expand the economic footprint of South African black-owned businesses on the African continent.

Solange Amichia, the Ivorian CEO for the **Centre de Promotion des Investissements en Côte d'Ivoire (Cepici)** stressed the economic importance of bilateral trade and investment for Côte d'Ivoire's economic development at the recent Forum.⁵ South Africa has the second largest economy in Africa, with a gross domestic product (GDP) valued at \$419.95 billion by 2021 compared to Côte d'Ivoire's 2021 GDP which amounted to \$69,75 billion.⁶ South Africa also enjoys the most sophisticated industrial capacity and infrastructure on the African continent. Côte d'Ivoire is therefore strategically positioning its economy to leverage South African businesses' African expansion

¹ SABC, 23 Jul 2022

² Africa News, 23 Jul 2022

³ Africa News, 27 Jul 2022

⁴ APA News, 3 Dec 2021

⁵ SA News, 22 Jul 2022

⁶ Statista, 2022

interests to boost local economic development. Amichia emphasised that Côte d'Ivoire's new **National Development Plan (NDP)** aims to reduce poverty by 30% by 2025. Amichia said, *"President Alassane Ouattara is adamant to accelerate his economic and social transformation. He wants Côte d'Ivoire to become an upper-middle income country by 2030."*⁷

At the Forum, Ramaphosa stressed that the portfolio of South African businesses in Côte d'Ivoire has also expanded. **Standard Bank, Investec, MTN, Sanlam** and **Multichoice** are some of the large South African enterprises invested in Côte d'Ivoire.⁸

Total trade between Côte d'Ivoire and South Africa rose by \$11m between 2019 and 2021 from \$80m to \$123m.⁹ The head of continental coverage from South Africa's **Industrial Development Corporation (IDC), Phiwe Marumo**, also addressed the delegates at the recent Forum, highlighting that although bilateral trade has increased overall, 2019 levels dipped to under \$61m. Marumo announced that to ensure that bilateral trade continues increasing, Côte d'Ivoire and South Africa are working on establishing an enabling framework to further strengthen economic partnerships.¹⁰

Between 2016 and 2020, Côte d'Ivoire mainly imported value-added products from South Africa, including base metals, plastics, machinery, as well as vegetable products. Further opportunities for South Africa to export consumer goods, vehicles, paper, and other machinery were raised by Ramaphosa at the Forum.¹¹ Côte d'Ivoire's exports to South Africa largely consist of plastics, wood, articles of wood, vegetables, and prepared foodstuffs. Ramaphosa also stressed that Ivorian exports to South Africa in cocoa, oil and cashew nuts are improving.¹²

Ouattara used the state visit to Pretoria as an opportunity to express Côte d'Ivoire's interest in a rapid solution to the dispute that broke out after 49 Ivorian soldiers were arrested in **Bamako**, Mali, on 10 July 2022 (*see ARC Brief Côte d'Ivoire July 2022*).¹³

Ouattara and Ramaphosa also welcomed the **Russia-Ukraine** agreement reached on the same day as the Forum.¹⁴ On 22 July 2022, **Turkey**, and the **United Nations (UN)** brokered an agreement allowing for the export of grain and other agricultural goods from selected Ukrainian ports to African countries. The agreement has been seen as a ground-breaking achievement. Grain supplies to global markets have been blocked since the outbreak of the war in March 2022, causing inflated food prices and other economic shocks including rising inflation, rising interest rates and other constraints further heightened by the impact of the Covid-19 pandemic across African countries. Addressing the Forum, Ouattara said:

*"I also indicated to [Ukraine's] President Volodymyr Zelensky that I wanted the supply to be made a priority for the African continent, because of the fragility of its economies and the social situation in many countries."*¹⁵

Côte d'Ivoire is one African country which has been particularly vulnerable to grain shortages and price increases.¹⁶ The agreement may help ease impacts, however, the ongoing conflict in Ukraine may affect the sustainable supply of grain to dependent countries such as Côte d'Ivoire. Ramaphosa indicated that the Russia-Ukraine conflict's impact on food security on the African population must be treated as a *"wake-up call"* stating that:

⁷ SA News, 22 Jul 2022

⁸ SABC, 23 Jul 2022

⁹ Africa News, 27 Jul 2022

¹⁰ SA News, 22 Jul 2022

¹¹ SABC, 23 Jul 2022

¹² SABC, 23 Jul 2022

¹³ Africa News, 27 Jul 2022

¹⁴ The Star, 22 Jul 2022

¹⁵ The Star, 22 Jul 2022

¹⁶ The New York Times, 22 Jul 2022

“Our continued reliance on massive amounts of grains from that part of the world, should be seen as a risk and real danger to African countries’ 1.3 billion people.”¹⁷

Ramaphosa’s comment could be seen as a way to further strategically position exports for South Africa’s agricultural industry to Côte d’Ivoire, a sector in South Africa that has sharply outperformed other sectors over the last two years.¹⁸

Ouattara pardons predecessor Gbagbo

President **Alassane Ouattara**’s addressed the nation on 6 August in **Yamoussoukro**, the political capital, commemorating Côte d’Ivoire’s 62nd anniversary of independence from French-colonial rule. Ouattara announced during his speech that he would be issuing a pardon to his presidential predecessor **Laurent Gbagbo** (2000-2010) on 6 August. The two leaders, alongside former president **Henri Konan Bedi** (1993-1999) have presided over **Côte d’Ivoire**’s fractious political scene since the 1990s. Ouattara also announced the unfreezing of Gbagbo’s bank accounts.¹⁹

The pardon announcement comes after Ouattara’s meeting with the two presidential predecessors held on 14 July (*See ARC Briefing Côte d’Ivoire July 2022*). The meeting and recent pardoning are part of Ouattara’s reconciliation drive to ease tensions with political rivals, particularly in the lead-up to the 2025 elections.²⁰

Various Ivorian locals reacted positively to the announcement, congratulating Ouattara with one local commenting that Ouattara is “*a man who commands respect through his know-how.*”²¹ However, Gbagbo has attracted global media attention based on his controversial history, particularly after his 2010 election defeat and his indictment of crimes against humanity at the **International Criminal Court (ICC)** in the wake of the 2010 election violence. Gbagbo was acquitted of these charges in 2019 and the acquittal was upheld in 2021 (*see ARC Briefing Côte d’Ivoire Apr 2021*). Gbagbo’s refusal to accept defeat resulted in a civil war which killed approximately 3000 people.²²

Ouattara has presided over a relatively stable decade of power, with the exception of 2020, when dozens of people were killed after Gbagbo and Bedie declared President Ouattara’s third term unconstitutional (*see ARC Briefing Côte d’Ivoire Nov 2020*).

Ouattara has not announced if he will run for a fourth term in 2025 and his predecessors have not indicated their future political ambitions. However, Ouattara has indicated that if he is to step down, Gbagbo and Bedie must simultaneously step down. The future political activities of the three leaders remain unclear, as they have dominated the political scene for three decades. Ivorian political analyst, **Geoffrey Julien Kouao** told **United Kingdom**-based news agency **Reuters** that:

“It would be really interesting if the three figures agreed to withdraw from political life to leave a place for the new generation.”²³

Unsuccessful mediation as soldiers remain in custody in Mali

Togo’s President **Faure Gnassingbe** (2005-present), delegates from the **African Union (AU)**, the **Economic Community of West African States (ECOWAS)**, and the UN met with government officials from Côte d’Ivoire and **Mali** in **Lomé, Togo** on 27-28 July 2022 to mediate a bilateral dispute.²⁴ The mediation efforts were one of three engagements led by Togo to resolve the tensions that arose between Mali and Côte d’Ivoire, after 49 Ivorian soldiers were arrested by Malian authorities on 10 July at **President Modibo Keita International Airport** in **Bamako** (*see ARC Briefing Côte d’Ivoire*

¹⁷ The Star, 22 Jul 2022

¹⁸ Engineering News, 1 Apr 2022

¹⁹ Reuters, 7 Aug 2022

²⁰ Kouaci.com, 6 Aug 2022

²¹ Al Jazeera, 14 Jul 2022

²² Reuters, 7 Aug 2022

²³ Reuters, 7 Aug 2022

²⁴ The Guardian, 28 Jul 2022

July 2022).²⁵ The mediation was deemed unsuccessful as Côte d'Ivoire and Mali were unable to reach an agreement and the Ivorian soldiers remain in custody in Bamako.²⁶

Togo's involvement in the mediation came at the request of Mali's transitional leader, Colonel **Assimi Goïta** (2021-present), who is sceptical of Côte d'Ivoire, ECOWAS and the UN undermining the military-led government's rule. Togo has formerly accepted requests by Mali to mediate including in May 2022 when Togo mediated a conflict between Mali and ECOWAS after ECOWAS pressured Mali to hold democratic elections.²⁷

Mali's ruling military junta justified the arrest of the Ivorian soldiers on the accusation that they are mercenaries who arrived in the country without permission (see *ARC Briefing Côte d'Ivoire July 2022*). On 22 July, during Ouattara's state visit to South Africa, he denied accusations that the Ivorian soldiers were sent to destabilise Mali.²⁸ A UN spokesperson confirmed that the Ivorian soldiers were not official UN peacekeeping soldiers but were sent to provide "*national support elements*" to the UN's **Multidimensional Integrated Stabilisation Mission in Mali (MINUSMA)**.²⁹

Togo's foreign minister, **Robert Dussey**, prior to the 27-28 July meeting, held two separate bilateral meetings with Mali and Côte d'Ivoire. Dussey met with Goïta on 18 July, in the **Presidential Palace** of Lomé. The two leaders signed a joint statement which stated that Goïta is:

*"Open to dialogue and expresses his willingness to work, in accordance with the spirit of fraternity and excellent relations between Mali and Côte d'Ivoire [...] through diplomatic channels, in strict compliance with Mali's sovereignty."*³⁰

The joint statement also indicated that Goïta requested Togo mediate the dispute and that Togo agreed to conduct diplomatic missions to facilitate the mediation between the neighbouring countries. Dussey subsequently met with Ouattara on 19 July in Abidjan. Ouattara also expressed commitment to reaching a rapid solution.

Côte d'Ivoire's communications and the digital economy minister, **Amadou Coulibaly**, commented on 3 August on the mediation efforts and said that talks are ongoing and that "*it could take time*."³¹ Coulibaly affirmed that dialogue between the two is preferred.

The **France**-headquartered news agency, **Africa News** reported that as part of the negotiations, Malian diplomats wanted Côte d'Ivoire to express regret for sending the soldiers. Mali also demanded that Côte d'Ivoire hand over several Malians being held in Côte d'Ivoire.³² Côte d'Ivoire would not appease Mali's demands and is also demanding the immediate release of the Ivorian soldiers.

Fresh discovery of offshore oil and natural gas

Italian hydrocarbon conglomerate, **ENI**, announced the discovery of fresh oil and natural gas deposits in the **Baleine** field of **Assinie**, the south-eastern coast of Côte d'Ivoire.³³ The deposit is located right next to a deposit also discovered by ENI in September 2021 (see *ARC Briefing September 2021*). The new discovery announced on 28 July, significantly boosts Côte d'Ivoire's potential reserves by 25% with estimates increasing from 2 billion barrels to 2.5 billion barrels. Total natural gas supply is also estimated to increase from 2,400 billion cubic feet to 3,300 billion cubic feet.³⁴ The new discovery is referred to as the **Baliene East 1X well**. ENI expects extraction to begin in the first half of 2023.³⁵

²⁵ Africa News, 4 Aug 2022

²⁶ Koaci.com, 11 Aug 2022

²⁷ Africa News, 5 May 2022

²⁸ Africa News, 22 Jul 2022

²⁹ The Guardian, 28 Jul 2022

³⁰ Twitter, 19 Jul 2022

³¹ Africa News, 4 Aug 2022

³² Africa News, 4 Aug 2022

³³ www.eni.com, 28 Jul 2022

³⁴ RFI, 30 July 2022

³⁵ www.eni.com, 28 Jul 2022

ENI runs 90% of the operations with the remaining 10% operated by ENI's partner, the Ivorian state-run **Petroci Holding** based in Abidjan. The profits will be split between ENI (48%) and Côte d'Ivoire's government (48%). In 2018, oil production in Côte d'Ivoire brought 500 billion FCFA (\$784m) to the country's economy.

An economist, **Yao Seraphin Prao**, expects that this new discovery will further boost and diversify the Ivorian economy. Prao believes that profits from the oil and gas deposits will enable the rising price of gas to be subsidised and could spur installations of electric technologies in Ivorian villages.

Cote d'Ivoire has a total of 51 identified oil fields and currently produces approximately 30,000 barrels per day (BPD).³⁶ The country has hopes of becoming a major oil-producing country, however, of its 51 fields only four are under production, 26 remain in exploration and 21 are untapped. Alongside ENI, the **French** oil giant, **TotalEnergies**, signed contracts for exploration in 2019.

³⁶ North Africa Post, 30 Jul 2022

Planner

- 2023 **(Côte d'Ivoire)** Local elections
- 2023 **(Côte d'Ivoire)** Intra-Africa Trade Fair
- 2025 **(Côte d'Ivoire)** Presidential elections

Chronology

- 9 Aug 2022 **Abidjan (Côte d'Ivoire)** *Koaci.com*. The **South African** ambassador to **Côte d'Ivoire**, **H.E. Zolani Mtshotsthis** is received by **Côte d'Ivoire's** reconciliation and national cohesion minister, **Kouadio Konan Bertin** to discuss what Côte d'Ivoire could learn from South Africa after successful reconciliation efforts saw the later former President **Nelson Mandela** take power from the apartheid government in May 1994;
- 8 Aug 2022 **Abidjan (Côte d'Ivoire)** *Sika Finance*. President **Alassane Ouattara** confirms that government has spent 500 billion FCFA (\$777m) in fuel subsidies since January;
- 7 Aug 2022 **Yamoussoukro (Côte d'Ivoire)** *Koaci.com*. **Côte d'Ivoire** celebrates its 62nd year of independence from **French**-colonial rule;
- 6 Aug 2022 **Yamoussoukro (Côte d'Ivoire)** *Koaci.com*. President **Alassane Ouattara** announces the pardoning of his presidential predecessor **Laurent Gbagbo**;
- 3 Aug 2022 **Lyon (France)** *Africa News*. Communications and digital economy minister, **Amadou Coulibaly** comments on the unsuccessful mediation efforts which took place in **Lomé, Togo**, for **Mali** to release 49 Ivorian soldiers. **Coulibaly** says the negotiations would take time;
- 3 Aug 2022 **Lyon (France)** *Africa News*. Defence minister **Tene Birahima Ouattara** meets relatives of the Ivorian soldiers currently in custody in **Mali**. Ouattara states the soldiers were en route to a legal peace-keeping mission in Mali and briefed the family on the expedient diplomatic means the government is using to get back the soldiers;
- 1 Aug 2022 **Abidjan (Côte d'Ivoire)** *Abidjan.net*. Hydrocarbons ministry announces the price of fuel and diesel will be maintained at 735 FCFA (\$1.15) and 615 FCFA (\$0.96) respectively, for August;
- 29 Jul 2022 **Abidjan (Côte d'Ivoire)** *Reuters*. **Ghana** and **Côte d'Ivoire** announce they will increase the premium that cocoa buyers pay for their beans from August in an attempt to tackle poverty among cocoa growers;
- 28 Jul 2022 **Pretoria (South Africa)** *SABC*. **South African** President **Cyril Ramaphosa** hosts President **Alassane Ouattara** for the **South Africa-Côte d'Ivoire Trade and Investment Business Forum**;
- 28 Jul 2022 **Abidjan (Côte d'Ivoire)** *Kouci.com*. A second discovery of oil and gas is made by the **Italian** oil company, **ENI**, off **Assinie**, the southern-eastern coast of **Côte d'Ivoire**;
- 27-28 Jul 2022 **Abidjan (Côte d'Ivoire)** *Koaci.com*. **Togo's** President **Faure Gnassingbe** leads negotiations between government representatives from Côte d'Ivoire and Mali after 49 Ivorian soldiers were arrested in Mali on 10 July;
- 21 Jul 2022 **Abidjan (Côte d'Ivoire)** *Abidjan.net*. **Direction Générale des Impôts (DGI)** (director general of taxes) announces revenue reached 1,684 billion FCFA (\$2.6 billion) in Q1, up 17.2% compared to the same period in 2021;
- 20 Jul 2022 **Abidjan (Côte d'Ivoire)** *Abidjan.net*. The **African Development Bank (AfDB)** and **Japan International Cooperation Agency (JICA)** grants Côte d'Ivoire a loan of 144 billion FCFA (\$27.5m) to enable the country to increase its domestic production of food products to cope with soaring food prices;

18 Jul 2022 **Abidjan (Côte d'Ivoire)** *Sika Finance*. Inflation increases to 5.4% year-on-year in June after dropping to 3.5% in May;

16 Jul 2022 **Abidjan (Côte d'Ivoire)** *Africanews*. **French** armed forces minister **Sébastien Lecornu** meets with President **Alassane Ouattara** to discuss the security situation in the **Sahel**;

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