

AFRICA RISK CONSULTING

Côte d'Ivoire Monthly Briefing February 2024

Côte d'Ivoire Summary 21 February 2024

Coffee and cocoa regulatory body Conseil du Café-Cacao's (CCC) general director Yves Brahima Koné says on 16 February that the CCC will honour all existing cocoa export contracts. The cocoa sector is suffering a series of adverse conditions, including weather conditions and crop diseases, which threaten production levels. Meanwhile, rubber production is up almost 25% compared to last year's figures; this trend is set to continue. Côte d'Ivoire successfully issues the first post-Covid-19 pandemic Eurobonds, raising \$2.6 billion. The United States and Côte d'Ivoire further intensify their security cooperation with an agreement on maritime security signed on 6 February and diplomatic visits that same week. Opposition Parti des peuples africaines – Côte d'Ivoire (PPA-CI) on 5 February expresses solidarity with the move by Mali, Burkina Faso and Niger to leave the Economic Community of West African States.

Conseil du Café-Cacao (CCC) assures all export contracts will be respected

State-run regulatory body **Conseil du Café-Cacao's (CCC)** (coffee and cocoa council) general director **Yves Brahima Koné** told local media on 16 February that CCC would ensure full delivery according to the terms of existing cocoa contracts despite challenges facing the sector.¹ Falling cocoa yields, the result of crop diseases and adverse weather conditions, including unseasonably high temperatures and an exceptionally dry seasonal wind known as harmattan, which contributes to soil erosion have impacted this key sector. Deliveries to the country's ports reportedly fell by 33% between 1 October 2023 and 11 February 2024.² Delivery estimates for the coming campaign – from April through to August – are between 400,000 and 450,000 tonnes, down from 550,000 tonnes the previous year.³ Koné said that his organisation had sold less than 300,000 tonnes for export contracts, which he claims leaves the CCC enough margin to honour all export commitments.⁴

The fall in production – especially in Côte d'Ivoire, which is responsible for 44% of world production – has also led to unprecedented benchmark prices for cocoa futures, with the price for March deliveries breaking through the \$6,000 per tonne mark for the first time in history on 9 February.^{5,6} However, the government-guaranteed minimum price for planters in Côte d'Ivoire remains at CFA1,000 (\$1.65) per kg, which is well below what planters say is needed to repair environmental damage and maintain or increase productivity.⁷ The problem is structural, already raising fears for cocoa deliveries next year.⁸

While the cocoa sector in Côte d'Ivoire remains morose, rubber production continues its upward trend. Côte d'Ivoire is already Africa's leading rubber producer and intends to maintain that position. In 2023, production reached 1.68 million tonnes, up almost a quarter on the previous year⁹. The sector enjoys full government support, as confirmed by agriculture minister **Kobenan Kouassi**

¹ Agence Ecofin, 16 Feb 2024

² Agence Ecofin, 16 Feb 2024; Agence Ecofin 7 Feb 2024

³ Agence Ecofin, 7 Feb 2024

⁴ Agence Ecofin, 16 Feb 2024

⁵ Agence Ecofin, 3 Feb 2024

⁶ Agence Ecofin, 12 Feb 2024; Reuters, 10 Feb 2024

⁷ Agence Ecofin, 7 Feb 2024

⁸ Reuters, 10 Feb 2024

⁹ Agence Ecofin, 15 Feb 2024

Adjoumani, during an annual ceremony sponsored by a major player in the country's rubber sector, **Olam Afri Rubber Côte d'Ivoire**. The minister gave his support for programmes that seek to diversify agricultural production, allowing cash crop growers to also grow their own food and bring some of their food crop produce to market.¹⁰ He said that his ministry has an overall agriculture diversification policy but did not say whether this also included the cocoa sector.

Côte d'Ivoire issues Eurobonds and raises \$2.6 billion

On 22 January, Côte d'Ivoire successfully issued two **Eurobonds** maturing in 2033 and 2037 with interest rates of 6.30% and 6.85% respectively. Consistent high growth rates in a low inflation environment and a context of relative political stability have contributed to the success of the first post-**Covid-19** bond issuance in **Sub-Sahara Africa**.¹¹ Another factor is renewed investors' interest in certain Sub-Saharan African countries' sovereign debt, which had waned during the pandemic. Côte d'Ivoire is well-placed among those, thanks to the government's macroeconomic policies that have resulted in the perception among international investors that the risks of buying into its bond sales are manageable.¹²

Côte d'Ivoire will continue issuing Eurobonds in the coming months and years and use the revenues to finance costly infrastructure projects, including the estimated \$1.5 billion invested in the renovation and construction of roads, bridges, health and tourism facilities in the south, the centre and the north of the country, related to the just-ended **African Nations Cup** and beyond this event (see *ARC Briefing Cote d'Ivoire Jan 2024*).¹³ It also allows the country to once again source funds away from the regional **Union Economique et Monétaire Ouest Africaine (UEMOA)** (West African monetary union) market, to which it was mostly confined during the post-Covid period.

The United States and Côte d'Ivoire intensify their security cooperation

Foreign minister **Léon Kacou Adom** and the **United States** ambassador to Côte d'Ivoire **Jessica Davis Ba** on 6 February signed an agreement on maritime security that had taken four years to prepare and had been negotiated since March 2021.¹⁴ Approximately 90% of Côte d'Ivoire's external trade is maritime and sea-borne trade routes also contribute 80% of the country's customs revenues.¹⁵ However, the **Gulf of Guinea**, on which Côte d'Ivoire is located, has also seen an increase in piracy, illegal fishing and drug trafficking. Through this agreement, both countries commit to working more closely to combat these activities, specifically through having the **US Coast Guard** working with their Ivorian counterparts, enhancing the latter's capacity¹⁶.

Similarly, interior and security minister **Vagondo Diomandé** met with US under-secretary for civil security, democracy and human rights **Uzra Zeya** in **Abidjan** on 2 February to discuss reform of the Ivorian justice system and the fight against corruption, terrorism and drug trafficking¹⁷. Another issue the two ministers discussed concerned ways in which to create or improve trust between local communities and the security forces, in order to contribute to a better security environment. Côte d'Ivoire was subjected to one major terrorist attack in 2016 and several incursions between 2019 and 2021, which appear to have died down since.

Zeya's visit comes in the wake of that of US secretary of state **Antony Blinken**'s in January. Zeya, like Blinken, praised Côte d'Ivoire's leadership role in combating terrorism and organised crime and especially its multi-faceted approach that appears to have contained the problem. US-Ivorian

¹⁰ Afrik Soir, 15 Feb 2024

¹¹ The East African, 3 Feb 2024

¹² The East African, 3 Feb 2024; Koaci, 30 Jan 2024

¹³ L'Infodrome, 13 Feb 2024

¹⁴ L'Infodrome, 7 Feb 2024; Koaci, 6 February 2024

¹⁵ L'Infodrome, 7 Feb 2024

¹⁶ L'Infodrome, 7 Feb 2024; Koaci, 6 Feb 2024

¹⁷ L'Infodrome, 5 Feb 2024; Agence Ecofin, 6 Feb 2024

cooperation has, among other things, translated into a \$90 investment in human security over the past two years.¹⁸

Opposition supports Sahel states withdrawal from ECOWAS

Two-and-a-half weeks after **Mali, Burkina Faso and Niger** on 28 January announced their official immediate withdrawal from the **Economic Community of West African States**, government spokesman **Amadou Coulibaly** read a declaration noting that Côte d'Ivoire, as an individual state, had no comment to make on the move of the three **Sahelian** states, currently under military rule. Coulibaly simply noted that the country aligns itself with the ECOWAS decisions,¹⁹ So far, ECOWAS has only said that it "*regrets*" the decision made by the three military-run Sahel states and it remains open to dialogue.²⁰

By contrast, the **Parti des peuples africains – Côte d'Ivoire (PPA-CI)**, created and run by former president **Laurent Gbagbo** (2000-2011), issued a statement as early as 4 February, in which its executive president **Sebastien Djano Djédjé** qualified the decision as both regrettable but also "*easily predictable*".²¹ He added that the party would continue to offer its "*complete and total solidarity with the brotherly peoples of Burkina Faso, Mali and Niger, who for as long as a decade are facing existential threats.*"²² Djédjé repeated talking points often made by Gbagbo himself, referring to ECOWAS as a body that was doing the bidding of unnamed foreign powers (widely understood to be **France**), that had also decided the outcome of the 2010 elections in Côte d'Ivoire, which Gbagbo lost and contested, leading to the 2010 – 2011 civil war.²³ The party also mentioned the sanctions, which it believes are excessive and inhuman, and the threat of an ECOWAS intervention in post-coup Niger as postures that have led to the departure of the three Sahel states from the regional body.²⁴

The PPA-CI failed to make an electoral impact at the last local elections held in 2023 and though it is expected that the party will field Gbagbo as a candidate for the 2025 presidential elections, it will not play a significant role in the forthcoming poll, expected to be between **Tidiane Thiam**, elected leader of the **Parti démocratique de Côte d'Ivoire (PDCI)**, and a candidate that should emerge from a leadership contest within President **Alassane Ouattara's** (2010-present) **Rassemblement des houphouëtiste pour la démocratie et la paix (RHDP)**. It is telling that neither party nor the Ivorian government has found it necessary to respond to the PPA-CI's stance.

Planner

2025 (**Côte d'Ivoire**) Presidential elections

Chronology

20 Feb 2024 **Abidjan (Côte d'Ivoire)** *APA News*. National assembly president **Adama Bictogo** meets with **Egypt's** house of representatives president **Hanady Ali Gebaly** to strengthen parliamentary cooperation ties;

20 Feb 2024 **Abidjan (Côte d'Ivoire)** *Sika Finance*. National statistics institute reports annual inflation stood at 3.1% in January, down from 3.9% in February;

¹⁸ L'Infodrome, 5 Feb 2024

¹⁹ L'Infodrome, 14 Feb 2024; Koaci, 14 Feb 2024

²⁰ L'Infodrome, 14 Feb 2024

²¹ Afrik Soir, 6 Feb 2024

²² Afrik Soir, 6 Feb 2024

²³ Afrik Soir, 6 Feb 2024

²⁴ Koaci, 5 Feb 2024

17 Feb 2024 **Abidjan (Côte d'Ivoire)** *Reuters*. **International Monetary Fund (IMF)** confirms it has reached a staff-level agreement with authorities for a \$1.3 billion programme to fight climate change supported by the **Resilience and Sustainability Facility (RSF)**;

16 Feb 2024 **Abidjan (Côte d'Ivoire)** *Sika Finance*. Authorities confirm that air traffic returned to pre-**Covid-19** levels as of September 2023;

16 Feb 2024 **Abidjan (Côte d'Ivoire)** *Frat Mat*. **Port of Abidjan** general director **Hien Sie** says freight traffic peaked at 34.8 million tonnes at the end of 2023 compared to 28.6 million in 2022;

15 Feb 2024 **Abidjan (Côte d'Ivoire)** *Agence Ecofin*. Government approves two gold research permits for **West Africa Mineral Resources Côte d'Ivoire SARL**;

7 Feb 2024 **Abidjan (Côte d'Ivoire)** *Agence Ecofin*. **Australia**-headquartered **Aurum Resources** announces fundraising of \$4.5m through a share placement to finance exploration programmes at its recently acquired **Boundiali** gold project;

6 Feb 2024 **Abidjan (Côte d'Ivoire)** *Bloomberg*. Industry experts say prolonged weather crises risk leading to a cocoa bean shortfall of 70,000 to 100,000 tons compared with contracted main-crop sales;

1 Feb 2024 **Abidjan (Côte d'Ivoire)** *APA News*. Côte d'Ivoire's rank on **Transparency International's 2023 Corruption Perceptions Index (CPI)** climbs from 99th out of 180 countries in 2022 to 87th out of 180, with its score increased from 37/100 to 40/100, indicating that anti-corruption efforts are progressing;

1 Feb 2024 **Abidjan (Côte d'Ivoire)** *APA News*. **Japan International Cooperation Agency (JICA)** confirms it engaged in three loans projects in Côte d'Ivoire in 2023 for a value of \$400m, one of largest programmes in **sub-Saharan Africa**;

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