



## DIRECTION GENERALE DU TRESOR ET DE LA COMPTABILITE PUBLIQUE

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### *Newsletter – January 7<sup>th</sup>, 2022*

#### *My wishes for 2022*

*Dear readers,*

*The year 2021, which has just ended, was marked by the persistence of the COVID-19 health crisis. In this context, our country, under the leadership of H.E. Alassane Ouattara, President of the Republic of Côte d'Ivoire, has continued to implement its health response plan and the Economic Support Plan, set up in order both to reduce the spread of the virus and to fight against its social and economic effects.*

*The continued implementation of these two plans combined with our solid economic fundamentals as well as the support of our national and international partners, has enabled for a swift economic recovery after the slowdown observed in 2020. Thus, in 2021, the growth rate reached 6.5% compared with 2% the previous year.*

*In 2022, our country will pursue its efforts in accordance with our strategic vision "Côte d'Ivoire 2030". With that in mind, the Government has adopted its third National Development Plan covering the period 2021-2025, the implementation of which will contribute to ensuring a dynamic, sustained and inclusive economic growth. These reform efforts will enable us to reach an expected growth rate of 7.1% in 2022. Such growth dynamic will be achieved by accelerating the structural transformation of the economy, increasing private investment, expanding human capital and strengthening the social protection system.*

*In order to meet these challenges, to achieve our common objectives and to maintain our leadership position on both the subregion and the continent, we are counting on the mobilization of all our partners, whether they are investors or international institutions.*

*Indeed, you are, each one of you, a key driving force for the development of our country and the scaling up of the Ivorian economy on its path towards emergence. It is therefore with an unwavering commitment and a structured action plan that we are approaching the coming year.*

*On behalf of the Republic of Côte d'Ivoire, I would like to thank you for your continued support and wish you a year rich in opportunities and fruitful cooperation.*

***Adama Coulibaly, Minister of the Economy and Finance of the Republic of Côte d'Ivoire***



### 1. The health impact of the COVID-19 crisis has been moderate

Around 71,000 cases of COVID-19 have been reported in the country in 2021. **After implementing the necessary health measures at the beginning of the pandemic, the country has accelerated its vaccination campaign**, partly through the Covax program. As a result, nearly 7.1 million doses were administered by the end of December 2021. We are committed to pursue these efforts to further respond to the pandemic's spread.

### 2. The institutional stability has been strengthened within a peaceful political climate

The **March 2021 legislative elections took place in a peaceful and collaborative context, benefiting from the participation of all the country's political parties**, and reflecting the continued strengthening of democracy and of the Ivorian institutional framework. Efforts to strengthen national reconciliation have borne fruit, as demonstrated by the meeting between H.E. the President of the Republic and former President Laurent Gbagbo, held in Abidjan in July 2021, in a friendly and fraternal context. Furthermore, on December 16, 2021, the 5<sup>th</sup> stage of the political dialogue was launched in the presence of 21 political organizations.

### 3. Despite the crisis, the country maintained its solid economic fundamentals

**The Republic of Côte d'Ivoire is expected to reach a growth rate of 6.5% in 2021**, renewing very quickly with its pre-crisis performance levels. This recovery is expected to consolidate further during the next few years, with an estimated **average annual growth rate of 7.9% over 2022-2025**. In addition, the budget deficit, estimated at 5.6% of GDP in 2021 due to the pandemic, is expected to decline to 3% of GDP in 2024, in line with the WAEMU standard. Public debt has remained sustainable, with a **debt ratio of 50.2% of GDP, below both the average for sub-Saharan African countries and the community standard**.

### 4. International observers have praised the resiliency and performance of Ivorian credit

Despite the COVID-19 pandemic, the **Republic of Côte d'Ivoire has been one of the few countries to benefit from upgrades by the rating agencies**. Indeed, the country obtained an inaugural rating from S&P in July 2021, at the "BB-" level, while Fitch upgraded the country's rating from "B+" to "BB-" with a stable outlook, underlining specifically the sound fiscal management and the strong growth dynamic. As a result, the Republic of Côte d'Ivoire is **now firmly anchored in the "double B" category and is positioned among the highest rated countries in Africa**, alongside Botswana, Morocco and South Africa.

In addition, **OECD upgraded Côte d'Ivoire's rating from 6 to 5 in its country risk classification**, the highest level given to a West African country.

### 5. The country strengthens its ESG strategy, further advancing towards sustainable emergence

**In July, the Republic of Côte d'Ivoire published an ESG Framework**. This document, reviewed by Sustainalytics, is fully in line with **the country's growing social and environmental commitment**. This initiative reinforces Côte d'Ivoire's medium-term debt management strategy, of which diversification and innovation are core elements. Indeed, with this Framework, the Republic can now mobilize ESG financing, both in the form of loans and securities.

## 6. Cote d'Ivoire has successfully raised financing on both the international and local markets

In February 2021, Côte d'Ivoire carried out a **€850m tap operation on the international markets**, coupled with a liability management exercise targeting the EUR 2032 and EUR 2048 series. The operation was marked by strong investor appetite, with a subscription rate of 3.4x. **Côte d'Ivoire obtained the lowest yield in its credit history**. Indeed, the 2032 series was reopened at a yield of 4.3% for a residual maturity of 10 years, compared to 5% at issuance in November 2020.

**Furthermore, in 2021, Côte d'Ivoire raised CFAF 1,627bn on the WAMU regional market (c. €2.5bn), notably via Recovery and Resilience Bonds.** The local market, which is booming, represents an increasingly competitive source of financing for the Republic. Indeed, it gives Côte d'Ivoire access to long maturities (ranging from 3 months to 12 years), competitive rates (between 4% and 6% for 5Y to 10Y OATs issued in 2021), and high subscription rates (up to 3.7x in 2021). The Ivorian government is committed to pursue its efforts to further develop and deepen the local market in order to attract more regional and international investors.

Finally, Côte d'Ivoire has received financing equivalent to c. CFAF 495bn (c. €0.8bn), as part of the **International Monetary Fund's general allocation of Special Drawing Rights (SDRs)**, aiming to strengthen countries' external balances and supporting global economic recovery.

## Our vision for the future

Côte d'Ivoire has published its **3<sup>rd</sup> National Development Plan (NDP) covering the period 2021-2025**, which focuses on 6 strategic focuses:

- Acceleration of the structural transformation of the economy through industrialization and cluster development;
- Human capital expansion and promotion of employment;
- Private sector and investment enhancement;
- Inclusion, solidarity and welfare strengthening;
- Balanced regional development, conservation of the environment and fight against climate change;
- Governance consolidation, state modernization and cultural transformation.

**This NDP 2021-2025 has strong social and environmental ambitions**, instilling a series of investment projects and key programs. The plan aims notably to **reduce the poverty rate to 31% by 2025, achieve 50% universal medical coverage, 100% electricity coverage, 96% drinking water coverage and 97% primary school enrollment**. In accordance with the commitments made by Côte d'Ivoire under the Paris Agreement, **the share of renewables in the energy mix will be increased to 42% by 2030**. The overall cost of the 2021-2025 NDP is estimated at nearly CFAF 59,000 billion (or around €90 billion), **74% of which is expected to be funded by the private sector**. Finally, the Government plans to organize a **Consultative Group in the first quarter of 2022 regarding the funding of such NDP**.

**In line with this, the State Budget for 2022, which amounts to CFAF 9,901bn (c. €15bn), plans for significant investments in infrastructure as well as in both the productive and the social sectors**. The projected budget deficit for 2022 is expected to lower to 4.7% of GDP, from 5.6% in 2021, driven in particular by the government's efforts to increase tax revenues mobilization. These revenues are projected at CFAF 5,373.2bn (c. €8.2bn), representing

12.8% of GDP, an increase of 12.4% compared to 2021. In particular, the government's efforts will focus on broadening the tax base and combating informality by strengthening tax control.

### Find out more...

Please feel free to visit the [website of Côte d'Ivoire's Treasury](#) to consult the quarterly Public Debt Statistical Bulletins, as well as other key documents presenting Côte d'Ivoire's credit in further details.

We will be happy to address any question or comment you have, feel free to reach us using the following email address: [IR@tresor.gouv.ci](mailto:IR@tresor.gouv.ci).