

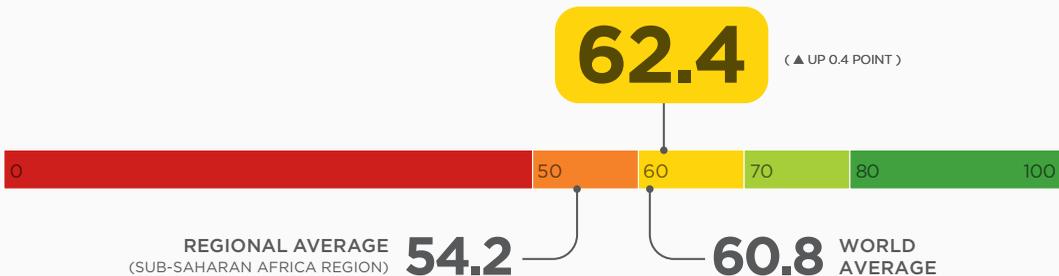
CÔTE D'IVOIRE

Côte d'Ivoire's economic freedom score is 62.4, making its economy the 78th freest in the 2019 *Index*. Its overall score has increased by 0.4 point, with gains in **labor freedom** and **judicial effectiveness** outpacing a sharp decline in **fiscal health**. Côte d'Ivoire is ranked 5th among 47 countries in the Sub-Saharan Africa region, and its overall score is above the regional and world averages.

Ongoing pro-market and pro-business reforms include measures to streamline bureaucratic procedures, simplify corporate taxes, cut business costs, and support small and medium-sized enterprises. The government intends to increase its efforts to improve access to credit. Improvements underway in transportation links and electricity and water infrastructure should increase productivity. Although progress may slow in advance of the 2020 presidential election, implementation of deeper institutional reforms to strengthen the rule of law, depoliticize the judiciary, fight corruption, and protect property rights will be critical to reinforcing vibrant economic growth.



ECONOMIC FREEDOM SCORE

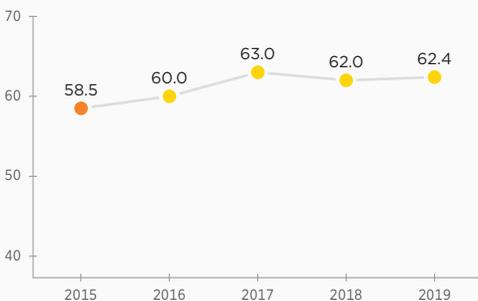


RELATIVE STRENGTHS:
Government Spending and Tax Burden

HISTORICAL INDEX SCORE CHANGE (SINCE 1995):
+9.0

CONCERNS:
Government Integrity and Property Rights

FREEDOM TREND



QUICK FACTS

POPULATION:
25.0 million

GDP (PPP):
\$96.9 billion
7.8% growth in 2017
5-year compound annual growth 8.6%
\$3,883 per capita

UNEMPLOYMENT:
2.6%

INFLATION (CPI):
0.8%

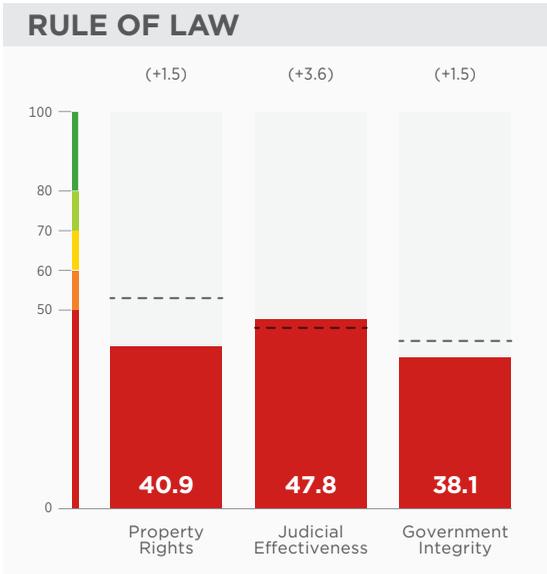
FDI INFLOW:
\$674.7 million

PUBLIC DEBT:
46.4% of GDP

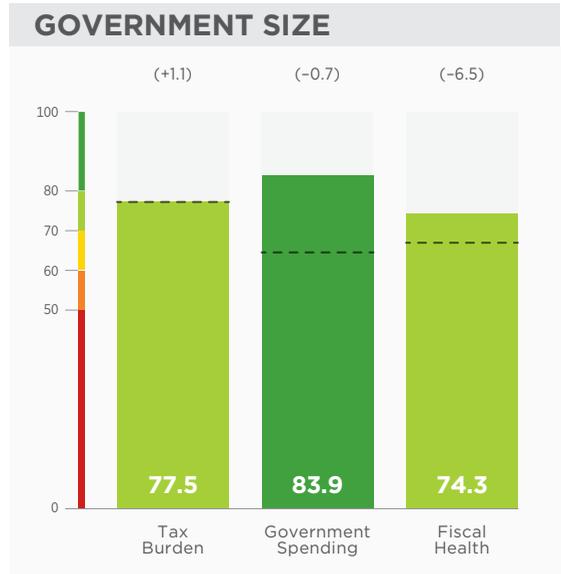
2017 data unless otherwise noted. Data compiled as of September 2018

BACKGROUND: Following independence in 1960, cocoa and cashew exports made Côte d'Ivoire West Africa's second-largest economy, but prosperity did not prevent political turmoil. After a North-South civil war ended in 2007, rebel leader Guillaume Soro joined former President Laurent Gbagbo's government. U.N. and French forces ensured that the internationally recognized winner of the 2010 election, Alassane Ouattara, took office. Ouattara won a second five-year term in 2015, and the U.N. withdrew its troops in 2017. Ouattara's launch of the ruling coalition's Houphouëtist Rally for Democracy and Peace in 2018 was divisive. The government's pro-business reforms and strong private investment in such areas as agriculture, agribusiness, mining, light manufacturing, housing, and services have driven robust economic growth in recent years.

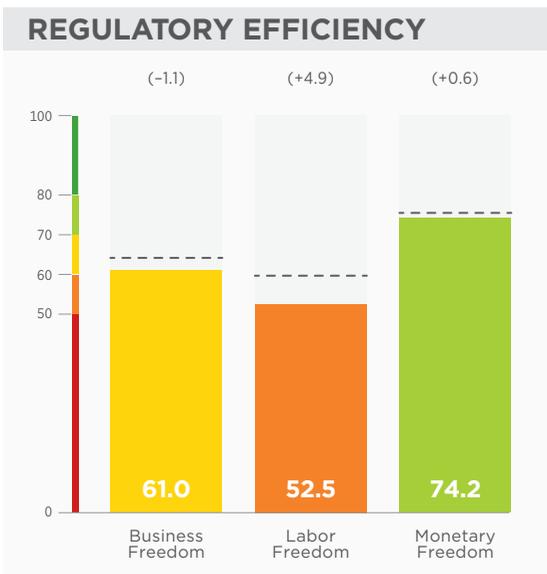
12 ECONOMIC FREEDOMS | CÔTE D'IVOIRE



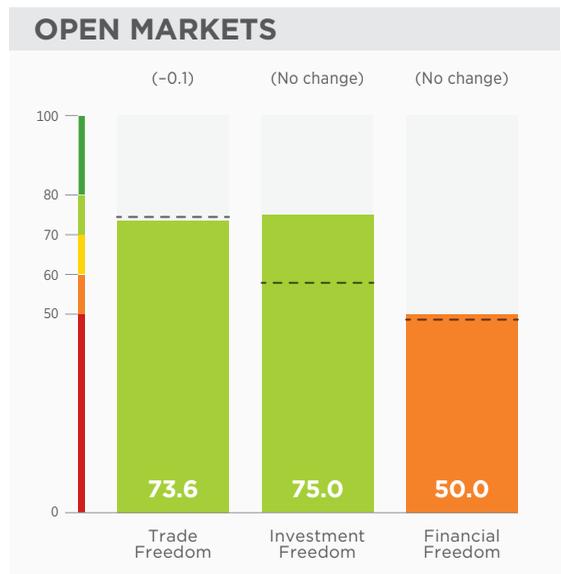
Protection of property rights is fragile, and only 4 percent of land is titled. The judiciary is not independent, and judges are highly susceptible to external interference and bribes. Court cases are frequently postponed for years or decades with no clear explanation. Persistent corruption in the judiciary, police, military, customs, contract awards, tax offices, and other government institutions discourages investment.



The top individual income tax rate is 36 percent, and the top corporate tax rate is 25 percent. Other taxes include value-added and interest taxes. The overall tax burden equals 18.2 percent of total domestic income. Over the past three years, government spending has amounted to 23.1 percent of the country's output (GDP), and budget deficits have averaged 3.7 percent of GDP. Public debt is equivalent to 46.4 percent of GDP.



Considerable effort has been made to modernize the regulatory framework. The business start-up process has become more straightforward, and minimum capital requirements have been reduced. The nonsalary cost of employing a worker is relatively low. Price controls exist in the gas, power, and water sectors, and the government subsidizes some agricultural crops to diversify away from dependence on cocoa exports.



The combined value of exports and imports is equal to 48.6 percent of GDP. The average applied tariff rate is 8.2 percent. As of June 30, 2018, according to the WTO, Côte d'Ivoire had 15 nontariff measures in force. In most sectors, there are no laws that limit foreign investment. Credit allocation is based on market terms and has increased to support the private sector and economic development.