CÔTE D’IVOIRE

Côte d’Ivoire’s economic freedom score is 61.7, making its economy the 91st freest in the 2021 Index. Its overall score has increased by 2.0 points, primarily because of an improvement in fiscal health. Côte d’Ivoire is ranked 7th among 47 countries in the Sub-Saharan Africa region, and its overall score is above the regional and world averages.

This year, Côte d’Ivoire’s economy returned to the ranks of the moderately free where it had been for four of the preceding five years. The government is pursuing pro-market reforms to streamline bureaucratic procedures, simplify corporate taxes, support small and medium-size enterprises, and shrink the informal economy (over 40 percent of GDP). To succeed, these reforms must be accompanied by reduced corruption and reforms in the judicial system.

IMPACT OF COVID-19: As of December 1, 2020, 132 deaths had been attributed to the pandemic in Côte d’Ivoire, and economic growth was forecast to decline to 1.8 percent for the year.

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. The North–South civil war ended in 2007, but the U.N. and France had to intervene three years later to ensure that the internationally recognized winner of the 2010 election, Alassane Ouattara, was able to take office. After his hand-picked successor died in July 2020, Ouattara announced that he would seek a third term, which he won with 95 percent of the vote in an election marred by violence. 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.
The right to own and transfer private property is guaranteed, but 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 ingrained in both the public and private sectors.

The top individual income tax rate is 36 percent, and the top corporate tax rate is 25 percent. The overall tax burden equals 17.9 percent of total domestic income. Government spending has amounted to 17.8 percent of total output (GDP) over the past three years, and budget deficits have averaged 2.9 percent of GDP. Public debt is equivalent to 37.8 percent of GDP.

The cost of obtaining electricity has increased, and the recovery rate when resolving insolvency has declined slightly. Child labor is still a problem, and 85 percent of Côte d’Ivoire’s workers are employed informally. The government funds numerous agricultural subsidies and maintains price controls in the gas, power, and water sectors.

Côte d’Ivoire has three preferential trade agreements in force. The trade-weighted average tariff rate is 8.1 percent, and 15 nontariff measures are in effect. In most sectors, there are no laws that limit foreign investment. The number of bank branches has more than doubled to approximately 700 over the past decade. Credit allocation is based on market terms and has increased to support the private sector and economic development.