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Cote d'Ivoire

Exporter Guide

Annual

2004

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Report Highlights:

Political instability in Cote d'Ivoire since September 2002, has undermined its position as the economic hub of West Africa. The crisis has caused diversion to neighboring countries of normal trade routes through Cote d'Ivoire into landlocked countries, as well as the dislocation of major economic activities and investment projects, causing consumer-ready food imports to falter. Cote d'Ivoire has a common external tariff system with other seven francophone West African countries forming the WAEMU (Francophone West Africa regional economic group).

Includes PSD Changes: No
Includes Trade Matrix: No
Annual Report
Abidjan [IV1]
[IV]

Market Overview

Political instability since September 2002 has undermined Cote d'Ivoire's previously unchallenged position as the economic hub of West Africa. The lingering political crisis has caused the diversion to neighboring countries of normal trade routes that ran from the Port of Abidjan to landlocked countries. In addition, many institutions and investment projects are relocating to other countries in the sub-region. Despite this situation, Cote d'Ivoire remains the leading economy in the francophone West Africa Economic and Monetary Union (WAEMU), accounting for 40 percent of the WAEMU's GDP. Cote d'Ivoire's business infrastructure remains superior to other countries. U.S. exporters or investors cannot ignore Cote d'Ivoire when doing business in the region. However, consumer ready food imports have fallen with the economic and political malaise and the consequent relocation of well-paid personnel in regional institutions. Imports of consumer ready food products are expected to fall from \$132 million in 2002 to \$115 million in 2004.

Only about 11 percent of the labor force (18-55 years old) are wage earners. The rest of the labor force is made up of farmers, self-employed and unemployed.

Of the three income groups (low, middle, high), the low-income group represents about 65 percent of the working population, comprising lower level civil servants, clerks, guards, messengers, household servants and poorly educated rural farmers. This group's purchases of imported consumer ready food products are occasional and minimal.

The middle-income group accounts for 30 percent of the working population, mainly young university or technical college graduates working for the government, in the private sector or in regional institutions. This group's purchases of imported consumer ready food products are relatively small.

The bulk of imported consumer ready food products is purchased by the high-income group which accounts for about 5 percent of the working population. This group consists of high-level civil servants, business executives, plantation owners, expatriates in various economic fields and high-level personnel in regional institutions such as U.N. agencies and diplomatic corps. However, political instability has caused the relocation of important regional institutions and offices, including the African Development Bank (ADB), USAID, UNICEF and UNAIDS.

A significant proportion of the high or upper middle-income group is made up of the 150,000-member Lebanese population. Lebanese business owners and traders dominate the retail and wholesale trade for food products and have a strong influence on importing and marketing decisions. The political crisis is reducing their numbers also.

Imported consumer ready food products are in demand in urban households, of which about 60 percent own refrigerators, and where an increasing number of women work outside the home (about 40 percent).

Imports of U.S. consumer ready food products are limited by a lack of sustained interest on the part of U.S. exporters and by strong existing ties between Lebanese traders and their Middle Eastern and European suppliers. However, the situation is improving slowly and some U.S. products are making inroads into the Ivorian market.

Advantages	Challenges
Cote d'Ivoire's status as a major commercial hub in sub-Saharan Africa; sophistication of higher-income consumers; population is generally favorably inclined to U.S. goods.	Lack of U.S. interest due to the relatively small market size; and French and Middle Eastern domination of the market; some avoidance of U.S. products by Lebanese traders. Political instability has caused economic malaise and reduced foreign and domestic investment in the economy.
Regular liner shipping from U.S. Gulf and East coast ports.	Higher freight rates and longer transit times from the U.S. than from Europe or the Middle East.
The FAS Supplier Credit Guarantee Program gives exporters a guarantee for credit extended directly to importers for up to 180 days.	Favorable credit terms by European and Middle Eastern suppliers to local importers and limited and costly financing resources for Ivorian buyers.
Common external tariffs for imports and elimination of tariffs among the 7 countries of the WAEMU (the francophone West African Economic and Monetary Union).	High business costs relative to neighboring African countries such as port processing and Customs duties. WAEMU also assesses value added tax (VAT) of 20%, which is applied on imports at the port of entry as a duty.

SECTION II. EXPORTER BUSINESS TIPS

Cote d'Ivoire maintains strong historical, cultural and economic links with France and Europe in general. There is a clear desire for business to be conducted with Ivorian partnership in mind, as there is still some residual suspicion of large foreign business that is rooted in the excesses of the colonial and neo-colonial past. Due to language and cultural barriers, the Ivorian attitude towards conducting business with U.S. firms is best described as tentative. It is critical to establish and maintain a high level of personal contact within Cote d'Ivoire; it is not possible to mount a successful enterprise through telephone or fax contact alone. Ivorian values are more traditional than those of Americans. This tendency extends to business dealings as well. People are extremely polite; it is customary to greet everyone you meet. Even a long-term partner or business contact is usually greeted with an exchange of pleasantries, followed by a handshake and inquiries about one's health, family and relatives. While coming to the point directly is admired in American culture, Ivorians tend to be more laid-back and patient and may find the aggressive "American style" disturbing. Ivorians prefer regular, face-to-face contact. While visits may not be the most efficient method, they are generally the most effective way to handle new trade initiatives.

Lebanese importers and distributors play an important role in Ivorian imported consumer-ready food product market. They can be receptive to U.S. products, although they are not always, and company representatives are generally conversant in English. However, French is still their preferred language for business transactions.

Labeling

There are labeling requirements for canned and partly preserved foods produced in the Cote d'Ivoire or imported. These products must have the following information marked on their container or packaging in Latin characters and Arabic numerals, which are clearly legible, indelible, and of at least three millimeters in height:

- Country of origin
- Uncoded product manufacture date, specified by the day, the month, and the year and with each of the forgoing separated by a hyphen
- The shelf life, marked in the same manner as the manufacture date above, preceded by the comment "to be consumed preferably before"
- When the information required by the above paragraph is concealed by a label, this information must be reproduced under the same conditions on the label.
- When the canned or partly preserved food has undergone processing in another country which has changed the nature of the product, the country where this processing has been done is considered to be the country of origin insofar as labeling and product description are concerned.
- The label, written in the official language of Cote d'Ivoire (French) or bearing at least a translation consisting of:
 1. The product name;
 2. The name and address of the manufacturer or the packer or the exclusive distributor or the importer of the canned or the partly preserved product;
 3. The complete list of the product's ingredients as a proportion of the product and in decreasing order of importance;
 - a. When the ingredient is made up of more than one constituent the name of each constituent must appear on the list of ingredients.
 - b. The addition of water must be mentioned in the list of ingredients unless it is used in the constitution of pickling brine, syrup or in a broth.

With the exception of meat and fish imports that require prior import authorization of the Ministry of Animal Production and the Ministry Water Resources and Fisheries, and sugar imports, which are banned (Ref: IV 4012), imports of food products are not subject to quantitative or regulatory restrictions.

Tariffs

Cote d'Ivoire has a common external tariff with seven other francophone West African countries forming the WAEMU. The tariff structure consists of a Customs duty of a maximum rate of 20 percent; a value added tax of 20 percent on most food products and is collected at the port of entry for imported products. There are also a special compensatory levy on meat and poultry imports; and specific excise taxes on tobacco products and alcoholic beverages. Duties are based on ad valorem rates, which are imposed on the export price from the country of sale or origin plus any shipping or insurance expenses incurred (CIF). The method of value assessment is the Custom Valuation Code (CVC) of the WTO for most products.

Inspection

In 2000, BIVAC International and Cotectna Hydro et Bois Limited signed a 3-year contract to undertake pre-inspection services for Cote d'Ivoire. A new 3-year contract was supposed to have been opened for bidding in 2004, but due to the difficult political situation it has been put on hold. BIVAC continues to operate pre-inspection services. The pre-shipment

inspection covers the following areas: Verification of quality, quantity, containers sealing (FCL), import eligibility, H.S. Code classification, valuation of goods for customs purposes, assessment of duties and taxes of goods imported into Cote d'Ivoire from all origin. The FOB value threshold for inspection of imports and exports is 500,000 F CFA. However imports with FOB value above 1,500 F CFA are subject to compulsory inspection, while imports and exports with FOB value between 500,000 and 1,500,000 F CFA are subject to random pre-shipment inspection. The importer charge for inspection services is 0.85 percent and each inspection is expected to cost a minimum of 100,000 F CFA.

BIVAC International has also won a 5-year contract for scanner services for all imported and exported products at the airport and the two maritime ports in Cote d'Ivoire beginning 2005.

SECTION III. MARKET SECTOR STRUCTURE AND TRENDS

Since 2000, the consumer ready food sector has been trending downwards due to the difficult socio-political situation accentuated by the 2002 civil war. The consumer ready food sector was estimated at about \$750 million in 2000 and is expected to fall to about \$650 million in 2004. Similarly, the retail food sector estimated at \$385 million in 2000 is expected to fall to \$320 million in 2004 due to the general slowdown in economic activity. The HRI (hotel, restaurant and institutional) food service estimated at \$45 million in 2000 is also expected to fall to \$35 million in 2004. Cote d'Ivoire has 110 hotels with a total capacity of about 5,800, with half located in Abidjan. However, only ten hotels -- of which 8 are located in Abidjan, and one each in Yamoussoukro and Daloa -- are operational in 2004. Four of these hotels are fully occupied by international peacekeeping personnel. The number of tourists is estimated to fall from 150,000 in 2000 to about 60,000 in 2004 due to the gloomy political situation.

The downturn in the economy with the attendant closing of many business activities has undermined the expansion of restaurant activities. Urban workers often eat outside the house at lunchtime, generally at the traditional food market or small "maquis" (open air restaurants). Lebanese-owned fast food outlets, which serve hamburgers, hot dogs, pizza and Lebanese snack foods, are popular among the middle-income group. Full-service restaurants are frequented at night and during the weekends by high-income and some upper middle-income groups. However, the general insecurity in the country has drastically reduced nightlife activities. Also, the activities of the maquis, which were doing good business among the moderate-income groups on weekends, have declined for lack of patronage.

Institutional food service for universities, boarding schools, hospitals, military and police are on the rise due to the socio-political situation. Despite the fact that the political crisis has resulted in the closing of universities in Bouake and Korhogo and other boarding schools in the rebel-held area in the north, many of the displaced students have been enrolled in institutions in the government-held zone in the south, doubling the enrolment in this zone. The universities provide boarding services for about 60 percent of the student population. The political crisis has increased the activities of the military and the police services resulting in increased recruitment and expansion in food service needs. The market for U.S. products in this sector is limited because these institutions are mainly government owned or government supported and depend mainly on France and the EU for other support.

The socio-political crisis has caused the food processing sector estimated at \$380 million in 2000 fall to about \$320 million in 2004. However, the food processing sector remains the largest in francophone West Africa. Cote d'Ivoire's food processing industry consists of two sectors. The first group includes processing of locally produced agricultural raw materials to

finished and semi-finished products. This group comprises cocoa processed into chocolate products and beverages, coffee processed into roasted and ground or soluble coffee, tomatoes into paste, sugar cane into candy and chewing gum, fruits into canned juices, oilseeds into edible vegetable oil, as well as mayonnaise, margarine and other products. The expansion in this sector has been stifled by the political crisis.

The other food processing sector consists of the processing or repackaging of mainly imported ingredients. This includes beer, soft drinks, food seasonings, candy, crackers, and dairy products, such as UHT milk, yogurt, ice cream and condensed milk. Most of the processing facilities are owned by European companies and have been a constraint on the sale of U.S. food ingredients and additives to Cote d'Ivoire. However, the increasing presence of Lebanese businessmen in this sector may provide increased opportunities for U.S. suppliers, as they look more at price and quality than traditional relationships. The domestic industry supplies about half the country's needs of consumer ready food products.

With Cote d'Ivoire as a major commercial hub in Sub-Saharan Africa, many advertising agencies and companies have positioned themselves in the Ivorian market. Advertising agencies offer a wide variety of services including publicity and sales promotion. Ivorians own more than 3 million television sets and 7 million radios. They are accustomed to consumer-oriented commercials and advertising and public service announcements. Suppliers of imported products are expected to provide advertising and promotional support, particularly if it is a new product or brand. Radio and TV commercials are commonly used, as well as posters, point of sale displays, coupons and billboards. In-store promotions of a wide variety of consumer-ready food products are always going on in the large supermarkets in Abidjan.

Packaging is important to the Ivorian consumer. Colorful designs, blister packs and small, reusable containers appeal to the consumer. Extended shelf life in a humid climate is also an important requirement.

Internet service is developing rapidly. Internet service providers include Africaonline, GlobeAccess, Aviso and AFNET. E-commerce is not a factor in the market at this time.

SECTION IV. BEST HIGH-VALUE PRODUCT PROSPECTS

- Rice in Consumer Pack;
- Variety meats;
- Processed fruits;
- Vegetables;
- Beans;
- Wine and other alcoholic beverages (bourbon)
- Sauces (particularly hot sauces);
- Ice cream;
- Cookies and confectionery items;
- Fresh fruits including apples, grapes and citrus;
- Breakfast cereals;
- Snack foods;
- Condiments (particularly mayonnaise).

These selections are made based on price competitiveness of U.S. products on the Ivorian market.

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

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Other reports on the market for high value food products for Cote d'Ivoire and the rest of the world can be found on FAS homepage (<http://www.fas.usda.gov>).

APPENDIX 1. STATISTICS
KEY TRADE & DEMOGRAPHIC INFORMATION

Agricultural Imports from All countries (\$Mil) / U.S. Market Share (%)	\$432; 4% 1/
Consumer Food Imports from All countries (\$Mil) / U.S. Market Share (%)	\$132; 4.5% 1/
Edible Fishery Imports from All countries (\$Mil) / U.S. Market Share (%)	\$180; 0% 1/
Total Population (Million) / Annual Growth rate (%)	16.9; 3.3% 2/
Urban Population (Million)/ Annual Growth Rate (%)	7.6; 4.5% 3/
Number of Major Metropolitan Areas	1 3/
Size of the Middle class (Million)	2.8 4/
Per Capita Gross Domestic Product (U.S. Dollars)	\$850 5/
Unemployment Rate (%)	N/A
Per Capita Food Expenditure (U.S. Dollars)	\$280 5/
Percent of Female Population Employed	40% 3/
Exchange Rate (U.S.\$1 = 530 F CFA	

NB:

1/ U.N. Trade Statistics – 2002

2/ WAEMU Statistics - 2004

3/ Post 2004 estimates based on 1998 Population Census Report and WAEMU statistics

4/ Population with Monthly Salary Range between \$600-\$2000

5/ 2003 estimates (Ministry of Economic and Finance)

CONSUMER FOOD & EDIBLE FISHERY PRODUCT IMPORTS

Cote d'Ivoire Imports	Imports from the World			Imports from the U.S.			U.S. Market Share		
(\$1,000)	2000	2001	2002	2000	2001	2002	2000	2001	2002
CONSUMER-ORIENTED AGRIC	99538	N/A	132689	4596	N/A	5755	4.62	N/A	4.34
Snack Foods (Excl. Nuts)	1564	N/A	3121	27	N/A	2	1.73	N/A	0.06
Breakfast Cereals & Pancake Mix	291	N/A	525	10	N/A	7	3.44	N/A	1.33
Red Meats, Fresh/chilled/Frozen	7083	N/A	18285	2971	N/A	3596	41.9	N/A	19.7
Red Meats, Prepared/Preserved	1063	N/A	747	1	N/A	0	0.09	N/A	0
Poultry Meat	1484	N/A	4300	57	N/A	568	3.84	N/A	13.2
Dairy Products (Excl. Cheese)	33919	N/A	28820	32	N/A	10	0.09	N/A	0.03
Cheese	1124	N/A	1207	1	N/A	0	0.09	N/A	0
Eggs & Products	550	N/A	248	0	N/A	0	0	N/A	0
Fresh Fruit	3188	N/A	4949	8	N/A	2	0.25	N/A	0.04
Fresh Vegetables	9661	N/A	10973	1	N/A	0	0.01	N/A	0
Processed Fruit & Vegetables	4296	N/A	7737	439	N/A	492	10.2	N/A	6.36
Fruit & Vegetable Juices	278	N/A	538	1	N/A	1	0.36	N/A	0.19
Tree Nuts	60	N/A	53	5	N/A	4	8.33	N/A	7.55
Wine & Beer	11844	N/A	16970	13	N/A	2	0.11	N/A	0.01
Nursery Products & Cut Flowers	519	N/A	876	0	N/A	0	0	N/A	0
Pet Foods (Dog & Cat Food)	313	N/A	580	1	N/A	0	0.32	N/A	0
Other Consumer-Oriented Products	22301	N/A	32760	1029	N/A	1071	4.61	N/A	3.27
Fish & SEAFOOD PRODUCTS	131412	N/A	180385	1	N/A	7	0	N/A	0
Salmon	236	N/A	150	0	N/A	1	0	N/A	0.67
Surimi	0	N/A	146	0	N/A	0	0	N/A	0
Crustaceans	730	N/A	1708	0	N/A	0	0	N/A	0
Groundfish & Flatfish	57561	N/A	55752	0	N/A	5	0	N/A	0.01
Molluscs	43	N/A	55	0	N/A	0	0	N/A	0
Other Fishery Products	78842	N/A	122574	1	N/A	1	0	N/A	0
AGRICULTURAL PRODUCTS TOTAL	313817	N/A	432377	15065	N/A	18653	4.8	N/A	4.31
AGRICULTURAL, FISH & FORESTRY TOTAL	453990	N/A	614662	15068	N/A	18661	3.32	N/A	3.04

Source: U.N. Trade Statistics

NB:

N/A - No U.N. Trade Statistics for 2001

Cote d'Ivoire Imports

CONSUMER-ORIENTED AG TOTAL (\$1,000)

	2000	2001	2002
France	28411	N/A	35643
Spain	14367	N/A	20773
Netherlands	18129	N/A	17893
Italy	4354	N/A	10542
United Kingdom	6258	N/A	9517
United States	4596	N/A	5755
Germany	2254	N/A	4976
South Africa	2206	N/A	4586
Belgium	3625	N/A	3292
Ireland	5257	N/A	1751
India	328	N/A	1208
Turkey	234	N/A	947
Canada	731	N/A	759
Denmark	447	N/A	646
Newzealand	178	N/A	543
Others	8163	N/A	13858
World	99538	N/A	132689

NB:

N/A - No U.N. Trade Statistics for 2001

Cote d'Ivoire Imports

FISH & SEAFOOD PRODUCTS (\$1,000)

	2000	2001	2002
France	28892	N/A	43051
Netherlands	12948	N/A	35376
Russia Federation	31492	N/A	24564
Spain	10092	N/A	17648
Mauritania	20244	N/A	12380
Ghana	1277	N/A	10903
Senegal	3951	N/A	5765
Norway	1770	N/A	4272
South Korea	2831	N/A	2705
Morocco	1842	N/A	2421
Guinea	3746	N/A	2134
China	2075	N/A	2007
St Vincent	1373	N/A	220
Guinea Bissau	224	N/A	828
Others	8655	N/A	16111
World	131412	N/A	180385

NB:

N/A - No U.N. Trade Statistics for 2001