

CÔTE D'IVOIRE

Key conditions and challenges

Recent developments

Table 1 2023

Population, million	28.9
GDP, current US\$ billion	81.3
GDP per capita, current US\$	2815.2
International poverty rate (\$2.15) ^a	9.7
Lower middle-income poverty rate (\$3.65) ^a	38.4
Upper middle-income poverty rate (\$6.85) ^a	76.4
Gini index ^a	35.3
School enrollment, primary (% gross) ^b	94.6
Life expectancy at birth, years ^b	58.6
Total GHG emissions (mtCO2e)	55.0

Source: WDI, Macro Poverty Outlook, and official data.
a/ Most recent value (2021), 2017 PPPs.
b/ WDI for School enrollment (2022); Life expectancy (2021).

Amid global and regional turbulence and tight financial conditions, economic growth has moderated slightly to 6.4 percent in 2023, while inflation remains elevated at 4.4 percent, driving a small increase in extreme poverty. Macroeconomic imbalances have eased owing to fiscal consolidation and improved terms of trade. Revenue-based fiscal consolidation continues as terms of trade improve, strengthening debt sustainability. Medium-term structural and climate transition reforms should help sustain growth around potential.

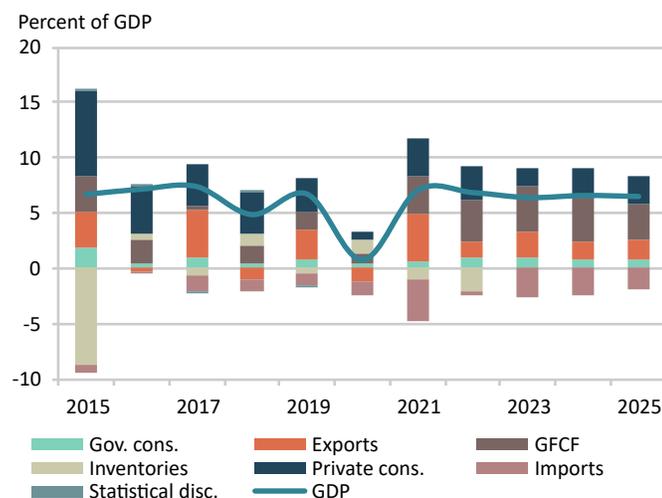
The Ivorian economy demonstrated remarkable resilience against overlapping global and regional crises, posting 7-percent average growth (5.5 percent in per capita) over 2021-2022, albeit short of pre-pandemic performance. Nonetheless, increasing uncertainty has underscored the need for structural reforms and increasing fiscal space to move towards the objective of doubling GDP per capita between 2020 and 2030. Creating better-paid jobs and promoting more inclusive growth would require improving human capital, leveraging private investment, and reducing allocative inefficiencies.

Short-term headwinds are high. Russia's invasion of Ukraine has fueled commodity price volatility and macro-fiscal imbalances. Heightened market uncertainties, tight monetary policy, and depreciated exchange rates have increased external and domestic debt costs, requiring active debt management and continued focus on domestic revenue mobilization. Global and regional insecurity may aggravate economic and fiscal pressures, with the recently announced withdrawal of three Sahel countries from ECOWAS potentially affecting trade, market confidence, investment flows, and borrowing costs. Increasing impact from climate change could cloud the outlook. Upside risks rest on the rollout of the national development plan, which requires adequate financing through greater public and private investment.

Growth momentum slowed as geopolitical tensions persisted, and financial conditions tightened. Real GDP growth is estimated at 6.4 percent in 2023 (3.8 percent per capita) down from 6.9 percent in 2022, driven by strong public and private investment, fueled by the African Cup of Nations preparation. Conversely, private consumption softened, reflecting higher domestic fuel and electricity tariffs (about +10 percent in January 2024) as the government has rolled back crisis-related subsidies. Industry, including construction, and services, supported supply-side growth, albeit at a slower pace, contributing 1.1 and 4.1 percentage points to 2023 growth, respectively. Export-oriented agriculture underperformed due to poor weather, with output falling for cocoa (-10.4 percent), coffee and cottonseed (around -60 percent).

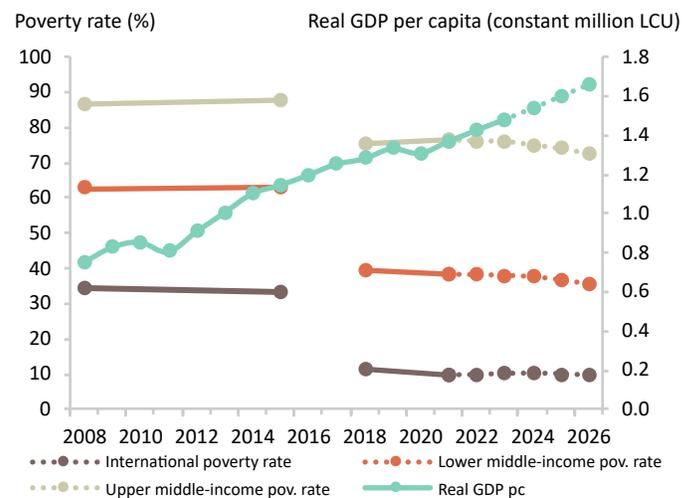
Inflation averaged 4.4 percent in 2023, down from 5.2 percent in 2022, as increasing energy and transport inflation partially offset slower food inflation. Core inflation was 3.2 percent, still above the central bank's 2 percent target and 1-3 percent band, reflecting persistent effects of global supply chain disruptions and exchange rate depreciation. To counter inflation across WAEMU countries, the Central Bank of West African States (BCEAO) raised policy interest rates by a cumulative 150 basis points since mid-2022 to 3.5 percent for liquidity calls and 5.5 percent for the marginal lending facility. However, inflation in the region (3.7 percent in 2023) was still above the 1-3 percent target range.

FIGURE 1 Côte d'Ivoire / Real GDP growth and contributions to real GDP growth



Source: World Bank.

FIGURE 2 Côte d'Ivoire / Actual and projected poverty rates and real GDP per capita



Source: World Bank. Notes: see Table 2.

and foreign exchange reserves have been on a downward trend, estimated at 3.5 months of imports at end-2023, down from 4.3 months at end-2022.

Extreme poverty (less than \$2.15 a day per capita at PPP 2017) is likely to reach 10.1 percent in 2023, a 0.4 percentage points increase from 2021. Expanding industry and services, which employ 13.3 and 40.9 percent of the workforce, respectively, would put downward pressure on poverty rates. However, agriculture (employing 45.8 percent of the workforce, 76.6 percent of rural workers, and 70.2 percent of the poor) is likely to slow in 2023 and along with higher food prices, would offset the impacts of growth in industry and services.

Frontloaded tax measures and phase-out of crisis-related energy and food subsidies lowered the fiscal deficit to an estimated 5.2 percent of GDP in 2023 from 6.5 percent in 2022. Revenues increased by 1.3 ppt of GDP y/y in the first eleven months of 2023 compared to 2022, primarily on higher tax revenues. Expenditure was contained as faster capital expenditures and interest payments were balanced by cuts in recurring expenditures. Two-thirds of the fiscal deficit was covered by short-term issuances on the regional market and one-third by external loans and budget support, keeping public

debt at around 60 percent of GDP. Substantial gains in terms of trade almost closed the large trade deficit in 2023 which, combined with a lower fiscal deficit, narrowed the CAD to a forecast 5.8 percent of GDP from 7.5 percent in 2022.

Outlook

Prudent macroeconomic policies, structural and climate-related reforms should sustain robust growth in the short and the medium term, albeit below pre-pandemic levels, amid persistent adverse global and regional geopolitical trends. Growth should rebound to 6.6 percent in 2024 (4.0 percent per capita), boosted by the hosting in Q1 of the African Cup of Nations and the start-up of the first operating phases of new oil and gas fields, and average 6.5 percent in 2025-26. Sustained investment in network infrastructure, particularly in the digital and transport sectors, and higher oil extraction should boost business confidence and increase productivity. Value chain development could increase agricultural productivity and bolster manufacturing, sustaining growth potential. Inflation should fall

within the WAEMU's 1-3 percent target band by 2025.

Continued progress on domestic revenue mobilization would sustain the realignment to the 3 percent regional fiscal deficit target by 2025, stabilizing debt at around 58 percent of GDP, and creating headroom for sustained priority social and infrastructure spending above pre-pandemic levels. The recent \$2.6b Eurobond issuance should help tame short-term liquidity vulnerabilities and shore up external reserves. Improving terms of trade and private sector-led export diversification should boost the trade balance and, alongside the improved fiscal stance, narrow the CAD. Downside risks include heightened global and regional tensions, notably an escalation of the Middle East crisis and uncertainties over the withdrawal of the Sahel economies from ECOWAS, which could dampen market sentiment, stunt inflation reduction, tighten financing conditions, exacerbate debt vulnerabilities, and squeeze the already low foreign exchange reserves. Extreme poverty should stabilize at 10.2 percent in 2024, reflecting strong growth, but held back by persistent post-pandemic inflation. Poverty reduction will resume in 2025, sustained by growth and abated inflation.

TABLE 2 Côte d'Ivoire / Macro poverty outlook indicators

(annual percent change unless indicated otherwise)

	2021	2022	2023e	2024f	2025f	2026f
Real GDP growth, at constant market prices	7.1	6.9	6.4	6.6	6.5	6.5
Private consumption	5.3	5.1	2.6	3.8	4.3	4.3
Government consumption	6.2	10.6	9.0	7.4	7.1	7.1
Gross fixed capital investment	14.9	14.6	14.9	14.6	10.5	9.9
Exports, goods and services	16.9	4.9	8.9	6.0	6.5	7.0
Imports, goods and services	15.9	1.3	10.5	9.5	7.0	6.7
Real GDP growth, at constant factor prices	6.1	7.3	6.2	6.6	6.5	6.5
Agriculture	7.3	4.7	4.0	4.3	4.4	4.8
Industry	4.9	8.1	5.8	6.2	6.5	6.6
Services	6.2	7.9	7.2	7.5	7.2	7.0
Inflation (consumer price index)	4.2	5.2	4.4	3.6	3.0	2.0
Current account balance (% of GDP)	-4.5	-7.5	-5.8	-4.0	-3.4	-3.3
Net foreign direct investment inflow (% of GDP)	1.5	1.3	1.6	2.2	1.9	1.7
Fiscal balance (% of GDP)	-4.8	-6.6	-5.2	-4.0	-3.0	-3.0
Revenues (% of GDP)	15.7	14.9	16.2	16.8	17.2	17.5
Debt (% of GDP)	51.4	56.5	58.0	58.2	58.0	56.9
Primary balance (% of GDP)	-2.9	-4.4	-2.8	-1.7	-0.6	-0.7
International poverty rate (\$2.15 in 2017 PPP)^{a,b}	9.7	9.8	10.1	10.2	10.0	9.6
Lower middle-income poverty rate (\$3.65 in 2017 PPP)^{a,b}	38.4	38.3	38.1	37.6	36.7	35.4
Upper middle-income poverty rate (\$6.85 in 2017 PPP)^{a,b}	76.4	76.1	76.0	75.1	74.1	72.8
GHG emissions growth (mtCO₂e)	2.7	1.5	0.6	0.6	0.8	1.7
Energy related GHG emissions (% of total)	25.0	25.3	25.0	24.5	24.2	24.4

Source: World Bank, Poverty & Equity and Macroeconomics, Trade & Investment Global Practices. Emissions data sourced from CAIT and OECD.

Notes: e = estimate, f = forecast.

a/ Calculations based on 2021-EHCVM. Actual data: 2021. Nowcast: 2022-2023. Forecasts are from 2024 to 2026.

b/ Projections using microsimulation methodology.