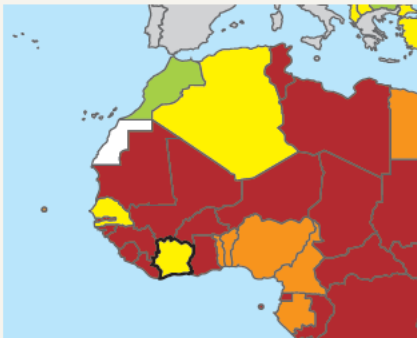


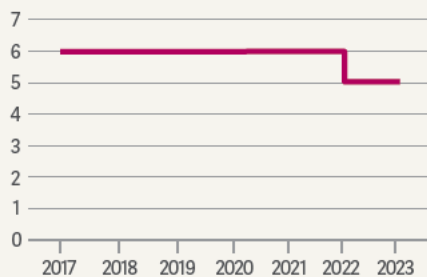
## Basic facts (2022)

Population: 28 million  
 GDP, nominal: USD 70 billion  
 GDP/capita: USD 2 468



The country risk categories are arranged on a scale from 0 to 7. The lower the figure, the better the country's creditworthiness

## Country classification history



Source: EKN

## Strengths

- + Stable growth
- + Relatively strong macroeconomy
- + WAEMU anchors government finances and currency

## Weaknesses

- Unresolved domestic political conflicts increase the risk of political instability
- The raw materials economy is exposed to price changes in export commodities and global warming
- Relatively weak business climate

## Politics continues to dominate the risk picture

Côte d'Ivoire's economy is still undergoing rapid transformation, as it has since the end of its civil war in spring 2011. Over the past decade, GDP per capita has grown by an average of four per cent per year in real terms, which represents a significant growth rate compared to other African economies. This has contributed to relatively stable public finances. In addition, Côte d'Ivoire is a member of the West African Economic and Monetary Union (WAEMU) in which the currency is pegged to the euro and guaranteed by France. The currency zone promotes macroeconomic stability in the form of low rates of inflation, relatively small movements in currency exchange rates, and reduced transfer risk both within the zone as well as against hard currencies. WAEMU also allows the central government to borrow in CFA on the regional capital market, which reduces the refinancing risk compared to if only the domestic market had been available. The growth is largely natural resource-driven in the form of agriculture, gold mining and oil extraction, albeit an emerging food and textile industry is also contributing. Climate change has a bearing on the country risk due to the large agricultural sector and the low level of personal income. Côte d'Ivoire is particularly vulnerable to damaging floods and droughts. In addition, the oil and gas industry are important for maintaining a high growth rate, which implies some transition risk. Côte d'Ivoire is a high-cost producer of oil/gas and thus particularly sensitive to a long-term decline in global demand. Furthermore, the natural resource-based economy is sensitive to fluctuations in the prices of cocoa, coffee, and oil in the global markets. Cocoa accounts for nearly 40 per cent of the country's exports.

Côte d'Ivoire's domestic politics continue to dominate the risk picture. The recent history of Côte d'Ivoire has been marred by a deadly spiral of political conflicts, and the country remains severely divided. The civil wars of 2000-2007 and 2010-2011 severely battered the economy and led to several government defaults, most recently in 2011. Extensive military unrest occurred in both 2014 and 2017. President Alassane Ouattara has ruled Côte d'Ivoire since 2010 and is now in his third term, which is controversial, as the country's Constitution only allows for two terms. Ouattara initially did not intend to run for a third term in the 2020 elections but reversed himself after the sudden death of his intended successor Gon Coulibaly in August 2020.

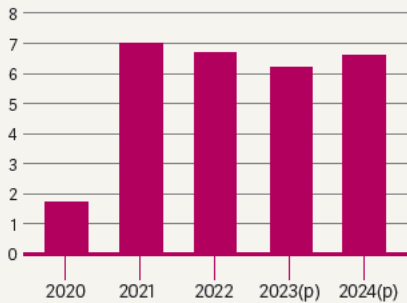
## Continued resilience in the economy

The economy continues to recover from the effects of the coronavirus pandemic at a rapid pace. Over the past two years, the economy has grown by an average of almost 7% per year, making Côte d'Ivoire one of the fastest growing economies on the continent. The economy is also expected to grow at 6-7 per cent per year over the next two years. Stable gold and cocoa prices have supported growth during the crisis years and will continue to contribute positively going forward. Inflation has started to return to previous levels, after peaking at over five per cent in 2022. WAEMU membership is helping to slow down price increases. Over the next two years, inflation is expected to fall below two per cent again, a very low rate from an African perspective.

Government finances are also expected to improve over the next two years,

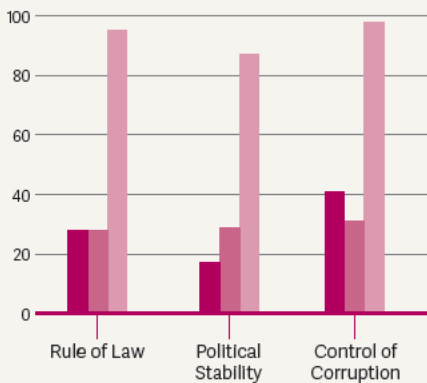
# Ivory Coast

## Real GDP growth (constant prices, % per annum)



Source: IMFWEQ, Macrobond

## Business environment



■ Ivory Coast  
■ Africa South of the Sahara  
■ Sweden

Ranking from 0 (worst) to 100 (best)

Source: The World Bank, Macrobond

## Swedish export to Ivory Coast

Year	MSEK
2022	421
2021	285
2020	244
2019	243
2018	192

Source: SCB

## EKN:s exposure

Category	MSEK
Guarantees	2 318
Offers	2 885

largely due to strong growth and declining fiscal deficits. According to the IMF's latest projections, public debt will peak at 63 per cent of GDP in 2023 and then slowly fall below 60 per cent. The cost for the public debt remains moderate. The interest cost of public debt represents approximately 16% of revenues. For comparison purposes, neighbouring Ghana's is close to 60%. Low central government revenues continue to be a weakness in the government's finances, as does a large external public debt in relation to the country's foreign exchange reserves. The WAEMU common foreign exchange reserves are equivalent to just over four months of import cover, which is a weakening compared to the previous year. In 2023, Côte d'Ivoire chose to apply for an IMF programme worth USD 3.5 billion over three years, which is expected to improve its creditworthiness. The programme aims to reduce the fiscal deficit to 3% of GDP, which is the maximum fiscal deficit allowed for WAEMU countries. Increased taxes and improved tax administration will contribute to reducing the deficit. In 2023, risk margins on the country's outstanding Eurobonds have fallen back further and are approaching 400 basis points. This will allow Côte d'Ivoire to borrow on international capital markets at interest rates similar to those before the pandemic. Due to this positive development, EKN upgraded Côte d'Ivoire to country risk category 5 (as of October 2022).

Domestic politics continues to be the major concern in the country risk, especially in view of the 2025 presidential elections and the recent coup d'états in West Africa. The underlying currents of political conflict remain in the country, while low GDP/capita and widespread poverty contribute to the risks of social unrest. Widespread poverty is one of the primary reasons for the military takeovers that have taken place in Guinea, Burkina Faso, Mali, Chad, Niger and Gabon. A fertile ground therefore exists for a similar scenario in Côte d'Ivoire, especially if Mr Ouattara goes too far in his attempts to secure power for the ruling RHDP party. However, the most likely scenario is that Côte d'Ivoire will remain reasonably stable for the next 3-5 years.

Several factors contribute to this. Compared to ten years ago, political divisions within the country have diminished, governmental institutions are stronger, and the main antagonists of the war are on their way out of politics. Mr Ouattara (80) is unlikely to run for President in 2025 due to his age and the fact that it would be his fourth term in office. It is looking more and more likely that the current Prime Minister Patrick Achi will succeed him.

Mr Gbagbo (77) has lost political influence in recent years, partly as a result of reconciliation initiatives and partly because of an alliance between the RHDP and Gbagbo's former party, the FPI. In early August 2023, the third major figure in the civil war, Mr Bédié, passed away at the age of 89. Local elections, held in September 2023, were peaceful and resulted in a major victory for the RHDP, which won in 25 out of 31 regions. Compared to Burkina Faso and Mali, where the coup contagion was largely driven by the deteriorating security situation, the security situation in Côte d'Ivoire is also much better. Whilst the threat from Islamist groups has increased in the north of the country, attacks have so far been relatively few and small-scale. The government has increased its military presence in the north of the country and is investing resources to strengthen access to food supply in vulnerable areas. Côte d'Ivoire also has significant financial and military support from France and the United States, which are reluctant to see developments similar to those in the Sahel.

## Business environment

Strong growth, a low level of inflation, and a stable currency provide the basis for a relatively favourable business environment in Côte d'Ivoire. A high level of growth is central to the country's stability, resulting in government policies that are relatively business friendly. However, an extensive bureaucracy and a complex tax system are weaknesses. The level of corruption in the country remains at relatively high levels – Côte d'Ivoire is ranked 99th out of 180 in Transparency International's 2022 Corruption Perceptions Index, significantly worse than Ghana and Senegal, for example, which are ranked 72nd. The high level of corruption affects the legal system, which is generally weak. As a result, civil litigation can be a time-consuming process and outcomes are very uncertain, as is the case with bankruptcy proceedings.

## EKN:s policy

EKN classifies Côte d'Ivoire in country risk category 5 and applies a normal risk assessment for government risks, banks, and companies. Thus, there are no pre-defined requirements in the cover policy regarding the provision of guarantees to these categories of buyers. As in most other African countries, EKN is closed for sub-sovereign risks. In transactions with these types of buyers, a letter of credit, bank guarantee or government guarantee is a mandatory requirement.

## EKN:s commitment and experience

EKN's exposure consists primarily of sovereign risk in the form of one bus project and one water treatment project. In addition to water treatment and transport, EKN has exposure in the mining sector, the pulp and paper industry and the telecom industry. In general, the payment experience has been good. Current arrears and claims relate to transactions with non-governmental purchasers in the transport industry. The payment experience in the other OECD countries continues to be good, according to the latest reports from other export credit agencies.