



CÔTE D'IVOIRE Country Risk Overview

Côte d'Ivoire's President Alassane Ouattara is expected to remain in power until 2020 when his two term limit expires. This provides a solid foundation for current investment prospects, which is particularly impressive against the backdrop of the 2010 political unrest. However, various factors developing in the run-up to the next elections have the potential to impact investment in the country.

When Ouattara was inaugurated in 2011, his immediate mandate was to bring stability and a safer security environment following the electoral crisis resulting from the 2010 election. A close second was economic reform. Ouattara led major investments in infrastructure, education, health, transportation as well as Côte d'Ivoire's restoration as the world's leading producer of cocoa and cashew nuts.

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In October 2016, a new constitution was approved following a referendum which allowed the consolidation of executive power. A legislative election was held in December that year which saw the RDR-led ruling coalition retain power by securing 167 of the 255 seats. Ouattara used the successful election to reduce the cabinet and appoint longstanding allies into key positions, as permitted by the new constitution. Notably, Ouattara placed Daniel Kablan Duncan in the newly formed Vice President role and Amadou Gon Coulibaly as Prime Minister. These appointees reinforce Ouattara's strong control over the country, and support his continued hold on power until the next election in three years.

Opportunities

Côte d'Ivoire is an economic and transportation hub for French-speaking West Africa, with its highly developed port at Abidjan and an infrastructure network superior to most other West African countries. Many of its neighbours in the Gulf of Guinea are suffering the effects of the global commodities slump, foreign exchange constraints and challenging power supplies; Côte d'Ivoire has

maintained steady economic growth over the last 5 years and the UK's Department for International Trade has highlighted agriculture, mining, oil and gas, and infrastructure as areas for investment.

Political Outlook

The frontrunner to succeed Ouattara in the 2020 elections is the newly appointed Prime Minister Amadou Gon Coulibaly. This suggests the government will retain its investor friendly policies and technocratic inclinations. The lead up to 2020 will see a policy implementation slowdown in preparation for a succession battle. This may reduce government effectiveness albeit only for a short time.

Potential Presidential Candidates

Amadou Gon Coulibaly - Nicknamed 'AGC' or the 'Lion', Gon Coulibaly is a close ally of President Ouattara and recently appointed Prime Minister.

Guillaume Kigbafori Soro – a former rebel leader Soro served as Côte d'Ivoire's Prime Minister from 2007 to 2012. Soro is currently president of the Côte d'Ivoire National Assembly and retains support among former rebels.

Hamed Bakayoko – a former journalist and current Minister of the Interior & Security, Bakayoko has played a central role in helping re-establish a stable security environment in Côte d'Ivoire after the 2010 election.

Georges Amadin Ouegnin – Ouegnin is the leader of a new opposition coalition: Together for Democracy and Sovereignty.

Emerging Risks

Ouattara is recognised as having brought stability to Côte d'Ivoire. As we approach a change in leadership in 2020 the following factors have the potential to impact investors looking to enter or expand in the country:

Domestic Unrest: In January 2017, soldiers in the country's second largest city, Bouaké, staged a mutiny expressing discontent around salaries. The dispute was resolved after the government agreed to pay bonuses, though the President then dismissed the army, police and gendarmerie chiefs. Analysts and commenters point to the removal of these chiefs and the appointment of Daniel Kablan Duncan and Gon Coulibaly as Vice President and Prime Minister, as evidence of Ouattara's increasing authoritarianism. This may also be interpreted as a necessary factor in a stable hand over and continuation of policies while cementing Ouattara's legacy. Since the mutiny in January, other mini-revolts have occurred within the military as well as the civil service. In the run up to elections, isolated protests and unrest are expected to continue.

Structural Issues: The Department for International Trade lists particular challenges faced when operating in Côte d'Ivoire's business environment including low infrastructure development, the shortage of skilled workers, limited use of English and the inefficient court system. There certainly remain underlying structural risks to the country's development, including high unemployment, poor public services and corruption.

Security Concerns: While the domestic security situation has largely stabilised following the 2010 political crisis, Côte d'Ivoire remains a target for Islamist terrorist groups. This threat is exacerbated by its geographical position, in particular, its porous border with Mali provides access to various militant groups from the Sahel.

Conclusion

Côte d'Ivoire has huge growth potential and much progress has been made towards strengthening and improving the business environment. However, Ouattara still has significant work to do. To maintain his legacy and ensure he leaves the country on the right path after his departure in 2020, he must continue to mitigate the challenges outlined above in order to inspire confidence both within the local population and with foreign investors.



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