U.S. DEPARTMENT OF STATE
DIPLOMACY IN ACTION

Executive Summary

Côte d’Ivoire is fertile soil for U.S. investment. Ivoirian businessmen and government leaders are seeking new trading partners to grow Côte d’Ivoire’s investment base beyond its traditional trade and business partners of France and Lebanon. The February 2014 Invest in Côte d’Ivoire (ICI) forum in Abidjan drew almost $900 million in investment pledges, and attracted more than 2,000 participants from all over the world who were interested in investing in Côte d’Ivoire. U.S businessmen were well represented at the ICI and some have since returned to pursue business opportunities. As a business location, Côte d’Ivoire has many advantages, including its relatively well-developed road infrastructure, a modern airport, and the second largest port in West Africa, which is undergoing a major expansion. It has traditionally been considered the commercial, political, and social hub of Francophone West Africa. Abidjan, with its metropolitan area of about seven million people, is one of the most developed and cosmopolitan cities in the region.

Côte d’Ivoire’s economy is primarily agriculture-based and growth is sustained by the export of commodities. Côte d’Ivoire is the world’s largest producer of cocoa and cashews and an important producer of coffee, cotton, rubber, and palm oil. The government has demonstrated its commitment to sound Western business practices by embracing a progressive investment code, a new mining code, and by acceding to both the Kimberley Process and the Extractive Industries Transparency Initiative (EITI). In response to increasing political stability in the country, the UN Security Council lifted its diamond embargo and eased its weapons embargo on Côte d’Ivoire on April 29, 2014. Perhaps the most fruitful areas of investment for U.S. businessmen are in oil and gas exploration and production, housing construction, and the mining industry. Opportunities also exist in agribusiness projects such as corn and rice production, as well as manufacturing ventures to add value to commodities like cocoa, cashews, and coffee. Textile manufacturing, especially the production of traditional Ivoirian cotton cloth and products made from that cloth, are also ideal investment prospects.

After a decade of instability, Côte d’Ivoire is on firm footing to re-emerge as a regional economic engine in West Africa. After negative economic growth in 2011 (-4.7 percent), the country’s economic performance remains strong with 9.8 percent GDP growth in 2012 and an estimated 8.7 percent GDP growth in 2013. Although economic prospects are bright, potential investors should also be aware of challenges they will face in Côte d’Ivoire. Private and public corruption are daily challenges for most Ivoirian businessmen. Although one can hire a translator, some knowledge of French -- and French business practices and culture -- would be a great asset for doing business in Côte d’Ivoire. The short-term prospects for political stability and economic growth are good. The government is working to improve long-term political stability by addressing unresolved questions related to the reconciliation process, including security, citizenship, land reform, election reform, and the repatriation of refugees. A free, fair, and peaceful presidential election in 2015 would be a good sign that the country has turned the page on its troubled past. Despite these difficulties, investors from all over the world, including the U.S., are looking to Côte d'Ivoire as one of the best bets in Africa for business growth and opportunities.

1. Openness To, and Restrictions Upon, Foreign Investment

The Ivoirian government actively encourages foreign investment through mergers, acquisitions, joint ventures, takeovers, or startups. As part of its post-crisis economic reconstruction plan, the government is committed to doubling foreign investment over the next several years. There are no significant limits on foreign investment nor are there differences in the treatment of foreign and national investors, either in terms of the level of foreign ownership or sector of investment. The government does not screen investments and has no overall economic and industrial strategy that discriminates against foreign-owned firms. There are no laws specifically authorizing private firms to adopt articles of incorporation or association that limit or prohibit foreign investment, participation, or control, and no such practices have been reported.

Although the government encourages all foreign investment, French firms have traditionally dominated key sectors of the Ivoirian economy. Among other large investments, French companies currently own the national electric utility company and the public water utility. They also manage a portion of the Port of Abidjan, the airport, and the country's only railroad. A French company maintains a controlling interest in the country's national telecommunications provider and is a major force in wireless telecommunications.

Foreign companies are free to invest and list on the regional stock exchange (BRVM), which is based in Abidjan and dominated by Ivoirian and Senegalese firms. With the inception of the regional exchange, the West African Economic and Monetary Union (WAEMU) members established the Regional Council for Savings and Investment, a regional securities regulatory body.

In June 2012, Côte d'Ivoire adopted a new investment code to replace the 1995 Investment Code. The new code offers incentives, including tax reductions and in some cases exemptions from value added taxes (VAT) on equipment for private investors. Under the new code, new industrial zones are planned, and investors will benefit from special tax treatment for periods ranging from 8 to 15 years, depending on the location of the investment. The new investment code also provides incentives to promote sectors that are key to the country's economic development, such as low-cost housing construction, the creation of factories, and infrastructure development. In return, investors commit to technology transfer, compliance with environmental regulations, job training, and job promotion.

The Government of Côte d'Ivoire has recently taken other steps to improve the business climate, including the adoption of a new telecommunications code and the opening of a one-stop business facilitation center (*guichet unique*) designed to reduce the time it takes to register business to a maximum of 48 hours. A commercial court is now functioning.

The National Assembly passed on March 4, 2014, a new Mining Code designed to attract foreign investors and increase transparency. Some in the mining industry have hailed the code as the best in the region, but certain parts of the code are not clearly defined. Enabling legislation to further clarify the provisions of the code is expected to be approved by mid-2014. The main changes in the code over previous legislation include the extension of the period for holding permits from seven to ten years, with a possibility of exceptional extension to two more years; the reduction of the permit area from 1,000 to 400 square kilometers; and a new tax and fee structure. Politicians and government employees with strategic knowledge of the mining sector are prohibited from holding shares in the mining industry for five years after leaving office. The Petroleum Investment Code is currently under review.

The tax schedule, as revised in 2006, includes measures to reduce the corporate tax burden and stimulate economic growth. These measures include a corporate income tax of 25 percent and a provision for three-year corporate income tax exemptions and free tax registration for companies that left the country during recent periods of political instability and now wish to return. In 2012, a four-percent tax on tourism development was created that affects hotels, restaurants, casinos, and travel agencies. Recent tax changes for the telecom sector include an increase from 3 to 5 percent in the monthly sales tax for subscribers. The income tax rate on telecommunications firms was increased from 25 percent to 30 percent, and telecoms are now required to invest 20 percent of their transfers and dividends paid outside Côte d'Ivoire in Ivoirian treasury bonds. Furthermore, a new tax of 3 percent was applied to wireless subscribers.

Côte d'Ivoire's investment promotion center (CEPICI) provides investment information and assistance for entrepreneurs interested in starting a business or foreign enterprises interested in investing in Côte d'Ivoire. CEPICI provides a "one-stop-shop" for investors, an outreach program to match opportunities with potential investors, and a public-private liaison program. CEPICI also maintains a file of projects seeking foreign investment.

The government does not use tax, labor, environment, or health and safety laws to impede or distort investment. Well-entrenched foreign companies historically have formed relationships with officials—who frequently influence the awarding of tenders. Larger firms, which in many cases are foreign companies, face specific government requests (e.g. requests for sponsorship of social projects, for example) and barriers (e.g. caps on market share or pressure with regard to pre-payment of taxes). Smaller firms, which in many cases are Ivoirian companies, are less likely to face these. There is no sector, however, where American investors have been formally refused the same treatment as other foreign investors.

While the government has expressed its commitment to a free and fair bidding process, bids have not always been made public. The government sometimes simply chooses from among companies that have proactively contacted it about an investment opportunity rather than proceeding through a public bid process. In July 2013, the head of the Ivoirian public procurement regulatory authority said 57 percent of funds spent in public deals in the first three months of 2013 were awarded without public bids, compared to 40 percent in the first three months of 2012. A government spokesman in March 2014 acknowledged that at least 11 percent of the 688 billion CFA ($1.4 billion) in government contracts tendered in 2013 were no-bid contracts; however the government said at the same time it was preparing to launch an audit of no-bid contracts awarded by six government ministries from 2011 to 2013. The government came under criticism in March 2013 after a high-profile bid to build a second container terminal at the Port of Abidjan was awarded to a consortium led by the French firm Bolloré, which operates the container terminal already in existence. The winning bid for the €500 million ($694 million) project was challenged by a consortium led by the Swiss company, Mediterranean Shipping, which said it had presented a lower bid. Côte d'Ivoire is compliant with WAEMU's public procurement directive requiring the separation of auditing and regulatory functions. But, some issues remain concerning transparency in public bids. (See more on bidding in the "Transparency of the Regulatory System" section below.)

In February 2014, the government announced it would seek to privatize a quarter of public enterprises by the end of 2014. This includes approximately 15 public or semi-public enterprises, banks, the sugar company Sucrivoire (SIFCA), and investments the government holds in Industrial Promotion Services (IPS)-Aga Khan Foundation projects. The estimated social capital of these investments is 116 billion CFA ($232 million). After two years of study, the Ivoirian Council of Ministers on May 5, 2014, agreed to privatize some public banks, either totally or partially. BFA (*Banque pour le Financement de l'Agriculture*) and Versus Bank will be completely privatized, and minority shares the government holds in SIB (*Société Ivoirienne de Banque*) and BIAO (*Banque internationale pour l'Afrique occidentale*) banks will be sold. Finally, some public banks which fill a social investment niche will remain in government hands, including BNI (*Banque Nationale d'Investissement*), CNCE (*Caisse Nationale des Caisses d'Epargne*) and the housing finance bank, BHCI (*Banque de l'Habitat de Côte d'Ivoire*).

In past privatizations, such as for management of the Port of Abidjan and for management of the electric and water companies, well-entrenched companies with extensive histories in Côte d'Ivoire purchased the companies, which led to allegations of corruption on the part of losing investors.

There are some notable limitations on foreign investment. Many foreign investors see corruption as a major impediment to investment in Côte d'Ivoire. Some foreign investors have described extraordinary difficulty and lengthy delays in establishing investments in the country. The World Bank's 2014 "Doing Business" report ranks Côte d'Ivoire 167 of 189 countries evaluated for ease in starting a business. Once a business is established, public and private sector corruption continue to add costs. Official and unofficial roadblocks for the purpose of collecting bribes by members of the military, police, and traditional Dozo tribesmen continue, increasing costs and slowing commercial and private transport throughout the country. Public and private sector corruption remain entrenched and endemic. Although the government has created entities such as the High Authority on Good Governance and the Anti-Racketeering Unit (ULCR) in an effort to show the public it is addressing corruption, these entities have not been funded adequately and therefore cannot work effectively. (See "Corruption" section below.)

There are restrictions on foreign investment in the health sector, law and accounting firms, and travel agencies. As a means to monitor foreign exchange flows, for example, the external finance and credit office of the Finance Ministry must approve investments from outside the West African Franc (CFA) zone. Despite regulations designed to control land speculation, in urban areas, foreigners own significant amounts of land. Free-hold tenure outside of urban areas, despite land reform, is difficult and prohibits investment. There is no national land cadaster and land tenure disputes exist all over the country. Most businesses, including agribusinesses and forestry companies, opt for long-term leases.

Table 1: The following chart summarizes several well-regarded indices and rankings.

Measure	Year	Rank or value	Website Address
TI Corruption Perceptions index	2013	(136 of 177)	http://cpi.transparency.org/cpi2013/results/
Heritage Foundation's Economic Freedom index	2013	(107 of 177)	http://www.heritage.org/index/ranking
World Bank's Doing Business Report "Ease of Doing Business"	2013	(167 of 189)	http//doingbusiness.org/rankings
Global Innovation Index	2013	(89 of 142)	http://www.globalinnovationindex.org/content.aspx?page=gii-full-report-2013#pdfopener
World Bank GNI per capita	2012	$1220	http://data.worldbank.org/indicator/NY.GNP.PCAP.CD

Table 1B - Scorecards: The Millennium Challenge Corporation, a U.S. Government entity charged with delivering development grants to countries that have demonstrated a commitment to reform, produced scorecards for countries with a 2012 per capita gross national income (GNI) or $4,085 or less. A list of countries/economies with MCC scorecards and links to those scorecards is available here: http://www.mcc.gov/pages/selection/scorecards. Details on each of the MCC's indicators and a guide to reading the scorecards are available here: http://www.mcc.gov/documents/reports/reference-2013001142401-fy14-guide-to-the-indicators.pdf

2. Conversion and Transfer Policies

Côte d'Ivoire is a member of the West African Economic and Monetary Union (WAEMU), which uses the Franc CFA, a convertible currency. The French Central Bank continues to hold the international reserves of WAEMU member states and maintains a fixed rate of 655.956 CFA to the euro. The WAEMU has unified foreign exchange regulations. Under these regulations, there are no restrictions for transfers within the community, and designated commercial banks are able to approve routine foreign exchange transactions inside the community. The transfer abroad of the proceeds of liquidation of foreign direct investments no longer requires prior government approval.

Despite the ability to transfer funds freely within the WAEMU zone, when Ivoirians and expatriate residents are traveling from Côte d'Ivoire to another WAEMU country, they must declare the amount of currency being carried out of the country. When traveling from Côte d'Ivoire to a destination other than another WAEMU country, Ivoirians and expatriate residents are prohibited from carrying an amount of currency greater than the equivalent of two million

CFA (approximately $4,200). Larger amounts require the approval of the Ministry of Economy and Finance, and must be in travelers or bank checks.

The government must grant prior permission for investments coming from outside the WAEMU zone, and routinely does so. Once an investment is established and documented, the government regularly approves remittances of dividends and/or repatriation of capital. The same holds true for requests for other sorts of transactions, e.g., imports, licenses, and royalty fees.

Multinational firms in Côte d'Ivoire have complained that temporary liquidity shortfalls occur in the banking system, but this is primarily an issue during the main cocoa harvest when companies are transferring large sums of money for the purchase and export of cocoa. Companies continue to complain that the government is slow in approving currency conversions.

3. Expropriation and Compensation

Côte d'Ivoire's public expropriation law includes compensation provisions similar to those in the United States. Historically, expropriation has not been an issue in Côte d'Ivoire, and the Embassy is not aware of any cases of government expropriation of private property.

Private expropriation to force settlement of contractual or investment disputes continues to be a problem. Local individuals or local companies, using what appear to be spurious court decisions, have challenged the ownership of some foreign companies in recent years. On occasion, the government has blocked the bank accounts of U.S. and other foreign companies because of ownership and tax disputes. Corruption and lack of capacity in the judicial system and security services have resulted in poor enforcement of private property rights, even in the sensitive cocoa sector, particularly when the entity in question is foreign held and the plaintiff is Ivoirian or a long-term French or Lebanese resident or dual national of Côte d'Ivoire.

4. Dispute Settlement

The judicial system is generally seen as dysfunctional, but the government is working to restore its credibility and improve efficacy. Enforcement of contract rights is often time-consuming and expensive as court cases move slowly. Judges sometimes fail to base their decisions on the legal or contractual merits of the case and tend to rule against foreign investors in favor of entrenched interests. In addition, cases are often postponed and appealed, moving from court to court, in some cases for decades. Magistrates are sometimes subject to political or financial influence. To avoid working through the Ivoirian legal system, some investors stipulate in contracts that disputes must be settled through international commercial arbitration. However, even if stipulated in the contract, decisions reached through international arbitration, and even through the African regional arbitration body, are sometimes not honored by local courts.

An arbitration tribunal formed in 1999 has proved largely ineffective. Although the tribunal has the ability to enforce awards more quickly, use of the tribunal in lieu of the court system has been limited. In the past ten years it has heard only 162 cases (15 in 2013). Côte d'Ivoire is a member of the International Center for Settlement of Investment Disputes. The Abidjan-based

regional Joint Court of Justice and Arbitration provides an alternative means of solving contractual disputes.
In January 2012, the Council of Ministers established a Commercial Court to specifically handle business cases. In April 2013, the government endorsed a draft organic law to consolidate the autonomy and extend the attributions of the Commercial Court to create the Commercial Chamber of the Court of Appeals. In April 2014, the government endorsed a draft law on the judiciary and conventional mediation, which establishes mediation throughout the Ivoirian legal framework in addition to the Commercial Court and the Arbitration Tribunal.

Further reform plans call for deciding more cases by three-judge panels, instead of by a single judge; publishing decisions more quickly; enhancing computerization in the court system; training judges in commercial law; and increasing the number of appeals courts to reduce the backlog of commercial cases.

Côte d'Ivoire has both commercial and bankruptcy laws that address liquidation of business liabilities. The Uniform Acts for the Organization and Harmonization of Business Law (OHADA) is a collection of uniform laws on bankruptcy, debt collection, and rules governing business transactions. The OHADA permits three different types of bankruptcy liquidation: an ordered suspension of payment to permit a negotiated settlement; an ordered suspension of payment to permit restructuring of the company, similar to Chapter 11; and the complete liquidation of assets, similar to Chapter 7. Creditors' rights, irrespective of nationality, are protected equally by the Act. Monetary judgments resulting from a bankruptcy are usually paid out in local currency.

5. Performance Requirements and Incentives

Côte d'Ivoire does not maintain any regulations inconsistent with WTO Trade-Related Investment Measures (TRIMS). There are no general performance requirements applied to investments, nor does the government or the investment authority generally place conditions on location, local content, equity ownership, import substitution, export requirements, host country employment, technology transfer, or local financing. Cellular telephone companies must meet technology and performance requirements to maintain their licenses. The Investment Code, the Petroleum Code, and the Mining Code delineate incentives available to new investors in Côte d'Ivoire.

6. Right to Private Ownership and Establishment

Foreign investors generally have access to all forms of remunerative activity on terms equal to those enjoyed by Ivoirians. The government encourages foreign investment, including in the privatization of state-owned and public firms, although in most cases the state reserves an equity stake in the new company. Fifteen state-owned firms are scheduled for privatizations by 2014 in the banking, agribusiness and mining sectors.

Banks and insurance companies are subject to licensing requirements, but there are no restrictions designed to limit foreign ownership or to establish subsidiaries of foreign companies in this sector. There are no restrictions on foreign investment in computer services, or education and training services. There are restrictions on foreign investment in the health sector, law and accounting firms, and travel agencies. Investments in these sectors are subject to prior approval and require appropriate licenses and association with an Ivoirian partner; however; foreign companies operate successfully in all of these service sectors.

7. Protection of Property Rights

Ivoirian civil code provides for enforcement of private property rights. The concept of mortgages exists, but mortgage lending is not well developed. There is no secondary market for mortgages, although President Ouattara has publically called for the creation of a mortgage system in Côte d’Ivoire. Property and title registration systems exist in Côte d’Ivoire, but in practice are only used in urban areas. The legal system protects and facilitates the acquisition and disposition of all property rights, including land, buildings, and mortgages.

Outside of urban areas, private individuals or entities usually cannot obtain freehold tenure because traditional property rights of villages and ethnic groups prevent the land from being sold. In urban areas, where land is not held as a "tenancy in common" by a tribal or village head, but is considered to be owned individually, it can still be difficult to obtain a free-hold deed to property even years after a closing. For that reason, most individuals and businesses tend to sign long-term leases. Although the legal system recognizes the right to contract for leaseholds in both urban and rural areas, in most cases traditional tribal land-owners do not have a clear understanding of property rights. Additionally, different groups often have competing claims for the same land, further complicating the issue of land ownership. Competing and unclear traditional land claims is a major political stability issue and has led to violence on occasion.

Because free-hold tenure by individuals is not generally permitted in rural areas, potential borrowers often have difficulty using real estate as collateral for loans. Even in urban settings the mortgage market is not well developed. Ivoirian law provides very limited free-hold ownership for rural lands, which had been traditionally held as a tenancy in common by villages. Rights are only protected, however, if the owner can provide proof of ownership through an assignment deed or purchase contract.

In August 2013, the National Assembly approved the extension by 10 years of a grace period for implementation of a 1998 law in order to codify land transactions on rural land ownership to make it easier to obtain land title, to improve the security of ownership and resolve recurrent land conflicts in rural areas. At the same time it passed a law allowing foreign-born residents (and their descendants) living in Côte d’Ivoire since before independence to become citizens. Also, foreign nationals born in Côte d’Ivoire between 1961 and 1973 now qualify for citizenship. This law, in effects, makes thousands of immigrants (or their descendants) citizens of Côte d’Ivoire and therefore entitled to own land. Considerable questions remain surrounding implementation of the 2013 land and nationality laws and the status of lands from which thousands of Ivoirian refugees were forced during the 2011 post-election conflict. Many of those lands are now occupied by squatters, many of whom are immigrants or descendants of immigrants from neighboring countries to the north of Côte d’Ivoire, especially Burkina Faso.

The Ivoirian Civil Code protects Intellectual Property (IP) rights; however, protection of intellectual property rights in Côte d'Ivoire is weak. Ivoirian IP law is not in conformity with standards established by the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) due to uneven law enforcement and the lack of custom checks at porous borders, which permit the trade of counterfeit goods. Côte d'Ivoire is a party to the Paris Convention, its 1958 revision, and the 1977 Bangui Agreement covering 16 Francophone African countries in the African Intellectual Property Organization (OAPI), which has been TRIPS compliant since 2002. Under OAPI, rights registered in one member country are valid in other member states. Patents are valid for ten years, with the possibility of two five-year extensions. Trademarks are valid for ten years and are renewable indefinitely. Copyrights are valid for 50 years.

The government's Office of Industrial Property (OIPI) is charged with ensuring the protection of patents, trademarks, industrial designs, and commercial names. The office faces many challenges, including insufficient resources and a lack of political will. Counterfeit goods, mainly from East and South Asia, flood the Ivoirian market. The Ivoirian government has not passed legislation to protect intellectual property rights or mitigate the passage of counterfeit goods at its borders. Côte d'Ivoire's has a law on mandatory registration of commercial names.

The Ivoirian Copyright Office (BURIDA) has a labeling system in place to prevent counterfeiting and protect audio, video, literary and artistic property rights in music and computer programs. BURIDA has worked with the Ivoirian music industry to undercut piracy, including holding regular programs promoting enforcement. In November 2008, BURIDA was granted more autonomy and given a more business-like focus, and copyright laws were stiffened in 2010. BURIDA has sometimes held raids against retail outlets and street vendors to confiscate pirated CDs and DVDs and has also instituted legal proceedings against counterfeiters.

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at http://www.wipo.int/directory/en/.

Country resources:
Embassy point of contact: Kristen Grauer GrauerKK@state.gov
American Chamber of Commerce: http://www.amchamci.com
President Serge Thiémélé: president@amchamci.com
U.S. Embassy Abidjan List of Local Lawyers:
http://abidjan.usembassy.gov/legalassistlawyer.html

8. Transparency of the Regulatory System

The government has taken steps toward encouraging a more transparent and competitive economic environment, while the IMF, World Bank, European Union, and other large donors have pushed the government to make reforms. One problem is that proposed laws and regulations are not published in draft form and made available for public comment. However, the National Assembly debates most legislation, and the government often holds public seminars and workshops to discuss proposed plans with trade and industry associations.

Another area of concern has been public bids and procurements. A centralized office of public bids in the Finance Ministry was created to ensure compliance with international bidding practices by providing a neutral body to make bidding decisions in a transparent and objective fashion based on clear criteria. In addition to the Office of Public Bids, there is also an Inspector General's Office and regulatory bodies for creating transparency in the electricity and telecommunications sectors. Despite these steps, bidders continue to complain of a lack of transparency in public bids and suspicions of bid-rigging. The government sometimes chooses from among companies that have proactively contacted it about an investment opportunity rather than proceeding through a public bid process. In July 2013, the head of the Ivoirian public procurement regulatory authority said 57 percent of funds spent in public deals in the first three months of 2013 were awarded without public bids, compared to 40 percent in the first three months of 2012. A government spokesman in March 2014 acknowledged that at least 11 percent of the 688 billion CFA ($1.4 billion) in government contracts tendered in 2013 were no-bid contracts; however the government said at the same time it was preparing to launch an audit of no-bid contracts awarded by six government ministries from 2011 to 2013.

The government came under criticism in March 2013 after a high-profile bid to build a second container terminal at the Port of Abidjan was awarded to a consortium led by the French firm Boloré, which operates the container terminal already in existence. The winning bid for the €500 million ($694 million) project was challenged by a consortium led by the Swiss company, Mediterranean Shipping, which said it had presented a lower bid.

Côte d'Ivoire applies the 2009 WAEMU directives on public procurement that aims to harmonize public procurement policy and comply with WAEMU integration objectives, including the separation of auditing and regulating functions; the transformation from a national to a regional system of procurement for intellectual services; and an increase from 25 to 30 percent of advance payment for the startup of procurement of goods and services. The National Regulatory Authority for Public Procurement regulates public procurement with a view to improve governance and transparency. It may sanction entities which do not comply with public procurement regulations.

Substantial regulatory reforms have been made in the cocoa, coffee, cotton, and cashew sectors. From 1999–2008, several private and public institutions with producer, industry, and government representation were tasked with controlling and regulating these sectors. These groups were neither efficient nor transparent and were accused of mismanagement. In November 2011, the government approved a cocoa reform plan with a new regulatory and legal framework and a new marketing mechanism. Under the new plan, a single regulatory and stabilization body, the Cocoa and Coffee Council, was created to oversee the industry. Similarly, the GOCI set up in October 2013 a Cotton and Cashew Council, a regulatory board seeking to better develop these two commodities and to provide increased revenues for the farmers.

Ivoirian tax policy is sometimes muddled, confusing and arbitrary. The Ministry of Economy and Finance has at times changed tax regimes via ministerial decree, rather than working through the Council of Ministers and the National Assembly. The government sometimes levies large tax bills, which companies allege have little basis in law or standard accounting practices, and then the tax authority proceeds to negotiate a lower bill with the company.

Cote D'Ivoire is a member of UNCTAD's international network of transparent investment procedures: http://www.eregulations.org/. Foreign and national investors may be able to find detailed information on administrative procedures applicable to investment and income generating operations including the number of steps, name and contact details of the entities and persons in charge of procedures, required documents and conditions, costs, processing time, and legal bases justifying the procedures at: http://cotedivoire.eregulations.org/.

9. Efficient Capital Markets and Portfolio Investment

Government policies generally encourage the free flow of capital. The government has made efforts to restructure the financial sector to reduce the cost of intermediation and facilitate private sector access to credit. Côte d'Ivoire's commercial banking sector is generally sound, but publicly-owned banks pose potential systemic risks to the financial system, as loan quality, solvency and profitability have deteriorated in recent years owing to bad management and a lack of auditing. (See more on the state-owned banks under the "Competition from State-Owned Enterprises" section below.) The *Banque Central des Etats de l'Afrique de l'Ouest* (BCEAO) reported that the non-performing loans ratio in Côte d'Ivoire improved from 17.9 percent at the end of 2011 to 14.1 percent of the total in 2012, following the recovery of small- and medium-sized businesses from the effects of the post-electoral crisis. The 50 bank branches that were closed in the former rebel zones at the height of the crisis have reopened. Banks are expanding their networks especially in the secondary cities outside Abidjan as domestic investment has increased upcountry. The total number of bank branches has increased from 281 in 2008 to 497 branches in 2013. Although credit allocation remains moderate compared to current funding needs, specifically for small businesses, banks have restarted lending, offering short-term and long-term loans. They generally make lending and investment decisions based on the availability of collateral, making it difficult for some businesses, especially small ones, to get credit to expand.

According to the Central Bank of West African States, as of December 31, 2012, the most recent information available, the following Ivoirian banks had $20 million or more in total assets (figures have been converted from CFA to USD at an exchange rate of 500 CFA to $1)

- *Banque Nationale d'Investissement* (BNI): $41.0 million
- *Banque Internationale pour le Commerce et l'Industrie de la Côte d'Ivoire*: $33.3 million
- *Société Générale de Banques en Côte d'Ivoire*: $31.1 million
- Standard Chartered Bank – Côte d'Ivoire: $20.6 million
- *Banque Internationale pour l'Afrique Occidentale*: $20.0 million

At the end of 2012, total assets of the 22 banks and one credit institution doing business in Côte d'Ivoire were CFA 3.7 trillion (about $7.9 billion), an increase of 8 percent from 2011 figures.

Government and private bonds are available for purchase by individuals or companies. During the 2010-2011 post-electoral crisis, regular auctions of Ivoirian treasury securities were no longer possible. To limit the impact on the regional banking system, the BCEAO agreed to roll over maturing Ivoirian T-bills. The government recently reached an agreement with banks concerning its stock of short-term securities, and Côte d'Ivoire has been able to return to the regional market with longer-term securities. On May 2, 2014, the government announced plans to issue in July a $500 million Eurobond on the international capital market to test the government's credit worthiness, and to fund the 2014 budget and the country's $22 billion National Development Plan. The government has also recently raised funds in the WAEMU market, mainly to repay some of its domestic debt.

The Regional Stock Market (BVRM) returned to Abidjan in 2011, after temporarily relocating as a result of the post-electoral crisis. Dominated by Ivoirian and Senegalese firms, the BVRM has a market capitalization of approximately $12.5 billion with 37 companies listed. The Regional Council for Savings Investments regulates the WAEMU securities exchanges market.

Ivoirian accounting systems are well-developed and approach international norms. A WAEMU-wide accounting system-SYSCOA, under which all member countries follow the same accounting rules, is accepted and used in all member states.

The CFA exchange rate is pegged to the euro at 655.957 CFA to one euro. As a consequence, the CFA/USD rate fluctuates in tandem with the euro/USD rate.

There is no evidence of "cross shareholding" and "stable shareholders" to restrict foreign investment through mergers and acquisitions in Côte d'Ivoire.

10. Competition from State-Owned Enterprises (SOEs)

The Ivoirian government still holds substantial interests in many firms, though it has begun the process of divestiture for some state-owned enterprises (SOEs) and hopes to sale one-fourth during 2014. Although it controls no outright monopolies, the Ivoirian government is still an active participant in some economic sectors, such as banking, agri-business, mining, and the telecom industry. The *Banque Nationale d'Investissement* (BNI) is 100 percent state-owned and competes with private banks. Because it is a leading development bank in Côte d'Ivoire, the government said in May 2014 that it will maintain control of BNI. Also it will keep its interests in CNCE (*Caisse Nationale des Caisses d'Epargne*) and in the housing finance bank, BHCI (*Banque de l'Habitat de Côte d'Ivoire*). Other banks, notably BFA (*Banque pour le Financement de l'Agriculture*) and Versus Bank will be privatized, and minority shares the government holds in SIB (*Société Ivoirienne de Banque*) and BIAO (*Banque internationale pour l'Afrique occidentale*) banks will be sold. For state-owned banks, the government's role has been to create or maintain services or products that commercial banks have been reluctant to offer. Therefore, the government created state banks like BHCI to support sectorial policies. *Caisse Nationale des Caisses d'Epargne* (CNCE), which has the largest Ivoirian bank network with about 2 million of clients, has branches in remote rural areas where other banks have declined to provide banking services.

In the mining sector, the government still holds a 25-percent stake in *Societé des Mines d'Ity* (SMI), which is controlled by the Canadian-based firm *La Mancha*. SMI competes with major mining firms. Côte d'Ivoire plans to sell 28 percent of its 48.47 percent stake *in Côte d'Ivoire Telecom*, which is owned by the French company, Orange. Another firm, the sugar company

Sucrivoire, has been controlled Sifca since its partial privatization in 1997, although the government still has a 15-percent share in this firm. Fifteen enterprises are scheduled for privatization in a number of sectors by the end of 2014. Private and public enterprises compete under the same terms and conditions. There is no state monopoly in any of these sectors. SOE senior management may report to a ministry or board of directors, whose seats are allocated to senior government officials, political leaders, representatives of civil society and other public entities. SOEs are required by law to publish annual reports and hold regular meeting of the board of directors and financial statements are reviewed by certified accountants and private auditors.

11. Corporate Social Responsibility (CSR)

Although there is no general awareness of corporate social responsibility in Côte d'Ivoire, foreign businesses, particularly in mining, petroleum, and the cocoa industries do often provide social infrastructure, including schools and health care clinics to communities close to their sites of operation, sometimes at the request of the Government of Côte d'Ivoire. Cocoa companies have actively supported programs to improve sustainability in the sector and are working to combat the worst forms of child labor. This activity has increased since 2011 with the government's focus on eliminating child labor and supporting cocoa producers and their families. Mars, Cargill, Hershey's, Archer-Daniels-Midland (ADM), and other U.S. firms have been at the forefront of these efforts, often in coordination with the Ivoirian government and World Cocoa Foundation (WCF). Companies are not required under Ivoirian law to disclose information relating to corporate social responsibility, although many companies, especially in the cocoa sector, do publicize work they have done in these areas on their websites.

12. Political Violence

Côte d'Ivoire has made significant gains in security following a decade of internal conflict and a violent 2010-2011 post-electoral crisis when former president, Laurent Gbagbo, refused to cede power to the internationally recognized winner of the 2010 election, Alassane Ouattara. Gbagbo was captured in April 2011 by Ivoirian forces and President Ouattara was officially inaugurated in May 2011. Gbagbo is in The Hague awaiting possible trial before the International Criminal Court. Legislative elections were held in December 2011 and were judged by international observers to be free and fair. Municipal and regional elections took place in 2013. Although some violence was reported, these elections were mostly peaceful. The main opposition party, the *Front Populaire Ivoirien*, is the party of ousted former-President Gbagbo. Since the 2010 presidential election, The FPI has refused to field official candidates in any race. However, it has said that it will field a candidate for the 2015 presidential election. At the socio-political level, the on-again, off-again political dialogue between the pro-Gbagbo opposition and the government continues. As the country moves towards the presidential elections scheduled for October 2015 efforts must be made to address major challenges, such as security, the promotion of national reconciliation, equitable non-partisan justice for all those accused of crimes during the 2011 post-election violence, the renewal and reconfiguration of the independent electoral commission, the update of electoral list and land reform to protect the country from political violence.

Despite Côte d'Ivoire's increased stability, some security incidents, linked to supporters of the former Gbagbo regime, have occurred, mostly in the west of Côte d'Ivoire. These incidents have not threatened the stability of the Ouattara administration. International organizations have alleged that government crackdowns following incidents of violence have sometimes resulted in violations of human rights, and there is a perception that the government is unable or unwilling to prosecute its supporters for crimes committed during the 2011 post-electoral violence, although numerous Gbagbo supporters remain imprisoned or face prosecution for their crimes. In an effort to jumpstart reconciliation and political dialogue, the government released 44 Ggabgo supporters from prison in August 2013 and January 2014, including several senior FPI leaders. These moves seem to have had a positive effect on moving political dialogue forward, but there is still progress to be made in the run up to the next presidential election in 2015. All stakeholders must agree and buy-in to key preparatory steps for the election, including the reform of the Independent Electoral Commission and updates to the national voting registry A free, fair, and peaceful election in 2015 would be a strong indicator that Côte d'Ivoire has moved beyond its violent past.

13. Corruption

Many companies cite corruption as the major obstacle to investment in Côte d'Ivoire. It has the greatest impact on judicial proceedings, contract awards, customs, and tax issues. Businesses have reported corruption at every level of the civil service and that some judges have based their decisions on bribes. Obtaining an official stamp or copy of a birth or death certificate, or an automobile title, often requires payment of a supplemental "commission." If the commission is refused, the application is not processed. The size of the commission varies with the cost of the service or investment.

There are domestic laws and regulations to combat corruption, but they are not effectively enforced. Penalties can range from incarceration to payment of civil fines. State employees can be convicted of either passive or active corruption or bribery in the performance of their duties. The law also provides for punishment of state employees who benefit directly or indirectly from private or state-owned companies related to contracts, markets or financial payment under their purview. Company managers who are complicit in acts of corruption are treated as accomplices. A local company may not deduct a bribe to a foreign official from taxes. Under the Ivoirian Penal Code, a bribe by a local company to a foreign official is a criminal act. Côte d'Ivoire ratified the UN Anti-Corruption Convention in November 2011; however, the country is not a signatory to the OECD Convention on Combating Bribery.

Although the Ouattara Administration has spoken out publicly against corruption, the government has only taken moderate steps to fight the problem. Racketeering by security and defense forces is often denounced in the media, but continues unabated. Transport companies are particularly hard hit, and trucks moving cargo from the western agricultural belt to Abidjan and between Abidjan and other regions of Côte d'Ivoire pay an average total of $100 to $400 per trip as they pass various checkpoints, depending on the cargo. The government has been working to reduce illegal checkpoints, and in 2011 authorized only 33 legal checkpoints in the entire country as part of an anti-racketeering campaign. The gendarmerie has established a new anti-corruption force. This campaign has led to a substantial reduction in police check points on major roadways, although bribery at checkpoints, official and unofficial, remains a significant problem that slows transport and greatly increases the costs of goods and services.

In 2012, the Interior Ministry, with World Bank funding, established the Anti-Racketeering Unit (ULCR). However, the unit was never adequately funded in the budget and has not made much progress in addressing racketeering by security forces. Another government action against corruption was the launching of the anti-racketeering hotline. There are several governmental entities in charge of fighting corruption, including the High Authority on Good Governance, the General Secretariat in Charge of Good Governance and Capacity Building, the Board of State General Inspectors, the Finance Ministry's Inspector General's Office, and the High Authority for Good Governance, but these entities are too underfunded to effectively tackle the extent of the corruption problem. Transparency International's "Corruption Perception Index" ranks Côte d'Ivoire 136 of 177 countries, which demonstrates that some progress has been made since the Ouattara administration took office. During the Gbagbo presidency Côte d'Ivoire generally ranked about 150. In June 2013, the government's National Committee for the Millennium Challenge Corporation initiated a billboard and television campaign to sensitize the Ivoirian people on the dangers of corruption. At the same time, it held various workshops to discuss the causes of and solutions to the corruption problem. The government has been working to develop a new anti-corruption law, but it is not clear when that will be finished. Representatives of some civil society organizations have charged that the draft form of the legislation that currently exists is too weak to be truly effective in combatting corruption.

The country's financial intelligence unit, *Cellule Nationale de Traitement des Informations Financières* (CENTIF), established in December 2007, is responsible for investigating money laundering and terrorist financing. CENTIF has broad authority to investigate suspicious financial transactions, including those of government officials.

14. Bilateral Investment Agreements

There are no bilateral investment or taxation treaties between Côte d'Ivoire and the United States or any other country.

15. OPIC and Other Investment Insurance Programs

OPIC has not been active in Côte d'Ivoire since 2003. Côte d'Ivoire is a member of the Multilateral Investment Guarantee Agency (MIGA). In January 2013, MIGA agreed to guarantee the expansion and ongoing operations of the Azito power plant near Abidjan. Other MIGA guarantees in Côte d'Ivoire include the construction of the Henri Konan Bédié Bridge in Abidjan and guarantees for offshore development of platforms for oil and gas fields.

16. Labor

The Constitution and the Labor Code grant all citizens, except members of the police and military, the right to form or join unions, and workers exercise these rights. Registration of a new union takes three months. Despite these protections, only a small percentage of the work force is actually organized. Most laborers work in the informal sector (i.e., small farms, small roadside stands, and urban workshops). Anti-union discrimination is prohibited. There have not been reports of anti-union discrimination, and consequently, no known prosecutions or convictions under this law. Unions are free to join international bodies, and the General Workers Union of Côte d'Ivoire (UGTCI) was affiliated with the International Confederation of Free Trade Unions. The Constitution provides for collective bargaining, and the Labor Code grants all citizens, except members of the police and military services, the right to bargain collectively. Collective bargaining agreements are in effect in many major business enterprises and sectors of the civil service. In most cases in which wages were not established by direct negotiations between unions and employers, the Ministry of Employment and Social Affairs establishes salaries by job categories. The Ivoirian constitution and statutes provide for the right to strike, and the government generally protects this right; however, the Labor Code requires a protracted series of negotiations and a six-day notification period before a strike may take place, making legal strikes difficult to organize. However, strikes do occur. Since 2013, public school teachers have had numerous strikes over wages, as have workers at the Henri Konan Bédié Bridge construction site.

In February 2004, the Minister of Employment and Civil Service and the Minister of Economy and Finance signed a decree aimed at promoting national employment. This decree favors the employment of Ivoirians in private enterprises. The decree states that any position to be filled must be advertised for two months. If after two months no qualified Ivoirian is found, the employer is allowed to recruit a foreigner, provided that he plans to recruit an Ivoirian to fill the position in the next two years. The foreign employee must be given a labor contract.

17. Foreign-Trade Zones/Free Ports

Created in 2008, the free trade zone for information technology and biotechnology (VITIB) is located in the city of Grand Bassam. During the crisis, VITIB was closed for the most part, and is now just beginning to restart operations. In January 2014, VITIB inaugurated the Mahatma Gandhi technology park at Grand Bassam with a loan of $20 million from the EXIM bank of India. Current plans are to develop a technology corridor on VITIB land in Grand Bassam. There are no other free trade zones in Côte d'Ivoire. Bonded warehouses do exist, and bonded zones within factories are allowed. High port costs and maritime freight rates have inhibited the development of in-bond manufacturing or processing, and there are consequently no general foreign trade zones.

18. Foreign Direct Investment and Foreign Portfolio Investment Statistics

According to the United Nations Conference on Trade and Development World Investment Report, the stock of foreign direct investment in Côte d'Ivoire as of 2012 was an estimated $7.6 billion, the equivalent of 30.8 percent of that year's GDP. In terms of FDI reported officially by CEPICI, Mauritius was Côte d'Ivoire's primary investor in 2013, providing about one-third of all investment capital. At least two Mauritian firms have important holdings in Côte d'Ivoire that have expanded investments during 2013. Terra Co. is the majority stakeholder in Sucrivoire and during 2013 made substantial investments of unknown size in its two sugar plants in order to add value and diversify its holdings. Also, in December 2013, Emerging Capital Partners Investments (ECP) exited from its holdings in MTN Côte d'Ivoire (MTNCI) via Planer Capital

International (PCI), a Mauritian investment vehicle that was already the second largest investor in MTNCI. MTNCI is a telecom firm that is an affiliate of MTN, a South African company. The sale price was reportedly $80 million.

Other leading investors include the United Kingdom, Lebanon, France, China, India, Libya, Singapore, Tunisia, and Morocco. U.S. firms are not a large source of FDI in Côte d'Ivoire, but have made major investments in oil and gas (Anadarko), banking (Citibank), cocoa (Cargill and ADM), and in international courier services. Although, many countries invest in Côte d'Ivoire, France and Lebanon, because of their long involvement in Côte d'Ivoire are perhaps Côte d'Ivoire's most important investment partners. The Lebanese community in Côte d'Ivoire numbers about 100,000 and many Lebanese businessmen still have close personal or business ties to Lebanon.

TABLE 2: Key Macroeconomic data, U.S. FDI in host country/economy

	Host Country Statistical source: Finance Ministry		USG or International Statistical Source World Bank		USG or International Source of Data
Economic Data	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) (*Millions U.S. Dollars)*	2012	$24.7 billion	2012	$24.6 billion	World Bank Côte d'Ivoire
Foreign Direct Investment	Host Country Statistical source: *Centre de Promotion des Investissements en Côte d'Ivoire* (CEPICI)		USG or international statistical source: U.S. Bureau of Economic Analysis, World Bank		USG or International Source of Data

U.S. FDI in partner country (*Millions U.S. Dollars, stock positions)*	2013 CEPICI	Amount $274 million	2012	$118 million	[BEA FDI U.S. to Côte d'Ivoire]()
Host country's FDI in the United States (*Millions U.S. Dollars, stock positions)*	Not Available	Not Available	2012	$ -1 million	[BEA FDA Côte d'Ivoire to US]()
Total inbound stock of FDI as % host GDP (***calculate)***	Unavailable	Unavailable		15,100	

TABLE 3: Sources and Destination of FDI
No information available for Côte d'Ivoire

TABLE 4: Sources of Portfolio Investment
No information available for Côte d'Ivoire

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