



MASTERING YOUR MARKET UNDER AFCFTA - COTE D'IVOIRE



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OVERVIEW OF COTE D'IVOIRE

Cote D'Ivoire also referred to as Ivory Coast is a Sub-Saharan West African nation that is boarded by Guinea, Burkina Faso, Ghana, Gulf of Guinea which are located on the East, North, West South respectively. Its official language is French and other local indigenous languages with a total of around 70 languages. Ivory's capital is Yamoussoukro, which also doubles as the political capital of the West African nation, while Abidjan serves as the economic and the largest city in the country. Ivory Coast has an estimate population of over 20 million as at 2020. The country has a huge religious diversity which consists of Christianity, Islam and other African religions.

ECONOMIC SNAPSHOTS

Ivory Coast is a lone republic and dynamic economies in Africa and a major player in getting into other French nations. In the last 5 years, the economy recorded a growth of about 8% and this number is expected to rise further. The nation has a good ranking in the ease of doing business having a score of 60.7% as at 2020. It scored high is business registration and in getting credit. In 2019, it boasted of a GDP value of over US\$ 58 billion with agriculture estimated to have 20%, industry 26.6% and services 3.3%, and it also ranks 90 in the world. Ivory Coast is a lower middle income country. This implies that Ivorians earn US\$1,000 averagely in a



ECONOMIC SNAPSHOTS

year. It has a coastline of about 515km which serves the economic need of the country. Recently, Ivory coast was the largest exporter of raw cocoa beans. The Ivorian economy is still dependents on agriculture as its source of foreign exchange earning with products like; oil palm, sugarcane, plantain, yam, maize, coconut, cashew and so on, while industries include; wood products, gold mining, truck and bus assembly, textile, fertilizer, building materials etc.



MARKET CHALLENGES

Though the market presents itself as a attractive market for investors and businesses, the Ivorian market just like any African market, is not with its own unique deficiencies.

The issues of corruption and a high level of poverty—despite having a growing economy, poses a high risk to the businesses of individuals trying to invest in the nation. Also, the shortage of

skilled labour for industries and an inefficient court system for legal protection.

As a French speaking nation, there is also long standing language barrier to entering the market . This has limited exporters from understanding the French based legal, commercial and financial systems. In addition, there also the high cost and slow custom clearance of goods.



IMPORT PRODUCTS

In 2020, the total import volume of the Cote D'Ivoire amounts to about \$10 billion. Some of the items imported and the amount include the following:

1. Machine— \$1.8B
2. Mineral Products- \$1.37B
3. Chemical Prod.- \$1.04B
4. Veg. products - \$884M
5. Metals- \$892M
6. Foodstuffs- \$750M
7. Transportation - \$698M
8. Animal Products- \$610M
9. Plastic & Rubber- \$600M
10. Textiles- \$486M
11. Miscellaneous- \$222M
12. Paper Goods- \$197M
13. Stone & Glass- \$178M
14. Instrument- \$132M
15. Head&Footwares- \$117M
16. Animal & Veg - \$106M
17. Animal Hides— \$27.3M
18. Wood Products- \$14.6M
19. Precious Metal— \$10.3M
20. Weapons— \$4.28M
21. Art & Antiques— \$202K

The total service import volume of Cote D'Ivoire in 2018 is about \$3.44 billion and some of the services imported include the following:

1. Transportation- \$1.74B
2. Other business - \$504M
3. Travel - \$416M
4. Computer & Info- \$314M
5. Govt. services— \$163M
6. Construction - \$123M
7. Insurance Serv. - \$114M
8. Fin. Services - \$54.6M
9. Royalties Service- \$10M

SELLING FACTORS

As a fast growing economy, Ivory Coast welcome new investment into the nation's economy. Because of the government's support for-
eign private investment, this has made the Ivoirians open to imported products.

To ensure successful enter-
prise, it is important to de-
velop a personal contact.

Ivoirians prefer face-to-face contact before transacting business with a foreign partner.

Over the years, there has been a huge influx of Lebanese into the country and they play a pivotal role in the retail and wholesale space. Hence, a partnership should be consid-
ered for intending importers.

Most wholesale and mod-
ern retail enterprise are lo-
cated in the commercial
capital of the country, Abid-
jan, also most transactions
takes place in a local market,
and local shop or chains.

PAYMENT & EXCHANGE

The use of irrevocable letter of credit as a medium of settlement is often preferred by exporters or businesses especially for new exporters.

The insistence on Letter of Credit (LC) may hinder market penetration for importer

looking to do business in ivory Coast. Prices are usually quoted in CFA Franc, and it provide a good commercial merit to quotation in the US Dollar. Getting funds repatriated from Ivory Coast will not be a challenge.

BUSINESS CULTURE

Greeting is such a big deal when in contact with an Ivorian partner. They are generally polite and well cultured and will also inquire about ones well-being, love ones and family even after a long term established business relationship or partnership.

In business dealings, Ivorian take trust ex-
tremely paramount. Coming direct when
addressing a point is admired among west-
erns, Ivorian are usually reserved and slow
in responding. They also see the straight

forward approach of a western foreigner
has insulting. Face-to-Face contact is most
preferred even for business dealings. Visit
may not be the most effective way to con-
duct business, it is however regarded as
been highly effective.



"...Ivoriens take trust extremely paramount."

MARKET OPPORTUNITIES

There are many industries where opportunities are available for investment either as an importer, exporter or business owner. Ivory Coast is a fast growing economy, and there is need for development in specific areas in the economy. Such area include; building and construction industry. There is need of equipment and machinery both new and used. Investors also need to look at areas like the auto sector, information technology, database management, cyber security, manufacturing, agriculture, service sector, fast mov-

ing consumer goods, plastic, paper, oil and gas medical and renewable energy.

The government of Ivory Cost is also a high supporter of private investment in the country. They do this by providing the necessary infrastructure and creating the enabling environment for business formation and growth.

MARKET ENTRY

Investors or businesses looking to access the Ivorian market need to understand and familiarize themselves to the market because of the peculiarity of the environment. A visit from the business, investor, importer or exporter owner or his or her representative is key to understanding the business environment, the legal frame work and requirements for starting a business in Cote D'Ivoire.

Agents are extremely valuable especially when entering into a market for the first time. As a business or exporter, getting an agent who understands the terrain and can communicate effectively in the local language is important. In addition, in choosing a distributor, exporters should note that there are many large already established distributors in the market to choose from and also

exporters and business should ascertain the sales capacity, the level of sale support that each party will give and future expectations from each potential distributor or partner before engaging them. No legal regulation for such agreement.

All agreement must be written or translated into the French language.

IMPORT DOCUMENTATIONS

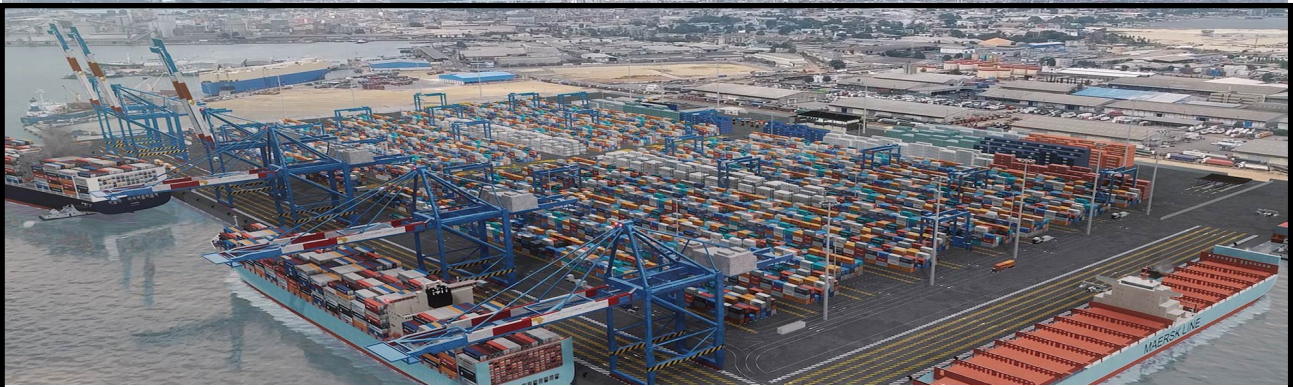
To import successfully, you must be registered as a business entity and a licensed business.

There are globally accepted documentations that are required before importation can take place in any country. These documents include transport documents (Bill of Laden or Airway Bill and others), commercial invoices, (importer will usually need to

present a signed duplicate invoice in order to fast-track the release of the merchandise imported which should be sent ahead of the goods arrival into the country's port), packing list, although not required, helps to speed up the clearing process. Certificate of origin is also a required document and proforma invoice which require to be attached to the application for import. Specific documentation

maybe be required by the Ivorian customs which is based on the type and nature of the goods that is to be imported in to the country.

All documents sent must be translated in to the French language. More information can be obtained from the country's custom website.



IN CONCLUSION

Finally, Cote D'Ivoire just like many African countries in the region and the continent is face with challenges, but the nation still ranked itself high as the fastest growing economy in the West African sub-region.

Though the market presents itself as a attractive market for investors and businesses, the Ivorian market just like any African market, is not

with its own unique deficiencies with the issues of corruption and high level of poverty—despite having a growing economy poses a high risk to businesses of individuals trying to invest in the country. Also, the shortage of skilled labour for industries and an inefficient court system for legal protection. All these challenges given rise to a lot of business opportunities to investor, importers and export-

ers in various sectors in the French speaking nation.

Getting a partner or an agent to work with in the home country is crucial for any business to succeed in Ivory Coast.

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