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Cote d'Ivoire

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Report Highlights:

The coup d'etat in Cote d'Ivoire has changed the character of the country from both a political and economic perspective, and, as part of the economic malaise, has caused consumer ready food imports to falter. Cote d'Ivoire has adopted a common external tariff with seven other countries in the same regional economic group - UEMOA. Cote d'Ivoire has selected two new companies for inspection of imported goods.

Includes PSD changes: No
Includes Trade Matrix: No
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SECTION I. MARKET OVERVIEW

On December 24, 1999, Côte d'Ivoire, previously regarded as an island of relative prosperity, peace and stability in West Africa, experienced its first coup d'etat. This event has changed the character of the country from both a political and economic perspective. Still, with a population of 15.4 million, Côte d'Ivoire has the third largest economy in sub-Saharan Africa, after South Africa and Nigeria with their much larger populations, and ranks in the top ten markets in sub-Saharan Africa for U.S. exports. Despite economic difficulties in 1999 and 2000 and the on-going transition back to elected, democratic government after the bloodless coup, Côte d'Ivoire remains the industrial and transportation hub of the sub-region. Côte d'Ivoire's business infrastructure remains superior to other countries in the region. U.S. exporters or investors cannot ignore Côte d'Ivoire when doing business in the region. However, consumer ready food imports have faltered with the economic malaise flowing from the coup d'etat. Imports are expected to fall in 2000 to about, \$195 million, after reaching \$245 million in 1999.

Only about 11 percent of the labor force (18-55 - year olds, making up 54% of the population) are wage earners, with the rest of this group made up of farmers, self-employed and unemployed.

Of the three income groups, 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 purchase of imported consumer ready food products is 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 purchase of imported consumer ready food products is 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 African Development Bank and UN agencies. A significant proportion of the high or upper middle income group is made of 150,000 member Lebanese population. They dominate the retail and wholesale trade and have a strong influence on importing and marketing decisions.

A promising sign of future expansion in imported consumer ready food products is the large and rising proportion of urban households, with about 60 percent owning refrigerators, as well as the increasing number of women working outside the home (about 40 percent).

Imports of U.S. consumer ready food products are limited due to lack of sustained interest on the part of U.S. exporters. U.S. companies are discouraged by the difficulties of dealing in French and of working in markets which have strong ties with existing suppliers (particularly France). However, the situation is improving slowly and some U.S. products are making inroads into the Ivorian market. In addition, ownership of a previously moribund American food store recently passed to a vibrant business family which is working hard to re-establish it as a showcase for American products.

Advantages	Challenges
Renewed interest due to Cote d'Ivoire's status as a major commercial hub in Sub-Sahara Africa; increasing number U.S.-trained Ivorian graduates assuming commanding position in the economy; the large size of the relatively wealthy Lebanese community with their preference for U.S. products.	Lack of U.S. interest due to the relatively small market size and perceived French and European domination of the market. Coup d'etat has caused economic malaise and reduced foreign and domestic investment in the economy.
Regular liner shipping from U.S. Gulf and East Coast ports started in 1998.	Higher freight rates and longer transit times from the U.S. than from Europe.
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 suppliers to local importers and limited and costly financing resources for and Ivorian buyers.
January 2000, Cote d'Ivoire and the other 7 countries of the UEMOA (the West African Economic and Monetary Union) eliminate tariffs between themselves and go to a common external tariffs for imports.	High business costs relative to neighboring African countries such as port processing and custom duties. UEMOA also puts into place a value added tax (VAT) of around 20%) which is applied on imports at the port of entry, like 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 which 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; in fact, personal visits are warmly welcomed. While visits may not be the most efficient method, it is generally regarded as the most effective method of handling new trade initiatives. For Ivorians, trust in a business relationship is paramount and cannot be achieved sight unseen. The cornerstone of a successful business relationship is to adapt to a pace of business and life that is

more moderate than in the U.S.

Lebanese importers and distributors play an important role in Ivorian imported consumer ready food product market. They are receptive to U.S. products 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 the "
- 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 must consist 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.

The Ivorian government has liberalized the importation of goods and services. There are no more quotas and importers no longer need prior authorization.

Tariffs

On January 1, 2000, Cote d'Ivoire with the other 7 West African Economic and Monetary Union (UEMOA) countries started applying a Common External Tariff (TEC). The TEC combines the existing fiscal duty (droit fiscal) and customs duty (droit douane) into one port duty (droit port) with a maximum rate of 20 percent. In addition, there is a statistical tax of 1% on all import

declarations; a value added tax (VAT) of 20 percent on all manufactured products and most food products and is collected at the port of entry for imported products; special compensatory levies 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 current export price from the country of sale or origin plus any shipping or insurance expenses incurred (CIF). The method of value assessment in use is based on the Brussels Definition of Value (BDV). Cote d'Ivoire has a waiver to June 2001 for implementation of Article 7 of GATT relative to the Customs Valuation Code (CVC) of the WTO.

Inspection

On June 28, 2000, the government selected BIVAC International of the Bureau Veritas Group for the inspection of imported goods meant for direct consumption and Cotectna Hydro et Bois Limited for imported goods meant for bonded warehouses and imported hydrocarbon and processed wood products. This selection was based on an international bidding for pre-shipment inspection contract. The other contestant was SGS (Societe Generale de Surveillance) which formerly held both contracts.

On July 26, 2000, Cote d'Ivoire signed a three-year pre-inspection contract with BIVAC International and Cotectna Hydro et Bois Limited. The Pre-shipment inspection contract went into effect July, 2000 and 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 of imports for inspection is 1.5 million F CFA, but the government has set the minimum FOB value of import and export at 15 million F CFA. The importer charge for inspection services has increased to 0.85 percent with the government suspension of its subsidy of 0.10 percent and each inspection is expected to cost a minimum of 100, 000 F CFA.

SECTION 111. MARKET SECTOR STRUCTURE AND TRENDS

In 2000, the consumer ready food sector is expected to shrink due to the socio-economic situation in run up to presidential election in October/November, 2000. The consumer ready food sector estimated at about \$870 million in 1999, is expected to fall by about 20 percent in 2000. The general slow down in economic activities in 2000 has also reduced by about 25 percent activities in the retail food sector estimated at \$430 million in 1999. The HRI (hotel, restaurant, institutional) food service estimated at \$54 million in 1999 is also expected to drop by 40 percent in 2000. Cote d'Ivoire has 110 hotels of good standing of a total capacity of about 5,800 with about half located in Abidjan. However, only 8 hotels, four in Abidjan, one each in Yamoussoukro, Bouake, Man and Daloa received most of the estimated 380, 000 tourists in 1999. The number of tourists is expected to fall to about 150,000 in 2000 due to the gloomy political situation.

Restaurant activities are expanding because of increasing patronage during lunch time. Workers normally went home for lunch and dining out was uncommon due to budgetary constraints. But noon-time traffic jams, increasing costs of transport and home meal preparation, increasing

women in full time employment and a more time demanding work environment, cause more and more urban workers to eat outside the house at lunch time, generally at the traditional food market or small "maquis" (open air restaurants). Recently, Lebanese fast food outlets, which serve hamburgers, hot dogs, pizza and Lebanese snack foods, have become popular among the middle income group. High class restaurants are frequented at night and during the weekends by high income and some upper middle income groups. Maquis also do a good business among the middle and low class on weekends.

Institutional food service for universities, boarding schools, hospitals, military and police are on the rise. University enrollment has increased with establishment of new Universities at Bouake, Korhogo and Daloa in addition to the one in Abidjan. All the Universities provide boarding services to about 80 percent of the student population. Recruitment into the military and police is also increasing. The market for U.S. products in this sector are limited because these institutions are mainly government owned and depend mainly on France and the EU for support.

Production in the food processing sector is estimated at \$440 million in 1999 but it is expected to fall by about 10 percent in 2000 due to the gloomy political situation ahead of the October/November elections. The food processing sector is the largest in francophone West Africa, but still small by industrialized nation standard. 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. This sector is receiving new investments to expand processing capacity particularly in cocoa, coffee and oilseeds. The government has privatized its substantial interests in the food processing sector.

The other food processing sector consists of the processing or repackaging of mainly imported ingredients. This includes beer, soft drinks, food seasoningss, 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 which has been a constraint on the sale of U.S. food ingredients and additives to Cote d'Ivoire. However, the increased 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-Sahara 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. Advertising has increased in recent years, with a diversity of advertising products and services including large bill boards, films, and video productions. 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 anew product or brand. Radio and TV commercials are commonly used, as are posters, point of sales displays, coupons and billboards. Commercials for TV are made locally, but there is a significant number of commercials produced by company

headquarters. For past the past year, the Ivorian government and the private sector have organized international trade fairs and exhibitions, primarily at the Hotel Ivoire's convention center or at the Palais des Sports. Smaller exhibitions are held in small convention centers in Abidjan or in major cities throughout the country. Companies participating in these trade events have the opportunity to promote their products and services to the general public.

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 and Aviso. E-commerce is not a factor in the market at this time.

SECTION IV. BEST HIGH-VALUE PRODUCT PROSPECTS

- Rice in Consumer Pack;
- Meat Offals;
- 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 mayonaise).

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 the FAS homepage ([http: //www.fas.usda.gov](http://www.fas.usda.gov)).

APPENDIX 1. STATISTICS

KEY TRADE & DEMOGRAPHIC INFORMATION

Agricultural Imports From All countries (\$Mil) / U.S. Market Share (%)	\$513 ; 2% 1/
Consumer Food Imports From All Countries (\$Mil) / U.S. Market Share (%)	\$209 ; 2% 1/
Edible Fishery Imports From All Countries (\$Mil) / U.S. Market Share (%)	\$190 ; 0% 1/
Total Population (Million) / Annual Growth Rate (%)	15.4 ; 3.3% 2/
Urban Population (Millions) / Annual Growth Rate (%)	6.5 ; 4.4% 2/
Number of Major Metropolitan Areas	1 2/
Size of the Middle Class (Millions)	2.6 3/
Per Capita Gross Domestic Product (U.S. Dollars)	\$720 4/
Unemployment Rate (%)	N/A
Per Capita Food Expenditures (U.S. Dollars)	\$260 4/
Percent of Female Population Employed	40% 2/
Exchange Rate (US\$1 = 751 F CFA)	

NB:

1/ Cote d'Ivoire 1998 Customs data

2/ 1998 Population Census Report

3/ Population with Monthly Salary Range between \$600-\$1600

4/ 1999 estimates (Ministry of Economic and Finance)

B. 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)	1996	1997	1998	1996	1997	1998	1996	1997	1998
CONSUMER-ORIENTED AGRIC TOTAL	126996	151546	209071	3830	4687	5176	3	3	2
Snack Foods (Excl. Nuts)	2106	2452	3170	67	68	55	3	3	2
Breakfast Cereals & Pancake Mix	5434	4744	4985	11	0	0	0	0	0
Red Meats, Fresh/Chilled/Frozen	5794	6546	7276	1815	2591	3712	31	40	51
Red Meats, Prepared/Preserved	1174	2614	1131	2	1	8	0	0	1
Poultry Meat	1292	1711	2080	48	14	3	4	1	0
Dairy Products (Excl. Cheese)	51344	44808	51019	661	1	1	1	0	0
Cheese	1866	2061	1937	0	1	2	0	0	0
Eggs & Products	1035	1765	1713	0	0	0	0	0	0
Fresh Fruit	3130	3931	4254	3	11	7	0	0	0
Fresh Vegetables	7448	10874	11637	0	0	0	0	0	0
Processed Fruit & Vegetables	8612	6925	3730	96	28	18	1	0	0
Fruit & Vegetable Juices	404	268	394	6	73	8	1	27	2
Tree Nuts	94	115	73	14	9	4	15	8	5
Wine & Beer	12606	12669	14536	15	34	16	0	0	0
Nursery Products & Cut Flowers	536	582	591	0	0	0	0	0	0
Pet Foods (Dog & Cat Food)	387	246	306	2	2	0	1	1	0
Other Consumer-Oriented Products	23330	48967	99845	1084	1781	1334	5	4	1
FISH & SEAFOOD PRODUCTS	145776	152608	189819	4	2	878	0	0	0
Salmon	239	316	346	3	2	11	1	1	3
Surimi	0	0	0	0	0	0	??	??	??
Crustaceans	469	719	747	0	0	0	0	0	0
Groundfish & Flatfish	250	286	213	0	0	0	0	0	0
Molluscs	205	166	107	0	0	0	0	0	0
Other Fishery Products	144613	151121	188406	1	0	867	0	0	0
AGRICULTURAL PRODUCTS TOTAL	414106	446942	513156	24735	26855	10707	6	6	2
AGRICULTURAL, FISH & FORESTRY TOTAL	562299	626742	712949	24763	26859	11627	4	4	2
Source: Statistiques du Commerce Extérieur de la Cote d'Ivoire.									

C. TOP 15 SUPPLIERS OF CONSUMER FOODS & EDIBLE FISHERY PRODUCTS

Cote d'Ivoire Imports			
CONSUMER-ORIENTED AG TOTAL (\$1,000)			
	1996	1997	1998
France	37508	41592	65275
Netherlands	24569	24243	25674.2
Spain	15230	15697	21103
Italy	12912	11713	6764
United Kingdom	8532	10463	14037.9
Germany	7896	9072	8462.82
Belgium	4733	4805	14662
United States	3831	4688	5177
Ireland	2826	1813	2723.35
S.Afr.Cus.Un	2586	3434	2704.87
New Zealand	1425	293	85.5034
Canada	1293	1261	239.576
Denmark	1402	1753	741.617
Turkey	1008	1966	3368.76
India	575	835	863.236
Other	671	17918	37188
World	126997	151546	209071

Cote d'Ivoire Imports			
FISH & SEAFOOD PRODUCTS (\$1,000)			
	1996	1997	1998
France	36330	42631	45102
Russian Federation	25484	33560	37401
Mauritania	20037	14925	12864
Netherlands	16655	16615	23465
Spain	14511	7965	14657
Senegal	8216	9209	6763
Guinea	6698	5488	4385
Ireland	4354	2862	894
Morocco	2681	3133	3867
Vanuatu/New Hebrides	2203	627	426
Norway	1658	6580	1892
China	1648	2754	2764
Korea, Republic of	1600	377	2792
Germany	968	2	90
United Kingdom	652	1993	819
Other	2080	3888	31639
World	145776	152608	189819
Source:Statistiques du Commerce Exterieur de la C.I.			