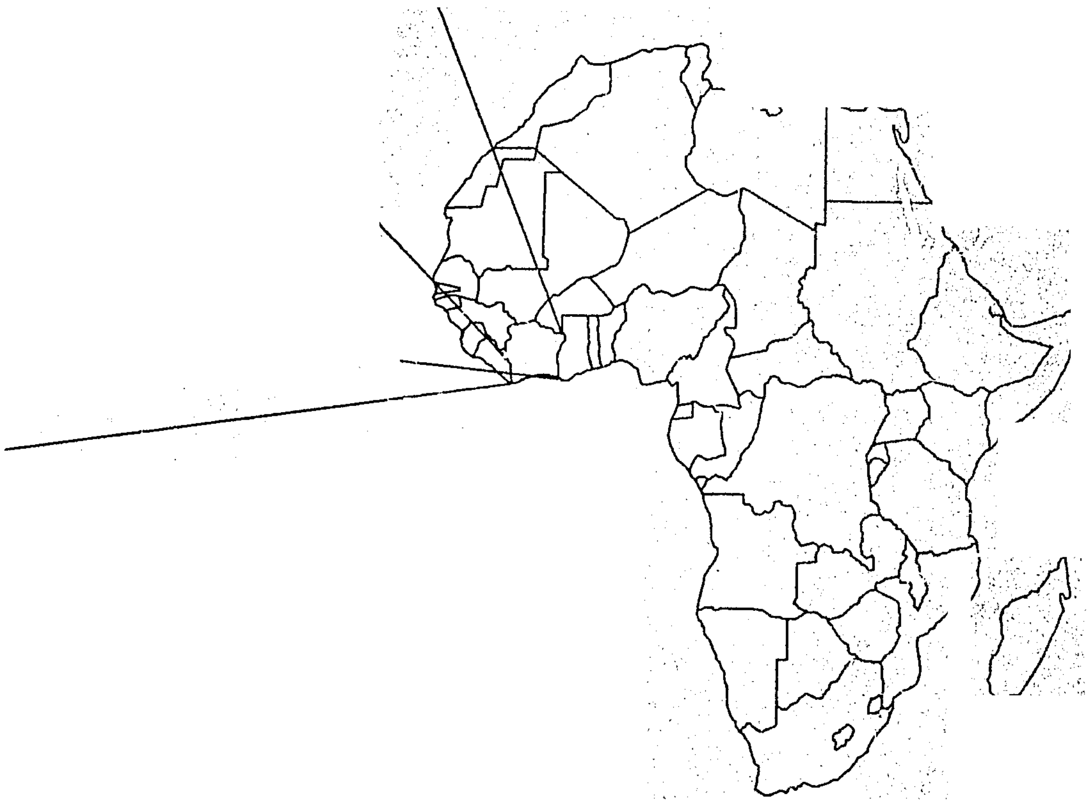
THE AGENCY FOR INTERNATIONAL DEVELOPMENT PRESENTS

CRITICAL ISSUES FOR AMERICAN INVESTORS IN *COTE D'IVOIRE*



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COTE D'IVOIRE

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Contents

COTE D'IVOIRE

EXECUTIVE SUMMARY

- Côte d'Ivoire is a relatively peaceful West African nation of 12.5 million people with a history of stable regional and international relations. Over the past twelve to eighteen months, the country's political structure and climate have begun a process of liberalization through the introduction of "multipartisme" and at least token efforts to make the government more transparent. Although there have been increasing incidents of unrest, and political opposition has become more vocal, these are more the predictable side effects of opening the political process than evidence of serious political instability.

- Since independence, the Côte d'Ivoire has been the engine of West Africa, producing over half of that region's GDP. This is changing quickly and painfully. The nation's export base, built upon rich returns on sales of coffee and cocoa, is in decline. The country now faces poor overall prospects because of continuing low prices for its primary exports, a generally contracting world economy, and pressure from multilateral donors to decrease spending.

  The government of Côte d'Ivoire has rooted its economic development in the encouragement of export agriculture. With between 50 percent and 80 percent of the labor force engaged in this declining sector, the country will have to find new resources to exploit to provide employment. Mining and energy, which have been controlled by the government and are not highly rewarding, may increase in significance as privatization plans move forward.

- The state dominates the Ivorian economy. In 1990 alone, public-enterprise investment accounted for over 60 percent of all investment in the country. The private sector, which is highly regulated, does not have access to the kinds of credit and capital necessary to make it more significant in the country's activities.

- The investment climate in Côte d'Ivoire is deteriorating. Profitability is diminishing as inputs remain expensive, taxation has increased as the government looks for sources of revenue, and there is a growing likelihood that the CFA franc may be devalued in the near future.

- Foreign investment in the Côte d'Ivoire enjoys a hospitable regulatory environment. Although maneuvering through the maze of restrictions and requirements may entail expenses of time and patience, the system is unbiased and reasonably transparent. One major problem area, however, is the settlement of disputes. There is allegedly little respect for the notion of contracts. Deals should therefore be structured carefully, and partners scrutinized rigorously.

- Côte d'Ivoire has an outstanding infrastructure by developing-country standards. This includes an excellent system of paved roads, good telecommunications, ports, rail links and modern real-estate developments for commercial, industrial and retail use.

- Over the past decade, Côte d'Ivoire has accumulated a staggering debt burden, making it Africa's largest per capita debtor. The country's primary creditors--France's commercial banks, members of the Paris Club, the World Bank and the International Monetary Fund--have been working with the government to reduce spending and bring borrowing under control.

- Côte d'Ivoire has a skilled, highly educated labor pool of Ivorians, a significant number of farm laborers from neighboring countries, and a large population of expatriates, primarily from France. The labor pool is highly segmented, and high wages are commanded at every level.

- The country's difficult economic situation has led to a slow deterioration of the financial sector. Many banks have closed their doors, and credit is tight. Nonetheless, the central bank--a regional central bank--remains liquid, supported by the French treasury through the French financial system in West Africa.

- Inflation is not a problem in Côte d'Ivoire, in part because the CFA franc is overvalued, and in part because of the economic depression. Many goods and services are subject to price controls fixed by the government.

- The government is being forced by the IMF and other donors to curtail spending sharply. The budget deficit is thus more under control than in recent years and is likely to remain so as long as the government is forced to maintain fiscal discipline.

- The effective tax burden on business in Côte d'Ivoire is high, though investors can receive significant incentives by working in targeted sectors. The tax regime is gradually becoming more workable for investors as the investment code continues to be revised. Codes and regulations are generally clear and consistent.

- There is general respect for intellectual property rights in Côte d'Ivoire, though most investors have not had significant experience with this issue. Côte d'Ivoire is a party to the Convention on Protection of Industrial Property Rights and the African Intellectual Property Rights Organization.

MAKING THE INVESTMENT DECISION

COUNTRY OVERVIEW

Côte d'Ivoire is a country rich in human and natural resources. For more than thirty years it has enjoyed relative political stability and economic growth. The capital of Abidjan has been a "pearl of West Africa." The site of regional headquarters for numerous international, regional and domestic companies, the city has developed an infrastructure that is unparalleled in West Africa and that provides a good site for business.

Today, however, the hidden costs of this success have become only too evident. The country is in the middle of a serious economic depression, prices for both individuals and business are enormously high in dollar terms, the government seems to be unwilling to make major changes, and political unrest, both at home and next door, has raised security fears and crime in the country. Côte d'Ivoire retains many of its attractions, such as its excellent infrastructure, but the cost of these attractions, like the cost of electricity, is becoming prohibitively expensive.

The country's current problems stem in part from a lack of diversification of productive activity--Côte d'Ivoire remains highly dependent on its traditional exports and has been unable to substitute other products for them effectively. The country has not made the requisite investment in industrial capacity needed for diversification, nor has it provided sufficient incentives for farmers.

There are plans underway to improve the country's growth potential in the near future. Prime Minister Alassane Ouattara has created a privatization committee to design and carry out an ambitious plan to convert and sell some of the government's industrial holdings. Bowing to pressure from multilateral donors, state-run marketing boards for commodities have begun a process of restructuring, moving towards creating direct access for producers to world prices and markets. Tax and other incentives have been put in place to encourage the development of the industrial sector, specifically as it relates to agricultural processing, and policies of import substitution are being dismantled.

There is hope that plans to streamline the public sector and revitalize the private sector will produce a more vibrant economy that is responsive to demand and takes advantage of the diverse natural resources of the country. For these plans to work, however, both the government and the people will have to have firmer resolve than has been evident so far.

Trends in the Economy and Business

Côte d'Ivoire is in the middle of a sustained economic depression. Knowledgeable foreign investors think the economy will hit rock bottom in 1993, especially if a devaluation of the CFA franc occurs in 1992.

This depression has been long and severe enough to cause an exodus of foreign investors. Ivorians say, "Even the Lebanese are leaving," to indicate the seriousness of the situation for business.

The country's economic cycles have closely followed the cycles of the coffee and cocoa sectors:

1960-1979, boom
1980-1985, bust
1986-1987, boom
1988-present, depression

The government's primary goal right now is to reduce spending. The country is probably overtaxed, particularly since the economy is in a depression. Externally, donors continue to be generous but are not likely to increase giving significantly without some substantial progress in economic reform. They point to the fact that some 90 percent of government operating expenditures now go to public-sector salaries, clearly an area ripe for reduction. The recent construction of the world's largest basilica in the President's hometown only confirmed donor views about the excesses of government expenditures.

The government will have a hard time reducing the public payroll, however; it will cause political difficulties and has already resulted in civil unrest and strikes, both of which were previously quite rare. As yet, the government has appeared unwilling to put forth any policy that would unduly upset its main constituents: the upper and upper-middle classes.

The government has begun an effort to increase the role of the private sector in the economy, but progress has been quite slow, and there have been no sales or conversions under the key privatization program so far.

During the boom years the country failed to generate sufficient savings or diversify the economy enough to cushion the lean years. As a result, Côte d'Ivoire has had to rely on increasing its debt load in order to meet current budgetary needs and keep the country afloat.

The country's staggering debt burden will have a major, continuing effect on the economy. The required foreign-exchange outflow from debt service means that the country will be even more dependent on donor assistance and on further borrowing just to make ends meet over the coming years. Even though the bulk of the debt is owed to bilateral donors, who will be willing to negotiate debt reschedulings and reductions, it will take several such rounds over a number of years to reduce the debt-service obligation by major amounts.

In this context, Côte d'Ivoire's economy still has numerous strengths:

✓ *excellent infrastructure*

> The country has excellent infrastructure--communications, transport, power, and water. Many international companies still maintain their regional operations in Abidjan for this reason.

✓ *abundant natural resources*

> Although the focus of agricultural production has been on two primary commodities--coffee and cocoa--the country has the potential to produce much more. Major mineral deposits also exist.

✓ *a large and sophisticated consumer market*

With a comparatively large middle class that has some spending power, Côte d'Ivoire is one of the rare Sub-Saharan African domestic markets with purchasing power. Over 60 percent of the population is under twenty years of age, a high spending segment of any consumer market.

✓ *well-educated population*

Because of the wealth generated over the past thirty years, many Ivorian professionals and technocrats have been trained overseas. They are generally a bright, entrepreneurial people. This spirit runs from young people returning to the land to raise livestock and diversified crops to women who set up typewriting stands on the sidewalks of Abidjan, ready to type your letters, documents and forms.

The weaknesses of the economy, however, are clearly serious and have grown in recent years:

- The economy is depressed--there is no way of getting around it--and is likely to remain so for at least another couple of years. Many foreign entities, including American companies, are leaving because margins have shrunk to unacceptably low levels.

- Business, and particularly foreign business, is concerned about a possible devaluation of the CFA franc in 1992 or 1993. This would further reduce Côte d'Ivoire's terms of trade, since its exports are sold in dollars, and would give strong impetus to inflation, which has historically not been a problem in the country.

- Though the government is attempting to shrink it, the bloated public sector will remain a major burden on the economy over the next few years.

- Structural adjustment is taking place, under donor pressure. But the results could be growing political instability.

- Political instability will be further fanned by the lack of a clear procedure to direct the succession to aging President Houphouet-Boigny. Though the 1990 constitution specifies such a plan, over the past few years the President has prevented anyone competent from gaining enough power to become a real heir apparent. It is quite likely that he will continue to do so.

- The government has no plan for growth--everything now is about cutting back, even in the midst of a depression. Business faces a situation in which there is little promise on the horizon of economic expansion, and thus major new opportunities.

How Investment Policy and Regulation Work

Investment policy in Côte d'Ivoire is made largely on the basis of political criteria: whom you know, what your connections are, and how much you can pay. One of the reasons for the slowness of the government in effecting real economic reform is that decisions are traditionally not based on what is needed for the economy but on other, more political criteria.

Foreign business has also criticized Ivorian policy-making by describing it as "tribal," in the sense that policy is made to ensure immediate survival and not to plan effectively for the future. Short-term costs usually outweigh long-term, and thus vaguer, benefits.

In principle, the Ivorian government is hospitable to foreign investment. Most codes follow a rational, French model and in general encourage investment. In practice, however, the political basis for decision-making puts the letter of the law at odds with the practice of the law. Thus, while regulation is not excessive in many sectors, particularly under the new investment code, investors often face major red-tape hurdles in trying to make the system work without the necessary political connections or pay-offs.

In some key sectors, however, even the regulatory codes are an obstacle. Mining, for example, is governed by a byzantine investment code, and the government has not made major strides in reducing the bureaucratic maze that companies must go through for licenses. Until this situation is ameliorated, such potentially profitable industries will remain largely undeveloped.

One important area of investment regulation that does function well is the foreign-exchange management system. This is primarily because the CFA franc is supported and regulated out of Paris and not Abidjan.

KEY ISSUES FOR AMERICAN INVESTORS

A U.S. company that produces satellite antennas has done particularly well in the Ivorian context. Key to its success have been three factors:

- ✓ It has a local partner, a Lebanese firm with over twenty-five years of experience in Côte d'Ivoire.
- ✓ It found a niche market where American technology is regarded as the best.
- ✓ It entered a market where there is sufficient local demand.

These three characteristics are crucial to the success of an American venture in Côte d'Ivoire.

By contrast, a U.S.-based venture capital firm tried to get a foot in the Ivorian gold-mining industry. Without a local partner, the company spent $2-3 million and two years trying to negotiate a permit. In the meantime, the heavy equipment it shipped in anticipation of starting to mine literally became obsolete as it sat in the ports, unable to move because a permit and license had not been granted.

A discussion of general issues for business is given in section 5.3. American investors in particular should also consider the following:

- Factors costs in Côte d'Ivoire are very high, particularly in U.S. dollar terms. The overvaluation of the CFA franc (discussed in Chapter 8) means that many input and labor prices are significantly higher than elsewhere in the region and even than in the U.S.

- Corruption is rampant in Côte d'Ivoire, and companies that operate without "greasing the wheels" are at a definite disadvantage in the market, particularly vis-à-vis the French. This is the experience of American investors still in the country, as well as the perception of non-American investors.

- French is absolutely essential to doing business in Côte d'Ivoire; American firms should count on having francophone staff at both senior and junior levels. By national law, company accounts must be submitted in French.

- Ethnic rivalries are generally not significant in the country, though American investors should familiarize themselves with the major groups. The President's Baoule tribe is the most economically important; tribal links are important in doing business.

- Successful American businesses in Côte d'Ivoire tend to operate through their French subsidiaries in order to take the fullest possible advantage of the "special relationship" between France and Côte d'Ivoire.

- Though Côte d'Ivoire is a member of the Lomé Convention, and thus has privileged access to the EC, most investors and businesses in the country emphasize the greater importance of France and the franc zone in shaping the local economy. American investors should investigate the possible incentives provided by the Lomé Convention and the franc zone.

- Locating investments in sectors that are priorities for the government will offer better incentives.

- Côte d'Ivoire is not a cheap-labor economy, particularly for Americans. In fact, many salaries are higher than those in the U.S. For example, an unskilled secretarial wage in Côte d'Ivoire is $25,000 a year.

- Given the high cost structure of doing business in the Côte d'Ivoire, larger companies with a long-term view will do better at this time. Be willing to put off profits for a period of time, and focus on getting to know how things operate. Invest in relationships, and find a regional comparative advantage.

- There is no outright discrimination against American firms. In fact, American investors are welcome, particularly in target sectors. The government will continue to encourage American investment and, under donor pressure, the investment environment is likely to improve slowly.

- Nonetheless, non-French investors view the economy as a *chasse gardé*, or a fixed race. There is sentiment among the non-francophone expatriate community that their access to key people and markets is limited.

MAJOR OPPORTUNITIES AND CONSTRAINTS

These economic and financial conditions have produced an investment climate that is far from attractive. Nonetheless, there are limited **opportunities** that investors with big pockets may want to consider:

tropical-food processing

Many people think that the sweetest pineapples are grown in Côte d'Ivoire. There is the capacity to produce rice, coconut, and flowers for export, among other tropical fruits and vegetables.

computer electronics and telecommunications

Americans are perceived as being the world leaders in this field, and Ivorians are particularly eager to gain access to American technology and skills in this sector.

horticulture

In addition to tropical-fruit processing, most agribusiness experts believe the country has an enormous potential to grow vegetables, plants, and flowers, as countries such as Kenya, Chile and Mauritius have done.

cosmetics and health-care products

Given the country's young population and relatively large disposable income in the upper classes, American cosmetics and health-care firms may find good opportunities even now. This has traditionally been a strong sector for American firms in West Africa.

agricultural chemicals

Efforts to expand agricultural production and increase quality will mean a continuing strong demand for agricultural chemicals.

industrial equipment

Despite the economic depression, Côte d'Ivoire must spend more money to upgrade and repair its infrastructure. Donor programs are encouraging and even financing such expenditures.

Opportunities also exist in the procurement process supported by the World Bank, the African Bank for Development, and the Agency for International Development. Winning a contract with one of these organizations, as part of one of their larger programs, ensures a foreign company that the source of funding will be secure, and on a limited basis provides exposure to doing business in this climate. American companies do not often take advantage of this opportunity.

Business also faces major **constraints**, however.

Among the factors cited above, investors in the country cite one in particular that almost outweighs everything else: the costs of both living and doing business in Côte d'Ivoire are extremely high. Abidjan is consistently rated among the most expensive cities in the world.

As an example of the high cost of imported goods, one expatriate noted the following:

- A gallon of gasoline costs $5 per gallon; diesel fuel is almost as expensive.

- A half gallon of ice cream costs $12.

- One head of iceberg lettuce costs $4 in the supermarket.

- A can of tennis balls costs $11.

- Cooling a house during the hotter months can cost approximately $1,500 per month.

- Annual automobile insurance costs roughly $6,000.

Although these only pertain to home expenditures, they are an indication of the level of prices for inputs for home or office.

Another constraint American firms must consider is the growing exodus of American service firms (accountants, banks) from the country, which limits direct access to such services for new investors.

▪ ▪ ▪

From an optimistic point of view, Côte d'Ivoire is a success story that has simply been derailed by circumstance, in this case low prices for its goods. But this view does not take into account the serious lethargy among Ivorian policy-makers that is threatening the country's economic future. For American investors, this situation is typical of higher-risk, higher-return opportunities, in which carefully planned and considered entries into niche markets can have substantial pay-offs, but in which ill-considered efforts can be expensive mistakes.

1. POLITICAL BACKGROUND

Côte d'Ivoire is a relatively peaceful West African nation of 12.5 million people with a history of stable regional and international relations. Over the past twelve to eighteen months, the country's political structure and climate have begun a process of liberalization through the introduction of "multipartisme" and at least token efforts to make the government more transparent. Although there have been increasing incidents of unrest, and political opposition has become more vocal, these are more the predictable side effects of opening the political process than evidence of serious political instability.

1.1 GOVERNMENT AND POLITICS

Structure of Government

Côte d'Ivoire is a unitary republic, governed by a constitution and the Napoleonic Code. The constitution provides for a strong presidency within the framework of a separation of powers. There is a unicameral legislature, composed of 175 seats, and an independent judiciary. The president is elected by universal suffrage for a five-year term, as are legislators.

Felix Houphouet-Boigny has been Côte d'Ivoire's president since independence in 1960. Although his popularity is currently waning, he has ruled the country with a largely benign hand for thirty years and shows no sign of leaving the national political scene.

Until 1990, the President was both the powerful father of the nation and the key policy- and decision-maker. Under pressure from within the country and from external allies, however, last year he appointed a bright, Western-educated prime minister, Alassane Ouattara.

This was part of a larger process of opening national politics and allowing the participation of opposition parties. Côte d'Ivoire's first multi-party elections ever took place in the fall of 1990. Opposition parties, which had little time to launch well-managed campaigns, nevertheless did capture ten seats in the National Assembly, and the front-running competition to the President won 20 percent of the votes.

Under the present system, there are three prominent parties:

- Parti Démocratique de Côte d'Ivoire (PDCI), the ruling party
- Front Populaire Ivoirien (FPI)
- Parti Ivoirien des Travailleurs (PIT)

The Presidential Succession

The main political question in Côte d'Ivoire in recent years has been how long Houphouet-Boigny will remain in power. He is in his late eighties, but he continues to hold on tenaciously. He has over the years promoted and then removed several heirs apparent. There is some concern that there will be a power vacuum when Houphouet-Boigny dies.

Although the constitution, as newly amended, provides that the head of the National Assembly should become the interim head of government in the case of the president's death, there is concern about serious unrest should this actually occur. The current Assembly head, Henri Konan Bedie, is ambitious, but does not have the stature of Houphouet-Boigny.

As if to underscore this potential political problem, a series of strikes and demonstrations by teachers and professors over the past several months has disturbed the political scene. The teachers and professors were protesting impending decreases in salaries, part of the Prime Minister's austerity measures (see Chapter 4). This show of muscle by unions and opposition parties, especially the FPI, was met with a strong show of force by the government. The combination of economic hardship (see Chapter 2) and discontent over alleged fraud in the country's first free elections fueled unrest and will continue to influence the country's political climate. But many people also believe that the President's death will bring a period of "testing" of the new government, perhaps with a sharp rise in violence.

Security

A combination of unrest from economic austerity and civil war in neighboring Liberia have raised a security threat in Côte d'Ivoire. This is reflected in the increased defense allocations in this year's budget.

The austerity program has caused growing domestic unrest, including, over the past year, student-led violence, a brief military mutiny, and strikes by the police and other major service sectors. In fact, the civil unrest in the face of suggested financial tightening caused the government finally to withdraw the wage-reduction program.

Meanwhile, the border with Liberia is relatively porous, and arms intended for the warring factions there have found their way onto Ivorian streets. Côte d'Ivoire now hosts an additional 240,000 Liberian refugees. Their presence has exacerbated domestic political and economic tensions and has increased security concerns along Côte d'Ivoire's borders.

These events have made security a major political and social problem in the country.

Although violent crimes are not generally a problem in Côte d'Ivoire, there have been increasing instances of armed robbery. These tend to be economic in motivation, and have caused well-off Ivorians and foreigners to increase precautions at home and at work.

1.2 HUMAN RIGHTS

When compared to other Sub-Saharan countries, the Côte d'Ivoire has a good human-rights record. Allegations of infractions stem more from the repression inherent in a single-party system than from gross abuses of individual human rights. There will be further improvements in the country's record with the introduction of a multi-party system.

While there is widespread acknowledgment of corruption in the judiciary, specifically as it concerns retribution for commercial wrongs, individuals are well treated. In Côte d'Ivoire, people don't disappear, nor are they jailed for indefinite periods of time without reason. There is a general respect for human rights and for democratic procedures concerning alleged criminal behavior.

1.3 Corruption

As is true elsewhere in Africa, in Côte d'Ivoire the line of demarcation between government and business is somewhat blurred because ethnic and family relationships play such an important role in both spheres. The extended family imposes responsibility upon its members in proportion to their success in life, such that every advancement in status and income enlarges the circle of relatives, clan kinsmen, and tribal members who have claims upon resources. The burden of generosity is best borne by trading favors among peers; an official in the Ministry of Transport might find his niece a secretarial job in the Ministry of Health, while an official in the Ministry of Health might help his brother become director of a firm distributing veterinary products, and so on.

This pattern of behavior is readily transposed to dealings with foreigners: a pattern of personal friendships and small favors helps to cement merely economic relationships and facilitate the solution of business problems. Thus it is useful to cultivate Ivorian contacts through social events and tokens of appreciation.

In Côte d'Ivoire this traditional pattern further translates into widespread graft and corruption, running from customs agents at the airport to judges. It is generally accepted that to accomplish your objective, a palm or two will need to be greased along the way. There is petty corruption in commercial dealings, and there are allegations of corruption on a grander scale in the provision of favors within the government.

And, although ethnic rivalries are not a dominant force in national politics, there is resentment that the President's own Baoule tribe, which constitutes about 10 percent of the Ivorian population, has been dominant in the country's elite. This belief was given some corroboration when the capital of the country was moved from Abidjan to Yamoussoukro--in the heart of Baoule region--in 1983.

For business, the level of corruption in Côte d'Ivoire is such that firms that refuse to participate are at a real disadvantage. This is the perception of both American investors on the ground and non-American business leaders. Thus, although participating in corruption is not essential to doing business, it is a definite advantage.

1.4 Freedom of Expression

Until last year, free speech, which is provided for in the constitution, was in practice only de jure. With the introduction of a multi-party system there has been a de facto increase in freedom of expression. In the past year alone over twenty new publications were established. Three opposition papers were launched, backed with private funds, and there is every indication that this trend will continue.

On May 31, the Syndicat Autonome des Agents de l'Information du Secteur Publique (Syninfo) announced an agreement with the government to end pressure to curtail free speech. Nonetheless, the communications ministry continues to make obligatory daily government-sponsored "thoughts for the day." Legislation securing a free press is still pending.

1.5 International Relations

Côte d'Ivoire enjoys a well-earned reputation as an ally of the West and a regional peacemaker.

The country's most important international relationships are with France and the rest of Western Europe.

France

France has ties of history, politics, military strategy, economics, and culture with Côte d'Ivoire. French colonial policy was based upon the assumption that any African could, in principle, aspire to gain the highest intellectual and cultural qualities that civilization has to offer, i.e., to become as French as the French themselves.

Nevertheless, the Ivorians and the French do not see eye to eye on all issues. The French, while welcoming structural adjustment and massive aid from other donors because it lessens the aid burden on themselves, are a bit put out that economic policy reform means letting other foreigners in to compete on what was long regarded as a *chasse gardé*, or fixed race. For their part, the Ivorians worry that France is being diverted into a European Community that will focus its attention on opportunities and competitive challenges in Europe, especially in Eastern Europe.

France long used its position as spokesman for a global French-speaking community, of which African countries formed the core, as a counterbalance to growing German economic and political weight in Western Europe. It remains to be seen whether this will continue, but the generation of French and African politicians who held the francophone community together for thirty years is passing from the scene, and its heirs on both continents appear to lack the commitment that maintained it for so long.

Western Europe

Africa is to Europe as Latin America is to the United States--a geopolitical security zone, a secondary market, a source of raw materials and cheap labor, a vacation playground, and a pole of population migration that is causing uncomfortable changes in social, economic, and political patterns at both ends. All these factors will influence relations as Europe unifies and Africa struggles to achieve economic growth. The European Development Fund and individual European governments are major donors to Africa, including Côte d'Ivoire. In addition, Africa has preferential access to European markets through the Lorné Convention. Anticipated EC investments in Eastern Europe and northern Asia notwithstanding, it appears inevitable that the links between Africa and Europe will remain close in coming decades. This, however, will not forestall investments from Asia and the Americas; would-be investors from the United States are likely to find increasing competition for opportunities in Côte d'Ivoire and elsewhere in the region.

Regionally, Houphouet-Boigny has played a major role in reconciling the main factions of the Liberian conflict. In fact, Côte d'Ivoire will chair a five-nation regional commission to oversee general elections in that country.

Many of Côte d'Ivoire's relationships with neighboring countries are linked to its place as francophone Africa's most important economic player. Attracted by peace and economic opportunity--its GDP acccunts for almost half of the output of all the countries of the West African Monetary Union (WAMU)--as many as 5 million guest workers from surrounding countries have been welcomed into Côte d'Ivoire. This makes it a major force for economic well-being and stability in the entire region.

Therefore, part of Côte d'Ivoire's political and economic picture is the presence of a significant population of immigrants from neighboring West African nations. The country is host to foreign nationals seeking better economic opportunities.

Côte d'Ivoire also plays an important international role. Houphouet-Boigny was one of the founders of the Organization for African Unity. He played a key part in the resolution of the status of Namibia, and has been a constant presence in negotiations over Angola. At the United Nations, where Côte d'Ivoire currently sits on the Security Council, it is a staunch and consistent friend of the United States. Côte d'Ivoire supported the U.S. in the Gulf War and has generally backed U.S. interests since independence.

Like all African nations, Côte d'Ivoire supports the concepts of African unification and of cooperation among sovereign African states. In pursuit of those aims it participates in the Organization of African Unity, the Communauté des Etats de l'Afrique de l'Ouest (CEAO) and the Communauté Economique des Etats de l'Afrique de l'Ouest (CEDEAO). The latter, larger body, which contains several anglophone members (notably

Nigeria), is also known familiarly by its English name and acronym, the Economic Community of West African States, or ECOWAS. These institutions, intended to diminish economic barriers among their members, have never made much progress toward their goals and are at present more ceremonial than effective.

The Union Monétaire de l'Ouest Africaine (UMOA) is the powerful treaty linking West African countries to the French franc through the Banque Centrale des Etats de l'Ouest Africaine (BCEAO), the West African central bank. The CEAO, just mentioned, has evolved into something of a ceremonial body for UMOA, arranging a biennial meeting of the heads of member states to discuss economic issues.

1.6 Implications for American Investors

- Côte d'Ivoire has a history of political stability and pro-Western policies.
- Current security problems and political opposition reflect the strains of a changing society and will not make the country innospitable to a foreign presence.
- Conditions that bode well for American investors include:

    a government eager to maintain good relations with neighboring countries, other Sub-Saharan countries and allies at the United Nations;

    an opposition movement that, at least in its rhetoric, is at least as oriented towards a free-market economic and political system as the current regime and is putting pressure on that regime; and,

    a well-educated population that views the West as a friend, and will continue to court the foreign presence in its markets.

2. ECONOMIC PERFORMANCE AND OUTLOOK

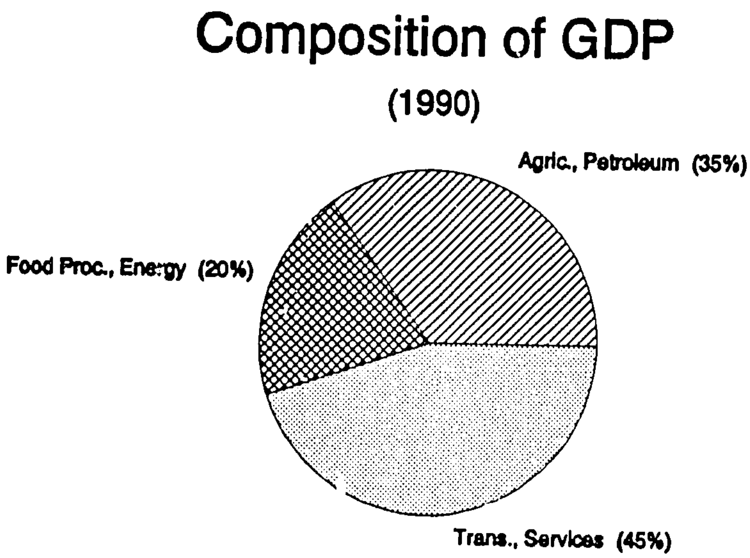
Since independence, the Côte d'Ivoire has been the engine of West Africa, producing over half of that region's GDP. This is changing quickly and painfully. The nation's export base, built upon rich returns on sales of coffee and cocoa, is in decline. The country now faces poor overall prospects because of continuing low prices for its primary exports, a generally contracting world economy, and pressure from multilateral donors to decrease spending.

2.1 Summary Table of Major Indicators

SUMMARY TABLE OF MAJOR INDICATORS
(% change)

	1987	1988	1989	1990	1991-6p
GDP (real)	-5.8	-3.2	-4.0	-3.0	-1.0
Consumer prices	5.3	7.5	1.0	-0.3	-0.1
GDP per capita	-5.6	-6.0	-5.5	-6.9	-2.0
Consumption	-6.2	-9.3	-3.7	-10.0	-2.0
Savings as % of GDP	16.1	18.0	13.4	14.2	10.0

2.2 STRUCTURE OF THE ECONOMY



Economic growth in Côte d'Ivoire has been fueled by the agricultural sector. From independence through the 1970s, the country enjoyed impressive returns on its primary exports and generated the foreign exchange required to purchase needed inputs from domestic industry and consumption. In 1981, GDP per capita reached $1,200.

With the more recent dramatic downturn in terms of trade for its goods, Côte d'Ivoire has slipped into an economic decline that shows few signs of turning around in the near future. Instead of diversifying in the face of contracting world prices for its primary exports, the country continues to rely heavily on them--in 1990, cocoa and coffee accounted for 41 percent of total exports, compared to 46 percent in 1980, despite repeated government efforts to encourage the development of alternatives.

Côte d'Ivoire is at a major disadvantage in trying to compete on world markets because of the country's extremely high costs of production and of doing business compared to competitor countries. This in turn is related to the significant role played by the public sector in the economy (see chapter 4), a weak banking sector (see Chapter 11), high labor costs and the overregulation of sectors such as energy and labor.

2.3 STRUCTURAL PERFORMANCE

Sectors

Agriculture

Côte d'Ivoire is the world's leading exporter of cocoa, and the third-largest exporter of coffee. Agriculture occupies anywhere from 50 percent to 80 percent of the labor force and accounts for over 30 percent of GDP.

Production has slackened recently, as growers have been attempting to increase the quality of output. This would normally bode well for prices, except that world demand, especially for the robusta coffee produced in Côte d'Ivoire, is falling.

There are plans underway to expand the production of secondary crops, such as rubber, palm oil and cotton, and to promote food crops, particularly rice maize, as well as other foods such as fish, livestock and poultry. The government is now stressing self-sufficiency in foodstuffs, hoping to improve, among other things, the country's balance of trade and payments.

Manufacturing

The manufacturing sector does not play a significant role in the economy. The industrial-production capacity that does exist is intimately tied to agricultural production, where half of the industrial labor force works. Textiles and apparel are next in importance. Throughout the sector, inputs are expensive, especially energy and labor.

The primary industries are petroleum and mining; the latter has recently begun to increase in importance because of the opening of two gold mines over the past several years. There is also hope that large reserves of natural gas will lead to growth in this sector.

Services

Services in Côte d'Ivoire tend to be relatively sophisticated and available, but they are performed--and regulated--primarily in the public sector. Most are therefore inefficient and protected from competition or foreign investment.

Spending & Savings

The savings rate in Côte d'Ivoire is quite low. Gross domestic savings as a percentage of GDP has declined since 1986 from almost 20 percent to 14 percernt in 1990. Even this rate is somewhat misleading, however, because it is universally acknowledged that much of what is saved by individuals goes offshore, primarily to France.

Spending is depressed along with the economy, though nominal levels of spending are high because of the high cost of goods and services.

2.4 Economic Prospects

The Ivorian economy's current depressed state is due largely to the lethal combination of weak prices for its primary exports and a history of inadequate domestic incentives and inefficient policies. During the boom years of high prices for cocoa and coffee, the government failed to make adequate investments in diversifying production. The country also got used to trading with a currency that is highly overvalued (by at least 50 percent).

When prices crashed--and simultaneously oil prices rose and world demand subsided--the country was left with little to show for its years of good fortune. To postpone belt-tightening, the government began a pattern of borrowing that persists today. In 1979 public foreign debt was approximately 37 percent of GDP; it will reach 130 percent this year.

There are belated plans underway to improve the country's economic climate. The government is designing an agricultural strategy to encourage the production of traditional export crops (rubber, palm oil and cotton), to improve the quality of cocoa and coffee crops, and to promote food crops for domestic consumption, particularly rice and maize.

If relative growth is to occur over the next several years, however, it will be less the success of the above programs than a decline in government indebtedness and spending. There are no government plans to encourage growth. The focus of the Prime Minister and others will be on the reduction of spending, not on the generation of new revenue.

The bright spot is that during the approaching times of austerity, the country will be able to rely on its relatively strong existing infrastructure: human capital and agricultural and mining resources. Although there has been little export diversification among West African nations in general, and thus very little comparative advantage or room for competitive pricing, Côte d'Ivoire has the distinct advantage of a highly developed and reliable infrastructure.

A list of general economic problems in the country can be found in *Making the Investment Decision.*

2.5 Implications for American Investors

- Although real growth is not an imminent prospect, certain niche opportunities exist for American investors in the near term, particularly related to government incentives to increase exports of commodities other than coffee and cocoa.
- A strong infrastructure accustomed to foreign needs and demands offers a hospitable working environment from which to explore niche markets.

3. SECTORAL ANALYSIS

The government of Côte d'Ivoire has rooted its economic development in the encouragement of export agriculture. With between 50 percent and 80 percent of the labor force engaged in this declining sector, the country will have to find new resources to exploit to provide employment. Mining and energy, which have been controlled by the government and are not highly rewarding, may increase in significance as privatization plans move forward.

3.1 AGRICULTURE

The agricultural sector employs between 50 percent and 80 percent of the labor force and accounts for 70 percent of export earnings. Over one-third of GDP is from agricultural production. Of this, cocoa and coffee are the principal export products and revenue earners, accounting for 40 percent of agricultural GDP.

Production is controlled by the government. Small producers, who make up the bulk of the sector, sell crops at prices fixed by the government. Minimum prices are guaranteed to farmers, regardless of world prices and demand.

The mechanism for carrying out government policy is the Caisse de Stabilisation et de Soutien des Prix Agricoles (Caistab), the agricultural marketing board. Caistab has been a focus of controversy over the past decade, the object of allegations of corruption and unethical pricing. The World Bank wants the Caisse to be dissolved. Although moves to eliminate it have failed, there have been some token efforts to streamline its management; its head recently resigned.

By mid-1991, Côte d'Ivoire had sold most of its coffee and cocoa crop forward for 1991-92. This was done largely to comply with World Bank stipulations, which require that 60 percent of the crop be sold forward by October 1. Over the past year, quality has improved, and climatic conditions have become more favorable. Prices, however, remain depressed. Producer prices for cocoa have declined by over 50 percent since 1985, and those for coffee have plunged 75 percent.

There are some non-traditional areas of agricultural production that have promise: tropical fruits, horticultural products (flowers and vegetables), and cashew nuts. All of these can be sold in the off-season to Europeans; as Eastern and Central Europe, Russia and the Baltics begin to develop more vibrant economies, they may resume importing these types of goods.

3.2 Energy

Until 1985, petroleum production was an important source of energy. But in 1989, petroleum exports accounted for only 0.13 percent of total exports. Plans for large-scale production have not been realized, for oil deposits were found to be small and scattered in deep-water deposits. Côte d'Ivoire has a regional oil refinery, SIR, which has recently begun to generate profits.

Côte d'Ivoire produces its own electricity, primarily from two hydro-power plants. Recently, the French committed financing for the rehabilitation of Energie Electrique de Côte d'Ivoire (EECI). The French are also involved in the management of the electrical industry. The Compagnie Ivoirienne d'Electricité (CIE) was set up to manage the industry, which the government has plans to privatize. CIE is 65 percent owned by a French engineering company, Bouyges. CIE is planning to increase its services to the public. The average price for electricity is CFA 49/kwh ($0.18).

In addition, the Swiss have made a commitment to provide CFA 6.8 billion--half grant, half long-term loan--to rehabilitate five small electric power plants.

Côte d'Ivoire has important natural gas reserves, and negotiations are currently underway for their exploitation. The potential drawback will be the electric bill for extracting the reserves, which will represent about 50 percent of production costs.

There is a government policy of energy-saving in place. The goal is to reduce the national energy bill by CFA 2.5 billion. A major component is a radical decrease in the use of fuel wood. This will have several benefits, including a reduction of pollution and deforestation.

3.3 Mining

The most significant prospect for extractive activity in Côte d'Ivoire is gold mining. The country's first gold mine at Ity began operations in early 1990 and is expected to produce 4,500 kilograms of gold in its first seven years of operation. A second field is scheduled to begin production this year near the town of Afema. Financing for exploitation has come from the Overseas Private Investment Fund (a $2 million loan) and the Africa Growth Fund (a $2.5 million credit).

In Côte d'Ivoire, extractive industries are governed by special investment codes. One provision gives the government the right to receive a minimum of 10 percent of production. It can also buy in up to 50 percent.

Another issue concerning mining is similar to natural gas: 50 percent of production costs are electricity, and prices for electricity are unreasonably high.

3.4 Industry

The production of tropical foods for domestic consumption and export accounts for approximately half of the output of Ivorian industry. The balance relies on imported materials.

Manufacturing in Côte d'Ivoire is not competitive. Labor and other production costs are high. There is a general weakness of domestic demand, a scarcity of credit, high wages, taxes and energy tariffs.

The bulk of industrial production is in the processing of agricultural products--almost 50 percent. Other industries depend on imported materials.

3.5 FOREST PRODUCTS

The forest-products sector has historically ranked third in economic importance after coffee and cocoa. Tropical hardwood exports in 1989 provided 10.5 percent of total export earnings. But in 1989 log production began a decline that is expected to continue. The decline is due to a high rate of felling, a lack of reforestation, and the increased use of available land for agricultural production. Overall revenue from wood has fallen from CFA 123 billion in 1980 to CFA 88 billion in 1989.

3.6 IMPLICATIONS FOR AMERICAN INVESTORS

- Because of particular structural characteristics of the Ivorian economy, production costs are high across all sectors.
- There is an abundance of natural resources, both agricultural and for the extractive industries.
- If the CIE manages to decrease electrical costs, the overall cost structure of erecting productive businesses may decline.
- The government is attempting to privatize most sectors of the economy, reducing the role of the marketing boards and thereby providing incentives for competitive pricing.

4. STATE'S ROLE IN THE ECONOMY

The state dominates the Ivorian economy. In 1990 alone, public-enterprise investment accounted for over 60 percent of all investment in the country. The private sector, which is highly regulated, does not have access to the kinds of credit and capital necessary to make it more significant in the country's activities.

4.1 STRENGTH AND ROLE OF THE PUBLIC SECTOR

In Côte d'Ivoire, the economy is highly regulated. Labor and trade are likewise restricted and controlled. And the government itself is the major employer, with well over 50 percent of the budget allocated to paying public servants' salaries.

While this dominance brings its own problems (such as a lack of responsiveness to market forces), the public sector has another role in the Ivorian economy that further limits private-sector development: it grants access to government employment and rights to many activities--such as importing certain products, exporting major commodities, exploiting the tropical forest, and controlling transport--according to political criteria.

Until recently, the government was able to generate economic growth by spending money. It purchased significant amounts of goods and services, which in turn led to relative economic vitality. This is no longer the case, however. With an ever increasing debt burden (see Chapter 9), the continuing decline of the economy, and subsequent shortfalls in fiscal revenue, the government, under the guidance of the Prime Minister, has introduced austerity measures aimed at cutting spending.

The Prime Minister understands that underlying the current fiscal crunch is an entrenched structural problem. He has therefore embarked on an ambitious, if slow, privatization program while pursuing restrictive budgetary measures.

The ambitious privatization program is supposed to privatize some twenty-four companies in the medium term. There are four stages to the process:

Stage One:	Diagnostic Study
Stage Two:	Strategic Study
Stage Three:	Valorization
Stage Four:	Sale

Stage one is a technical and financial look at sectors of the economy. Foreign concerns may want to bid on conducting managerial and technical feasibility studies at stage two; it is here that the government will decide the type of privatization course to follow. The Privatization Committee of the Prime Minister's office, under whose responsibility this process falls, will be willing to entertain a variety of types of transfers, from debt swaps to outright sales. The committee will be preparing a periodic publication that will announce which companies are at which stage of the process. Interested foreign companies can get information from the U.S. Foreign Commercial Service on the process, and enter into the bidding through them.

Both business and government agree that progress on privatization will be slow. Business perceptions of the process are that the government is spending too much time trying to figure out a workable procedure (i.e., one that minimizes political costs) and not enough on actually selling enterprises. The government also acknowledges that some type of preference is likely to be given to Ivorian buyers.

4.2 Strength and Role of the Private Sector

The formal Ivorian private sector is weak and underdeveloped. Its evolution has been circumscribed by heavy regulation, a weak financial sector, and an economy in the middle of a sustained decline. In addition, the public sector, in efforts to increase revenue in the face of lagging exports, has continued to extract taxes from the private sector as a mechanism for remaining solvent. The burden has been heavy, and many foreign private concerns are consequently looking to leave the country.

Despite the relative weakness of the private sector, Côte d'Ivoire's informal economy is much less important than that in most other regional countries. One reason for this is that the parastatal sector has a relatively sophisticated consumer capacity--in other words, most consumers do not have to resort to the informal sector for daily needs. Goods are abundant, though expensive.

4.3 Implications for American Investors

- Because the Ivorian economy is dominated by parastatals, American investors will have to consider their willingness to become partners, under heavy regulation, with state enterprises.

- As economic restructuring proceeds, American investors may want to take advantage of opportunities made available through privatization, particularly in interesting niche markets.

- Investors should follow closely changes in regulations concerning wages, taxation and price controls as the government makes structural adjustments.

5. INVESTMENT CLIMATE

The investment climate in Côte d'Ivoire is deteriorating. Profitability is diminishing as inputs remain expensive, taxation has increased as the government looks for sources of revenue, and there is a growing likelihood that the CFA franc may be devalued in the near future.

5.1 Recent Investment Performance

Meaningful statistical measures of investment performance do not exist in Côte d'Ivoire. Anecdotal evidence indicates growing pressures on earnings from the general economic decline and the slowness of government efforts to address basic structural problems. Businesses are voting with their feet--the exodus of foreign investors is accelerating.

5.2 Experience of Private Investors to Date

During the boom years of the 1960s and 1970s, American investors joined their more numerous French counterparts in taking a stake in the Ivorian economy. This participation did not last long, however: American firms are now leaving in large numbers. They have found Côte d'Ivoire to be unprofitable and the government to be overly involved in the domestic economy. Many have had a hard time competing with French companies, who know the language--literally and conceptually--of the country.

Many firms have chosen to maintain an office in Abidjan because it is a commercial center of West Africa, with numerous banks, insurance companies, legal and accounting firms and consultants. But this, too, may be changing as costs rise and security concerns multiply.

For reasons of convenience, language, and currency transfer, many U.S. companies present in Côte d'Ivoire are in fact the French subsidiaries of U.S. companies. For example, Coca Cola in Côte d'Ivoire is a branch of the European office of Coke, domiciled in Geneva. Likewise, the accounting and consulting firm Ernst & Young has a presence via its French subsidiary, FFA.

French investors constitute some two-thirds of total FDI in Côte d'Ivoire.

Successful foreign investments in Côte d'Ivoire generally have three characteristics:

✓ The investor has a local partner.

✓ The investor has found a niche market where it has a particular local advantage.

✓ The investor has entered a market where there is sufficient local demand.

These three characteristics are crucial to the success of any venture in Côte d'Ivoire, particularly an American one.

5.3 Investment Outlook

Côte d'Ivoire's declining economy offers an uncertain future for investors. In the medium term, opportunities will be primarily limited to niche markets that can take advantage of certain characteristics of government programs and donor aid--upgrading cash-crop production, for example.

Business Problems

high operating costs

Basic operating costs are very high in Côte d'Ivoire, including salaries for professionals and technicians, public utility charges, technical services, and the general cost of living.

corruption

Corruption is endemic and, while not necessary for doing business, certainly offers an advantage to those who engage in it.

problems with closure

Businesses complain of problems in closing arrangements and deals; "people tell you what you want to hear but then take no action." This is particularly common in the government.

lack of planning

In both the private and the public sectors, investors on the ground find a lack of capability and even interest in effective medium- and long-term planning.

protectionist practices

Some investors complain that, while the government welcomes investment and competition on paper, it remains protectionist in practice in several major sectors, including food crops.

Business Incentives

CFA franc convertibility

One of the most important attractions of investing in the Ivorian economy is the convertibility of the CFA franc, which allows free repatriation and remittance (see Chapter 8).

good infrastructure

Despite the accelerating exodus, fifty American companies have operations in Abidjan. Many of these serve as headquarters for all

West African operations, and this is largely because of the city's accessibility, good telecommunications, roads, business services and location.

hands-off government attitude

In general, the government has a hands-off attitude towards productive investment, domestic and foreign alike. Unless an investor is seeking specific tax concessions, the government tries to maintain a general policy of non-intervention.

numerous forms of assistance for American investors

There are numerous international organizations available to assist American investors. The U.S. International Development Cooperation Agency's Trade Development Program, OPIC, the African Development Project Development Facility, and the African Investment Program of the IFC all assist American and other investment. The only affiliate of the U.S. Chamber of Commerce in sub-Saharan Africa is in Abidjan.

5.4 Investment Opportunities

Several industries in the Côte d'Ivoire may be increasing in importance as the country seeks to diversify its economic base and attract foreign capital. They are particularly interesting because there is a domestic and regional market for them.

tropical-food processing

Many people think that the sweetest pineapples are grown in Côte d'Ivoire. There is a capacity to produce rice, coconuts, and flowers for export, among other tropical fruits and vegetables.

computer electronics and telecommunications

Americans are perceived as being the world leaders in this field, and Ivorians are particularly eager to gain access to American technology and skills in this sector.

horticulture

In addition to tropical-fruit processing, most agribusiness experts believe the country has enormous potential to grow vegetables, plants, and flowers, as countries such as Kenya, Chile and Mauritius have done.

cosmetics and health-care products

Given the country's young population and relatively large disposable income in the upper classes, American cosmetics and health-care firms may find good opportunities even now. This has traditionally been a strong sector for American firms in West Africa.

agricultural chemicals

Efforts to expand agricultural production and increase quality will mean a continuing strong demand for agricultural chemicals.

industrial equipment

Despite the economic depression, Côte d'Ivoire must spend more money to upgrade and repair its infrastructure. Donor programs are encouraging and even financing such expenditures.

agricultural and irrigation equipment

The country will need more agribusiness equipment in general over the next several years, and donors are providing more financing to facilitate such purchases. The government and donors will favor local producers of such equipment, if they are present.

safety and security equipment

The growing crime and security problems in the country have led to an increase in budgetary expenditures on defense and security. This market is likely to grow strongly over the next several years.

5.5 Investing through Procurement

United States Agency for International Development

The USAID office in Abidjan, which is a regional office, does not have any private-sector projects in the offing in Côte d'Ivoire. Nonetheless, the U.S. government has $10 million available for shipping food under the Food for Peace legislation through Abidjan to other parts of West Africa.

To date, French firms have had the monopoly on trucking in the region, which is the lucrative part of such aid efforts. American freight-forwarding firms interested in establishing a presence in West Africa should submit a bid to the Food For Peace Bureau in Washington. (Even in times of non-emergency food needs, under Title 3 there will always be food going to the Sahel.) Interested firms will need to establish a distribution network, lease trucks and locate local partners to facilitate the process.

The African Development Bank

The African Development Bank (ADB) is headquartered in Abidjan. The ADB is a multilateral lending institution with a board of directors made up of donor-member countries. The American executive director is eager to ensure that American companies have a good chance of winning bids for implementing various multimillion-dollar programs funded by the bank, and encourages companies interested in participating in these projects to get in touch with the bank.

5.6 Implications for American Investors

- Participating in the procurement process may provide a safer vehicle for investment, especially if it is the investor's initial foray into a West African market.

- Investors are not required to have an Ivorian partner. Nonetheless, having a good relationship with local buyers facilitates easier business dealings and furnishes the foreign investor with a foothold in the country.

- French remains an important ingredient for good business relations, and it is worth hiring a francophone manager--French, Ivorian or American--to manage daily operations.

- Americans should be aware that Ivorians are sophisticated buyers and partners. Companies deciding to invest in the country should pay close attention to the quality of marketing and advertising.

- Potential investors may want to consider buying a small- to medium-sized company going out of business and trying to undercut the costs of larger companies by investing at the margin and gaining experience with a minimal capital outlay.

6. REGULATION OF FOREIGN INVESTMENT

Foreign investment in the Côte d'Ivoire enjoys a hospitable regulatory environment. Although maneuvering through the maze of restrictions and requirements may entail expenses of time and patience, the system is unbiased and reasonably transparent. One major problem area, however, is the settlement of disputes. There is allegedly little respect for the notion of contracts. Deals should therefore be structured carefully, and partners scrutinized rigorously.

6.1 Government Policy

General government policy is very hospitable towards foreign investment. French civil and commercial codes govern investment, domestic and foreign. This is also true of major laws and decrees on companies and basic land titles and their registration and transfer.

Nonetheless, investors report a lack of cooperation among various government ministries and a lack of responsiveness on the part of some officials, particularly if payoffs or other "incentives" are demanded.

6.2 Investment Priorities of the Government

The government has several priorities that are intimately linked to the incentives they offer. Under the newly amended investment code, investment incentives are available to companies that invest in the following priority areas:

Agriculture, especially rice for domestic consumption and other primary products for export

Stock Raising and Fishing

Storage and Treatment of Agricultural and Food Products

Low-cost Housing Construction

Extractive Industries

Power Production

Manufacturing and Assembling

6.3 Incentives for Investment

To encourage firms to invest in priority sectors, the government extends the following benefits under the investment code:

- Customs-duty exemptions on materials and equipment necessary to the investment, if such cannot be purchased in Côte d'Ivoire;
- Tax exemptions, generally for a period of five years with taxes phased in beginning in the fourth year, for business-income, license and real-estate taxes; and,
- A partial exemption from the Value Added Tax.

6.4 Limitations of Foreign Investment

For all practical purposes, there are no significant limits on foreign investment in most sectors, either in terms of levels of foreign ownership or sector of investment.

There are regulations governing the registration of certain levels of investment (see **6.6 Establishing a Business**), but these do not limit activity.

Certain sectors, such as power generation, remain for the moment government monopolies.

A minority or majority local equity partner is required only for enterprises in shipping and fishing; these require 50 percent local participation in capital and management.

6.5 Acquiring Real Estate

A variety of land tenure systems exist in Côte d'Ivoire, the principal of which are tribal property rights, government tenure, and private ownership.

Private parties may acquire title to real property subject to prior approval by the Ministry of Public Works, Post and Telecommunications. This is usually done as a matter of course. There is reasonable legislation preventing speculation by foreigners, but in practice a great deal of real estate is actually owned by foreigners.

It is possible to own property under the land title system and lease it within commercial, industrial and residential zones.

Foreign nationals generally cannot obtain permanent resident concessions directly from the government.

6.6 Establishing a Business

The most common forms of foreign business presence are:

- local agency or distributorship
- non-commercial or commercial branch offices of a foreign company
- limited responsibility companies (Sarl)
- sociétés anonymes (SAs)

Distributorship

This is the most simple form of business presence, and although not required, should entail a local partner.

Branch Office

Establishing a branch office involves the fewest legal formalities. The head office is responsible for debt and other obligations, as well as minimal taxes on profits.

Limited Partnership/Company

Société à Responsabilité Limitée (Sarl) has a minimum capital requirement of CFA 250,000, with a minimum of two shareholders. One or more shareholders must be resident in Côte d'Ivoire. Ownership is represented by shares.

Limited Liability Company

Limited liability companies, or sociétés anonymes, must be commercial in nature. They require a minimum of seven shareholders, a minimum share price of CFA 5,000, and between three and twelve directors.

Other less prevalent forms of businesses include foreign partnerships, joint ventures, civil companies, general partnerships, and parastatal and mixed-economy companies.

There is a series of administrative formalities for registering a business, some twenty-six steps in all. These entail no formal registration costs and take approximately eight weeks to complete.

In summary form, the following must occur:

- Register new business with the Register of Commerce within twenty days of beginning activity.

- File company documents with the Regular Tax Section of the Tax Department. A small tax is paid at that time.

- File initial declaration with the Tax Department of the Ministry of Finance within ten days of beginning business.

- Submit annual balance sheets to the Tax, Treasury and Statistics Departments of the Ministry of Economy and Finance, along with a profit-and-loss statement.

- At fiscal year's end (obligatory at September 30), submit these documents: company identification, balance sheet, production accounts, accounts of trading results and results of non-current activities, account of permanent assist sold, financial tables, statement of working capital, statement of financing activity, statement of continuing liabilities.

- Register with National Fund for Social Welfare.

Note that all accounting must be done in French.

All investments from outside the franc zone--capital contributions, capital allocations or loans, licensing and technical assistance contracts--must be approved by the External Finance and Credit Office of the Ministry of Economy and Finance (FINEX). This is essentially an exchange-control measure, and helps facilitate the eventual repatriation of profits and other payments. Also, the remittance of foreign exchange for investment must be registered with Finex within twenty days after the receipt of funds in Côte d'Ivoire.

6.7 Local-Content Requirements

There are no real local-content requirements for businesses.

6.8 Regulation of Competition

Some commercial and industrial activities have been reserved for entities or government subdivisions that have a de facto monopoly or that enjoy limited competition. Most notable in this area is power generation. As noted earlier, however, the government is moving away from this tradition and will try to create more of a free-market system in the near future.

Non-government monopolies, cartels and other arrangements that restrict or preclude competition are prohibited by law. Plaintiffs can seek redress through the courts, but there is very little Ivorian jurisprudence in this area. Companies can expect the courts to look to the French precedents in such cases.

6.9 Investment Protection

No commercial court exists, and there is no specific legislation providing for arbitration of investment disputes. Investors are advised to stipulate arbitration in contractual agreements, and where possible to indicate that these take place outside of Côte d'Ivoire. As mentioned earlier, there is little historical respect for contractual law. Prudent investors will construct meticulous agreements with mutually understood procedures for arbitration.

Côte d'Ivoire is a member of the International Center for the Settlement of Investment Disputes (ICDS), and the government has in the past referred disputes to that body.

The county court is the court of jurisdiction for litigation between traders.

6.10 Implications for American Investors

- American investors can expect fair treatment but should be mindful of widespread corruption and a general lack of respect for legal formalities.

- Investment regulation is unbiased and generally transparent.

- Although quasi-socialist in practice, the government is moving away from this type of regulation, but the process will be slow.

- Local partners are quite helpful for managing local regulations.

- Investors should stipulate arbitration in contractuai agreements, and where possible indicate that these take place outside of Côte d'Ivoire.

- Accounting must be done in French.

7. INFRASTRUCTURE

Côte d'Ivoire has an outstanding infrastructure by developing-country standards. This includes an excellent system of paved roads, good telecommunications, ports, rail links and modern real-estate developments for commercial, industrial and retail use.

7.1 TRANSPORT

Ports

The Côte d'Ivoire has two major ports, Abidjan and San Pedro. Petroleum and related products make up over 50 percent of tonnage in Abidjan, while San Pedro is used mostly for timber. Total freight traffic in 1990 for the two ports equaled roughly 10 million tons.

Airports

The country's main airport is Abidjan-Port-Buet, which handles over a million passengers and some 60,000 tons of freight and mail. There are twenty-five domestic and regional airports serviced by Air Ivoire. Recently another international airport was built at Yamoussoukro.

Rail

The main external rail line runs to Ouagadougou, capital of Burkina Faso, 1,140 kilometers from Abidjan. Railways carry about 1,000 passenger-kilometers and 750 ton-kilometers of freight.

Roads

In 1990, Côte d'Ivoire had 50,000 kilometers of roads. Of this, 6,000 kilometers of primary roads and 7,000 kilometers of secondary roads are paved.

7.2 ENERGY

Côte d'Ivoire produces electricity primarily from three new hydroelectric projects and two older dams. Petroleum has been produced off-shore since October 1977.

The country's capacity to generate electricity has grown. The state electric utility, Energie Electrique de Côte d'Ivoire (EECI), has supplemented its resources with those from other sources. In October 1990 the management of the electric industry was privatized and supervision was handed over to the Compagnie Ivoirienne d'Electricité (CIE). CIE is 65 percent owned by a French subsidiary.

7.3 COMMUNICATIONS

By 1990, there were roughly 75,000 telephone lines in the country.
The Côte d'Ivoire has a parallel data transmission line so that companies can sign on and send data to their home offices via computers (instead of fax, mail, or telex). This is highly unusual for Sub-Saharan Africa.

With increasing freedom of political expression, there has been an increase in the number of regular publications from three to over twenty. Two of the new daily publications and one of the weeklies are specifically opposition in management and message.

Ivorians own 1.5 million television sets.

7.4 BUSINESS SERVICES

A wide range of professional business services is available in Côte d'Ivoire, including accountants, tax advisors, technical experts, real-estate managers, appraisers, architects, and construction contractors. Representatives or affiliates of European and American companies are present in all of these sectors.

7.5 IMPLICATIONS FOR AMERICAN INVESTORS

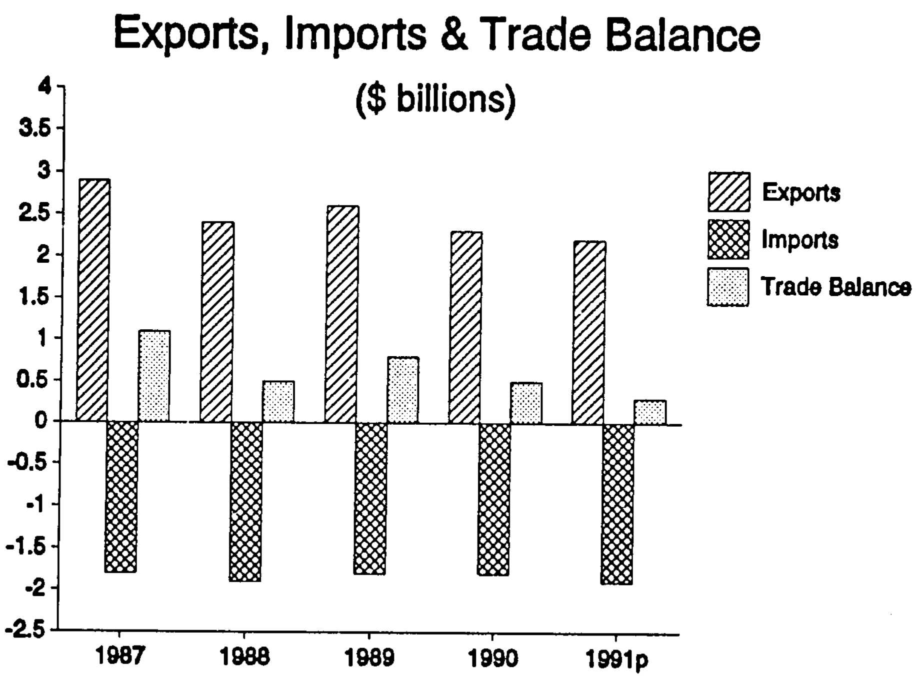
- Côte d'Ivoire has excellent infrastructure by developing-country standards: things work most of the time.

- Locating regional headquarters in Abidjan affords a company the assurance that communications with home offices, while expensive, will be relatively trouble-free.

- Transporting goods within and to and from the country is easy (except for the red tape); large shipments can be accommodated.

8. FOREIGN TRADE AND BALANCE OF PAYMENTS

8.1 Summary of Major Indicators



8.2 Recent Performance

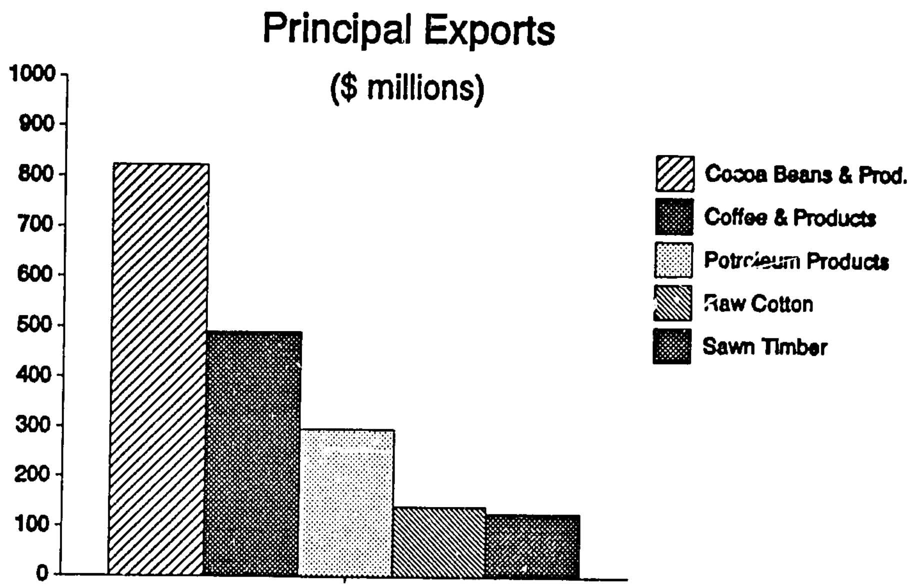
There has been a precipitous decline in earnings from Côte d'Ivoire's most important exports, as evidenced by a continually weakening trade balance. World demand and prices for its primary exports are slack and show no signs of improving. Adding to the problem has been the depreciation of the dollar over the past few years, since the country's exports are sold for dollars.

The government is trying to promote export diversification. This is a change from its historical protection of import industries, a policy that has proven ill-advised in the long term.

Côte d'Ivoire's overall balance of payments will be relatively healthy in 1991, with a CFA 74.6 billion increase in reserves. The current account deficit is expected to fall by 10 percent to CFA 299.2 billion and the capital account surplus should improve to CFA 373.8 billion.

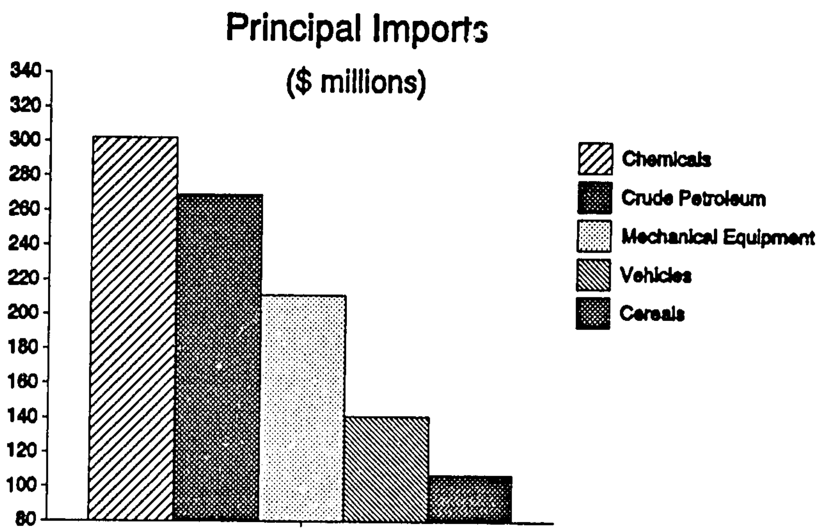
8.3 Exports

Côte d'Ivoire's principal exports remain agricultural commodities, with cocoa and coffee providing the large majority of export earnings.



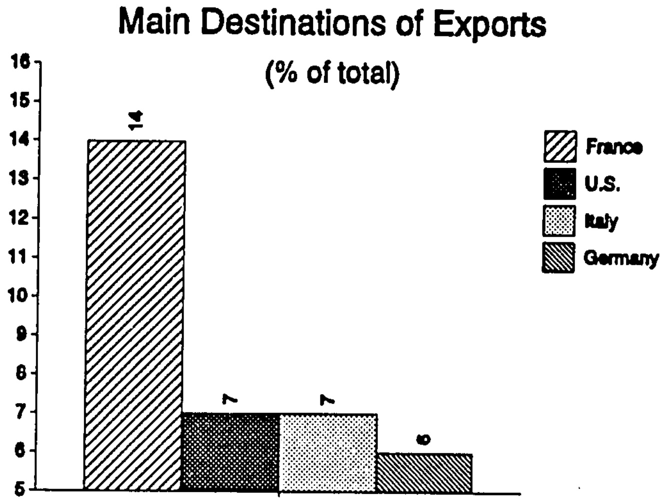
8.4 IMPORTS

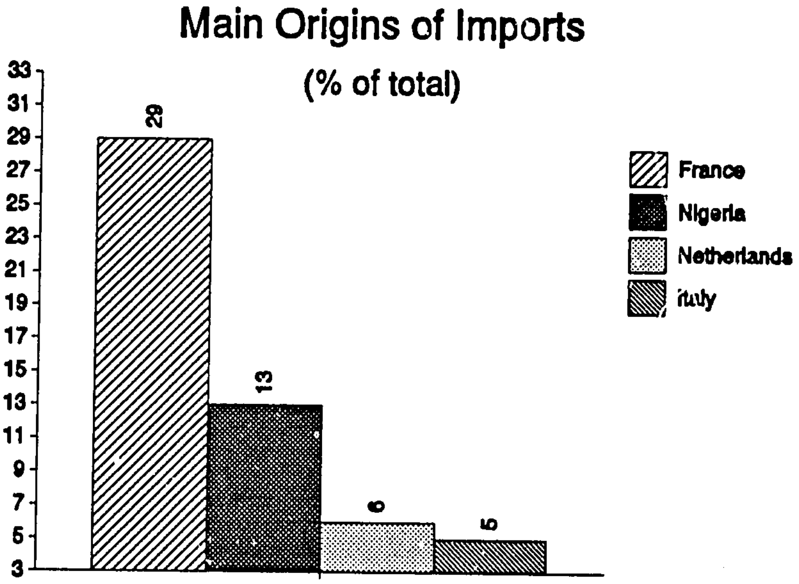
Although Côte d'Ivoire continues to produce some petroleum and refined products, its major import items are chemicals and crude petroleum.



8.5 Direction of Trade

France dominates both exports and imports, though not quite to the extent that is common in some other francophone countries. Most Ivorian trade is done with EC members because of Lomé Convention incentives; trade with the U.S. is quite small.


Main Destinations of Exports
(% of total)
16
15
14
13
12
11
10
9
8
7
6
5
14
7
7
6
France
U.S.
Italy
Germany


Main Origins of Imports
(% of total)
33
31
29
27
25
23
21
19
17
15
13
11
9
7
5
3
29
13
6
5
France
Nigeria
Netherlands
Italy

8.6 EXCHANGE-RATE POLICY

The CFA franc is the currency of the countries that belong to the West African Monetary Union (WAMU): Benin, Burkina Faso, Côte d'Ivoire, Mali, Niger, Senegal and Togo. The UMOA is the organization through which the French government provides a stable monetary system to its former colonies in West Africa. The French treasury maintains a UMOA operations account in Paris, governed by a committee dominated by French officials. African member governments have only marginal influence on the value of the CFA franc or on the overall stability of the UMOA system (CFA stands for Communauté Financière Africaine). Membership in the UMOA means that each member country is technically obliged to repay its capital-account obligations to the French treasury, but the French government continues to give de facto grants to Mali and other poor members by repaying their accounts due.

The UMOA's usefulness lies in the free convertibility of the CFA franc at the rate of 50 CFA francs for 1 French franc. This parity rate has remained unchanged since 1948; it long ago evolved into one of the pillars of Franco-African cooperation, making any adjustment virtually unthinkable.

The institution through which UMOA operates in Africa is the Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO), which acts as a central bank for the seven UMOA members, including Mali. The BCEAO regulates the money supply and sets bank rates separately for each member, taking into account the state of its economy and its balances with the French treasury. Member countries thus sacrifice sovereignty over their own money and banking in exchange for a stable exchange rate and a convertible currency. The CFA franc offers a significant advantage to the African francophone countries because it imposes some financial discipline, discipline not often apparent in non-francophone African countries.

An additional attraction of the system is that any amount of CFA banknotes may be converted into French francs upon their presentation in France; the transaction is not recorded. The French francs thus obtained may be converted into other foreign currencies in accordance with existing French regulations. In recent years, this has meant virtually free conversion of the CFA franc.

Exchange control is administered by the Directorate of External Finance and Credit in the Ministry of Economy and Finance.

8.7 Currency Outlook

There are rumors that the CFA franc, which is overvalued by approximately 30 percent, will be allowed to float in relation to the European Currency Unit (ecu) in 1991, with some flexibility. When the French franc becomes part of the European Monetary Union (EMU), the CFA franc will, in essence, be linked to the German mark.

It is more likely, however, that the French will continue to support the CFA franc for the near future, maintaining convertibility and subsidizing members' reserve accounts. Longer-term prospects, however, are uncertain.

Although the parity rate (50 CFA francs to 1 French franc) was for decades thought immutable, an impending change was widely rumored in France and francophone Africa during May 1990. According to the story, each African member state was to have a different parity rate following the restructuring. The change failed to materialize, and French officials denied that any such move had been under consideration. Despite the disclaimer, though, the system's drain upon the French treasury has clearly become a matter of concern, as has the overvaluation of the currency in several African member countries. Some early and dramatic resolution of these issues is possible, but it appears more likely that Paris will await the monetary-policy alignments taking place in connection with European economic union before acting. Thus, any major steps before 1993 are highly unlikely.

For the longer term, with the 50-to-1 parity rate between the CFA franc and the French franc now subject to rumors, CFA franc holdings have become somewhat chancier in terms of foreign-exchange risk, but convertibility risk has not increased.

A parallel market for the CFA franc, however weak, is emerging. In the Côte d'Ivoire it is still small compared to that in other African countries.

Over the next two years there may be an issuance of new denominations to stem illicit streams of CFA francs out of the franc zone. Officials are thinking of putting metal strips on the new bills so that anyone trying to take them out of the country illicitly will be caught by metal detectors.

8.8 Trade and Payments System

The Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO) issues the CFA franc. The BCEAO does not levy a commission on transfers to countries outside the WAMU. There are no taxes or subsidies on purchases or sales of foreign exchange. Spot foreign-exchange cover is limited to imports effected by means of documentary credits; the transaction must be domiciled with an authorized intermediary, and goods must be shipped within eight days of the exchange operation. Forward exchange cover for eligible imports must not extend beyond one month for certain specified goods and three months for goods designated as essential commodities. No renewal of cover is possible. There are no official schemes for currency swaps or guaranteed exchange rates for debt servicing.

For settlement with countries outside WAMU, those for France and Monaco are effected through correspondent banks in France, in any of the currencies of those countries or in French francs through foreign accounts in France. Regulations for nonresident accounts are based on those applied in France. BCEAO notes may be credited to foreign accounts in francs when they have been mailed to the BCEAO agency in Abidjan by authorized banks' foreign correspondents.

Individuals must notify the central bank if they are taking large sums out of the country. Approvals are often delayed for the purpose of matching hard currencies at the central bank level because of severe liquidity shortages.

8.9 Licensing Requirements

Import and export licenses are issued by the Directorate of External Trade in the Ministry of Commerce. Import licenses or attestations entitle importers to purchase the necessary foreign exchange, but not earlier than eight days before shipment if a documentary credit is opened.

Customs legislation imposes various import and export prohibitions, restrictions and formalities. These include quotas, import intentions and licenses, and certificates of origin and of quality and price comparison. All imports and exports must be effected through agents approved by the customs department.

Quotas usually apply to goods produced by priority enterprises, while import licenses are required for various cement and petroleum products, organic and industrial chemicals, cleaners, rubber products, iron and steel products and machinery.

Imports are classified into four categories:

(1) Prohibited imports (wheat flour and used garments);

(2) Import items for which licenses are obligatory for each transaction equal to or exceeding CFA 25,000 fob;

(3) Import items requiring a declaration of intention to import;

(4) Import items requiring prior authorization and declaration to import.

Numbers (3) and (4) apply only to individual transactions equal to or greater than CFA 100,000 fob.

Certain import items are subject to annual volume or value quotas, e.g., rice, which is receiving special support for local production and consumption from the government.

Imports made freely are subject to the submission of an import declaration when fob is CFA 100,000 or more. When fob exceeds CFA 1.5 million they are subject to pre-shipment inspection by international agencies to control price, quantity and quality.

Most imports are subject to a duty of 10 percent and a statistical tax of two percent.

All import operations relating to foreign countries must be domiciled with an authorized bank when their value exceeds CFA 500,000.

An import license is required for all imported goods valued at CFA 25,000 fob or more and subject to quota. Importers must get an application from the Ministry of Commerce before applying for a license.

Foreign businessmen report that customs enforcement is often inconsistent. Delays and inappropriate costs seem to be an increasing problem, particularly if a businessman does not retain professional assistance and lacks local connections.

8.10 Capital Transactions

Capital transfers to countries outside France, Monaco and the Operations Accounts require exchange control approval, but capital receipts are permitted freely.

Special controls cover foreign inward direct investment and over-issuing, advertising or offering for sale foreign securities. These require prior authorization from the Ministry of Economy and Finance. The liquidation of such investments must be reported in advance to the minister within twenty days of its occurrence.

8.11 Investment Incentives

The 1984 investment code provides investment incentives for foreign and domestic investment in certain priority sectors and geographic sectors. This pertains specifically to areas outside Abidjan. Investments also favored are those that promote Ivorian employment, particularly in agribusiness, light industry, and low-income housing. (This only applies to goods for which there are not equivalents in the Côte d'Ivoire.)

Incentives include:

- Exemption from customs duties and tariffs of all imported capital equipment and spare parts for investment projects.

- Exemption, for a specified period of time, from corporate-profit taxes, patent contributions and capital-asset taxes.

In general, exemptions cover 100 percent of the applicable tax up to the third-to-last year of the exemption period, 75 percent in the third-to-last year, 50 percent in the next-to-last year, and 25 percent in the last year.

Imports of intermediate goods or raw materials for which no equivalents are produced locally are not exempt from import duties.

8.12 Regional and International Affiliations

Côte d'Ivoire is a member of the GATT, the West African Economic Community, the Economic Community of West African States (ECOWAS) and the Lomé Convention.

8.13 Invisibles

Payments to another country (except France et al) must be approved in advance by the Ivorian government. Payments for invisibles related to trade are permitted freely when the basic trade transaction has been approved or does not require authorization.

Transfers of income accruing to nonresidents in the form of profits, dividends, and royalties are also permitted freely when the basic transaction has been approved.

The transfer of the full basic salary of a foreigner working in Côte d'Ivoire is permitted upon the presentation of the appropriate pay voucher, provided that the transfer takes place within three months of the pay period.

Resident and nonresident travelers to foreign countries may take out BCEAO notes of up to CFA 25,000.

8.14 Implications for American Investors

- A declining export sector means that the government is increasingly eager to have new investment in non-traditional exports.
- The use of the CFA franc means that investors do not have to worry about most problems related to currency stability, remittances, and repatriation.
- The trade regime is encumbered with red tape and licensing; effective local partners can be particularly useful in getting through this maze.

9. EXTERNAL DEBT AND AID

Over the past decade, Côte d'Ivoire has accumulated a staggering debt burden, making it Africa's largest per capita debtor. The country's primary creditors--France's commercial banks, members of the Paris Club, the World Bank and the International Monetary Fund--have been working with the government to reduce spending and bring borrowing under control.

9.1 EXTERNAL DEBT

Côte d'Ivoire has over $16 billion in outstanding bilateral and multilateral debt, making it the largest per capita debtor in Africa.

Unlike neighboring African countries, Côte d'Ivoire has large outstanding obligations to commercial creditors, in this case mainly French banks. This makes getting debt forgiveness much harder for the country and has led to the seemingly intractable problem of how to ameliorate the debt burden enough to relieve the economy.

Since 1984 the government has entered into three rescheduling agreements with the London Club of commercial bank creditors and five accords with the Paris Club, many of which were derailed when commodity prices plummeted in 1987-88 and the government could not keep interest, let alone principal, payments current.

London Club

In 1987, the government called a foreign-debt moratorium and has yet to resume payments on its commercial debt. Last summer the government told London Club creditors that it would not be able to pay arrears of $850 million. Nonetheless, it is estimated that French banks remain willing to provide approximately FF200 million of new money under any new rescheduling. Approximately $5 billion is owed to London Club creditors.

Paris Club

Côte d'Ivoire has negotiated five Paris Club accords with public creditors. The last, in 1989, rescheduled $880 million in obligations. Approximately $8 billion is owed to Paris Club creditors.

9.2 Foreign Aid

Fortunately for Côte d'Ivoire, it has managed to retain the confidence of donors and creditors despite recent economic problems. Prime Minister Ouattara is an asset in this respect since he was once an employee of the World Bank and governor of the BCEAO and has the confidence and support of the international community.

In June of this year, Ouattara announced over $500 million in new assistance from the World Bank, IMF, African Development Bank and European Community.

IMF

In 1980 Côte d'Ivoire was forced to turn to the IMF for assistance and has been pursuing economic austerity and reform policies almost continually since that time.

In 1981 the IMF gave Côte d'Ivoire an extended fund facility totaling SDR 484.5 million, and continued with two one-year stand-by credits of SDR 82.75 million in 1984-85 and SDR 66.2 million in 1985-86, as well as a two-year stand-by arrangement of SDR 100 million for 1986. When the government suspended payments in 1987, however, the stand-by arrangement was put on hold, and disbursements after that point ceased.

In 1989, the IMF renewed support with an SDR 175.8 million program. At the same time the country received a $150 million loan from the World Bank for the agricultural sector, $100 million for the energy sector, and $80 million for the water and sanitation sector.

In September 1991 negotiations for a new IMF program were completed, providing $113 million for the next twelve months.

World Bank

The World Bank provides a CFA franc support fund as part of the IMF Structural Adjustment Program. There are also new programs being negotiated, and increased attention will be paid to whether or not Ouattara can reduce public-sector spending, especially the salaries of professors and teachers, a historically protected--and well paid--arm of the civil service. Donor agencies would like to see public spending cut so that the budget deficit can decrease from 20 percent of GDP, where it currently stands, to 13 percent.

9.3 Implications for American Investors

- The country's enormous debt burden will remain a significant drain on the economy for many years to come. Should the CFA franc system change in a major way, it could seriously constrain foreign-exchange availability.

- Côte d'Ivoire will remain beholden to donors and creditors for both advice and funds.

10. LABOR

Côte d'Ivoire has a skilled, highly educated labor pool of Ivorians, a significant number of farm laborers from neighboring countries, and a large population of expatriates, primarily from France. The labor pool is highly segmented, and high wages are commanded at every level.

10.1 PROFILE OF LABOR RESOURCES

Côte d'Ivoire provides a rich variety of labor, from highly skilled local and expatriate workers to immigrant and itinerant farm workers from the West African region. In general, the quality of labor in the country is good and among the highest in Africa. In fact, investor comments about labor are generally quite positive.

Estimates suggest that the country enjoys a very high literacy rate, almost 95 percent. Despite this achievement, however, between 50 percent and 80 percent of the labor force works in agriculture. By contrast, only three percent of the labor force works in industry. The bulk of the agricultural labor at the lowest level is made up of workers from Burkina Faso and Guinea. Ivorians tend to be found in pink- and white-collar positions.

10.2 UNDER- AND UNEMPLOYMENT

Unemployment is not a problem in the Côte d'Ivoire, since the government employs, either directly or indirectly, some 90 percent of the population. This may change, however, if donors force the government to make painful employment adjustments in the private sector, including privatizations.

10.3 INCOMES POLICY

The government sets most wages in the economy (as the major employer), and a minimum wage and employment regulations for the formal private sector. In 1991 there was no increase in public-sector wages. Regionally and globally, however, salaries in Côte d'Ivoire are good.

African Professional Index (1985 = 100)

1985	1986	1987	1988	1989	1990
100	108	114	122	123	119

Minimum wages are set according to job category, but the general minimum wage across the economy (the "Smig") is approximately $110/month.

The government sets a system for payment of overtime, which is mandatory after 44 hours in a week.

Month-long paid vacations are guaranteed. In addition, workers may be entitled to another ten days of "exceptional leaves."

Annual bonuses equivalent to 75 percent of the minimum wage of the job category are required.

There is a National Social Security Fund to which employees and employers must contribute, though the major burden falls upon employers: companies contribute 5.5 percent of monthly earnings up to CFA 70,000, four percent up to CFA 1,497,555.

10.4 Labor Unions

Along the French model, Côte d'Ivoire has a well structured and participatory system of unions, or "syndicats," and nearly all workers belong to the Union Générale des Travailleurs de Côte d'Ivoire (UGTCI).

Until 1990, when the Prime Minister announced austerity measures, the unions had been relatively passive. Although strikes have yet to cripple any sector, they will probably continue as public spending contracts and wage and employment cuts become more common.

10.5 EMPLOYMENT OF EXPATRIATES

The government maintains a very protective attitude towards employees in Côte d'Ivoire. There is a well-entrenched policy, "Ivorization," that encourages the hiring of Ivorian nationals by requiring that the Office of Manpower in the Ministry of Labor be informed of vacancies and be given an opportunity to place suitable Ivorian candidates. In addition, this policy mandates that, for every expatriate hired, an Ivorian must be hired, though not necessarily at an equivalent salary.

This policy is aimed at providing full employment as well as upward mobility. Regulations and registrations aside, however, the high cost of employing expatriates is possibly a greater incentive at present for the hiring of Ivorian nationals than is the Ivorization policy.

There is pressure from donor agencies to eradicate Ivorization, and foreign companies are eagerly watching the Office of Manpower to see if indeed current restrictions are lifted.

In principle, all employees must be hired through the manpower office of the Ministry of Labor and Ivorization of Management. Normally, employment approval is routinely granted, making the hiring of foreign nationals for senior management posts relatively straightforward.

A foreign national, no matter where he or she is hired, must sign an employment contract with a locally registered employer.

Foreign nationals hired from abroad have better benefits than locally hired foreigners or Ivorian nationals. For example, expatriates receive an "indemnity" equal to 40 percent of base salary, a special vacation entitlement of five days per month worked in the first stay, and six days per month worked thereafter.

10.6 Expatriate Living Conditions

Living conditions in Abidjan are good, but the cost of living is astronomical: gas, for example, is the equivalent of $4.75 per gallon, and the electricity bill can run to $1,500 per month. Nonetheless, there is an ample supply of housing, and since the country's infrastructure is strong, expatriate professionals enjoy a comfortable life.

The only current concern--outside of cost--is the growing security problem in the country. Most expatriates have a minimum of one guard at the house, and are routinely escorted to cars. This is only likely to get worse in the months ahead.

10.7 Implications for American Investors

- The labor force is highly educated, capable and diverse. The only major impediment to staffing an enterprise is cost.
- Labor at any skill level is available.
- Unions are not generally an obstacle to hiring, firing or management practices.
- The country is an attractive destination for expatriate workers as long as costs are covered by the employer.
- High wages and living costs must be factored into any decision to invest.

11. FINANCIAL SECTOR

The country's difficult economic situation has led to a slow deterioration of the financial sector. Many banks have closed their doors, and credit is tight. Nonetheless, the central bank--a regional central bank--remains liquid, supported by the French treasury through the French financial system in West Africa.

11.1 Overview of Financial Sector

The domestic credit of Côte d'Ivoire is controlled by the Central Bank of West African States (BCEAO), which is in turn part of the French West African financial system (see Section 8.6). The BCEAO also sets credit policies; fixes certain domestic rates, commissions and bank fees; fixes certain domestic interest rates; assigns credit ratings to local companies; and establishes total local borrowing ceilings.

Credit policy administered by the BCEAO has been restrictive within the framework of the conservative macroeconomic policies pursued under the IMF program, thus effectively limiting possibilities for substantial amounts of local financing. The BCEAO is keeping local banks afloat but is allowing them very little activity or opportunity for growth.

11.2 Banks

Prime Minister Ouattara is pursuing a major overhaul of the country's banking system. Many domestic and offshore banks were severely weakened in the 1980s by bad loans to the coffee and cocoa sector. There has been a large rise in non-paying assets in the system based on non-payment of non-accrued loans to the government as well as coffee and cocoa growers.

One of Ouattara's goals is to make the system more flexible and improve its ability to deal with a possible CFA franc devaluation (see Section 8.7).

Banks will also have to become stronger to deal with the increase in bad loans.

The banks have been extremely short of liquidity in the last couple of years, which has meant that transfers of all kinds, both domestically and abroad, have been slowed at times as banks have been forced to limit withdrawals.

Côte d'Ivoire's banking sector is dominated by three banks:

- Société Générale de Banques de Côte d'Ivoire (SGBCI)
- Banque Internationale pour le Commerce de l'Industrie de la Côte d'Ivoire (BICICI)
- Société Ivoirienne de Banque (SIB)

During the boom years, there were numerous American and other offshore banks, as well as branches from banks around the world. Today, only Citibank is left, and its presence is limited. Its focus is less on financing new ventures than on collecting overdue loans.

11.3 Non-Bank Financial Institutions

Various types of securities are available: mortgages, pledges, assignment of receivables, guarantees and warranties.

Mortgages may be taken for real property, certain long-term loans, aircraft and ships. These require registration.

Debts and negotiable instruments are secured by private or government guarantees.

11.4 Institutional Investors

There are several insurance companies in Abidjan, including one remaining American concern. In general, life companies are doing relatively well. Most institutional investors, however, are increasingly burdened by nonperforming loans to the government in the form of bonds that the government has stopped servicing.

11.5 Capital/Equity Markets

There are no developed capital markets in the country; capital market services are available offshore through various commercial banks.

There is an Abidjan Stock Exchange, established in April 1976. The goal is to help local savers acquire shares in the industrial and commercial sector of the country. As of 1989 there were twenty-three quoted sociétés anonymes, one unquoted and twenty-six quoted loans. Only Ivorians can buy on the exchange, and it is likely to remain largely moribund.

11.6 Implications for American Investors

- Any financing for ventures in the Côte d'Ivoire should be sourced offshore.

- Financing will be strengthened if associated or coordinated with multilateral lending institutions' programs in the country (thus assuring priority access to credit and repayment).

- Local financing partners and capital will be scarce.

12. INFLATION AND PRICE CONTROLS

Inflation is not a problem in Côte d'Ivoire, in part because the CFA franc is overvalued, and in part because of the economic depression. Many goods and services are subject to price controls fixed by the government.

12.1 Inflation and Anti-Inflation Policies

Inflation has not been a problem in Côte d'Ivoire recently because of the overvaluation of the CFA franc and the economic depression. In addition, the country has a relatively strict price-control regime, with tiers of regulation that give the government a good measure of input in pricing.

Consumer Price Index (1985 = 100)

1985	1986	1987	1988	1989
100	107	108	115	116

For 1990 and 1991, inflation was estimated to be similarly low, below five percent annually.

12.2 Price Controls

Many goods and services are subject to price controls administered by the Ministry of Commerce--the government maintains a book of several hundred pages detailing the price controls in the economy.

The government is working to reduce this list to a mere twenty items, but this level will take several years to achieve. In the meantime:

- products for general consumption and essential services have prices fixed by the government;

- the government must give price approval for retail prices, based on a base price plus an approved mark-up;
- sellers must justify the base price.

Many of these price controls apply to business items; investors should check with local authorities about specific controls in force at the time of investment for the particular goods or sector of the investment.

12.3 IMPLICATIONS FOR AMERICAN INVESTORS

- Inflation is not a major concern for investors.
- Price controls affect several aspects of doing business in Côte d'Ivoire; investors should scrutinize the price-control structure of their particular sector.

13. PUBLIC FINANCE

The government is being forced by the IMF and other donors to curtail spending sharply. The budget deficit is thus more under control than in recent years and is likely to remain so as long as the government is forced to maintain fiscal discipline.

13.1 Public Expenditures

After the excesses of the 1980s, which resulted in the country's enormous debt burden, the IMF and other donors have forced the government to bring its spending under control.

By far the major cost for the government is wages: in 1991, personnel costs accounted for 90 percent of total operating costs. In short, public-sector wages are outrageously high. Donors are bringing growing pressure for wage cuts and firings, which will be difficult politically but necessary economically.

- For 1991, spending is projected to be CFA 557.7 billion ($1.91 billion).
- Of this total, $1.54 billion is accounted for by recurrent spending. CFA 107.9 billion is for investment, partially funded by CFA 60.5 billion from domestic resources. Agriculture will get 38.5 percent of the investment budget, with food crops receiving priority.
- Since salaries are frozen, the main increases in the investment budget will go for security and defense spending, which will rise by CFA 4 billion, and for health, which will rise by CFA 13 billion.

13.2 Government Revenues

Government revenues come from the domestic tax base, foreign borrowing, and grants from donors. The investment budget is financed primarily from outside. For tax revenues, the government relies on fees from productive activities, particularly trade and the VAT.

For 1990, government revenues fell short by CFA 23 billion of the target of CFA 743 billion. This was primarily because of a slowdown in economic activity.

Direct taxes earned approximately 27 percent of total tax revenues; indirect taxes (including the VAT) 38 percent; import taxes 33 percent; and export levies 2 percent.

13.3 Implications for American Investors

- Government project and investment spending will be increasingly dependent on donor programs.

- New taxes or increased rates cannot be ruled out in the near future as the government tries to raise revenues.

14. TAXATION

The effective tax burden on business in Côte d'Ivoire is high, though investors can receive significant incentives by working in targeted sectors. The tax regime is gradually becoming more workable for investors as the investment code continues to be revised. Codes and regulations are generally clear and consistent.

14.1 OVERVIEW OF TAXATION POLICY

The government imposes a variety of taxes and charges on business in the economy, but it has recently made an effort to make the entire tax package easier to understand and more attractive. In general, the Ivorian economy is overtaxed, particularly from the business perspective, which is one of the reasons for strong donor pressure to cut expenditures rather than try to raise revenues further.

The 1991 budget offered a five-percent reduction in the profit tax, to 35 percent, effective September 30, 1991. There have also been small cuts in the national insurance contribution of employers, and in several import duties. The duty payable on the transfer of property, business and commercial leases has been cut from 14.5 percent to 10 percent.

14.2 PRINCIPAL TAXES

Corporate Income Tax

The corporate income tax rate is a flat 45 percent.

Exemption from corporate income tax is available for tourism, investments in new factories, and the development of hard mineral deposits.

A reduction of corporate income tax is available for qualifying investments in:

- new building construction and extension
- the creation and development of industrial, mining, agricultural and forestry enterprises
- the acquisition of targeted land for building purposes
- the acquisition of shares of civil construction companies or shares or bonds of certain mixed-economy real-estate companies and public housing offices.

Withholding Tax

Dividends of limited companies and SAs are subject to a 12 percent withholding tax unless the company is exempt from corporate income tax, in which case the rate is 18 percent. Tax is payable at the time of dividend distribution.

A withholding tax is also imposed on retained earnings, interest, licensing, technical service and management fees, and other revenue aid to a nonresident.

Interest Income

The interest withholding tax rate is 18 percent, and interest payable to a nonresident by a resident pursuant to a loan or debenture is also subject to withholding at this rate.

Royalties

Royalties are subject to a non-commercial withholding tax at an effective rate of 20 percent of gross revenues.

Business License Tax

This tax is composed of a fixed fee based on the nature and location of the business and its turnover, plus a proportional tax and surtaxes equal to approximately 18 percent of the total annual rental value of the business premises.

Value Added Tax

The Value Added Tax is imposed on value added for goods sold (TVA) and on services performed (TVS). The normal tax rate is 25 percent, which is reduced or increased to effective rates of 11.11 percent and 35.13 percent on certain products and services.

For imports, TVA is payable at the time of customs clearance. Otherwise, it is payable monthly based on invoicing. In 1988 the VAT was extended to cover the retail-trade sector.

Tax on Performance of Services

This is a tax in addition to the VAT imposed on gross receipts of all services rendered or utilized within the country (i.e., services rendered abroad that are used in Côte d'Ivoire are subject to TPS). TPS is payable monthly on actual income received.

Personal Income Tax

Personal income is taxed at a progressive rate on total world-wide income. It includes remuneration in kind. Nonresidents are taxed on remuneration earned as a result of services rendered in the Côte d'Ivoire.

Four types of personal income taxes are levied:

- general income tax
- salary tax
- national contribution

- national solidarity contribution

The salary and national solidarity contribution are fixed at 1.5 percent, while the others are progressive. These total roughly 15 percent to 20 percent of total income.

Payroll Tax

Monthly payroll is taxed based on total remuneration to each employee. The rates are 10 percent for local hires, 15 percent for expatriates.

Real-Estate Tax

Real-estate tax is imposed on net rental revenue from real property on which buildings have been constructed. The effective rates are six percent for factories, and three percent or six percent for resident premises. New buildings are exempt for five years, housing is exempt for ten to twenty years. Rental revenue is taxed at 2.5 percent.

Registry Tax and Stamp Duties

Proportional or fixed registration taxes and nominal stamp duties are imposed on various transactions that must be registered with the Registration Tax Section of the Tax Department. Included in this category are:

- the sale of business or real property
- the transfer of shares in a limited company
- certain transfers of shares in an SA
- leases of a definite duration
- insurance policy premiums.

Petroleum Service Company Tax Regime

This regime offers petroleum service companies an optional forfeitary tax regime. The regime applies to corporate income tax, retained earnings, employee salary and payroll taxes, and tax on insurance contract premiums. The total effective tax rate is 7.75 percent of business turnover.

14.3 Determining Taxable Income

In Côte d'Ivoire, taxable income is defined as gross revenues, including sale of fixed assets, less expenses, provisions and depreciation.

14.4 Depreciation

Depreciation is calculated on a straight-line basis over the useful life of the asset. Losses may be carried forward three years, but may not be carried back.

14.5 Tax Treaties

Côte d'Ivoire has double taxation treaties, based on the OECD model, with France, Great Britain, Belgium, Germany, Norway, Canada, Italy, Benin, Burkina Faso, Congo, Central African Republic, Gabon, Mauritius, Mali, Mauritania, Niger, Rwanda, Senegal and Togo. The U.S. does not have either a bilateral or investment treaty with Côte d'Ivoire, but there is an OPIC agreement in force.

14.6 Implications for American Investors

- Tax costs are high in Côte d'Ivoire, but taxation is consistent and relatively transparent.
- U.S. investors are not protected from double taxation.

15. INTELLECTUAL PROPERTY RIGHTS

There is general respect for intellectual property rights in Côte d'Ivoire, though most investors have not had significant experience with this issue. Côte d'Ivoire is a party to the Convention on Protection of Industrial Property Rights and the African Intellectual Property Rights Organization.

15.1 Patents

Protection for patents is valid for one year with a possible extension for two five-year periods. An annual fee must be paid.

15.2 TRADEMARK REGISTRATION

Trademarks are protected for an initial ten years, and are then renewable indefinitely for additional ten-year periods, provided need and use is demonstrated.

15.3 COPYRIGHTS

Copyright protection for literary works is granted for fifty years following the year of publication or, if published posthumously, of the author's death.

For other works, copyright protection is given for fifty years from the date the work was rendered public. Protection extends fifty years from the date of creation if not rendered public.

15.4 REDRESS

All copyright and patent registrations must be filed and approved by the Office of Environment, Normalization and Technology of the Ministry of Industry.

The enforcement of intellectual property regulations can be sought through the national court system.

15.5 Implications for American Investors

- The protection of intellectual property rights is available and generally enforced, but investors have not had a significant amount of experience with intellectual property issues in the country.

- Regional arrangements are convenient for companies doing business in West Africa.

- Registration is easy to complete.

FORMAL VS. INFORMAL SECTORS OF AFRICAN ECONOMIES

The economies of sub-Saharan African (and other developing) countries are typically segmented into formal and informal sectors. In the African context, these are not simply synonymous with legal and illegal markets, although the formal sector usually complies with laws and regulations more diligently than does the informal.

The formal sector is "modern" in the sense that its organization is bureaucratic rather than patriarchal, whereas the informal sector follows "traditional" organizational patterns and relies on "traditional" relationships of authority and status.

But the crux of the difference is that the formal sector is *literate* rather than *illiterate*--i.e., the formal sector keeps written records, especially written accounts that can be examined by tax officials and auditors, whereas informal sector economic operators keep records in their heads.

The result is that the formal sector either endures or pays bribes to avoid the taxes and regulatory burdens that the informal operator can escape simply by disappearing into a crowded market street or into the bush. This gives the informal sector a cost advantage over the formal, which means that its economic surpluses, reinvestments, and growth are often much larger than those of the formal sector, despite the latter's purported advantages of communications, technology, and scale of operations.

Structural adjustment programs of the World Bank and the IMF always target governments' budget deficits by cutting spending but also by improving revenue collection, including by trying to tax the informal sector. Although the goal is more equitable sharing of the cost of government, the effect is sometimes to put fiscal reform in contradiction with economic growth.

LOME CONVENTION PREFERENTIAL TRADE ARRANGEMENTS

The Lomé Convention is a cooperation agreement between the European Community (EC) and the African, Caribbean and Pacific Group of States (ACP). The former has twelve member states and the latter comprise of sixty-six. This convention was concluded in order to promote and expedite the economic, cultural and social development of the ACP States through trade, financial and technical assistance.

Under this convention, the chapter on Trade Cooperation has as its object to promote trade between the ACP States and the Community by improving the conditions of access for their products to the community market.

The pertinent clause reads:

2. *Products originating in the ACP States shall be imported into the community free of Customs duties and charges having equivalent effect.*

   The following products shall be considered as products originating in an ACP State.

   (a) *products wholly obtained in one or more ACP State.*

   (b) *products obtained in one or more ACP States in the manufacture of which products other than those referred to in (a) are used, provided that the said products have undergone sufficient working or processing.*

Sufficient working or processing means that the goods obtained receive a classification under a different tariff heading from that covering each of the products worked or processed. The incorporation of non-originating materials and parts in a given product obtained shall only make such products lose their originating status if the value of the said materials and parts incorporated exceeds 5 percent of the value of the finished product.

When products wholly obtained in the EC or in their overseas territories or ACP States undergo working or processing in one or more ACP States, they shall be considered as having been wholly produced in that or those ACP States, provided that the products have been transported directly.

Eligible products shall be accompanied by evidence of originating status, the movement certificate EURI.

However, products which fall under a common organization of the treaty establishing the European Community or are subject on import into the Community, to specific rules introduced as a result of the implementation of the Common Agricultural Policy (CAP) may be excluded or subject to quantitative restrictions or the safeguard clause.

The following products shall be considered as wholly obtained either in one or more ACP States or in the Community.

(a) mineral products extracted from their soil or from their seabed;

(b) vegetable products harvested therein;

(c) live animals born and raised therein;

(d) products from live animals raised therein;

(e) products obtained by hunting or fishing conducted therein;

(f) products of sea fishing and other products taken from the sea by their vessels;

(g) products made abroad their factory ship exclusively from products referred to in subparagraph (f);

(h) used articles collected there fit only for the recovery of raw materials;

(i) waste and scrap resulting from manufacturing operations conducted therein;

(j) goods produced there exclusively from the products specified in subparagraphs (a) to (i).

For the purpose of para.2(b) the following shall always be considered as insufficient working or processing, whether or not there is a change of tariff heading:

(a) operations to ensure the preservation of merchandise in good condition during transport and storage;

(b) simple operations consisting of removal of dust, sifting or screening, sorting, classifying, matching, washing, painting, cutting-up;

(c) (i) changes of packaging and breaking up and assembly of consignments;

(ii) simple placing of bottles, flasks, bags, cases, boxes, fixing on cards or boards.

(d) affixing marks, labels and other like distinguishing signs on products or their packaging.

(e) (i) simple mixing of products of the same kind where one or more components of the mixture do not meet the conditions as originating product.

(ii) simple mixing of products of different kinds unless one or more components of the mixture do not meet the conditions as originating product.

(f) simple assembly of parts of articles to constitute a complete article;

(g) a combination of tow or more operations specified in subparagraph (a) to (f)

(h) slaughter of animals.

In defining the concept of originating products, Protocol I of the Lomé III Convention gives a list of working or processing operations carried out on non-originating materials which result in a change of tariff heading without conferring the status of "originating products" on the products resulting from such operations.

The Lomé Convention has a provision for financial assistance in trade promotion so that exporters from any ACP country may participate in trade fairs and exhibitions.

INVESTING IN COTE D'IVOIRE

INVESTMENT CODE

ACT - DECREE - ORDER

MINISTÈRE DE L'INDUSTRIE
B.P. V. 65 ABIDJAN / TÉLEX 22.638
RÉPUBLIQUE DE CÔTE D'IVOIRE

INVESTING IN COTE D'IVOIRE

INVESTMENT CODE

ACT - DECREE - ORDER

CONTENTS

INTRODUCTION

In order to spur private initiative and direct it towards industrial investment, Côte d'Ivoire enacted as far back as 1959 an effective and incentive-offering code. The current industrial base is to a very large extent the product of this code which also served as a model for many countries.

The adoption of a new code, the subject-matter of Act 84 1230 of 8 November 1984, as well as that of its application texts constitute part of the package of measures aimed at sustaining private investiment in the industrial sector and chanelling such investment according to the industrial policy objectives of Côte d'Ivoire. These measures include 'inter alia' : the modification of the common law investment tax incentives introduction of an export bonus scheme and the re-shaping of the import duty rates.

Generally speaking, the new code takes better account of the country's industrial policy objectives than did the previous one. Hence :

– The location of industries outside the Abidjan region (zone A) is encouraged by increasing the benefits according to the region of location ; this was not provided for in the 1959 code. The duration of the approval is 7,9 or 11 years, depending on the place where the investment is implemented (zone A, B or C) ;

– An assistance based on the total wages bill paid to Ivorian wage-earners has been instituted as an incentive for the creation of jobs and is varied according to the region of location (zone A, B or C) :

– The small and medium-scale enterprises, which in practice did not benefit from the 1959 code, are henceforth entitled to enjoy fully the incentives and benefits provided for in the new Code.

Compared to the previous one, this new code also introduces into the benefits accorded to industrial investments the kind of rigour that goes with any sound economic management. Hence :

– The notion of diminishing incentives with time was upheld so as to enable the priority enterprises to gradually adapt themselves to the common law tax regime under which they will be operating after the end of their approval periods.

– Similarly, the automatic exemption from customs import duties on raw materials used by enterprises is not maintained in the new code. An enterprise needs to get accustomed to paying such duties, since this will eventually become part and parcel of its functioning.

REPUBLIC OF COTE D'IVOIRE
Unity - Discipline - Work

ACT 84-1230 OF 8 NOVEMBER 1984

PROMULGATING THE INVESTMENT CODE

WHEREAS THE NATIONAL ASSEMBLY has passed the present act,

NOW THEREFORE, THE PRESIDENT OF THE REPUBLIC hereby promulgates as follows the enactment hereafter :

TITLE I
SCOPE OF APPLICATION

ARTICLE I

Ivorian or foreign investors who carry on any the activities stipulated in Article 2 herein below through a firm incorporated in accordance with Ivorian Law shall be accorded general guarantees under Title II of this Code and may, in addition, obtain specific benefits under the terms laid down in Title III hereafter.

ARTICLE 2

This Code shall apply to all firms, including the small-and-medium-scale enterprises engaging in an activity in any of the following sectors :

a) - Industrial farming, fishing and stock-breeding or activities related to vegetable or animal product processing ;

b) Production or processing manufacturing activities ;

c) - Research, extraction or processing of mineral substances ;

d) - Energy production ;

e) - Construction of low cost houses ;

f) - Storage and packaging of food items and agricultural products.

Small-and-medium-scale enterprises may, in addition, benefit under the clauses of this Code where they engage in a service activity in any of the following sectors :

— industrial equipment servicing or installation ;

— packaging of local products ;

— laboratory testing or analysis of raw materials and finished or semi-finished products used or produced industrially.

ARTICLE 3

In pursuance of this code, shall be considered as small-and medium-scale enterprises only those enterprises that satisfy all five conditions below, and which consequently :

— present an investment programme in respect of which the minimum capital requirement has been fixed by decree ;

— employ for both ongoing activities as well as planned investments, a certain number of permanent wage-earners determined by decree ;

— are duly incorporated as sole proprietorships or cooperative ventures and meet the legal obligations attaching thereto ;

— keep regular accounts irrespective of the turnover realized ;

— meet the general obligations listed in Article 13 herein.

(10)

ARTICLE 4

Small-and medium-scale enterprises whose investments fall under Priority Action Plans as defined by a Decree passed by the Cabinet, may enjoy the benefits of the clauses herein even where they do not carry on their activity in the sectors referred to in Article 2 or where they do not satisfy any of the conditions on the minimum number of jobs or the minimum capital requirement stipulated in Article 3 hereinabove.

ARTICLE 5

This Code shall apply to Ivorian as well as foreign investors in respect of the activities in which they are engaged in Côte d'Ivoire or their holdings in the capital of Ivorian companies.

ARTICLE 6

The provisions herein shall not preclude the enjoyment of any more extensive benefits and guarantees such as may be provided for by treaties and agreements already concluded or likely to be concluded between the Republic of Côte d'Ivoire and other States.

TITLE II
GENERAL GUARANTEES

ARTICLE 7

Private investments shall be made in Côte d'Ivoire without let or hindrance subject to the specific clauses aimed particularly at protecting the public health and sanitation and maintaining the social equilibrium as well as the public economic order.

ARTICLE 8

The investors referred to in Part I herein shall receive, subject to the provisions of Title III, the same treatment in terms of rights and responsabilities under Ivorian law with regard to their engagement in the activities spelt out in Article 2 hereinabove.

To this end, foreign investors shall receive treatment identical to that received by Ivorian investors, subject to the measures concerning foreigners as a whole and to the application of the same principle of equal treatment by the State of which the foreign investor is a national.

Foreign investors shall all receive equal treatment, subject to any Treaties or Agreements entered into by the Republic of Côte d'Ivoire with other States.

ARTICLE 9

Investors considered non resident under the exchange control regulations and making in Côte d'Ivoire investments financed in freely convertible currency in accordance with the said regulations shall be guaranteed free transferability, to their countries of residence, of incomes in whatever form accruing from the capital invested as well as the proceeds of any liquidation of the investment.

ARTICLE 10

Any dispute arising between a foreign investor and the Republic of Côte d'Ivoire in the performance of this Code shall be settled in accordance with the rules of procedure for arbitration and conciliation :

— either proceeding from agreements and treaties on investment protection entered into by the Republic of Côte d'Ivoire with the Country of which the foreign investor concerned is a national ;

— or, in accordance with mutually agreed rules of procedure ;

— or, in accordance with the relevant provisions of the 18 March 1965 Convention for the Settlement of Investment Disputes between States and the nationals of other States laid down under the auspices of the International Bank for Reconstruction and Development and ratified by the Republic of Côte d'Ivoire by virtue of Decree n° 65/238 of 26 June 1965 ;

— or, if the Investor in question does not fulfil the nationality conditions stipulated in Article 25 of the aforesaid Convention, in accordance with the provisions of the regulations of the Supplementary Mechanism approved by the Board of Directors of the International Centre for the Settlement of Investment Disputes (ICSID). The consent of the parties with regard to the competence of the ICSID or of the Supplementary Mechanism, as the case may be, required by the governing instrument, shall, for Côte d'Ivoire, be constituted by this article and for the investor concerned by an express statement in the application for approval.

TITLE III
PRIORITY ENTERPRISES

CHAPTER I
COMMON CLAUSES

ARTICLE 11

The enterprises referred to in Articles 2,3 and 4 hereinabove may apply for approval as priority enterprises entitled to enjoy the benefits defined under this title.

ARTICLE 12

Approval may be granted to the enterprises in respect of investments connected with :

— the setting up of an industry or the expansion and development of an existing one ;

— or, a restructuring plan, insofar as such investments promote the development of the sectors envisaged in Article 2 hereinabove and offer satisfactory financial, technical and economic guarantees.

ARTICLE 13

The application for approval as a priority enterprise shall be supported by a file containing all the useful information on the legal, technical and economic analysis of the project.

The application for approval is equally required to include an undertaking by the enterprise in respect of the following general obligations :

— priority use of local materials, raw materials, products and services insofar as these are available under conditions of quality, price and delivery periods similar to the same conditions pertaining to goods of foreign origin.

— employment and training of Ivorian executive and technical personnel ;

— compliance with national and international quality norms applicable to the goods and services envisaged by the activity ;

— preservation of the ecological conditions, particularly the environment ;

— setting up of an accounts unit to facilitate compliance with the relevant laws and regulations as well as with established practices and, as appropriate, separation of the operations relating to the activity covered by the approval from the other operations of the enterprise ;

— compliance with the rules and regulations governing the lodging of agreements and contracts on industrial property titles or technology acquisition titles ;

— provision of information required for inspection aimed at ensuring compliance with the terms of the approval.

ARTICLE 14

Approval conferring the status of priority enterprise shall be accorded by a decree passed by the Cabinet upon the advice of the Inter-Ministerial Committee on Priority Approvals, the composition and 'modus operandi' of the said Committee being defined by decree.

The approval decree shall, 'inter alia', determine :

— the object, content, location and period of implementation of the investment ;

— the specific obligations contracted by the approved enterprise ;

— the nature and duration of the benefits applicable ;

— where appropriate, the relevant arbitration procedure.

ARTICLE 15

The Minister responsible for Industries shall ensure compliance by the approved enterprises with such undertakings as they may have signed.

Failure to comply with an undertaking may lead to the partial or total forfeiture of the benefits that go with the approval in accordance with a Decree passed by Cabinet and with effect from such date as may be fixed by the said decree. This sanction shall be applied only after a formal notice, to no avail, requiring remedial action by a reasonable deadline on such deficiences or lapses as may have been noticed.

ARTICLE 16

Approval conferring the status of priority enterprise shall be given for a variable period determined by the place of implementation of the investment in terms of region. For the purpose hereof, the Ivorian territory shall be divided into three zones labelled A, B and C and defined by Decree.

— The period of an approval shall be :

— 7 years for investments implemented in Zone A ;

— 9 years for investments implemented in Zone B ; and

— 11 years for investments implemented in Zone C.

A departure may be made from the provisions of this article in an establishment agreement entered into by the State with the priority enterprise, provided the period of the approval under the agreement does not exceed fifteen years.

To this period shall be added the period for implementing the investment programme as indicated in the approval decree or establishment agreement.

CHAPTER II
BENEFITS APPLICABLE

ARTICLE 17

Priority enterprises shall, for purposes of implementing their approved investment programmes, enjoy exemption from payment of customs import duties and taxes on :

- materials, plant and machinery necessary for implementing the investment ;

— relevant spare parts for imported marchinery to the tune of 10 % of the CIF value of the said machinery for enterprises located in Zone A, 20 % for enterprises located in Zone B and 30 % for enterprises located in Zone C.

There shall be no exemptions under this Article for :

- materials, plant and machinery for which Ivorian-made equivalents can be found and which are available under conditions of quality, full duty price and delivery periods similar to those pertaining to the same goods of foreign origin ;

— staff and cargo vehicles ;

— personal estate.

ARTICLE 18

Approved priority enterprises in the agro-industrial sector such as are not bound to apply the value-added tax may opt to relinquish that benefit and adopt the VAT regime either at the standard rate or at a reduced rate in which case the buffer rule shall be applicable to them.

ARTICLE 19

The registration fees applicable, in accordance with Article 558 of the General Tax Code, to contributions of capital made in the process of creating or increasing the capital of a company approved as a priority enterprise for the purpose of implementing its investment programme shall be reduced by half during the approval period.

ARTICLE 20

1. Priority enterprises shall, during their approval period, be exempted from payment of the following taxes, duties and levies :

— Industrial and trading profit tax ;

— Licence contributions ;

— Developed land tax and levies on property held in mortmain.

In any case, the duration of the exemption period shall not be shorter than that provided for by the common law regime in force at the time of the approval.

2. For cases other than those mentioned in Article 18 hereinabove, approved priority enterprises such as are not bound to apply the value-added tax may opt to relinquish that benefit and adopt the VAT regime either at the standard rate or at reduced rate, in which case the buffer rule shall be applicable to them.

3. There shall be total exemption from the taxes, duties and levies referred to hereinabove until the end of the last but three years of the approval period. The exemption rates shall then be scaled down :

— to 75 % of the duties normally due in respect of the last but two years of the approval period.

— to 50 % of the duties normally due in respect of the last but one year of the approval period ;

— to 25 % of the duties normally due in respect of the last year of the approval period.

ARTICLE 21

Enterprises given approval for establishing a production or processing activity shall benefit from an assistance determined by the added value. The size of this assistance shall be variable, depending on whether the recipient a small-and medium-scale enterprise or some other form of enterprise as well as on the location of the investment.

The assistance based on the (Ivorian) added value shall be degressive during the first five years of activity.

It shall be calculated as a Decree-determined percentage of the total wages bill allocated to the permanent Ivorian employees.

The assistance worked out for each monthly period using the rates specified in the Decree shall be considered as a tax credit deductible from the employers's payroll taxes in respect of the same period. Should the occasion arise, any tax credit surplus shall be recovered from a budgetary line entered in the tax schedule to the finance Act.

CHAPTER III
ESTABLISHMENT AGREEMENTS

ARTICLE 22

Enterprises executing projects which are of an exceptional economic and social importance to the development of the country and which require a given level of investment capital fixed by Decree may qualify to enter into establishment agreements with the State.

ARTICLE 23

An establishment agreement shall 'inter alia' define :

— the object, content, location of industry and period of investment ;

— the tax and other benefits of varying scope and nature accorded by the State to the enterprise as well as the period of their application ;

— the undertakings to be signed in return by the recipients of the said benefits ;

— the conditions under which the agreement may be reviewed upon the request of the parties ;

— the arbitration procedure to adopt in case of any dispute arising between the parties.

ARTICLE 24

In the area of customs import duties and levies and of taxes on the turnover, an establishment agreement shall not contain any benefits in kind other than those defined in Articles 17, 18, 19 and 20.2.

Furthermore, an establishment agreement shall not entail any commitment on the part of the State such as could have the effect of covering an enterprise against losses, costs or shortfalls in earnings resulting from the development of technology or from an economic contingency arising from natural or inherent weaknesses of the enterprise.

Any clause contrary to the present provisions shall be deemed to be null and void.

ARTICLE 25

The establishment agreements may be signed by foreign investors with holdings in the capital of Ivorian companies executing an approved investment.

Such agreements shall come into effect only after the adoption of the relevant decree passed by Cabinet on the advice of the Inter-Ministerial Committee on Priority Approvals.

ARTICLE 26

Enterprises that enjoyed the benefits under Act 59.134 of 3 September 1959 and its subsequent instruments shall continue to be governed by the said Act until such time that the effect of the said benefits expires.

Enterprises that, as at the date of notification of the present Act in the Official Gazette of the Republic of Côte d'Ivoire, have not been approved under the aforementioned Act 59.134 of 3 September 1959 may enjoy the benefits under the present Act if they satisfy the conditions prescribed therein.

ARTICLE 27

Subject to their transitory application under Article 26 hereinabove, all previous clauses contrary to the present Act and particularly the clauses of the aforementioned Act 59.134 of 3 September 1959 determining the regime of private investments in the Republic of Côte d'Ivoire are hereby repealed.

ARTICLE 28

The modalities of application of this Act shall be spelt out by Decree, where the need arises.

ARTICLE 29

This Act shall be administred as an Act of the State and notified in the Official Gazette of the Republic of Côte d'Ivoire.

Done at Abidjan on 8 Novembre 1984

FELIX HOUPHOUET-BOIGNY

ng

DECREE N° 87-241 OF 20 FEBRUARY 1987

placing certain health institutions within the scope of application of Act 84-1230 of 8 November 1984 promulgating the Investment Code.

Upon a bill tabled by the Minister of Industries ;

Whereas Act 84-1230 of 8 November 1984 enacted the Investment Code and particularly made the relevant provision in Article 4 thereof ;

Whereas Decree N° 84-1230 of 8 November, 1984 promulgated the Investment Code ;

Whereas Decree N° 86-491 of 9 July, 1986 appointed the members of the government ;

Whereas Decree N° 85-504 of 27 July, 1985 defined the prerogatives of the Minister of Industries and reorganized his Ministry ;

Whereas the Inter-Ministerial Committee on Priority Approvals, at its working session of 2 December 1986, passed the relevant resolutions.

NOW THEREFORE, the Président of the Republic,

Upon the approval of Cabinet

ENACTS as follows the DECREE hereafter :

ARTICLE 1

All investments involving the setting up of the following may be brought under the umbrella of priority activities :

- Medical Laboratories
- Medical and Dental Consulting rooms
- X-ray Laboratories
- Medical prosthesis Laboratories
- Clinics

ARTICLE 2

Small-and medium-scale enterprises investing in any of the areas mentioned in Article 1 hereinabove may benefit from the provisions of Act 84-1230 of 8 November 1984 in accordance with Article 4 thereof, provided they have received the technical and professional approval of the Ministry of Health and Population.

ARTICLE 3

The Minister of Industries and the Minister of Health and Population shall, in the areas falling within their respective prerogatives, be responsible for the performance of this Decree which shall be published in the Official Gazette of the Republic of Côte d'Ivoire.

MINISTRY OF INDUSTRIES

REPUBLIC OF COTE D'IVOIRE
Unity-Discipline-Work

DECREE N° 84-1231 OF 8 NOVEMBER 1984

stipulating the modalities of application
of Act 84-1230 of 8 November 1984
enacting the Investment Code

Whereas the Minister of Industries has presented the relevant report ;

Whereas a constitution has been drawn up for the Republic of Côte d'Ivoire ;

Whereas Act 59.134 of 3 September 1959 enacted the Private Investment Code ;

Whereas Act 84-1230 of 8 November 1984 enacted the Investment Code ;

Whereas Decree N° 83-1314 of 18 November 1983 enacted the appointment of members of the Government ; and

Whereas Decree N° 84-270 of 14 March 1984 defined the functions of the Minister of Industries and the organisation of his Ministry,

Now therefore, THE PRESIDENT OF THE REPUBLIC,

Upon the approval of Cabinet,

DECREES AS FOLLOWS :

ARTICLE 1

The modalities of application of the aforesaid Act 84-1230 of 8 September 1984 enacting the Investment Code are hereby set forth.

TITLE I
DEFINITION OF SMALL-AND MEDIUM-SCALE ENTERPRISES

ARTICLE 2

In pursuance of Article 3.1 of the aforesaid Act :

— the investment programme required shall be worth at least CFA francs 40 million and at most CFA Francs 200 million. The value of this investment programme shall exclude the recoverable value-added tax and include all manner of capital assets as well as the recurrent trading capital.

— the number of permanent wage-earners of Ivorian nationality required shall be 5 at least and 50 at most.

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TITLE II
APPROVAL PROCEDURE

ARTICLE 3

Approval conferring the status of priority enterprise with entitlement to the benefits under Title III of the aforesaid Act 84-1230 of 8 November 1984 shall be subject to the submission of an application containing the information stipulated by an Order of the Minister of Industries.

ARTICLE 4

The application for approval shall be addressed in 15 copies to the Minister responsible for Industries who, within a fortnight of receiving the application, shall either acknowledge receipt thereof or specifiy such other additional information as maybe required from the applicant. The applicant shall equally be notified of the receipt of any additional information within a fortnight of such receipt. The acknowledgement of receipt shall include the name of the Technical Division in charge of the project within the Ministry responsable for Industries.

ARTICLE 5

Within 45 days of the notification acknowledging receipt of the application, the Technical Division in charge of the project shall initiate its preliminary investigations, liaising for the purpose thereof with the various Ministries concerned.

It shall prepare and forward to the members of the Inter-Ministerial Committee on Priority Approvals mentioned in Article 6 herein below a synthesized memoradum appraising the project.

ARTICLE 6

The Inter-Ministerial Committee on Priority Approvals shall comprise

1°) the Director of the departmental staff of the Ministry of Industries or his representative, who shall be Chairman of the Committee ;

2°) three representatives of the Ministry of Finance and Economic Planning ;

3°) two representatives of the Technical Division in charge of the project and one representative from each of the other Divisions of the Ministry responsible for Industries ;

4°) one representative of the Ministry of Trade ;

5°) one representative of the Office of the President.

The Inter-Ministerial Committee on Priority Approvals may give a hearing to any personality designated on account of his skills by the Ministry of Industries, upon the recommendation of the Chairman of the said Committee.

The Inter-Ministerial Committee on Priority Approvals shall meet upon the invitation of its Chairman within 30 days of the dispatch of the project apparaisal memorandum to its members.

ARTICLE 7

Except under exceptional circumstances, which the Chairman shall determine at his own discretion, the deliberations of the Inter-Ministerial Committee on Priority Approvals shall be valid only if the majority of its members are present or represented at a meeting.

ARTICLE 8

A report on the deliberations of the Inter-Ministerial Committee on Priority Approvals embracing the broad outline of the investment programme and the Committee's considered opinion on its approval shall be written by the Chairman and addressed to the members within a fortnight of the meeting.

In case of a favourable opinion, a draft approval Decree shall be prepared by the Chairman of the Inter-Ministerial Committe on Priority Approvals and submitted to the Minister of Industries for presentation to Cabinet.

ARTICLE 9

The preparation of draft establishment agreements to be signed between the State and enterprises fulfilling the stipulations in Article 23 of the aforesaid Act 84-1230 of 8 November 1984 shall be undertaken after a favourable opinion of the Inter-Ministerial Committee on Priority Approvals, and upon submission of an appraisal memorandum written by the Technical Division in charge of the project, under the terms set forth in the foregoing Articles.

TITLE III
BENEFITS APPLICABLE

ARTICLE 10

A joint Exemptions Committee shall be set up, comprising :

— 3 representatives of the Ministry responsible for Industries, one of whom shall be Chairman of the Committee ;

— The Director General of Customs or his representative ;

— The Director General of Taxes or his representative ;

— a representative of the Ministry of Trade ;

This Joint Exemptions Committee shall, among others, aim at ensuring that lists of goods to be imported duty-free, as submitted by the approved enterprise, are in line with the approval decision.

ARTICLE 11

To enjoy exemption from payment of the customs duties and import charges connected with the importation of materials, plant, equipment and spare parts under Article 17 of the aforesaid Act 84-1230 of 8 November 1984, an approved priority enterprise shall be required to address, through the Technical Division in charge of the project, to the Chairman of the Joint Exemptions Committee an application embodying the following information :

1°) description of enterprise (Name, style, address or registered office) and reference of approval decree ;

2°) appointment of a customs clearing agent, as appropriate ;

3°) description of materials, plant and equipment eligible for exemption from payment of import customs duty in kind, cash, quantity, weight and value, attaching thereto any necessary vouchers ;

4°) clear statement of the use to which the said goods will be put and an undertaking by the enterprise to stick to that use.

ARTICLE 12

Enterprises enjoying the aforesaid exemption, that is the exemption from payment of customs duties, shall be required to draw up a special inventory, based on the format attached as annex hereto, of goods imported duty-free.

ARTICLE 13

No materials, plant, equipment or spare parts imported hereunder shall be transferred by the enterprises except with the prior express approval of the Minister of Finance and Economic Planning, subject to the approval of the Joint Exemptions Committee.

Where such approval is granted, it shall give rise to the payment of such duties as may have been waived in respect of the said goods, the calculation thereof being based on the going rates and schedule of charges as at the date of filing the tax return.

ARTICLE 14

Any diversion from their intended use of materials, plant, equipment or spare parts imported duty-free or any transfer thereof without the approval stipulated in Article 13 hereinabove shall :

a) immediately render due the payment to the Treasury of such import duties as may have been waived in respect of such goods ;

b) constitute an act of fraudulent importation punishable under the customs regulations of the Republic of Côte d'Ivoire ;

c) constitute a non-performance of the obligations imposed by the approval Decree as stipulated by Article 14 of the aforesaid Act 84-1230 of 8 November 1984.

ARTICLE 15

A priority enterprise shall notify the Ministry responsible for Industries of the completion of its investment programme. A completion date shall be recorded by an Order of the said Ministry after an inspection has been conducted to ensure that the investments fall in line with the approved programme drawn up by its departments.

The approval period shall, depending on the zone of location, run up to the seventh, ninth or eleventh calendar year with effect from the 1st January of the investment programme completion year as fixed by the Order of the Minister responsible for Industries.

ARTICLE 16

The domestic value added assistance rates applicable to the annual wages bill payable to Ivorian staff shall be as follows :

	ZONE A	ZONE B	ZONE C
1st year	20 %	30 %	40 %
2nd year	16 %	20 %	35 %
3rd year	12 %	15 %	20 %
4th year	8 %	10 %	15 %
5th year	4 %	5 %	10 %

For the Small-and Medium-Scale Enterprises a multiplier of 1.5 shall be fixed for the above rates. For calculating the annual wages bill for Ivorian staff each wage, taken into consideration and related to the activity for which approval has been given, shall be understood to have its ceiling fixed at three times the value of the guaranteed minimum wage (G M W).

ARTICLE 17

In pursuance of Article 22 of the aforesaid Act, the minimum investment capital required shall be CFA Francs 5 billion. It shall exclude the recoverable VAT and include all manner of capital assets as well as the recurrent trading capital.

TITLE IV
REGIONS

ARTICLE 18

In pursuance of the aforesaid Act, the Côte d'Ivoire shall be divided into regions brought under 3 Zones as follows :

ZONE A (Abidjan region) made up of the departments of ABIDJAN (Abidjan Prefecture, sub-prefectures of Alépé, Anyama, Bingerville, Bonoua, Dabou, Grand-Bassam, Jacqueville, Sikensi and Tiassalé) ; ABOISSO (Adiakè sub-prefecture) ; AGBOVILLE (Agboville Prefecture, sub-prefectures of Azaguié and Rubino) and ADZOPE (Adzopé Prefecture, sub-prefectures of Affery, Agou, Akoupé and Yakassé).

ZONE B (South-West, Central and Eastern regions) comprising the departments of ABIDJAN (Grand-Lahou sub-prefecture) ; ABOISSO (Aboisso prefecture and Ayamé sub-prefecture), ABENGOUROU, BONDOUKOU (Sub-prefectures of Kouassi-Datekro, Koun-Fao and Tanda), BONGOUANOU, DIMBOKRO, BOUAKE, DABAKALA, KATIOLA, ZUENOULA, BOUAFLE, DALOA, ISSIA, GAGNOA, OUME, DIVO, LAKOTA, SASSANDRA, SOUBRE and GUIGLO (Taï sub-prefecture).

ZONE C (Eastern, Northern and North-Western regions) embracing the departments of BONDOUKOU (Bondoukou prefecture and Sandégué sub-prefecture) ; BOUNA, FERKESSEDOUGOU, KORHOGO, TENGRELA, BOUNDIALI, ODIENNE, MANKONO, SEGUELA, TOUBA, BIANKOUMA, MAN, DANANE, GUIGLO (Guiglo Prefecture and sub-prefecture of Bloléquin, Duékoué and Toulepleu).

TITLE V
MISCELLANEOUS CLAUSES

ARTICLE 19

The application periods of measures under this Decree shall be determined, where necessary, by Orders issued by the Minister responsible for Industries.

ARTICLE 20

All previous clauses contrary to this Decree are hereby repealed. These include 'inter alia' :

— the provisions of Decree N° 60-09 of 6 January 1960 stipulating the modalities of application of the aforesaid Act 59-134 of 3 September 1959 ;

— the provisions of Order N° 21 FAEP/PL of 14 January 1960 stipulating the application procedures of Decree N° 60-09 of 6 January 1960 with regard to the measures of exemption from payment of import and export duties and taxes within the Republic of Côte d'Ivoire ;

— the provisions of Order N° 22 FAEP/PL of 14 January 1960 determining the terms of application of inspection measures with regard to undertakings signed by enterprises enjoying benefits under Act 59-134 of 3 September 1959.

ARTICLE 21

The Minister of Industries and the Minister of Finance and Economic Planning shall, each according to his prerogative, be charged with executing this Decree which shall be published in the Official Gazette of the Republic of Côte d'Ivoire.

Done at Abidjan on 8 November 1984

FELIX HOUPHOUET-BOIGNY

ANNEX

REPUBLIC OF COTE D'IVOIRE

MINISTRY OF INDUSTRIES

APPLICATION FOR DUTY-FREE IMPORT LICENCE

- Description of Consignee (Enterprise) approved by Decree :
- DECLARANT :
- Period of Validity :

INVENTORY OF STOCK AS PER TABLE ATTACHED.

We, the undersigned, hereby undertake not to transfer the said goods except with the express prior approval of the Ministry of Finance and Economic Planning, after payment of such duties and taxes as may have been waived in respect of the goods and suscribe, without reservation, to the provisions of Articles 13 and 14 of Decree N° 84-1213 of 8 November 1984.

Done at Abidjan on

Name & signature of the Enterprise's representative.

FOR OFFICIAL USE ONLY

STAMP :
Date received

Opinion of the Joint Exemptions Committee

INVENTORY OF MATERIALS, PLANT, EQUIPMENT AND SPARE PARTS

Customs Description	Customs Catalogue N°	Trade Specification (1)	Quantity (2)	Value in F CFA (3)	Destination and Use

(1) Description - brand - specifications
(2) Indicate Unit (item, Kg, t, m,)
(3) Indicate FOB or CIF

MINISTRY OF INDUSTRIES

REPUBLIC OF COTE D'IVOIRE
Unity-Discipline-Work

ORDER N° 013/M1/CAB OF 12 MARCH 1986

stipulating the information to be provided in connection with any application for approval as priority enterprise

Whereas Act 84-1230 of 8 November 1984 enacted the Investment Code ;

Whereas Decree N° 83-1314 of 18 November 1983 enacted the appointment of members of the Government ;

Whereas Article 3 of Title II of Decree N° 84-1230 of 8 November 1984 fixed the modalities of application of Act 84-1230 of 8 November 1984 promulgating the Investment Code ; and

Whereas Decree N° 85-504 of 27 June 1985 defined the functions of the Minister of Industries and organised his Ministry,

Now therefore, the MINISTER OF INDUSTRIES ISSUES AS FOLLOWS THE ORDER HEREAFTER :

ARTICLE 1

Any application for priority enterprise approval shall be addressed to the Minister of Industries and shall be based on the model application and standard information file appended hereto.

ARTICLE 2

The application and the standard information file shall be submitted in fifteen (15) copies.

ARTICLE 3

In accordance with the format appended hereto, the standard information file shall be required to include the following :

I - Background information on enterprise ;

II - Brief summary of project ;

III - Marketing and market research ;

IV - Study of supplies ;

V - Technical description of project ;

VI - Investments ;

VII - Loans ;

VIII - Items of operating statement in normal operating year : sales, personnel expenses, purchases.

IX - Operating and results statements, financing and treasury schedules.

ARTICLE 4

Any enterprise that is already in operation shall be expected to attach to its file two copies of the balance sheets and operating statements of its last three (3) financial years.

ARTICLE 5

The Director of the departmental staff of the Ministry of Industries shall be responsible for the implementation of this decree which shall be notified in the Official Gazette of the Republic of Côte d'Ivoire.

Done at Abidjan on 12 March 1986

The Minister of Industries
Bernard EHUI KOUTOUA

ANNEX I
STANDARD APPLICATION FOR APPROVAL

To : The Minister of Industries

Dear Sir,

I wish to apply for priority enterprise approval in accordance with the provisions of Title III of Act 84-1230 of 8 November 1984 enacting the Investment Code.

The project in respect of which priority approval is hereby solicited is ....
....
....

The name of the firm applying for the priority approval is ....
....

of which I am the authorized agent in my capacity as ....
....

Our principal investors are ....
....

Please find herein enclosed 15 (fifteen) copies of an application file as well as 2 (two) copies each of the official balance sheets of the firm (1) for the last three years.

I hereby undertake to honour all the obligations under Act 84-1230, especially those stipulated in Articles 7 and 13 thereof.

Yours Faithfully,

SIGNATURE

NAME

Done at .... on ....

(1) For firms already in operation.

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ANNEX 2
STANDARD PRIORITY APPROVAL FILE

The priority approval application file which should be prepared by the promoter of the project should contain, as much as possible, all the information requested in this form and should follow the format indicated here or any other format which would be better suited to the particular project. This information is needed to enable the authorities to assess the importance of the project and evaluate its economic viability with a view to giving a justifiable opinion for its priority approval.

The document should be brief and to the point. It should normally be between 20 (twenty) to 50 (fifty) pages (including tables).

Small-and medium-scale enterprises satisfying the requirements of Articles 2,3 and 4, Title I, Act 84-1230 of 8 November 1984 enacting the Investment Code, supplemented by Article 2 of Title I of its implementation Decree N° 84-1231 of 8 November 1984 may simply submit a lighter file.

Tables of budgetary estimates shall be drawn up in thousands or millions of constant CFA Francs for a given year (to be stated), under the common law system. For a project that consists of a modification, an expansion or a restructuring of an existing activity, the tables shall include only those items (investments, purchases and sales, personnel, profit, financing, etc.) related to such modification. A common numbering system should be adopted for the same periods in the various tables.

1. Background information on firm

— Name & Address ;

— Legal character (sole proprietor, partnership, cooperative).

— State, if necessary, whether the Company is being incorporated or is operating on a reduced capital.

— Indicate at the time of the project take off and for the foreseable future thencefrom :

* The list of shareholders and members of the Board of Directors indicating their nationalities.

* The amount and distribution of the registered capital.

— Status of the signatory of the application.

— References of the promoter.

— In the case of an existing firm please enclose as annexes the last three official balance sheets (two copies for each).

2. Brief summary of project

— State in a few lines the new activities planned, the objectives and the broad specifications of the project.

— Indicate, where necessary, how the project fits into the past operations of the enterprise.

— Location of the project and justification, if necessary.

— Investment.

— Expected sources of finance
. Capital stock
. Bank Loans.

— State whether the project benefits from an Industrial Development Financing Loan (IDFL).

— Jobs created

— Indicate the possible qualitative benefits of the project (e.g. in terms of its technology, contribution to industrial development, social and regional impact).

3. Marketing and market study

— Description of products

— Estimated production per product and trend during the first few years. Estimated share of sales on domestic market and on the export market, per country or group of countries.

— Current suppliers and distributors of the domestic market.

— Target clientele (categories of consumers, consuming enterprises...) and envisaged marketing approach.

— Bills of sale or expressed letters of intent (attach relevant documents).

— Projected market and competitive production trends.

— Estimated selling prices of products ; structure of distribution costs.

— Current market price and projected trends.

— C.I.F. price or local ex-works price of competing products.

4. Study of supplies

For the project's main inputs indicate expected sources of supply for the protected market and price trends.

— For locally purchased goods, indicate, if necessary, guarantees of availability obtained.

5. Technical description

— Manuacturing processes and specifications of major equipment ;

— Production and output capacities at the various manufacturing stages ;

— Site and location plans ;

— Electrical power installed ; power to be subscribed from the EECI ;

— Infrastructural work expected of the State (roads, power, water supply) ;

— Specific measures relating among others to the quality of products and standardization, safety, environmental protection, sewage (waste waters, refuse, smoke, dust, etc.) ;

— Possible acquisition of Technology (purchase of patents, assignment of licences, technical assistance) ;

— Technical references and list of engineering studies carried out.

6. Investments

Give a description including :

— Land : area ; indicate whether the premises have been purchased, or taken out on lease or rented ; whether the plot has been developed ; whether it is located within an industrial area ;

— Buildings ; areas covered by allocation ; types of construction, brief description ;

— Machinery : list and brief description ; origin ; brand new or secondhand ; power, capacity ;

— Vehicles : idem

— Stocks of raw materials and finished products : evidence of the corresponding expiry dates of consumption or production periods, per category.

Table 1 will cover the overall investments, including costs of establishment, studies and the building up of the trading capital.

Table 2 will cover the period and show all replacements of equipment and machinery to be made during the first 15 (fifteen) years.

Table 3 will cover up to the time when amortization becomes constant, such a period not exceeding 15 (fifteen) years.

7. Loans

Indicate for all the sources of credit (partner's current account, bank credits, suppliers' credits, any other) the names of banks involved, total amounts of loans, terms and conditions of credit (rates of interest, modalities and periods of reimbursement, deferred payments), units of account.

Indicate each loan in table 4 which will cover up to the date of the last reimbursement.

8. Items of the operating statement

Provide the technical arguments in favour of the various expenditure items.

Indicate, for the personnel :

— scheme of work (number of functions performed per day, per category) ;

— programme of recruitment (on a yearly basis) ;

— training operations ;

— programme of Ivorianization on a yearly basis per category of personnel.

In tables 5 and 6 "normal operating year" should be understood to mean the first year of production at full capacity.

9. Operating and results statements

Financing and treasury plan

— Tables 8 and 9 will cover the same period as table 4 and involve a minim... 15 (fifteen) years.

— Revenue accruing from the project, capital stock and banks as defined in table 9 may be up-dated using various rates ranging between 8 % and 20 %.

— Tables 10 will show receipts (and expenses) under the months they will be paid in (and disbursed). This table will cover the period of investment and the first 18 (eighteen) months of operation.

Table 1 : Initial investment (including the building up of stocks)
in CFA F. 198___

Description	Purchases from abroad				Purchase in Côte d'Ivoire	Other local costs : Transport, Assembling	V.A.T.	Total cost	Amortisation Period
	Tariff Position	CIF cost (in CFA F.)	Customs Duties, State dues	O.I.C. (1)	Cost price exclusive of Tax				
—									
—									
—									
—									
—									
—									
Total									

1) Office Ivoirien des Chargeurs.

Table 2 : Bills payable book of investments and replacements (in CFA. F 198)

Year	1	2	3	4	5	6	7	8	9	10	___
—											
—											
—											
—											
—											
—											
Total											

Table 3 : Amortization of investments and replacements

Year	1	2	3	4	5	6	7	8	9	10	—
—											
—											
—											
—											
—											
—											
Total											

Table 4 : Loans

Year	1	2	3	4	5	6	7	8	9	10	11	12	______
Credit ;													
Loan													
Debt servicing :													
Including : reimbursements													
interests													
service tax													
TDP (1)													
Credit ;													
Loan													
Debt servicing :													
Including : reimbursements													
interests													
service tax													
TDP													
GRAND TOTAL													
Loans													
Debt servicing													
Including : reimbursements													
interests													
service tax													
TDP													

(1) Tax an Debt Payments

Table 5 : Sales in normal operating year

Description of product	Quantity (& unit)	Value exclusive of tax		V.A.T. Service tax	Total
		Sales in Côte d'Ivoire	Sales abroad FOB value in CFA		
Total					

Table 6 : Purchases of goods and services, in normal operating year

Description	Quantity (& unit)	Purchases abroad				Purchases in Côte d'ivoire	Local charges on purchases Transit, Transport)	V.A.T. Services Tax	Total
		Tariff position	CIF cost (in CFA)	Customs duties, state dues	O.I.C.	Cost Price Exclusive of tax			
Purchases and purchase costs									
-									
-									
-									
-									
Total :									
External supplies :									
Petroleum products									
Electricity									
Water									
Tyres, vehicle spares parts									
Machine and light tool spare parts,									
Other external supplies									
Total :									
Transport on sales, other transports, travels									
External services :									
Maintenance									
Tech. Assist. Fees, Commissions, brokerages									
Quota of head office expenses									
Other external services									
Total									
GRAND TOTAL									

Table 7 : Personnel

Professional categories	1st year of production				5th year of production			
	Number of jobs	Total Salaries	Employer's payroll taxes (Exclusive of TWS)*	Total cost	Number of jobs	Total cost	Employer's payroll taxes (Exclusive of TWS)*	Total cost
Ivorians								
Management								
Engineers and technicians								
Executive Adm. Staff.								
Exec. Tech Staff								
Skilled workers (cat. 5 and above)								
Semi-Skilled workers (cat. 3 and 4)								
Labourers (categories 1 and 2)								
Skilled employees (category 5 and above)								
Unskilled employees (categories 1 to 4)								
Total								
Other Africans (same breakdown)								
-								
-								
-								
Total								
Expatriates :								
-								
-								
-								
Total								
GRAND TOTAL								

* Tax on Wages and Salaries

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Table 8 : operating statements and their results

Year	1	2	3	4	5	6	7	8	9	10	
Sales : Sales exclusive of Tax (E.T.)											
VAT, service Tax on sales											
Total :											
Purchases : Purchases (1) supplies ext. services :											
Import duties											
Recovered VAT											
Total :											
Gross added value (GAV) :											
Other expenditures :											
Insurances, claims :											
Personnel (exclusive of TWS)											
Taxes and levies											
Including : TWS											
VAT "borne" by the enterprise											
Export duties											
Other (licence, property taxes...)											
Total :											
Gross operating surplus (GOS)											
Financial costs											
Amortization											
Gross profit (GP)											
Taxes on trading results											
Including : NIF deductions,											
Industrial & Trading Profit (ITP) Tax											
Net Profit (NP) :											
Including : dividends											
unshared profits.											

(1) Amount E.T. for enterprises recovering tax.

GAV = Sales less purchases
GOS = GAV less "other expenditures"
GP = GOS less financial cost and amortization
NP = GP less taxes on trading results

Table 9 : Financing schedule

Year	1	2	3	4	5	6	7	8	9	10	11	12	______
Resources: Contributions of capital Loans Gross operating surplus (GOS) Salvage value (1) Total resources													
Allocations : Investments Debt servicing Taxes on trading results Dividends Total N° of allocations													
Balance : (Resources and allocations) Funds (cumulative balances)													
Profitability calculation Revenue from projects (RP) Revenue from capital stock (RCS) Revenue from banks (RB) Taxes on trading results													

(1) Salvage value : value of net tangible assets and stocks of final year.

RP = Gross operating surplus - Investments + salvage value

RCS = Dividend - Capital contributions - Balance (resources - allocations)

RB = Debt servicing - Loans

RP = RCS + RB + Taxes on trading results

Table 10 : Treasury schedule for project take off

Month	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
Resources																					
Capital stock contributions																					
Loans																					
Sales																					
Other resources																					
Total resources																					
Allocations																					
Investments																					
Reimbursements																					
Raw materials																					
External supplies																					
External Services																					
Miscellaneous charges																					
Personnel																					
Taxes																					
Financial Costs																					
Total N° of Allocations																					
Balance (Resources-allocations)																					
Cumulated balance																					

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Edward Wiese, Regional Director
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01 B.P. 3698, Abidjan 01
Tel: (225) 21-46-10, Fax: (225) 32-76-85, Telex: 22121 32-46-10
Ronald De Angelis, Vice President
Complete package of commercial banking services
Services bancaires et commerciaux

Jacques Huot

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BATTERIES

EVEREADY COTE D'IVOIRE
Zone Industrielle de Vridi - Rue des Petroliers
15 BP 611, Abidjan 15
Tel: (225) 27-33-84, Fax: (225) 27-25-19, Telex: 43390
André Corvez, Managing Director
Manufacture and marketing of dry cell batteries
Fabrication et marketing de piles.

BEVERAGES

BEVERAGE SERVICES AFRICA (BSA)
Immeuble les Heveas (6th floor)
04 B.P. 1539, Abidjan 04
Tel: (225) 22-16-96/97, Telex: 22632
Fax: (225) 22-16-98
Mr. Jean Francois Peytel, Regional Manager
Promotion de boissons coca cola en Afrique
Promotion of coca cola drinks in Africa

CHEMICAL PRODUCTS

DOW CHEMICAL EXPORT S.A.
Rue Booker T. Washington, Cocody (lot No.5)
01 BP 1521, Abidjan 01
Tel: (225) 44-61-10/44-60-25/44-50-03/44-60-71
Fax: (225) 44-37-32, Telex: 26136 DOWCI
Mikaël Debass, District Sales Manager
Chemicals sales promotion
Promotion et vente de produits chimiques.

FMC OVERSEAS LTD.
Ancienne Rte de Bingerville, Residence Angèle
08 B.P. 723, Abidjan 08
Tel: (225) 44-02-11, Fax: (225) 44-72-04, Telex: 26174
Bruno Bernos, Director
Marketing of agricultural Chemical products
Marketing de produits chimiques agricoles

COMPUTERS AND PERIPHERALS

IBM COTE D'IVOIRE
Immeuble AMCI (1st Floor) - Plateau
01 B.P. 964, Abidjan 01
Tel: (225) 32-52-07/32-28-19, Fax: (225) 32-83-51
Telex: 23528
Abou Dramane Sylla, Director
Suppliers of IBM Computers and software
all IBM company services
Vente de matériel d'informatique IBM
et tous services IBM

NCR COTE D'IVOIRE
30 Ave. Général de Gaulle
Immeuble Symphonie, (4th floor)
01 BP 4102, Abidjan 01
Tel: (225) 32-32-54, Fax: (225) 22-69-69, Telex: 22413
Mr. de Drouas Regis, Administrative/Financial Manager
Suppliers of NCR computer systems/software/site preparation and maintenance of equipment.
Vente des ordinateurs NCR, location et réparation de matériel d'informatique.

RANK XEROX COTE D'IVOIRE WEST AND CENTRAL AFRICA
Avenue Noguès, Immeuble Le Mans, (1st Floor)
01 BP 402, Abidjan 01
Tel: (225)32-76-77/26-91-19, Fax: (225) 32-35-50
Telex: 22318 RXEROX CI
Rene Tayot, General Manager West and Central Africa
Distribution, rental, sales/services of Xerox office equipment
Distribution, location, vente/entretien du matériel de bureau.

UNISYS
Boulevard Giscard d'Estaing
01 BP 4038, Abidjan 01
Tel: (225) 26-68-51, Telex: 43371
Mr. Michel Barrere, Branch Manager
Sales, and service of computers
Vente et réparation de matériel d'informatique.

CONSTRUCTION AND HOME BUIDING

SOCOGIM - ROBERT McGRAW, INC.
Residence Kennedy - 266 Boulevard de Marseille - Bietry
18 b.p. 56, abidjan 18
Tel: 225) 36-84-63, Telex: N/A
Director: Mr Etienne Atcho
General construction works
Travaux de construction génerale

CONSULTING AND GENERAL TRADING SERVICES

CHEMONICS COTE D'IVOIRE
Route de Bingerville
(vers Station Texaco, lot 2257)
01 B.P. 8669, Abidjan 01
Tel: (225) 41-62-32, Fax: (225) 41-62-32
Telex: n/a
Director: Mrs. Lisa Block
Management consulting firm
expert en management

INTER MANAGEMENT
Immeuble Dance Center (Cocody-les-II Plateaux)
06 B.P. 1083, Abidjan 06
Tel: (225) 44-70-73, Telex: 22555 Ichotci
Ms. Suzan Cioffi, Managing Director
Management Consulting firm
Experts-Conseils en Management

LOUIS BERGER INTERNATIONAL INC.
Résidence Franchet d'Esperey, (6th floor, Apt E63)
01 BP 4059, Abidjan 01
Tel: (225) 32-35-57/33-29-40/22-34-15
Fax: (225) 32-35-57, Telex: 23513 Berge CI
Daniel Etounga, Vice-President, Director of Operations for W.A.
François Montrelay, Deputy Vice President
Development, planning, agriculture, transport, urban services
Développement, planning de projets agricoles et urbains.

COSMETICS, TOILETRIES, PHARMACEUTICALS & HOUSEHOLD PRODUCTS

ABBOTT LABORATORIES S.A.
Cocody-les-II Plateaux (derriere Ecole Pitchoune)
01 B.P. 2022, Abidjan 01
Tel: (225) 41-52-41, Fax: (225) 32-92-05, Telex: 23755
Mr. Sadiq Malik, Area Manager, West and East africa
Regional marketing of pharmaceuticals, medical supplies and diagnostic kits

COLGATE PALMOLIVE COTE D'IVOIRE
Boulevard Giscard d'Estaing, (near Ivosep)
08 BP 1283, Abidjan 01
Tel: (225) 35-62-16/35-64-11?35-36-02, Telex: 43353
Fax: (225) 35-81-15
Gerard Dore, General Manager
Manufacture and marketing of toiletry products
Fabrication et commercialisation de produits d'hygiène et d'entretien.

LABORATOIRES BRISTOL MYERS
01 B.P. 3789, Abidjan 01
Tel: (225) 44-05-91, Fax: N/A, Telex: N/A
Cyril Macouin, Director, Afrique Occidentale Ouest
Pharmaceuticals

LABORATOIRES PFIZER
Immeuble Alpha 2000, (6th floor)
08 B.P. 2004, Abidjan 08
Tel: (225) 21-23-61, Fax: (225) 22-21-81, Telex: 22920
Abraham Vendeix, Director
Pharmaceuticals, veterinary and agricultural products

WYETT-AYERST INTERNATIONAL, INC.
Riviera 3 - Copraci (Villa No. 72)
01 B.P. 221, Abidjan 01
Tel: (225) 43-00-01, Telex: n/a, Fax: n/a
Director: Mr. Bombouet Hughes Kouami
Marketing of pharmaceutical products
Marketing et distridution de produits pharmaceutiques

DOCUMENT HANDLING

DHL INTERNATIONAL COTE D'IVOIRE
Bld Giscard d'Estaing
01 BP 4869, Abidjan 01
Tel: (225) 24-99-99, Fax: (225) 35-05-26
Telex: 42278 DHL ABJ
Alain Massoulier, General Manager DHL West Africa
Bernard Pascal, General Manager DHL Cote d'Ivoire
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HOTEL

HOTEL IVOIRE INTERCONTINENTAL
Boulevard de la Corniche, Cocody
08 B.P. 1, Abidjan 08
Tel: (225) 44-10-45, Fax: (225) 44-00-50, Telex: 23555
Roger Kacou, General Manager for Cote d'Ivoire
Jean Louis Buttigaz, Director of Sales/Marketing
Intercontinental hotel

GOLF HOTEL INTER CONTINENTAL
Cocody-Riviera
08 B.P. 18, Abidjan 08
Tel: (225) 43-10-45/43-10-46, Fax: (225) 43-05-44
Telex: 26112
Roger Kacou, General Manager Cote d'Ivoire
Jean Raymond Stenger, Manager
Intercontinental hotel

INSURANCE

AMERICAN INTERNATIONAL ASSURANCE CO. (A.I.A.)
Immeuble Trade Center, (3rd floor)
08 BP 873, Abidjan 08
Tel: (225) 32-87-25/32-86-59, Fax: (225) 32-54-90, Telex: 22391
Jacques Emsix, General Manager
All insurance activities
Assurances generales

AMERICAN LIFE INSURANCE COMPANY (ALICO)
Woodin Center, (1st floor) - Avenue Nogues)
01 BP 5173, Abidjan 01
Tel: (225) 32-01-00, Fax: (225) 32-56-17, Telex: 22335
Allen R. Brown, Regional Vice President
Ms. Florence Assebian, General Manager
Life Insurance
Assurance vie.

ASSUREURS-CONSEILS DE COTE D'IVOIRE/FAUGERE JUTHEAU et CIE
Immeuble Les Hévéas (5th floor)
01 BP 1554, Abidjan 01
Tel: (225) 21-86-57, Fax: (225) 32-88-89, Telex: 23503
Jean-Marc de Bournonville, Director
Insurance activities. Affiliate of Marsh McLennan
Assurance génerale. Filiale de Marsh McLennan.

LEGAL FIRMS

DAT INTERNATIONAL, P.C.
(formerly Duncan, Allen & Talmage)
Residence Pelieu, Avenue Delafosse prolongée
01 B.P. 708, Abidjan 01
Tel: (225) 32-67-66, 32-68-05, 32-67-85, Fax: (225) 32-68-17,
Telex: 22435 Damci
E.T. Hunt Talmage, III, Resident Partner
→ Albert Lincoln, Resident Partner   call Tues. afternoon
Advising on International commercial, corporate, tax and investment law (not authorized to practise before the local courts)
Conseils en droit commercial international, fiscalité et droit des sociétés et des investissements (non autorisé à plaider devant les tribunaux locaux).

* STEEL MILL AND MINING

BHP-UTAH INTERNATIONAL EXPLORATION, INC
Immeuble Vanda Complex au Vallon   Planning to invest
01 B.P. 6944, Abidjan 01
Tel: (225) 41-20-39/41-21-8, Fax: (225) 44-21-39
Telex: 22988 Lawyer
Christopher Robert Ford, Chief of Project
Mining operations
Industrie minière   Sofa André

SOCIETE IVOIRIENNE DE SIDERURGIE S.A. (S.I.S.)
Boulevard de Vridi (à côté de Chateau d'Eau de Vridi)
01 B.P. 3685, Abidjan 01
Tel: (225) 27-21-19, Fax: (225) 27-29-57, Telex: 43502 SIS-CI
Judson Welsh, Administrative/Financial Manager
Steel mill
Siderurgie

PETROLEUM EXPLORATION, DEVELOPMENT, MARKETING AND SERVICES

CHEVRON INTERNATIONAL TRADING COMPANY WEST AFRICA
Immeuble Jeceda (B 42), Boulevard de la Republique
16 BP 627, Abidjan 16
Tel: (225) 21-43-57/21-69-21/21-89-49, Fax: (225) 21-82-71
Telex: 22523/22141
Alain J. Honorat, Vice President
International trading in petroleum products.
Commercialisation de produits pétroliers.

ESSO EXPLORATION AND PRODUCTION COTE D'IVOIRE
Immeuble Longchamp (4 & 5th floor)
01 BP 4022, Abidjan 01
Tel: (225) 21-74-11, Telex: 23404 Fax: 21-63-52)
Gerard Oswaldt, President
Exploration and production
Exploration et production.

ESSO COTE D'IVOIRE S.A.
Immeuble Alpha 2000 (14th floor)
01 BP 1598, Abidjan 01
Tel: (225) 21-63-98, 21-80-35, Fax (225) 21-78-85, Telex: 22404
Manuel Valle-Domingues, Président Directeur Général
Affilié: Exxon Corp., New York
Produits pétroliers, carburants, lubrifiants, gaz, Produits Chimiques

MOBIL OIL COTE D'IVOIRE S.A.
13, Impasse Paris-Village, Plateau
01 BP 1777, Abidjan 01
Tel: (225) 32-73-20, Fax: (225) 22-28-56, Telex: 23779
Rene Poujol, Regional Manager
Marc Cardoso Bonard, General Delegate for Cote d'Ivoire
Distribution of fuels and lubricants
Distribution de produits petroliers et de lubrifiants.

TEXACO COTE D'IVOIRE
Grand Canal/Zone Industrielle de Vridi
01 BP 1782, Abidjan 01
Tel: (225) 27-00-30, Fax: (225) 27-09-81, Telex: 43115, 43199
Remy Paoli, Director General
Marketing and distribution of petroleum products
Marketing et distribution de produits pétroliers.

TIDEX INTERNATIONAL
c/o Socopao Cote d'Ivoire
01 B.P. 1297, Abidjan 01
Tel: (225) 41-38-97, Fax: (225) 41-38-97
Lawrence Lyon, Operations Manager
Petroleum services
Services pétroliers

SEWING MACHINES

SINGER SEWING MACHINE COMPANY (SSMC INC)
Marcory Residentiel/87, Boulevard Achalme
Residence le Panoramic (1er Etage, Porte 12)
11 B.P. 2259, abidjan 11
Tel: (225) 26-36-57/26-07-78, Fax: (225) 26-41-54
Telex: 43477 Singer CI
Raed Ariss, Regional Manager
Regional Office for West Africa

TRANSPORTATION, VEHICLE PARTS & TIRES

AMERICAN AIRLINES
Immeuble Abeille, Plateau, (3rd floor)
01 B.P. 5148, Abidjan 01
Tel: (225) 32-85-29, 33-13-15, Telex: Sita Abjssaa
Eileen Keita, Regional Representative
Commercial airline operations including reservations and ticketing
Compagnie aérienne - Reservations et Emission de billets d'avion

EVERGREEN HELICOPTERS
B.P. 748, Odienné
Tel: (225) 80-03-72, Telex: n/a
Director: Mr. David Mardin
Flying services, including crop spraying and insect (locust) control
Service de vol comprenant arrosage de produits agricoles, lutte et controle des insectes (locustes).

The American Chamber of Commerce Côte d'Ivoire meets the 2nd Thursday of every month in Abidjan. For more information on the Club and its activities call the U.S. Foreign Commercial Service, U.S. Embassy, 21-09-79, ext. 348, 349, or the AmCham Secretariat, 41-51-05.

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