

AFRICA RISK CONSULTING

Côte d'Ivoire Monthly Briefing May 2024

Côte d'Ivoire Summary 27 May 2024

President Alassane Ouattara (2010-present) and Martino de Ciccio, CEO of the Canada-headquartered Montage Gold, on 2 May announce the largest gold discovery in the country's history. United States-headquartered rating agency Standards & Poor affirms Côte d'Ivoire's long-term foreign currency rating at BB- and raises its outlook from stable to positive. Senegal's President Bassirou Diomaye Faye (2024-present) meets with Ouattara on 7 May, highlighting long-standing deep ties and assuring continued good relations. Air Côte d'Ivoire continues its steady expansion plans with the opening of a new route to Casablanca (Morocco) on 14 May.

Ouattara and the CEO of Montage Gold of Canada announce a major gold find

President **Alassane Ouattara** (2010-present) and **Canada**-headquartered **Montage Gold's** CEO **Martino de Ciccio** held a joint press conference at the presidential residence on 2 May to announce the largest gold discovery in **Côte d'Ivoire's** history.¹ The site, dubbed **Project Koné** and located in the **Woroba District**, is estimated to contain 155 tonnes of gold and has an expected life span of 20 years.²

On 10 May, the environment, sustainable development and ecological transition ministry granted Montage Gold the environmental approvals it needed to start developing the site. Given that the project already had the attention of the government at the highest level, obtaining this permit was only a question of time. Montage Gold itself thanked the high levels of collaboration it received from what it terms "*stakeholders at all levels*".³

Montage Gold expects to invest CFA 400 billion (\$663m) into the project and create 2,500 direct jobs in the construction phase of the mine.⁴ The company also expects to invest CFA 20 billion (\$33m) into the mandatory local development fund during the mine's lifespan. The company also said it will prioritise Ivorian nationals for positions within the operation, in compliance with existing government regulations, which stipulate the importance of employing the maximum number of Ivorian nationals possible. New laws are in preparation that will tighten the requirements with respect to maximising local content by sub-contracting out as much work as possible to local entrepreneurs.⁵ Construction of the mine is set to begin in the fourth quarter of 2024 and production will commence in 2027. During the first eight years of the mine's operation, production is expected to be in the 300,000 ounce per year range.

The find fits very well with Côte d'Ivoire's ambition to diversify the economy, which has been heavily reliant on commercial agriculture since before independence in 1960. While the transformation of the dominant cocoa crop is likely to remain small-scale and local, extraction, manufacturing and transformation of agriculture crops for the regional market are avenues the government continues to actively explore.

On 15 May, economy minister **Adama Coulibaly** announced that his country had increased gold production in 2023 to 50.45 tonnes, up a significant 5.4% from 2022 and placing Côte d'Ivoire among the top 5 **West African** gold producers.⁶

¹ Fraternité Matin, 3 May 2024

² Sika Finance, 2 May 2024

³ Montage Gold press release, Abidjan, 9 May 2024

⁴ Sika Finance, 2 May 2024

⁵ African Business, 17 May 2024

⁶ Sika Finance, 15 May 2024

S&P changes Côte d'Ivoire's status from positive to stable

United States-headquartered **S&P** published its latest rating action for Côte d'Ivoire on 17 May, affirming its long-term foreign currency rating at BB- and raising its outlook from stable to positive. This rating's action places Côte d'Ivoire third in **sub-Saharan Africa**, after **Mauritius** (BBB-) and **Botswana** (BBB+) and means it has overtaken **South Africa** to become the best-rated sovereign in sub-Saharan Africa with foreign debt outstanding.⁷ Côte d'Ivoire's relatively good credit rating is based on a number of positives, including the strength of the country's economic performance with the **International Monetary Fund (IMF)** forecasting growth of 6.5% for 2024.⁸ Contributing to this above-par performance are the country's increasing commodity exports, continued stability, the government's successful fiscal reforms and continued donor support for those reforms. The S&P rating follows a trend that has also been reflected by fellow US-based credit agency **Moody's**, which raised its rating of Côte d'Ivoire to Ba2 in March.⁹

More recent events have served to further solidify the country's financial position. In January, Côte d'Ivoire marked the return of sub-Saharan Africa to the international capital markets by raising \$2.6 billion on two **Eurobonds** it issued, a performance that exceeded expectations. At roughly the same time, the **World Bank** and the IMF expressed confidence in the government's fiscal consolidation efforts - essentially capping spending while mobilising more revenue - by concluding new concessionary financing arrangements. The World Bank provided \$300m in budget financing in December 2023 while the IMF executive board in March approved a 30-month **Resilience and Sustainability Facility (RSF)** arrangement for Côte d'Ivoire, worth the equivalent of \$1.3 billion. These arrangements are focused on measures to combat the effects of climate change, to which the country's commercial agriculture-based economy is particularly vulnerable.¹⁰

Senegal's newly elected president pays an official visit to Abidjan

Senegal's President **Bassirou Diomaye Faye** (2024-present) arrived in **Abidjan** for an official visit on 7 May, making it one of his first trips abroad following his election in March.¹¹ After a lengthy conversation with Ouattara, the two men held a press conference at which they explained the range of issues they had discussed. These included economic cooperation, dealing with the major threats that extremism and terrorism pose to the region, ways to increase trade and economic cooperation between their two countries and the preservation of the regional bodies, the **Economic Community of West African States (ECOWAS)** and the **West African Monetary Union (WEAMU)**, where the CFA franc is the common currency.

Ouattara mentioned "*a total convergence*" of views between the two men regarding these issues, while Faye wished for more and deeper cooperation between the two countries.¹² The underlying message was also very much directed at the three military-run central **Sahel** states of **Mali**, **Burkina Faso** and **Niger**, whose ruling juntas had been making overtures to Faye who won the election on a promise of a break with the past. Faye's very warm rapport with the Ivorian president indicates that while reforms are very much envisaged, the Senegalese leadership also wishes to have continuity in its regional relationships and that dramatic breaks with for instance WEAMU and/or ECOWAS are for the moment not envisioned.¹³ At the end of the visit, Faye invited his Ivorian counterpart for a counter-visit to Senegal.

Air Côte d'Ivoire makes progress in expansion plans

Air Côte d'Ivoire on 14 May opened the route to its 26th destination, **Casablanca (Morocco)**, its first expansion into **North Africa** with **Paris (France)** expected to become the airline's first

⁷ Sika Finance, 22 May 2022

⁸ Business Insider Africa, 20 May 2024

⁹ News 24, 20 May 2024

¹⁰ IMF Press release, 15 March 2024

¹¹ L'Inter, Abidjan, 7 May 2024

¹² Fraternité Matin, Abidjan, 8 May 2024

¹³ Le Matin, Abidjan, 8 May 2024.

intercontinental destination at year-end.¹⁴ The airline now nominally has eleven aircraft, of which ten are in active service. To serve its expansion programme, which has been described as slow but financially stable, two A300neos are expected at the end of this year.¹⁵ In international terms, the programme follows the presence of the Ivorian diaspora, which is strong in France but also significant in **Italy, Canada, the United Kingdom (UK)** and the US.¹⁶

A significant part of the fleet's financing has been assured since 2017 by the **South Africa**-based bank **Investec**. The bank says it will continue to play a key role in the gradual expansion of the company's fleet and network. **Sétié Aubin Konan**, head of structured finance at Air Côte d'Ivoire assessed the bank's role as follows: "

*...[the] success of this [latest] transaction shows the strength of the ties that have connected us to Investec for all these years, supporting our expansion and modernisation program as well as the rejuvenation of our fleet."*¹⁷

Air Côte d'Ivoire operates one of the youngest fleets in West Africa, with an average age of 9.1 years¹⁸.

Planner

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

Chronology

23 May 2024 **Abidjan (Côte d'Ivoire)** *Agence Ecofin*. Council of ministers approves three decrees granting mining research permits to three companies for gold and lithium deposits;

20 May 2024 **Abidjan (Côte d'Ivoire)** *S&P*. Côte d'Ivoire overtakes **South Africa** as the best-rated sovereign in **sub-Saharan Africa** with foreign debt outstanding following **United States**-headquartered **S&P Global Rating** decision to lift the country's outlook from positive to stable and affirm its BB- credit rating;

15 May 2024 **Abidjan (Côte d'Ivoire)** *Sika Finance*. **Canada's Awalé Resources** announces a potential investment of \$10m by **United States**-based **Newmont** in exploration at its **Odienne** project which holds an estimated two million ounces of gold;

14 May 2024 **Abidjan (Côte d'Ivoire)** *Sika Finance*. Côte d'Ivoire raises \$83.36m on the **West African Monetary Union (WAMU)** public securities market;

11 May 2024 **Abidjan (Côte d'Ivoire)** *Sika Finance*. Economy ministry announces that gold production reached a record high of 50.45 tonnes in 2023, a 5.4% increase compared to 2022

10 May 2024 **Abidjan (Côte d'Ivoire)** *APA News*. Opposition **Parti des peuples africains – Côte d'Ivoire (PPA-CI)** elects **Laurent Gbagbo** as its candidate for the 2025 presidential election

9 May 2024 **Abidjan (Côte d'Ivoire)** *Agence Ecofin*. Environment ministry issues an environmental permit for the construction of the **Koné** gold mine, owned by Canada's **Montage Gold**, set to be the largest gold mine in the country

7 May 2024 **Abidjan (Côte d'Ivoire)** *Sika Finance*. **Senegal's** President **Bassirou Diomaye Faye** arrives in Abidjan to meet President **Alassane Ouattara**

7 May 2024 **Abidjan (Côte d'Ivoire)** *Agence Ecofin*. Cocoa exporters request a meeting with the **Conseil du Café-Cacao (CCC)** (coffee-cocoa council) to discuss financial support as shortages impact their livelihoods

¹⁴ Agence Ecofin, 22 May 2024

¹⁵ Simple Flying, 28 January 2024

¹⁶ Simple Flying, 28 January 2024

¹⁷ Air Journal, 14 May 2024

¹⁸ www.airfleets.net

2 May 2024 **Abidjan (Côte d'Ivoire)** *Sika Finance*. President **Alassane Ouattara** hosts a press conference with **Canada**-headquartered **Montage Gold's** CEO **Martino de Ciccio** to announce the discovery of a significant gold deposit in the north of the country that could mobilise an initial investment of \$655m

2 May 2024 **Abidjan (Côte d'Ivoire)** *APA News*. **European Union (EU)** provides 6 billion FCFA (\$9.84m) to support sustainable food production;

30 Apr 2024 **Abidjan (Côte d'Ivoire)** *US Embassy*. A **United States** military delegation concludes a visit to Abidjan focused on strengthening **United States Africa Command (AFRICOM)** partnerships with Côte d'Ivoire;

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