CÔTE D’IVOIRE

Côte d’Ivoire’s economic freedom score is 59.7, making its economy the 101st freest in the 2020 Index. Its overall score has decreased by 2.7 points due to steep drops in scores for judicial effectiveness and government integrity. Côte d’Ivoire is ranked 9th among 47 countries in the Sub-Saharan Africa region, and its overall score is above the regional average and just below the world average.

Côte d’Ivoire’s economy fell into the mostly unfree category this year after four years in the ranks of the moderately free. Notwithstanding that weak performance, economic growth has been surging, with average annual GDP gains of 8.1 percent over the past five years reflecting high foreign investment inflows attracted by pro-business policies.

Since 2018, the government has adopted more pro-market reforms to streamline bureaucratic procedures, simplify corporate taxes, and support small and medium-size enterprises. The ultimate impact of such reforms will depend in large measure on the extent of its success in reforming the judicial system and reducing corruption.

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. A North–South civil war ended in 2007, but intervention by the U.N. and France was necessary to ensure that the internationally recognized winner of the 2010 election, Alassane Ouattara, took office. Ouattara won a second five-year term in 2015. Political tensions are likely to grow in advance of the 2020 election, and Quattara has not ruled out running for a third term. 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. Côte d’Ivoire joined the Asian Infrastructure Investment Bank in 2019.

POPULATION: 25.6 million
GDP (PPP): $107.0 billion
7.4% growth in 2018
5-year compound annual growth 8.1%
$4,178 per capita
UNEMPLOYMENT: 2.5%
INFLATION (CPI): 0.3%
FDI INFLOW: $912.9 million
PUBLIC DEBT: 52.2% of GDP

2018 data unless otherwise noted. Data compiled as of September 2019
The right to own and transfer private property is guaranteed, although laws regarding rural land tenure make it prohibitively difficult to do so. Contracts are enforced. The judiciary is ostensibly independent, but judges can be subject to political or financial influence and sometimes fail to base decisions on legal or contractual merits. Corruption in many forms is deeply engrained in both public-sector and private-sector practices.

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 17.4 percent of total domestic income. Government spending has amounted to 24.2 percent of the country’s output (GDP) over the past three years, and budget deficits have averaged 4.2 percent of GDP. Public debt is equivalent to 52.2 percent of GDP.

Security concerns persist, and regulatory decision-making is slow and lacks transparency. The recent easing of procedures to get construction permits, obtain credit, and pay taxes has facilitated business start-ups. There is a shortage of skilled labor. Child labor is a serious problem. The government supports farmers with free or subsidized seeds and tools and maintains price controls in the gas, power, and water sectors.

The total value of exports and imports of goods and services equals 59.0 percent of GDP. The average applied tariff rate is 10.3 percent, and 15 nontariff measures are 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.