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## **Côte d'Ivoire—Recent Economic Developments**

This report on recent economic developments in Côte d'Ivoire was prepared by a staff team of the International Monetary Fund as background documentation for the periodic consultation with this member country. As such, the views expressed in this document are those of the staff team and do not necessarily reflect the views of the Government of Côte d'Ivoire or the Executive Board of the IMF.

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INTERNATIONAL MONETARY FUND

COTE D'IVOIRE

Recent Economic Developments

Prepared by a staff team consisting of  
Mr. C.A. François (head-AFR), Mr. M. Galy (AFR),  
Mr. J. Mueller (AFR), Mr. R. Harmsen (PDR),  
Ms. V. Bedague (FAD), Mr. J. Le Dem (PDR), and  
Mr. P. van den Boogaerde (resident representative)

Approved by the African Department

November 29, 1995

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COTE D'IVOIRE - Basic Data

Area, population, and GDP per capita

Area	322,463 square kilometers
Resident population	
Total (1992 est.)	12.9 million
Growth rate (1987-92)	3.6 percent
GDP per capita (1994)	CFAF 277,045 equivalent to US\$499

1991      1992      1993      1994

Gross domestic product

(In billions of CFA francs)

(National accounts, base 1986)  
(in current prices)

Total	2,960	2,945	2,921	4,158
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(In percent of GDP)

Primary sector	33.5	33.8	34.5	30.9
Secondary sector	21.5	21.1	21.3	21.3
Tertiary sector	45.0	45.0	44.2	47.8
Consumption	89.5	90.7	89.9	80.7
Total investment	7.5	8.4	8.5	10.5
Fixed investment	(8.5)	(8.7)	(9.0)	(10.6)
Change in stocks	(-1.0)	(-0.3)	(-0.5)	(-0.1)
Resource balance	3.0	0.9	1.7	8.8
Gross domestic savings	28.1	28.2	27.0	29.7

(Percent change in constant prices)

Consumption	0.1	-0.5	-0.7	-4.0
Private	(3.0)	(-0.2)	(-0.7)	(-5.3)
Public	(-12.9)	(-2.2)	(-1.0)	(2.0)
Fixed investment	2.7	2.9	5.0	11.8
Exports of goods and services	-7.8	5.5	-24.6	4.2
Imports of goods and services	4.7	3.3	1.8	-0.3
GDP	--	--	-0.6	1.7

Prices

(Percent change)

Implicit GDP deflator	0.7	-0.5	-0.2	39.9
Consumer price index	1.6	4.4	-3.4	32.7



COTE D'IVOIRE - Basic Data (continued)

	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>
<u>Central government finances</u>	<u>(In billions of CFA francs)</u>			
Revenue	592	609	533	877
Expenditure	884	894	885	1,161
Of which: current expenditure	(782)	(769)	(796)	(969)
Balance (payment order basis)	-292	-265	-352	-284
Foreign financing (net, excl. arrears)	86	43	-37	781
Domestic financing (net)	198	150	157	-44
Change in arrears	8	72	232	-453
	<u>(In percent of GDP)</u>			
Revenue	20.0	20.7	18.3	21.1
Current expenditure	26.4	26.1	27.3	23.3
Capital expenditure	3.5	3.6	3.0	4.6
Balance (payment order basis)	-9.9	-9.0	-12.0	-6.8
<u>Money and credit</u>	<u>(In billions of CFA francs; end of period)</u>			
Net foreign assets	-556	-571	-658	-135
Net domestic credit	1,387	1,386	1,437	1,280
Credit to the Government	(251)	(358)	(652)	(528)
Credit to the economy	(1,136)	(1,028)	(785)	(752)
Money and quasi-money	831	815	779	1,145
<u>Balance of payments</u>	<u>(In millions of U.S. dollars)</u>			
Exports, f.o.b.	2,705	2,945	2,615	2,896
Of which: cocoa	(885)	(961)	(861)	(922)
coffee	(238)	(204)	(204)	(225)
Imports, f.o.b.	-1,709	-1,862	-1,637	-1,563
Trade balance	996	1,083	978	1,333
Services (net)	-1,679	-1,760	-1,820	-1,253
Transfers (net)	-240	-313	-164	-236
Current account	-923	-940	-1,006	-156
Official capital (net) (medium- and long-term)	-69	-304	64	676
Monetary and other capital and errors and omissions (net)	-18	-18	-18	-20
Overall surplus/deficit	-1,009	-1,312	-960	500

## I. Macroeconomic Developments 1/

### 1. Recent economic developments in perspective

Following a period of strong and sustained economic growth during the 1970s--with GDP growing at an annual rate close to 8 percent in an environment of rising international commodity prices--Côte d'Ivoire entered into a protracted economic slump, which resulted from adverse external shocks that affected an economy marked by structural rigidities, limited diversification, and deficiencies in the implementation of macroeconomic policies. The price stabilization mechanism on cocoa and coffee, which had been put in place during the period of rising commodity prices, allowed the Government to capture a significant part of windfall profits and to boost government revenue accordingly. This allowed the authorities to launch an important public investment program in infrastructure, which accounted for up to 25 percent of GDP by 1978. Subsequently, when international commodity prices began to fall, the Government resisted adjusting its spending behavior and instead began accumulating deficits, which were financed mainly by borrowing abroad.

In the 1980s, efforts to restore internal and external balances were left to fiscal policy, as resort to an exchange rate realignment had been ruled out. The burden of adjustment was put mainly on spending, owing to weaknesses in tax collection and difficulties in implementing tax reforms. Public investment had declined to less than 4 percent of GDP by 1990. However, efforts to rein in the budget deficit and to put Côte d'Ivoire back on a sustainable growth path were thwarted by the increase in debt service, which was amplified by the hike in international interest rates during the first part of the 1980s and the collapse of cocoa and coffee prices between 1985 and 1993, as well as structural rigidities. By 1993, following several years of high budget deficits, the public debt/GDP ratio had nearly tripled compared with the level prevailing in the late 1970s, reaching 205 percent, 80 percent of which was owed to foreign creditors. Attempts to improve the fiscal balance, coupled with structural deficiencies and the deterioration in the terms of trade, heightened the economic slump, pushing GDP growth below 1 percent on average during the period 1988-93.

In view of the high costs of the internal adjustment strategy and its limited results, the Ivoirien authorities decided, in January 1994, in concert with other members of the CFA franc zone, to adopt a broadly based adjustment strategy involving a 50 percent realignment of the parity of the CFA franc in terms of the French franc. The devaluation-induced change in relative prices was instrumental in restoring Côte d'Ivoire's competitiveness, which was also boosted by the strengthening of macroeconomic policies, substantial structural reforms, a general

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1/ For a detailed overview of the structure of the Ivoirien economy, see the 1992 paper on recent economic developments (SM/92/224).

improvement in the world economic environment, and a strong increase in international commodity prices.

## 2. Output 1/

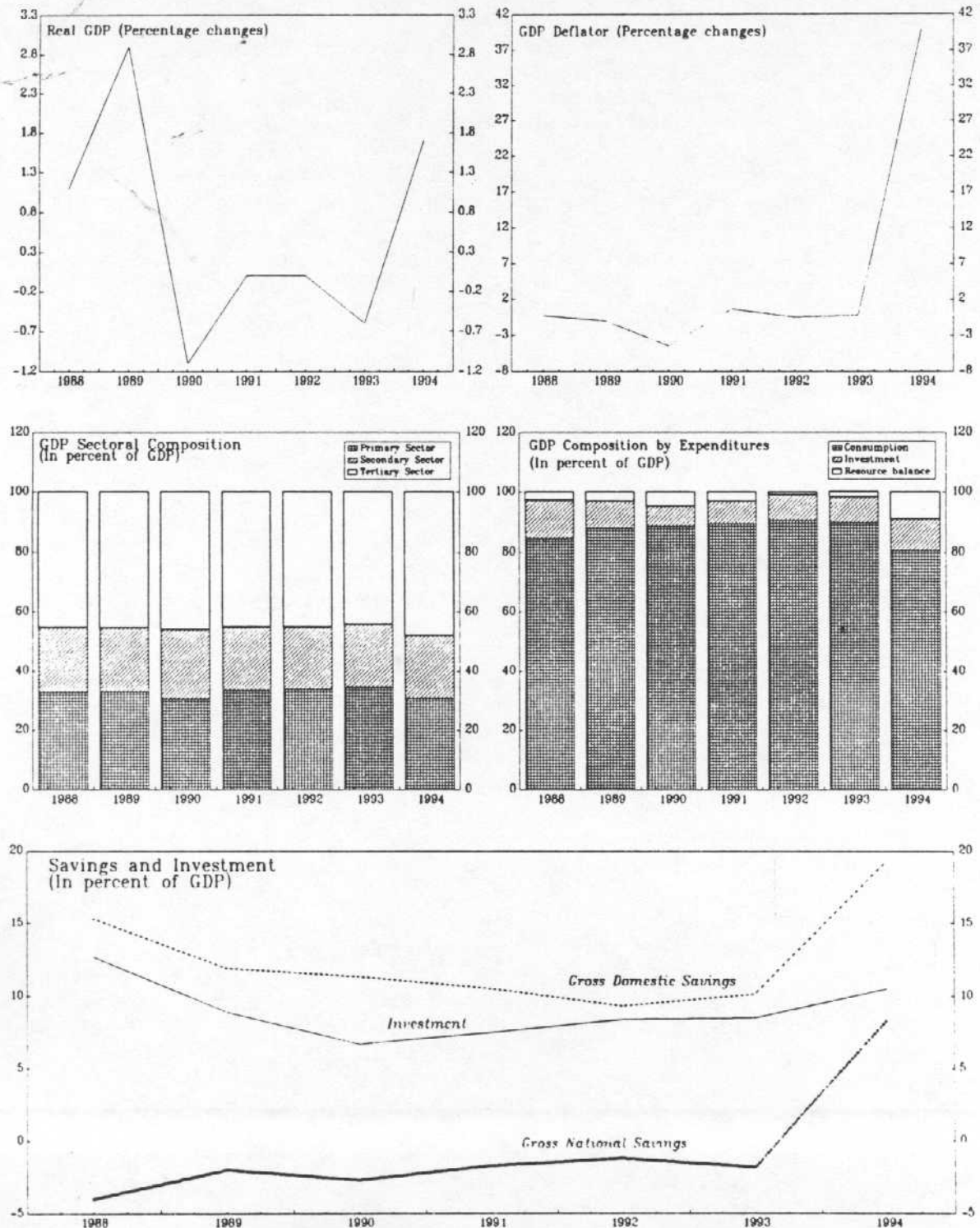
During the four years preceding the devaluation (1990-93), the overall deterioration in competitiveness brought about a decline in real GDP, at an average annual rate of 0.4 percent (Tables 1 and 2; Chart 1). The contraction was rather widespread in the secondary and tertiary sectors, which account for 65 percent of GDP, but it was somewhat alleviated by the relatively good performance of the primary sector. The declines in manufacturing were particularly concentrated in the flour mills (23 percent), mechanical and electrical industries (11.6 percent), wood mills (7.5 percent), rubber industry (5.8 percent) and oil processing (3.3 percent). In services, the major reductions in output were observed in Government services (6.8 percent) and domestic trade (1.6 percent), while activity in banking services remained broadly flat. In contrast, output in the primary sector increased at an average annual rate of 2.4 percent, reflecting to a large extent the sustained development of food crops at a rate of 3.2 percent, and export crops grew at a rate of 1.1 percent. As a result, the share of the primary sector in GDP, measured at current prices, increased from 30.4 percent in 1990 to 34.5 percent in 1993.

In 1994, the resumption of growth, initially concentrated in the area of some traded goods, became more widespread during the second half of 1994, offsetting the devaluation-induced contraction in the nontraded goods sectors and in the sectors sheltered from competition, which both suffered from the reduction in real disposable income. Over 1994 as a whole, the growth of real GDP is estimated to have reached some 1.7 percent. Output in volume terms increased at a rate of 4.5 percent in the primary and secondary sectors, and contracted further in the tertiary sectors. In the primary sector, the exploitation of timber increased by 24 percent, while output in agriculture increased by about 3.5 percent, despite stable cocoa and coffee production. The vigorous expansion in manufacturing activity was most conspicuous in the energy, petroleum, chemical, and rubber industries, as well as in wood processing, with output increasing between 6 percent and 11 percent compared with 1993. In contrast, agro-industries oriented mainly toward the domestic market registered a significant setback, given the contraction in domestic consumption. In the tertiary sector, the contraction in volume reflected mainly a drop in government services.

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1/ The analysis presented in this section and the related tables are based on new national accounts estimates for the period 1986-93 prepared by the Institut National de la Statistique (INS). Estimates of the 1994 national accounts on this new basis were prepared by the forecasting department of the Ministry of the Economy, Finance and Planning, and are still provisional. These series differ somewhat from those used in the staff report which relies on the old national accounts.

# SELECTED ECONOMIC AND FINANCIAL INDICATORS, 1988-94



Sources : Data provided by the authorities and staff estimates.



Provisional information regarding developments in 1995 confirms that the economic recovery is gaining momentum and spreading to most sectors, including services. Industrial production during the first half of 1995 increased at a rate of 11 percent compared with the same period in 1994, thanks in part to brisk activity in the energy sector, mining, and oil extraction, the latter with the coming on stream of new oil and gas fields (Annex II). In manufacturing, activity was most buoyant in textiles, mechanical and electrical engineering, and construction, whose good performance largely offset the decline recorded in agro-industries, shoes, and wood processing.

### 3. Consumption, investment, and saving

During 1990-93, viewed on the expenditure side, the decline in GDP reflected the contraction of domestic consumption and exports which was only partly offset by the good performance of gross investment. Final consumption declined at an average annual rate of 1.6 percent, owing to the contraction of real disposable income, while the household savings rate stabilized near 2.8 percent of GDP. In nominal terms, the composition of consumption changed markedly over the period; private consumption increased by 2 percentage points of GDP, with public consumption declining broadly by the same magnitude. In the external sector, exports retreated at an annual rate of almost 5 percent, while imports remained broadly stable. In contrast, gross investment registered a marked increase, owing to an important shift in stock building, concentrated in 1993, which was to a large extent directly linked to the anticipation of the exchange rate realignment.

In 1994, the recovery of domestic demand was led by fixed investment. The external sector ceased to be the drag on the economy that it had been in 1990-93. The contributions of domestic demand and the external sector to GDP growth were equivalent to 0.2 and 1.5 percentage points of GDP, respectively. Compared with 1993, final consumption declined by 4 percent, reflecting mainly a 2 percent reduction in real disposable income and an increase in the household savings ratio of nearly 1 percentage point, to about 3.6 percent of GDP. The ratios of gross domestic savings and national savings to GDP jumped by about 9 percentage points to 19.3 percent and 8.4 percent of GDP, respectively (Chart 1). Boosted by the restoration of competitiveness and the favorable international economic environment, fixed investment increased by 12 percent and its share in GDP by 2 percentage points, to 10.5 percent. Owing to further stock accumulation during the first half of 1994, gross investment increased by 21 percent.

In 1995, consumption is expected to recover and should provide a major contribution to the growth of domestic demand. This is suggested by recent trends in wage settlements in the industrial sectors, in the range of 5-25 percent, with an average increase of about 10 percent, as well as by the strengthening of rural incomes, which has resulted from a significantly increased pass-through of the rise in international commodity prices to producers. With a further strong expansion expected in investment, in

particular in the oil sector, domestic demand should increase by about 6 percent at constant prices. If the trends of the first half are broadly sustained over the whole year, the external sector should continue to provide a positive contribution to GDP growth, which is expected to reach some 6.5 percent.

#### 4. Prices

During 1990-93, the economic slump and the fixed peg helped keep inflationary tensions in check, with consumer inflation averaging 1.8 percent a year. In 1994, consumer inflation increased by 32 percent (Chart 2). The sharp rise in inflation during the first half of 1994 reflected the expected pass-through of the devaluation in the traded goods sectors. However, consumer inflation was subsequently swiftly brought under control, thanks to the tightening of fiscal and wage policies and the introduction of temporary price controls. 1/ Wage increases for the civil service were limited to an average of 10 percent of the base wage, while fringe benefits were frozen in nominal terms. In the private sector, wage settlements were broadly consistent with the increases granted in the public sector. 2/ The number of goods subject to price controls was raised temporarily from 22 to 34, with the intention to phase out most of these controls in the course of 1994 and 1995 (see Section IV). The largest price increases took place during the first seven months of 1994 and were concentrated in clothing (48 percent), household equipment (21 percent), foodstuffs (18 percent), and various goods and services (43 percent).

Despite the increase in prices during 1994, the real effective exchange rate, as measured on the basis of relative consumer price indices, depreciated by almost 40 percent between December 1993 and December 1994. Although a more meaningful measure of competitiveness on the basis of relative unit labor costs is not available, the outcome of any such analysis would probably not differ significantly from the CPI approach, as the increase in unit labor costs in Côte d'Ivoire broadly mirrored the CPI increase. This is suggested by a crude decomposition of the contribution of labor costs, profits, and indirect taxes net of subsidies to the increase in the GDP deflator (see Text Table 1). Unit labor costs would have increased by 32 percent, profit per unit of output by 46 percent, and taxes net of subsidies per unit of output by 34 percent, accounting for 12.3, 24.9, and 2.7 percentage points, respectively, of the 39.9 percent increase in the GDP deflator. This decomposition suggests, in addition, that nearly two thirds

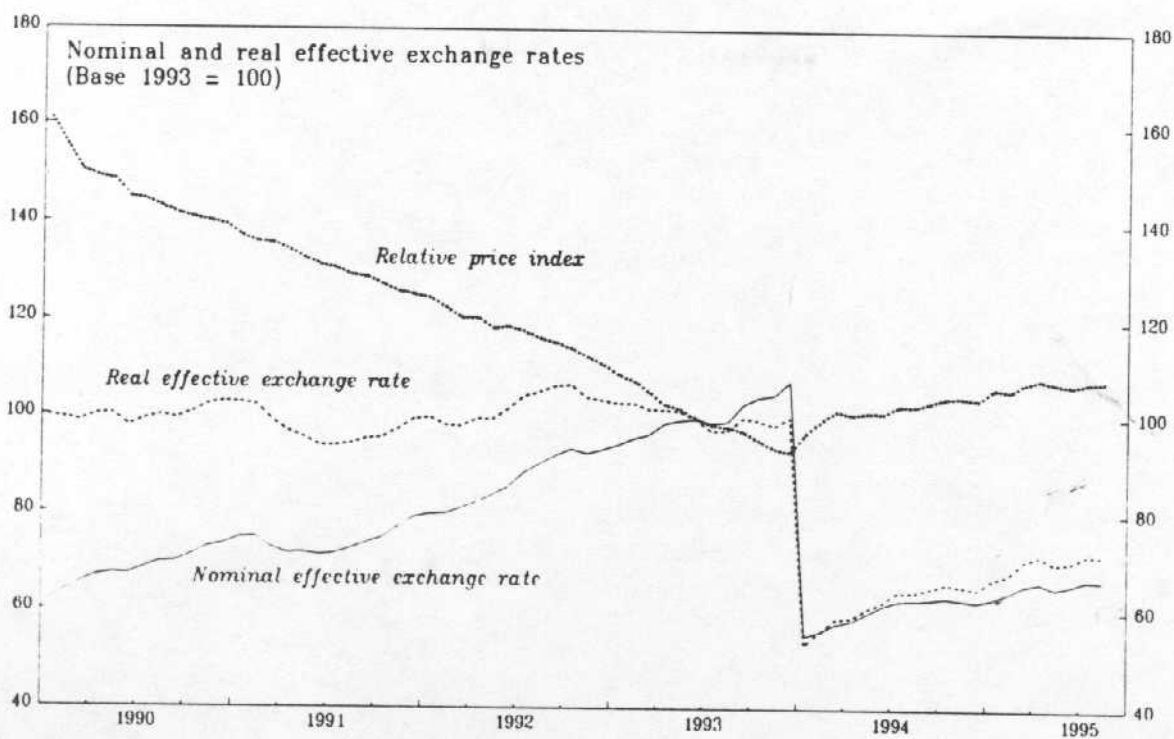
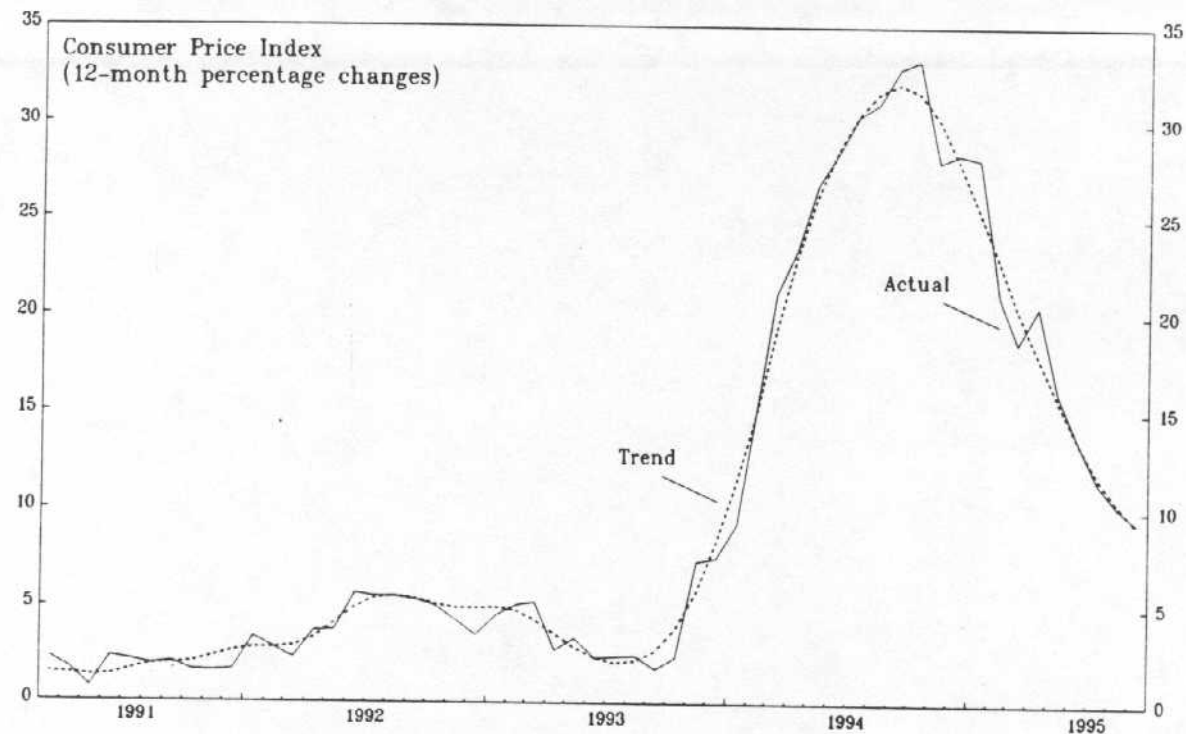
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1/ It should be noted that in the context of the monetary union and the fixed peg with the French franc, national authorities have no control on money supply--barring capital controls. See "CFA Franc Countries: Recent Experience and Policy Issues," SM/95/261 (10/10/95), Appendix III.

2/ The official minimum wages in industry and agriculture were increased by 10 percent as of February 1, 1994.

# CONSUMER PRICES AND EXCHANGE RATES

January 1990-September 1995





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of the 1994 price increases can be ascribed to the restoration of profit margins.

Table 1. Côte d'Ivoire: Composition of Gross Domestic Product  
in Terms of Labor Costs and Profit  
at Current Prices, 1993-94

	1993	1994	Changes	Changes per unit of output	Contribution to changes in the GDP deflator
	<u>(In billions of CFAF)</u>		<u>(In percent)</u>		
Labor costs	1,114.8	1,499.3	34.5	32.2	12.3
Operating surplus	1,582.7	2,352.6	48.6	46.1	24.9
Domestic taxes and import duties, net of subsidies	223.5	305.1	36.5	34.2	2.7
Gross domestic product	2,921.0	4,157.0	42.3	39.9	39.9

Sources: Ministry of Economy, Finance and Planning; and staff estimates.

During the first half of 1995, consumer prices rose by 10 percent. This increase reflected some catching-up effects, following the progressive phasing out of price controls <sup>1/</sup> and the limited supply response of the economy in the face of a vigorous expansion of domestic and external demand, along with unfavorable climatic conditions. The most significant increases were concentrated in foodstuffs--specifically starches, fats and drinks-- (19.4 percent), medicinal drugs and health services (8.2 percent), household equipment (5.4 percent), clothing (4.7 percent), and various goods and services (8.5 percent). The decline of consumer prices of 1 percent during the third quarter of 1995 suggests that inflation may have been brought back under control.

<sup>1/</sup> By end-August 1995, the number of goods and services subject to price controls had been reduced to 18 from a maximum of 34 during the first half of 1994.

## II. Public Finance

### 1. Overview

Large fiscal imbalances plagued Côte d'Ivoire in the second half of the 1980s, which prompted the authorities to cut expenditures, such that the budget deficit had narrowed to less than 10 percent of GDP by 1992. In 1993, however, the budget deficit worsened to 13.3 percent of GDP, mainly as a result of a first round of dismantling tariff barriers. This budgetary deterioration was accompanied by a further accumulation of domestic and external arrears, which exceeded 10 percent of GDP.

Following the CFA franc devaluation in early 1994 and the subsequent implementation of an ambitious domestic adjustment program and effective debt relief measures, Côte d'Ivoire experienced a rapid improvement in its public finance situation. The budget deficit was reduced to 7.6 percent of GDP in 1994 and is expected to reach 4.5 percent in 1995. The primary balance turned positive in 1994, to 1.7 percent of GDP; a further improvement in 1995--to about 3 percent of GDP--is within reach. Government revenue increased from 19.6 percent of GDP in 1993 to 22.7 percent in 1994 and could reach a projected level of 23.2 percent in 1995, partly as a result of the reinstatement in 1994 of export taxes on cocoa and coffee, which more than offset the cuts in other taxes. Noninterest expenditure was reduced by 2 percentage points of GDP, to 21.7 percent in 1994, and is projected to decline by an additional 0.7 percentage point in 1995, thanks to wage restraint and better control of other current expenditures.

The authorities took advantage of the improved fiscal balance, as well as of a net positive transfer from abroad of the magnitude of 4.1 percent of GDP in 1994 (and a projected 1.7 percent of GDP in 1995), to lower public domestic indebtedness. Both domestic payments arrears, which had been accumulated since the mid-1980s, and central bank advances were substantially reduced. The ratio of domestic debt/GDP dropped by 15 percentage points to 30 percent at end-1994, and is expected to fall below 20 percent at end-1995.

### 2. Government revenue

After a 25 percent nominal reduction during the 1987-91 period, tax collection stabilized in 1992, both in nominal terms and as a percentage of GDP, reflecting the positive impact of the efficiency-oriented reforms implemented from 1991 in the tax and customs administration. In 1993, however, tax revenue fell again by 13 percent, especially in the areas of direct and import taxation, reflecting the worsening of the overall economic climate, as well as the short-term impact of a customs tariff reform implemented in October 1993. This reform--initiated in 1991, with a view to re-establishing an adequate level of competitiveness for the export sector--substantially harmonized and lowered the effective level of protection, and also reduced the number and dispersion of rates. Nontax revenues were also lower than in 1992 because of a sharp decline in the surplus of the

Equalization Price Fund, the government monopoly in charge of rice imports. <sup>1/</sup>

In 1994, the Government embarked upon a far-reaching tax and customs reform to accompany the devaluation, so as to rationalize the tax system and broaden the tax base to include the informal and agricultural export sectors, while maintaining the overall revenue level in relation to GDP. In addition, taxes on some sensitive staples were revised downward to mitigate the initial impact of the devaluation on consumer prices. The tax and customs reform included four central elements.

First, the 1993 reform on the taxation of imports was complemented by an across-the-board reduction in the rates of the fiscal import duty (droit fiscal d'entrée), and a limitation of the aggregate maximum rate for the customs duty (droit de douane) and the fiscal import duty to 35 percent. On the whole, the level of import taxation was reduced by 5 percentage points.

Second, domestic consumer tax rates were reduced and the tax base was broadened. The highest value-added tax (VAT) rate of 35 percent was eliminated and the normal VAT rate was curtailed from 25 percent to 20 percent. The VAT base was expanded to include certain public utilities (electricity, water, and telephone) and the number of products subject to the lowest rate was reduced. With respect to petroleum products, the Government adjusted the petroleum tax system in order to limit the devaluation-induced increase in prices at the pump to 15 percent for high octane and regular gasoline, and to 10 percent for diesel fuel. Finally, the Government increased specific excise taxes on alcoholic beverages, tobacco, and cigarettes to compensate for lower customs duties.

Third, the Government embarked upon a far-reaching simplification of the income tax system, with a view to reducing tax evasion and broadening the base to gradually include informal sector activities. A global tax (impôt synthétique) was introduced to replace the business license, the tax on commercial and industrial profits, and the VAT for small noncorporate taxpayers. In addition, the Government instituted a simplified tax on industrial, commercial, and agricultural profits (BIC) for other individual taxpayers below a certain volume of annual turnover. The minimum presumptive tax was increased for the standard BIC regime. To improve the economy's competitiveness further, the 3.2 percent payroll tax paid by employers on the wages of nationals was abolished.

Fourth, export duties on cocoa and coffee were reinstated to compensate for the above-mentioned tax cuts, and to capture part of the windfall profits brought about by the devaluation and the simultaneous rise in world market prices. The export duty was designed to tax agricultural income,

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<sup>1/</sup> The operations of the Equalization Price Fund were phased out in early 1995.

pending the introduction of a more convenient form of generalized direct taxation. 1/

In September 1994, encouraged by higher-than-expected revenue results, the Government adopted additional tax cuts, lowering the excise tax on beer, and import taxes on vehicles and spare parts. In July, the Government substantially increased the customs values (valeurs mercuriales) of wood exports, so as to encourage local transformation and limiting the exploitation of these natural resources. The special tax on water distribution was reduced in the context of the new water tariff implemented in May 1994, and the structure of petroleum prices and related specific taxes were modified as of September 1, 1994. 2/

Government revenue rose to 22.7 percent of GDP in 1994, up 3.1 percentage points from 1993. The main factor accounting for this improvement was the reintroduction of export duties on cocoa and coffee; the share of levies on cocoa and coffee--export duties and the surplus of the Price Stabilization Fund for Cocoa and Coffee (CAISTAB)--in total government revenue increased from 3.5 percent in 1993 to 28.2 percent in 1994. Excluding levies on cocoa and coffee, however, government revenue declined by 2.6 percentage points of GDP to 16.3 percent. During the first half of 1995, revenue performance continued to be strong, especially on account of the good performance of corporate income tax and customs duty collection.

### 3. Expenditure

A number of measures introduced in the early 1990s in an attempt to consolidate the public finances started to bear fruit in 1993. The wage bill was reduced by 2 percent as a result of a continued freeze in base wages and benefits, reduction in staffing, the implementation of new retirement rules--which triggered the departure of some 3,000 civil servants--and the adoption of a new wage scale enabling the Government to recruit new teachers at a reduced cost. Discretionary expenditures on special treasury accounts slowed down further in 1993, amounting to about one sixth of their level of six years earlier. Thanks to a rapid pass-through of changes in international prices for cocoa and coffee to

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1/ The reintroduction of the export tax was subject to some adjustments later in the year, however. First, concerned by the building up of stocks by producers and the emergence of export tax fraud, the Government decided to reduce the level of export taxes on coffee. Second, concerned by the impact on local industries, the Government also reduced the taxation on partly processed cocoa, and eliminated the export tax on fully processed cocoa and coffee.

2/ The excise and VAT taxes were both cut by 20 percent, while the parafiscal levy (ADSP: a levy earmarked to amortize the debt due to the oil sector) on regular and premium gasoline was more than doubled. All in all, revenue from petroleum products increased by 11 percent in 1994 compared with the previous year.

producers, the new stabilization system allowed the operations of CAISTAB, the price stabilization fund for cocoa and coffee, to be at least balanced. However, nonwage current expenditures for essential basic public services in the education and health sectors, as well as capital expenditures, were also trimmed further, thereby jeopardizing the long-term growth prospects of the economy.

Reversing a five-year reduction in nominal government noninterest expenditures, these outlays increased by 30 percent in 1994, and are expected to rise by another 15 percent in 1995, broadly remaining unchanged in real terms. These developments were accompanied by a substantial shift in the composition of public expenditures.

The wage bill, which drained more than 72 percent of government revenue in 1993, absorbed only 48 percent in 1994, and is projected to drop further to 40 percent in 1995. The authorities raised base wages by an average of only 10 percent in February 1994 and by another 5.5 percent in June 1995; <sup>1/</sup> benefits were kept unchanged. At the same time, the Government pursued its civil service reform, adopting additional measures to reduce the overstaffing of public administrations. The implementation of a voluntary departure program (VDP), the introduction of new retirement rules, and the restructuring of public agencies, mainly in the agricultural sector, led to an additional 2.9 percent reduction in the number of civil servants in 1994. Budgetary savings from the retrenchment program will materialize only in the medium term, however, owing to substantial related costs, including severance pay for public agencies, and VDP premiums. Meanwhile, the CGRAE, a nonfunded public retirement institution, has experienced significant increases in its pension liabilities vis-à-vis the early retirees who are facing the new retirement rules or benefiting from the VDP program, and is expected to need increasing budgetary support in the future.

Preliminary figures for 1995 indicate that the pace of staff reduction is slowing, with the diminishing impact of the VDP, and the postponement of certain measures, such as the nonrenewal of contracts for temporary workers. In addition, high demographic trends will require an upturn in the number of civil servants in the medium term--teachers and health professionals in particular--which will exceed the possible retrenchments in other sectors.

Over the period 1988-93, nonwage current expenditures were cut by half as a result of the declining financing capacity of the Government during the pre-devaluation period. In 1994, however, this trend was sharply reversed, with a 26 percent increase in nominal terms, that is, a stabilization in real terms. The composition of public expenditure was also reoriented between 1988 and 1993. In the late 1980s, expenditure cuts had disrupted the provision of a number of public services, especially in the area of

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<sup>1/</sup> In 1994 and 1995, wage increases amounted to 23 percent and 15 percent, respectively, for low wage earners; they were limited to 5 percent and 3 percent, for high wage earners.

primary education and health. Aware of the potential damage that these cuts might have on Côte d'Ivoire's economic potential, the authorities in 1991 adopted a human resources development program, aimed mainly at shifting the allocation of resources in health and education away from tertiary level services toward basic primary services. Although this program had only a limited impact until 1993, it did yield some results in 1994. Sectors providing government primary education and health services received priority in the 1994-95 budgets. However, the actual outcome was significantly different from initial plans. In primary education, the Government's reduction in the wage bill by about 2 percent a year, compared with the 1 percent initially planned, has allowed a higher recruitment level to address staffing needs; the share of operating expenditure devoted to primary education has increased. However, the Government was less successful in establishing the conditions for an increase in enrollment rates, and the school construction program is progressing slowly. Some progress has been made on a series of health services issues, including cost recovery, pharmaceuticals, the first elements of a strategy based on primary care, decentralization and region-level management. This resulted in better availability of low-cost medicines and consumable goods for the population.

A set of social safety net measures was implemented in January 1994 in the aftermath of the exchange rate adjustment, to protect vulnerable groups of low-income urban populations from the negative short-term effects of consumer price increases. Price increases were limited for a number of staple goods such as bread, rice, basic medications and school books; attendant costs were financed through reduction in taxation, budgetary and nonbudgetary subsidies as well as donors' grants. In addition, tariff increases for water and electricity supply were limited for low-volume consumers.

In addition, social funds were put in place in 1994, with a view to financing projects geared toward various social targets, including the creation of labor-intensive jobs in urban and rural communities, and assistance to dismissed public workers wishing to create their own businesses. So far, however, only one fund--managed directly by a bilateral donor--has proved effective, with the others--managed by the authorities--encountering various administrative difficulties, which limited their disbursements to CFAF 3.2 billion in 1994 and in the first half of 1995, compared with a total budgetary allocation of CFAF 23.5 billion for the period 1994-95. A review of the efficiency of these funds, together with the social policy of the authorities, is scheduled to be conducted in 1996.

#### 4. Domestic financing and domestic debt

The deterioration of the public finances during the second half of the 1980s led to an increase in public debt of about 50 percentage points of GDP, to 168 percent at end-1991. Of this amount, 35 percentage points (CFAF 980 billion) represented domestic debt, one-third of which was in

arrears. Constrained in its refinancing capacity at the Central Bank, <sup>1/</sup> the Government defaulted on its domestic debt obligations: the debt service on public bonds was suspended and payments to local suppliers were delayed. In addition, a number of national public agencies (EPN) and local communities accumulated arrears because of lower government transfers and a partial freezing of their accounts with the Treasury.

Part of the domestic arrears buildup resulted from the nonadjustment of the producer prices of cocoa and coffee in 1988-90, following the sharp decline in world market prices for both commodities. As a consequence, over the period 1989-1992, CAISTAB accumulated substantial losses, including CFAF 165 billion in arrears to exporters, the equivalent of 5 percent of GDP. In turn, exporters were not able to repay credits granted by local commercial banks, which contributed to the weakening of the financial sector. In addition, the cost of the restructuring of the banking sector in 1990-92 added to the buildup of domestic public debt, as the Government had to assume a large part of the liabilities of liquidated banks and nonperforming public enterprises. In 1990, the BCEAO consolidated and restructured CFAF 186 billion of such debt; the remainder was rescheduled directly with domestic banks, or remained in arrears. By end-1992, about two-thirds of the domestic debt outstanding at-end 1991 had been restructured.

In 1993, though, the budgetary situation remained difficult and Côte d'Ivoire experienced a renewed shortfall in external financing; the Government thus faced an extremely tight cash-flow situation and the stock of domestic debt increased by 17 percent, reaching CFAF 1,200 billion, of which almost one fourth was in arrears. However, the debt structure by creditors had changed significantly compared with 1992: the restructuring of the debt to the banking system was almost finalized, while the nonbanking sector arrears were building up, as the Treasury's cash difficulties resulted in the further accumulation of unpaid payment orders to government suppliers. In an attempt to solve part of the problem, the authorities carried out a number of cross-arrears settlements against tax liabilities, and securitized arrears prior to 1993 in an amount of CFAF 23 billion, in the form of the issuance of transferable tax credit certificates to be redeemed over a four year period.

The reorientation of economic policies in 1994 soon had a positive impact on net domestic financing, which turned negative for the first time since 1987. In contrast with the previous years, the Government was able to assume debt-service obligations of CFAF 178 billion, equivalent to 4.8 percent of GDP, including a CFAF 78 billion repayment of domestic arrears and a reduction in BCEAO advances of CFAF 47 billion, which

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<sup>1/</sup> In the institutional context of the West African Monetary Union, governments' borrowing at the central bank is limited to 20 percent of their fiscal revenue in the previous year. However, the Central Bank (BCEAO) advances to Cote d'Ivoire exceeded the statutory advances by almost CFAF 93 billion at end-1993.



represented almost half of the advances in excess of the statutory limit. Domestic arrears vis-à-vis the banking sector were fully cleared. In addition, domestic arrears amounting to CFAF 21 billion were securitized. As a result, the outstanding stock of domestic arrears declined to CFAF 1,120 billion at end-1994. The improvement in domestic debt service performance in 1994 was the reflection of fiscal tightening and the resumption of foreign financial assistance. In addition, the Government benefited from the proceeds of privatization and from the sale of assets of liquidated banks, as well as from public enterprises' transfers to the Amortization Fund (CAA)--as a counterpart for CAA's servicing of the publicly guaranteed external debt--which amounted to a total of CFAF 45 billion.

During the six first months of 1995, the Government pursued its debt-clearing efforts, reducing by a further CFAF 72 billion its domestic indebtedness, including the remaining recourse to Central Bank advances in excess of the statutory ceiling. In addition, as an unequivocal indication of its intention to re-establish normal relations with its domestic creditors, the Government published a program aimed at eliminating all domestic arrears by end-1996, based on specific litigation procedures and periodic reviews of progress achieved. The authorities simultaneously conducted an extensive inventory of government claims, including those that originated from extrabudgetary procedures.

### III. Monetary Policy and the Financial Sector

#### 1. Institutional framework

Côte d'Ivoire is a member of the West African Economic and Monetary Union (WAEMU) and shares a common currency--the CFA franc--and Central Bank--the BCEAO--with the other six member countries of the union. The CFA franc has been pegged to the French franc since 1948; the fixed parity has been altered only once, in January 1994, when the CFA franc was devalued from CFAF 1 = FF 0.02 to CFAF 1 = FF 0.01.

Given the size and degree of development of its economy, Côte d'Ivoire on average accounts for more than 40 percent of WAEMU's broad money; more than 50 percent of the credits extended to the member economies; more than two thirds of credits to WAEMU member governments; almost half of the subregion's banking activities; and three fourths of the entire central bank refinancing to commercial banks. In addition, in 1994, Côte d'Ivoire contributed almost two thirds to the improvement in the zone's net foreign assets.

The BCEAO, which has its headquarters in Dakar and is represented in each member country through a national agency, holds the union's pooled international reserves and conducts monetary policy at the regional level. Since October 1989, the BCEAO has been undertaking a gradual reform of its set of monetary policy instruments, by phasing out country- and bank-

specific credit ceilings and selective interest rate controls and successively replacing them by indirect instruments, such as money market auctions and minimum reserve requirements; however, the reform is still incomplete, as efficient instruments for mopping up excess liquidity have yet to be developed. With this increased reliance on indirect instruments and the accompanying development of regional money and interbank markets, the BCEAO's ability to conduct country-specific monetary policies has largely disappeared. In addition, given the constraints imposed by the fixed parity, the BCEAO enjoys only a limited degree of independence in the conduct of its monetary policy at the regional level. 1/

The Ivoirien banking system comprises 15 deposit money banks and 5 nonbank financial institutions; the latter specialize in small lending and leasing activities and normally do not accept deposits. As of September 30, 1993, banks maintained 165 branches and employed 3417 staff. The degree of concentration in the banking system is high, as four major banks account for close to 90 percent of all private sector loans, deposits, and central bank refinancing. The Ivoirien banking sector was successfully restructured in the early 1990s in the context of the World Bank-supported financial sector adjustment program (PASFI). 2/

Banking supervision in Côte d'Ivoire is conducted by the Regional Banking Commission in Abidjan, a supranational institution established by WAEMU member countries in 1990. It is assigned to enforce the new prudential regulations introduced in 1991 and to supervise the 55 banks and 19 other financial institutions of the subregion through on-site inspections

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1/ For a discussion on the monetary policy framework in the WAEMU, as well as an overview on the BCEAO's monetary policy instruments, see Appendix III in "CFA Franc Countries - Recent Adjustment Experience and Policy Issues" (SM/95/261). In addition, the latest paper on recent economic developments on Côte d'Ivoire (SM/92/224) provides a description of the previous system of monetary control and the beginning of the reform process.

2/ The PASFI entailed, inter alia, the settlement of government arrears, the recapitalization of banks, the adequate provisioning for nonperforming loans, the liquidation of five development banks, a restructuring of the nonbank financial sector (insurance companies, Abidjan stock exchange), and the initiation of a reform of the judicial framework for banking activities. For details on the reform see the 1992 paper on recent economic developments (SM/92/224).

and off-site analysis of monthly statistics. 1/ It is equipped with a set of sanction instruments, ranging from monitoring banks' activities to disciplinary actions, such as removing managers and withdrawing a bank's operating license. In addition to banks and financial institutions, the Banking Commission has also recently been mandated to inspect the national entities established for the recovery of nonperforming loans created in the context of the national programs for the restructuring of the respective banking systems; the Ivoirien recovery unit SONARECI (Société Nationale de Recouvrement de la Côte d'Ivoire) has been operational since late 1992.

The financial system in Côte d'Ivoire is complemented by the Abidjan stock exchange, which has some 60 stock and bond listings of Ivoirien companies and the government. The stock exchange is the nucleus for the regional financial market that is scheduled to begin operations in mid-1996.

## 2. Recent monetary and credit developments 2/

The January 1994 realignment of the exchange rate was a turning point in the development of money and credit aggregates in Côte d'Ivoire. During the six years prior to the devaluation, the downturn of the Ivoirien economy, the budgetary disequilibria, the difficulties in the banking system, and increasing capital flight had led to the following developments:

- ♦ broad money fell by 15 percent;
- ♦ the recourse of the Government to bank financing almost doubled, as deposits were drawn down and the statutory limits on the overdraft facility at the Central Bank were exceeded by a large margin;
- ♦ credit to the economy fell by more than one fourth; and

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1/ The prudential ratios currently in force are: (a) a risk-weighted capital assets ratio of 4 percent, which in the future is to be raised gradually to the international standard of 8 percent; (b) a maximum ratio of 100 percent of fixed assets and participation relative to the capital base; (c) a maximum ratio of 100 percent of loans and commitments to a single borrower relative to the capital base; (d) a minimum liquidity ratio of 60 percent, defined as liquid assets in relation to short-term liabilities; (e) a maximum rate of 20 percent of the capital base for loans and commitments to a bank's staff and management; (f) a minimum ratio of long-term bank resources to long-term credit of 75 percent, intended to prevent maturity mismatching; and (g) a ratio measuring the structure and quality of a bank's credit portfolio, defined as the quotient of credits admissible to central bank refinancing to total credit, to be at least 60 percent.

2/ The monetary tables in the Appendix reflect a reclassification of certain assets and liabilities between the Government and the private sector at the end of 1993, and statistical adjustments stemming from the bank restructuring operations in 1991-92.

♦ Côte d'Ivoire's already substantially negative net official reserve position in the operations account again deteriorated rapidly, by almost 60 percent.

During this period, the BCEAO raised its discount rate by about 4 percentage points to 12.5 percent in November 1993, to stem the flight of capital from the union and ensure a large positive interest rate differential vis-à-vis the anchor country. However, the high level of interest rates, coupled with the sluggish growth of the economy and the banks' reluctance to extend new credits in view of the large share of non-performing loans in their portfolios, contributed to the decline in credit to the economy. In addition, crop credit suffered from the difficulties in the cocoa and coffee sectors.

After the devaluation, however, as the new parity and the Government's domestic adjustment strategy gained credibility and flight capital started flowing back, a number of encouraging signs emerged in Côte d'Ivoire:

♦ broad money growth reached 47 percent during the course of 1994, representing a rapid reconstitution of real money balances, and decelerated to a 12-month growth rate of 17 percent by August 1995, in line with developments in GDP growth;

♦ net credit to the Government dropped significantly, as evidenced by the accumulation of government deposits and the decline in the Government's use of its overdraft facility at the Central Bank by 20 percent during 1994 and by 38 percent by June 1995;

♦ private sector credit demand, after having been sluggish throughout 1994, experienced a reversal of its downward trend in early 1995; and

♦ the country's net foreign assets improved dramatically and became positive in the first quarter of 1995 for the first time in decades.

In the immediate aftermath of the devaluation, the BCEAO raised its discount rate by 4 percentage points, to 14 percent, to support the credibility of the new peg. Money market and interbank rates followed this move to a much smaller extent, given the surge of liquidity in the banking system, which stemmed from the rapid and sustained inflow of flight capital and from sluggish credit demand. In view of these developments, the BCEAO was subsequently able to cut its discount rate gradually, to 10 percent by August 1994 and 8.5 percent by August 1995. During the same period, the average money market rate fell from 7.9 percent to 5.5 percent, while interbank rates were roughly halved, to an average of 6 percent; however, given the comfortable liquidity position of most banks, trading volumes in both markets were low. For the same reasons, bank deposit rates declined substantially and induced a shift from term deposits to sight deposits. Lending rates showed more stickiness, as they declined by only 2 percentage points on average, to 12-14 percent, owing to the banks' need for

provisioning for their large portfolios of nonperforming loans and increased prudence in their lending decisions; however, international competition enabled most prime customers to negotiate more advantageous rates (for example, as low as 9 percent in August 1995).

The overliquidity experienced after the devaluation was temporarily absorbed by the decision of the BCEAO, in July 1994, to securitize and sell the stock of the consolidated claims in its portfolio to banks of the union. 1/ After a decisive alteration of the sales conditions for the bonds in September 1994, 2/ demand by banks increased considerably, and by September 1995, the entire stock of securities had been sold. At that time, some 84 percent of the total amount of Ivoirien bonds under the securitization scheme were held by nonresident banks, contributing considerably to the improvement of Côte d'Ivoire's foreign position.

### 3. The banking sector

After the banking crisis of the late 1980s and the subsequent successful efforts of restructuring in the context of the PASFI, the health of the Ivoirien banking system has improved significantly over the last few years. From 1992 to 1994, several favorable developments occurred:

- ♦ banks' profitability rose, as measured by the ratio of the banks' net result to their capital base, from 3.51 percent to 9.89 percent; 3/

- ♦ the interest rate margin between deposits and lending operations improved, from 4.37 percent to 6.41 percent, contributing to a rise in profitability;

- ♦ there was a reduction in the banks' operating costs related to the net proceeds from the banking business, from 77.43 percent to 63.09 percent; and

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1/ The consolidated claims are on WAEMU member governments; they arose from the restructuring operations of the national banking systems in the late 1980s. The claims, carrying an original maturity of 15 years and an interest rate of 3 percent, totaled some CFAF 440 billion, including CFAF 186 billion from Côte d'Ivoire. The bonds were offered with a tax-free interest rate of 5 percent; the BCEAO pays the difference between this rate and the nominal interest rate.

2/ In September 1994, the BCEAO increased the bonds' attractiveness by guaranteeing that the bonds could be redeemed at par at the BCEAO at the purchaser's own initiative and used in the fulfillment of minimum reserve requirements.

3/ However, it should be taken into consideration that this improvement has been positively affected by valuation gains in the context of the devaluation, whereas valuation losses have not yet fully been accounted for.

♦ banks exhibited prudence in their lending decisions, charging high interest rates for more risky engagements, while engaging in competitive rates for prime customers.

Moreover, according to the Banking Commission, most banks increasingly succeeded in meeting the new prudential standards and showed considerable progress in cleaning up their lending portfolios, achieving adequate risk coverage, and improving their accounting.

However, in spite of these improvements, certain Ivoirien banks are still experiencing some difficulties in meeting prudential standards, particularly as a result of an inadequate capital base, and are still dealing with the losses stemming from the devaluation. Overall, the smaller banks, as well as nonbank financial institutions, have emerged far stronger from the banking crisis and the devaluation than the larger banks and generally are at comfortable levels as regards the fulfillment of the prudential norms. Two banks still have to replenish their capital base to meet the capital assets ratio; two banks slightly exceed the ratio governing loans to personnel and managers; three banks are below the minimum liquidity ratio; and one bank has a large risk exposure. In addition, gross provisioning for loans has ranged between 2 percent and 3 percent of total credits during the last few years, which is low by international standards in view of the relatively high share of nonperforming loans remaining in the portfolios of Ivoirien banks. <sup>1/</sup> Apart from these difficulties, Ivoirien banks as a whole are suffering under an inadequate judicial system and the lack of medium- and long-term lending opportunities.

The Banking Commission has been working with Ivoirien banks to help them make the necessary adjustments in their business structure. The Banking Commission aims at further improving the internal organization of banks and their risk management; continuing with efforts to clean up banks' portfolios and strengthen their capital bases; and introducing a common accounting plan in January 1996.

The national unit for the recovery of nonperforming loans (SONARECI) was founded in 1992 in the context of the PASFI and was assigned to recover the nonperforming loans from liquidated or ailing banks for which the Ivoirien government had taken responsibility. Between May 1993 and June 1995, less than 4 percent of the outstanding portfolio was actually recovered. The recovery activities of SONARECI have been impaired by the insufficient judicial framework, the bankruptcy of major debtors, accounting problems, the bad condition of credit files, and slack demand in the real estate market. The net proceeds of the recoveries have been used for the repayment to former depositors of the institutions affected. In addition, a special government fund (Fonds de Rachat et d'Indemnisation, FRID), which was set up for the repayment of deposits to private depositors of the BNDA,

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<sup>1/</sup> Significantly higher gross provisioning occurred in the early 1990s in the immediate aftermath of the banking crisis.

the largest liquidated development bank, was used to settle a large share of the payments due to this group of depositors (58 percent by June 1995).

#### 4. Financial markets

The Abidjan stock exchange, benefiting from a 1992 rehabilitation program, has since experienced a significant increase in its activities. The rehabilitation program aimed at providing medium- and long-term financing for private enterprises and supporting the government's privatization strategy. For this purpose, admission fees were eliminated and quotation fees lowered by one third. A new stock market segment for small companies with less rigid admission and quotation rules was established, apart from the official market for larger companies. In addition, the operations of the stock exchange were streamlined and modernized, and government subsidies phased out. In 1994, an overhaul of the existing set of regulations was carried out and a new market segment for international bond issues was created. In the same year, a sixth bank was admitted as a dealer. <sup>1/</sup> In spite of these positive developments, the Abidjan stock exchange is still handicapped by the--according to international standards--low volume of companies listed, the limited liquidity in the market, and occasional problems with the settlement of transactions.

The volume of listings and transactions on the Abidjan stock exchange was positively influenced by the devaluation in January 1994 and the subsequent macroeconomic recovery, the return of confidence and flight capital, and the large amount of liquidity in the economy. Market capitalization reached 6 percent of GDP in 1994, after 4.6 percent in 1993. In the primary stock market, ten new companies were added to the listings from end-1991 to end-1994, among them five companies privatized by the Ivoirien Government. Several other companies increased their share capital, occasionally in the context of mergers, whereas the listing of two companies was suspended, owing to their financial difficulties. In the primary bond market, eight new series were issued from 1992 to 1994, but as some existing issues were repaid upon maturity and not renewed, bond listings dropped on a net basis. In the secondary market, transactions rose significantly, especially in the stock market, which experienced a sixfold increase. The stock market index more than doubled between 1992 and 1994. Although large-scale investors have traditionally been the major buyers of securities, the

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<sup>1/</sup> Transactions at the Abidjan stock exchange are carried out exclusively by official dealers, which are banks admitted for trading by the Minister of Finance. Banks receive their orders either through their branch network or through the intermediation of independent professionals (apporteurs d'affaires en bourse), which also need to be officially licensed. Transactions take place Tuesday through Friday from 9 a.m. to noon, and settlement occurs once weekly, on Monday afternoon. Trading for stocks is done by the open outcry system, while for bonds it is computerbased.

latest surge in activity can to a large extent be attributed to the demand from small private investors. 1/

The Abidjan stock exchange will be the nucleus for the new regional financial market, which is expected to begin operations in mid-1996. 2/ The new market will be fully computerbased and is intended to facilitate the national privatization programs and link investors in the seven WAEMU member countries. In addition, by providing transparency, increased liquidity, and more efficient settlement techniques, the new market is expected, in the long run, to attract international investors as well.

#### IV. Structural Reforms

In the 1960s and 1970s, Côte d'Ivoire used the substantial financial surpluses derived from the steady growth of export crops to initiate the development of an industrial base. The Government undertook significant industrial and commercial investments, resulting in the preponderance of the state in productive activities. In 1980, some 140 state enterprises, national public agencies, and mixed or parapublic enterprises were active in every branch of the economy; by 1989, this number had been reduced to 117, of which 80 were commercial entities. Public enterprises account for roughly two fifths of the value added in the formal sector.

This policy of state-led industrialization and promotion of import substitution resulted in structural weaknesses, however, including a misallocation of resources away from the tradeable goods sector, quantitative restrictions and other nontariff barriers to trade, a distortionary tax system, a complex regulatory framework, and labor market rigidities. Also, the rapid expansion of the parapublic sector contributed to a deterioration in public savings and rising external debt. By 1990, the sector's net drain on the public finances, both direct and indirect, had reached almost 4 percent of GDP.

The sharp decline in the world market prices for Côte d'Ivoire's main agricultural exports in the mid-1980s resulted in a massive drop in its terms of trade and plunged the country into recession. A number of stabilization and structural reform programs were undertaken, but they were not sufficiently comprehensive and the measures were not implemented quickly and decisively enough to overcome the effects of the adverse external environment. Though some public sector firms were privatized, restructured, liquidated, or merged, a large-scale policy of divestiture of public assets became very difficult to implement in the midst of the dramatic deterioration of Côte d'Ivoire's macroeconomic situation.

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1/ For example, 96 percent of the stocks issued in the context of the 1994 privatizations were purchased by private investors acquiring fewer than 100 shares.

2/ Logistical problems may delay the scheduled opening date.



Since 1990, Côte d'Ivoire's structural reform efforts have taken a new turn, aimed at disengaging the state from productive activities, improving competitiveness, alleviating rigidities in certain key sectors, and increasing the role of the private sector as an engine for growth. In the early 1990s, emergency stabilization measures were adopted and a set of structural reforms were put in place, focusing on the industrial sector, the rehabilitation of the financial sector, and the restructuring of the parapublic sector. After a rather slow start, these reforms were deepened and accelerated after the adjustment of the parity of the CFA franc in early 1994.

#### 1. The privatization program

The first effort at implementing a systematic and transparent privatization process sought to transfer a large part of the Government's equity holdings to the private sector, starting in late 1990. A privatization committee and a technical secretariat, under the direct supervision of the Prime Minister's office, were set up and charged with the execution of the program. The goal at the time was to privatize about 80 firms over the medium term in order to encourage private investment and to create national private shareholding. The work proceeded rather slowly, however, owing primarily to the technical difficulties of preparing the firms for divestiture, but also reflecting some skepticism from the local public, the absence of meaningful domestic savings, and the inexperience of the authorities in this area. Notwithstanding these difficulties, the first divestiture project targeted a large company, the Ivoirien Electricity Company (CIE), which was successfully privatized in 1990.

In 1992, the technical secretariat was strengthened and a new list of 58 enterprises slated for privatization was drawn up. However, only eight firms had effectively been privatized by end-1993, yielding CFAF 3.4 billion in receipts. These included enterprises in the areas of livestock, food processing, oils and soaps, publishing, and two tourism villages.

After the exchange rate realignment of early 1994--which required a reassessment of the value of the firms slated for privatization--and the adoption of a new adjustment program, the Government decided to accelerate the privatization program with a view to completing it by end-1997. A general enabling law was adopted by the National Assembly in June 1994 and the decrees of application promulgated shortly thereafter. Also, the privatization committee and the technical secretariat were reorganized and reinforced in November 1994.

After these adjustments, which took more time than expected, the privatization program regained momentum. Although only three enterprises were offered for sale in the first half of 1994, nine additional ones were added in the second half of the year. Overall, six enterprises were actually privatized during 1994, generating about CFAF 6.6 billion in receipts. These included agro-industrial complexes in the cocoa and hevea sectors, a sugar complex, spinning and weaving, electrical cables, and a

protocol agreement signed with a private partner in July 1994 for privatizing the management of the railway linking Abidjan to Ouagadougou, which took effect in June 1995 (the Ivoirien railways company SICF was liquidated in August 1995).

For 1995, an ambitious program was adopted, namely: (a) to complete the process of divestiture of the enterprises offered for sale in 1994; (b) to put up for sale 10 other enterprises, including some of largest state-owned firms, such as the telecommunications company (CI-TELECOM), the holdings in the palm oil sector (PALMINDUSTRIE), the national sugar company (SODESUCRE), a major commercial bank (BIAO-CI), a gas distribution company (GDCI), and the maritime transport company (SITRAM); (c) to accelerate the sale of the state's minority holdings in 14 mixed enterprises; and (d) to conduct preparatory studies for 10 other companies. In order to achieve as broad a base of private ownership as possible, the privatizations will to a large extent be conducted through the Abidjan Stock Exchange.

In the first six months of 1995, the improvement in the economic environment and the renewed efforts by the reorganized privatization committee and technical secretariat were reflected in the sale of 10 enterprises, yielding CFAF 19.4 billion in receipts. <sup>1/</sup> These firms covered a wide variety of activities, including agro-industrial complexes in the rubber and vegetable sectors, flour mills, production and distribution of petroleum products, and an asphalt producer. Moreover, in the framework of the liberalization of the rice sector, 9 of the 11 rice silos and mills in the hands of the state were transferred to private operators against the settlement of a series of cross-debts. The two remaining mills were liquidated and the assets sold at auction. The maritime transport company (SITRAM) was liquidated. Its assets are being taken over by private operators who will continue the activity through a streamlined structure.

## 2. The restructuring of public enterprises

The reform of the public enterprise sector aims at reducing the burden of the parapublic sector on the public finances and at improving the efficiency of the enterprises that will remain in the government portfolio. The major objectives are to improve the control and monitoring functions of the administration and the financial and technical management at the enterprise level. In early 1992, a database of financial and economic data of the enterprises was set up by the Direction et Contrôle des Grands Travaux (DCGTx), under the direct supervision of the Prime Minister's office, to facilitate the analysis of the enterprises' performance. Also, a system of quarterly reporting of key financial indicators to a specialized department (DCSPPCB) of the Ministry of Finance was established, permitting a constant monitoring of the financial situation and financing requirements of the sector.

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<sup>1/</sup> Including proceeds of about CFAF 2 billion from privatizations in earlier years.

Because of the continuing deterioration of Côte d'Ivoire's economy and organizational problems between the Ministry of Finance and DCGTx, not much progress was achieved in 1992-93. In 1994, a strengthening of the restructuring process was included as part of Côte d'Ivoire's new adjustment program. However, owing to persistent administrative weaknesses and the highly incomplete reporting of financial data by some enterprises, the Government encountered difficulties in effectively monitoring the financial situation of public enterprises. Nevertheless, the Government succeeded in restructuring the Abidjan Urban Transport Company (SOTRA) in May 1994, and the restructuring plan for the postal savings company (SIPE) was adopted in December 1994 and implemented in April 1995.

In 1995 the supervision of the public sector enterprises was accelerated. In April, the Council of Ministers adopted a general parapublic policy statement that will serve as a guidance note governing these enterprises' relations with the state. It indicated that the public sector enterprises would henceforth be run as commercial outfits, and that the state would substantially strengthen its supervision of the sector. Each enterprise would have to set up an internal management control system and be subject to an annual external audit. The system of performance monitoring was put into motion. The accounts for fiscal year 1993 were reviewed for about 20 state enterprises. The accounts will be regularly updated and the number of enterprises progressively enlarged to eventually cover all enterprises with state participation. New agreements were signed between several entities and the Caisse Autonome d'Amortissement (CAA), rescheduling retroceded or guaranteed debt. In addition, the cross-arrears between 35 large enterprises and the Government and among themselves have been tallied; a committee will be set up to start the settlements. Finally, the restructuring plans started in 1994 are being pursued, and others are under preparation.

### 3. Deregulation

#### a. Prices

Traditionally, prices and profit margins were extensively regulated in Côte d'Ivoire; however, in 1991, a new Law on Competition Policy and a number of decrees relative to price liberalization were adopted. All domestic prices were liberalized except for a list of 22 products, consisting primarily of staple foods, basic utilities, schoolbooks, and medicines. The temporary increase in price controls from 22 to 34 key products--introduced as an exceptional measure after the parity change of the CFA franc in January 1994--was lifted by end-April 1994. In August 1995, 4 more products, most importantly cement, were taken off the list, so that the prices of only 18 goods and services remain under administrative control. The Government intends to liberalize prices further once nontariff barriers are lifted on these goods.

b. Trade policies

Côte d'Ivoire's policy of government-led industrialization had been accompanied by high import tariffs, a large number of quantitative restrictions, nontariff barriers and other impediments to free trade. A policy of progressive liberalization was initiated in 1993. Following the devaluation of the CFA franc, a new structure was adopted, with tariffs ranging from 0 to 35 percent and a reduction in the number of rates from 10 to 6. The average weighted tariff on taxable imports declined from 32 percent in 1989 to 19 percent in 1994, and further to about 16 percent in the first half of 1995. In 1994, the Government adopted a schedule for eliminating over a three-year period all nontariff barriers to imports, except those justified for security, public health, and environmental reasons. A number of barriers were lifted in May 1994 and January 1995, and more recently in August 1995, concerning inter alia major agricultural products such as rice, flour, coffee and tobacco. Côte d'Ivoire was one of the first countries to join the World Trade Organization. In this context, a law against unfair trading practices is under preparation.

4. Labor market

Up to the early 1990s, the labor market in Côte d'Ivoire was characterized by rigidity and high costs, stemming from high payroll taxes levied on employers and from an extensive and cumbersome regulation of employment and wages. These included the intervention of the Public Employment Office (OMOCI) for all new hiring, preliminary authorizations by the Ministry of Labor of requests for collective layoffs or any overtime work, and the prohibition of temporary work beyond a 90-day period. Moreover, the "last-hired, first fired" rule provided senior employees with nearly complete protection against layoffs. Wage increases based on seniority delinked the labor cost from changes in productivity, contributing to a 30 percent decline in employment in the formal sector when the economic crisis hit in the mid-1980s.

From 1991 onward, to stem the loss of jobs in the modern sector and to create new employment opportunities, the Government appealed to trade union representatives in the private sector to limit pay increases and started making the labor market more flexible. Payroll taxes were reduced by 50 percent (from 10 to 5 percent of payroll) for labor of nationals and lowered from 16 percent to 11 percent of payroll for expatriates in April 1991. These taxes were further reduced for labor of nationals in 1992 to 2.5 percent of payroll and eliminated in the Finance Law of 1994. The OMOCI hiring monopoly, the rule making occasional workers permanent after 90 days, the prior authorization for overtime, and the restrictions on collective layoffs for economic motives were all eliminated in 1992.

After some initial delays, a new Labor Code, introducing greater flexibility into the functioning of the labor market, was adopted in January 1995. About 20 executory decrees, which have been prepared and are being discussed with the social partners, should be adopted in the near future. In

addition, several industries have started to revise the Professional Collective Bargaining Agreements to harmonize them with the new law.

## V. Balance of Payments and External Debt

After a long period of steady deterioration, Côte d'Ivoire's external competitiveness improved considerably after the devaluation of the CFA franc in January 1994. The current account deficit, which in the six years prior to the devaluation had ranged between 10 percent and 15 percent of GDP, was reduced to about 2 percent of GDP in 1994, owing to a buoyant recovery of exports and a significant contraction of imports. Moreover, thanks to a recovery of external public assistance and a repatriation of private capital, the overall balance of payments posted a large surplus in 1994, for the first time in many years, which permitted a considerable improvement in the external position of the banking system. Furthermore, Côte d'Ivoire benefited from significant debt reduction and cancellation by its bilateral creditors and was able to settle most of its external payments arrears, with the exception of commercial banks.

### 1. Exports <sup>1/</sup>

Côte d'Ivoire's export performance changed dramatically during the period under review. After several years of declining merchandise exports, owing to weak world market prices for some of Côte d'Ivoire's main export commodities and a further deterioration in the country's external competitiveness, exports picked up strongly in response to the change of the parity in January 1994. The strengthening of world market prices of coffee, cocoa, and logs further added to the high growth in the value and volume of exports in 1994 and 1995.

Notwithstanding policies aimed at the reduction of Côte d'Ivoire's reliance on traditional export commodities and increased diversification into nontraditional crops and industrial products, economic performance remained highly dependent on exports of cocoa (including transformed products). The total value of cocoa exports showed considerable fluctuations during this period. The devaluation of the CFA franc and subsequent increases in domestic producer prices had a generally positive effect on the volume and value of exports, which increased from US\$861 million in 1993 to US\$922 million in 1994.

Export performance in the years before the parity change was also hampered by weak world market prices for coffee, which dropped by some 31 percent in 1992. The price decline resulted in a fall in the total value of exports of beans and processed coffee, from US\$239 million in 1991 to US\$205 million in 1992. These unfavorable world market conditions had a

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<sup>1/</sup> For a detailed discussion of the structure of international trade, see Annex III.

detrimental effect on the production capacity in the coffee sector. Investment in the maintenance of coffee plantations was reduced, and many plantations became unprofitable. <sup>1/</sup> Given the time lags in the supply response to higher prices and the delayed adjustment of domestic producer prices, the pickup in world market prices for coffee in 1993 and 1994 and the devaluation of the CFA franc were unable to prevent a further strong decline in export volumes in both years. Total exports of coffee beans reached a low of 136,600 tons in 1994, down from 198,500 tons in 1991. This decline, however, was more than compensated by the price rises: the total value of coffee exports reached US\$204 million in 1993 and US\$225 million in 1994.

The increase in world market prices for tropical woods in recent years has had a significant impact on the volume and value of exports of logs and processed woods from Côte d'Ivoire. Notwithstanding the imposition of an export tax as part of an environmental protection policy, total exports reached US\$373 million in 1994, up from US\$279 million in 1993 and US\$260 million in 1992. In 1994, logs and processed woods became the second most important category of export commodities in Côte d'Ivoire.

The steady deterioration in Côte d'Ivoire's external competitiveness in the years before 1994 reduced its opportunities for developing nontraditional sectors and diversifying exports. However, the situation improved considerably after the devaluation in January 1994. After years of stagnation, the growth of the volume of exports of nontraditional agricultural commodities (e.g., natural rubber) reached growth rates of 13-15 percent, while industrial exports such as textiles and clothing picked up as well. The growth of exports of conserved fish products was particularly strong, exceeding 60 percent in 1994. The positive supply response in the nontraditional sector continued in the first half of 1995.

## 2. Imports

Negative rates of economic growth in 1992-94 were reflected in very low or negative growth rates for the value of imports in these years. Notwithstanding the buildup of stocks of imported goods as a result of increasing speculation against the CFA franc in 1993, the total dollar value of imports actually declined by almost 12 percent in that year. The value of imports in dollar terms further declined after the devaluation (from US\$1,638 million f.o.b. in 1993 to US\$1,564 million in 1994), mainly because of import substitution effects, cautious consumer attitudes, and lower real incomes in urban areas. However, the composition of imports changed markedly between 1988 and 1994. In general, import demand for consumer products remained relatively weak over the years, with declines in volumes in 1992 (3.2 percent) and especially also in 1994 (22.3 percent). On the other hand, after many years of mostly slow growth or even sharp declines,

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<sup>1/</sup> For a detailed discussion of the problems of the coffee sector, see Annex I.

the volume of imports of intermediate products and capital goods increased significantly in 1994 (by 14.8 percent and 32.7 percent, respectively), reflecting higher investment and production in the traded goods sector. Preliminary data indicate that the growth of demand for these products continued during the first half of 1995. Also, higher incomes in the traded goods sector contributed to a pickup in demand for consumer goods.

### 3. Services and unrequited transfers

The services account remained in deficit during the period under review, mainly because of the continuing high level of official and private factor payments and the high costs related to imports of merchandise. Anti-competitive arrangements in the maritime transportation sector contributed to the relatively high import-related cost margin in Côte d'Ivoire: the total value of import-related costs, including insurance and freight, reached some 15 percent of the c.i.f. value of imports, well above the levels observed in neighboring countries. The liberalization of the maritime transport sector in May 1995 in the context of the World Bank's Economic Recovery Credit is expected to result in considerably lower payments on account of transportation services. However, the reduction of overcapacity in maritime transport will also reduce earnings from the export of transportation services; the net impact on the services account is as yet unclear.

The cancellation of debt service obligations to Belgium, France, and Switzerland reduced official factor payments due in 1994 by some US\$111 million, or around one sixth of total external interest payments due from the central government. On the other hand, there was a sharp increase in unrequited private transfers abroad after the devaluation in January 1994, which was due mainly to higher transfers by foreign workers in the agricultural sector, where incomes have increased considerably, as well as transfers by foreign traders who benefited from higher profits in the export sector.

### 4. Capital account and balance of payments financing

Although official funds continued to constitute the lion's share of external financing during the period under review, private capital gained much in importance after the beginning of 1994. The restoration of confidence following the devaluation of the CFA franc and the regularization of relations with official multilateral and bilateral creditors was reflected in a sizable inflow of short-term capital and an increase in foreign direct investment in 1994. After years of net private capital exports or very modest inflows, total net inflows by the nonbanking sector jumped in 1994 to US\$310 million, of which US\$15 million was linked to foreign direct investment. The swing in the capital account allowed commercial banks to increase their foreign currency reserves by US\$130 million. Preliminary data suggest that this favorable trend continued in the first half of 1995. The improved growth prospects for the Ivoirien economy and increased confidence in the payment discipline of the country

have attracted foreign investors, including commercial banks, which seem to be more willing to participate in the financing of viable investment projects, albeit sometimes on a modest scale. However, Côte d'Ivoire remained highly dependent on official foreign financing in the form of program loans and project aid. France continued to be the most important bilateral source of financing, with annual program support in the range of US\$219-252 million during 1992-94. Multilateral institutions contributed US\$308 million in 1992, US\$66 million in 1993, and US\$815 million in 1994.

Owing to a serious deterioration in the public finances in 1992 and 1993, the Government was not able to avoid new payments arrears to official creditors in those years. At end-1993, the total stock of arrears to Paris Club creditors and multilateral organizations amounted to US\$1,060 million. Arrears to multilateral organizations (US\$60 million) were paid in the first quarter of 1994, and arrears to the Paris Club were included in a comprehensive rescheduling agreement reached at end-March 1994. In this agreement, Côte d'Ivoire benefited from enhanced Toronto terms for eligible maturities falling due during the period March 1994 to March 1997. In addition, arrears on pre-cutoff-date debt were consolidated and rescheduled on the same terms; the repayment of arrears on post-cutoff-date debt was rescheduled over two and a half years on commercial terms. Côte d'Ivoire also benefited from cancellations of ODA debt by Belgium, France, and Switzerland. The total value of arrears and current debt service obligations rescheduled or canceled amounted to US\$1,245 million in 1994 and US\$657 million in 1995.

The overall improvement in the balance of payments after the devaluation of the CFA franc was reflected in a strong increase in the net foreign assets of the Central Bank. In 1994, the balance in the operations account turned positive for the first time in many years as a result of an improvement of US\$909 million, equivalent to one month of imports of goods and nonfactor services at end-1994.

The authorities have reopened discussions with the London Club on a comprehensive restructuring of commercial bank debt. They are aiming for an agreement with the banks well before the end of 1996. The reconciliation of data on the outstanding stock of debt, which almost exclusively consists of arrears, has been completed. At end-June 1995, the total stock, including late interest, was put at US\$6.1 billion, or 89 percent of the 1994 GDP. The availability of sufficient financial support from multilateral institutions and bilateral donors for the financing of the up-front cost of a restructuring arrangement is still subject to uncertainty.

##### 5. The stock of external debt and debt service obligations.

The external debt indicators deteriorated rapidly during the period under review, a reflection of low or negative growth of GDP and a very weak fiscal position. The total stock of debt (including private debt) in terms of GDP increased from 107 percent in 1988 to 239 percent in 1994, mainly as a result of the buildup of new arrears to commercial banks, and--before



March 1994--to Paris Club creditors, as well as the valuation effects of the parity change of the CFA franc in January 1994. The public debt ratio increased from 78 percent at end-1988 to 200 percent at end-1994. The ratio of Paris Club debt to GDP increased from 24 percent at end-1988 to 68 percent at end-1994. The stock of debt to multilateral creditors increased as well: the debt-to-GDP ratio for multilateral institutions rose from 23 percent at end-1988 to 50 percent in 1994. Côte d'Ivoire has not made any payments on its debt to London Club creditors since 1987. The increase in the stock of debt to commercial banks is due exclusively to the buildup of arrears, including an estimate for late interest charges.

At end-1994, the total stock of external debt amounted to US\$16.7 billion, or 239 percent of GDP. Of this amount, US\$14 billion, or 200 percent of GDP, was owed by the Central Government, mainly reflecting loans and credits contracted or rescheduled on nonconcessional terms; at US\$13.2 billion, the net present value of the future public debt service obligations was not much lower than the face value of the debt. Before 1994, Côte d'Ivoire had only limited access to concessional financing by multilateral institutions, and was not eligible for concessional treatment of debt service obligations in the context of Paris Club reschedulings.

Commercial banks were the most important group of creditors, with a total stock of debt of US\$5.3 billion, followed by the Paris Club (US\$4.7 billion) and multilateral institutions (US\$3.5 billion). The debt to the commercial banks was almost entirely in arrears, including an estimated US\$3.5 billion of first generation and late interest arrears. About half of the stock of debt to Paris Club creditors consisted of ODA debt. The stock of debt decreased in 1994 by US\$0.9 billion as a result of a US\$ 630 million debt cancellation by Belgium, France, and Switzerland, and the concessional treatment of arrears and current maturities in the context of a Paris Club agreement covering the period March 1994 through March 1997. 1/ By the end of 1994, all arrears to the Paris Club had been cleared. Among the multilateral institutions, the World Bank was the largest creditor (US\$2.3 billion), of which US\$0.5 billion was related to IDA loans. The African Development Bank was the second largest creditor, with a total outstanding stock of debt of US\$0.7 billion, followed by the Fund (US\$0.3 billion). Other multilateral creditors include the European Investment Bank, Conseil de l'Entente, ECOWAS, BOAD, and IFAD, accounting for a total stock of debt of US\$ 0.2 billion. 2/

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1/ In March 1994, all pre-cutoff-date debt service obligations were rescheduled on London terms, including arrears on pre-cutoff-date debt. Arrears on post-cutoff-date debt were to be repaid over a period extending to end-1996.

2/ Economic Community of West African States (ECOWAS), West African Development Bank (BOAD), and International Fund for Agricultural Development (IFAD).

In contrast to the stock of debt/GDP ratios, debt service due in percent of exports of goods and services improved during the period under review. Total external debt service due (including private sector debt) decreased from 69 percent of exports of goods and nonfactor services in 1988 to 43 percent in 1994, mainly reflecting somewhat declining interest payments due and, more importantly, the cancellations of bilateral debt and interest obligations in 1994. Hence, the public debt service ratio declined too, from 60 percent in 1988 to 38 percent in 1994. However, total public debt service on a cash basis (that is to say, after reschedulings and changes in arrears) fluctuated between 16 percent and 20 percent of exports in 1988-93, and jumped to 25 percent in 1994. The strong increase in 1994 was due to the regularization of relations with the Paris Club. Of the debt service paid in 1994, 17 percent was due to multilateral institutions, with the World Bank being the largest creditor (10 percent). Debt service obligations to the Fund were equivalent to 2 percent of exports, and payments to Paris Club creditors reached 5 percent of exports.

Table 1. Côte d'Ivoire: Selected National Accounts Indicators, 1988-94 <sup>1/</sup>

	1988	1989	1990	1991	1992	1993	1994
<u>(In billions of CFA francs)</u>							
Gross domestic product (GDP) nominal	3,054.5	3,112.8	2,939.3	2,960.0	2,945.3	2,921.3	4,157.7
Gross domestic spending (nominal)	2,975.2	3,020.2	2,804.7	2,870.8	2,919.5	2,872.9	3,792.2
<u>(Percentage changes)</u>							
Real GDP	1.1	2.9	-1.1	--	--	-0.6	1.7
Nominal GDP	0.8	1.9	-5.6	0.7	-0.5	-0.8	42.3
GDP deflator	-0.3	-1.0	-4.5	0.7	-0.5	-0.2	39.9
<u>(Volume change in percent)</u>							
Primary sector <sup>2/</sup>	5.2	4.5	4.8	1.2	1.1	2.5	4.5
Secondary sector	3.0	3.4	-7.2	1.4	0.1	1.5	4.5
Tertiary sector <sup>3/</sup>	-1.9	1.8	-2.3	-1.3	-1.3	-4.9	-2.3
Consumption <sup>4/</sup>	1.0	1.0	-5.3	0.1	-0.5	-0.7	-4.0
Private	0.3	-0.2	-2.0	3.0	-0.2	-0.7	-5.3
Public	4.2	5.6	-18.1	-12.9	-2.2	-1.0	2.0
Fixed investment	-7.9	-5.2	-20.0	2.7	2.9	5.0	11.8
GDP per capita	-2.7	-0.8	-4.8	-3.6	-3.9	-4.3	-2.0
<u>(In percent of GDP)</u>							
Primary sector <sup>2/</sup>	32.7	33.0	30.4	33.5	33.8	34.5	30.9
Secondary sector	22.0	21.5	23.7	21.5	21.1	21.3	21.3
Tertiary sector <sup>3/</sup>	45.3	45.5	45.9	45.0	45.0	44.2	47.8
Consumption	84.7	88.1	88.7	89.5	90.7	89.9	80.7
Private	67.6	69.9	71.9	73.2	74.7	73.9	67.0
Public	17.1	18.2	16.8	16.4	16.0	16.0	13.8
Investment <sup>5/</sup>	12.7	8.9	6.7	7.5	8.4	8.5	10.5
Resource balance (+ = surplus)	2.6	3.0	4.6	3.0	0.9	1.7	8.8
Gross domestic savings	15.3	11.9	11.3	10.5	9.3	10.1	19.3

Sources: Ministère de l'Économie, des Finances, et du Plan: Direction de la conjoncture et de la prévision économique; and staff estimates.

<sup>1/</sup> New national accounts, INS 1986-91; and estimates from the forecasting department of the Ministry of Economy, Finance and Planning for 1992-1994.

<sup>2/</sup> Including oil production and other extractive industries.

<sup>3/</sup> Including import taxes and duties and public administration.

<sup>4/</sup> Volume growth derived from consumer price deflators prepared by the Direction de la conjoncture et de la prévision. These deflators differ from the consumer price index.

<sup>5/</sup> Including changes in stocks.

Table 2. Côte d'Ivoire: Gross Domestic Product by Origin, 1988–94 <sup>1/</sup>

(In billions of CFA francs at current market prices)

	1988	1989	1990	1991	1992	1993	1994
Primary sector	<u>998.3</u>	<u>1,026.4</u>	<u>863.8</u>	<u>991.6</u>	<u>996.9</u>	<u>1,008.6</u>	<u>1,286.3</u>
Food crops	518.3	565.7	631.3	668.1	701.2	734.0	896.0
Export crops	418.2	408.9	183.5	284.6	257.2	236.3	322.9
Forestry	42.2	43.8	40.4	33.2	34.5	34.3	58.5
Petroleum extraction	19.7	8.0	8.5	5.7	4.0	4.0	8.9
Secondary sector	<u>672.1</u>	<u>670.1</u>	<u>672.5</u>	<u>636.8</u>	<u>622.3</u>	<u>621.4</u>	<u>885.6</u>
Agro–industries	180.3	201.4	187.5	186.2	184.6	192.4	280.8
Energy (including petroleum refining)	206.7	201.9	192.5	169.5	169.3	169.8	247.9
Construction and public works	75.6	75.2	58.1	61.7	65.7	64.5	78.8
Other industries	209.6	191.6	234.4	219.4	202.7	194.7	278.1
Tertiary sector	<u>1,384.0</u>	<u>1,416.3</u>	<u>1,303.0</u>	<u>1,332.0</u>	<u>1,326.1</u>	<u>1,291.3</u>	<u>1,985.8</u>
Transportation	239.7	242.4	236.9	230.6	221.1	109.5	260.6
Trade services	590.0	581.9	541.9	591.7	575.8	566.3	1,126.3
Import duties and taxes	185.8	194.1	150.8	145.8	144.8	134.6	185.3
Public administration	368.6	397.9	373.3	363.9	384.4	480.9	413.6
Gross domestic product (GDP)	<u>3,054.5</u>	<u>3,112.8</u>	<u>2,839.3</u>	<u>2,960.4</u>	<u>2,945.3</u>	<u>2,921.3</u>	<u>4,157.7</u>
<b>Memorandum items:</b>							
Population (millions)	10.8	11.2	11.6	12.1	12.5	13.0	13.5
GDP per capita							
(in thousands of CFA francs)	282.3	277.4	252.5	245.4	235.1	224.8	308.6
(in U.S. dollars)	947.8	869.7	927.5	870.0	888.0	864.7	561.0

Sources: Ministère de l'Économie, des Finances, et du Plan: Direction de la conjoncture et de la prévision économique.

1/ New national accounts, INS 1986–91; and estimates from the forecasting department of the Ministry of Economy, Finance and Planning for 1992–1994.

Table 3. Côte d'Ivoire: Supply and Use of Resources, 1988-94 <sup>1/</sup>

(In billions of CFA francs at current market prices)

	1987	1988	1989	1990	1991	1992	1993	1994
<b>Supply of resources</b>								
Gross domestic product	3032	3055	3113	2939	2960	2945	2921	4158
Imports of goods and nonfactor services	898	852	905	797	799	834	801	1388
Total	<u>3930</u>	<u>3906</u>	<u>4017</u>	<u>3736</u>	<u>3759</u>	<u>3779</u>	<u>3722</u>	<u>5546</u>
<b>Use of resources</b>								
Consumption	2543	2588	2743	2608	2650	2671	2625	3356
Private	2049	2066	2175	2114	2166	2200	2158	2784
Public	494	522	568	494	484	472	467	573
Gross fixed investment	364	366	329	263	252	257	262	439
Private	141	152	133	106	134	143	146	251
Public	224	214	196	157	118	113	116	189
Change in stocks	9	21	-52	-66	-32	-8	-15	-3
Exports of goods and nonfactor services	1014	931	997	931	888	859	849	1754
Total	<u>3930</u>	<u>3906</u>	<u>4017</u>	<u>3736</u>	<u>3759</u>	<u>3779</u>	<u>3722</u>	<u>5546</u>

Sources: Ministère de l'Économie, des Finances, et du Plan: Direction de la conjoncture et de la prévision économique; and staff estimates.

<sup>1/</sup> New national accounts, INS 1986-91; and estimates from the forecasting department of the Ministry of Economy, Finance and Planning for 1992-1994.

Table 4. Côte d'Ivoire: Savings and Investment by Sector, 1988-94 <sup>1/</sup>

(In billions of CFA francs at current market prices)

	1988	1989	1990	1991	1992	1993	1994
<b>Corporate enterprises <sup>2/</sup></b>							
Gross savings	31.1	64.1	12.4	-131.8	-46.5	-24.5	43.2
Gross fixed capital formation	158.8	139.7	106.9	114.6	114.0	112.1	211.4
Surplus/Deficit (-)	-127.7	-75.6	-94.5	-246.4	-160.5	-136.6	-168.2
<b>Financial institutions</b>							
Gross savings	23.0	10.2	11.9	10.2	85.2	133.4	190.7
Gross fixed capital formation	10.6	8.2	9.0	6.7	8.0	8.0	17.6
Surplus/Deficit (-)	12.4	2.0	2.9	3.5	77.2	125.4	173.1
<b>Public administrations</b>							
Gross savings	-167.0	-237.2	-223.6	-150.0	-214.0	-325.1	169.5
Gross fixed capital formation	144.0	136.2	105.4	102.0	95.6	100.4	163.2
Surplus/Deficit (-)	-311.0	-373.4	-329.0	-252.0	-309.6	-425.5	6.3
<b>Households <sup>3/</sup></b>							
Gross savings	154.0	97.0	81.8	81.6	71.1	95.6	151.2
Gross fixed capital formation	36.8	36.6	28.3	30.1	38.9	41.9	47.1
Surplus/Deficit (-)	117.2	60.4	53.5	51.5	32.2	53.7	104.1

Source: Ministère de l'Économie, des Finances, et du Plan: Direction de la conjoncture et de la prévision économique.

<sup>1/</sup> New national accounts, INS 1986-91; and estimates from the forecasting department of the Ministry of Economy, Finance and Planning. Owing to differences in coverage and sources used, the data do not match those of Table 3.

<sup>2/</sup> Including public enterprises.

<sup>3/</sup> Including private administrations and individual businesses.

Table 5. Côte d'Ivoire: Consumer Price Index  
for Abidjan, 1988-94

(Percentage change from year earlier)

	High Income Price Index 1/ General	Moderate Income Price Index 2/ General	Low Income Price Index 3/ General
1988	2.8	6.8	6.9
1989 4/	2.6	1.3	1.0
1990 4/	0.9	-1.6	-0.7
1991	0.8	0.9	1.6
1992	1.2	5.4	4.2
1993	0.3	1.6	0.8
1994	33.8	24.7	26.0
1988 I	2.7	7.7	8.4
1988 II	2.7	8.3	8.7
1988 III	2.8	6.7	6.5
1988 IV	3.1	4.5	4.4
1989 I	2.8	3.0	2.5
1989 II	3.1	1.4	0.8
1989 III	2.8	0.5	0.7
1989 IV	2.3	0.4	--
1990 I	1.5	-1.5	-0.5
1990 II	0.8	-2.1	-0.6
1990 III	--	-1.7	-1.6
1990 IV	0.1	-1.1	-0.5
1991 I	-0.2	0.4	1.5
1991 II	1.2	1.1	1.6
1991 III	1.5	0.6	1.9
1991 IV	1.2	1.4	1.6
1992 I	1.6	3.0	2.7
1992 II	0.9	6.1	4.3
1992 III	1.8	6.8	5.7
1992 IV	0.6	5.8	4.4
1993 I	--	5.3	3.5
1993 II	-0.1	2.1	1.8
1993 III	0.3	1.8	1.3
1993 IV	0.8	-2.7	-3.4
1994 I	24.9	14.9	16.0
1994 II	33.5	24.0	26.2
1994 III	36.6	29.8	32.0
1994 IV	40.6	30.9	32.7

Sources: Ministère de l'Économie, des Finances, et du Plan; Institut National de la Statistique; and staff estimates.

1/ European-type household.

2/ African-type household, headed by a professional.

3/ Based on a basket of goods derived from a new household consumption survey. The old Moderate Price Index was discontinued in 1988.

4/ No CPI data were compiled between September 1989 and February 1990; the data for period thus represent staff extrapolations.

Table 6. Côte d'Ivoire: Decomposition of Consumer Price Index, 1994-95 1/

	Weights	1993	1994												1995				
		Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
1. Food stuff	48.0	...	110.8	113.2	119.1	122.7	126.2	126.7	130.7	129.3	127.9	126.0	126.8	126.5	137.2	136.8	144.8	148.6	149.5
2. Housing	7.8	...	101.5	101.5	109.5	109.5	109.5	109.5	109.5	113.1	113.6	114.0	114.7	114.7	114.7	11.7	114.7	114.7	114.7
3. Public utilities	6.5	...	109.6	106.6	114.2	107.0	113.1	115.6	122.6	120.6	118.5	120.0	124.5	124.7	123.2	119.6	119.4	119.4	120.7
4. Household equipment	3.4	...	115.5	127.4	131.3	132.0	136.4	137.3	140.2	139.2	145.5	144.8	145.4	147.1	157.9	160.4	166.4	166.3	167.1
5. Clothing	10.0	...	100.6	120.8	135.2	136.3	143.7	146.5	146.9	157.7	157.6	156.6	157.6	156.2	161.6	163.3	166.3	166.0	164.4
6. Public transportation	6.8	...	100.0	102.7	104.5	104.5	104.5	112.6	112.6	112.6	136.4	136.4	136.4	136.4	136.4	136.4	136.4	136.4	136.4
7. Vehicle	5.4	...	126.8	126.8	126.8	126.9	132.2	145.1	145.1	145.1	141.3	141.9	141.9	141.9	141.9	141.9	141.9	141.9	141.9
8. Other household items	0.8	...	129.4	130.1	130.2	131.0	131.1	130.1	130.6	130.6	130.6	130.6	130.6	131.2	131.2	131.7	131.7	131.7	131.7
9. Body hygiene	1.0	...	140.3	143.2	145.5	143.4	144.6	145.0	147.6	145.1	145.1	145.1	145.1	141.1	145.3	149.2	149.2	152.0	152.0
10. Health services and medicinal drugs	0.7	...	139.6	139.4	139.4	131.0	131.0	146.3	144.0	143.3	142.0	142.7	142.1	142.1	141.6	147.3	153.7	154.5	153.7
11. Other consumer goods and services	7.6	...	105.7	145.0	145.0	146.0	146.1	150.0	150.0	154.6	155.3	156.1	160.4	160.4	166.2	166.0	169.1	171.1	170.5
Consumer Price Index	100.0	101.4	109.5	116.3	122.0	123.2	126.5	129.9	131.6	132.5	133.4	133.6	133.9	134.1	140.3	140.6	144.7	146.5	146.6
CPI monthly rate of change (in percent)		0.9	8.0	6.2	4.9	1.0	2.7	2.7	1.5	0.5	0.7	0.3	0.1	0.1	4.6	0.4	2.6	2.6	-1.1
CPI 12-month change (in percent)		2.4	9.1	15.5	21.2	23.3	25.4	28.1	30.6	30.0	30.6	32.7	33.2	32.3	26.1	21.1	16.6	20.5	16.0
Annual average		100.9																	
Annual average (change in percent)																			

Source: Institut National de la Statistique

1/ Low income price index (average November 1992-October 1993=100).



Table 7. Côte d'Ivoire: Price Structure of Oil and Gas Products, 1993-1995

(In CFA francs per liter)

Density at 25 degree celsius kg/l	Gasoline		Kerosene 0.8249	Diesel fuel 0.8698	Jet fuel		FO 180 0.9396
	Premium 0.757	Regular 0.7453			DDO1 0.8922	DDO2 0.8922	
(As of December 1st, 1993)							
Ex-refinery price	61.2	58.9	71.3	71.3	76.1	76.1	43.0
Oil specific tax (TSPP)	154.1	143.6	31.8	88.9	114.7	29.0	31.9
Customs duties	6.2	5.9	3.6	--	--	--	--
Statistical levy	1.6	1.5	1.8	1.8	1.9	1.9	1.1
Value added tax (VAT)	57.0	52.5	27.1	40.5	48.2	26.7	19.0
Harbor user's tax	0.7	0.7	0.7	0.8	0.9	0.9	0.9
Transport equalization tax	10.5	10.5	10.5	10.5	--	--	--
Security stock fees and SYDAM	0.9	0.9	0.9	0.9	0.5	0.5	0.5
Distributor profit margin	20.6	17.6	15.8	14.6	8.9	8.9	5.5
Para fiscal levy (ADSP)	19.4	16.3	21.3	0.8	3.6	3.6	3.9
VAT on distributor margins	8.1	7.4	7.0	6.6	2.6	2.6	1.7
Retailer profit margin	9.8	9.2	8.2	8.4	--	--	--
Retail price (CFAF/l)	350.0	325.0	200.0	245.0	229.6	134.0	101.0
Retail price (CFAF/kg)	462.4	436.1	242.5	281.7	257.3	150.2	107.5
Memorandum item:							
Total fiscal contribution	247.2	228.1	93.5	139.5	171.5	64.3	58.1
(As of October 6, 1995)							
Ex-refinery price	84.0	76.6	94.1	86.9	93.2	93.2	67.2
Oil specific tax (TSPP)	127.6	119.9	22.9	70.5	101.4	28.8	18.4
Customs duties	8.9	8.2	4.5	--	--	--	--
Statistical levy	2.2	2.1	2.3	2.0	2.3	2.3	2.0
Value added tax (VAT)	44.6	41.4	24.8	31.9	39.5	25.0	17.7
Harbor user's tax	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Transport equalization tax	11.5	11.5	11.5	11.5	--	--	--
Security stock fees and SYDAM	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Distributor profit margin	29.7	26.7	24.9	23.9	18.0	18.0	14.6
Para fiscal levy (ADSP)	59.3	53.7	-6.4	17.1	-3.3	-20.0	-15.4
VAT on distributor margins	20.6	18.9	6.6	11.0	3.4	0.0	0.3
Retailer profit margin	13.8	13.2	12.2	12.4	--	--	--
Retail price (CFAF/l)	405.0	375.0	200.0	270.0	229.6	134.0	101.0
Retail price (CFAF/kg)	535.0	503.2	242.5	310.4	257.3	150.2	107.5
Memorandum item:							
Total fiscal contribution	304.3	281.1	125.5	189.2	198.6	106.1	74.1
(Change in percent between October 6, 1995 and December 1st, 1993)							
Ex-refinery price	37.3	30.0	31.9	21.9	22.6	22.6	56.5
Oil specific tax (TSPP)	-17.2	-16.5	-28.0	-20.7	-11.6	-0.8	-42.4
Customs duties	43.6	39.4	26.2	--	--	--	--
Statistical levy	42.7	40.1	27.6	12.4	21.4	21.4	81.6
Value added tax (VAT)	-21.8	-21.2	-8.7	-21.1	-17.9	-6.5	-7.0
Harbor user's tax	68.6	68.6	68.6	47.5	31.1	31.1	31.1
Transport equalization tax	9.5	9.5	9.5	9.5	--	--	--
Security stock fees and SYDAM	83.3	83.3	83.3	83.3	230.0	230.0	230.0
Distributor profit margin	44.1	51.7	57.5	63.7	102.0	102.0	165.1
Para fiscal levy (ADSP)	206.1	229.1	NS	2020.1	NS	NS	NS
VAT on distributor margins	155.7	155.2	-5.9	66.8	30.6	-98.6	-83.4
Retailer profit margin	40.3	42.9	48.2	47.0	--	--	--
Retail price (CFAF/l)	15.7	15.4	--	10.2	--	--	--
Retail price (CFAF/kg)	15.7	15.4	--	10.2	--	--	--
Memorandum item:							
Total fiscal contribution	23.1	23.2	34.3	35.7	15.9	64.8	27.5

Sources: Ministry of Economy and Finance

Table 8. Côte d'Ivoire: Deflators of Sectoral Output, 1988-94 <sup>1/</sup>

(Annual percentage changes; base year - 1986)

	1988	1989	1990	1991	1992	1993	1994
Primary sector	<u>4.1</u>	<u>-1.6</u>	<u>-10.4</u>	<u>1.68</u>	<u>-0.5</u>	<u>-1.3</u>	<u>22.1</u>
Foodcrop agriculture	9.0	4.9	8.2	2.1	2.7	0.8	17.7
Export agriculture	-2.2	-11.0	-35.1	-0.1	-7.8	-7.8	31.6
Forestry	13.6	5.9	-8.8	-7.0	1.1	1.4	37.5
Petroleum	-9.1	13.0	5.9	-2.0	-33.9	0.6	106.2
Secondary sector	<u>3.0</u>	<u>3.4</u>	<u>-7.2</u>	<u>1.4</u>	<u>2.4</u>	<u>-1.6</u>	<u>36.4</u>
Agro-industries	11.5	7.7	-7.4	-0.5	-2.6	1.6	47.0
Energy	-3.0	-6.2	3.6	-18.4	0.4	-2.2	37.3
Construction	-4.8	-4.8	-0.9	-7.2	-0.2	-4.4	19.0
Other industries	-3.8	-9.1	20.6	-2.8	-5.1	-3.3	31.5
Tertiary sector	<u>-3.9</u>	<u>0.5</u>	<u>-5.9</u>	<u>3.5</u>	<u>0.6</u>	<u>1.5</u>	<u>76.7</u>
Of which: transportation	-1.2	-5.5	-5.1	-7.8	-0.8	-3.4	26.7
services	-6.1	15.8	-6.8	0.9	-3.2	-3.4	25.4
internal trade	-13.3	-15.9	-15.7	16.2	6.7	11.9	159.9
Overall GDP	<u>-0.3</u>	<u>-1.0</u>	<u>-4.5</u>	<u>0.7</u>	<u>-0.5</u>	<u>-0.2</u>	<u>39.9</u>

Sources: Ministère de l'Économie, des Finances, et du Plan: Direction de la conjoncture et de la prévision économique; and staff estimates.

<sup>1/</sup> New national accounts, INS 1986-91; and estimates from the forecasting department of the Ministry of Economy and Finance for 1992-1994.

Table 9. Côte d'Ivoire: Estimates of Food Crop Production, 1988-94

(In thousands of metric tons)

	1988	1989	1990	1991	1992	1993	1994 Est.
<b>Cereals</b>							
Rice (paddy)	580.0	510.0	635.0	657.0	683.0	710.3	738.7
Maize	460.0	480.0	497.0	517.0	537.7	559.2	581.6
Millet	43.0	45.0	47.0	49.0	51.1	53.3	54.6
Sorghum	24.0	25.0	26.0	27.0	28.0	29.1	30.0
Fonio	7.0	8.0	8.0	8.0	8.2	8.4	8.6
<b>Other food crops</b>							
Yams	2,500.0	2,600.0	2,690.0	2,622.0	2,687.6	2,754.7	2,823.6
Plantain bananas	1,100.0	1,145.0	1,233.0	1,328.0	1,361.2	1,395.2	1,430.1
Cassava	1,400.0	1,460.0	1,465.0	1,470.0	1,542.0	1,617.6	1,696.9
Taros	290.0	302.0	311.0	320.0	330.0	339.9	350.1
Groundnuts (unshelled)	121.0	126.0	130.0	135.0	140.0	144.2	179.6

Sources: Ministère de l'Agriculture, des Eaux et Forêts; and Ministère de l'Économie, des Finances, et du Plan: Direction de la conjoncture et de la prévision économique.

Table 10. Côte d'Ivoire: Production and Exports of Cash Crops, 1988-94

(In thousands of metric tons)

	1988	1989	1990	1991	1992	1993	1994
<b>Coffee</b>							
Production	184	232	284	220	257	150	149
Exports	178	139	250	220	244	188	143
Coffee beans	178	132	243	213	236	182	136
Processed coffee <sup>1/</sup>	16	7	7	8	8	6	7
<b>Cocoa</b>							
Production	715	767	781	727	796	784	745
Exports	468	807	787	822	783	808	793
Cocoa beans	393	723	670	711	669	705	707
Processed cocoa <sup>1/</sup>	75	84	117	111	115	104	86
<b>Bananas</b>							
Production	116	127	137	159	188	207	200
Exports	83	94	104	119	146	173	156
<b>Pineapples</b>							
Production	196	179	197	158	163	179	191
Exports of fresh fruit	149	132	150	114	119	133	143
<b>Cotton</b>							
Production: seed cotton	256	291	242	261	194	239	250
Exports: lint	96	89	89	93	64	96	94
<b>Palm oil</b>							
Exports	54	38	137	92	96	166	189
<b>Sugar</b>							
Production	139	145	150	140	154	128	125
Exports	7	18	23	18	11	37	31
<b>Rubber</b>							
Production	61	67	69	71	75	75	66
Exports	57	60	62	67	73	69	83

Sources: Ministère de l'Économie, des Finances, et du Plan: Direction de la conjoncture et de la prévision économique; and Ministère de l'Agriculture, et des Eaux et Forêts.

<sup>1/</sup> Bean equivalent.

Table 11. Côte d'Ivoire: Export Costs of Cocoa and Coffee, 1988-94 <sup>1/</sup>

(In CFA francs per kilo)

	1988	1989	1990	1991	1992	1993	1994 Est.
<b>Cocoa</b>							
Producer price	400.0	376.2	200.0	200.0	200.0	200.0	315.0
Local collection, storage and handling	22.0	...	...	17.3	17.3	17.3	26.5
Marketing center cost	35.8	...	...	11.6	11.6	8.0	12.2
Of which: new bags	(-11.5)	...	...	(--)	(--)	(--)	(--)
Abidjan storage and exit cost	5.6	5.1	...	16.1	16.2	16.2	30.9
Export tax <sup>2/</sup>	76.6	...	...	...	...	...	200.0
Exporter's profit	2.5	...	...	2.3	2.3	2.3	3.8
Port handling cost	3.8	...	...	7.7	7.9	7.9	11.4
Value ( <u>barême</u> )	<u>546.3</u>	<u>446.0</u>	<u>234.2</u>	<u>255.0</u>	<u>255.4</u>	<u>251.7</u>	<u>599.8</u>
Other costs (not included in the <u>barême</u> )	80.3	71.9	38.4	6.1	6.6	6.5	13.1
Total export cost (f.o.b.)	<u>626.6</u>	<u>517.9</u>	<u>272.6</u>	<u>261.0</u>	<u>262.0</u>	<u>258.2</u>	<u>612.8</u>
Insurance and freight	51.3	50.3	45.1	29.6	29.0	30.5	75.3
Total export cost (c.i.f.)	<u>677.9</u>	<u>568.2</u>	<u>317.7</u>	<u>290.7</u>	<u>290.9</u>	<u>288.7</u>	<u>688.2</u>
<b>Coffee</b>							
Producer price (cherry)	405.4	405.4	280.0	200.0	140.0	170.0	530.0
Local collection, storage and handling	14.9	...	...	33.4	22.0	18.3	36.0
Value at factory <sup>3/</sup>	214.9	...	...	233.4	162.0	188.3	566.0
Marketing center cost	58.1	...	...	42.5	10.5	8.0	9.6
Abidjan storage and exit cost	5.3	...	...	19.6	18.2	18.7	48.6
Export tax <sup>2/</sup>	100.5	82.7	...	...	...	...	200.0
Exporter's profit	3.0	...	...	2.3	2.3	2.3	4.1
Port handling cost	3.8	...	...	7.7	7.9	7.9	10.8
Value ( <u>barême</u> )	<u>576.1</u>	<u>554.7</u>	<u>329.3</u>	<u>305.5</u>	<u>200.8</u>	<u>225.2</u>	<u>839.1</u>
Other costs (not included in the <u>barême</u> )	57.6	56.3	41.1	22.7	17.1	18.8	42.8
Total export cost (f.o.b.)	<u>633.7</u>	<u>611.0</u>	<u>370.4</u>	<u>328.2</u>	<u>217.9</u>	<u>243.9</u>	<u>881.8</u>
Insurance and freight	74.6	73.7	50.8	24.4	26.5	27.5	76.5
Total export cost (c.i.f.)	<u>708.3</u>	<u>684.7</u>	<u>421.2</u>	<u>352.6</u>	<u>244.4</u>	<u>271.4</u>	<u>958.3</u>

Source: Agricultural Price Stabilization Fund (CSSPPA).

<sup>1/</sup> The data for 1991-94 reflect the cost structure for the crop season beginning in October of the year indicated.

<sup>2/</sup> The export tax was suspended in 1989 and reintroduced in January 1994.

<sup>3/</sup> Prior to 1991, the data indicate the value of cherries. After 1991, the data refer to the green coffee equivalent.

Table 12. Côte d'Ivoire: Production and Exports  
of Lumber, 1988-94

(Volume in thousands of cubic meters)

	1988	1989	1990	1991	1992	1993	1994
Production <u>1/</u>	2,541	2,574	2,449	2,058	2,540	2,214	2,549
Local processing <u>1/</u>	1,011	933	1,010	893	891	894	1,107
Of which: sawn wood	775	717	751	675	669	676	849
Exports	991	925	1,025	855	812	898	1,297
Logs	501	452	411	311	291	358	584
Sawn wood	490	473	614	544	521	540	713

Sources: Ministère de l'Économie, des Finances, et du Plan: Direction de la conjoncture et de la prévision économique; and Ministère de l'Agriculture, et des Eaux et Forêts.

1/ Roundwood equivalent.

Table 13. Côte d'Ivoire: Production, Imports,  
and Exports of Fisheries, 1988-94

(Volume in thousand metric tons)

	1988	1989	1990	1991	1992	1993	1994
<b>Production</b>							
Industrial	29.4	32.4	39.2	34.9	39.4	30.2	38.7
Trawler	4.1	3.2	3.9	4.4	4.6	4.3	4.8
Sardine fishing	24.8	28.8	34.9	29.8	34.6	24.7	32.2
Shrimping and tuna-boating	0.5	0.4	0.4	0.7	0.2	1.2	1.7
Artisanal	56.0	60.0	62.0	63.8	63.9	66.6	69.2
Coastal <sup>1/</sup>	16.0	18.0	20.0	15.6	18.8	19.6	21.3
Lagoonal	12.0	13.0	14.0	10.9	13.1	13.6	13.6
Continental	28.0	29.0	28.0	37.3	32.0	33.3	34.3
Aquaculture	0.1	0.1	0.0	0.3	0.2	0.2	0.2
Total volume	<u>85.5</u>	<u>92.4</u>	<u>101.2</u>	<u>99.0</u>	<u>103.6</u>	<u>97.0</u>	<u>108.1</u>
Imports	235.1	253.5	249.0	258.6	282.7	314.0	347.0
Exports of canned dish	31.6	38.3	41.4	42.7	38.8	30.5	49.6

Sources: Ministère de l'Économie, des Finances, et du Plan: Direction de la conjoncture et de la prévision économique; and Ministère du Développement rural.

<sup>1/</sup> Including lagoonal fishing.

Table 14. Côte d'Ivoire: Official Producer Prices  
in Agriculture, 1985 - 1994

(In CFA francs per kilogram)

	1985/86	1986/87	1987/88	1989 1/		1990 1/	1991	1992	1993	1994
				Jan. - June	Jul. - Dec.					
Cocoa (dry beans)	400	400	400	400	250	200	200	200	200	315
Coffee (cherry)	200	200	200	200	200	100	100	120	150	530
Cotton (white)	115	115	115	115	115	115	115	100	70	160
Paddy (first quality)	95	95	80	80	80	80	80	60	90	110
Oil palm fruit	19	19	19	19	19 2/	15.5	13.5 2/	12	12	19.5
Pineapple (industrial use)	22	22	22	22	22	22	22	...	...	...
Tobacco (first quality)	250	250	250	250	250	175	175	...	...	...
Groundnuts	50	50	45	50	50	50	50	278	227	...
Copra (Grade I)	70	70	70	70	70	70	70	...	...	...
Maize	40	50	45	45	45	45	45	90	91.8	...
Sugar (white cubes ) 3/	300	300	300	300	300	300	300	...	...	...

Sources: Ministère de l'Économie, des Finances, et du Plan: Direction de la conjoncture et de la prévision économique; and Ministère de l'Agriculture, et des Eaux et Forêts.

1/ The prices are quoted for the crop season (October - September) from 1986/87 to 1987/88. The producer prices for cocoa were changed in the middle of the 1988/89 crop season, and for coffee, and again for cocoa, during the 1989/90 crop season.

2/ Between October 1, 1989 and April 30, 1991, the price was 15.5 CFAF/kg, including 1.5 CFAF/kg for the Fund for the Maintenance and Renovation of the Oil Palm (FERPH). Since May 1, 1991, the price is 13.5 CFAF/kg, of which 1.5 CFAF/kg represents the contribution to the FERPH.

3/ Retail price (the refinery price was CFAF 260 throughout the period).



Table 15. Côte d'Ivoire: Indices of Industrial Production by Branch, 1988-94

(October 1984-September 1985 = 100)

	1988	1989	1990	1991	1992	1993	1994
Extraction of petroleum and miner:	50	13	11	10	7	3	3
Grains and flour	81	86	100	76	58	35	32
Preserves and food preparation	104	120	118	124	150	137	132
Drinks and ice	106	102	85	76	73	69	67
Vegetable oils	102	123	128	143	137	154	160
Other foodstuffs, tobacco	95	92	83	89	100	125	88
Textiles and clothing	114	121	97	92	89	93	95
Leather articles, footwear	66	25	17	15	17	11	8
Wood industries	106	108	101	91	78	74	84
Derived petroleum products	147	148	150	148	143	131	145
Chemical products	91	93	94	92	90	95	113
Rubber and derived products	156	154	168	164	168	132	156
Construction material, glass	182	193	126	101	113	115	120
Transport material	74	63	59	57	70	62	62
Mechanical and electrical industrie:	115	124	100	76	72	61	66
Miscellaneous industries, press, and publishing	104	116	118	125	119	136	135
Electrical energy, water	124	121	111	105	107	122	129
Total	<u>104</u>	<u>102</u>	<u>96</u>	<u>94</u>	<u>93</u>	<u>94</u>	<u>97</u>

Source: Ministère de l'Économie, des Finances, et du Plan: Institut National de la Statistique.

Table 16. Côte d'Ivoire: Production and Consumption  
of Electrical Energy, 1988-94

(In gigawatt-hours)

	1988	1989	1990	1991	1992	1993	1994
Production of electricity	2,311	2,362	2,295	1,811	1,847	2,252	2367.7
Of which:							
hydraulic energy	(1,241)	(1,588)	(1,325)	(1,253)	(1,049)	(1,098)	(1,175)
thermal energy and others	(1,070)	(774)	(970)	(558)	(798)	(1,084)	(1,180)
Consumption of electricity	1,934	2,097	1,842	1,965	1,873	1,862	1957.1
Of which:							
low tension	(823)	(936)	(1,091)	(832)	(782)	(799)	(841)
medium and high tension	(1,111)	(1,161)	(751)	(1,133)	(1,091)	(1,063)	(1,116)

Source: Ministère de l'Économie, des Finances, et du Plan: Direction de la conjoncture et de la prévision économique.

**Table 17. Côte d'Ivoire: Indices of Turnover  
in Commerce, 1988-94**

**(Rates of growth in percent)**

	1988	1989	1990	1991	1992	1993	1994
<b>Food</b>	-12.8	-3.7	-52.3	-2.4	-5.5	3.7	44.0
<b>Textiles and leather</b>	-16.2	-12.6	-15.9	-3.4	3.4	-27.8	37.9
<b>Automobiles</b>	-48.8	3.9	-39.3	16.0	53.3	-19.5	23.5
<b>Primary materials and equipmen</b>	-17.6	5.9	-22.3	-13.6	-6.5	-12.4	78.0
<b>Services</b>	-29.4	-9.4	-1.0	-9.1	-6.1	-4.1	22.0
<b>Other</b>	2.3	-0.6	-3.4	65.4	-8.6	-5.3	44.0
<b>Overall index</b>	<u>-17.1</u>	<u>-3.5</u>	<u>-29.1</u>	<u>-1.0</u>	<u>0.0</u>	<u>-9.6</u>	<u>46.2</u>

Sources: Ministère de l'Économie, des Finances, et du Plan: Direction de la conjoncture et de la prévision économique; and BCEAO.

Table 18. Côte d'Ivoire: Indices of Levels of  
Stocks in Commerce, 1988-94

(Rates of growth in percent)

	1988	1989	1990	1991	1992	1993	1994
Food	-13.8	-5.8	-50.9	-66.8	-11.0	2.3	6.1
Textiles and leather	-16.3	-14.9	-21.0	-17.5	19.7	-37.7	-38.6
Automobiles	23.3	-28.1	-30.7	-30.6	81.4	31.7	-3.2
Primary materials and equipmen	4.1	-0.2	-6.4	-23.0	-14.5	-14.4	12.6
Other	-3.3	-9.0	-3.2	-9.3	5.3	-8.1	37.0
Overall index	<u>2.3</u>	<u>-9.6</u>	<u>-19.1</u>	<u>-24.5</u>	<u>2.8</u>	<u>-6.4</u>	<u>12.9</u>

Sources: Ministère de l'Économie, des Finances, et du Plan: Direction de la conjoncture et de la prévision économique; and BCEAO.

Table 19. Côte d'Ivoire: Evolution of the Minimum Wage Rates, 1972–94 <sup>1/</sup>

(In CFA francs)

	Rates applicable after									
	<u>1972</u>	<u>1973</u>	<u>1974</u>		<u>1976</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1982</u>	<u>1994</u>
	Jan. 1		Aug. 1	Feb. 1	Aug. 1	Jan. 1	Jan. 1	Jan. 1	Jan. 1	Feb. 1
Minimum guaranteed wage: <u>2/</u>										
Hourly	58.30	73.30	87.60	92.00	115.00	143.75	158.13	174.00	191.40	210.54
Daily <u>3/</u>	466.40	586.40	700.80	736.00	920.00	1150.00	1265.00	1392.00	1531.20	1684.3

Source: Banque Centrale des États de l'Afrique de l'Ouest (BCEAO).

<sup>1/</sup> The official guaranteed minimum wage remained unchanged between January 1, 1982 and February 1, 1994. Actual wages substantially exceed the minimum rate.

<sup>2/</sup> Minimum guaranteed interprofessional wage rate for professions in industrial firms with the forty-hour work week.

<sup>3/</sup> On the basis of an eight-hour work day.

Table 20. Côte d'Ivoire: Central Government Financial Operations, 1988-94

(In billions of CFA francs)

	1988	1989	1990	1991	1992	1993 Est.	1994 Est.
Revenue and grants	<u>789.2</u>	<u>679.6</u>	<u>630.8</u>	<u>591.9</u>	<u>609.5</u>	<u>533.0</u>	<u>876.6</u>
Revenue	789.2	679.6	630.8	576.9	594.5	518.0	846.9
(as percent of GDP)	(25.7)	(22.8)	(23.4)	(21.4)	(22.2)	(19.6)	(22.7)
Tax revenue	624.0	563.2	516.1	499.8	499.9	435.3	678.6
Price Equalization Fund surplus (CGPPGC)	25.4	20.6	21.6	26.8	20.5	11.2	2.3
Price Stabilization Fund surplus (CSSPPA)	--	--	--	--	19.2	18.1	112.7
Social security contributions	40.8	45.5	43.2	38.3	37.8	37.6	42.6
Other nontax revenue	99.0	50.3	49.9	12.0	17.1	15.8	10.8
Grants (for projects only)	--	--	--	(15.0)	(15.0)	(15.0)	(29.7)
Primary expenditure	<u>974.6</u>	<u>903.5</u>	<u>694.5</u>	<u>656.2</u>	<u>650.5</u>	<u>626.0</u>	<u>812.7</u>
(as percent of GDP)	(31.8)	(30.3)	(25.8)	(24.4)	(24.3)	(23.7)	(21.7)
Wages and salaries	356.0	354.0	339.9	317.8	320.1	314.6	328.0
Social security benefits	30.0	37.2	36.7	35.6	36.4	39.8	51.3
Subsidies and other current transfers	--	--	--	(7.2)	(24.2)	(26.2)	42.3
Other current expenditure	342.1	260.8	208.2	191.5	165.2	156.6	199.5
Of which : special accounts	(118.2)	(77.8)	(69.3)	(48.9)	(28.2)	(22.8)	(35.1)
Price Equalization Fund deficit (CGPPGC)	--	--	--	--	--	--	--
Price Stabilization Fund deficit (CSSPPA)	103.5	158.5	35.0	2.0	--	--	--
Investment expenditure	143.0	93.0	74.7	102.1	104.5	88.8	191.6
Of which : financed by project-loans	(91.7)	(42.6)	(32.7)	(53.5)	(42.9)	(44.4)	(94.0)
Primary balance, including grants (payment order) 1/	<u>-185.4</u>	<u>-223.9</u>	<u>-63.8</u>	<u>-64.3</u>	<u>-41.0</u>	<u>-93.0</u>	<u>63.9</u>
(as percent of GDP)	(-6.0)	(-7.5)	(-2.4)	(-2.4)	(-1.5)	(-3.5)	(1.7)
Interest due on public debt	<u>232.3</u>	<u>286.6</u>	<u>286.3</u>	<u>227.8</u>	<u>224.4</u>	<u>258.8</u>	<u>348.3</u>
(as percent of GDP)	(7.6)	(9.6)	(10.6)	(8.5)	(8.4)	(9.8)	(9.3)
Domestic debt	30.0	30.9	35.6	29.3	34.6	47.4	44.6
External debt 2/ 3/	202.3	255.7	250.7	198.5	189.8	211.4	303.7
Overall balance, including grants (payment order)	<u>-417.7</u>	<u>-510.5</u>	<u>-350.1</u>	<u>-292.1</u>	<u>-265.4</u>	<u>-351.8</u>	<u>-284.4</u>
(as percent of GDP)	(-13.6)	(-17.1)	(-13.0)	(-10.9)	(-9.9)	(-13.3)	(-7.6)
Domestic financing	<u>185.0</u>	<u>188.4</u>	<u>12.0</u>	<u>56.0</u>	<u>58.9</u>	<u>119.5</u>	<u>-140.1</u>
Bank financing	86.4	-14.2	-30.8	176.4	-46.3	74.6	-53.7
of which: IMF counterparts, net	(-15.2)	(-37.1)	(9.3)	(-16.6)	(-24.3)	(-14.1)	(55.5)
Nonbank financing	9.5	2.1	-13.8	-29.0	161.7	70.5	-35.9
Transfers from public enterprises	37.0	33.1	46.5	42.2	31.2	7.8	36.1
Privatization proceeds and sale of assets	--	--	--	(8.2)	(3.2)	4.0	9.3
Change in arrears, net	52.1	167.4	10.1	-141.8	-90.9	-37.4	-95.9
External financing	<u>232.7</u>	<u>322.1</u>	<u>338.1</u>	<u>236.0</u>	<u>206.5</u>	<u>232.3</u>	<u>428.8</u>
Cash and deposits	--	--	--	--	--	--	-1.3
Drawings on loans	159.4	213.0	224.1	185.8	176.9	172.9	555.8
Amortization due 3/ 4/	-276.1	-298.7	-243.6	-255.4	-230.4	-209.7	-360.7
Change in arrears, net 2/ 3/	137.5	221.3	234.6	150.2	163.4	269.1	-352.6
Debt rescheduling	211.9	186.5	123.0	155.4	96.6	--	587.7
Financing gap	--	--	--	--	--	--	4.3
<b>Memorandum items:</b>							
Primary balance (narrow definition) 5/	-93.7	-181.3	-31.1	-25.8	-13.1	-63.6	128.3
(as percent of GDP)	(-3.1)	(-6.1)	(-1.2)	(-1.0)	(-0.5)	(-2.4)	(3.4)
Overall domestic balance (narrow definition) 5/ 6/	-15.2	-29.3	-96.7	-35.9	-7.4	-21.8	-206.0
(as percent of GDP)	(-0.5)	(-1.0)	(-3.6)	(-1.3)	(-0.3)	(-0.8)	(-4.1)

Sources: Data provided by the Ivorian authorities; and staff estimates.

1/ Revenue and grants minus primary expenditure (i.e., excluding all interest).

2/ Excluding late interests due to the commercial banks from 1993 onward.

3/ After the debt cancellations granted by France and Switzerland in early 1994.

4/ From 1996 onwards, including the cost of a commercial bank debt operation (working assumption).

5/ Excluding investment expenditures financed by project aid.

6/ Equivalent, with the opposite sign, to the net transfer of resources from abroad (excluding project aid).

Table 21. Côte d'Ivoire: Revenue of the Central Government, 1988 - 1994 1/

(in billions of CFA francs)

	1988	1989	1990	1991	1992	1993	1994 Est.
<b>Total revenue</b>	<b>789.2</b>	<b>679.6</b>	<b>630.8</b>	<b>576.9</b>	<b>594.5</b>	<b>518.0</b>	<b>847.0</b>
<b>Tax revenue</b>	<b>624.0</b>	<b>563.2</b>	<b>516.1</b>	<b>499.8</b>	<b>499.9</b>	<b>435.3</b>	<b>678.6</b>
Direct taxes	157.2	139.0	142.2	120.6	120.7	100.6	126.4
Taxes on profits	45.2	33.4	32.1	27.6	29.8	19.4	33.9
Individual income taxes	58.6	55.2	60.5	53.9	56.4	49.7	58.0
Employers' contributions	42.9	40.7	35.0	23.9	18.3	13.6	16.3
Real estate taxes	2.9	2.1	5.9	7.5	6.9	8.2	7.1
Taxes on dividends income	7.6	7.6	8.7	7.8	9.3	9.7	11.1
Indirect taxes (excl. petroleum prdts)	102.3	111.8	118.7	130.3	131.5	116.6	131.0
VAT	41.1	50.7	56.6	55.5	58.7	53.1	53.3
Prepayment levy for various taxes (ASDI)	--	--	--	19.7	20.9	21.3	29.6
Turnover tax on services	18.5	17.7	18.2	18.0	15.2	9.2	11.5
Excise taxes on alcohol and tobacco	12.3	12.7	11.4	10.9	10.4	10.5	9.7
Taxes on water	7.3	8.4	12.7	5.5	2.1	3.5	3.0
Registration and stamp taxes	14.8	13.7	11.4	13.3	14.8	13.1	15.9
Business and professional licences	4.8	5.3	5.6	4.3	5.7	3.7	5.0
Other indirect taxes	3.5	3.3	2.8	3.0	3.7	2.1	3.0
Taxes on petroleum products	99.0	81.3	89.7	69.8	97.1	81.9	90.8
Excise taxes	96.7	79.1	75.9	49.0	65.0	57.1	63.2
VAT	--	--	3.9	20.8	30.7	23.3	23.5
Customs duties	2.3	2.2	9.9	--	1.4	1.5	4.2
Price Differential ADSP - CAA	--	--	--	--	--	--	--
Taxes on imports (excl. petroleum prdts)	211.7	210.6	157.5	171.1	144.9	130.4	189.8
Customs, fiscal and statistical duties	97.4	96.1	81.1	72.9	75.5	62.5	84.0
Other import charges	30.1	31.8	14.5	40.1	10.3	11.2	19.0
VAT	84.2	82.7	61.9	58.1	59.1	56.7	86.8
Taxes on exports	53.8	20.5	8.0	8.0	5.6	5.7	140.5
Coffee and cocoa	46.8	14.1	--	--	--	--	126.2
Wood and cola	7.0	6.4	8.0	8.0	5.6	5.7	14.3
<b>Nontax Revenue</b>	<b>165.2</b>	<b>116.4</b>	<b>114.7</b>	<b>77.1</b>	<b>94.6</b>	<b>82.7</b>	<b>168.4</b>
Price equalization fund surplus	25.4	20.6	21.6	26.8	20.5	11.2	2.3
Stabilization fund surplus	--	--	--	--	19.2	18.1	112.7
Social Security contributions	40.8	45.5	43.2	38.3	37.8	37.6	42.6
Other nontax revenue	99.0	50.3	49.9	12.0	17.1	15.8	10.8
<b>Memorandum items:</b>							
Taxes on goods & services (incl. VAT on imports)	283.2	273.6	260.4	258.2	286.3	253.7	304.5
Taxes on imports (excl. VAT on imports)	129.8	130.1	105.5	113.0	87.2	75.3	107.2
Tax revenue excl. export taxes	570.2	542.7	508.1	491.8	494.3	429.5	538.1
Coffee/Cocoa contribution to total revenue (in percent)	5.9	2.1	0.0	0.0	3.2	3.5	28.2
Revenue of other State entities	--	--	--	16.3	20.2	8.6	11.6

Source: data provided by the ivoirien authorities; and staff estimates

1 Excluding revenue from the settlement of cross debts and the sales of log quotas.

Table 22. Côte d'Ivoire: Public Investment Program, 1995-97

(in billions of CFA francs)

	1995	1996	1997
<b>Total</b>	<b><u>312.6</u></b>	<b><u>401.7</u></b>	<b><u>425.5</u></b>
<b>Economic development</b>	<b><u>90.1</u></b>	<b><u>111.9</u></b>	<b><u>123.5</u></b>
Agriculture	76.3	96.7	106.9
Industry and mines	3.8	5.3	4.4
Tertiary sector	10.0	9.8	12.2
<b>Support to economic development</b>	<b><u>71.6</u></b>	<b><u>84.6</u></b>	<b><u>75.0</u></b>
Transportation	40.9	60.5	54.6
Mail and telephone services	0.6	0.2	0.0
Energy	30.1	23.9	20.4
<b>Social development</b>	<b><u>75.6</u></b>	<b><u>115.3</u></b>	<b><u>136.3</u></b>
Town planning and housing	42.2	62.4	77.9
Social interventions	3.4	9.0	14.9
Health	22.0	31.3	27.2
Others	8.0	12.5	16.4
<b>Cultural development</b>	<b><u>42.0</u></b>	<b><u>55.9</u></b>	<b><u>62.9</u></b>
Culture	10.7	10.0	6.5
Education	31.3	45.9	56.4
<b>Support activities</b>	<b><u>33.4</u></b>	<b><u>34.1</u></b>	<b><u>27.7</u></b>
General administration	19.5	19.9	13.5
Defense	5.2	4.4	3.1
Domestic security	6.7	9.4	10.6
Others	1.9	0.4	0.4

Source: Ivoirien authorities.



Table 23. Côte d'Ivoire: Education Expenditure, 1991-94 <sup>1/</sup>

(In billions of CFA francs)

	1991	1992	1993	1994
<b>Primary</b>	<u>97.8</u>	<u>97.7</u>	<u>99.5</u>	<u>106.5</u>
Wage bill	91.0	92.9	92.7	94.5
Operating expenditures	3.5	2.0	3.6	5.0
Transfers and subsidies	2.7	2.7	2.6	3.3
Investments	0.6	0.2	0.5	3.7
<b>General secondary</b>	<u>65.8</u>	<u>59.9</u>	<u>59.4</u>	<u>64.6</u>
Wage bill	51.9	44.9	43.5	43.0
Operating expenditures	5.3	1.6	1.3	2.3
Transfers and subsidies	8.1	13.1	14.0	14.9
Investments	0.4	0.3	0.6	4.5
<b>Technical secondary</b>	<u>13.3</u>	<u>12.0</u>	<u>10.8</u>	<u>9.5</u>
Wage bill	10.1	9.2	7.6	6.2
Operating expenditures	2.0	0.9	0.7	1.5
Transfers and subsidies	0.4	1.5	2.1	1.3
Investments	0.8	0.4	0.5	0.4
<b>University</b>	<u>21.2</u>	<u>19.7</u>	<u>21.2</u>	<u>22.1</u>
Wage bill	8.3	7.9	7.8	8.1
Operating expenditures	1.1	1.2	1.7	3.5
Transfers and subsidies	10.7	10.1	9.8	9.1
Investments	1.2	0.5	1.9	1.4
<b>Technical higher level</b>	<u>8.7</u>	<u>8.5</u>	<u>8.8</u>	<u>11.3</u>
Wage bill	4.1	4.3	3.7	3.9
Operating expenditures	3.1	1.9	3.2	3.5
Transfers and subsidies	1.5	2.2	2.0	3.3
Investments	0.0	0.1	0.0	0.5
<b>Total</b>	<u>206.8</u>	<u>197.8</u>	<u>199.7</u>	<u>213.9</u>
<b>Current expenditure</b>	<u>203.8</u>	<u>196.3</u>	<u>196.1</u>	<u>203.4</u>
Wage bill (including TA)	165.4	159.2	155.3	155.7
Operating expenditure	15.0	7.5	10.5	15.8
Transfers and subsidies	23.5	29.6	30.4	31.9
<b>Investments</b>	3.0	1.5	3.5	10.5
<b>Memorandum items:</b>				
Share of the budget devoted to education (in percent)				
in TOFE current expenditure	37.0	35.9	36.5	32.8
in TOFE investment expenditure	2.9	1.5	4.0	5.5
in total TOFE (excluding debt)	31.7	30.4	31.9	26.3

Sources: Ivoirien authorities and World Bank estimates.

<sup>1/</sup> Excluding expenditure directly financed by external assistance.

Table 24. Côte d'Ivoire: Health Expenditure, 1991-94 <sup>1/</sup>

(In billions of CFA francs)

	1991	1992	1993	1994
Primary	<u>15.7</u>	<u>14.2</u>	<u>11.1</u>	<u>12.6</u>
Wage bill	13.0	9.9	8.1	7.5
Operating expenditure	2.2	0.9	1.9	3.9
Investment	0.5	3.5	1.1	1.2
Secondary	<u>7.1</u>	<u>8.6</u>	<u>6.7</u>	<u>12.9</u>
Wage bill	5.4	3.5	3.2	9.6
Operating expenditure	1.1	2.1	1.6	1.8
Investment	0.6	2.9	1.9	1.6
Tertiary	<u>20.6</u>	<u>26.8</u>	<u>25.5</u>	<u>27.5</u>
Wage bill	11.4	18.8	17.4	15.5
Operating expenditure	8.2	6.6	6.3	7.0
Investment	1.0	1.4	1.8	5.0
Total	<u>43.5</u>	<u>49.7</u>	<u>43.4</u>	<u>52.9</u>
Current expenditure	<u>41.3</u>	<u>41.8</u>	<u>38.6</u>	<u>45.2</u>
Wage bill	29.8	32.2	28.7	32.5
Operating expenditure	11.5	9.6	9.9	12.7
Investment	2.1	7.9	4.8	7.8
Memorandum items:				
Share of the budget devoted to health (in percent)				
in TOFE current expenditure	7.5	7.7	7.2	7.3
in TOFE investment expenditure	2.1	7.5	5.4	4.0
in total TOFE (excluding debt)	6.7	7.6	6.9	6.5

Sources: Ivoirien authorities and World Bank estimates.

1 Excluding expenditure directly financed by external assistance.

Table 25. Côte d'Ivoire: Financial Operations of the Agricultural Price Stabilization Fund (CSSPPA), 1988-94

(In billions of CFA francs, unless otherwise indicated)

	1988	1989	1990	1991	1992	1993	1994 Est.
<b>Revenue</b>	<b>-103.2</b>	<b>-158.2</b>	<b>-34.8</b>	<b>-1.6</b>	<b>21.8</b>	<b>23.4</b>	<b>278.6</b>
Result of stabilization operations	-103.5	-158.6	-35.0	-2.0	19.5	22.4	277.6
Cocoa	-58.7	-122.4	-2.0	14.4	33.2	18.5	230.0
Coffee	-20.8	-13.1	-31.5	-16.4	-13.7	3.9	47.7
Cotton	-16.1	-20.8	-1.5	--	--	--	--
Other	-7.9	-2.3	--	--	--	--	--
Other revenue	0.4	0.4	0.2	0.4	2.3	1.1	0.9
<b>Expenditure</b>	<b>21.3</b>	<b>24.2</b>	<b>8.7</b>	<b>9.0</b>	<b>14.6</b>	<b>15.8</b>	<b>30.7</b>
Administrative expenditure	15.5	24.2	8.7	9.0	14.6	15.8	28.2
Capital expenditure	5.8	--	--	--	--	--	2.6
<b>Balance</b>	<b>-124.5</b>	<b>-182.4</b>	<b>-43.5</b>	<b>-10.6</b>	<b>7.2</b>	<b>7.7</b>	<b>247.9</b>
<b>Memorandum items:</b>							
Stock of arrears (end of period)	<u>118.0</u>	<u>198.9</u>	<u>236.8</u>	...	...	...	...
Domestic	103.3	174.4	169.4	169.3	22.2	12.8	3.1
External	14.7	24.5	67.4	...	...	...	...
Result of stabilization operations (in percent of GDP)	<u>-3.4</u>	<u>-5.1</u>	<u>-1.2</u>	<u>-0.1</u>	<u>0.7</u>	<u>0.8</u>	<u>6.7</u>
Cocoa	-1.9	-3.9	-0.1	0.5	1.1	0.6	5.5
Coffee	-0.7	-0.4	-1.1	-0.6	-0.5	0.1	1.1
Cotton	-0.5	-0.7	-0.1	--	--	--	--
Other	-0.3	-0.1	--	--	--	--	--
Balance (in percent of GDP)	-4.1	-5.9	-1.5	-0.4	0.2	0.3	6.0
Stabilization margin (CFA francs / kg)							
Cocoa	-125.4	-151.7	-2.5	17.6	42.4	22.9	283.2
Coffee	-117.1	-94.4	-126.1	-74.6	-56.0	20.7	346.8
Volume of exports <sup>1/</sup>							
Cocoa	468	807	787	822	783	808	812
Coffee	178	139	250	220	244	188	138

Source: Caisse de Stabilisation et de Soutien des Prix des Produits Agricoles (CSSPPA).

<sup>1/</sup> In thousands of metric tons; including bean equivalent of locally processed cocoa and coffee exports.

Table 26. Côte d'Ivoire: Financial Operations  
of the Social Security Funds, 1988-94

(In billions of CFA francs)

	1988	1989	1990	1991	1992	1993	1994
<b>Revenue</b>	<b>56.0</b>	<b>48.1</b>	<b>44.6</b>	<b>39.5</b>	<b>40.2</b>	<b>42.3</b>	<b>55.7</b>
CNPS <sup>1/</sup>	41.2	28.4	23.7	22.0	25.2	21.7	30.6
CGRAE <sup>2/</sup>	14.7	19.7	20.9	17.5	15.0	20.6	25.1
<b>Contributions</b>	<b>40.8</b>	<b>45.5</b>	<b>43.2</b>	<b>38.3</b>	<b>37.8</b>	<b>37.6</b>	<b>42.6</b>
CNPS	27.1	25.8	22.3	20.8	22.8	19.7	24.9
CGRAE	13.6	19.7	20.9	17.5	15.0	17.9	17.7
<b>Other receipts</b>	<b>15.2</b>	<b>2.5</b>	<b>1.4</b>	<b>1.2</b>	<b>2.4</b>	<b>4.7</b>	<b>13.1</b>
CNPS	14.1	2.5	1.4	1.2	2.4	2.0	5.7
CGRAE	1.1	--	--	--	--	2.7	7.4
<b>Expenditure</b>	<b>44.1</b>	<b>53.6</b>	<b>51.3</b>	<b>45.6</b>	<b>44.5</b>	<b>48.0</b>	<b>58.8</b>
CNPS	30.3	32.1	31.4	27.2	23.7	22.1	25.4
CGRAE	13.8	21.5	19.9	18.4	20.8	25.9	33.4
<b>Payment of benefits</b>	<b>30.0</b>	<b>37.2</b>	<b>36.7</b>	<b>35.6</b>	<b>36.4</b>	<b>39.9</b>	<b>51.3</b>
CNPS	16.4	16.8	17.0	17.6	15.9	14.4	18.3
CGRAE	13.6	20.4	19.7	18.0	20.5	25.5	33.0
<b>Other current expenditure</b>	<b>12.3</b>	<b>13.5</b>	<b>13.6</b>	<b>9.9</b>	<b>7.8</b>	<b>7.9</b>	<b>7.2</b>
CNPS	12.1	13.2	13.4	9.6	7.6	7.6	6.9
CGRAE	0.2	0.3	0.2	0.3	0.2	0.3	0.3
<b>Capital expenditure</b>	<b>1.8</b>	<b>3.0</b>	<b>1.0</b>	<b>0.1</b>	<b>0.3</b>	<b>0.2</b>	<b>0.3</b>
CNPS	1.8	2.1	1.0	--	0.2	0.1	0.2
CGRAE	--	0.9	--	0.1	0.1	0.1	0.1
<b>Operating balance</b>	<b>11.9</b>	<b>-5.5</b>	<b>-6.7</b>	<b>-6.1</b>	<b>-4.3</b>	<b>-5.7</b>	<b>-3.1</b>
CNPS	10.9	-3.7	-7.7	-5.2	1.5	-0.4	5.2
CGRAE	0.9	-1.8	1.0	-0.9	-5.9	-5.3	-8.3
<b>Net lending, CNPS</b>	<b>5.1</b>	<b>-8.5</b>	<b>0.1</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Increase (+) in bank deposits, CNPS</b>	<b>5.9</b>	<b>4.7</b>	<b>-7.9</b>	<b>-5.3</b>	<b>-0.4</b>	<b>-0.6</b>	<b>5.2</b>

Sources: Caisse Nationale de Prévoyance Sociale (CNPS); Caisse Générale de Retraite des Agents de l'État (CGRAE); and Ministère de l'Économie, des Finances, et du Plan.

<sup>1/</sup> National Social Security Fund.

<sup>2/</sup> Pension Fund for Government Employees.

Table 27. Côte d'Ivoire – Domestic Debt of the Central Government, 1988–95

(In billions of CFA francs at end of year)

	1988		1989		1990		1991		1992		1993		1994		June 1995	
	Total debt	Of which: stock	Total debt	Of which: stock	Total debt	Of which: stock	Total debt	Of which: stock	Total debt	Of which: stock	Total debt	Of which: stock	Total debt	Of which: stock	Total debt	Of which: stock
Total domestic debt	601.5	239.7	700.7	369.5	880.6	390.8	979.4	352.4	1025.6	269.2	1198.3	288.2	1121.2	188.1	1048.9	141.9
By creditor group:																
BCEAO	160.6	--	166.3	--	319.1	--	332.6	--	352.3	--	400.0	--	352.8	--	306.9	--
Statutory advances	130.1	--	135.8	--	135.2	--	146.5	--	166.2	--	213.9	--	171.5	--	133.4	--
Consolidated debt	30.5	--	30.5	--	183.9	--	186.1	--	186.1	--	186.1	--	181.3	--	173.5	--
Commercial banks	205.3	99.1	209.8	134.9	233.4	154.0	273.7	50.7	250.7	69.2	248.2	11.7	307.6	-0.0	339.2	-0.0
Debt of the CAA	163.9	75.8	156.6	96.9	181.0	114.4	218.6	41.4	219.7	46.2	221.9	3.4	254.5	--	254.0	--
Debt of the CSSPPA	41.4	23.3	51.5	38.1	39.5	39.5	--	--	--	--	--	--	--	--	--	--
Debt of the Treasury for bank recapitalization	--	--	--	--	12.9	--	55.0	9.3	31.0	23.0	26.3	8.3	53.1	-0.0	85.2	-0.0
Nonbank sector	235.7	140.6	324.7	234.6	328.1	236.8	373.2	301.7	422.5	200.1	521.5	256.1	446.8	174.1	395.7	134.8
CAA bonds	47.7	3.4	52.6	3.9	49.7	12.7	41.3	18.6	35.0	19.6	36.3	7.1	23.9	0.0	22.3	0.0
Other debt of the CAA	50.7	--	52.2	10.8	54.4	14.1	53.1	9.7	51.7	13.3	51.2	14.9	59.0	-0.0	58.3	-0.0
Debt of the CSSPPA	80.0	80.0	136.3	136.3	129.9	129.9	169.3	169.3	190.8	22.2	189.9	12.8	175.8	3.1	165.6	2.3
Debt of the Treasury 1/	57.2	57.2	83.5	83.5	94.1	80.1	109.5	104.0	145.0	145.0	244.1	221.4	188.1	171.0	149.6	132.5
By debtor agency:																
CAA	292.8	79.2	291.9	111.6	469.0	141.3	499.1	69.8	492.6	79.1	495.5	25.4	518.8	-0.0	508.1	-0.0
Debt to BCEAO	30.5	--	30.5	--	183.9	--	186.1	--	186.1	--	186.1	--	181.3	--	173.5	--
Other debt	262.3	79.2	261.5	31.5	285.1	140.6	313.0	69.8	306.5	79.1	309.4	25.4	337.5	-0.0	334.6	-0.0
Treasury	187.3	57.2	219.3	83.5	242.1	80.0	311.0	113.3	342.1	167.9	484.3	229.7	412.6	171.0	368.1	132.5
Debt to BCEAO	130.1	--	135.8	--	135.2	--	146.5	--	166.2	--	213.9	--	171.5	--	133.4	--
Debt to banks	--	--	--	--	12.9	--	55.0	9.3	31.0	23.0	26.3	8.3	53.1	-0.0	85.2	-0.0
Debt to nonbanks	57.2	57.2	83.5	83.5	93.1	80.0	109.5	104.0	145.0	145.0	244.1	221.4	188.1	171.0	149.6	132.5
CSSPPA	121.4	103.3	187.8	174.4	169.4	169.4	169.3	169.3	190.8	22.2	189.9	12.8	175.8	3.1	165.6	2.3
Debt to banks	41.4	23.3	51.5	38.1	39.5	39.5	--	--	--	--	--	--	--	--	--	--
Debt to nonbanks	80.0	80.0	136.3	136.3	129.9	129.9	169.3	169.3	190.8	22.2	189.9	12.8	175.8	3.1	165.6	2.3

Sources: Caisse autonome d'amortissement (CAA); Ministère de l'Économie, des Finances, et du Plan; and Caisse de stabilisation et de soutien des prix des produits agricoles (CSSPPA).

1/ Including debt of autonomous public entities

Table 28. Côte d'Ivoire: Privatization Program

I. Companies Privatized Between 1990 and mid-1995

Company's Name	Branch	Nominal Capital (in CFAF)	State Share (in percent)	Date of Privatization
CIE	Electricity	10,000,000	20.0	Dec 1990
CEIB	Cattle Processing	---	100.0	Aug 1991
CEDA	Publishing	461,000,000	100.0	Aug 1991
BINEA	Publishing	---	100.0	Apr 1992
Recreation Center of Assinie and Assouindie	Tourism	---	100.0	Apr 1992
COSMIVOIRE	Oils and Soaps	702,000,000	13.2	Apr 1993
NOVALIM-NESTLE		2,600,000,000	7.8	Apr 1993
CAPRAL-NESTLE	Food Processing	3,600,000,000	15.7	May 1993
FILTISAC	Spinning and Weaving	2,115,000,000	34.4	Jan 1994
SAPH	Agriculture (heves)	13,884,373,000	55.3	Jun 1994
SICOR	Agriculture (cocoa)	500,000,000	51.0	Aug 1994
SICF	Railways	3,000,000,000	100.0	Aug 1994
SICABLE	Cables	555,000,000	35.0	Oct 1994
Complexe Sucrier de Marabediasa	Agriculture (sugar)	---	100.0	Nov 1994
ELF OIL - CI	Petroleum	510,000,000	50.0	Jan 1995
SOGB	Natural Rubber	21,601,840,000	94.8	Feb 1995
CAJ SINEMATIALI	Agro-Industry	---	100.0	Feb 1995
CAJ ANGUÉDEDOU	Agro-Industry	---	100.0	Feb 1995
SMB	Asphalt	1,300,000,000	92.0	May 1995
SILO DE SAN PEDRO	Flour mill	---	100.0	May 1995
DOMAINE HEVEICOLE DE L'ETAT - BETTIE	Natural Rubber	---	100.0	May 1995
SHELL - CI	Petroleum	1,800,000,000	50.0	Jun 1995
SIFAL	Lubricants	140,000,000	30.0	Jun 1995
RIZERIES D'ETAT	Rice Processing	---	100.0	Sep 1995

II. Companies Offered for Privatization in the Second Half of 1995

Company's Name	Branch	Nominal Capital (in CFAF)	State Share (in percent)
PALMINDUSTRIE	Agriculture (palm oil)	34,000,059,000	100.0
Hôtel Ivoire	Tourism	8,250,860,000	100.0
CI - TELECOM	Telecommunications	4,000,000,000	98.0
Pêche et Froid CI (PFCI)	Fishery	250,000,000	18.0
DOMAINE HEVEICOLE DE L'ETAT - CAVALLY	Natural Rubber	---	100.0
CHOCODI	Chocolate	450,000,000	14.0
SACO	Chocolate	1,732,000,000	35.0
BIAO	Banking	5,000,000,000	100.0

III. Companies to be Privatized in 1996 and 1997

Company's Name	Branch	Nominal Capital (in CFAF)	State Share (in percent)
AIRIVOIRE	Aviation	---	100.0
ONT	Telecommunications	---	100.0
SIR	Petroleum	31,000,000,000	48.0
NEI	Publishing	50,000,000	45.0
IPS CI	Finance	800,000,000	13.0
SODESUCRE	Sugar production	30,500,000,000	100.0
GDCI	Gas	100,000,000	61.0
GESTOCI	Petroleum	240,000,000	12.0
PHCI	Agriculture (palm oil)	250,000,000	17.0
SAFBAIL	Leasing	420,000,000	24.4
SAFICA	Notebook Manufacturing	160,000,000	18.2
SAGA - CI	Goods Transportation	1,453,530,000	0.1
SBB/BRACODI	Brewery	800,600,000	11.0
SICOGI	Construction	2,000,000,000	82.0
SIDELAF	Road Electrical Signal	396,000,000	50.0
SIEM	Metallic Packaging	1,889,220,000	10.0
SAGECOM - SIPERCOM	Metallic Building	112,000,000	36.7
SIPRA	Poultry Products	750,000,000	30.0
SIPERCOM	Metallic construction	112,000,000	36.7
SIVOM	Handling Operations in Ports	2,000,000,000	49.0
SISA	Shipping	200,000,000	75.0
SOTRA	Urban Transport	3,000,000,000	60.1
CIDT	Cotton Processing	7,200,000,000	73.0
SHAD	Coffee and Cocoa Trading	330,000,000	9.1
TRITURAF	Cotton Seed Oil	1,300,000,000	5.0
HOTELS EX - SIETHO	Tourism	---	100.0
COMPLEXE SEREBOU	Seed Production	---	100.0
PERIMETRE LEGUMIER DE MARABADIASSA	Vegetables Production	---	100.0
HOTEL PRESIDENT	Tourism	---	100.0
DOMAINE HEVEICOLE DE L'ETAT - ANGUÉDEDOU	Natural Rubber	---	100.0
RANCH DE MARAHOUE	Cattle raising	---	100.0
RANCH DE SIPILOU	Cattle raising	---	100.0
FERME DE BADIKAHA	Cattle raising	---	100.0
STATION DE BADIKAHA	Cattle raising	---	100.0
STATION DE PANYA	Cattle raising	---	100.0
STATION DE NORONINGUE	Cattle raising	---	100.0
ABIDJAN CATERING	Catering	432,000,000	34.0

Sources: Comité de Privatisation.

Table 29. Côte d'Ivoire: Central Government and National Public Agencies 1/ :  
Average Number of Staff and Wages, 1993-95

	1993	1994	1995 Est.
<b>(In thousands)</b>			
Average number of staff (variation in percent)	<u>123.9</u> (...)	<u>120.7</u> (-2.6)	<u>118.7</u> (-1.7)
Central Government	<u>108.3</u>	<u>105.2</u>	<u>103.2</u>
Civil servants	<u>97.3</u>	<u>94.1</u>	<u>92.2</u>
Teachers	45.0	45.5	45.9
Others	52.2	48.6	46.3
Non-civil servants	11.1	11.1	11.0
National public agencies	<u>15.6</u>	<u>15.6</u>	<u>15.5</u>
Civil servants and temporary staff	11.6	11.6	11.6
Non-civil servants	3.9	3.9	3.9
<b>Memorandum items:</b>			
Participants in voluntary departure program	...	0.5	0.7
Scholarship recipients	86.4	84.8	83.7
<b>(In millions of CFAF)</b>			
Average wages (variation in percent)	<u>2.1</u> (--)	<u>2.3</u> (7.4)	<u>2.4</u> (3.7)
Central Government average wages	<u>2.1</u>	<u>2.3</u>	<u>2.3</u>
Civil servant wages including indemnities	2.2	2.4	2.5
Civil servant wages excluding indemnities	1.7	1.8	1.9
Teachers	2.3	2.4	2.5
Others	1.1	1.2	1.3
Non-civil servant wages	0.8	0.8	0.9
National public agencies	<u>2.3</u>	<u>2.4</u>	<u>2.4</u>
Civil servants and temporary staff	2.8	2.9	3.0
Others	0.8	0.8	0.9

Sources: authorities, and staff estimates and calculations

1/ Excluding the military

Table 30. Côte d'Ivoire: Monetary Survey, 1988-94

(In billions of CFA francs; end of period)

	1988	1989	1990	1991	1992	1993					1994			
						March	June	Sept.	Dec. Adj. 1/	Dec. Adj. 2/	March	June	Sept.	Dec.
<b>BCEAO</b>														
Net foreign assets	-416	-422	-466	-454	-505	-493	-484	-510	-482	(-558)	-377	-284	-244	-107
Of which: foreign currency liabilities	(-258)	(-297)	(-328)	(-331)	(-417)	(-412)	(-407)	(-430)	(-407)	(-407)	(-181)	(-88)	(-71)	(-)
IMF purchases	(-148)	(-116)	(-111)	(-102)	(-75)	(-69)	(-66)	(-64)	(-60)	(-121)	(-166)	(-157)	(-144)	(-182)
Net credit to the Government	277	243	234	227	231	225	226	248	446	505	537	514	465	426
Deposits (including cash)	-2	-3	-17	-18	-8	-11	-8	-10	-13	-13	-24	-23	-49	-46
Claims on the Government	130	136	135	147	166	169	170	194	400	400	405	389	377	299
Counterpart of IMF purchases	149	110	115	99	73	67	65	63	59	118	156	148	136	173
Claims on banks	498	452	524	522	534	525	489	462	325	325	221	125	90	130
Claims on other financial institutions	12	11	10	9	9	9	9	9	7	7	5	4	4	5
Other items, net	14	5	6	-2	-2	-0	1	0	-1	16	-1	-1	2	8
Base money	384	288	308	302	267	266	241	210	295	295	385	358	318	462
<b>Commercial banks</b>														
Reserves	62	27	25	39	22	29	26	16	21	21	80	47	28	67
Net foreign assets	-169	-158	-109	-102	-67	-59	-63	-84	-67	-101	32	16	12	-28
Of which: medium- and long-term liabilities	(-92)	(-70)	(-65)	(-62)	(-46)	(-47)	(-46)	(-47)	(-49)	(-97)	(-73)	(-73)	(-71)	(-48)
Credit from the BCEAO	-489	-445	-515	-516	-525	-515	-478	-452	-325	-325	-221	-126	-91	-134
Net credit to the Government	9	35	5	29	142	135	122	132	163	163	93	109	140	126
Government deposits	-134	-92	-113	-98	-96	-103	-113	-102	-99	-99	-158	-158	-161	-198
Claims on the Government	143	127	118	127	239	238	235	233	262	262	251	267	301	324
Credit to the economy	1,140	1,074	1,042	1,020	928	910	851	829	734	734	684	682	638	804
Other items, net	73	68	110	102	59	66	83	87	-20	13	-63	-65	-68	-83
Deposits of individuals and enterprises	625	601	559	571	560	565	541	528	505	505	605	662	650	750
<b>Banking system</b>														
Net foreign assets	-586	-580	-574	-556	-571	-551	-547	-593	-549	-658	-345	-269	-232	-135
Net credit to the Government	281	265	230	251	358	345	334	369	593	652	614	606	585	528
Of which: customs duty bills	(-6)	(-15)	(-10)	(-6)	(-18)	(-17)	(-15)	(-12)	(-18)	(-18)	(-17)	(-18)	(-22)	(-27)
postal checking deposits	(1)	(2)	(1)	(2)	(3)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Credit to the economy	1,156	1,099	1,062	1,036	955	936	875	852	759	759	706	705	664	835
Crop credit	303	228	192	114	114	108	61	34	80	80	60	57	25	173
Ordinary credit	854	871	870	922	841	828	814	818	678	678	646	648	639	662
Other items, net	73	73	113	101	73	75	92	95	-23	27	-67	-72	-69	-83
Broad money	925	857	831	831	815	805	754	723	779	779	909	971	948	1,145
Of which: currency in circulation	(299)	(254)	(271)	(259)	252	237	212	193	272	272	303	307	288	392
<b>Memorandum items:</b>														
Ratio: base money/broad money	0.42	0.34	0.37	0.36	0.33	0.33	0.32	0.29	0.38	0.38	0.42	0.37	0.33	0.40
Velocity of circulation	3.25	3.30	3.29	3.24	3.30	...	...	...	3.45	3.45	...	...	...	3.50

Source: Banque Centrale des États de l'Afrique de l'Ouest (BCEAO).

1 Reflects the reclassification of certain assets and liabilities between the Government and the private sector at the end of 1993, and statistical adjustments reflecting the bank restructuring operations in 1991-92.

2 Adjusted on the basis for the actual impact of the devaluation, including the revaluation of the external assets and liabilities of the BCEAO and of the commercial banks held on January 11, 1994.



Table 31. Côte d'Ivoire: Summary Accounts of the Central Bank, 1988-94

(In billions of CFA francs; end of period)

	1988	1989	1990	1991	1992	1993					1994			
						March	June	Sept.	Dec. Act. 1/	Dec. Adj. 2/	March	June	Sept.	Dec.
Net foreign assets	-416	-422	-466	-454	-505	-493	-484	-510	-482	-558	-377	-284	-244	-107
Assets	3	5	1	4	3	2	2	1	1	1	3	1	2	109
Liabilities	-419	-426	-467	-458	-508	-495	-486	-511	-482	-559	-380	-286	-245	-216
Of which:														
net IMF position	(-148)	(-116)	(-111)	(-102)	(-75)	(-69)	(-66)	(-64)	(-61)	(-121)	(-166)	(-157)	(-144)	(-182)
operations account	(-258)	(-297)	(-328)	(-331)	(-417)	(-412)	(-407)	(-430)	(-407)	(-407)	(-181)	(-88)	(-71)	(-)
counterpart to SDR allocation	(-15)	(-16)	(-14)	(-15)	(-15)	(-15)	(-14)	(-14)	(-14)	(-29)	(-31)	(-31)	(-31)	(-31)
Claims on deposit money banks	498	452	524	522	534	525	489	462	325	325	221	125	90	130
Net claims on other financial institutions	12	11	10	9	9	9	9	9	7	7	5	4	4	5
Claims on the Government (excluding IMF)	130	136	135	147	166	169	170	194	400	400	405	389	377	299
Counterpart to net use of Fund resources	149	110	115	99	73	67	65	63	59	118	156	148	136	173
Currency in circulation	299	254	271	259	252	237	212	193	272	272	303	307	288	392
Liabilities to deposit money banks	58	25	26	47	19	29	27	17	23	23	80	50	29	69
Deposits on the money market	44	--	--	24	6	11	8	2	--	--	1	1	1	10
Other deposits	3	16	12	10	2	2	6	2	13	13	69	36	18	41
Currency held by banks	10	9	13	13	12	15	14	13	10	10	10	13	11	18
Government deposits (including currency held)	2	3	17	18	8	11	8	10	13	13	24	24	49	46
Other deposits	0	--	0	0	0	0	1	0	0	0	2	2	1	1
Other items, net	14	5	6	-2	-2	-0	1	0	-1	16	-1	-1	2	8

Source: Banque Centrale des États de l'Afrique de l'Ouest (BCEAO).

1/ Reflects the reclassification of certain assets and liabilities between the Government and the private sector at the end of 1993, and statistical adjustments reflecting the bank restructuring operations in 1991-92.

2/ Adjusted on the basis for the actual impact of the devaluation, including the revaluation of the external assets and liabilities of the BCEAO and of the commercial banks held on January 11, 1994.

Table 32. Côte d'Ivoire: Summary Accounts of the Deposit Money Banks, 1988-94

(In billions of CFA francs; end of period)

	1988	1989	1990	1991	1992	1993					1994			
						March	June	Sept.	Dec. Act. 1/	Dec. Adj. 2/	March	June	Sept.	Dec.
Net foreign assets	-169	-158	-109	-102	-67	-59	-63	-84	-67	-101	32	16	12	-28
Of which: medium- and long-term	(-92)	(-70)	(-65)	(-62)	(-46)	(-47)	(-46)	(-47)	(-49)	(-97)	(-73)	(-73)	(-71)	(-48)
Reserves	62	27	25	39	22	29	26	16	21	21	80	47	28	67
Of which: currency held by deposit money banks	(10)	(9)	(13)	(13)	(12)	(15)	(14)	(13)	(10)	(10)	(10)	(13)	(11)	(18)
Claims on the Government 3/	143	127	118	127	239	238	235	233	262	262	251	267	301	324
Credit to the private sector	1140	1074	1042	1020	928	910	851	829	734	734	684	682	638	804
Crop credit	303	228	192	114	114	108	61	34	80	80	60	57	25	173
Ordinary credit 4/	837	846	850	906	814	802	789	795	654	654	625	626	613	630
Deposits of the private sector 5/	625	601	559	571	560	565	541	528	505	505	605	662	659	750
Public enterprises	62	41	39	36	27	25	23	18	18	18	23	24	30	30
Other	563	561	519	535	533	541	517	510	487	487	582	638	629	720
Deposits of the Government 6/	134	92	113	98	96	103	113	102	99	99	158	158	161	198
Liabilities to the BCEAO	489	445	515	516	525	515	478	452	325	325	221	126	91	134
Other items (net)	-73	-68	-110	-102	-59	-66	-83	-87	-20	13	-63	-65	-68	-83

Source: Banque Centrale des États de l'Afrique de l'Ouest (BCEAO).

1/ Reflects the reclassification of certain assets and liabilities between the Government and the private sector at the end of 1993, and statistical adjustments reflecting the bank restructuring operations in 1991-92.

2/ Adjusted on the basis for the actual impact of the devaluation, including the revaluation of the external assets and liabilities of the BCEAO and of the commercial banks held on January 11, 1994.

3/ Including claims on the CSSPPA and the CGPPGC.

4/ Excluding claims on the CSSPPA and the CGPPGC.

5/ Excluding deposits of the CSSPPA and the CGPPGC.

6/ Including deposits of the CSSPPA and the CGPPGC.

Table 33. Côte d'Ivoire: Credit to the Government, 1988-94

(In billions of CFA francs; end of period)

	1988	1989	1990	1991	1992	1993					1994			
						March	June	Sept.	Dec. Act. 1/	Dec. Adj. 2/	March	June	Sept.	Dec.
Currency held	0.6	0.7	0.8	0.9	0.6	1.4	0.7	0.8	0.7	0.7	1.5	1.2	0.9	1.3
Deposits at the BCEAO	1.3	2.4	16.0	17.2	7.6	9.2	7.6	8.7	12.5	12.5	22.6	22.3	47.7	44.6
Bank deposits	133.7	91.7	112.5	98.1	96.2	103.0	113.2	102.0	99.2	99.2	158.3	158.2	161.1	198.1
Of which: CSSPPA	(10.5)	(7.9)	(7.0)	(12.9)	(15.3)	(13.5)	(9.7)	(5.8)	(13.7)	(13.7)	(13.8)	(13.1)	(1.3)	(0.1)
CGPPGC	(9.0)	(3.1)	(7.8)	(5.8)	(6.0)	(5.4)	(5.2)	(6.1)	(--)	(--)	(0.1)	(1.6)	(0.4)	(1.0)
Customs duty bills	6.4	14.7	10.0	6.3	17.5	16.8	15.1	12.4	17.8	17.8	16.7	18.4	21.7	26.7
Total claims	<u>142.0</u>	<u>109.5</u>	<u>139.3</u>	<u>122.5</u>	<u>121.9</u>	<u>130.4</u>	<u>136.6</u>	<u>123.9</u>	<u>130.2</u>	<u>130.2</u>	<u>199.1</u>	<u>200.1</u>	<u>231.4</u>	<u>270.7</u>
Liabilities to the BCEAO (excluding IMF)	130.1	135.8	135.2	146.5	166.2	168.5	169.6	194.2	400.0	400.0	404.8	389.4	377.1	299.3
Counterpart to net use of Fund resources 3/	149.0	109.8	115.1	98.5	72.9	67.2	64.7	63.1	59.2	118.4	155.8	148.2	136.4	173.2
Liabilities to banks	142.6	126.9	117.5	126.9	238.6	237.8	235.2	233.4	262.4	262.4	251.0	266.7	301.3	324.3
Of which: CSSPPA	(35.6)	(43.9)	(40.9)	(43.4)	(11.9)	(12.2)	(10.2)	(10.2)	(7.3)	(7.3)	(15.3)	(30.7)	(35.1)	(22.1)
CGPPGC	(--)	(1.7)	(--)	(0.1)	(--)	(--)	(--)	(--)	(4.2)	(4.2)	(3.1)	(5.0)	(5.4)	(5.4)
Deposits in postal checking accounts	1.1	1.5	1.2	1.6	2.5	2.0	1.5	1.9	1.7	1.7	1.8	2.0	1.9	2.0
Total liabilities	<u>422.8</u>	<u>374.0</u>	<u>369.0</u>	<u>373.5</u>	<u>480.2</u>	<u>475.5</u>	<u>471.0</u>	<u>492.6</u>	<u>723.3</u>	<u>782.5</u>	<u>813.4</u>	<u>806.3</u>	<u>816.7</u>	<u>798.8</u>
Net credit to the Government 4/	<u>280.8</u>	<u>264.5</u>	<u>229.7</u>	<u>251.0</u>	<u>358.3</u>	<u>345.1</u>	<u>334.4</u>	<u>368.7</u>	<u>593.1</u>	<u>652.3</u>	<u>614.3</u>	<u>606.2</u>	<u>585.3</u>	<u>528.1</u>

Source: Banque Centrale des États de l'Afrique de l'Ouest (BCEAO).

1/ Reflects the reclassification of certain assets and liabilities between the Government and the private sector at the end of 1993, and statistical adjustments reflecting the bank restructuring operations in 1991-92.

2/ Adjusted on the basis for the actual impact of the devaluation, including the revaluation of the external assets and liabilities of the BCEAO and of the commercial banks held on January 11, 1994.

3/ BCEAO valuation.

4/ Defined as net position of the Government (PNG, definition of the BCEAO) plus net claims on the CSSPPA and the CGPPGC.

Table 34. Côte d'Ivoire: Distribution of Credit to the Economy, 1988-93 <sup>1/</sup>

	1988	1989	1990	1991	1992	1993
<u>(In billions of CFA francs)</u>						
Short-term credit	736.5	680.9	736.1	662.5	664.8	580.8
Medium-term credit	176.2	148.6	139.5	122.5	105.0	190.2
Long-term credit	35.8	27.8	27.4	23.5	24.9	1.9
<b>Total</b>	<b>948.5</b>	<b>857.3</b>	<b>903.0</b>	<b>808.5</b>	<b>794.7</b>	<b>772.9</b>
Agriculture, fishing, and livestock	20.0	15.4	23.0	17.7	9.9	14.1
Forestry	8.2	11.2	15.2	12.7	10.1	9.7
Manufacturing industry	167.9	164.1	175.5	165.8	161.9	158.1
Extractive industry	6.6	4.3	2.3	3.6	0.8	1.0
Energy	54.4	48.8	43.4	39.0	44.8	44.1
Building and construction	30.7	27.8	28.6	24.2	21.5	21.9
Transportation	65.0	61.1	77.8	73.9	52.0	43.2
Commerce	506.7	428.2	445.5	379.1	418.4	410.5
Services and other	89.0	96.4	91.7	92.5	75.3	70.3
<u>(In percent of total)</u>						
Short-term credit	77.6	79.4	81.5	81.9	83.7	75.1
Medium-term credit	18.6	17.3	15.4	15.2	13.2	24.6
Long-term credit	3.8	3.2	3.0	2.9	3.1	0.2
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Agriculture, fishing, and livestock	2.1	1.8	2.5	2.2	1.2	1.8
Forestry	0.9	1.3	1.7	1.6	1.3	1.3
Manufacturing industry	17.7	19.1	19.4	20.5	20.4	20.5
Extractive industry	0.7	0.5	0.3	0.4	0.1	0.1
Energy	5.7	5.7	4.8	4.8	5.6	5.7
Building and construction	3.2	3.2	3.2	3.0	2.7	2.8
Transportation	6.9	7.1	8.6	9.1	6.5	5.6
Commerce	53.4	49.9	49.3	46.9	52.6	53.1
Services and other	9.4	11.2	10.2	11.4	9.5	9.1

Source: Banque Centrale des États de l'Afrique de l'Ouest (BCEAO).

<sup>1/</sup> Information on the sectoral distribution of credit is collected by the Centrale des Risques and does not cover all outstanding credit of the banking system. Thus, the total reported here is lower than in the monetary survey up to 1992. However, it is higher for 1993, as the statistics of the Centrale des Risques do not reflect the adjustments undertaken in the monetary survey.

Table 35. Côte d'Ivoire: Central Bank Lending Rates, 1975-95

(Percent per annum, end of period)

	Normal discount rate (TEN)	Advances against securities (TEN + 1.5 %)	Rediscount rate (TES)	Special rate for advances to Treasury <sup>1/</sup>	Repurchase rate	Avg. monthly money market rate (TMM)	Interbank rate
1975 - July	8.000	9.500	...	...	...	...	...
1980 - April	10.500	12.000	...	...	...	...	...
1982 - April	12.500	14.000	...	...	...	...	...
1983 - April	10.500	12.000	...	...	...	...	...
1986 - March	9.500	11.000	...	...	...	...	...
September	8.500	10.000	...	...	...	...	...
1988 - December	9.500	11.000	...	...	...	...	...
1989 - March	10.000	11.500	...	...	...	...	...
October <sup>2/</sup>	...	...	10.500	9.250	...	10.250	...
November	...	...	11.000	9.625	...	10.625	...
December	...	...	11.000	9.975	...	10.975	...
1991 - November	...	...	11.000	9.725	...	10.725	...
1992 - August	...	...	13.000	9.725	...	12.725	...
November	...	...	12.500	9.725	...	11.975	...
1993 - April	...	...	12.500	9.725	...	11.225	...
May	...	...	12.500	9.725	...	10.225	...
October <sup>3/</sup>	...	...	12.500	9.725	10.500	9.350	...
November	...	...	12.500	9.725	9.250	8.500	...
December	...	...	10.500	9.725	8.750	7.510	...
1994 - January	...	...	14.500	7.799	12.750	7.940	8.190-12.000
February	...	...	14.500	7.799	12.750	9.250	6.000-11.750
June	...	...	12.000	8.118	10.250	8.850	2.500- 9.250
July	...	...	12.000	5.224	8.750	7.040	3.750- 8.250
August	...	...	10.000	5.224	7.750	5.940	3.750- 7.250
September	...	...	10.000	5.224	7.250	5.670	2.750- 6.750
December	...	...	10.000	4.500	7.000	5.500	3.750- 7.000
1995 - January	...	...	9.000	4.500	7.000	5.500	5.000- 6.250
June	...	...	8.500	4.500	6.500	5.500	5.000- 6.500
August	...	...	8.500	...	6.500	5.500	5.000- 7.000

Source: Banque Centrale des États de l'Afrique de l'Ouest (BCEAO).

<sup>1/</sup> Rate applicable to advances to Government under Article 16 of the BCEAO statutes.

<sup>2/</sup> Reform of lending rate structure, involving the abolition of the preferential discount rate and the creation of a special rate for advances to the Treasury.

<sup>3/</sup> Introduction of a weekly auction system on the money market on October 18, 1993.

Table 36. Côte d'Ivoire: Commercial Bank Interest Rates, 1988-95

(In percent per annum, end of period)

	Dec. 1988	March 1989	Oct. 1989	Nov. 1989	Aug. 1992	Nov. 1992	Oct. 1993	Jan. 19, 1994	Jul. 1994	Sep. 1994	Dec. 1994	March 1995	June 1995
Demand deposits <sup>1/</sup>	susp.	susp.	free	free	free	free	free	free	free	free	free	free	free
Time deposits from CFAF 500,001 to 5,000,000 <sup>2/ 3/</sup>													
Less than 6 months	6.00	6.50	6.50 min.	7.00 min.	9.00 min.	8.50 min.	TMM-2% <sup>4/</sup>	TMM-2% <sup>4/</sup>	TMM-2% <sup>4/</sup>	TMM-2% <sup>4/</sup>	TMM-2% <sup>4/</sup>	TMM-2% <sup>4/</sup>	TMM-2% <sup>4/</sup>
Six months to one year	7.25	7.75	7.50 min.	8.00 min.	10.00 min.	9.50 min.	TMM-2% <sup>4/</sup>	TMM-2% <sup>4/</sup>	TMM-2% <sup>4/</sup>	TMM-2% <sup>4/</sup>	TMM-2% <sup>4/</sup>	TMM-2% <sup>4/</sup>	TMM-2% <sup>4/</sup>
Over one year	8.50 min.	9.00 min.	8.50 min.	9.00 min.	11.00 min.	10.50 min.	free	free	free	free	free	free	free
Certificates of deposit over CFAF 500,000 <sup>2/ 3/</sup>													
Six months to one year	7.25	7.75	7.50 min.	8.00 min.	10.00 min.	9.50 min.	TMM-2% <sup>4/</sup>	TMM-2% <sup>4/</sup>	TMM-2% <sup>4/</sup>	TMM-2% <sup>4/</sup>	TMM-2% <sup>4/</sup>	TMM-2% <sup>4/</sup>	TMM-2% <sup>4/</sup>
Over one year	8.50 min.	9.00 min.	8.50 min.	9.00 min.	11.00 min.	10.50 min.	free	free	free	free	free	free	free
Passbook savings	7.00	7.50	6.50	7.00 fixed	9.00 fixed	8.50 fixed	4.50 min.	8.00 min.	5.00 min.	4.50 min.	4.50 min.	4.50 min.	4.50 min.
Lending rates <sup>5/</sup>	8.50 - 14.50	10.00 - 15.00	15.50 max.	16.00 max.	18.00 max.	17.50 max.	21.00 max.	29.00 max.	24.00 max.	20.00 max.	20.00 max.	18.00 max.	17.00 max.

Source: Banque Centrale des États de l'Afrique de l'Ouest (BCEAO).

<sup>1/</sup> From January 1, 1985 to October 2, 1989, the payment of interest on demand deposits was suspended.<sup>2/</sup> Until October 2, 1989, rates on deposits over CFAF 2 million were half a percentage point higher, at a minimum.<sup>3/</sup> Effective October 1, 1993, rates on deposits over CFAF 5 million were completely liberalized.<sup>4/</sup> TMM is the average monthly money market rate published by the BCEAO.<sup>5/</sup> Until October 2, 1989, narrower ranges of lending rates (within the ranges shown) applied to different uses and maturities of bank credits.  
Since October 2, 1989, only one maximum rate has been established.

Table 37. Côte d'Ivoire: Stock Exchange Operations, 1988-94

	1988	1989	1990	1991	1992	1993	1994
<u>(In millions of CFA francs)</u>							
<u>Share issues</u>	--	--	--	--	10,789	6,073	6,341
<u>Bond issues</u>							
Gross issues	12,194	15,309	9,486	9,959	2,158	2,177	2,356
Amortization	2,434	1,025	492	1,151	10,989	7,409	7,477
Net issues	<u>9,759</u>	<u>14,285</u>	<u>8,994</u>	<u>8,807</u>	<u>-8,831</u>	<u>-5,232</u>	<u>-5,121</u>
<u>Secondary market</u>	<u>3,860</u>	<u>2,447</u>	<u>5,850</u>	<u>1,912</u>	<u>1,137</u>	<u>1,603</u>	<u>6,392</u>
Introductory offers of shares	--	--	--	--	--	--	--
Sale of blocks of shares	--	--	--	--	--	--	4,080
Other share transactions	2,810	1,611	5,032	1,468	987	1,298	2,047
Bond transactions	1,050	836	818	444	150	305	265
<u>(Number; end of period)</u>							
<u>Number of quotations</u>	<u>52</u>	<u>62</u>	<u>62</u>	<u>67</u>	<u>66</u>	<u>60</u>	<u>59</u>
Bonds	28	38	38	43	40	37	33
Shares	24	24	24	24	26	23	26
<u>(In billions of CFA francs)</u>							
<u>Market capitalization</u>	<u>132.2</u>	<u>153.3</u>	<u>141.1</u>	<u>140.2</u>	<u>131.4</u>	<u>122.3</u>	<u>224.2</u>
Bonds	43.0	58.6	46.5	48.1	31.9	24.2	29.4
Shares	89.3	94.8	94.6	92.1	99.5	98.1	194.8
<u>Memorandum item:</u>							
Stock price index (1985=100)	105.1	106.3	103.7	102.2	62.89	90.51	127.6

Source: Bourse des valeurs d'Abidjan.

Table 38. Côte d'Ivoire: Balance of Payments

(In billions of CFA francs)

	1988	1989	1990	1991	1992	1993	1994
Trade balance	289.2	284.8	353.3	280.9	286.7	276.7	739.8
Exports, f.o.b.	793.5	833.7	817.5	763.1	779.6	740.4	1608.0
Of which: cocoa	237.6	304.8	224.3	249.8	254.4	243.9	511.8
coffee	124.1	92.1	77.9	67.3	54.2	57.9	124.8
Imports, f.o.b.	-504.3	-548.9	-464.2	-482.2	-492.9	-463.7	-868.2
Services, net	-583.6	-665.6	-652.9	-473.5	-465.9	-515.4	-695.6
Receipts	111.0	109.4	107.7	190.0	176.9	166.7	247.5
Factor Income	8.9	11.2	12.0	5.0	5.1	5.0	6.0
Other Services	102.1	98.2	95.7	185.0	171.8	161.7	241.5
Payments	-694.6	-775.0	-760.6	-663.5	-642.8	-682.1	-943.1
Factor Income	-324.2	-413.4	-406.7	-345.1	-322.7	-334.2	-415.3
of which: Central Government interest due 2/	-209.2	-261.2	-255.1	-207.4	-193.1	-212.9	-303.9
Other Services	-370.4	-361.6	-353.9	-318.4	-320.2	-347.9	-527.8
Transfers, net	-134.9	-61.0	-74.9	-67.7	-82.9	-46.4	-131.2
Private	-150.9	-122.0	-136.5	-103.7	-100.4	-86.4	-143.9
Public	16.0	61.0	61.6	36.0	17.5	40.0	12.7
Current account	-429.4	-441.8	-374.5	-260.3	-262.1	-285.0	-87.1
Capital account	-78.9	-2.5	28.6	-24.5	-85.4	13.3	364.7
Official medium- and long-term loans (net)	-67.8	-124.7	-16.6	-78.1	-68.5	-51.0	184.6
Project loans	159.4	51.5	41.6	35.0	27.9	29.4	63.4
Other bilateral and multilateral loans 1/	58.0	129.8	191.5	147.4	149.0	143.5	492.7
Central Government amortization due 2/	-276.1	-298.7	-243.6	-255.4	-240.6	-218.7	-360.6
Public Enterprises amortization due	-9.1	-7.3	-6.1	-5.1	-4.8	-5.2	-11.0
Other capital (incl priv. cap. err. & omis) 3/	-11.1	122.2	45.2	53.7	-16.9	64.3	180.2
of which: government securities 4/	--	--	--	--	--	--	47.0
Overall balance	-508.2	-444.3	-345.9	-284.8	-347.5	-271.7	277.6
Financing	508.2	444.3	345.9	284.7	347.5	271.7	-277.6
Official net reserves (increase: -)	104.0	5.6	40.8	-14.2	62.2	-25.0	-441.0
Operations account	101.0	39.4	31.5	2.5	86.5	-10.9	-504.8
IMF, net	-12.8	-36.0	9.3	-16.7	-24.3	-14.1	55.3
Other	15.8	2.2	-0.0	-0.0	--	--	8.5
Commercial banks (net)	13.5	-11.4	-4.9	-6.6	10.8	11.7	-72.1
Change in arrears	178.8	263.5	234.5	150.1	147.2	285.0	-351.9
Rescheduling 5/	211.9	186.6	119.6	155.4	127.3	--	587.4
Residual gross financing requirement	--	--	--	--	--	--	--
<b>Memorandum items:</b>							
Operations account (in months of imports)	-3.5	-3.9	-4.8	-5.0	-6.2	-6.0	0.8
Total grants	93.4	138.5	132.0	88.0	82.8	71.5	112.0
Debt cancellation 6/	--	--	--	--	--	--	257.2
of which: current interest	(--)	(--)	(--)	(--)	(--)	(--)	(61.4)
Operations account (end-of-year)	-257.5	-296.9	-328.4	-330.9	-417.4	-406.5	98.3
Outstanding arrears (end-of-year)	466.7	756.6	1014.2	1178.7	1337.7	1632.4	2796.3
Current account (percent of GDP)	-14.0	-14.8	-13.9	-9.7	-9.8	-10.8	-2.3
Ratio of public debt service due 7/	59.9	65.3	58.2	51.9	48.1	49.4	38.1
Ratio of public debt service paid 8/	16.3	17.0	19.4	19.7	19.3	17.8	25.3
Nominal GDP	3069.2	2985.2	2693.0	2690.2	2681.0	2641.0	3737.0
CFAF per US \$ (yearly average)	297.8	319.0	272.3	282.1	264.7	283.2	555.2

Sources: Data provided by the Ivorian authorities, and staff estimates and projections.

1/ Including EU grants disbursed in the context of programmed financial assistance.

2/ Debt service due includes obligations to commercial banks, with the exception of interest on arrears. The debt service numbers do not include cancelled debt service obligations and direct payments by public sector enterprises.

3/ Includes short term capital, other private capital, and errors and omissions.

4/ Government debt sold by the BCEAO to banks in other WAEMU countries.

5/ Includes the deferred repayment of arrears on postcutoff date debt over a three year period starting in October 1994, and the restructuring of precutoff date debt service due and of arrears to official bilateral creditors.

6/ Based on the debt cancellation announced by Belgium, France and Switzerland in 1994.

7/ In percent of exports of goods and non-factor services.

8/ The public debt service ratio includes changes in arrears and is expressed in percent of exports of goods and non-factor services.



Table 39. Côte d'Ivoire: Balance of Payments

(In millions of US dollars)

	1988	1989	1990	1991	1992	1993	1994
Trade balance	970.8	892.8	1297.6	995.8	1083.2	977.3	1332.5
Exports, f.o.b.	2664.0	2613.5	3002.5	2705.2	2945.5	2615.0	2896.2
Of which: cocoa	797.7	955.5	823.8	885.4	961.0	861.4	921.9
coffee	416.5	288.7	286.2	238.7	204.6	204.3	224.8
Imports, f.o.b.	-1693.2	-1720.7	-1704.9	-1709.3	-1862.3	-1637.6	-1563.8
Services, net	-1959.5	-2086.6	-2398.2	-1678.6	-1760.3	-1820.1	-1253.0
Receipts	372.7	342.9	395.6	673.5	668.3	588.7	445.8
Factor Income	29.9	35.1	44.1	17.7	19.3	17.7	10.8
Other Services	342.8	307.8	351.5	655.8	649.1	571.1	435.0
Payments	-2332.2	-2429.5	-2793.8	-2352.1	-2428.6	-2408.8	-1698.8
Factor Income	-1088.6	-1296.0	-1493.9	-1223.4	-1219.0	-1180.2	-748.1
of which: Central Government interest due 2/	-702.3	-818.8	-937.0	-735.3	-729.7	-752.0	-547.4
Other Services	-1243.6	-1133.5	-1299.8	-1128.7	-1209.5	-1228.7	-950.7
Transfers, net	-452.9	-191.2	-275.1	-240.0	-313.2	-163.9	-236.4
Private	-506.6	-382.4	-501.4	-367.6	-379.3	-305.1	-259.2
Public	53.7	191.2	226.3	127.6	66.1	141.3	22.8
Current account	-1441.6	-1385.0	-1375.7	-922.7	-990.2	-1006.7	-156.9
Capital account	-264.8	-7.7	105.2	-86.8	-322.6	47.1	656.9
Official medium- and long-term loans (net)	-227.5	-390.8	-60.9	-277.0	-258.7	-180.0	332.4
Project loans	535.2	161.4	152.8	124.1	105.4	103.8	114.2
Other bilateral and multilateral loans 1/	194.7	407.0	703.3	522.3	563.1	506.9	887.4
Central Government amortization due 2/	-926.9	-936.2	-894.6	-905.2	-909.0	-772.3	-649.4
Public Enterprises amortization due	-30.5	-23.0	-22.4	-18.2	-18.2	-18.4	-19.8
Other capital (incl priv. cap, err. & omis) 3/	-37.3	383.1	166.2	190.2	-63.9	227.1	324.5
of which: government securities 4/	--	--	--	--	--	--	84.7
Overall balance	-1706.4	-1392.7	-1270.5	-1009.5	-1312.8	-959.6	500.0
Financing	1706.4	1392.7	1270.5	1009.4	1312.9	959.4	-500.1
Official net reserves (increase: -)	349.2	17.6	149.9	-50.3	234.9	-88.4	-794.3
Operations account	339.1	123.5	115.7	8.9	326.8	-38.5	-909.2
IMF, net	-42.8	-112.7	34.3	-59.1	-91.9	-49.9	99.6
Other	52.9	6.8	-0.1	-0.1	--	--	15.3
Commercial banks (net)	45.3	-35.7	-180.0	-23.4	40.8	41.3	-129.9
Change in arrears	600.5	826.0	861.3	532.2	556.3	1006.4	-633.8
Rescheduling 5/	711.4	584.9	439.3	550.9	480.9	--	1057.9
Residual gross financing requirement	--	--	--	--	--	--	--
Memorandum items:							
Total grants	313.6	434.2	484.8	311.9	312.9	252.5	201.7
Debt cancellation 6/	--	--	--	--	--	--	463.2
of which: current interest	(--)	(--)	(--)	(--)	(--)	(--)	(110.6)
Operations account (end-of-year)	-864.5	-930.7	-1206.2	-1173.0	-1576.9	-1435.6	177.1
Outstanding arrears (end-of-year)	1567.1	2371.8	3725.2	4178.3	5053.9	5765.0	5036.6
Current account (percent of GDP)	-14.0	-14.8	-13.9	-9.7	-9.8	-10.8	-2.3
Nominal GDP	10304.5	9357.7	9891.0	9536.1	10128.8	9327.2	6730.9
CFAF per US \$ (yearly average)	297.8	319.0	272.3	282.1	264.7	283.2	555.2

Sources: Data provided by the Ivorian authorities; and staff estimates and projections.

1/ Including EU grants disbursed in the context of programmed financial assistance.

2/ Debt service due includes obligations to commercial banks, with the exception of interest on arrears. The debt service numbers do not include cancelled debt service obligations and direct payments by public sector enterprises.

3/ Includes short term capital, other private capital, and errors and omissions.

4/ Government debt sold by the BCEAO to banks in other WAEMU countries.

5/ Includes the deferred repayment of arrears on postcutoff date debt over a three year period starting in October 1994, and the restructuring of precutoff date debt service due and of arrears to official bilateral creditors.

6/ Based on the debt cancellation announced by Belgium, France and Switzerland in 1994.

Table 40. Côte d'Ivoire: Value, Volume, and Unit Price of Major Exports, 1988-1994

(Value in billions of CFA francs; volume in thousands of tons;  
and f.o.b. unit value in CFA franc per kilogram)

	1988	1989	1990	1991	1992	1993	1994
<b>Coffee, beans</b>							
Value	93.9	69.8	61.5	51.5	37.3	45.7	92.3
Change (%)	-19.9	-25.6	-11.9	-16.2	-27.5	22.3	102.0
Volume	178.0	135.2	243.0	198.5	208.7	182.1	136.5
Change (%)	8.6	-24.0	79.7	-18.3	5.2	-12.8	-25.0
Unit value	527.4	516.2	253.2	259.6	178.9	250.8	675.9
Change (%)	-26.2	-2.1	-50.9	2.5	-31.1	40.2	169.5
<b>Cocoa, beans</b>							
Value	196.1	260.0	182.7	208.5	202.5	200.2	430.6
Change (%)	-33.9	32.6	-29.7	14.2	-2.9	-1.1	115.1
Volume	405.0	722.7	669.9	715.4	666.6	704.9	706.9
Change (%)	-16.6	78.4	-7.3	6.8	-6.8	5.7	0.3
Unit value	484.2	359.8	272.7	291.5	303.8	284.0	609.1
Change (%)	-20.7	-25.7	-24.2	6.9	4.2	-6.5	114.5
<b>Logs</b>							
Value	17.4	17.9	19.3	13.8	7.2	12.0	45.3
Change (%)	-28.4	2.9	7.7	-28.6	-47.7	67.3	275.8
Volume	347.4	341.6	340.0	242.0	193.9	268.4	329.0
Change (%)	-27.3	-1.7	-0.4	-28.8	-19.9	38.4	22.6
Unit value	50.1	52.4	56.7	56.8	37.1	44.9	137.6
Change (%)	-1.5	4.6	8.2	0.2	-34.7	20.9	206.6
<b>Cotton fibre</b>							
Value	43.2	37.1	44.7	42.3	27.6	32.1	70.5
Change (%)	58.2	-14.1	20.4	-5.2	-34.9	16.5	119.5
Volume	98.5	90.9	90.7	96.8	65.8	100.8	96.6
Change (%)	42.0	-7.7	-0.2	6.7	-32.0	53.1	-4.2
Unit value	438.5	408.1	492.2	437.4	418.5	318.5	729.7
Change (%)	11.4	-6.9	20.6	-11.1	-4.3	-23.9	129.1
<b>Pineapple</b>							
Value	15.9	12.0	12.1	10.7	11.0	11.3	21.4
Change (%)	-24.3	-24.5	0.6	-11.3	2.7	2.6	89.9
Volume	144.3	121.6	135.3	114.3	118.9	125.6	143.0
Change (%)	-16.7	-15.7	11.3	-15.5	4.0	5.7	13.8
Unit value	110.2	98.7	89.3	93.7	92.5	89.8	149.9
Change (%)	-9.2	-10.5	-9.5	5.0	-1.3	-2.9	66.8
<b>Bananas</b>							
Value	6.2	7.2	7.7	9.4	14.0	18.1	31.7
Change (%)	-18.4	16.9	6.5	22.4	48.5	28.8	75.1
Volume	77.8	90.0	108.9	114.1	153.0	172.5	153.2
Change (%)	-8.3	15.7	21.0	4.8	34.1	12.8	-11.2
Unit value	79.7	80.5	70.9	82.8	91.8	104.8	206.6
Change (%)	-11.0	1.0	-11.9	16.8	10.8	14.2	97.2
<b>Palm oil</b>							
Value	9.9	11.7	17.0	17.9	20.2	20.7	46.0
Change (%)	-22.0	17.7	45.8	5.5	12.5	2.6	122.5
Volume	72.7	83.8	168.9	163.4	175.0	210.6	170.6
Change (%)	-42.5	15.4	101.5	-3.3	7.1	20.3	-19.0
Unit value	145.0	139.0	100.6	109.7	115.2	98.3	270.0
Change (%)	44.5	-4.1	-27.6	9.1	5.0	-14.7	174.7
<b>Natural rubber</b>							
Value	20.0	19.0	17.6	16.1	16.1	15.2	40.7
Change (%)	22.0	-5.0	-7.1	-8.9	0.4	-5.8	167.5
Volume	57.0	61.9	73.4	69.5	75.4	71.5	82.0
Change (%)	0.5	8.7	18.4	-5.2	8.5	-5.1	14.7
Unit value	351.1	306.8	240.5	231.2	214.0	212.5	495.7
Change (%)	21.3	-12.6	-21.6	-3.9	-7.4	-0.7	133.2
<b>Coco nuts</b>							
Value	1.7	2.0	2.0	2.0	2.0	2.1	4.2
Change (%)	-11.2	13.6	3.1	-2.2	-1.2	5.4	102.6
Volume	29.4	31.2	34.5	33.4	33.4	34.1	34.1
Change (%)	-10.0	6.3	10.6	-3.3	--	2.3	--
Unit value	59.2	63.3	59.0	59.7	58.9	60.7	123.0
Change (%)	-1.3	6.9	-6.8	1.1	-1.2	3.0	102.6
<b>Grains and oilseeds</b>							
Value	0.9	1.1	1.1	1.1	1.1	1.1	2.2
Change (%)	13.5	13.6	2.4	-2.2	-1.2	3.0	102.6
Volume	14.0	14.8	15.8	15.3	15.3	15.3	15.3
Change (%)	8.1	6.3	6.4	-3.3	--	--	--
Unit value	66.9	71.5	68.8	69.6	68.8	70.8	143.5
Change (%)	5.0	6.9	-3.7	1.1	-1.2	3.0	102.6

Table 40 (concluded). Côte d'Ivoire: Value, Volume, and Unit Price of Major Exports, 1988-1994

(Value in billions of CFA francs; volume in thousands of tons;  
and f.o.b. unit value in CFA franc per kilogram)

	1988	1989	1990	1991	1992	1993	1994
<b>Cacao, transformed</b>							
Value	41.5	44.8	41.6	41.2	51.9	43.7	81.2
Change (%)	-29.9	8.0	-7.1	-0.9	25.8	-15.7	85.8
Volume	73.9	80.0	92.4	89.3	115.0	82.9	68.5
Change (%)	-17.2	8.3	15.5	-3.4	28.8	-27.9	-17.4
Unit value	561.9	560.0	450.2	461.9	451.3	527.6	1186.2
Change (%)	-15.4	-0.3	-19.6	2.6	-2.3	16.9	124.8
<b>Coffee, processed</b>							
Value	30.2	22.3	16.4	15.8	16.8	12.2	32.5
Change (%)	65.9	-26.2	-26.4	-3.7	6.5	-27.5	166.8
Volume	16.1	7.4	6.8	6.8	8.0	5.7	7.5
Change (%)	185.9	-54.2	-8.3	0.7	17.0	-28.6	31.6
Unit value	1873.8	3018.0	2422.9	2315.7	2106.7	2139.0	4337.6
Change (%)	-42.0	61.1	-19.7	-4.4	-9.0	1.5	102.8
<b>Sawn wood</b>							
Value	59.6	62.5	83.5	64.4	61.5	67.1	161.8
Change (%)	0.8	4.9	33.6	-22.8	-4.6	9.1	141.2
Volume	473.3	501.8	600.0	494.5	473.6	498.7	621.4
Change (%)	-1.7	6.0	19.6	-17.6	-4.2	5.3	24.6
Unit value	125.9	124.6	139.2	130.3	129.8	134.5	260.3
Change (%)	2.5	-1.1	11.8	-6.4	-0.4	3.6	93.6
<b>Textile</b>							
Value	12.8	10.2	13.5	10.7	10.2	3.9	11.5
Change (%)	-16.3	-20.3	32.5	-20.8	-5.2	-61.6	194.8
Volume	8.6	7.0	9.7	8.5	7.8	3.4	6.3
Change (%)	-5.9	-18.8	37.9	-12.6	-7.4	-56.6	84.5
Unit value	1482.5	1454.2	1397.8	1266.5	1296.5	1147.4	1833.6
Change (%)	-11.1	-1.9	-3.9	-9.4	2.4	-11.5	59.8
<b>Pineapple, processed</b>							
Value	0.5	0.5	0.6	0.8	0.6	0.4	0.5
Change (%)	-58.3	0.0	28.8	27.1	-28.6	-34.3	29.5
Volume	2.0	2.0	2.2	2.2	2.3	1.7	1.4
Change (%)	-59.3	-1.5	10.5	1.3	4.5	-26.1	-16.8
Unit value	250.8	254.6	296.6	371.9	254.0	225.8	351.5
Change (%)	2.3	1.5	16.5	25.4	-31.7	-11.1	55.7
<b>Sugar</b>							
Value	3.7	5.8	5.2	3.7	2.2	6.2	9.0
Change (%)	-44.8	56.8	-10.3	-28.9	-39.2	176.3	44.5
Volume	23.8	41.6	52.3	34.8	16.1	39.4	35.6
Change (%)	-70.0	74.9	25.8	-33.5	-53.7	144.7	-9.8
Unit value	155.7	139.6	99.5	106.3	139.5	157.5	252.3
Change (%)	84.3	-10.4	-28.7	6.9	31.2	12.9	60.2
<b>Fish products</b>							
Value	27.1	24.8	31.0	26.7	24.2	18.6	63.8
Change (%)	20.4	-8.5	25.2	-14.1	-9.1	-23.3	243.7
Volume	34.4	33.3	41.3	45.6	39.8	30.5	49.6
Change (%)	10.3	-3.2	24.0	10.4	-12.7	-23.4	62.6
Unit value	787.4	744.4	751.4	584.2	608.2	608.8	1286.9
Change (%)	9.2	-5.5	0.9	-22.3	4.1	0.1	111.4
<b>Cement</b>							
Value	5.6	7.1	7.7	7.2	8.5	8.6	17.9
Change (%)	-3.5	26.8	9.1	-6.4	16.7	1.5	108.4
Volume	192.9	213.3	243.1	236.0	266.8	282.5	422.5
Change (%)	-8.8	10.5	14.0	-2.9	13.0	5.9	49.6
Unit value	29.0	33.3	31.9	30.7	31.7	30.4	42.4
Change (%)	5.9	14.7	-4.3	-3.6	3.3	-4.2	39.4
<b>Petroleum products</b>							
Value	88.3	92.8	113.2	108.2	98.7	110.0	174.5
Change (%)	-11.9	5.1	22.0	-4.4	-8.8	11.5	58.6
Volume	1838.5	1861.8	1968.9	1862.6	2197.5	2239.2	2013.1
Change (%)	2.7	1.3	5.8	-5.4	18.0	1.9	-10.1
Unit value	48030	49844	57498	58091	44893	49113	86660
Change (%)	-14.2	3.8	15.4	1.0	-22.7	9.4	76.5
<b>Other products</b>							
Value	118.9	125.2	138.9	110.9	166.2	111.4	270.5
Change (%)	4.2	5.2	11.0	-20.1	49.8	-33.0	142.8
<b>Total exports</b>	<b>793.5</b>	<b>833.7</b>	<b>817.5</b>	<b>763.1</b>	<b>779.6</b>	<b>740.4</b>	<b>1608.0</b>

Sources: Data provided by the Ivorian authorities; and staff estimates.

Table 41. Côte d'Ivoire: Direction of Exports, f.o.b., 1988-94

(In percent of total)

	1988	1989	1990	1991	1992	1993	1994
Total	100	100	100	100	100	100	100
Europe	60.7	66.4	54.0	55.6	58.4	55.2	55.8
European Union	56.9	62.4	53.5	55.0	58.2	54.3	55.3
Of which:							
Belgium-Luxembourg	5.3	4.3	5.8	4.5	5.1	4.9	4.7
France	15.9	13.6	7.4	14.9	15.9	16.7	16.1
Germany	4.7	7.5	6.9	7.0	10.4	8.8	9.8
Italy	7.2	5.9	8.7	6.8	8.0	7.2	7.1
Netherlands	15.8	22.5	15.2	14.2	7.8	7.5	8.9
Spain	2.8	2.8	3.2	3.1	4.6	3.8	4.0
United Kingdom	3.0	3.4	3.3	2.5	2.8	3.0	1.9
Other	6.2	6.3	3.5	2.6	3.8	3.5	3.3
Africa	21.7	19.8	31.9	31.9	28.0	30.5	29.8
Algeria	--	0.1	0.4	0.7	--	--	--
Benin	0.6	0.5	0.6	0.6	0.9	0.9	0.9
Burkina Faso	3.5	3	4.2	4.4	5.3	5.3	6.0
Cameroon	0.4	0.2	0.4	0.4	0.4	0.4	0.4
Ghana	1.9	1.7	3.4	2.1	0.7	0.8	0.8
Mali	2.8	2.6	4.4	5.0	5.1	5.9	5.7
Morocco	0.3	0.3	0.4	0.5	0.8	0.7	0.7
Niger	1.0	1.0	1.3	1.1	1.1	1.3	1.3
Nigeria	2.6	1.4	1.7	1.4	1.4	1.3	1.2
Senegal	2.1	1.7	2.2	2.2	--	--	--
Togo	0.8	0.9	2.5	1.5	1.5	1.7	1.7
Tunisia	--	0.4	0.6	0.5	0.9	0.8	0.6
Other countries	5.7	5.8	9.8	11.6	9.9	11.3	10.5
Asia	3.2	3.0	3.2	3.4	2.9	5.0	4.8
China, People's Republic	0.1	0.3	0.1	0.1	0.1	0.1	0.1
Indonesia	0.2	0.3	0.4	0.3	0.3	0.5	0.5
Japan	0.7	1.3	1.7	1.4	0.5	0.5	0.4
Singapore	--	0.1	0.4	0.1	0.2	0.2	0.2
Taiwan, Province of China	1.2	0.8	0.6	1.1	0.9	0.9	0.9
Other countries	1.0	0.2	0.0	0.4	0.9	2.7	2.7
Western Hemisphere	7.7	6.8	6.0	5.6	7.2	6.8	6.4
Brazil	--	0.1	0.0	0.1	0.1	0.5	0.5
Canada	0.1	0.1	0.1	0.0	0.6	0.4	0.8
United States	7.4	6.6	5.9	4.9	6.2	5.8	5.1
Other countries	0.2	--	--	0.6	0.3	--	--
Other countries or areas	6.6	4.1	4.8	3.4	3.5	2.6	3.2

Source: Direction of Trade Statistics; and staff estimates

Table 42. Côte d'Ivoire – Merchandise Imports, c.i.f., 1988–94

(In billions of CFA francs)

	1988	1989	1990	1991	1992	1993	1994
Foodstuffs, beverages, and tobacco <sup>1/</sup>	149.3	154.1	128.2	138.2	111.8	122.1	163.5
Dairy products	24.6	22.3	14.1	14.3	15.0	16.5	14.8
Fruits and vegetables, fresh	5.8	6.0	5.2	6.7	6.0	4.0	3.4
Fish and shellfish, fresh	39.8	34.2	35.6	38.3	26.7	30.1	54.3
Cereals	32.2	48.2	41.7	43.9	32.1	42.6	53.1
Of which: rice	(20.3)	(31.7)	(24.6)	(31.5)	(23.0)	(32.7)	(36.7)
wheat	(10.3)	(14.4)	(13.8)	(9.2)	(8.6)	(8.8)	(16.1)
Beverages	6.1	5.8	3.2	4.0	3.7	3.3	5.1
Tobacco	6.4	5.2	4.7	3.2	1.8	2.3	2.4
Other products	34.4	32.4	23.7	27.8	26.5	23.3	30.4
Other consumer goods <sup>2/</sup>	140.6	156.7	119.2	112.2	124.1	139.1	231.7
Textile fibers and fabrics	10.2	20.4	13.8	15.0	15.5	15.5	14.0
Pharmaceutical products	26.8	39.0	28.8	34.8	34.3	33.1	41.4
Paper and stationery	9.0	10.7	6.9	8.5	8.2	7.8	10.0
Plastic products	24.0	21.3	17.3	19.5	19.9	19.1	42.9
Automobiles <sup>3/</sup>	15.7	8.5	9.3	10.2	17.5	10.2	39.8
Other	54.9	56.8	43.1	24.2	28.7	53.4	83.6
Raw materials and semifinished products <sup>4/</sup>	168.4	219.2	212.7	228.9	219.4	195.5	357.1
Rubber products	8.6	8.2	6.8	7.0	7.5	6.9	14.6
Petroleum products	85.9	143.1	154.8	149.4	135.2	130.1	203.7
Of which: crude oil	66.1	113.7	138.5	127.6	115.8	113.3	175.3
Other metal products	6.8	5.1	3.1	2.9	3.4	0.8	3.6
Fertilizers	3.6	4.3	5.9	5.5	8.2	4.6	17.4
Construction materials	12.5	13.7	10.6	10.2	13.0	10.4	24.3
Of which: clinker	(8.3)	(9.6)	(7.1)	(6.7)	(8.7)	(6.8)	(18.4)
Paper and boards	19.7	19.2	16.5	16.6	18.0	15.7	27.4
Other	31.3	25.6	15.0	37.3	34.1	27.0	66.1
Capital goods <sup>5/</sup>	161.5	143.3	111.0	114.0	160.0	118.1	254.7
Mechanical	62.8	54.8	38.4	37.3	41.0	34.8	67.6
Electrical	23.6	24.5	22.1	18.2	12.9	18.8	40.9
Transportation material <sup>6/</sup>	27.1	22.6	17.6	25.6	82.6	50.1	116.5
Of which: road vehicles <sup>7/</sup>	(26.0)	(21.1)	(16.9)	(16.6)	(18.3)	(19.4)	(22.9)
Precision instruments	9.4	8.4	5.6	5.6	5.3	4.9	10.4
Iron and steel products	32.4	32.8	23.9	23.9	15.4	7.0	13.4
Other	6.2	0.2	0.4	3.4	2.8	2.5	5.9
Total (customs basis), c.i.f.	619.8	673.3	571.1	593.3	615.3	574.8	1007.0
<b>Memorandum item:</b>							
Balance of payments data (f.o.b.)	504.3	548.9	464.2	482.2	492.9	463.7	868.2

Sources: Direction des Douanes; data provided by the BCEAO; and staff estimates.

<sup>1/</sup> Consists of imports under the classification numbers 02; 04; 10; 11; 16; 17; 20; 21; 22; and 24.

<sup>2/</sup> Includes imports under the classification numbers 30; 39; 49; 55; and 87.02.01 to 19.

<sup>3/</sup> Imports of personal vehicles under the classification numbers 87.02.01 to 19.

<sup>4/</sup> Includes imports under the classification numbers 25; 27; 31; 40; and 76.

<sup>5/</sup> Includes imports under the classification numbers 73; 84; 85; 86; 87 (excluding 87.02.01 to 19); 88; 89; and 90.

<sup>6/</sup> Consists of imports under the classification numbers 87; 88; and 89.

<sup>7/</sup> Excluding personal cars (87.02.01 to 19) considered as consumer goods.

Table 43. Côte d'Ivoire: Origin of Imports, c.i.f., 1988-94

(In percent of total)

	1988	1989	1990	1991	1992	1993	1994
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Europe</b>	<b>62.7</b>	<b>56.7</b>	<b>51.6</b>	<b>52.3</b>	<b>56.2</b>	<b>49.9</b>	<b>46.3</b>
<b>European Union</b>	<b>62.4</b>	<b>56.4</b>	<b>51.3</b>	<b>52.0</b>	<b>55.9</b>	<b>49.6</b>	<b>46.0</b>
Of which:							
Belgium-Luxemburg	2.6	2.5	3.5	2.8	2.6	2.7	3.1
France	30.9	28.7	27.6	28.3	36.3	30.4	28.2
Germany	5.5	5.5	4.2	3.8	3.0	2.4	3.3
Italy	5.0	5.3	3.4	3.3	3.8	3.8	3.2
Netherlands	5.5	4.7	3.8	3.9	4.4	3.4	2.9
Spain	4.6	3.8	3.6	3.8	1.9	2.7	1.4
United Kingdom	3.5	2.4	1.9	2.3	2.3	2.5	1.6
<b>Other European countries</b>							
Switzerland	1.4	1.1	0.7	0.9	0.9	1.0	1.0
Other	3.6	2.7	2.9	3.3	0.9	1.0	1.6
<b>Africa</b>	<b>14.8</b>	<b>22.6</b>	<b>29.7</b>	<b>27.3</b>	<b>26.9</b>	<b>33.9</b>	<b>37.3</b>
Algeria	--	--	--	--	--	--	--
Benin	--	0.2	0.3	0.1	0.1	0.1	0.1
Burkina Faso	0.2	0.1	0.1	0.1	--	--	--
Cameroon	0.2	0.2	0.2	0.3	0.4	0.5	0.7
Mali	0.2	0.3	0.6	0.1	0.1	0.2	0.2
Mauretania	1.3	1.0	1.2	1.0	1.0	1.2	1.5
Morocco	0.4	0.4	0.2	0.4	0.3	0.4	0.4
Niger	0.1	0.1	0.1	0.3	0.3	0.4	0.5
Nigeria	9.4	16.0	23.0	21.5	20.3	24.3	26.8
Senegal	1.2	0.9	1.0	1.2	0.9	0.9	0.9
Other countries	1.7	3.5	3.0	2.2	3.5	5.8	6.2
<b>Asia</b>	<b>11.8</b>	<b>10.9</b>	<b>7.4</b>	<b>10.2</b>	<b>9.0</b>	<b>8.7</b>	<b>6.6</b>
China, People's Republic	1.7	0.7	0.3	2.2	2.2	2.0	2.0
Japan	4.5	2.7	2.4	3.5	3.8	2.7	2.7
Pakistan	1.1	0.5	1.1	1.4	0.2	0.0	0.2
Taiwan, Province of China	--	1.9	0.5	0.9	0.2	0.9	0.6
Other countries	4.5	5.1	3.0	2.2	2.6	3.1	1.1
<b>Western Hemisphere</b>	<b>7.8</b>	<b>7.2</b>	<b>7.5</b>	<b>8.7</b>	<b>6.6</b>	<b>6.5</b>	<b>8.5</b>
Brazil	1.5	1.1	1.0	1.7	1.2	1.4	1.6
Canada	0.6	1.0	0.5	0.5	0.2	0.1	0.3
United States	3.8	4.3	4.8	5.5	3.9	4.3	5.9
Venezuela	--	0.2	0.9	0.6	--	--	--
Other countries	1.8	0.6	0.3	0.3	1.2	0.6	0.8
<b>Other countries or areas</b>	<b>3.0</b>	<b>2.6</b>	<b>3.8</b>	<b>1.5</b>	<b>1.3</b>	<b>1.0</b>	<b>1.3</b>

Source: Direction of Trade Statistics; and staff estimates.

Table 44. Côte d'Ivoire: External Trade Indices, 1988-94

	1988	1989	1990	1991	1992	1993	1994
<b>(1985 = 100)</b>							
Merchandise exports, f.o.b.							
Value index <sup>1/</sup>	64.7	67.9	66.6	63.5	61.2	58.9	126.1
Volume index	101.9	111.5	124	118.1	119.1	111.8	114.0
Unit value index <sup>1/</sup>	63.5	60.9	53.8	54.0	51.6	52.9	111.0
Merchandise imports, f.o.b.							
Value index <sup>1/</sup>	78.5	85.4	72.3	75.1	76.8	72.3	135.3
Volume index	91.3	90.7	78.6	80.6	86.2	76.9	73.4
Unit value index <sup>1/</sup>	85.9	94.1	91.8	92.9	88.8	93.7	183.7
Terms of trade index	73.9	64.7	58.6	58.0	58.0	56.3	60.3
<b>(Annual percentage change)</b>							
Merchandise exports, f.o.b.							
Value index <sup>1/</sup>	-13.6	4.9	-1.9	-4.6	-3.6	-3.7	114.0
Volume index	-4.5	9.4	11.2	-4.8	0.9	-6.1	2.0
Unit value index <sup>1/</sup>	-9.5	-4.1	-11.7	0.2	-4.4	2.6	109.8
Merchandise imports, f.o.b.							
Value index <sup>1/</sup>	-9.4	8.8	-15.4	3.9	2.2	-5.9	87.3
Volume index	-10.2	-0.7	-13.4	2.6	7.0	-10.8	-4.5
Unit value index <sup>1/</sup>	0.8	9.5	-2.4	1.2	-4.5	5.5	96.1
Terms of trade index	-10.3	-12.4	-9.5	-0.9	0.1	-2.9	7.1
<b>(In percent of GDP)</b>							
Merchandise exports, f.o.b.	26.2	27.9	30.3	28.5	28.0	28.0	43.0
Merchandise imports, f.o.b.	16.4	18.4	17.2	17.9	18.4	17.6	23.2

Sources: Data provided by the Ivoirien authorities; and staff estimates.

<sup>1/</sup> Trade data in terms of CFA francs; balance of payments basis.

Table 45. Côte d'Ivoire: Services and Transfers, 1988-94

(In billions of CFA francs)

	1988	1989	1990	1991	1992	1993	1994
Services, net	-583.6	-665.6	-652.9	-473.5	-465.9	-515.4	-695.6
Credit	111.0	109.2	107.7	190.0	176.9	166.7	247.5
Freight and insurance	27.8	23.2	26.1	38.4	35.4	33.6	58.0
Other transportation	22.8	33.8	21.8	41.9	41.7	32.3	55.7
Travel	7.4	7.7	7.1	17.6	17.5	15.0	24.0
Investment income	8.9	11.2	12.0	5.0	5.1	5.0	6.0
Government, n.i.e.	20.1	12.6	18.1	54.7	45.0	49.2	60.1
Other services	24.0	20.7	22.6	32.4	32.2	31.6	43.7
Debit	-694.6	-774.8	-760.6	-663.5	-642.8	-682.1	-943.1
Freight and insurance	-96.3	-106.6	-91.8	-89.5	-86.7	-89.8	-141.1
Other transportation	-50.8	-62.0	-55.0	-55.3	-48.4	-49.6	-77.5
Travel	-70.0	-55.5	-69.4	-45.8	-44.5	-45.3	-65.3
Investment income	-293.4	-334.4	-312.9	-256.4	-251.9	-266.4	-406.9
Of which: interest on govt debt	-202.3	-253.6	-248.5	-198.4	-193.1	-212.9	-303.9
Government, n.i.e.	-59.6	-52.3	-47.7	-27.1	-33.9	-33.4	-60.3
Other services	-124.5	-164.0	-183.8	-189.4	-177.5	-197.6	-192.0
Transfers, net	-134.9	-61.0	-74.9	-67.7	-82.9	-46.4	-131.2
Public transfers	16.0	61.0	61.6	36.0	17.5	40.0	12.7
Credit	59.4	98.0	98.6	72.0	53.5	67.0	49.7
Debit	-43.4	-37.0	-37.0	-36.0	-36.0	-27.0	-37.0
Private transfers	-150.9	-122.0	-136.5	-103.7	-100.4	-86.4	-143.9
Credit	3.6	4.1	4.0	13.9	15.0	15.0	29.6
Debit	-154.5	-126.1	-140.5	-117.6	-115.4	-101.4	-173.5
Memorandum items:							
Freight and insurance as percentage of imports, c.i.f.	-15.5	-15.8	-16.1	-15.1	-14.1	-15.6	-14.0
Services, net, as percent of GDP	-19.0	-22.3	-24.2	-17.6	-17.4	-19.5	-18.6
Transfers, net, as percent of GDP	-4.4	-2.0	-2.8	-2.5	-3.1	-1.8	-3.5

Sources: Data provided by the Ivoirien authorities; and staff estimates.



Table 46. Côte d'Ivoire: Movements of Capital, 1988-94

(In billions of CFA francs)

	1988	1989	1990	1991	1992	1993	1994
Capital flows (net)	<u>-78.9</u>	<u>-2.5</u>	<u>28.6</u>	<u>-24.5</u>	<u>-85.4</u>	<u>13.3</u>	<u>364.7</u>
Medium and long term	<u>-14.6</u>	<u>-99.7</u>	<u>-8.6</u>	<u>-4.8</u>	<u>-19.3</u>	<u>-35.4</u>	<u>255.2</u>
Official capital	<u>-67.8</u>	<u>-124.7</u>	<u>-16.6</u>	<u>-78.1</u>	<u>-68.5</u>	<u>-51.0</u>	<u>184.6</u>
Program loans	58.0	129.8	191.5	147.4	149.0	143.5	492.7
Project loans	159.4	51.5	41.6	35.0	27.9	29.4	63.4
Central government amortization due	-276.1	-298.7	-243.6	-255.4	-240.6	-218.7	-360.6
Public enterprises	-9.1	-7.3	-6.1	-5.1	-4.8	-5.2	-11.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Private capital	<u>53.2</u>	<u>25.0</u>	<u>8.0</u>	<u>73.3</u>	<u>49.2</u>	<u>15.6</u>	<u>70.6</u>
Direct investment	7.0	7.0	7.0	12.8	9.3	6.8	8.6
Commercial credits	4.0	2.0	2.0	57.4	35.4	5.0	15.0
Other	42.2	16.0	-1.0	3.1	4.5	3.8	47.0
Short term	<u>-58.5</u>	<u>20.0</u>	<u>-6.0</u>	<u>3.0</u>	<u>3.0</u>	<u>-20.0</u>	<u>112.3</u>
Official capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Private capital	-58.5	20.0	-6.0	3.0	3.0	-20.0	112.3
Errors and omissions	<u>-5.8</u>	<u>77.2</u>	<u>43.2</u>	<u>-22.6</u>	<u>-69.1</u>	<u>68.7</u>	<u>-2.7</u>

Sources: Caisse Autonome d'Amortissement (CAA); BCEAO; and staff estimates.

Table 47. Côte d'Ivoire: External Public Debt Service Operations, 1988–94 <sup>1/</sup>

(In billions of CFA francs)

	1988	1989	1990	1991	1992	1993	1994
<b>Debt service (accrual basis)</b>							
Interest payments	<u>209.2</u>	<u>261.2</u>	<u>255.1</u>	<u>207.4</u>	<u>193.1</u>	<u>212.9</u>	<u>303.9</u>
Official creditors	142.2	153.2	150.6	168.3	165.9	192.3	281.6
International institutions	65.4	65.2	60.1	69.1	69.3	68.8	132.4
Of which: IMF	(12.4)	(13.5)	(10.2)	(9.8)	(9.0)	(6.4)	(7.5)
Paris Club	65.7	75.3	77.2	75.6	81.6	104.7	127.6
Other	11.0	12.8	13.2	23.5	15.0	18.8	21.6
Private creditors	67.0	108.0	104.5	39.2	27.3	20.7	22.3
London Club	63.2	102.4	101.9	35.3	24.9	16.8	20.1
Other	3.8	5.6	2.6	3.9	2.4	3.9	2.2
Amortization payments	<u>327.2</u>	<u>347.8</u>	<u>276.0</u>	<u>284.8</u>	<u>264.9</u>	<u>232.8</u>	<u>399.9</u>
Official creditors	175.8	192.6	154.8	177.4	174.2	159.2	301.8
International institutions	105.3	97.9	69.9	78.3	82.2	74.3	177.0
Of which: IMF	(51.1)	(49.1)	(32.4)	(29.4)	(24.3)	(14.1)	(39.3)
Paris Club	70.5	94.7	84.9	99.1	92.1	84.9	124.8
Private creditors	151.4	155.2	121.2	107.4	90.7	73.6	98.1
London Club	145.9	148.9	118.1	101.4	86.9	62.9	87.6
Other	5.4	6.3	3.1	6.0	3.7	10.6	10.5
Debt relief from Paris Club <sup>2/</sup>	<u>158.1</u>	<u>142.9</u>	<u>119.6</u>	<u>155.4</u>	<u>127.3</u>	--	<u>434.1</u>
Interest	80.5	57.8	44.1	74.9	49.3	--	187.2
Principal	77.6	85.1	75.5	80.5	78.0	--	246.9
Debt relief from private creditors <sup>2/</sup>	<u>53.8</u>	<u>43.9</u>	--	--	--	--	<u>12.3</u>
Interest	--	--	--	--	--	--	2.8
Principal	53.8	43.9	--	--	--	--	9.5
Change in arrears <sup>3/</sup>	<u>178.8</u>	<u>263.5</u>	<u>234.5</u>	<u>150.1</u>	<u>147.2</u>	<u>285.0</u>	<u>-351.9</u>
Interest	110.2	109.2	110.1	37.0	47.7	111.6	-165.0
Principal	68.6	154.3	124.4	113.1	99.5	173.4	-186.9
Debt service (cash basis)	<u>145.6</u>	<u>158.7</u>	<u>177.0</u>	<u>186.7</u>	<u>183.5</u>	<u>160.7</u>	<u>499.0</u>
Interest	18.5	94.2	100.9	95.5	96.1	101.3	182.3
Principal	127.1	64.5	76.1	91.1	87.4	59.4	316.7
<b>Memorandum items:</b>							
External public debt <sup>4/</sup>							
In billions of CFA francs	2549.6	2917.6	3173.0	3465.1	3760.7	4197.5	7477.1
In percent of GDP	83.1	97.7	117.8	128.8	140.3	158.9	200.1

Sources: Data provided by the Ivoirien authorities; and staff estimates.

<sup>1/</sup> Debt service on government and government-guaranteed debt, including direct payments by public enterprises.

<sup>2/</sup> Includes rescheduled arrears.

<sup>3/</sup> External arrears definition differs from program definition, as it includes arrears to commercial banks. The decline in arrears in 1994 includes cancellations by Belgium, France, and Switzerland, and reschedulings in the context of the Paris Club agreement of March 1994.

<sup>4/</sup> Public and publicly-guaranteed external debt.

Table 48. Côte d'Ivoire: External Debt Arrears, 1988-94

(In billions of CFA francs at end of year)

	1990	1991	1992	1993	1994
<b>Total arrears</b>	<b>1014.2</b>	<b>1178.7</b>	<b>1337.7</b>	<b>1632.4</b>	<b>2796.3</b>
Principal	553.9	667.0	760.3	949.1	1247.5
Interest	460.3	505.6	571.3	671.7	1548.8
Late interest	--	6.1	6.1	11.7	--
<b>Multilateral institutions 1/</b>	<b>8.5</b>	<b>1.8</b>	<b>8.1</b>	<b>17.6</b>	<b>--</b>
Principal	3.9	0.9	3.4	11.3	--
Interest	4.6	0.9	4.7	6.3	--
<b>Paris Club</b>	<b>50.4</b>	<b>72.2</b>	<b>101.4</b>	<b>295.1</b>	<b>--</b>
Principal	20.2	35.5	39.2	155.7	--
Interest	30.2	30.6	56.1	127.8	--
Late interest	--	6.1	6.1	11.7	--
Reschedulable	--	0.3	17.4	58.8	--
Principal	--	--	8.7	29.4	--
Interest	--	--	8.4	27.0	--
Late interest	--	0.3	0.3	2.4	--
Rescheduled 1984-91	17.8	5.7	36.6	161.3	--
Principal	--	--	18.3	86.2	--
Interest	17.8	4.4	17.0	72.6	--
Late interest	--	1.3	1.3	2.5	--
Post-cutoff-date	32.6	66.2	47.4	75.0	--
Principal	20.2	35.5	12.2	40.1	--
Interest	12.4	26.2	30.7	28.2	--
Late interest	--	4.5	4.5	6.8	--
<b>Other bilaterals 1/</b>	<b>5.8</b>	<b>4.1</b>	<b>4.1</b>	<b>6.2</b>	<b>--</b>
Principal	3.8	3.2	3.4	4.8	--
Interest	2.0	0.9	0.7	1.4	--
<b>London Club</b>	<b>949.5</b>	<b>1100.6</b>	<b>1224.1</b>	<b>1313.5</b>	<b>2796.3</b>
Principal	526.0	627.4	714.3	777.3	1247.5
Interest 2/	423.5	473.2	509.8	536.2	1548.8

Sources: Data provided by the authorities; and staff estimates.

1/ Arrears to official or semi-official creditors, not covered by Paris Club rescheduli

2/ Including late interest.

Table 49. Côte d'Ivoire: Total External Debt Outstanding, 1988-94 1/

	1988	1989	1990	1991	1992	1993	1994
(In billions of CFA franc)							
Total debt outstanding	<u>3426.9</u>	<u>3795.2</u>	<u>3937.9</u>	<u>4241.6</u>	<u>4600.2</u>	<u>5060.1</u>	<u>8944.0</u>
Public debt	<u>2549.6</u>	<u>2917.6</u>	<u>3173.0</u>	<u>3465.1</u>	<u>3760.7</u>	<u>4197.5</u>	<u>7477.1</u>
International organizations	713.7	662.5	622.4	689.0	784.5	911.9	1863.3
of which: World Bank	(515.6)	(480.7)	(492.4)	(524.2)	(546.5)	(546.5)	(1256.1)
IMF	(150.3)	(106.9)	(110.7)	(96.3)	(73.7)	(64.4)	(175.4)
Paris Club	723.0	963.3	1117.6	1268.7	1399.6	1637.1	2520.9
Commercial banks	1019.9	1148.7	1273.7	1323.3	1359.9	1385.1	2814.2
Other bilateral creditors	12.0	48.5	42.4	35.1	33.6	45.0	71.1
BCEAO	81.0	94.6	116.9	149.0	183.0	218.4	207.6
Private debt	<u>877.3</u>	<u>877.6</u>	<u>764.9</u>	<u>776.5</u>	<u>839.5</u>	<u>862.6</u>	<u>1466.9</u>
Deposit money banks	169.3	157.9	108.9	102.3	119.5	91.2	63.8
Medium and long term debt	91.7	70.3	67.2	91.5	97.3	47.6	70.0
Short term debt (net)	77.6	87.6	41.7	10.8	22.3	43.6	-6.2
Other private debt 2/	708.0	719.7	656.0	674.2	720.0	771.4	1403.1
(In billions of US dollars)							
Total debt outstanding	<u>11.3</u>	<u>13.1</u>	<u>15.4</u>	<u>16.4</u>	<u>16.7</u>	<u>17.2</u>	<u>16.7</u>
Public debt	<u>8.4</u>	<u>10.1</u>	<u>12.4</u>	<u>13.4</u>	<u>13.7</u>	<u>14.2</u>	<u>14.0</u>
International organizations	2.4	2.3	2.4	2.7	2.8	3.1	3.5
of which: World Bank	(1.7)	(1.7)	(1.9)	(2.0)	(2.0)	(1.9)	(2.3)
IMF	(0.5)	(0.4)	(0.4)	(0.4)	(0.3)	(0.2)	(0.3)
Paris Club	2.4	3.3	4.4	4.9	5.1	5.6	4.7
Commercial banks	3.4	4.0	5.0	5.1	4.9	4.7	5.3
Other bilateral creditors	0.0	0.2	0.2	0.1	0.1	0.2	0.1
BCEAO	0.3	0.3	0.5	0.6	0.7	0.7	0.4
Private debt	<u>2.9</u>	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>	<u>2.9</u>	<u>2.7</u>
Deposit money banks	0.6	0.5	0.4	0.4	0.4	0.3	0.1
Medium and long term debt	0.3	0.2	0.3	0.4	0.4	0.2	0.1
Short term debt (net)	0.3	0.3	0.2	0.0	0.1	0.1	-0.0
Other private debt 2/	2.3	2.5	2.6	2.6	2.6	2.6	2.6

Sources: Data provided by the Ivoirien authorities, World Bank, and the BCEAO; and staff estimates.

1/ Including interest and principal arrears.

2/ Suppliers' credits, including trade financing.

Table 50. Côte d'Ivoire: Stock of Debt to the Paris Club, December 1994

(In billions of CFA francs)

Country	ODA	non-ODA	Total
Pre-cutoff date debt	<u>599.1</u>	<u>1052.2</u>	<u>1651.3</u>
Austria	--	47.1	47.1
Belgium	4.5	122.4	127.0
Canada	--	101.1	101.1
France	461.4	308.9	770.3
Germany	91.1	57.2	148.4
Italy	--	48.8	48.8
Japan	34.7	--	34.7
Netherlands	3.0	69.9	72.8
Norway	--	26.1	26.1
Spain	--	112.5	112.5
United Kingdom	0.3	26.2	26.5
United States	4.1	131.8	135.9
Post-cutoff date debt	<u>736.0</u>	<u>133.5</u>	<u>869.6</u>
Belgium	0.1	--	0.1
China, PR	0.2	--	0.2
Denmark	--	--	--
France	617.2	78.7	696.0
Germany	42.8	--	42.8
Italy	--	6.6	6.6
Japan	38.2	--	38.2
Netherlands	0.3	--	0.3
Switzerland	--	4.8	4.8
Spain	--	16.9	16.9
United Kingdom	2.7	15.8	18.5
United States	34.6	10.6	45.2
Total	<u>1335.1</u>	<u>1185.7</u>	<u>2520.9</u>

Source: Ivoirien authorities.

Table 51. Côte d'Ivoire: Public External Debt and Debt Service Indicators, 1988-94

(In billions of CFA francs)

	1988	1989	1990	1991	1992	1993	1994
Medium- and long-term public and publicly guaranteed debt	2,549.6	2,917.6	3,173.0	3,465.1	3,760.7	4,197.5	7,477.1
Drawings <sup>1/</sup>	255.7	194.5	274.8	195.1	176.9	172.9	650.7
Amortization due <sup>1/</sup>	327.2	347.8	276.0	284.8	264.9	232.8	399.9
Rescheduling	211.9	186.8	119.6	155.4	127.3	0.0	446.4
Interest due <sup>1/</sup>	209.2	261.2	255.1	207.4	193.1	212.9	303.9
Stock of arrears	466.7	756.6	1,014.2	1,178.7	1,337.7	1,632.4	2,796.3
<b>Memorandum items:</b>							
Fund purchases	38.3	13.1	41.7	12.7	-0.0	-0.0	94.6
Fund repurchases	51.1	49.1	32.4	29.4	24.3	14.1	39.3
Fund credit outstanding	150.3	106.9	110.7	96.3	73.7	64.4	175.4
Medium- and long-term public and publicly guaranteed debt outstanding as percent of GDP	83.1	97.7	117.8	128.8	140.3	158.9	200.1
Debt service payments in percent of exports of goods and nonfactor services <sup>2/</sup>							
Before rescheduling and change in arrears	59.9	65.3	58.2	51.9	48.1	49.4	38.1
Principal	36.5	37.3	30.2	30.0	27.8	25.8	21.6
Interest	23.4	28.0	27.9	21.9	20.3	23.6	16.4
After rescheduling and change in arrears	16.3	17.0	19.4	19.7	19.3	17.8	25.3
Principal	14.2	6.9	8.3	9.6	9.2	6.6	13.8
Interest	2.1	10.1	11.0	10.1	10.1	11.2	11.5

Sources: Caisse Autonome d'Amortissement (CAA); and staff estimates.

<sup>1/</sup> Public and publicly guaranteed debt, including Fund transactions. Does not include service on non-guaranteed debt of public enterprises.

<sup>2/</sup> Includes debt service to the Fund.

Table 52. Côte d'Ivoire: Exchange Rate Developments, 1988-94

	1988	1989	1990	1991	1992	1993	1994
<b>Exchange rates</b>							
Period averages							
CFAF per U. S. dollar	297.85	319.01	272.26	282.11	264.69	283.16	555.20
CFAF per SDR	400.29	408.89	369.40	385.98	372.78	395.38	795.05
End of period							
CFAF per U. S. dollar	302.95	289.40	256.45	259.00	275.33	294.77	534.60
CFAF per SDR	407.68	380.32	364.84	370.48	378.57	404.89	780.44
<b>Exchange rate indices (1985=100) <sup>1/</sup></b>							
U. S. dollar per CFAF	150.8	140.8	165.0	159.3	169.7	158.7	80.9
SDR per CFAF	101.9	109.2	113.8	112.1	109.7	102.6	53.2
Nominal effective exchange rate <sup>2/</sup>	123.8	124.6	135.9	135.1	142.1	144.0	74.1
Real effective exchange rate <sup>2/</sup>	139.3	133.3	136.4	131.3	137.5	135.7	84.4

Sources: IMF, *International Financial Statistics*, Information Notice System, and African Department.

<sup>1/</sup> A decline in the index indicates a depreciation of the CFA franc, period averages.

<sup>2/</sup> Excluding Brazil, and adjusted to take account of informal trade with Ghana and Nigeria.

Table 53. Côte d'Ivoire: Bilateral and Multilateral Nominal Effective Exchange Rates, 1980-95

(Index 1985=100) 1/

	Weight	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995 Jan.- Aug.
European countries	59.3	107.7	105.9	102.3	100.0	99.2	100.0	100.6	99.8	98.5	98.3	99.5	98.9	100.4	103.2	51.9	52.6
France	28.5	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	50.0	50.0
Germany	7.9	131.3	127.1	113.0	102.4	99.4	100.0	95.6	91.2	90.0	89.9	90.6	89.8	90.0	89.1	44.6	43.7
United Kingdom	7.0	117.6	105.5	100.8	100.2	99.2	100.0	113.9	117.4	109.0	110.6	119.2	116.0	124.2	135.8	67.9	72.6
Netherlands	6.1	127.3	124.3	110.3	101.5	99.3	100.0	95.6	91.2	89.8	89.9	90.5	89.6	89.9	88.8	44.3	43.4
Italy	4.8	95.1	98.1	96.7	93.6	94.3	100.0	100.9	101.2	102.5	100.9	103.3	103.1	109.3	130.3	68.2	77.0
Belgium	3.0	104.7	103.4	105.2	101.6	100.0	100.0	97.4	93.9	93.4	93.4	92.8	91.5	91.9	92.4	45.6	44.5
Spain	2.0	89.3	89.5	88.1	99.0	96.8	100.0	106.4	108.1	103.0	97.7	98.4	96.9	101.9	118.2	63.5	66.0
Other industrial countries	22.1	197.3	152.6	133.2	114.1	100.0	100.0	115.1	124.8	119.1	113.4	135.2	127.2	133.9	121.0	59.9	63.6
United States	10.8	211.2	164.9	136.3	117.5	102.3	100.0	128.9	148.4	149.9	139.8	164.1	158.5	168.7	157.5	80.4	89.1
Japan	7.6	202.3	153.1	142.9	117.8	102.4	100.0	91.5	90.5	81.1	81.4	100.0	90.0	90.2	74.0	34.7	34.0
Canada	1.9	180.7	144.7	123.0	106.0	96.9	100.0	131.1	144.0	135.1	121.2	140.1	133.0	149.3	148.7	80.4	90.0
Australia	1.8	129.4	100.0	93.4	90.8	81.1	100.0	134.8	147.8	134.1	123.3	146.5	141.9	160.4	161.6	76.7	84.3
Developing countries	18.6	79.5	67.1	59.3	79.4	85.2	100.0	165.6	238.1	270.2	296.7	370.7	394.1	462.6	513.1	297.9	364.1
Malaysia	3.8	185.3	153.0	128.3	109.9	96.6	100.0	134.3	150.8	158.2	152.7	178.9	175.7	173.2	163.5	85.0	89.6
Ghana	3.5	10.6	8.3	6.9	38.0	66.9	100.0	236.8	436.3	556.3	690.7	981.5	1065.5	1352.1	1863.5	1408.5	1849.0
Nigeria	2.4	128.8	113.0	102.3	94.7	87.2	100.0	259.4	671.4	833.9	1320.3	1572.9	1961.2	3467.4	4734.5	1963.5	3973.9
Indonesia	2.3	119.1	93.8	81.3	95.5	94.3	100.0	149.6	219.5	227.2	222.7	272.5	278.0	308.2	295.7	156.4	178.7
Colombia	1.9	69.1	62.1	60.3	63.8	71.3	100.0	174.5	250.6	311.0	372.1	574.9	675.9	799.1	861.2	461.9	543.2
Cameroon	1.7	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
China People's Rep.	1.6	107.3	95.1	87.3	78.7	80.1	100.0	151.4	187.4	247.4	234.5	291.6	308.4	364.5	426.8	235.0	252.8
Other	1.4	190.7	152.3	133.6	118.0	101.6	100.0	122.5	118.4	107.5	92.6	110.6	106.6	106.5	103.5	53.3	58.7
Nominal effective exchange rate	100.0	116.4	105.5	98.0	98.6	96.6	100.0	113.7	123.2	123.8	124.6	135.9	135.1	142.1	144.0	74.1	78.5

Source: IMF: Information Notice System, and African Department.

1/ Excluding Brazil, and adjusted to take account of informal trade with Ghana and Nigeria. An increase in the index signifies an appreciation.



Table 54. Côte d'Ivoire: Bilateral and Multilateral Real Effective Exchange Rates, 1980–95

(Index 1985 = 100) 1/

	Weight	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995 Jan. – Aug.
European countries	<u>59.3</u>	<u>124.1</u>	<u>118.8</u>	<u>112.0</u>	<u>107.3</u>	<u>104.2</u>	<u>100.0</u>	<u>109.9</u>	<u>113.5</u>	<u>116.6</u>	<u>113.2</u>	<u>109.1</u>	<u>106.0</u>	<u>108.8</u>	<u>111.2</u>	<u>69.1</u>	<u>78.3</u>
France	28.5	122.5	117.7	113.0	109.1	105.6	100.0	109.1	113.0	117.7	114.8	110.2	108.6	110.6	110.6	68.8	77.4
Germany	7.9	122.8	121.7	110.7	102.5	101.3	100.0	107.0	109.0	113.6	111.6	108.6	105.7	106.3	103.2	63.4	69.6
United Kingdom	7.0	128.6	112.4	106.3	106.7	104.9	100.0	123.1	130.3	123.4	117.3	114.8	107.1	115.3	126.7	78.3	92.7
Netherlands	6.1	120.7	120.3	108.5	102.5	101.3	100.0	106.7	109.7	114.7	114.8	111.9	109.3	110.7	108.8	66.9	73.4
Italy	4.8	142.1	133.6	121.9	108.4	102.8	100.0	106.6	109.2	112.6	105.4	100.5	96.1	100.9	117.6	75.5	93.2
Belgium	3.0	113.8	113.7	114.5	108.4	104.6	100.0	107.6	109.2	114.8	112.6	107.3	104.2	106.4	106.4	64.8	71.4
Spain	2.0	122.9	117.1	108.4	114.7	105.1	100.0	109.3	112.8	109.7	98.4	92.3	87.2	90.2	102.1	66.3	75.4
Other industrial countries	<u>22.1</u>	<u>193.6</u>	<u>150.4</u>	<u>133.5</u>	<u>116.6</u>	<u>102.9</u>	<u>100.0</u>	<u>125.8</u>	<u>141.8</u>	<u>140.4</u>	<u>129.7</u>	<u>146.5</u>	<u>135.0</u>	<u>144.8</u>	<u>130.7</u>	<u>80.6</u>	<u>96.0</u>
United States	10.8	212.7	164.0	137.5	121.0	105.5	100.0	141.2	167.7	174.1	156.5	172.8	163.0	175.5	162.4	102.5	126.2
Japan	7.6	179.0	140.7	137.6	117.5	104.3	100.0	101.7	107.5	102.2	101.5	120.0	106.3	109.2	90.4	53.2	59.4
Canada	1.9	199.4	154.8	127.9	109.7	100.3	100.0	140.4	158.1	152.6	131.6	144.1	131.7	152.0	151.6	103.9	129.8
Australia	1.8	148.8	114.4	103.5	96.5	86.3	100.0	138.0	149.4	135.3	116.6	128.3	122.4	142.9	144.3	85.0	102.7
Developing countries	<u>18.6</u>	<u>141.1</u>	<u>100.9</u>	<u>85.8</u>	<u>93.9</u>	<u>91.7</u>	<u>100.8</u>	<u>170.3</u>	<u>231.3</u>	<u>243.1</u>	<u>232.4</u>	<u>256.2</u>	<u>251.0</u>	<u>273.2</u>	<u>267.6</u>	<u>168.3</u>	<u>184.4</u>
Malaysia	3.8	179.3	147.0	125.4	109.2	96.4	100.0	148.8	177.1	194.9	184.8	209.3	200.4	196.6	182.9	114.6	133.4
Ghana	3.5	77.0	30.6	21.7	51.1	73.9	100.0	211.2	300.0	312.2	312.4	320.7	300.6	360.0	405.9	311.3	322.6
Nigeria	2.4	234.5	185.1	167.5	134.1	92.0	100.0	268.7	687.5	681.4	726.8	794.8	892.9	1134.3	1020.4	342.5	476.1
Indonesia	2.3	146.1	111.6	95.1	105.4	98.4	100.0	157.4	226.6	232.3	216.0	242.9	230.9	247.8	221.4	136.6	164.8
Colombia	1.9	147.1	113.1	95.0	88.3	88.5	100.0	164.4	205.0	213.0	204.0	241.5	223.1	215.5	194.2	107.0	122.4
Cameroon	1.7	136.6	134.4	127.7	115.8	108.3	100.0	103.8	98.1	103.2	106.0	104.0	104.5	110.2	116.3	109.1	111.6
China People's Rep.	1.6	98.4	92.7	89.8	83.8	86.7	100.0	160.7	198.1	236.9	191.9	231.1	241.6	282.2	298.8	170.6	185.7
Other	1.4	177.9	132.9	121.4	112.1	100.8	100.0	135.7	139.2	133.6	111.4	126.6	119.9	119.5	115.2	72.3	87.7
Real effective exchange rate	<u>100.0</u>	<u>140.2</u>	<u>121.4</u>	<u>110.8</u>	<u>106.6</u>	<u>101.5</u>	<u>100.1</u>	<u>122.8</u>	<u>136.1</u>	<u>139.3</u>	<u>133.3</u>	<u>136.4</u>	<u>131.3</u>	<u>137.5</u>	<u>135.7</u>	<u>84.4</u>	<u>96.1</u>

Source: IMF: Information Notice System and African Department.

1/ Excluding Brazil, and adjusted to take account of informal trade with Ghana and Nigeria. An increase in the index signifies an appreciation.

### The Role, Reform, and Future of the Cocoa and Coffee Sectors

Côte d'Ivoire is the world's largest producer of cocoa, annually providing roughly one third of the overall cocoa production. It is among the 10 leading coffee exporting countries in the world, with a market share of some 4 percent, and the world's third largest exporter of robusta coffee (behind Indonesia and Brazil), with a market share of around 14 percent. In 1994, cocoa and coffee contributed some 6 1/2 percent to Côte d'Ivoire's GDP and accounted for about 40 percent of its exports.

International cocoa and coffee prices, which have been very volatile over the last 25 years, more than quadrupled from 1970 to the mid-1980s. From the second half of the 1980s through 1992, however, prices collapsed, reflecting stagnant world demand and persistent oversupply, partially caused by the market entry of new producers and the breakdown of market sharing and export quota systems. From 1985 to 1992, the average price for cocoa beans gradually fell from 102.27 cents/lb to 49.87 cents/lb. Coffee prices reached a low of 63.66 cents/lb in 1992, down from 192.74 cents/lb in 1986. This decline in world market prices contributed to the downturn of the Ivoirien economy and led to a substantial reduction in production, a deterioration of quality, an abandonment and neglect of plantations, and large financial imbalances of the Price Stabilization Fund (Caisse de Stabilisation, or CAISTAB). The problems were particularly profound in the coffee sector, which even during the boom years had been at a comparative disadvantage vis-à-vis the cocoa sector, owing to the authorities' policy of offering the same producer price guarantee for cocoa and coffee, irrespective of the more costly and work-intensive coffee production process.

In the following sections, the developments in each sector during the last few years will be analyzed and the major problem areas identified; the severity of the difficulties in the coffee sector warrants an especially careful examination of this sector. This overview will be complemented by an illustration of the functioning of the price stabilization scheme under the previous system (up to the 1994/95 campaign <sup>1/</sup>) and the new system introduced with the beginning of the 1995/96 campaign in the context of the World Bank's Agricultural Sector Adjustment Credit (ASAC); and by an evaluation of the method of export taxation applied since early 1994.

#### 1. Cocoa

Ivoirien cocoa has traditionally been of high quality and at times enjoyed a premium of some 10 percent over the average world market prices. Cocoa is planted both in large-scale plantations and by individual farmers on artisanal plots, covering some 1.5 million hectares. The population in

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<sup>1/</sup> The campaign year runs from October through September.

the forestry cocoa-growing areas is close to 5 million. The average cocoa plantation provides a yield of 500 to 600 kg/ha, but the plantings of the late 1980s, which are coming to maturity now, can achieve up to 1,000 kg/ha, thus promising the potential for good crops in the near future.

According to statistics of the International Cocoa Association (ICCO), Côte d'Ivoire's production volume, which was at 580,000 tons during the 1985/86 campaign (29.4 percent share of world market), peaked during the 1988/89 campaign with almost 850,000 tons (34.4 percent), before contracting again to less than 700,000 tons in 1992/93 (29.2 percent), mainly as a result of falling world market prices. To counter this decline, the Ivoirien authorities resorted to a partial retention of Ivoirien cocoa from the world market in April and May 1988. This attempt was rapidly abandoned in view of capacity constraints for storage and severe financial imbalances caused by the measure. In spite of the drop in world market prices, the Ivoirien authorities resisted passing through this decline to producers and intermediaries until the 1988/89 campaign: at that time, the guaranteed producer price was reduced from 400 CFAF/kg to 250 CFAF/kg and finally to 200 CFAF/kg for the 1989/90 campaign, with domestic marketing costs also being cut drastically.

In 1994, world prices recovered to 65-70 cents/lb and have hovered around this range since then. Also, the 50 percent devaluation in foreign currency terms of the CFA franc resulted in a commensurate increase in export prices when expressed in local currency. As a result, the authorities were in a position to raise the indicative producer price by 58 percent to 315 CFAF/kg. This induced a positive supply response, and the production recovered to 850,000 metric tons during the 1994/95 campaign.

## 2. Coffee

As in the case of cocoa, the production of coffee was negatively affected by the rapid decline of world market prices, which by 1992 had dropped to one third of their 1986 level. Because the authorities had resisted adjusting the producer price until 1990, coffee production in Côte d'Ivoire reached a peak of 284,000 tons in 1990. In that year, a 50 percent cut in the producer price from 400 CFAF/kg to 200 CFAF/kg sharply reduced production and plantation maintenance incentives to farmers and made the adequate use of fertilizers too costly and the less work-intensive production of cocoa even more attractive. During the following campaigns, the comparative advantage of producing cocoa improved even more, as the producer price for coffee gradually decreased further to a low of 100 CFAF/kg while the price for cocoa was kept at 200 CFAF/kg. Consequently, by 1994, production had fallen to some 126,000 tons, which caused some bottlenecks in the supply to regular customers. At the same time, the quality of Ivoirien coffee deteriorated noticeably. As a consequence, Côte d'Ivoire's world market share in coffee production dropped significantly, as other countries expanded their production.

Furthermore, the decline in production incentives was aggravated by the age and poor condition of the coffee plants--50 percent of the coffee plants are more than 30 years old--which over the 20 years from 1970 to 1990 had led to a deterioration of the coffee yield per hectare from 338 kg/ha to only 185 kg/ha. All these factors resulted in a widespread abandonment and neglect of plantations, leaving behind irreparable damage to many plants, which even under conditions of rising prices would not allow an immediate and profound recovery of production to the level of the 1980s.

Against this background, Côte d'Ivoire embarked in October 1994 upon a widespread rehabilitation program for the coffee sector, with the objective of increasing coffee production to 350,000 tons by 2005. The intended measures include, inter alia, a large-scale investment program to replace old plants by new plants, a cleaning up and phytochemical treatment of still productive plantations, and an adequate provision of fertilizers. Reflecting the comprehensive preparatory work to be undertaken and the growth cycle of coffee, the major part of the targeted production increase will not be realized until the turn of the century.

Nonetheless, the short-term potential of the rehabilitation program was boosted by the recent surge in world coffee prices as well as by the devaluation of the CFA franc in January 1994. These factors have enabled the authorities to gradually raise the indicative producer price for coffee from 100 CFAF/kg at the beginning of the 1992/93 campaign to 695 CFAF/kg for the 1995/96 campaign, thus providing sufficient income and production incentives to farmers for the first time since the mid-1980s and reducing the comparative advantage of cocoa production over coffee production. <sup>1/</sup> As a consequence, coffee production has improved significantly, with a crop of about 170,000 tons expected for the 1995/96 campaign. However, a substantial short-term decline of world coffee prices could be detrimental to a full rehabilitation of Côte d'Ivoire's coffee sector.

On top of the dramatic decline of production and quality during the last few years, Côte d'Ivoire's coffee sector has also been confronted with two other major obstacles: the declining importance of direct purchasing contracts in the forward market between exporting countries and roasters in consumer countries; and the financial risks embedded in the price stabilization scheme. The worldwide overproduction of coffee in the late 1980s led to a large buildup of world stocks, which made it more advantageous for roasters to buy from these stocks in the spot market rather than to engage in direct forward purchases with individual producer countries, thus taking advantage of the increasing homogeneity of robusta coffee and the progress made in mixing techniques, as well as avoiding

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<sup>1/</sup> In relative terms, the indicative producer price relative to the average export price rose from 35 percent following the devaluation during the 1993/94 campaign to 46 percent during the 1994/95 campaign; after an increase in the producer price from CFAF 650 to CFAF 695, the ex ante calculations for the 1995/96 campaign envisage a ratio of 63 percent.

country-specific availability and delivery risks; contrary to the past, the origin of the coffee seems to have become more and more irrelevant to roasters. In addition, in the specific case of Côte d'Ivoire, the roasters' previous loyalty toward Ivoirien robusta was lost, owing to the deterioration of quality and the unreliability of delivery as a result of the decline in production. Even the large price volatility over the last two years has not induced market participants to abandon their preference for spot market purchases. 1/ In addition, newcomers in the market like Vietnam, but also more traditional suppliers like Indonesia, are willing to sell their products--often in the form of "robusta equivalents" with slightly inferior quality--with a considerable rebate, whereas countries like Côte d'Ivoire tend to refuse to engage in such practices. As a consequence, the recently improved demand for robusta coffee in the major consumer market (Europe) has benefited Asian countries for the most part.

As a result of the declining importance of forward sales in the coffee market in an environment of very volatile spot market prices, Côte d'Ivoire's coffee price stabilization scheme may impose a large risk for the financial equilibrium of the campaign. 2/ This risk is aggravated by the fact that the harvesting and exporting of coffee usually begins three to four months after the official opening of the campaign, which usually is in October. Both factors taken together provide a very weak basis for the determination of the export reference price that is the anchor of the stabilization scheme. This price risk is inversely proportional to the amount of forward sales engaged in, and increases with the volatility of the market. If world coffee prices were to drop dramatically, CAISTAB could be forced to pay the exporters the difference between the actual market price and the export reference price until the export reference price is adjusted accordingly; the losses would be covered by the stabilization reserve, which, however, in the case of very volatile market movements, may not be sufficient to capture all the losses incurred. 3/

### 3. CAISTAB's stabilization operations

Cocoa and coffee marketing in Côte d'Ivoire is handled through a conglomeration of individuals and private companies--exporters, traders, farmers, and, more recently, farmers' cooperatives--within a predetermined indicative price structure and a system of controls and regulations managed

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1/ However, world stocks have been declining owing to the roasters' practice of relying on purchases from stocks. From end-1992 to June 1995, stocks in consumer countries dropped from 22.2 million bags to 11.9 million bags, and stocks in producer countries fell from 46.6 million bags to 36.8 million bags.

2/ The price stabilization scheme is described in full detail below.

3/ Market volatility is less of a problem in the cocoa sector, where the setting of the export reference price at the beginning of the campaign is solidly based on forward sales, which usually amount to about 75 percent of the entire crop.

by CAISTAB. The CAISTAB's major objective is to stabilize the intra-annual producer prices for both crops. Supported by the World Bank's Agricultural Sector Adjustment Credit (ASAC), which was approved in late September 1995, Côte d'Ivoire has implemented some important steps toward a liberalization of the domestic and external marketing of cocoa and coffee, without, however, giving up the stabilization objective; the new system, which took effect with the beginning of the 1995/96 campaign, is intended to (a) reduce the role of CAISTAB in domestic and external marketing, thus improving production incentives to farmers and providing a framework for private sector competition for other participants in the campaign; (b) increase the transparency of CAISTAB's operations; (c) cut CAISTAB's operating expenses; and (d) decrease the taxation of cocoa and coffee exports. 1/

Apart from stabilizing prices in both crops, CAISTAB is also in charge of the quality control of exports; licensing exporters; and granting export rights to them; before the ASAC reform, these rights were allocated through a sometimes opaque and seemingly arbitrary system, whereas the new system consists of a regular computer-supported auctioning of these rights to interested companies. Finally, under the old system, CAISTAB was also integrally involved in the provision of some services, such as the distribution of bags, the operation of purchasing centers, and the organization and administration of the transportation of the crops; in the context of the ASAC reform, these tasks were awarded to the private sector, and the purchasing centers were closed.

Under the stabilization scheme, CAISTAB establishes at the beginning of each campaign a cost and price structure (barème), which comprises the entire marketing chain from the point of purchase from the farmer to the actual export of the product; it is CAISTAB's objective to achieve an ex ante financial equilibrium of the barème. Accordingly, CAISTAB sets two key prices in the marketing chain: the indicative producer price and the export reference price; under the old system, it also stipulated a price ex-factory (loco-magasin). 2/ The export reference price represents the anchor of the system and is the result of CAISTAB's assessment of world prices for the coming year, which is largely based on the average price of forward sales (PVAM) entered into either by exporters or, to a lesser extent, by CAISTAB

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1/ The ASAC's predecessor, the 1989 Agricultural Structural Adjustment Loan (ASAL), provided mixed results; although some domestic marketing activities were liberalized and government intervention was somewhat reduced, the program failed to substantially increase the transparency, accountability, and efficiency of CAISTAB's operations. In addition, the unfavorable international environment--with sharply declining world commodity prices--was detrimental to the reform's success.

2/ Contrary to practice in other countries, there is no price differentiation on the basis of quality at any stage in the marketing chain, which may have contributed to the perception of declining quality of Ivoirien products.

itself. 1/ After setting the export reference price, CAISTAB derives the costs for the different stages of the marketing chain, based on expenditure and return assumptions for each group of participants in the campaign, and also depending on each group's bargaining power; this process often appears arbitrary and deprives campaign participants of production and efficiency incentives. The barème also includes the level of the export tax (DUS) and CAISTAB's own operating costs, the so-called DELTA. The DELTA represents a levy by CAISTAB intended to cover its administrative costs, financial charges (including debt service), investment expenditure, allocations to the technical stabilization reserves, and charges directly related to CAISTAB's commercial activities, such as expenses for transportation, bags, storage of cocoa and coffee, and compensation to factories and exporters for the processing and export of low-quality products. In line with the reduction in CAISTAB's role in domestic marketing, the recent ASAC reform achieved a substantial reduction of the DELTA factor, from 111 CFAF/kg at the beginning of the 1994/95 campaign to 62 CFAF/kg at the beginning of the 1995/96 campaign.

The export reference price is the key to the stabilization system: under the new auction system established through the ASAC reform, exporters have to forward to CAISTAB any positive difference between the auction price and the export reference price, whereas an auction price below the reference price is offset by a balancing payment by CAISTAB. 2/ In the first case, net exceptional income accrues to CAISTAB, which is either used to augment the stabilization reserves or, if the stabilization reserves are already at an adequate level, is transferred to the Treasury or to the next campaign; in the second case, losses would occur, which would have to be covered by drawing on the stabilization reserves. The ASAC reform linked the PVAM system with the outcome of the auctioning of export rights. Consequently, newly entered contracts after the beginning of the campaign automatically alter the export reference price via the PVAM system; this ensures that the export reference price follows the direction of the market; however, given the theoretically large volume of forward sales in the cocoa sector, the new prices only have a limited impact on influencing the export reference price.

#### 4. Taxation

Following the devaluation of the CFA franc in January 1994, a unitary export tax on coffee and cocoa (droit unique de sortie, or DUS) was

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1/ The ASAC reform limits the direct sales by CAISTAB to a maximum of 15 percent, whereas in the past CAISTAB accounted for up to one third of all sales.

2/ If the exporter succeeds in negotiating with his international business partner a transaction price above the auction price, this surplus accrues to the exporter.

reintroduced, 1/ in order to provide sufficient government revenue in the aftermath of the devaluation, absorb some of the windfall profits accrued by the sharp recovery of world commodity prices, and introduce some form of taxation on farmers' income and complement the insufficient present system of taxation of exporters' benefits. 2/ The tax was initially set at 177 CFAF/kg for cocoa beans and 189 CFAF/kg for coffee beans, with a further differentiation for certain transformed cocoa products. In March 1994, the DUS for coffee was reduced to 138 CFAF/kg. At the beginning of the 1994/95 campaign, the basic DUS rates for both coffee and cocoa beans were raised to a uniform rate of 200 CFAF/kg, with a parallel increase for transformed cocoa products as well. The DUS contributed some CFAF 126 billion (15 percent) and an estimated CFAF 161 billion (16 percent), respectively, to government revenue in 1994 and 1995.

While the temporary benefits of the DUS on government revenue and the simplicity of its application are undeniable, such a high level of export tax has some negative implications. First, it prevents a full pass-through of increasing world market prices to producers and other campaign participants, thus reducing incentives for increased production and improved quality. Second, as a cost element to the campaign, it aggravates the stabilization risk, especially in its current form as a unitary tax; any drop in world market prices would, *ceteris paribus*, be amplified by the rigid tax and squeeze the stabilization fund's reserves, making it ultimately impossible for CAISTAB to follow its stabilization obligations and endangering the respective campaign's financial equilibrium; this holds true particularly for the coffee sector, where forward sales play a subordinate role in determining the export reference price. 3/ Finally, it makes government revenue vulnerable to fluctuations in world market prices for coffee and cocoa, which may call for adequate adaptations of the DUS rates from time to time.

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1/ Cocoa and coffee exports have been taxed in Côte d'Ivoire during the last 30 years, except in 1989-93.

2/ The need for appropriately taxing farmers and exporters' income was stressed by the June 1995 FAD technical assistance mission. It concluded that despite the deficiencies of the current system of export taxation, the DUS should, for the time being, be maintained, but with some minor operational modifications, until a more efficient way of taxing agricultural income has been developed.

3/ In order to minimize the potentially negative impact of the DUS on the stabilization scheme, the possibility is being evaluated of replacing the current unitary DUS by an *ad valorem* export tax; in the event of declining export prices, an *ad valorem* tax would lead to a proportionately declining tax burden on the respective campaign and allow for a lower level of stabilization reserves needed to protect the financial equilibrium of the campaign. On the other hand, government revenue would be subject to more uncertainty.



There is an understanding between the Government, the campaign participants, and donors that the current level of export taxation is inefficient and can only be relied upon temporarily in the context of the special circumstances of the devaluation and until agricultural activities can be taxed in a more efficient way. In addition, the Government's recently launched efforts to increase its tax base, reduce tax exemptions, and improve tax administration should, over the medium term, provide some room for reducing the reliance on export taxation without compromising the Government's revenue needs. Consequently, the Government has committed itself to gradually reducing the DUS for cocoa and coffee to around 20 percent and 7 percent, respectively, of the export price by 1997, reflecting--according to World Bank calculations based on the trade theory of distortions--an appropriate level of taxation in view of Côte d'Ivoire's market share in the respective world market. 1/ This reduction in the DUS rates would also bring the taxation of the agricultural sector closer to the average level of taxation in the rest of the economy. Consequently, beginning with the 1995/96 campaign, the DUS rates for cocoa and coffee have been scaled down to 160 and 110 CFAF/kg, respectively, representing 21.7 percent and 10 percent of the export reference price.

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1/ The trade theory of distortions argues that a country with market power in a particular commodity that does not have an export tax may experience a reduction in its welfare. This would be the case if the expansion of exports beyond a certain point led to a reduction in world prices so that the marginal revenues from expanding exports would be less than the marginal costs incurred.

### The Energy Sector

The main sources of energy in Côte d'Ivoire are hydroelectricity and fossil fuels (oil and natural gas). To develop a level of energy supply consistent with domestic demand, the authorities have relied on the strengthening of the institutional framework; a reduced involvement of the State at the various stages of energy production and commercialization; and efforts to encourage oil and gas exploration. This strategy has already produced significant results: the management of production, transportation, and distribution of electricity has been privatized; the State is in the process of selling part of its minority shares in the refinery company SIR (Société Ivoirienne de Raffinage) and in the national oil company PETROCI; and oil and gas explorations were successful in 1994-95.

#### 1. Oil and natural gas

##### a. Supply and demand

The production of oil and natural gas, which had practically vanished by 1993, resumed in 1995 following the coming on stream of two new fields (Lion and Panthère). Based on present discoveries, oil production (light crude) will represent some 450,000 tons in 1995 (3.6 million barrels) and reach its peak in 1996 with 928,000 tons (7.4 million barrels), when it will exceed local consumption by about 10 percent. Production will decline thereafter at an annual rate of 20 percent. Most of the oil production will be exported, as the local refinery can only process a limited quantity of light crude. The production of natural gas, which has been negligible in 1995, is expected to reach 680 million cubic meters (the equivalent of 4.2 million oil barrels) in 1996 and is expected to last for at least 18 years. Most of the gas is used for electricity production, or flared. Direct exports to neighboring countries are also envisaged. In terms of oil-barrel-equivalent, the production of oil and natural gas will amount to about 4.6 million barrels in 1995 and peak at 11.6 million barrels in 1996.

In terms of value added, oil and gas production are expected to represent 0.6 percent of GDP in 1995 and 1.6 percent in 1996. The net improvement in the external current account resulting from oil exports, reduced imports of energy, and payments of dividends to foreign oil companies will amount to about CFAF 50 billion, or 0.9 percentage point of GDP, at the peak of production of the new fields in 1996-97.

It is worth stressing that present efforts to encourage exploration could lead to additional gas and oil discoveries. During 1995, there has been a significant intensification of exploration, all of it offshore. Preparations are under way for renewed extraction from an oil field (Espoir) that was previously exploited by Phillips Petroleum, with proven reserves of 300 million barrels. There is also exploration on newly allotted concessions. Furthermore, there are promising prospects for oil reserves in deep water, but these have yet to be explored. Another large gas field

(Foxtrott) has been developed but will not start production until use has been found for the gas.

b. Institutional framework

The sharing of profits between the Ivoirien State and the consortia of oil and gas companies--the profits are paid in the form of oil or gas--is based on the following formula: the State receives 60 percent of oil/gas revenue after deduction of oil/gas costs. The latter are limited to 40 percent of total output at the beginning of exploitation. As a consequence, the State is guaranteed a minimum of 36 percent of oil/gas output at all times. <sup>1/</sup> The State is using PETROCI, the national oil company, as an agent to market the profit oil. PETROCI participates as a commercial partner in all exploration and extraction activities of the consortia in Côte d'Ivoire, with a minimum share of 10 percent and a maximum share of 50 percent.

The Government has decided to swap part of its share in the profit oil--that is, oil/gas proceeds less oil/gas cost--for part of the consortium's share of gas. The quantity swapped is a function of the quantity of gas needed by CIPREL (Compagnie Ivoirienne de Production d'Electricité) to produce thermal electricity, which in turn depends on the quantity of hydroelectricity that is being produced. The terms of exchange for this swap are a fixed price for the gas (US\$1.57/million BTU) converted into barrels of petroleum at the prevailing international market price for crude at the moment of exchange. The gas thus acquired by the Government is transferred to the FNEE (Fonds National pour l'Energie Electrique), which should reimburse the Government for the cost of the gas; however, an agreement to that effect between the State and FNEE has not yet been signed. FNEE in turn transfers the gas to CIPREL, which sells the electricity to the CIE (Compagnie Ivoirienne d'Electricité). The Government's share of profit oil that is not being swapped is sold by PETROCI in the international markets on behalf of the Government.

The State's share of the profit gas is likewise sold to the FNEE; the payment contract has not yet been signed. PETROCI's share of the profit gas (as one of the members of the gas consortium) is also sold to FNEE and paid for (a specific contract was signed to that effect).

2. Oil products and butane gas distribution

a. Oil products

SIR purchases the imported heavy crude and some light crude from PETROCI for refining into six different oil products. The products are sold to distributors at a price that is linked to the quotations for the

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<sup>1/</sup> The Government also receives a signature bonus each time a new extraction contract is signed.

respective refined product in international markets, as published by Platt's, augmented by various taxes and some other intermediate costs, <sup>1/</sup> as shown in Table 7. The distributors sell the products at administered retail prices, uniform throughout the country. The buffer between the all-in costs, including the administered margins granted to distributors, and the retail price is used to repay the consolidated debt of the petroleum sector, the Amortissement de la Dette du Secteur Pétrolier (ADSP). The ADSP is normally positive on gasoline and automotive diesel, but negative for the others (fuel oil, distilled diesel oil, and kerosene) that are being subsidized. The ADSP structure is set up to generate about CFAF 3.5-4 billion annually. This consolidated debt should normally be fully repaid at the end of 1996.

The Government has agreed to adopt, as of January 1, 1996, a flexible retail price structure that varies with the international price of crude. Under this new mechanism, the ADSP would become a fixed levy; hence, a system of predetermined cross-subsidizations would have to be adopted. The Ministry of Mining is studying the modalities to be adopted, but has not yet reached any conclusions.

Sales of ship and jet fuel are administered differently. The retail prices are very close to the world prices for these commodities and include only a very small specific tax. As a result, a significant share of fuel sold under this regime to fishing boats is diverted elsewhere.

b. Butane gas

SIR is producing about 30,000 to 40,000 tons of butane gas as a byproduct of its refining activities. About 40 percent is reinjected in other refining processes, and the remainder is sold to wholesalers and bottlers of butane gas. <sup>2/</sup> The cost structure differs from that of oil products and includes an administered margin with a rate broadly twice as large as for oil products. Butane has a negative ADSP equivalent to about 35 percent of the final administered retail price. The cost of this subsidy amounts to about CFAF 2.3-2.5 billion annually; the subsidy is intended to encourage an increasing substitution between wood and butane for environmental reasons.

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<sup>1/</sup> Costs for maintaining a security stock of refined oil products, equalization of transport costs so that a uniform retail price can be maintained throughout the country, some parafiscal levies linked with port charges, and the like.

<sup>2/</sup> In the past, there was an occasional shortfall in butane owing to large reinjection needs, and up to 2,000-3,000 tons per year of butane had to be imported. In the future, these shortfalls should not reappear, as SIR has decided to use associated gas for reinjection so that much more butane will be available for the retail business; the Government has even started a campaign promoting the use of butane.

### 3. Electricity

#### a. Supply and demand

Côte d'Ivoire has an installed electric production capacity of about 3,000 GWh. In 1994, reflecting Côte d'Ivoire's economic recovery, output increased by 5.1 percent compared with the previous year, reaching 2,367 GWh, of which 1,175 GWh were produced by hydroelectricity and 1,180 GWh by thermal energy (steam and gas). Domestic demand was 17 percent lower than output, allowing Côte d'Ivoire to export electricity to neighboring countries. In 1995, evidence from the first half of the year suggests that production will increase by about 10 percent, reflecting increases in domestic demand and exports by 6.5 percent and 30 percent, respectively, as compared with 1994.

Over the medium term, domestic demand is expected to expand at a strong pace. Residential electricity use is forecast to grow by about 8 percent a year. Industrial use is projected to grow somewhat faster (about 10 percent), essentially because many saw mills that are now generating their own electricity are gradually being hooked up to the network.

To boost its exports, Côte d'Ivoire has already concluded long-term contracts with three neighboring countries--Ghana, Togo, and Benin. The contract with Ghana, which was signed in March 1995, retains for 1995 a sales price which is based on the generating cost using heavy fuel, that is, U.S.cents 7.5 per kwh, for a total supply of 50 MWh. Ghana's demand above this quantity during peak hours is satisfied at twice this price; however, in the event of excess supply, Côte d'Ivoire can sell possible surpluses to Ghana at half this price. Moreover, Ghana has the option to reduce its imports if it were to produce more hydroelectricity than scheduled. With the coming on stream of the gas firing, the price for 1996 will be reviewed, most probably downward. Export contracts with Togo and Benin were signed in January 1995. Because of favorable rainfall in those countries--allowing more hydroelectricity production--exports were interrupted in July, but are expected to start again in November. In a spirit of solidarity, the export price is the same for both countries. In early 1996, Côte d'Ivoire will also start supplying electricity to the southern region of Burkina Faso (the Bobodioulasso area), substituting for the local thermal production. A contract with Mali is under study: Côte d'Ivoire would deliver about 100 GWh a year until 2002, when a new dam will have been constructed, and it is planned to interconnect both networks. In the long term, the interconnection of the whole sub-region, including Nigeria, is envisaged. There would be a uniform price and the most efficient generating source at any given time would be used by all the participants.

#### b. Institutional framework

The umbrella organization for the electricity sector in Côte d'Ivoire is the Fonds National pour l'Energie Electrique (FNEE). It reviews the overall financing and makes sure that the whole system is self-sustained.

It is in charge of strategic decisions concerning the price setting and uses in the sector, including the long-term investment strategy. The production, transportation, and distribution of hydroelectricity is directly managed by a private company, the *Compagnie Ivoirienne d'Electricité* (CIE). CIE also transports and distributes electricity originating from three other sources:

(a) direct purchases of electricity: CIE purchases electricity from the producer CIPREL (paid partly in domestic currency and partly in foreign exchange), from the SIR (excess steam used for the cracking process is used to generate some electricity), and a small quantity from SODESUCRE (generated from biomass);

(b) production of electricity using heavy fuels: CIE purchases the fuel from two private distributors (Elf and Mobil), which themselves purchase it from the SIR; and

(c) production of electricity from gas: this process started on October 25, 1995, with the thermal plant in Vridy switching to gas firing. This is the result of the swap agreement between PETROCI and the consortia (see above).

Out of a total of about CFAF 130 billion in revenues, representing the proceeds of domestic and export sales of electricity, the CIE keeps about CFAF 40-45 billion to cover its operating costs (including the maintenance of the hydroelectric power plants). The combined cost of the electricity, fuel, and gas purchases amounts to another CFAF 35-45 billion a year. The balance (approximately CFAF 45 billion annually) is transferred to the FNEE to pay for new investments and service the foreign and domestic debt (the latter amounts to about CFAF 10 billion annually, including debts of the old electricity company EECI).

The price structure used to be reviewed every four years and was based on the long-term marginal cost of production. Present prices are as follows (in CFAF/kwh):

- export price (tax free)	36
- high voltage (for the textile industry)	30
- medium voltage (for large industries)	46
- low voltage - industrial	87
- low voltage - residential	77
- low voltage - social clients (< 5 amp.)	56

In years with a large hydroproduction, significant (ex post) profits were generated, which were used to accelerate the electrification of the country and debt repayment. In low rainfall years, the reverse held. Since July 1995, the tariffs have fluctuated with variations in all-in costs (the agreed formula includes trigger mechanisms that automatically raise or reduce prices).

### Trade Effects of the Uruguay Round

This annex analyzes the likely effects of the Uruguay Round Agreement on Côte d'Ivoire's international trade relations. It focuses on four main issues:

- ♦ the impact of Côte d'Ivoire's own commitments;
- ♦ the impact of the erosion of preferential treatment by industrial countries;
- ♦ the implications of the Uruguay Round Agreement on Côte d'Ivoire's food import bill; and
- ♦ the effects on exports, resulting from higher demand in Côte d'Ivoire's main export markets and increased market access for Côte d'Ivoire in some countries.

The conclusion of this analysis is that the net impact of the Round on the trade balance will be small: the value of higher export growth due to increased export opportunities will likely exceed somewhat the modest losses related to the erosion of preferences. The impact of higher food prices on the value of food imports will be negligible, and Côte d'Ivoire's own commitments under the Round will result in a very limited widening of market access.

#### 1. Structure of international trade

Côte d'Ivoire is the world's largest producer of cocoa and a major producer of robusta coffee. In 1994, these two groups of commodities (including transformed products) made up 40 percent of total merchandise exports (Annex Table 1). Other agricultural commodities and raw materials, notably logs and sawn woods, fish, tropical fruits, palm oil, cotton, and natural rubber contribute some 30 percent to export earnings. Côte d'Ivoire's industrial export activity (excluding processed coffee and cocoa) is centered on petroleum products, cotton fabrics, and cement.

As shown in Table 41 of the main part, the European Union (EU) is Côte d'Ivoire's most important trading partner, with 55.3 percent of total exports (1994). Within the EU, the largest markets are France, Germany, and the Netherlands, the latter because of its traditionally large processing industry in the coffee and cocoa sectors. With a total share of 29.8 percent of exports, Africa is the second largest export market, with Burkina Faso and Mali as main trading partners. The relatively large volume of exports to Mali is related to that country's role as a center of transit trade in West Africa. The share of the rest of the world in total exports is remarkably small, with 5.1 percent of exports going to the United States and only 0.4 percent to Japan.

A closer look at the commodity composition of exports to different regions reveals that the lion's share of exports to the EU consists of agricultural commodities (including cocoa butter and paste) and raw materials. The same holds for exports to the United States (see Annex Table 2). By implication, the bulk of Côte d'Ivoire's exports of industrial products (including petroleum products) find their way to the African continent.

The geographical composition of imports is roughly similar to that of exports. The EU (in particular France) is the most important supplier of mainly industrial products with 46 percent of total imports (1994). Africa is second (37.3 percent of imports), with the emphasis on oil (Nigeria) and raw materials. The structure of African trade reflects Côte d'Ivoire's role as a regional supplier of processed products. Imports from the rest of the world represent about 16.7 percent of total imports, with the United States as the main supplier in that group (Table 43 of the main part).

## 2. The trade regime

### a. Restrictions imposed by trading partners

Given the geographical structure of Côte d'Ivoire's exports, the export opportunities of the country are mainly determined by the trade policies of the EU and African countries (notably members of the WAEMU), and, to a lesser extent, the United States. For the purposes of this analysis, it seems therefore justified to focus on the implications of the Uruguay Round agreement for trade with these countries.

Trade relations between Côte d'Ivoire and the European Union are governed by the provisions of the fourth Lomé Convention, which became effective in 1990 for a ten-year period. 1/ The Convention provides for cooperation between the EU and African, Caribbean, and Pacific (ACP) states in the area of development aid, technical assistance, and foreign trade. Under the Convention, the EU grants to ACP countries unrestricted market access at zero duties for all products, with the exception of products covered by the Common Agricultural Policy. In the case of Côte d'Ivoire, the latter restriction has implications for two of its main export commodities, notably bananas and fish products, which are subject to annual tariff quotas.

The trade regime applicable to most of Côte d'Ivoire's exports to African neighbors has been subject to unforeseen changes since the signing of the treaty establishing the West African Economic and Monetary Union (WAEMU) in January 1994. Owing to the simultaneous termination of trade arrangements under the West African Economic Community (WAEC), and in the absence of a new preferential tariff scheme for the WAEMU, the preferential

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1/ Negotiations in the context of the midterm review of the financial protocol were concluded in November 1995.



tariffs previously applicable to intra-regional trade became ineffective. The countries involved started to apply MFN tariffs to their trade, pending the negotiations for a new common internal and external tariff scheme. Other countries within the WAEMU currently apply MFN tariffs on trade with Côte d'Ivoire, ranging from minimum rates of zero to 6 percent, to maximum rates of 36 percent to 81.5 percent. It is the objective of Côte d'Ivoire to arrive at a common external tariff of 5 percent to 25 percent over the medium term, with considerable preferences for intra-regional trade.

Imports into the United States originating from Côte d'Ivoire are eligible for treatment under the Generalized System of Preferences. The bulk of Ivoirien exports to the United States consists of coffee and cocoa, which enter the U.S. market duty free (see Annex Tables 2B and 3). Côte d'Ivoire does not have access to the U.S. market for chocolate and other food preparations based on cocoa.

b. Côte d'Ivoire's restrictions on imports

Since 1991, Côte d'Ivoire's trade regime has been subject to far-reaching liberalization and simplification in the context of a number of World Bank programs. In January 1994, the complicated and highly protective regime of tariffs and duties was transformed into a six-rate tariff structure with rates between 10 percent and 35 percent. The average weighted tariff on taxable imports declined from 32 percent in 1989 to 24 percent in 1992 to 19 percent in 1994. Moreover, the Government has reduced the high incidence of nontariff barriers (NTBs) in the trade regime. While progress was slow prior to 1994, a number of barriers were lifted in May 1994, and again on January 1, 1995, and the Government's objective is to eliminate most of the remaining barriers by January 1996. The NTBs applicable to several major agricultural products--such as rice, sugar, and flour--will be eliminated before the end of 1996. Thus, from January 1997 onward, NTBs will be limited to a list of products for which protection is deemed necessary for reasons of national security, environmental protection, and public health.

3. Trade concessions under the Uruguay Round

a. Trade concessions made by major trading partners

Given the fact that Côte d'Ivoire has duty-free and largely unrestricted market access to the European Union, the EU's concessions under the Round will not have a direct impact on its export opportunities. The MFN tariff cuts may, however, reduce the value of preferential treatment. The EU's concessions for Côte d'Ivoire's main export products are summarized in Annex Table 4. In the cocoa sector, tariffs on unprocessed beans/shells will be cut from 3 percent to zero over a six-year period, whereas the relatively high tariffs on transformed products will be cut from, on average, 13.8 percent to 8.6 percent. Tariffs on unprocessed coffee will be cut from 5 percent to zero. Transformed coffee will receive tariff cuts broadly similar to those on cocoa. As a result of these reductions,

effective protection for processing industries in the EU will be reduced, although the rate of protection will remain quite considerable even after full implementation of the Round.

As discussed above, most of Côte d'Ivoire's exports to African countries receive or will receive preferential treatment in the context of the WAEMU. Preferential tariffs and common external tariffs are currently subject to negotiation. Given that the planned tariff reductions in the WAEMU go well beyond commitments on MFN tariff cuts, it is not expected that the Round will have a visible impact on regional trade.

b. Trade concessions made by Côte d'Ivoire

Only a small part of Ivoirien merchandise imports are covered by tariff concessions under the Round. Customs duties on agricultural products covered by Annex I of the Uruguay Round agreement are in general bound at a level of 15 percent. A limited number of food products, mainly dairy, flour, and beer, receive tariff cuts of about 1 point, bringing down statutory tariffs to 4-6 percent. Tariffs on some industrial products, notably tires, auto parts, and transportation equipment, will be reduced by 5 to 20 points to a statutory average of some 10 percent. At the same time, Côte d'Ivoire bound "other duties and charges" on the above-mentioned products at a level of 200 percent to 250 percent. At present, these duties are not applied, but they allow the authorities to avoid any meaningful widening of market access under the Round.

4. The effects of the Uruguay Round

a. Preference erosion

As a result of the reduction of MFN tariffs by the EU, Côte d'Ivoire will face an erosion of the value of its preferences in European markets. Given the limited MFN trade liberalization under the Round by most African countries, preference erosion in African markets is bound to be very small, if not negligible.

The value of preference erosion for a certain product in the European markets will be dependent on the following factors:

- ♦ the value of imports from Côte d'Ivoire;
- ♦ the value of imports from other countries with preferential market access to the EU;
- ♦ the value of imports from MFN sources;
- ♦ the current and reduced EU MFN tariff on the product involved;

- ♦ the extent to which Côte d'Ivoire's exports are substitutes for exports from nonpreferred sources (Cross price elasticity of demand). 1/

The following factors should also be taken into account:

MFN tariffs on the bulk of Côte d'Ivoire's exports to the EU are already relatively low, with the exception of transformed cocoa, cotton, bananas, and fish products. The latter two groups of products are subject to tariff quotas, which continue to protect Ivoirien market shares against imports from MFN sources. It seems unlikely that the modest tariff cuts on these products will have significant effects on export volumes or prices for Ivoirien exports.

Further, it should be noted that the level of statutory MFN tariffs on EU imports of unprocessed coffee and cocoa may overstate the value of preferential treatment for Lomé countries. The reason is that the import duty drawback system applicable to exports of processed coffee or cocoa allows processing industries within the EU to claim any duties paid on imports from MFN sources. In practice, it is hardly feasible for the customs authorities to check the origin of the unprocessed beans used for exports of transformed products, which leaves ample room for tax evasion by EU firms.

Annex Table 5 summarizes the relevant data for Côte d'Ivoire's main export products. The calculations show that the total loss due to the erosion of preferences will remain rather small--less than \$52 million over a six-year period, or 1 percent of projected merchandise exports.

b. Food price increases

It is expected that reductions in domestic support to the agricultural sector in industrial countries and lower export subsidies will lead to price increases for some temperate zone products. As a result, net importers of

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1/ Estimates of the Cross price elasticity of demand in industrial country markets for Côte d'Ivoire's main export commodities are subject to a high degree of uncertainty. Studies on the U.S. market have shown that elasticities for agricultural commodities and food products are relatively low, in general between zero and 1. These studies do not give detailed results for most of the main export products of Côte d'Ivoire, and they are probably distorted by the high incidence of nontariff barriers to trade in agricultural products. It therefore seems safe to assume that substitution elasticities for the unrestricted products are much higher than suggested in the above-mentioned studies, say, around 2.5. Taking into account the large share of Ivoirien cocoa exports in world exports, and the relatively high level of quality (in terms of taste and processing yield) of West African beans, it seems reasonable to assume a somewhat lower elasticity for cocoa, say, 2.0.

temperate zone products may be faced with terms of trade losses that reduce the benefits of the Uruguay Round. In 1994, agricultural commodities and food products constituted about 15 percent of total imports in Côte d'Ivoire (see Table 42 of the main part), with fish and rice as the most important components.

In contrast to earlier calculations, however, the most recent estimate of the effects of the Round, which is based on the actual commitments made by industrial countries, suggests that price increases will remain very limited. <sup>1/</sup> Also, in the case of rice and some other foodstuffs, the Round will result in price decreases, owing to substitution effects.

Annex Table 6 shows that the cumulative price increase for wheat over the period 1995-2002 is estimated at less than 4 percent; rice prices are expected to fall by almost 1 percent as a result of the Round. These price changes are well below annual fluctuations due to other factors, such as weather conditions and shifts in demand. This cannot be better illustrated than by the world market price increases in 1995, which exceeded by a wide margin any price increase to be expected from the Uruguay Round.

The terms of trade effects for Côte d'Ivoire are shown in Annex Table 7. The calculation is based on the composition of imports in 1994 and the baseline projection for the period 1995-2002. The table shows that the unfavorable effect of higher import prices for dairy and wheat will be compensated by lower prices for rice, and that the overall impact on Côte d'Ivoire's import bill will be negligible.

#### c. The effects on exports

Besides preference erosion in the EU market, the Uruguay Round will have other effects on Côte d'Ivoire's export opportunities. Although difficult to quantify, they are likely to be positive on balance. First, the higher growth in world income may be reflected in higher demand for Ivoirien products. In its latest study on the results of the Uruguay Round, the WTO Secretariat has indicated that annual world income gains due to trade liberalization under the Round could reach \$510 billion by 2005 (1990 dollars), or 1.4 percent of world income. The total effect of higher world income on demand for Ivoirien products will likely exceed any losses related to the erosion of preferences in the EU market, even if a modest income elasticity of demand for Côte d'Ivoire's main export commodities is assumed.

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<sup>1/</sup> See Ian Goldin and Dominique van der Mensbrugghe, *The Uruguay Round: An Assessment of Economywide and Agricultural Reforms*, World Bank/OECD Development Center, 1995. It is useful to draw a distinction between the effects of the Uruguay Round and other factors that affect the world market prices of agricultural products. The recent price rises for certain commodities such as wheat and rice are not attributable to the effects of the Uruguay Round on the level of agricultural subsidization in industrialized countries.

Table 1. Côte d'Ivoire: Exports, 1992-1994

	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>
	(In millions of U.S. dollars)			(In percent of total)		
Total exports	<u>2.839</u>	<u>2.612</u>	<u>2.869</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
Cocoa beans	765	707	819	26.9	27.1	28.5
Transformed cocoa	196	154	108	6.9	5.9	3.8
Logs	27	43	118	1.0	1.6	4.1
Sawn wood	232	237	283	8.2	9.1	9.8
Petroleum products	373	388	275	13.1	14.9	9.6
Green coffee	141	161	159	5.0	6.2	5.6
Transformed coffee	64	43	53	2.2	1.6	1.9
Fish	91	66	115	3.2	2.5	4.0
Cotton	104	108	112	3.7	4.1	3.9
Cotton fabrics	38	33	30	1.4	1.3	1.0
Palm oil	76	62	78	2.7	2.4	2.7
Natural rubber	61	54	74	2.1	2.1	2.6
Bananas	53	64	58	1.9	2.4	2.0
Pineapple	42	42	38	1.5	1.6	1.3
Cement	32	30	30	1.1	1.2	1.0
Sugar	8	22	16	0.3	0.8	0.6
Other products	521	384	490	18.4	14.7	17.1

Table 2A. Côte d'Ivoire: Exports to the EU, 1991-1993  
(In percent of total)

		1991	1992	1993
<hr/>				
SITC:				
0-9	Total	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
03	Fish and preparations	7.7	7.1	7.4
05	Vegetables and fruit	11.0	11.4	13.7
07	Coffee, cocoa	42.4	43.2	41.6
23	Rubber, crude	2.5	2.9	2.1
24	Wood	17.9	15.1	14.9
65	Textile yarn	2.6	2.1	2.3
66	Nonmetallic minerals	5.5	5.7	6.4
	Other	10.4	12.5	11.6

Table 2B. Côte d'Ivoire: Exports to the U.S., 1991-1993  
(In percent of total)

		1991	1992	1993
<hr/>				
SITC:				
0-9	Total	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
07	Coffee, cocoa	72.0	71.7	68.3
23	Rubber, crude	3.1	3.1	3.2
33	Petroleum and products	8.6	11.4	12.7
66	Nonmetallic minerals	7.8	6.6	1.8
	Other	8.5	7.2	14.0

Table 3. MFN Tariff Concessions of the United States

	Base duty rate <u>1/</u>	Bound duty rate <u>1/</u>
Coffee, not roasted	0	0
Coffee, roasted	0	0
Cocoa beans/shells	0	0
Cocoa pastes	0	0
Defatted (partially or totally)	0,82 ct/kg	0,2 ct/kg
Cocoa butter, fat, oil	0	0
Cocoa powder	0,82 ct/kg	0,52 ct/kg
Chocolate and other food preparations	10,0 or 25,5-39,5 ct/kg	10,00 or 21,7-33,6 ct/kg
Natural rubber	0	0
Petroleum	0 <u>2/</u>	0 <u>2/</u>
Non metallic minerals	0 <u>2/</u>	0 <u>2/</u>

1/ Ad valorem, unless indicated otherwise.

2/ With some exceptions.

Table 4. Tariff Concessions by the European Union

	Base Duty Rate Ad Valorem	Bound Duty Rate Ad Valorem
Coffee, not roasted:		
Not decaffeinated	5.0	0.0
Decaffeinated	13.0	8.3
Coffee, roasted:		
Not decaffeinated	15.0	7.5
Decaffeinated	18.0	9.0
Cocoa beans/shells	3.0	0.0
Cocoa pastes	15.0	9.6
Cocoa butter, fat, and oil	12.0	7.7
Cocoa powder	16.0	8.0
Chocolate and other food preparations	12.3	9.0
Logs	0.0	0.0
Sawn wood	4.5	0.0
Bananas	20.0	16.0
Palm oil:		
For technical or industrial uses (other than foodstuffs)	5.0	3.2
Other:		
In packings of 1 kg. or less	20.0	12.8
Other	10.0	6.4
Natural rubber	0.0	0.0
Cotton	8.4	6.5
Nonmetallic minerals	0.7	0.2



Table 5. Côte d'Ivoire: Calculation of preference erosion in the EU market 1/

	Total imports from Lomé- countries	Of which: Côte d'Ivoire	Total imports from mfn sources	Current mfn-tariff	New mfn-tariff	Substitut. elasticity	Trade diversion
	(mln US\$)	(mln US\$)	(mln US\$)	(percent)	(percent)		(mln US\$)
Coffee, green	420.2	166.6	1763.5	5.0	0.0	2.5	-16.4
Coffee, roasted	0.4	0.0	424.8	15.0	7.5	--	--
Cocoa, beans/shells	687.7	390.9	484.0	3.0	0.0	2.0	-9.7
Cocoa, paste	44.4	32.5	148.9	15.0	9.6	2.0	-2.4
Cocoa, butter	113.2	66.6	335.1	12.0	7.7	2.0	-3.9
Logs	476.2	49.8	1331.2	0.0	0.0	--	--
Veneer, plywood	84.8	32.1	2706.5	4.5	0.0	2.5	-3.3
Wood shaped, sleepers	342.1	186.3	6443.0	4.5	0.0	2.0	-15.3
Natural rubber	115.2	33.5	623.1	0.0	0.0	--	--
Cotton	146.6	24.5	1269.4	8.4	6.5	2.5	-1.0

Source: staff estimates.

1/ Based on 1993 import values.

Table 6. Change in World Agricultural Prices  
(Percent deviations from benchmark levels in 2002)

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Wheat	3.8
Rice	-0.9
Coarse grains	2.3
Sugar	1.8
Beef, veal and sheep	0.6
Other meats	-0.6
Oils	-0.3
Dairy	1.2
Other food products	-1.4
Wool	-0.9
Cotton	-1.2
Other agriculture	0.8

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Source: Ian Goldin and Dominique van der Mensbrugghe, The Uruguay Round: An Assessment of Economywide and Agricultural Reforms, World Bank/OECD Development Center, 1995.

Table 7. Côte d'Ivoire: Impact of Food Price Changes, 1993–2002

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
<b>I. Baseline Scenario</b>										
	<b>(Imports of food products in billions of CFA francs)</b>									
Dairy	15.0	14.8	19.6	22.2	24.7	27.1	29.8	32.8	39.7	48.1
Fruits and vegetables	6.0	2.6	3.4	3.9	4.3	4.7	5.2	5.7	6.9	8.4
Fish	26.7	54.3	71.8	81.3	90.4	99.3	109.2	120.1	145.5	176.2
Rice	23.0	36.7	31.4	27.2	19.8	21.7	23.9	26.3	31.9	38.6
Wheat	8.8	16.1	21.3	24.1	26.8	29.5	32.4	35.7	43.2	52.3
Beverages	3.3	5.1	6.7	7.6	8.5	9.3	10.2	11.3	13.6	16.5
Tobacco	2.3	2.4	3.2	3.7	4.1	4.5	4.9	5.4	6.5	7.9
Other	19.4	30.3	40.0	45.3	50.4	55.4	60.9	67.0	81.1	98.2
	<b>(Imports of food products in millions of US dollars)</b>									
Dairy	52.8	26.7	39.3	44.5	48.9	53.3	58.1	63.3	76.7	92.9
Fruits and vegetables	21.3	4.7	6.9	7.8	8.5	9.3	10.1	11.1	13.4	16.2
Fish	94.2	97.8	143.7	163.0	179.1	195.0	212.5	231.7	280.7	339.9
Rice	81.3	66.1	62.8	54.6	39.2	42.7	46.6	50.8	61.5	74.5
Wheat	31.1	29.1	42.7	48.4	53.2	57.9	63.1	68.8	83.4	101.0
Beverages	11.6	9.2	13.5	15.3	16.8	18.3	19.9	21.7	26.3	31.9
Tobacco	8.1	4.4	6.5	7.3	8.0	8.8	9.5	10.4	12.6	15.3
Other	68.4	54.5	80.1	90.9	99.9	108.7	118.5	129.2	156.5	189.5
<b>II. Impact of the Uruguay Round on Food Imports</b>										
	<b>(in million of US dollars)</b>									
Milk and milk products	--	--	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Fruits and vegetables	--	--	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0
Fish	--	--	-0.3	-0.3	-0.3	-0.3	-0.4	-0.4	-0.5	-0.6
Rice	--	--	-0.1	-0.1	-0.0	-0.0	-0.1	-0.1	-0.1	-0.1
Wheat	--	--	0.2	0.2	0.3	0.3	0.3	0.3	0.4	0.5
Beverages	--	--	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.1
Tobacco	--	--	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0
Other	--	--	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.3	-0.3
Total	--	--	-0.2	-0.3	-0.3	-0.3	-0.3	-0.3	-0.4	-0.5

Source: staff estimates.

Côte d'Ivoire: Summary of Ivoirien Tax System, June 1995

Tax	Nature of tax	Exemptions and deductions	Rates
<b>1. <u>Taxes on income and profits</u></b>			
In Côte d'Ivoire, income taxes consist principally of a number of taxes on different categories of income, and a general income tax.			
<b>1.1 <u>Companies, partnerships, and individual enterprises</u></b>			
1.1.1 Tax on industrial, commercial, and agricultural profits ( <u>Impôt sur les bénéfices industriels, commerciaux et agricoles</u> - BIC)	<ul style="list-style-type: none"> <li>• Annual schedular tax levied on the net profits realized from activities carried on in Côte d'Ivoire.</li> <li>• Medium-size enterprises are taxed on a simplified basis (<u>régime réel simplifié</u>).</li> <li>• Small enterprises are taxed with a global tax (<u>impôt synthétique</u>) which includes tax on commercial and industrial profits, business licenses and VAT.</li> </ul>	<ul style="list-style-type: none"> <li>• Consumer cooperatives, low-cost housing companies, and agricultural credit institutions are exempt.</li> <li>• Authorized deductions include property taxes and losses incurred during five previous years.</li> </ul>	<ul style="list-style-type: none"> <li>• Individuals 25%</li> <li>• Companies 35% (Minimum presumptive tax (IMF) of CFAF 2,000,000 or 0.15 % to 0.5 % of turnover depending on the sector)</li> </ul>
<b>1.2 <u>Individuals</u></b>			
1.2.1 Tax on noncommercial profits ( <u>Impôt sur les bénéfices non-commerciaux</u> - BNC)	Annual schedular tax levied on earnings from the practice of an independent professional activity.	Deductions as in 1.1.1	25%

Tax	Nature of tax	Exemptions and deductions	Rates	
1.2.2 Tax on salaries and wages ( <u>Impôt sur les traitements et salaires</u> - ITS)	Annual schedular tax levied on income from salaries, wages, pensions, and annuities of residents, withheld at source.  Same base as the ITS.	Family allowances and certain pension payments are exempt. Retirement fund contributions (up to 10 % of the pensionable gross and within the limit of CFAF 300.000) are deductible.	1.5% of 80% of gross income.	
1.2.3 National contribution ( <u>Contribution nationale</u> - ITS)			<u>Monthly Wage</u>	<u>Percent</u>
			0- 50,000	exempt
			50,000-130,000	1.5
			130,000-200,000	5.0
			Over 200,000	10.0
1.2.4 National solidarity contribution ( <u>Contribution de la solidarité nationale</u> )	Special levy on salaries and wages.	Pensions and life annuities		1%
1.2.5 General income tax ( <u>Impôt général sur le revenu</u> - IGR)	Annual tax levied on total net income of residents (foreigners are taxed on their Côte d'Ivoire income).	Retirement fund contributions (up to 6%) and specified expenditures (on a presumptive basis up to 15%) are deductible. Family situation is taken into account through a system of income splits, up to 5.	Taxable income (R) is divided by the number of splits, and the following rate is applied:	
			<u>Taxable income per split (N)</u> <u>(In CFAF thousand)</u>	<u>Rate</u>
			0- 300	exempt
			301- 547	10
			548- 979	15
			980- 1,519	20
			1,520- 2,644	25
			2,645- 4,669	35
			4,670-10,106	45
			over 10,600	60

Tax	Nature of tax	Exemptions and deductions	Rates
<b>1.3 Taxes on income from capital:</b>			
1.3.1 Tax on income from securities ( <u>Impôt sur le revenu des valeurs mobilières</u> - IRVM)	Withholding tax on income from stocks and bonds	Tax credit against IGR.	Standard rate 12%
			Special rate on the distribution of profits
			exempt from BIC tax 18%
			Dividends (lots) on bonds 25%
			Certificates of deposit 25%
1.3.2. Tax on income from claims ( <u>Impôt sur le revenu des créances</u> )	Withholding tax on interest	Tax credit against IGR	Five year and more bonds 6 %
			Flat rate 18%
			Interest paid by Ivoirien banks to:
			Individuals 13.5%
			Enterprises (companies or individual enterprises) 16.5%
2. <u>Social Security contributions</u> ( <u>Charges sociales</u> )	(i) Family allowances (ii) Workmen's compensation (iii) Retirement.	(i) & (ii) Ceiling: annual salary of CFAF 840,000  (iii) Ceiling: monthly salary of CFAF 1,500,000	Interest on 3-year loans extended by financial institutions domiciled abroad to finance capital goods 9%
			(i) Employer 5.5%
			(ii) Employer 2-5%
			(iii) Employer 2.4%
			Employee 1.6%

Tax	Nature of tax	Exemptions and deductions	Rates
3. <u>Employers' payroll taxes (Taxes sur les salaires à la charge des employeurs)</u>			
3.1 <u>Payroll tax (Contribution à la charge des employeurs)</u>	Annual tax payable by employers on total wages and salaries paid to expatriate staff in cash or kind.	Expatriate staff	11.5%
3.2 <u>Apprenticeship tax (Taxe d'apprentissage)</u>	Annual tax payable by employers on total wages and salaries paid to staff in cash or kind.		0.5%
3.3 <u>National contribution</u>	Same base as 3.2		1.5%
3.4 <u>Additional tax for vocational training</u>	Same base as 3.1		1.5%
4. <u>Taxes on property</u>			
4.1 <u>Tax on developed property (Contribution foncière des propriétés bâties)</u>	Levied on the rental value of buildings constructed with nontraditional materials.	Standard Partially exempted buildings 9% Main residence Certain buildings vacant for more than 1 year Buildings vacant for more than 6 months	15%  4% 4% 7.5% %

Tax	Nature of tax	Exemptions and deductions	Rates	
4.2 <u>Tax on undeveloped property</u> <u>(Contribution foncière des</u> <u>propriétés non-bâties)</u>	Levied on assessed market value of developed urban property.		(i) For first 2 years after purchase 4% (ii) Third year 5% (iii) Subsequent years 6%	
4.3 <u>Tax on insufficiently used land</u> <u>(Surtaxe foncière sur les</u> <u>propriétés insuffisamment bâties)</u>	Levied on that portion of the market value in excess of three times the normal rental value.	Not applicable if circumstances beyond the owner's control prohibit construction.	Same as 4.2	
5. <u>Taxes on goods and services</u>				
5.1 <u>Turnover and value-added taxes</u>				
5.1.1 Value-added tax ( <u>Taxe sur la</u> <u>valeur ajoutée</u> ) (TVA)	Based on turnover less purchases.	Exports, some primary sector activities, and construction of low-cost housing are exempt from VAT.	Standard:  Reduced:	20 % 11, 11 %
5.1.2 Prepayment on various taxes ( <u>Acompte sur divers impôts</u> ) (ASDI)	Prepayments on various taxes withheld at source (sales or imports)	Sales to agricultural purchasing or production cooperatives, individual planters and farmers, nonindustrial fishermen, and mining research companies engaged in exploration, temporary admission prior to export.	5% of sale price or c.i.f. customs value. 2.5% and 1.5% and 0.2 % on certain widely consumed products with small profit margins.	



## Côte d'Ivoire: Summary of Ivoirien Tax System (continued)

Tax	Nature of tax	Exemptions and deductions	Rates
5.2 <u>Selective excises on goods</u>	Levied at the distribution stage.		
5.2.1 Petroleum products	In addition to the value-added tax on imports, specific taxes are also applicable.		<u>Tax per liter, in CFA francs</u> Premium gasoline 129.1 Automobile fuel 120.1 Diesel oil 71.1 Kerosene 23.1  <u>Tax per kilo in CFA francs</u> Diesel 102.2 Light fuel oil 102.2 Heavy fuel oil 102.2 Thick greases and mineral oils 16.5
5.2.2 Alcoholic beverages	Specific taxes.		<u>Tax per bottle in CFA francs</u> Champagne 1350 Appellation contrôlée and sparkling wines 500 Ordinary wines 77 Beers 20-24 Ciders 75 Other beverages 1300 2600
5.2.3 Nonalcoholic beverages	Specific taxes.		CFAF 25 per bottle
5.2.4 Tobacco	Specific taxes.		CFAF 2,000-6,000 per kilo
5.2.5 Water tax	Specific taxes		Various

Tax	Nature of tax	Exemptions and deductions	Rates
5.2.6 Timber taxes ( <u>Taxes forestières</u> )	(i) Felling ( <u>Taxe d'abattage</u> )		CFAF 200-1,000 per m3
	(ii) Logging area tax ( <u>Taxe de superficie</u> )		according to species. CFAF 50 per hectare per year
	(iii) First concession of logging area ( <u>Attribution du permis d'exploitation</u> )		CFAF 120 per hectare for each logging area ( <u>chantier</u> )
	(iv) Replacement tax ( <u>taxe de renouvellement</u> )		
	(v) Public interest tax ( <u>Taxes d'intérêt général</u> )		CFAF 80 per hectare for each logging area  CFAF 600,000
5.3 <u>Selective taxes on services</u>			
5.3.1 Tax on banking services	Levied on all bank transactions.		Standard rate 25% On bank agios 10%
5.3.2 Insurance tax	Levied on insurance premiums.	Insurance against work-related accidents is exempt from this tax.	Maritime and aviation 7% Fire 25% Annuities 5% Export credits 0.1% Automobile insurance 14.5%

Tax	Nature of tax	Exemptions and deductions	Rates
<b>5.4 <u>Taxes on use of goods and property</u></b>			
<b>5.4.1 Business and professional licenses (<u>Contribution des patentes et licenses</u>)</b>			
<b>5.4.1.1 Business license tax (<u>Patentes</u>)</b>	Annual tax levied on any individual or company engaged in trade, industry, or profession not expressly exempted.	Temporary exemption for new enterprises and permanent agricultural installations.	Fixed levy depending on type of business, plus a proportional levy of 10% on the rental value of the premises, plus additional levies
<b>5.4.1.2 License tax (<u>Licenses</u>)</b>	Annual tax levied on all wholesalers and retailers of alcoholic beverages.		CFAF 36,000-320,000 depending on the type of establishment and the region. Plus surcharges of 10% for national contribution and of 100% as additional levy
<b>5.4.2 Motor vehicle tax</b>	Annual tax on motor vehicles and pleasure boats.		CFAF 5,000-180,000 depending on the horsepower.
<b>6. <u>Taxes on international trade</u></b>			
<b>6.1 <u>Import duties</u></b>			
<b>6.1.1 Customs duty (<u>Droit de douane</u>)</b>	Levied on c.i.f. or standard values. Tariffs: general, minimum, and preferential. Under the Lomé Convention, imports from the EC no longer receive preferential treatment in Côte d'Ivoire.	Certain foodstuffs and imports from WAEC member countries are exempt. Some capital goods and raw materials are exempt under the Investment Code.	5%