

AGS – West Africa

TO KNOW – TO UNDERSTAND – TO DARE

Industry-Specific Market Study in Ivory Coast

- Final Report -



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Report Objectives

West Africa is a complex region with expanding economies, representing great opportunities but also significant risks. Therefore, today it is critical for private companies wishing to expand and conquer new markets to understand the local environments they are living in, to identify realistic opportunities and to mitigate the risks they are facing. In this perspective many governments especially in this region, have decided to support the private sector through different ministries and/or institutions.

The Dutch Ministry of Foreign Affairs has decided to assign one of its representatives to Ivory Coast. This representative, specialized in business development, works under the authority of the Dutch Embassy located in Ghana as there is no longer a Dutch Embassy in Ivory Coast. Because the Dutch representative is locally the official point of contact for Dutch companies, he/she has to offer the most pertinent recommendations to his/her fellow citizens in terms of opportunities and useful contacts.

In this context, AGS offered the Dutch Embassy in Ghana its help in guiding its representative to understand the local business environment, particularly in sectors that might be of high interest to the Dutch market. The Dutch representative identified two sectors for which Dutch expertise and know-how could bring significant value-added to local markets: the maritime industry and the agribusiness industry. AGS offered to conduct a comprehensive study of these sectors and to identify the key local actors in the country, in order for the Dutch representative to facilitate Dutch companies' local penetration and support their growth. The market study and power map produced by AGS aim to help the Dutch representative develop an efficient lobbying strategy for his/her private partners.

The sector specific study carried out by AGS aims to evaluate business potential in Ivory Coast for Dutch companies and know-how, in addition to helping the Dutch representative define an efficient lobbying strategy for its private partners.

Methodology

AGS conducted market studies for the two aforementioned sectors and constructed power maps for each of them, in order to identify the respective key actors in Ivory Coast and the useful business supports for Dutch companies.

AGS first gathered information from open sources: data banks, specific websites, social networks, blogs...). Please find below a **non-exhaustive list** of useful websites:

Informational Websites

- www.fratmat.info
- www.jeunafrique.com
- www.ivorian.net
- www.aip.ci
- www.news.abidjan.net
- www.afp.com

Government Websites

- www.commerce.gouv.ci
- www.agriculture.gouv.ci
- www.industrie.gouv.ci
- www.transports.gouv.ci
- www.infrastructures.gouv.ci
- www.gouv.ci
- www.douanes.ci

Private Company Web Sites

- www.cargill.com
- www.olam.com
- www.groupesifca.com
- www.solibra.ci

Ivorian Institutional Websites

- www.apromac.ci
- www.ondr.ci
- www.intercoton.org
- www.aiph.ci
- www.conseilcafecacao.ci
- www.rongead.org
- www.anader.ci
- www.cnra.ci
- www.firca.ci
- www.portabidjan.ci
- www.sanpedro-portci.com

Specific Databases and Information Websites

- www.worldbank.org
- www.icco.org
- www.agenceecofin.com
- www.cirad.fr
- www.hubrural.org
- www.agrici.net
- www.feedthefuture.com

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AGS subsequently gathered information from non-open sources, collected from pertinent local and international contacts:

- Local business chambers (European and non-European)
- Investment local institutions (CEPICI)
- Ministry of Commerce
- CNP-PPP

Sources specific to the maritime industry in Ivory Coast:

- Maritime private associations: AMCI and FEDERMAR
- Maritime institutions and trade unions (Harbormasters Office of Abidjan Autonomous Port)
- Autonomous port staff and management (in Abidjan and San Pedro)
- Strategy director of San Pedro Autonomous Port
- Experts and consultants in the maritime sector
- Shipyards and boat builders
- Maritime private actors: transit agents, maritime agencies, ship-owners and consignment operators

Sources specific to the agro-industry in Ivory Coast:

- Agro-industrial company directors (in rice, cotton, cashew, fruit, cocoa sectors...)
- Fishing companies
- Producer and traders' cooperatives
- ANADER
- Coffee and Cocoa Council
- Chamber of Agriculture
- Ministry of Agriculture (Programming and Statistics Board)

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Key Findings

Following this market study AGS would like to highlight the following points:

- The current government realized that there is significant business potential in Ivory Coast but that it was not yet equipped to mobilize the means (finances and technology) necessary for home grown development. So it decided to give incentives to investors and private partners through favorable investment conditions and Public-Private Partnerships to foster Ivorian development.
- Ivory Coast has enjoyed political stability and an improving security situation since 2011. The current political scene, despite being one of pre-electoral dynamics, remains calm and peaceful; there are no major events threatening social peace (except for some troubles in the Southwestern region near Grabo).

Maritime Industry

- Ivorian ports represent great potential for market growth both at the national and the regional level; however today, they suffer from low operational profitability. Their development will require heavy investments and structured plans.
- The Abidjan Autonomous Port suffered greatly from cost increases, lack of technical competitiveness and traffic congestion in Abidjan from all means of transportation. As a result, today harbor traffic has significantly slowed down. The San Pedro port could be an alternative if the necessary infrastructural upgrades (roads and railways) were completed along with the harbor's planned development.
- Because the infrastructure projects for the Abidjan Autonomous Harbor have already begun, it will be difficult for new operators to access the few markets that have yet to be attributed. Nevertheless, in San Pedro projects are scheduled for the upcoming years so there is less pressure on the infrastructures projects. New operators could move upmarket in San Pedro.
- The lagoon is not yet fully exploited in terms of marine activities and passenger transport, for which the demand is considerable, as road congestion in Abidjan could be reduced by expanding waterway traffic via private or public transportation. The expanding upper/middle class in Abidjan (locals as well

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as migrants) could develop a deeper interest for marine activities. In this context many maritime structures (such as channels) would have to be modified and/or upgraded.

Agribusiness

- Agriculture is crucial for Ivory Coast in terms of employment and revenues. So agribusiness could be a way to increase local value added and support the country's development on a long-term basis. Today there are many groups of significant size working in agribusiness: Olam, SIFCA, SOLIBRA, IPS ... They are the key actors in terms of mechanization and industrialization.
- There is currently a rise in agribusiness activities backed by the government. The State has identified five sectors in which it wants to promote industry, agribusiness being the first. These sectors benefit from State structures and industry protection (like sugar for which the State prohibits importation). The sectors' structures maintain dialogue between all actors along the chain of production (producers, transformers, operators, exporters), protect crop diversity and rural communities.
- The government's strategy regarding industrial development is based on the promotion of private investment, the creation of incentive-based investment conditions and State support in terms of industry rules and regulations. Ivorian agriculture still suffers from rural exodus, land ageing and enclosing: young people are going away, producers are getting older so are the soils and the structures (especially the roads) giving access to their production. This situation has a negative impact on industrialization. Moreover industrial operators lack access to raw materials because of poor road conditions and limited access to energy. They would also benefit from a more favorable taxation system.
- The agricultural sector rests on small entities working on diversified crops (export and food crops). Yields remain low because of the limited spreading of modern techniques and the use of second-rate seeds, and because despite having cooperatives, producers usually don't have access to mechanization or modern equipment.
- There is substantial agricultural diversity today and most sub-sectors are growing. Many have huge potential in terms of output and transformation (fruits, shea nuts, cotton...). While today cocoa remains the main agricultural resource of the country, cashew, cassava, cotton, rice and corn are growing dynamic sectors. Cashew production is a success story, as it hasn't received any support from the State. Its development could positively impact the North of Ivory Coast, just as cocoa had positive effects on the South.

Key Details

After 2011 crisis, the new government decided to launch many initiatives to boost Ivorian business development and reinforce its attractiveness. Even if the business climate remains imperfect, the business community has noted an improvement in terms of investment conditions and judicial tools.

A few words of introduction...

To secure investment opportunities and international private partnerships, there are judicial courts dedicated to business and commercial disputes (CACI). Moreover Ivory Coast is a member of the Organization of Corporate Law Harmonization in Africa – OHADA. In 2012 the State decided to set up an autonomous Commercial court in Abidjan that deals with commercial litigations. A chamber dedicated to commercial litigation should be open soon in the Abidjan Court of Appeals.

Ivory Coast decided to review its Public Markets Legal Code and its Labor Code to guarantee flexibility and transparency to investors. Moreover, since November 2012, the country has a new Investment Code. The Investment Code established by Ordinance No. 2012 - 487 of June 7th 2012 contains a set of incentives put into place to adapt the private investment regime to new private data on the economy.

In order to make the economy more attractive to private companies and investors, the State has:

- Regulated and promoted Public/Private Partnerships by improving local regulations and defining State priorities. The National Committee in charge of Public/Private Partnerships Development and Promotion is today headed by **Mr. Isaac Dé**;
- Created an Agency for Industrial Infrastructures Development (AGEDI), operating under the oversight of the Minister of Industry and Mining and managed by **Mr. Youssouf Ouattara**;
- Decided in 2014 to create a Fund for Industrial Infrastructures Development (FODI). The FODI's mission is to support the development of industrial zones in order to reinforce land offers in the market and make industrial lands more accessible;

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- Established a free tax zone named VITIB, located in Bassam and dedicated to bio-energies and Information and Communication Technologies (TIC);
- Set up a structure in charge of investment promotion and investor support: the Investment Promotion Centre in Ivory Coast (CEPICI), headed by **Mr. Emmanuel Essis**. Under the patronage and supervision of the President of the Republic, the CEPICI is as an administrative public institution. CEPICI missions are cross-cutting, assigning it a role in supporting the private sector and in serving as the liaison between private entities and the State in order to increase private investment in Ivory Coast. It organizes every two years International Forums (the next of which is to be held in 2016) in order to promote coordination between projects supported by the State and private investors. Its One-Stop Desk (Guichet Unique des Formalités d'Entreprises) helps investors who would like to set up companies in Ivory Coast in all their administrative procedures.
- Formulated an Investment Code establishing 3 zones with different tax regimes in Ivory Coast as follows:

Ivory Coast			
Type	Abidjan district	Cities with more than 60 000 inhabitants	Cities between 20 000 and 60 000 inhabitants
Zone	A	B	C
Timeframe	5 years over the investment duration	8 years over the investment duration	15 years over the investment duration
Investment amount	No minimum investment required		
Agreement	Delivered by CEPICI before 30 days		
Equipments	50% discount on material, equipments and first spare parts Full VAT exemption		
Direct tax	No direct tax on industrial and commercial profits No direct tax on non-commercial profits (including agricultural profits) No tax on trading licenses		
Social contributions and other taxes		80 % discount, except for short and long term training taxes	90 % discount, except for short and long term training taxes No tax on land properties No registration tax in case of capital increase

The main objectives of the Investment Code are:

- To foster and promote productive, green and socially responsible investment in Ivory Coast;
- Create sustainable and decent jobs and support the production of competitive goods for both the domestic and international markets;
- Support the promotion of technology, research and innovation

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This code along with the administrative measures put into place by the State since 2012, aims to promote investments in different sectors of the Ivorian economy and to support industrial development. The industrial sector should represent 40% of Gross Domestic Product by 2020. The State's main priority is agribusiness, as the country would like to guarantee food safety and increase local transformation of agricultural raw products. Moreover, Ivory Coast's government listed as a priority its infrastructures, including those in the maritime sector. These are the two sectors on which we focus in the following report.

Interim Conclusions:

The Ivorian administration in place since 2011 is trying to create a favorable business environment that can attract foreign private investors. Its main priorities are agri-business and infrastructures as this is the only way to guarantee food security, capitalize on the country's potential, and achieve sustainable development.

The Maritime Industry in Ivory Coast

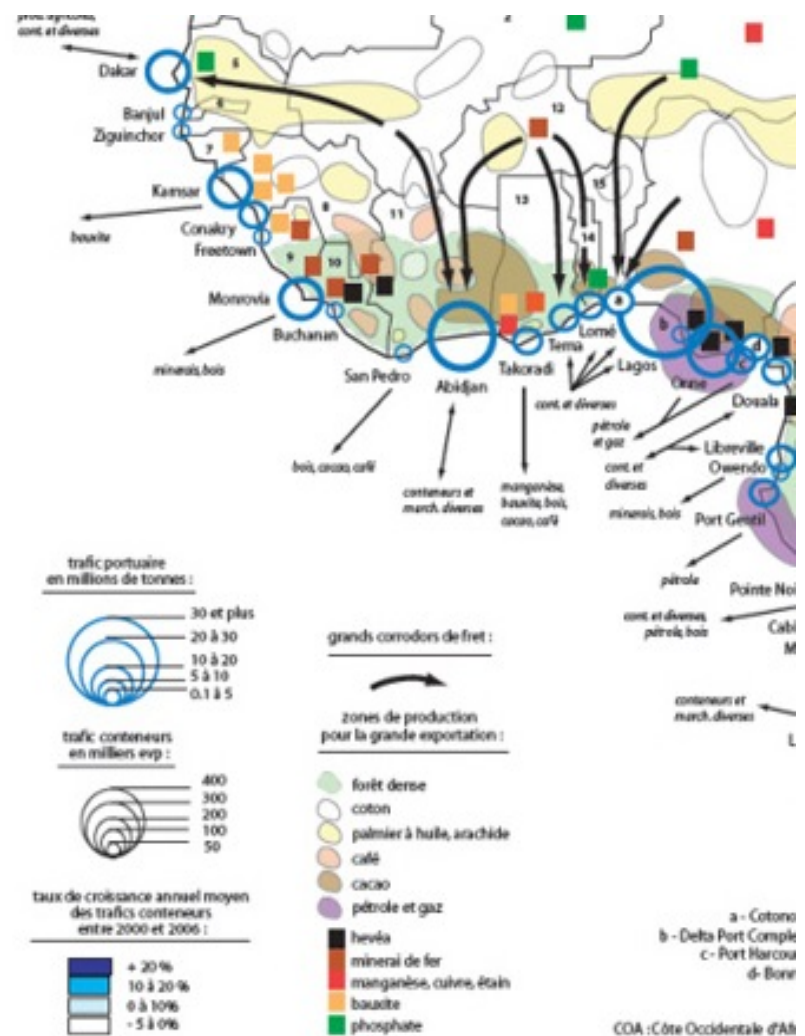
Preamble: As indicated in the AGS offer, the maritime industry will be considered as including all industries related to ships and seafaring: maritime infrastructures, maritime shipping (commodities and passengers), shipyards and boat maintenance activities.

In the south, Ivory Coast borders the Atlantic Ocean, benefiting from a 520 kilometer long coastline and a 200 000 km² EEZ (Exclusive Economic Zone). The country is located in West Africa on the western end of the Gulf of Guinea.

Abidjan is one of the most important capitals in the Gulf of Guinea region. The city expanded quickly after the construction of a new wharf in 1931 and its designation as the capital city of the then French colony in 1933. The completion of the Vridi Canal in 1951 allowed it to become an important seaport.

More than 90% of Ivorian external trade relies on maritime transport and 90% of the country's international exchanges go through its ports.

The Ébrié Lagoon lies in Ivory Coast, separated for almost its entire length from the Atlantic Ocean by a narrow coastal strip. The 100 km long lagoon rejoins to the sea via the Vridi Canal, while the Comoë River flows into it. The lagoon averages 4 km in width and 5 m in depth. Many towns lie on the lagoon, namely Abidjan, Grand Bassam, Bingerville, Jacqueville, Attécoubé, and Tiagba.



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I. Maritime Industries

1.1 Maritime Infrastructures

One of the main priorities of the current government has been to upgrade existing maritime equipment and infrastructures. So the State launched the Government program for Equipment and Infrastructures Rehabilitation (*Programme Gouvernemental de Réhabilitation des Infrastructures et des Équipements*), in order to create the conditions necessary for economic growth and business development.

In light of this maritime infrastructures have been an important part of public investments and have figured as high-priority projects. The Ivorian maritime front is very active since the country is located on the Gulf of Guinea. Abidjan is one of the main ports in West Africa, in addition to being among the three major deep-water ports along with Dakar and Tema. Moreover, Abidjan just like Dakar has important storage capacities that are lacking in Lomé.

The current government has decided to reinforce its port activities in Abidjan and San Pedro. Both are autonomous ports. This means that while they have their own moral identity and independent management teams, they are owned by the State and are subject to the authority of the Ivorian Ministry of Transport. The Minister of Transportation (currently Mr. Gaoussou Touré) is in charge of appointing the managing director of each port. Previously the ports answered to the Ministry of Economic Infrastructures, but the President decided to modify this status in September 2012.

As autonomous ports, Abidjan (PAA – *Port Autonome d'Abidjan*) and San Pedro (PASP – *Port Autonome de San Pedro*) house both privately and publicly ran activities in order to promote business for the country. Buoyed by the economic recovery of the previous years and rising trade volumes, the Ivorian government is making large-scale investments to modernize Abidjan and San Pedro's international harbors. These projects are subject to public works contract regulations, and every offer will have to be approved by a cross-ministries commission composed of 9 members.

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1.1.1 Abidjan Autonomous Port (PAA):

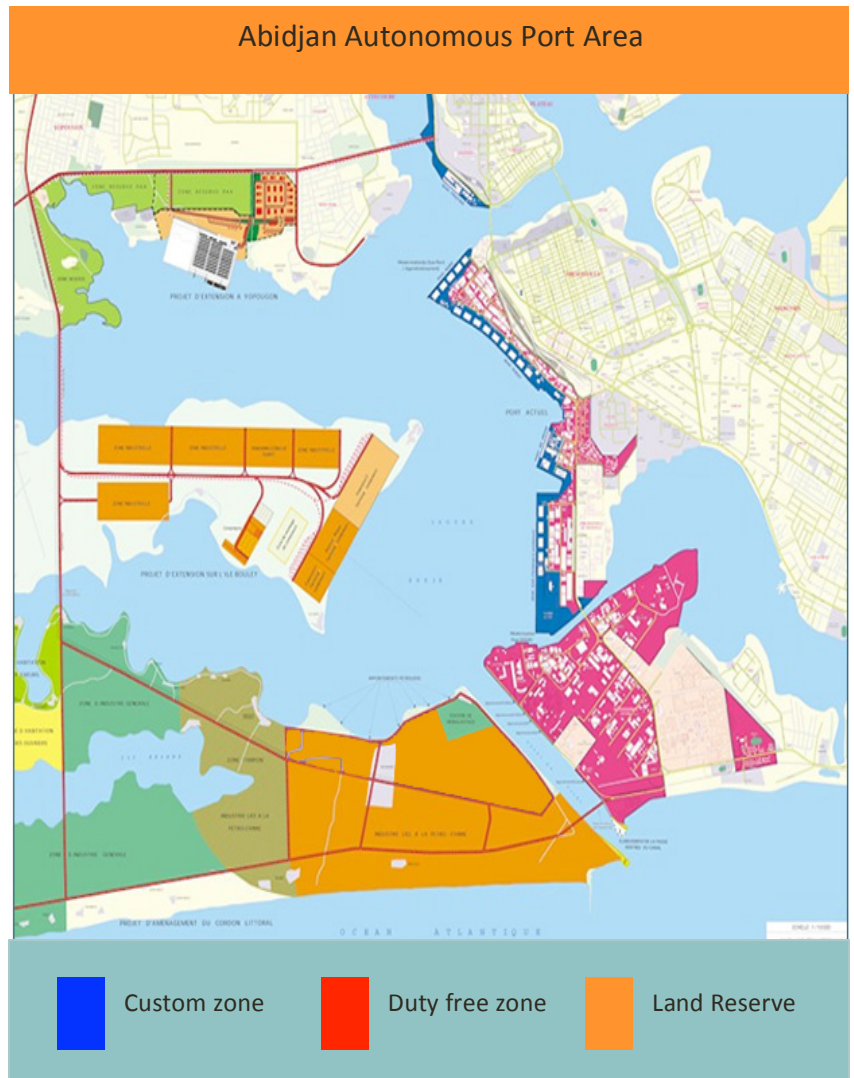
Current Situation:

Abidjan Autonomous Port (PAA) was built in the 1950's with specific access (roads and railways) directed towards the Ivorian hinterland. It is working autonomously (with its own budget and management) but it endorses public missions (transportation). Its capital, which is exclusively detained by the Ivorian government, reaches 16 000 000 000 CFA francs.

The State provided fields for the Autonomous port that are dedicated strictly to port activities. The port domain covers 2624 acres consisting of a land platform and a body of water.

Abidjan Autonomous Port is under the technical authority of the Ministry of Transport and under the financial authority of the Ministries of Budget, and of the Economy & Finance. The General Directorate of Port and Maritime Affairs (DGAMP), working under the authority of the Ministry of Transport, is in charge of infrastructures and security. It delivers agreement and authorizations to all maritime operators for their activities.

The Abidjan port's traffic reached an average of 20 vessels per day in 2013, with 21.4 million tons of merchandise total, registering a 7% total increase for that year. The port contributes to 85% of the national customs receipts and to 70% of total government revenues.



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The Abidjan Autonomous Port employs more than 40 000 people. It is the leading port in terms of sea container capacity: 550 000 TEU. PAA is used as an import/export harbor as well as a transit port. It is connected to roads that lead to Yamoussoukro (this road is to be extended to Burkina Faso) and to the Eastern part of the country (which is to be extended to Lagos). It is also connected to a railway that goes to Burkina Faso, which should soon reach Niger.

The port is made up of two parts: one under customs authorities, and one without, and it goes through 3 districts of Abidjan: Plateau, Treichville and Port-Bouet. The port is comprised of different zones:

- **The Old Port Zone** with a fruit and wood terminal;
- **The Storage Zone** where raw materials meant to be exported are stored and handled;
- **The Fishing Port Zone** where all activities linked to fishing take place (refrigerated storage, fish transformation, local market, canneries...);
- **The Storage Zone at the Vridi Dock** with the sea containers terminal and various storage units, dedicated to agricultural raw materials and commodities;
- **The Vridi Naval Industrial Zone** housing workshops and naval activities;
- **The Vridi Industrial Zone** housing all other industrial activities (chemical, oil, electrical, agro-industrial...);
- **The Vridi Zone** dedicated to tourism and living

The port of Abidjan has experienced traffic slow down (in terms of vessel stops) for the past few months. This is due to the following reasons: first, the port is no longer competitive in terms of technical operations; with respect to transshipment for example, in Abidjan 20 movements are made per hour as opposed to 70 in Tangier. Second, operational costs (especially with ISPS¹ implementation) have increased significantly. Many economic operators are worried about high costs due to the lack of competition. Today Dakar, Lomé and Téma are benefiting from this cost increase in Abidjan. The third major issue for the port of Abidjan is that the roads are badly damaged and hard to navigate, especially during the rainy season. Furthermore truck traffic causes major accidents and traffic jams in addition to degrading road quality.

Year	Turnover (billions of CFA francs)	Increase
2010	50.934	
2011	51.242	0.60%
2012	63.298	23.50%
2013	72.247	14.10%

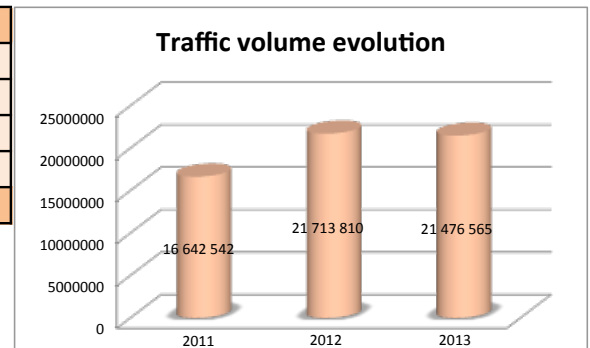
Nevertheless Abidjan remains the most important port in West Africa, especially for exports since most of the region's other ports are heavily import oriented. Export taxes represent a high contribution to customs taxes in

¹ *The International Ship and Port Facility Security (ISPS) Code is an amendment to the Safety of Life at Sea Convention (1974/1988) on minimum security arrangements for ships, ports and government agencies.*

the country (approximately 80 to 85%) and to the overall government budget (60%). Traffic volume has been growing consistently since 2012, and so have its results.

Abidjan Autonomous Port is the region's principal port, the first port for storage containers and tuna exports, with 21.5 million tons of freight traffic in 2013.

Traffic (volume in tons)			
Products type	2011	2012	2013
Oil products	6 672 462	7 038 819	7 740 337
Commodities	9 386 551	14 071 031	13 672 336
Fishing	593 529	603 959	638 923
Total Maritime traffic	16 642 542	21 713 810	21 476 565



Traffic volume per hinterland destination in tons			
	2011	2012	2013
Burkina Faso	394 402	758 097	885 805
Mali	367 971	832 628	919 558
Niger	1 323	8 306	10 770
Other countries	1 244	14 101	12 332
Total hinterland	764 940	1 613 132	1 828 465

Although the main destinations for merchandize remain Europe, North America and Asia, the traffic through hinterland stops has shown significant growth.

The Port contains the following infrastructures and activities:

- **Fruit and Wood Activities:**

This Fruit and Wood terminal processes approximately 250 000 tons of fruits per year, and is equipped with the following: a 350 meter long dock, 51 000 m² of land, a 14 400 m² storage unit and a connection to the railway. The terminal could hold over 100 refrigerated containers.

This terminal has been under the management of Sea-Invest, a Belgian terminal operator, since 2009.

- **Warehouses and Storage:**

The cereal Terminal has 6 storage facilities and holds between 200 000 and 300 000 tons of wheat per year. It is under the management of Sea-Invest as well.

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The Ro-Ro terminal has a storage facility dedicated to new cars and two units dedicated to various commodities. The dock is 500 meters long. A private company called TERRA (Terminal Routier d'Abidjan) is responsible for the Ro-Ro terminal management and coordinates transshipments, storage, control and delivery of the terminal's commodities.

The Mining Terminal handles 15 000 tons of minerals per day with its 330 meter long dock, 16 000 m² of land and 15 000 m² of storage facilities. This terminal is connected to the railway, and has been managed by Sea-Invest since 2009.

The Container Terminal is managed by the Abidjan Terminal. The dock is 1000 meters long with a surface spanning 84 acres. The Abidjan Terminal was created in 2003 by an official concession agreement from Abidjan Autonomous Port, which made it responsible for containers collection, storage, shifting and transshipment, as well as infrastructures maintenance.

- **Fishing Port:**

The Fishing port covers approximately a 200 000 m² customs zone and an 80 000 m² duty free zone. The dock is 1522 meters long and receives more than 600 000 tons of fishing products per year.

The Fishing Port is composed of:

- An industrial fishing zone, dedicated to international fishing, with a dock 110 meters long, 3 mooring areas and the capacity to handle 15 vessels simultaneously.
- A traditional fishing zone dedicated to local fishing, with a dock 412 meters long.

There is also a 7860 m² sorting room with refrigerated stores, 3 units dedicated to fish transformation and 2 units dedicated to fish flour production and fishing nets manufacturing. These infrastructures, especially the transformation units, attracted fishing companies. The port's fishing volumes have increased (a 3.5% rise, or 603 959 tons of fish, was recorded in 2012).

- **Naval Activity:**

Carena owns the only shipyard located in the port's customs zone. The company is 50% owned by the French group Bolloré. The shipyard has a dock 400 meters long, 2 floating docks (a third is to be built one soon) and 2 slipways. Carena plans to build up a third dock soon.

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- **Industrial Zone:**

This zone is dedicated to chemical, electrical, oil and agro-industries...

The main private actors:

TC1 (the first container terminal) is operated by the Company for the Exploitation of the Vridi terminal - **SETV (Société d'exploitation du terminal de Vridi)**, which is owned jointly by Bolloré (60%) and APM Terminals (40%). A 15-year concession agreement signed in October 2003 is set to end in 2018. TC2 (the second container terminal) will be managed by a group to include **APM Terminals, Bolloré Africa Logistics** and **Bouygues**. The construction agreement was signed on July 31st 2014 and the work is expected to begin in 2016 and last for a period of 21 years.



Carena (Abidjan Company for Naval Repair and Industrial Works - Compagnie Abidjanaise de Réparation Navale et de Travaux Industriels, a French company jointly owned by Bolloré (50%) and SOFIA (50%) and specialized in boat maintenance, has been operating in Ivory Coast for 55 years.

TERRA: TERRA is a holding grouping MOVIS, Manuport Afrique, Socopao Ci, and Terminal Link. It operates the Ro-Ro terminal.

Sea Invest: Created in 1925, this company is today a major terminal operator specialized in fruits, dry and bulk terminal goods, with the capacity to manage transport, storage, handling and consignment. The group was given control of the Fruits and Minerals Terminals in 2009.

The French group Bolloré, headed by Vincent Bolloré, is the biggest private actor inside Abidjan port.

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Ongoing and Upcoming Projects:

The Abidjan harbor is currently undergoing a 2.2 billion euros expansion project due to be completed in 2020. Because this project is consequent, it might disturb port traffic and cause periods of chaos. Its overarching goal is to enhance the port's capacities and to reduce its costs through cost-saving strategies; it should increase Abidjan's volume capacity to 2.25 million TEUs, making it West Africa's leading port in terms of capacity.

- **Expansion of the Vridi Channel (including the oil wharf):**

At this stage the port is not equipped to host vessels larger than 250 meters with drafts exceeding 11.5 meters. Moreover, ships processing times are too long. As a result port authorities decided to enlarge and deepen the Vridi channel. In 2013, the West African Development Bank agreed to finance part of the project with a 24 billion CFA francs loan to the Abidjan Autonomous Port.



The East and West jetties will be restored, the channel entry will be enlarged, and the channel will be dredged on a 2700 meters length. Moreover, 198 acres will be backfilled and cleared out in the Vridi bay. With the enlargement and deepening of the channel, the port will be able to securely receive larger vessels (as long as 250 meters) with 15 meters drafts starting in 2017, ensure higher levels of safety and security for navigation on the channel, and produce better results in terms of volume capacity and operational speed. Moreover, this development will boost private investment in the maritime sector.

China Harbor Engineering has been appointed for enlarging the Vridi channel and has already begun the work, which was financed by a government loan.

- **Construction of a second Container Terminal:**

This project aims to build a new container terminal in order to boost transshipment speed, reduce docking costs and increase port capacity. Today, the traffic capacity is at 1.2 million containers (it should reach 3 million containers in 2020), but vessels exceeding 11.5 meters of draft cannot be moored.



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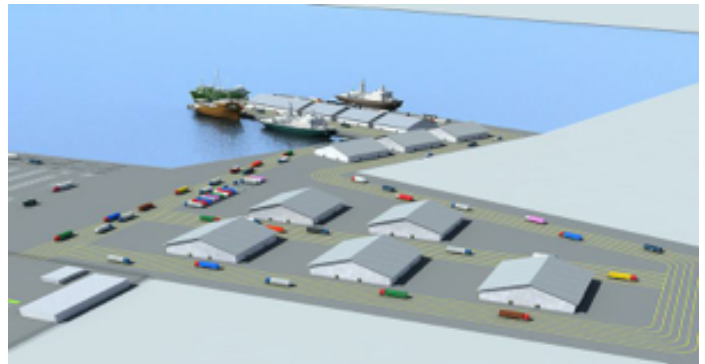
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This project is connected to the extension of the Vridi channel and will lead to the remodeling of the Ro-Ro Terminal and the extension of the Cereal Terminal. Infrastructures will be ready after the China Harbour Engineering work, and the work, which has already begun and should be finished by 2018, has been commissioned to a group that includes Bolloré Africa Logistics, Bouygues and APM Terminals.

- **Extension of the Fishing Port:**

The fishing port is currently lacking industrial fields, and its infrastructures are decrepit. In order to develop fishing capacities and fishing products transit with safer and more secure conditions, the port plans on creating a 47 acres industrial zone, a jetty structure (450 meters long and 160 meters wide). The fishing port would then be able to receive larger boats, improve its working conditions and stimulate new industry implantation on additional fields.



The project has been financed by the port and commissioned to a group composed of Sogea-Satom, EMCC and the Belgian company Draging. It should be completed in September.



- **Extension of the Minerals & Cereals Terminals:**

The Minerals Terminal will be expanded to meet demand from the booming mining sectors in Burkina Faso, Ivory Coast and Mali. The port plans to build new docks (backfilling of 22 acres) where vessels with 13.5 meters draft can be moored and set up a large storage zone. No operator has yet been contracted for extending the Minerals Terminal.

The Cereals Terminal project has exactly the same characteristics. Both will be financed through a Public/Private Partnership. Although the Port has received expressions of interest, there is no official candidate for the moment.

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- **Extension of the industrial zone:**

Today the port suffers from a lack of industrial areas and therefore cannot meet local demand. In order to boost industrial investments that will have a positive impact on job creation and port traffic, authorities plan on developing a 333.5-acre industrial zone by the embankment of the Bietry bay. The West African Development Bank will finance the construction of the first 86-acre embankment, which should take 6 months. The Dutch group Jan de Nul will be in charge of the work.

The State plans to conclude these projects in 2018 as they are considered strategic emergencies for the Port. There will be further development after 2018:

- **The Vridi-Bietry Bridge:**

In order to reduce Abidjan road congestion, the State would like to reduce traffic on Vridi Boulevard. Authorities are planning to build a bridge connecting Vridi to Marcory.

The National Office of Technical and Developmental Studies is leading the preliminary work. The budget is estimated around USD 100 million. The State will set up a Public/Private Partnership, as this will be a toll bridge.

- **The Logistics Platform:**

In order to prevent trucks from parking inside the port area, port authorities plan to create a parking site with the necessary infrastructures in terms of comfort, health and security, where trucks could park before loading or unloading their goods.

The Port already has already acquired a 60 acres site on the North Motorway for this purpose.

Abidjan Autonomous Port also has land reserves allotted by decree in Yopougon, the Boulay Island and on the coastal corridor. The Port could further exploit these lands but it will require massive investments and infrastructures (roads and bridges).

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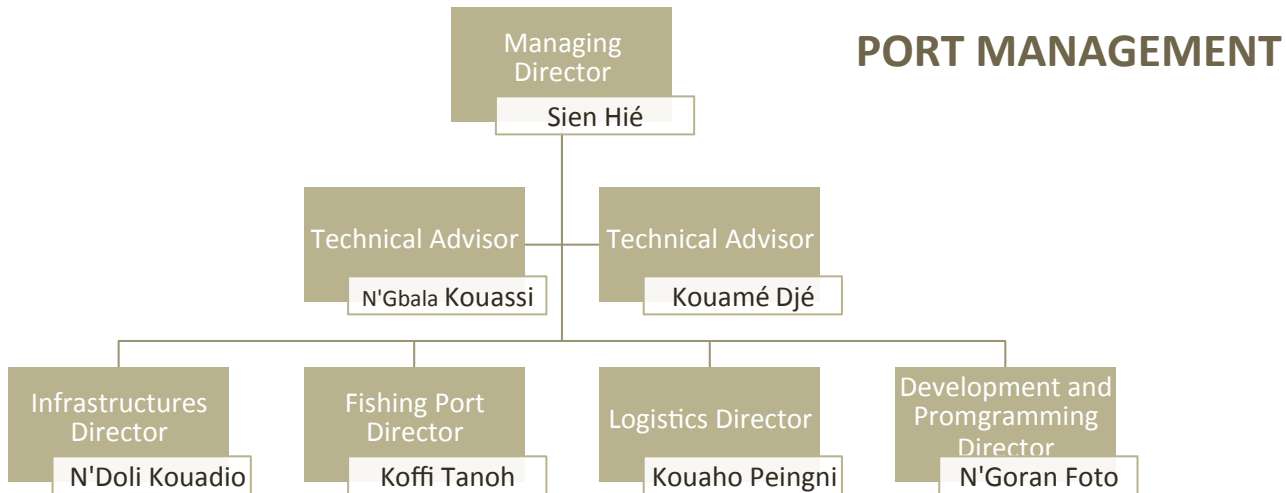
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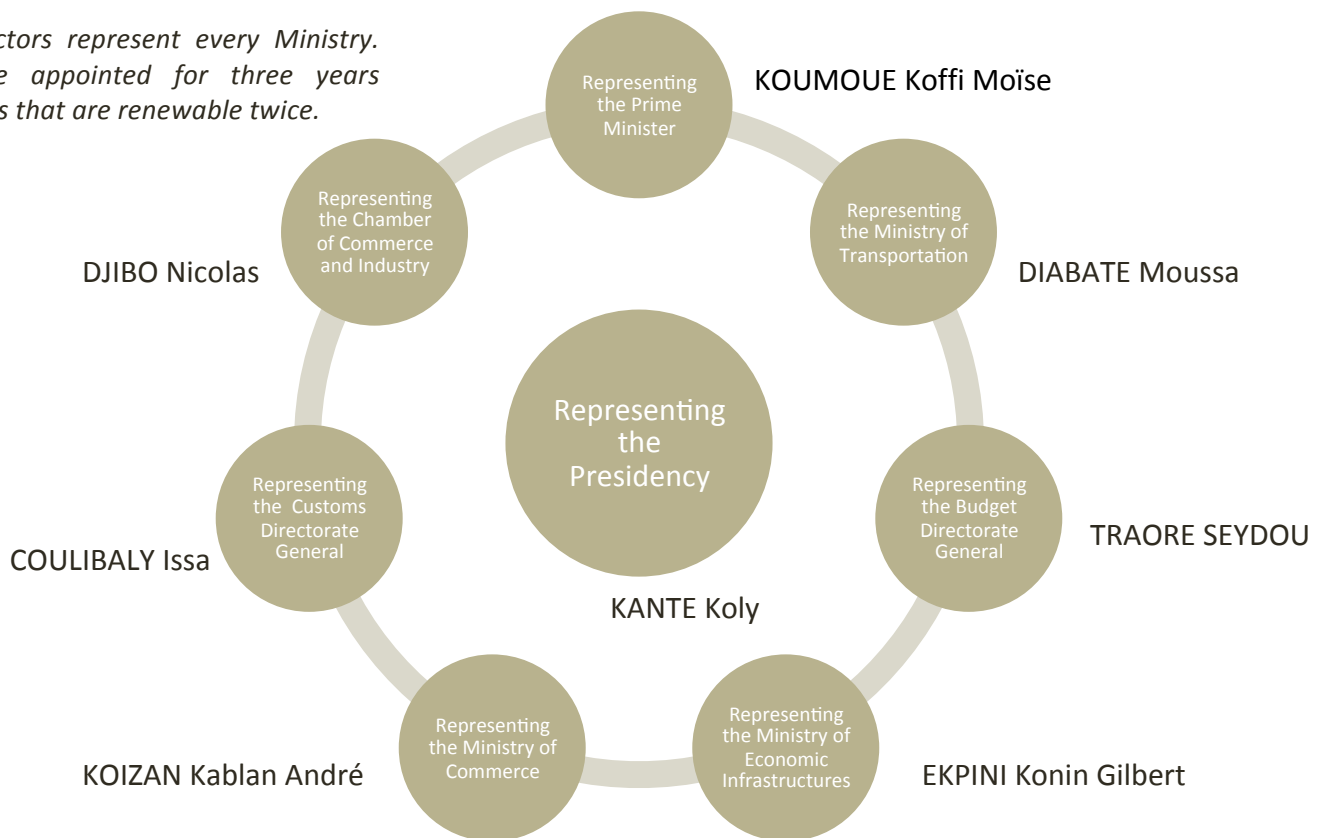
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Abidjan Autonomous Port Power Map:



THE BOARD OF DIRECTORS

The directors represent every Ministry. They are appointed for three years mandates that are renewable twice.



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1.1.2 San Pedro Autonomous Port (PASP):

Current Situation:

The San Pedro harbor was one of the main economic infrastructures built after Ivory Coast's Independence; the project was launched as part of a development program initiated in the 1960's, aimed at reducing regional disparities by developing the South-West region. San Pedro is located 350 km West of Abidjan. Ideally it should serve as a natural transit stop for neighboring landlocked countries that need to export their goods:



Country	Guinea	Liberia	Mali	Burkina Faso
Importation	Oil products, rice, chemicals, cereals, cars			
Exportation	Wood, cotton, rubber, iron	Wood, palm tree, rubber	Cotton	Cotton

The San Pedro Autonomous Port is a public entity that accommodates public administrative missions as well as industrial and commercial activities. With capital reaching 2 000 000 CFA francs, it is exclusively owned by the Ivorian government.

The San Pedro Autonomous Port is under the technical authority of the Transport Ministry and under the financial authority of the Ministry of Finance and Budget. The port's Managing Director is appointed by decree of the Minister of Transport, but his appointment has to be approved by the Board of Directors.

The port is equipped to carry out all port activities including daily operations, equipment installations, infrastructures maintenance and upgrades. Nevertheless most of its running operation services, especially those related to vessel maneuvering (steering and towing) are provided by the private sector. The port is applying ISPS code since 2004.

San Pedro is also an important port for the overall region; it is 4th in terms of cocoa exports and first for banana exports. The weight of San Pedro in terms of national export volumes is steadily increasing: 20% in

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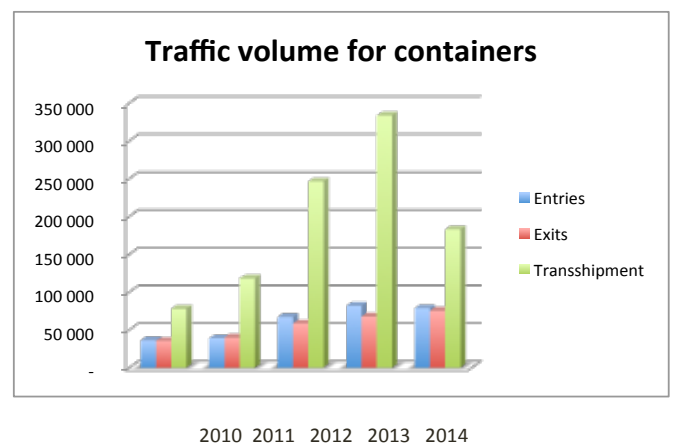
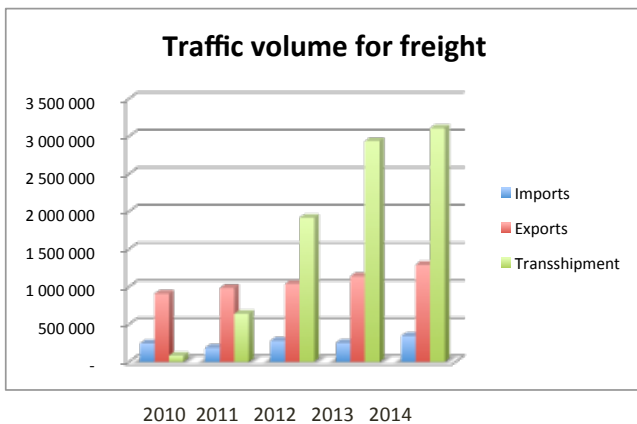
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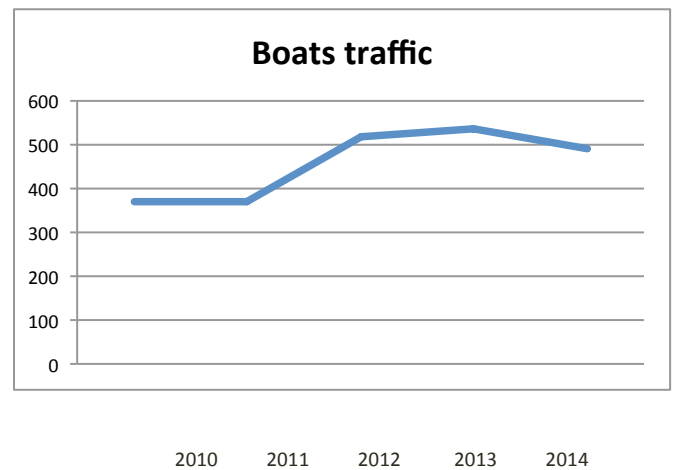
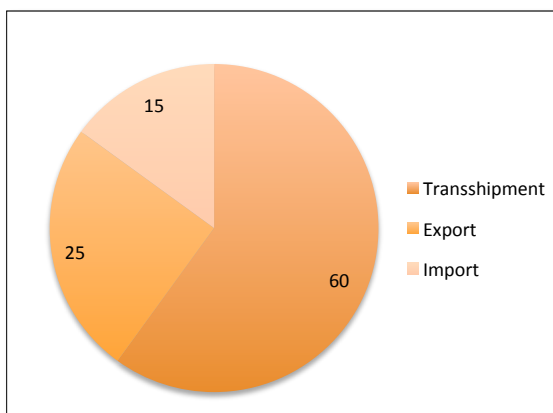
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2013, 25% in 2014, and 35% during the first semester of 2015. The port tends to export more finished products and to export goods to the sub region. The port is crucial for regional economic development, as it promoted the creation of planting fields for rubber, palm, coconut, lemon, coffee and cocoa trees, and of small factories in agribusiness and the wood industry.



As mentioned previously, because of a recent hike in taxes, and even if San Pedro harbor remains less expensive than Abidjan, there has been a reduction in the growth rate of vessel traffic. In 2014, the port's traffic volume reached 4.7 million tons:



Considering the region's capacity in terms of mining materials and agricultural products coming from Ivory Coast and its neighboring countries, traffic volume has the potential to reach 1 to 6 billion tons.

The port houses the following infrastructures and activities:

- **Fishing Port:**

The fishing port covers an 18 727m² of mooring area where trawlers and motor dugouts may dock. The unloading shed is 500 m² large; the shed selling fishing products covers 360 m², and the shop selling fish 3200 m², with refrigerated storage facilities. The fishing activities are limited to traditional and semi-industrial fishing involving local actors (mostly coming from Ghana).

- **Commercial Port:**

The commercial port is located in deep waters spanning 81.5 acres (the draft is 9 to 12 meters deep next to the dock) and is protected by two docks (145 meters and 265 meters). The port has a dock 842 meters long, 28 acres of land under customs and 3 warehouses covering 13 800 m² surfaces, including a 3 000 m² cold-storage chamber. 4 ships can be moored simultaneously.

Dock	Length (meters)	Depth (meters)
South Dock	155	9
West Dock	581	11-12
Service Dock	106	4
Cement Dock	200	11
Launch Dock	160	4

There are also zones reserved for cement work with the potential produce 600 000 tons of cement per year, and one to flourmills, which are able to process 200 000 tons per year.

Ongoing and Upcoming Projects (2015 - 2020)

The San Pedro port improvement program is one of the major projects of the current administration, as it is a key aspect of local development and national stability. The western part of Ivory Coast is indeed very rich in terms of natural resources (mining, coffee and cocoa) and since the 2002 crisis we have seen that its development has a direct impact on national political stability.

Moreover, the West of the country is key to sub-regional and hinterland integration. San Pedro plays an important economic role for the neighboring countries and its import/export capacity has a direct impact on their development. Its development potential is high; as of today the port uses just 25% of the 4942 acres allocated to Port domain.

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While San Pedro is the country's main port for cocoa exports, it aims to expand and boost its traffic by increasing transshipments and attracting cotton and cashew exports away from Abidjan.

So, it intends to reinforce infrastructures inside and outside the port. The port already benefits from a network of roads linking San Pedro to the hinterland, but it needs to be rehabilitated. Moreover, with an increase in mining activities, the State is considering building a railway.

These infrastructures will determine development efforts at the San Pedro port. The second crucial point is the creation of a logistical network including a dry port in Man and logistical platforms dedicated to hinterland. Lastly, security improvements (and ISPS improvement) will be a critical dimension.

The European Union has supported Ivory Coast in devising a 20-year development plan for San Pedro. Please find below the ongoing and upcoming projects that should be completed between 2012 and 2020.

1. The first stage (of the following 4 projects) would require mobilizing 400 billion CFA francs; the African Development Bank has financed technical and financial studies to be released in July 2015:

- **Construction of a second terminal for containers:**

The current container terminal is 28 acres large with a 300-meter long dock and has been commissioned to MSC. It has a capacity of 200 000 TEU but is already saturated. **MSC** only uses 12 acres and should process the other 12 acres. In order to increase containers capacity and services quality, the port plans to build a new container terminal with a 15 million TEU potential. This would include building a dock 700 meters long with a 15-meter draft, the set-up of a 57 acres storage zone and the dredging of the internal stretch of water. The project will be completed through a Private Public Partnership.

- **Construction of a multipurpose industrial terminal:**

Today the industrial terminal is limited to 5 million tons. The extension will use 28 acres. The terminal will include the building of a 250-meter dock and an 11.6-acres storage zone. The port will then be able to handle 2 million tons per year. A Private/Public Partnership will carry out this project.

- **Construction of a logistics base dedicated to offshore prospecting:**

Today most oil operations take place in the Ivorian waters of the Eastern part of the country, but exploration in the West should begin soon. A soon to be constructed logistics base will allow supply boats to stop in San

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Pedro, adding high value traffic to the port. This infrastructure requires the building of 11 acres of equipment and materials storage units and a dock 200 to 400 meters long with 15 a meter draft.

This project will be accompanied by the building of a gas and oil terminal, with 37 acres of oil and gas storage, and all the equipment necessary to collect oil and gas. This project will be publicly funded.

- **Extension of the customs zone and the warehouses zone:**

Today the port area spans 4942 acres but only 1297 acres are actually used. As a result, the port authorities would like to establish new areas, witch one area of 371 acres being built every year. The port operators will then be able to build new industrial units. This multi-step project will be commissioned to private operators. The port authorities also plan to support the region's touristic development efforts with the expansion of passenger traffic and the building of a harbor station. This first stage should end in 2018 and the structures should be up and running in 2019.

Business Units	Budget	2013	2014	2015	2016	2017
Internal Mineral Quay	30 millions €					
Port area enlargement	130 millions €					
New containers terminal	395 millions €					
Offshore logistic plat-form	18 millions €					
Oild and gas terminal	45 millions €					

2. *The second stage is set to begin in 2020, and will require mobilizing 550 billion CFA francs. The preliminary studies are in progress. It concerns:*

- **The Minerals Terminal**

This terminal should be connected to railways reaching San Pedro and Man. It will process minerals, especially nickel, iron and manganese, coming from Monogaga and Lauzoua in Ivory Coast and from the Eastern part of Guinea. This project should be executed through a Public Private Partnership under the authority of the Prime Minister.

- **The Oil and Gas Storage Terminal**

This project will increase the oil and gas storage capacity of San Pedro. PETROCI, the national company for oil operations in Ivory Coast, will lead the project with private partners.

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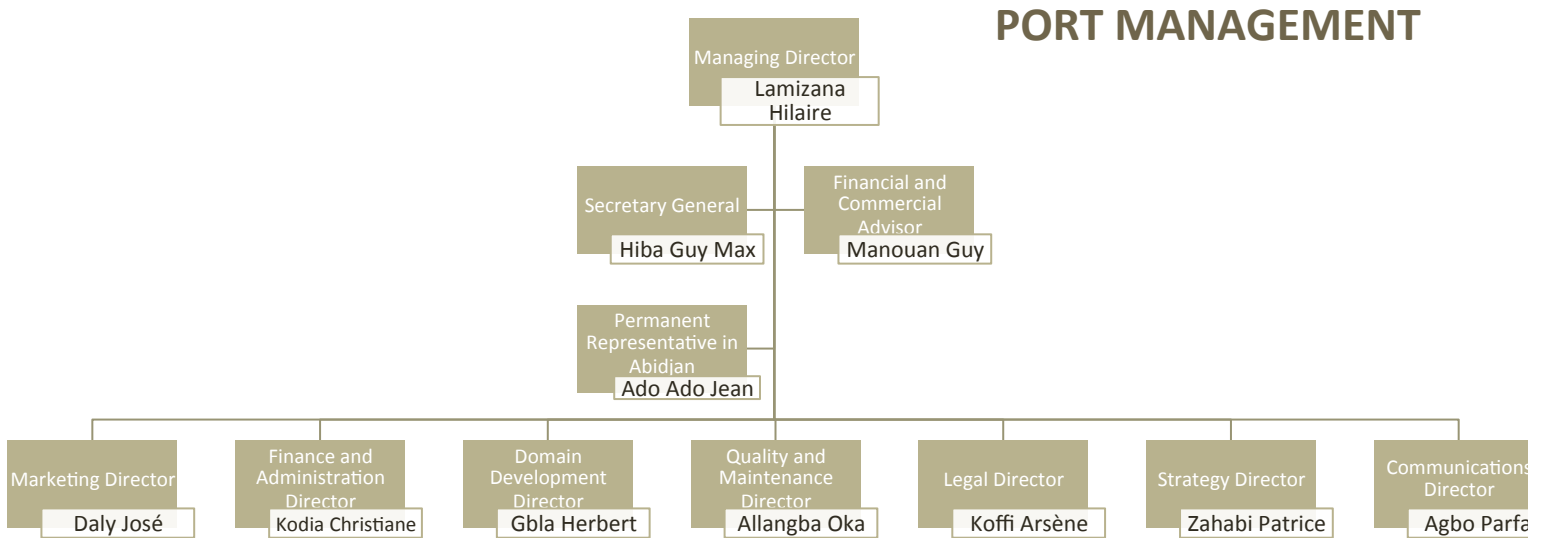
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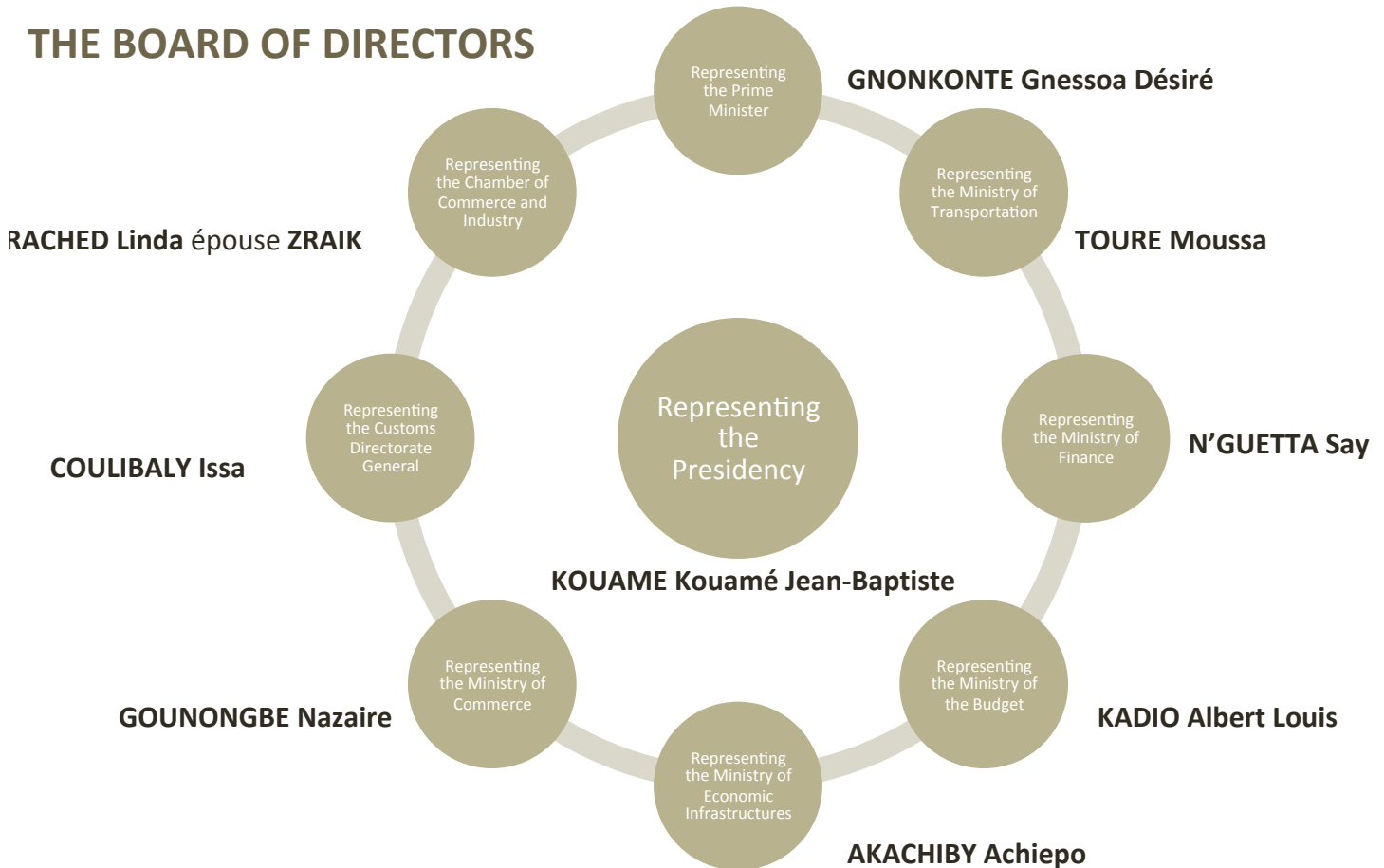
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Port Power Map:



THE BOARD OF DIRECTORS



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1.1.3 The Lagoon Projects

The government would like to enhance the lagoon's potential. In collaboration with the World Bank, the President decided to launch the Urgent Infrastructures Revival Project in Ivory Coast with a 137 billion CFA francs budget. The coordinator is **Pierre Demba**. The project is also partly supported by the Ivorian-Morocco cooperation.

37 billion CFA francs have already been spent in order to:

- Renovate:
 - The wastewater system in Abidjan's center
 - The 4 treatment dams
 - The city's drainage channels
- Build:
 - Wastewater systems in Abobo, Adjamé and Treichville
 - 4 additional treatment dams

The next stages of the project will be dedicated to cleaning up the lagoon's waters and developing its banks. The riverside development project has been assigned to the Moroccan company MarchicaMed and includes the construction of a marina.



1.1.4 The Sassandra Fishing Port

With San Pedro's development Sassandra lost a major part of its market activities, especially with respect to wood exportation. Sassandra authorities have therefore asked the Ivorian government to help the region benefit from San Pedro's harbor development through the construction of a fishing port. This project is still under review and will be taken up by the Japanese Cooperation (JICA), which is supported by the Ministry of Animal and Fishing Resources.

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1.2 Commercial Shipping

This market is huge because of specialties in the transportation of cereal, fuel and gas, fruits and vegetables, as well as containers... Most of the traffic is headed for Europe and North America; however traffic towards Asia, South America and the sub-region is growing.

In this market there is a lot of competition. While transportation rates go down, port taxes have gone up in Abidjan, and some actors are even experiencing operating losses. The Abidjan Autonomous Port has decided to implement the ISPS code with the support of a private company called Port Sécurité, a subsidiary of “Visual Defense”, an American/Canadian company. Moreover the Port has decided to raise its field fees. Overall the charges applied to port operators have increased by 28% between 2002 and 2014.

Dialogue with the port seems difficult and the market looks hectic. As a result, operators tend to reduce the volume of transshipments and vessel stops in Abidjan (some have already reduced their stops in Abidjan by 50%). The Ebola virus disease had a direct and significant negative impact on traffic. Moreover Abidjan’s port suffers from truck traffic congestion and transportation costs between the hinterland and the port are quite high.

Main Private Actors

In the maritime transport industry, agents carrying out transit and registration procedures are mainly international groups because this market activity requires high cost inputs and substantial investments: boats, agencies, maritime lines...

In Abidjan, there are 5 major transit agents: Bolloré Africa Logistics, Delmas-CI (the local subsidiary of CMA-CGM), Getma, Koda Maritime SARL and Simat. Nevertheless there is an increasing number of smaller agents entering the sector, such as Maersk Line, Sea Invest, Eolis SARL, Athena Shipping, and Supermaritime. The principal private actors come from Western countries but we noticed some new actors coming from Asia (Arcas, Cosco). Lastly, there is currently only one Ivorian actor: MOVIS.

In san Pedro, the main maritime operators (for transit and consignment) are approximately the same as in Abidjan.

Webb Fontaine is a private company that indexes and evaluates the value of goods coming into both ports. In this regard it works closely with the customs services.

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1.3 Passenger Shipping (Public and Private)

Many projects are focused on passenger transit due to the importance of the lagoon and Abidjan's serious traffic issues. The State has therefore decided to help unclog the city's roads and tackle the lack of reliable public transportation by reinforcing boat transport. The volume in terms of passengers and terminals to be built is quite high.

In order to promote this sector, the State, through the Ministry of Transportation, brokered two private agreements and dismantled the SOTRA monopoly. SOTRA is an Ivorian company owned mainly by the State and the Italian bus builder IVECO. This semi-public company is in charge of passenger transport in Abidjan and on its lagoon.

One of the licenses granted by the Ministry of Transportation has been given to Rainbow Ferry Lines, a joint venture between the Ivorian company SNEDAI and the Turkish industrial group Yildirim. This project should invest more than 20 billion CFA francs into boat purchases and the construction of new piers.

Pricing remains a major problem for this project however, as the State decided on a maximum ticket price while the construction of passenger terminals on the lagoon will require new roads and parking lots. Today it seems difficult to keep prices low and still make a profit. Moreover pilots will have to be trained locally.

There are also a few projects for semi-private transportation across the lagoon, which could significantly expand if a public solution is not viable. The pleasure boat sector is expanding after a 10 years slump, and the average length of the vessels is growing (to over than 6-8 meters). Apart from the lagoon, a part of the rivers could also be sailed.

There is a big potential in terms of transportation and tourism in the lagoon and surrounding rivers. However the State will have to set up adapted infrastructures and transportation channels in addition to reducing pollution in the lagoon.

Main private Actors:

SOTRA, Rainbow Ferry Lines

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1.4 Shipbuilding and Maintenance

With respect to shipyards, there is an important structure held by Carena in addition a few small installments. The Carena main shipyard (50% owned by Bolloré) is located in the port's customs zone and dedicated exclusively to maintenance, improvements and repairs. Their main clients (60%) are offshore supply boats, tuna boats (25%) and cargo ships (15%). Vessels up to 120 meters long can dock there. Despite there being substantial traffic in Ivorian waters, the country has no infrastructures dedicated to heavy repairs for tankers, large fishing boats or tugboats over 120 meters. The only shipyard options for these kinds of vessels are: Las Palmas (Canary Islands – Spain) and Walvis Bay (Namibia).

Shipyard activity, along with vessels' average length, has been increasing since 2012. In addition fishing activities are becoming more important. Abidjan is the main unloading port in the region. There is a growing demand for dugouts, since traditional fishing is an important activity in the Gulf of Guinea region (it contains more than 55 000 dugouts). As for the offshore sector, despite the fall in crude oil prices, exploitation is growing as the State recently signed new concession agreements with major oil companies. So, offshore activities will probably increase in 2016 and 2017.

Ivory Coast has very limited boat-building capacities: it possesses a few small shipyards for motor boats under 15 meters and dugouts, but most of the pleasure vessels are imported, as are their engines. Major ship handlers have decided to open retail locations in Abidjan (Mercury, Evinrude). Moreover demand is growing for marine activities (jet skiing, water skiing, sailing), which had experienced significant growth in the 1980's.

With regards to maintenance, many local actors that have been present for decades have the necessary technical competencies (these include many individuals of French origin). Carena works with its own technicians whom it trains regularly, as well as with a local network of subcontractors in the mechanical, electrical, sandblasting/painting, boiling, and tubing fields. As for electronics, engine mechanics and hydraulics, Ivory Coast has no local technicians so experts usually come from abroad.

There are neither State-backed nor privately funded projects dedicated to shipyards. The government owns all the land on the seaside, so even if the Ministry of Industry granted a concession to a private operator, there is no guarantee that the field in question would be rented on a long-term basis.

Main Private Actors:

Carena (owned by Bolloré at 50% and SOFIA at 50%) and small sized shipyards like CIC - JMN (directed by Jean Marie Nayrolles)

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II. Maritime Industry Power Map

2.1 Government and Public Administration

Port and Lagoon:

Government =

President: **Mr. Alassane Dramane Ouattara**

- Special Advisor on Maritime Affairs: **Mr. Isaac Dé**

Prime Minister: **Mr. Kablan Duncan**

- Minister of Budget and Customs **Mr. Abdourahmane Cissé**
 - Port Customs and Special Services Executive Management : **Colonel Touré Idrissa**
 - Customs Clearance Speed Observatory (OCOD) : **Mr. Diarrassouba Valassine**

Minister of Transportation: **Mr. Gaoussou Touré**

- Cabinet Director: **Mr. Benjamin Soro Daufanguy**
- *Executive Director of Port and Maritime Affairs (DGAMP) – gives clearance to all operators working in the maritime sector:* **Colonel Bertin Tanoh Koffi**

Minister of Economy and Finance: **Mrs. Nialé Kaba**

Minister of Health: **Mrs. Raymonde Goudou Coffié**

Minister of Animal and Fishing Resources: **Mr. Adjoumani Kobenan Kouassi**

Minister of the Environment and Sustainable Development:

- *The Environment National Agency (ANDE) – evaluates and controls projects' impact on the environment :*

Pr. Seka Seka Joseph

Private Actors =

Port Sécurité a subsidiary of Visual Defence in charge of ISPS rules application, headed by Mr. Barry Tal.

Webb Fontaine: a subsidiary of the Webb Fontaine group registered in Dubai, in charge of indexing all products coming into both ports and estimating their financial value.

SEMPA: Société des Entreprises de Manutention des Ports Autonomes (Union of Autonomous Ports' Cargo Handling Companies)

La Pétrusienne: the Ivorian company in charge of piloting and mooring in PASP.

Private companies with public shareholding =

SLA: Société des Lamaneurs d'Abidjan (Abidjan Mooring Company), in charge of mooring at the PAA.

SOTRA: Société des Transports Abidjanais (Abidjan Transportation Company)

IRES: Ivoirienne de Remorquage et de Sauvetage (Ivorian Company for Rescue and Stowage)

Sanitary institutions =

INHP: National Institute of Public Health, headed by **Pr. Dagnan N'Cho Simplicie**

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2.2 Professional Organizations and Public Institutions

In the maritime sector economic operators are often grouped into federations or associations. The **FEDERMAR** (Maritime Federation – Fédération Maritime) is the biggest and tends to protect all operators working in the sector while maintaining dialogue with maritime authorities. The FEDERMAR is composed of:

- ✓ The Union of Abidjan and San Pedro Ports' Stevedoring Entrepreneurs (**SEMPA** - Syndicat des Entrepreneurs de Manutention des Ports d'Abidjan et de San Pedro), directed by **Youssef Fadika**.
- ✓ The Ship Navigation and Consignment Operators' Union (**SYNDINAVI** - Syndicat des compagnies de navigation et de consignataires de navires de Côte d'Ivoire), which includes the following companies:

- | | | |
|---------------|--------------------|---------------------|
| • SOCOPAO | • P&O NEDLLOYD | • MESSIMA |
| • SDV-SAGA-CI | • MATRANCI | • WAIBS |
| • SUMACO | • VICOMAR | • GLOBAL MANUT |
| • SIVOM | • BENYA SHIPPING | • NAVITRANS |
| • GEODIS CI | • CIMACO | • SUPER MARITIME |
| • SIMAT | • TRIDENT SHIPPING | • IVOIRE LOGISTIQUE |
| • GETMA | • CAEMACI | • CMNP |
| • MAERSK-LINE | • KODAMARITIME | • OMEGA SHIPPING |
| • AMICI | • MSC | |

Note:

- A part of SYNDINAVI decided to join AMCI (Association maritime de Côte d'Ivoire – Maritime Association of Ivory Coast). Both unions, SYNDINAVI and AMCI, will soon merge to form **UCACI** (Union des Consignataires et Armateurs de Côte d'Ivoire – Consignment Operators and Ship-owners Union of Ivory Coast).
- There is also a group of consignment operators in the fishing port and a group for traditional fishermen: the Traditional Fishing Ship-Owners' Union of Ivory Coast.

- ✓ The Forwarding Agents' Union (Le Syndicat des Transitaires), including:

- | | | |
|------------------------------------|---------------------|------------------|
| • SDV-SAGA-CI | • SENOUSIAP GEODIS | • TTS |
| • GETMA-CI | • MAERSKS-LOGISTICS | • SIVOM |
| • PACKING SERVICE
INTERNATIONAL | • SIMAT | • FEDERMAR |
| | • TGR | • TECRAM TRANSIT |
| | • TRANSIT CENTER | |

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AGS – West Africa

TO KNOW – TO UNDERSTAND – TO DARE

Note: There is also the National Union of Forwarding Agents of Ivory Coast (SYNATRANS-CI).

Outside the FEDERMAR, we can find:

- The Ivorian Loaders' Office (**OIC** – Office Ivoirien des Chargeurs), a public institution with industrial and commercial functions. It is a financially independent moral entity, working under the technical authority of the Ministry of Transportation and the financial authority of the Ministry of Economy and Finance. Its aim is to promote and put into place conditions that will improve maritime transport and regularize supply and demand in terms of freight.

Note: Regarding the loaders, there is also a Burkinabe Loaders' Council in Ivory Coast (CBC - Conseil Burkinabé des Chargeurs en Côte d'Ivoire).

The trade unions are important and effective for port professionals, as most of them are close to political parties. In addition to the SEMPA, there is the National Union of Seamen (SYMAPECI - Syndicat National des Marins Pêcheurs de Côte d'Ivoire), headed by **Kouassi Yao Barthelemy**. There are also trade unions for port agents, the principal one being SUTRAPAA (Syndicat Unique des Travailleurs du Port Autonome d'Abidjan).

2.3 Civil Society (NGO's, Associations, Trade unions...)

The maritime sector is theoretically subject to a range of laws and regulations, especially with respect to environmental protection. But in reality the projects and actors in this sector do not face the kind of coercive pressure we find in Western countries. Civil society fails to mobilize public support. Nevertheless, international groups like Greenpeace Afrique exist, notably in order to curb industrial fishing.

Interim Conclusions:

The ports are key for the exportation of local resources and the economic development of West Africa. Today the government is trying to exploit the enormous potential presented by the ports and the lagoon, but the harbors' development is limited due to a lack of technical and financial competitiveness. Moreover Abidjan's harbor is suffering from massive road traffic congestion. There is significant potential for developing all types of marine activities and passenger transportation, as the lagoon is not yet fully exploited. Although the State has decided to open the maritime sector to new actors to support infrastructural development and meet the demands of maritime business and passenger traffic, it still faces major limitations.

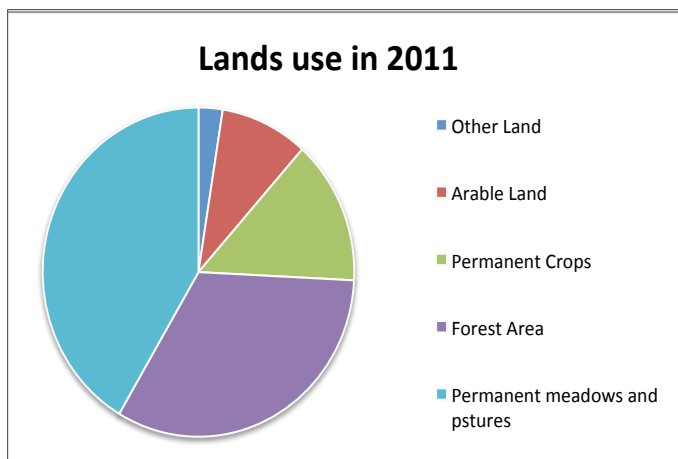
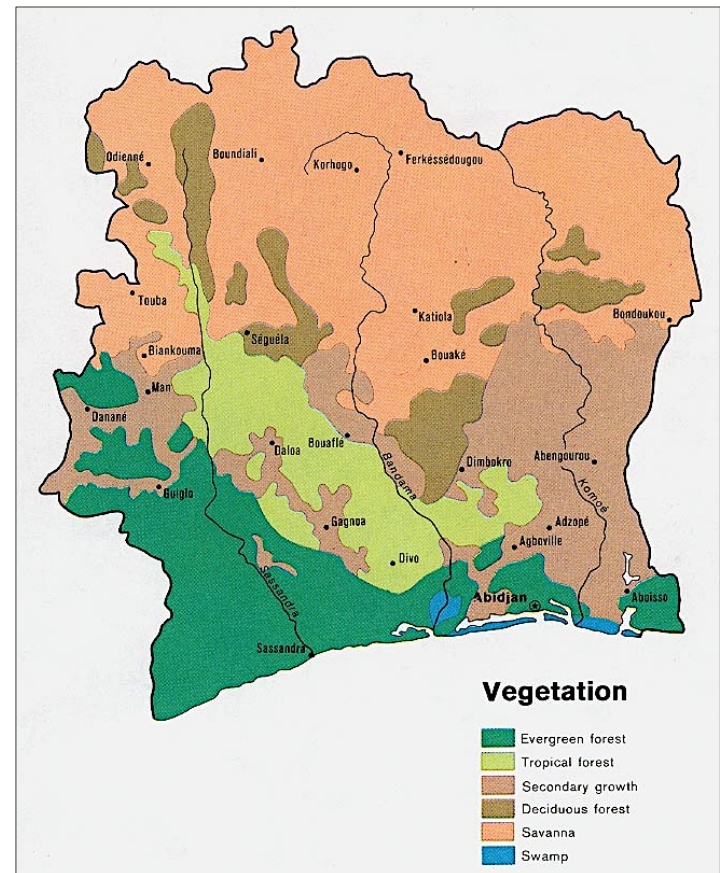
Agribusiness in Ivory Coast

Preamble: Agribusiness will be considered in this study as business using agricultural row materials in order to produce food element.

Ivory Coast has 3 different ecological zones:

- A zone of thick and humid forest in the South, covering more than half the country;
- A Sudano-Guinean transition zone between forest and savannah climate conditions in the Center,, representing 19% of national land;
- A « Sudanese » zone in the North, with wet savannah on 31% of the land.

Ivory Coast has substantial agricultural potential, as 75% of its lands could potentially be used for agricultural purposes. The best zone for agriculture is the forest region because it has the highest population density (of both Ivorian inhabitants and regional migrants), and the optimal nature of the soil.



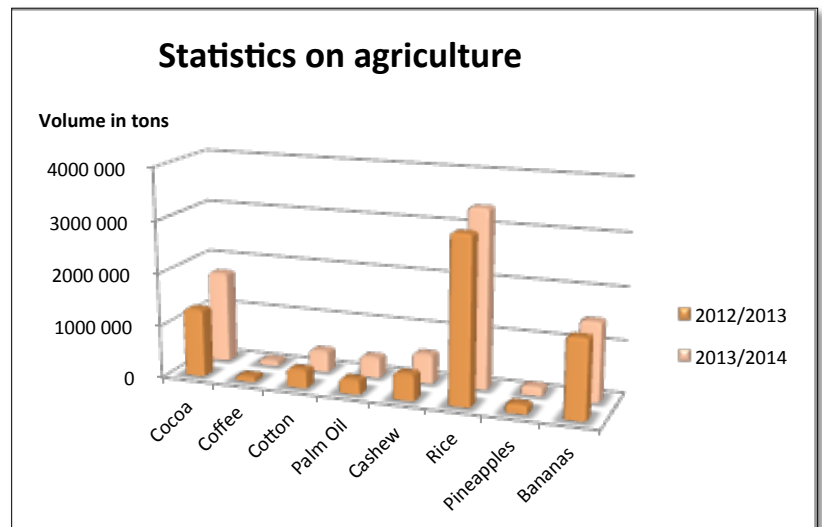
Only 42% of the arable land is actually cultivated (covering 10 750 576 acres) and only 2% of this farmed land needs irrigation. Most Ivorian agricultural activities (over 90%) are carried out by small-scale farming families with fields of 12 acres or less (most of the time between 7 and 12 acres), using traditional techniques and equipment. This is the common production scheme in the coffee and cocoa sectors. 3% of the Ivorian farming land is dedicated to big traditional crops (rubber, pineapple, and bananas for example) and only 5% of this land is used for modern farming activities (palm oil cultivation for example).

I. Agribusiness Sectors:

Agriculture is crucial for Ivory Coast. In 2012 it accounted for approximately 25% of the country's GDP, and the sector currently employs 70% of the population. The State has heavily invested in agriculture with a National Development Plan costing almost 20 billion euros, aiming at improving productivity rates and creating further growth.

As mentioned in the last Linklater's Africa Investment Matrix, Ivory Coast is considered the leading country in Africa in terms of agribusiness potential. There has been an overall increase in agricultural production since 2012, and for two decades agriculture and agribusiness have represented on average 38% of the country's GDP, 66% of its employment and 70% of its export receipts.

Ivory Coast has 18 official agricultural sectors: coffee and cocoa, cashew, cotton, coconut and palm trees, rubber and latex plants, sugar cane, fruits and vegetables, local food products (yam, and cassava), rice, ruminant breeding, pig breeding, chicken breeding, fishing and fisheries, local breeding, forestry, unconventional cultivation (mainly mushrooms), cola and other stimulating plants, and decorative flowers. The Ivorian State is currently supporting the rice, cashew, palm oil, banana, coffee and cocoa sectors. Please find below a list of production results for the main crops.



Statistics on agricultural production (volume in tons)								
Row materials	Cocoa	Coffee	Cotton	Palm Oil	Cashew	Rice (all types)	Pineapples	Bananas
2012/2013	1 300 000	103 000	352 000	276 000	500 000	3 152 671	170 000	1 500 000
2013/2014	1 746 000	105 716	405 226	390 000	560 000	3 396 500	170 000	1 500 000

Source: National Chamber of Agriculture

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Cash crops represent 56% of the farmed land (mostly cocoa cultivation). Most food crops are yam (39%), cassava (21%), plantain (16%), rice (10%), fruits (mangoes, passion fruits and citrus fruits) and vegetables (eggplant, cucumber, and pumpkin). Breeding activities are located in the North and often mixed with agricultural activities (40%). But despite growing a variety of crops such as coffee, rubber, fruits, cotton and palm oil, Ivory Coast still relies heavily on cocoa exports for investment and financial security, as it represents 38% of the country's agricultural added value.

As we can see in the following chart, agricultural production volumes (in tons) have been increasing since 2011, except for coffee crops. The strongest increase is found in cassava, rice and corn for food crops, and in cotton and cashew for cash crops. Cotton and rice cultivation is heavily supported by the State. Cassava is a traditional staple food in Sub-Saharan countries, and the hike in production could be linked to population growth. Lastly, corn is the main food given to chicken, which is the principal meat product consumed in the country.

Culture Type	2011	2014	Growth rate	2020 Prospective
Plantain	1 200 000	1 671 666	7%	2 200 000
Yam	5 200 000	7 039 238	27%	8 400 000
Cassava	2 100 000	4 239 303	80%	3 400 000
White rice	600 000	1 343 000	54%	2100 000
Corn	400 000	960 809	55%	1 600 000
Cocoa	1 512 255	1 746 000	11%	2 000 000
Coffee	32 781	105 867	-13%	200 000
Cotton	174 677	405 226	132%	500 000
Cashew	420 000	560 000	41%	N/A
Hevea	238 717	317 346	6%	600 000
Palm Trees (bunches production)	1 636 000	1 798 009	3,20%	N/A
Palm Trees (oil production)	371 000	420 115	6,01%	840 000
Bananas	302 500	289 294	N/A	N/A
Mangoes	58 045	102 300	N/A	N/A
Pineapples	69 727	33 788	N/A	N/A

Source: Ministry of Agriculture

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1.1 Cash Crops:

1.1.1 The Coffee & Cocoa Sector

Producers in this sector are regulated and supported by the Coffee and Cocoa Council, created in 2012.

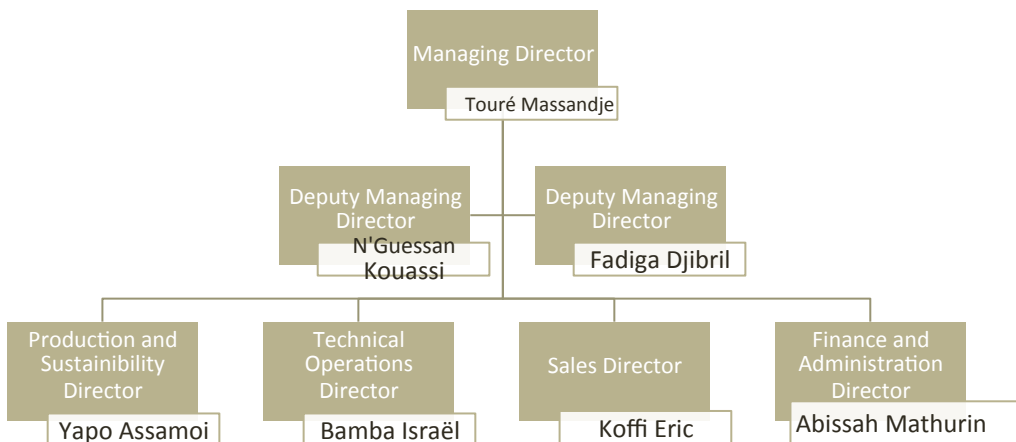
The Coffee and Cocoa Council:

The Coffee and Cocoa Council is a regulatory body responsible for:

- Brokering agreements with all industry operators
- Controlling the quality of coffee and cocoa crops
- Maintaining ties and dialogue with the government regarding its financial contributions to the sector and its position on the international market

The Council is also in charge of price stabilization in the sector: it determines farm gate price (prices paid directly to the producers) and guarantees compensation if needed; it governs the national and international campaigns; it manages the volumes and conditions of exportation.

The Council also has the development-oriented mission to support, promote, and improve production in the sector, its farming techniques, and operator activities in order to establish a healthy business environment and social development in the sector.



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Cocoa:



Production and Producers

The Ivorian « black gold » brings to the State 22% of its Gross Domestic Product and 50% of its exportation income. Ivory Coast is the first producer of cocoa in the world, representing more than 35% of world production with 1.7 million tons in 2014. Cocoa has been the country's main natural resource since 1960. The sector is strategically important for Ivory Coast as cocoa exports income is one of the main contributors to the government budget. Cocoa exports increase will be supported by maritime industrial development in San Pedro.

The cocoa-growing regions are located in the East and Southeast, South and Southwest, and West and Center West forest zones. The overall area dedicated to cocoa production has grown over the last decades, as have overall output volumes. Nevertheless it appears that part of the cocoa declared and purchased in Ivory Coast is coming illegally from neighboring countries.

Previously controlled by the State, the cocoa sector was liberalized in 1999. Most of its producers are small scale farming entities, using traditional techniques and often organized by family ties. The producers gather into cooperatives, which today number at 2000.

Because the cocoa is purchased by cooperatives, the Cocoa and Coffee Council decided to reform the way the product is bought by traders and exporters. Today, an operator buys cocoa for the upcoming year at a dedicated auction sale with price linked to the London Stock Exchange rates. The system is quite complex and more beneficial to local actors and speculators than it is to international firms.

Transformation and its Main Actors

Cocoa is locally grinded and partially transformed into the following semi-finished products:

- Paste (used in chocolate or biscuit factories)
- Fondue/melted cocoa (for agro-industries specialized in sugar products)
- Butter (used in perfume, chocolate and biscuit factories, and pharmaceutical products)

The remaining parts of the beans (fat and shell) can be used for animals feeding, fertilizer manufacturing, pharmaceutical processes and soap making.

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There are currently 8 cocoa operators in Ivory Coast (3 more than in 2010) and 4 groups should soon establish factories (Oct Holding, Ivcao, Tafi and Choco Ivoire). The market is mainly composed of international giants: Cargill and its local subsidiary Cargill Cocoa SA, Archer Daniels Midland and its local subsidiary Unicao (from the United States), Nestlé, Barry Callebout and its local subsidiary Société Africaine de Cacao – SACO (from Switzerland), OLAM (from Singapore) and Cémoi (from France). Because the sector is very dynamic, it has attracted more and more new local operators such as Probinex, Condicaf, SN Chocodi, and Susco. Local transformation into semi-finished products is growing, and should reach 27% in 2015.

The operators who have established the first local transformation plants were recently hit by a new tax legislation that bases its calculations on the volume of cocoa beans used and theoretical transformation efficiency (in order to produce X tons of cocoa butter, the factory should use Y number of cocoa beans). Because theoretical bean efficiency is low relative to actual efficiency, manufacturers are taxed for cocoa beans that they did not actually use.

There is also transformation of cocoa into the following finished products:

- Chocolate bars
- Chocolate powder
- Cocoa powder meant for beverage manufacturing

Currently the only economic operator transforming cocoa into finished products (chocolate bars) is Cémoi, who recently opened a factory. Its output (chocolate bars and spreads) should be sold on the local and regional markets.

Still, there remain serious impediments to final-stage transformation in Ivory Coast:

- Poor local weather conditions (heat, humidity and insects)
- The CCC system that originally introduced and implemented a « 0 stock » policy

Today Ivory Coast is the world's first producer of cocoa and the second cocoa processing country after the Netherlands. Although cocoa products are mainly exported to Europe (Amsterdam and Tallinn), there is a growing demand from Asia. Moreover according to the ICCO, Ivory Coast could soon overtake the Netherlands and become the first place for cocoa transformation.

Coffee

Production and Producers

Ivory Coast produces Robusta (strong tasting) coffee, which is mostly exported to Algeria (80%) and Italy. Coffee is produced on small farms (4 to 12 acres) with low levels of efficiency due to the lack of modern agricultural techniques, the ageing of the lands, and competition with new export crops like rubber and palm trees.



Coffee grows in the forest zones because it requires heavy rains, and as such coffee growing regions are located in the East/South East, South and South West, West /Center West of Ivory Coast.

Previously controlled by the State, the sector was privatized in 1998. During this time Ivory Coast was the fourth coffee producer in the world with an output of 5.4 million coffee bags, and in the 2000's the country was still one of the main world producers. Although the market has declined over the past decade because of the fall in world coffee prices and the political crises that hit Ivory Coast, there are new projects in the works to revitalize the sector. Over 2013 and 2014 output reached approximately 100 000 tons and operators project an output of 300 000 tons in 2016.

Transformation and its Main Actors

Coffee beans can be transformed to produce roasted or soluble coffee. Nestlé, who transforms beans into instant soluble coffee, is the main actor in the transformation sector.

1.1.2 Cotton & Cashew Sectors

Producers in this sector are regulated and represented by the Coffee and Cocoa Council, which establishes industry rules and regulation, oversees their implementation and sets purchasing prices for producers. Its President is Mr. Bamba Mamadou and its Managing Director is Mr. Sanogo Lamine.

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Cotton:

Production and Producers:

Cotton is produced in the Center and in the North of the country, especially in the savannah zone, where there are no traditional cash crops (coffee, cocoa, palm trees, rubber...). The sector was privatized in 1996.



Farming operations are small (7 acres on average); most cotton producers use traditional agricultural techniques and work with cooperatives. Producers are grouped into approximately 300 professional organizations (Agricultural Professional Organizations – OPA or Informal Groups – GI), which are in turn grouped into more than 20 holding companies and one Cotton cross-regional holdings association (AFFICOT-CI). The cotton manufacturers are grouped into the Cotton Companies Professional Association in Ivory Coast (APROCOT-CI). Both associations (AFFICOT-CI et APROCOT-CI) joined INTERCOTON, a federation that soon will include all actors involved in the cotton sector. Mr. Lacina TUO is managing INTERCOTON since 2008.

Transformation and its Main Actors

Ivory Coast only has the capacity for first level of cotton transformation: ginning. Through ginning, the cotton could be transformed into cooking oil or oil cake.

Cotton beans go to the West African hinterland to be transformed into cotton oil. The small portion of beans that stays in Ivory Coast is used for animal feeding (the main operators are OLHEOL and COTRAF) or is transformed into cotton oil. The transformation rate is still a low 5%, but the State plans to reach 30% by 2018. Semi-finished cotton products go to the hinterland as these regions have more abundant cattle and their populations use cotton oil for cooking. Cotton fibers are mainly exported to Asia for use in spinning factories. After ginning, cotton oil cake can be used for animal food production.

The main foreign actors in the cotton sector are IPS, Louis Dreyfus, and OLAM. These actors have developed partnerships with local companies such as Ivoire Coton, Sicos, Global Coton, COIC, and SECO, and opened factories for second-stage transformation, but there is still no local textile transformation.

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Cashews:

Production and Producers

Cashew world prices in the mid 1990's were low, but have steadily increased over the last decade. So has Ivorian national output: 19 000 tons were produced in 1990, 185 000 tons in 2005 and 200 000 tons in 2006. In 2013 Ivory Coast produced 550 000 tons of cashew nuts, reaching the second rank in the world after India. Output increased significantly without any structured investments from the State, making cashew production a success story in Ivory Coast, who is now the third producer in the world.



Cashew crops are located in the Northern and Eastern parts of the country, with most of the producers working on small plantations.

Major cashew operators and exporters like Olam have decided to train and support local producers directly, as State contributions are very low in this sector.

Transformation and its Main Actors

Most of the cashew output is exported as crude nuts to Asia (India, Vietnam...). Even if Ivory Coast is currently the first country for cashew transformation in the region, only 6% of raw cashews are locally transformed. The State aims to reach a 50% transformation rate in 2016.

A few actors recently decided to transform raw cashew nuts since they benefit from vast labor supplies and a diversity of transformation options. Indeed raw cashew nuts can be locally transformed into the following finished or semi-finished products: kernels, balms, and juices. The kernels for example are exported to North America, Europe and Asia, where they are transformed into grilled nuts, cashew oil or butter.

There is considerable international demand for these products, and although the national and regional markets are still not mature for their production, there is important local business potential.

A few projects have recently been launched: OLAM opened an industrial factory in Bouaké (North of Ivory Coast), and in 2014 IPS opened a semi-industrial factory in the same city in order to transform original cashew into nuts.

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1.1.3 Palm & Coconut Trees:

In this sector, the producers are closely tied to private companies that provide them with training and technical support.

Palm Trees



All operators working with palm oil trees are represented by the Inter-Professional Association of the Palm Oil Tree Sector (**AIPH** – Association Interprofessionnelle de la Filière Palmier à Huile).

Production and Producers

The palm tree sector was completely privatized between 1990 and 1999.

Palm trees grow in the humid regions of the Southern part of the forest zone, from East to West, 20 kilometers North of Divo.

Ivory Coast is Africa's second producer of palm oil and its most important exporter. Palm trees usually belong to associations grouping together individuals. The main cooperative association is the National Federation of Palm Oil Tree Owners' Cooperatives in Ivory Coast (FENACOPAH-CI - Fédération Nationale des Coopératives de planteurs de Palmier à Huile de Côte d'Ivoire).

Because of the low yields for palm oil, traditional producers often diversify their farming activities. While industrial farming reaches efficient yields, the average yield is rather low for traditional cultivation. The tree owners collect the fruits and sell them to industrial or traditional refineries. Although local production is increasing (by 3% between 2013 and 2014), Ivory Coast continues to import palm oil from Asia. Asian production is more important and impacts world palm oil prices (for example the price decline between 2011 and 2014).

Transformation and its Main Actors

The palm oil sector was the first to industrialize its production in the 1990's and to build manufactories directly on the exploitation.

100% of palm tree fruits are locally transformed into crude oil, which is then locally transformed into soap, cooking oils, or is exported. The sector includes two different kinds of transformation: the first consisting in

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collecting and refining palm fruits, and the second in transforming the crude oil into cooking oil, margarine or soap.

Regarding first-stage transformation, the market is dominated by two major groups: DekelOil and SIFCA, a former government company. The Professional Association of Palm Tree Agricultural Companies in Ivory Coast (APROSAPCI - Association Professionnelle des Sociétés Agricoles du Palmier en Côte d'Ivoire) brings together companies working in first-stage transformation of palm oil. Today there are 18 factories in Ivory Coast.

The following international and national groups, along with traditional refineries, carry out second-stage transformation activities: Unilever, Adam Afrique, Sania (owned by WILMAR and OLAM) and Africa West Industries. They are members of the Association of Palm Oil Industrial Processing Operators (GITHP - Groupement des Industriels Transformateurs d'Huile de Palme).

Although it is difficult to access raw materials that will yield output that meets local and sub-regional market demand, the emergence of new actors (Microdis, SARCI) will boost production efforts for the palm oil industry. Palm oil exports are mainly destined for the hinterland.

Coconut Trees:

Production and Producers

Coconut trees are located in the forest zone of Southern Ivory Coast (South East and South West).

The sector was privatized in 1996 but suffered severely from a decline in prices. Today agro-industrial firms buy coconut directly from producers.



Transformation and its Main Actors

Coconut and its derivative product, copra, yield copra oil that can be used in the feeding and cosmetics industries. Coconuts can also be transformed into grated coconut, coconut milk or coconut cream.

The sector is not yet structured. The main actors are SICOR (Société Ivoirienne de Coco Râpé – Ivorian Company of Grated Coconut), CAIMPEX and COOPAGRI, which mainly produce coconut oil.

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1.2 Food Crops

The Office for the Promotion of Food Crop Marketing (**OCPV** – Office d’aide à la Commercialisation de Produits Vivriers), is a public administrative body that represents the interests of food crop producers.

1.2.1 Fruits:

The Central Organization of Pineapple and Banana Exporters (**OCAB** - Organisation Centrale des producteurs-exportateurs d’Ananas et de Bananes), established in 1992, is a public nonprofit association bringing together by private actors aiming to promote banana and pineapple exports. Michel Gnui heads it.



Production and Producers

In the 1970’s Ivory Coast decided to reinforce agricultural diversification by supporting fruit crops (bananas, pineapples, papayas, mangoes...). Fruits production is mainly located in the Southern part of the country, except for mangoes, which are produced in the North. Fruits are harvested on small farms (333 450 acres on average) but we can find a few large industrial-farming operations, which export fruits principally to Europe (specifically in the banana sector, which has two multinational companies: SCB, a DOLE and BANADOR subsidiary, and a CHIQUITA subsidiary). A few industrial farms also produce pineapples. Fruit production makes a small contribution to GDP (3% for bananas and 0.6% for pineapples).

Today fruits production is increasing. Most of them (especially bananas, pineapples, and mangoes) are still sold locally through informal networks and exported regionally without undergoing any transformation. The main obstacle to this sector’s development is the lack of refrigerated storage facilities, which leads to important losses as the fruits rot (30 to 40% for mangoes).

The Mango and papaya producing sectors are quite dynamic. Ivory Coast is the third exporter of mangoes in the world with an output of 180 000 tons in 2013. However, export volumes are still very low (10% rate, approximately 2000 tons) despite being a strong demand for this fruit in North America and the Middle East (particularly Saudi Arabia).

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Lemon is the main citrus fruit produced in Ivory Coast but its cultivation still doesn't benefit from any government support.

In 2002, a group of fruit producers (mango, pineapple and banana farmers) created UPEFCI (Union des Producteurs et des Exportateurs de Fruits de Côte d'Ivoire), an organization aiming to support the production, transport and sale of fresh fruits under a unique brand (SAMO). This organization also strives to find new export markets.

Transformation and its Main Actors

Fruits are increasingly transformed locally into juices, canned fruits (mainly pineapples), essential oils, jams and dried fruits (especially mangoes). But transformation still suffers from supply irregularity.

Furthermore, there are new initiatives for dry mango processing, in addition to significant industrial potential for essential oils manufacturing and concentrated juice production based on citrus fruits (notably lemon).

Agriland, an AFRECO subsidiary, owns 1976 acres of land near Abidjan and already produces 12 tons of lemon essential oils, 15 tons of bigarade and 10 tons of bergamot. Agriland is also working on developing products based on ginger. The following French groups' subsidiaries are also present: Selectima (pineapple juice), Compagnie Fruitière (SCB in Ivory Coast), and Société Agricole Kablan-Joubin (SAKJ). Juices are mainly exported to Europe. Ivorian companies like CONFIPRAL, which produce jams, fruit juices, mashed or canned fruits (mangoes, pineapples, passion fruits...) focus on the local market. More local actors of the same kind have recently emerged (Top Fruit, Fruitea, Fanpop).

1.2.2 Rice & Cereal Products:

Production and Producers

Rice:

Rice is the fourth most important food crop in Ivory Coast after yam, cassava and plantain, with 10% of the total food production volumes. In 2013 the country produced 1 million tons of white rice; it plans to reach self-sufficiency by 2016 by producing 3 million tons and the ceasing importation of rice from Asia. The sector receives State support in the form of farmlands for growing and processing rice crops. Nevertheless, despite

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significant increases in local rice production, the country still imports rice from Asia because national output cannot satisfy local demand as the population grows and its nutritional habits evolve.

Rice producers are supported by the National Office for Rice Crop Development (**ONDR** – Office National du Développement de la Riziculture), headed by Yacouba Dembele. This public institution, works under the technical authority of the Ministry of Agriculture and the financial oversight of the Ministry of Economy and Finance.

The private actors working in the rice sector (rice industries and exporters) usually provide training to rice producers.

Cereal Products (corn, millet, and sorghum):

Corn and yam are usually cultivated in the North, while cassava and plantain are produced in the South. Production yields are generally low, the main issues being insect infestations and a lack of seeds.

Ivory Coast is still importing corn from Europe (mainly for manufacturing purposes) and millet and sorghum from the Sahel countries.

Transformation and its Main Actors

Most of the rice undergoes first-stage transformation in Ivory Coast (becoming “paddy rice”) before being exported unofficially. Most of this rice is sent to neighboring countries for commercial purposes, especially during crises (to Burkina Faso and Mali during their political upheavals and to Liberia and Guinea during the Ebola disease outbreak), so Ivory Coast has to import rice to meet its local demand. Rice shelling is mostly traditional (0.23% industrially shelled). A large part of transformation processes are carried out by international giants such as Louis-Dreyfus, Novel Côte d’Ivoire, Cevital, OLAM, Sifca, CIC and Export Trading Corporation (many of whom are already working with cereal products), but the main challenge remains: Ivorian rice quality does not meet local consumer expectations.

Ivorian corn is mainly used in animal feeding and infant powder products. In the beverage-manufacturing field, the principal player SOLIBRA partly imports its corn because locally produced corn is not competitive in terms of pricing or quality. Millet is not transformed but sold raw on local markets for direct consumption, and sorghum is used in traditional beer production and animal foods manufacturing. Sorghum is also sold on local markets consumption.

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As for beverage production, the market is quite dynamic and has known significant growth in the last couple of years (5.7% in 2013). Overall production reaches today 1 million hectoliters for beer and 400 000 hectoliters for carbonated beverages. The Castel group, represented in Ivory Coast by its subsidiary Société de Limonaderies et Brasseries d’Afrique (SOLIBRA), is the sector’s main actor. With its recent acquisition of Les Brasseries Ivoiriennes, CASTEL reinforced its monopolistic position on the market for beverages. Heineken, who is due to open a factory in Ivory Coast in collaboration with the CFAO group, might challenge this monopoly.

In the wheat sector, there are two Ivorian actors: Grands moulins d’Abidjan (Abidjan Great Mills) and Moulin moderne de Côte d’Ivoire (Modern Mill of Ivory Coast).

1.2.3 Sugar Cane:

Production and Producers

The sugar cane crops are located in the savannah zone, and are mainly organized in industrial farms. Ivorian cultivation occurs on a small scale relative to other countries on the international market (the South American sugar canes plantations for example). Nevertheless, the State protects producers despite the sector’s poor yields in order to avoid rural exodus.



Transformation and its Main Actors:

In this market Castel and Sifca share their monopolistic position with Sucaf and Sucrivoire. There is an official prohibition on the importation sugar. Ivory Coast is self-sufficient; it does not export its sugar and prices are set by the government.

1.2.4 Animal Resources:

Breeding:

Production and Producers

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Breeding activities are mainly carried out in the North of the country and heavily dedicated to poultry. Today Ivory Coast estimates its total chicken breeding volumes at 43 million heads.

SIPRA (Ivorian Livestock Production Company - Société Ivoirienne de Productions Animales) is the major breeding company whose principal aim is to develop poultry activities. It works along three main axes:

- A chick rearing factory - IVOIRE POUSSINS
- A livestock feeding unit - IVOGRAIN
- An egg and chicken flesh production unit - COQIVOIRE

Other kinds of animal breeding occur at lower intensities. Although they still lack high-skilled labor and modern equipment (for quality controls), these alternative activities have increased in recent years. The country's economic growth patterns tend to impact population dietary habits; currently demand for other meats such as pork and beef is on the rise.

Transformation and its Main Actors

Ivory Coast's dairy cattle breeding activities produce milk and the following derivative products: butter, yogurt, condensed, powdered, and curdled milk, as well as cheese. This production of milk and dairy products only covers 17% of the local demand.

The main actors in this sector are Nestlé, Eurolait, Finamark, Sapled, Saprolait, Normandia, Sabimex and COBCI. Olam just sold its factory producing fresh, condensed milk and milk powder to the Dutch company Royal FrieslandCampina.

Fisheries:

The fisheries carry out three types of fishing: tuna fishing or "big fishing"; semi-traditional « medium scale fishing » and traditional daily fishing.

The size of the fish determines whether it will be exported in containers, locally transformed or directly sold on the local market. Canned tuna is the fourth most important fish product exported from Ivory Coast in terms of output value, which reached 150 billion CFA Francs (€228.7 millions) in 2014. Abidjan is the biggest producer of thuna in Africa and one the biggest exporters of canned tuna with 3 factories, two of which are indirectly owned by the Thunnus Overseas group via the Société des Conserves de Côte d'Ivoire (SCODI) and

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the Pêche et Froid de Côte d'Ivoire (PFCI). The third factory was sold to the Italian company Nuova Castelli by Thunnus Overseas. Most canned tuna is destined for South America as it is too salted for European dietary preferences and domestic market.

Nevertheless there has been a significant slump in fishing activities since 2013. First, port activities were disrupted in 2013 by the implementation of a new product registration system put into place by Webb Fontaine. Second, port costs significantly increased (notably with the ISPS taxes and sanitary taxes). Lastly, even if fishing industries had theoretically been exempt from VAT's, the Ivorian government cannot guarantee the reimbursement of VAT credits. As a result demand for the goods produced by port fishing factories fell, and so did exports of containers of fish to be transformed in South America. We also noted an increase in the number of transshipments in Ghana and overseas.

Traditional fishing, which usually carried out on Ivorian coasts by Ghanaian nationals, is expanding. While most of this fish is exported to the hinterland fresh or smoked, there is currently an expansion in semi-traditional fishing that produces fish filets and vacuum packed fish meant for international exportation.

1.2.5 Others

There are additional small crop sectors with significant potential currently being developed (non-exhaustive list):

- Local stock cubes (seasoning cubes) produced by Nestlé, Unifood and Eurolait using cassava;
- Shea nuts, which is transformed into oil and butter (although not constituting a structured sector yet) for which there is an increasing international demand;
- Hot pepper (called "bec d'oiseau") whose production is rising as yields increase relative to traditional pepper, and for which there is growing demand in India and the United States.

1.3 Current Trends:

➤ **Boosting Productivity**

○ **The Technical Dimension**

As previously mentioned, producers are often informally organized individuals lacking the financial and technical resources to grow their crops with good levels of productivity. Workers have to be trained and accompanied in the fields, and most are reluctant to use **modern agricultural techniques or fertilizers**.

The average worker's age is going up, as most youths migrate to Abidjan or other big cities where living conditions seem to be better. This rural exodus has a significant negative impact on the agricultural environment.

Moreover farming operation workers are not used to modern equipment and soil quality is degraded because they either do not use fertilizers (due a lack of purchasing power) or use them improperly. Farming quality overall is going down. Lastly, production yields remain limited because **genetically enhanced seeds** are not used.

○ **The Structural Dimension**

Farmers tend to come together in professional cooperatives that promote better productivity and acquire machinery and tools. Formal analysis shows that cooperatives' effectiveness fluctuates between 27 and 92 %, for an average of 32.6 %, however only 9% of cooperatives can be considered « efficient », due to a lack of organization and internal dysfunctions. Today's cooperatives do not provide technical support or common farming tools to producers. Moreover they do not guarantee road maintenance so it becomes difficult for producers to move their products from one place to another. A large part of the cooperatives are headed by individuals whose status and ethnical origins confer on them a certain authority, but do not possess professional competencies and are not involved on the ground. So they do not fulfill their role in terms of bringing technical and financial support to producers.

Although the government supports producers through different institutions (especially on the technical dimension of farming), today private companies such as IPS, OLAM, Cargill, and the SIFCA group tend to directly train producers and provide them with technical support

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➤ Crop Diversification

Between the late 90's and the early 2000's, national agribusiness companies were privatized and broken down in several sectors (palm oil, cotton, sugar, rubber...).

Farmers were encouraged to diversify their crops in order to increase food production and thereby reinforce food security for the country, but also to shield the economy from fluctuations in world prices. The government has supported cotton, cashew, and sugar cane cultivation for export in the savannah zone; rubber and palm trees in the forest zones.

Today many agro-business groups in Ivory Coast also tend to diversify their activities. OLAM is active in the rice, cashew, cocoa, coffee and cotton sectors, SIFCA in the cotton and cashew sectors via IPS, and Nestlé in the coffee and cocoa sector. These private groups also support crop diversification (toward tomatoes, cassava, bananas crops...) so producers can become self-sufficient and meet their daily needs. Furthermore, in their efforts to maximize the value on every product, they tend to promote **value integration** (transformation into biomass for example) over crop diversification.

➤ Promoting Local Transformation

The local transformation rate has been rising over the past two decades. Between 2008 and 2010, it grew 5% for cashews, 10% for coffee, 20% for cotton and 27% for cocoa; by 2012 the average transformation rate was 11%. However the figures still remain low: 30 to 40% for cocoa and just 3 to 4% for coffee. Ivory Coast is lacking transformation capacities, as most of its agricultural products are directly exported as cash crops. One of the main objectives of the current administration is to help the country achieve a 40% industrialization rate by 2020, and expand mechanized production by promoting mechanized tool purchases and providing training on their use and maintenance.

The ongoing work for industrial development and the related mechanization campaign highlight how the processing industry could capitalize on a huge agricultural potential insufficiency. Late stage transformation rates are estimated at about 20% in the cocoa sector and 8% in the coffee sector, against less than 5% in other sectors. Intensifying and diversifying productive activities in this field can be a stepping-stone for boosting private investments.

Because product transformation creates more value added, producer income rises. This is why chocolate manufacturing creates 10 times more revenues than does raw cocoa production. According to the International Cocoa Organization (ICCO), Ivory Coast should become the world's top grinder of cocoa in September 2015. The government plans to reach a 50% grinding rate for harvested cocoa by 2020, and today administrative procedures and tax system tend to strongly back local transformation.

In order to promote transformation industries, Ivory Coast will also have to think about **energy stability**, as today most energy is generated near Abidjan. The energy deficit in the hinterland regions limits farmers' access to mechanization and thereby hinders the industrialization of agricultural production.

➤ **Securing Investments**

The downfall the agricultural sector remains **poor access to land and inadequate landowner guarantees**. Because land title mechanisms and tenure systems have a significant impact on agribusiness ventures, there is a growing need for clarity and rigor in the application land ownership rights. While the government decided to address this issue in 2013, it remains difficult to guarantee operators access to land outside of Abidjan because these lands are still governed by local tribal power structures.

Dialogue with producers and cooperatives is a significant part of entering the agribusiness industry. Today accessing raw materials remains a complicated process and the number of cooperatives is huge. The Ministry of Agriculture is now thinking about a new reform aiming to create organizations that will represent the full range of operators involved in a single crop activity (producers, traders, manufacturers, and exporters). This Inter-professional Agriculture Organization (OIA) would work under the authority of the Ministry of Agriculture, and its main mission would be to negotiate goods' prices and foster dialogue between operators at every production stage of a sector. This dialogue is crucial for agribusiness Ivory Coast to thrive in the long run, as the country needs to create balance in each sector's entire value chain: production, first and second stage transformation, as well as final transformation.

With respect to business security, economic operators in Ivory Coast often complain about the length of administrative procedures, the lack of professionalism and competence in local staff, and the informal system of obligatory bribery.

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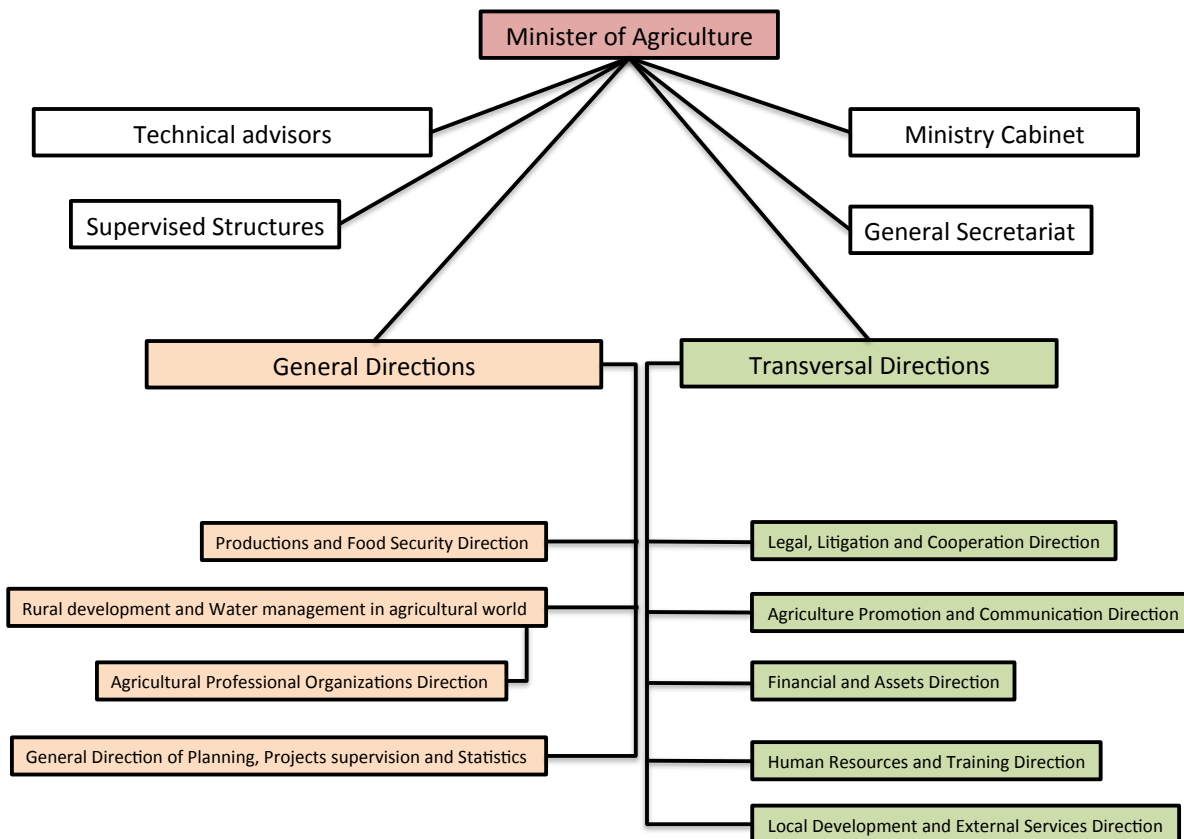
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II. Agribusiness Power Map

2.1 Government and Public Administration

The Agribusiness sector falls under the authority of the **Ministry of Agriculture**, which governs all related actors through the Directorate of Agricultural Professional Organizations (DOPA). The DOPA's function is to set establish regulations for producer networks and their organizational structures. It represents existing cooperatives and promotes the creation of new cooperatives. The Ministry of Agriculture also issues phytosanitary certificates. The Ministry of Agriculture also includes a Directorate of Programming, Statistics and Project Oversight (headed by Mr. Nohoun Coulibaly) for the benefit of private companies and private investors. As for fishing and breeding activities, the **Ministry of Animal and Fishing Resources** is responsible for interacting with the private sector.



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The **Ministry of Industry** also has the authority to issue licenses to agro-industrial companies wishing to carry out industrial transformation of agricultural raw materials. **CONDINORM**, the Ivorian Office of Standardization (Côte d'Ivoire Normalisation), is an autonomous public institution working under the authority of the Ministry of Industry, bringing together Ivorian government representatives and 137 private companies.

The **Ministry of the Environment and Sustainable Development** is in charge of regulating agricultural production and its techniques, and curbs its impact on the environment.

The **Ministry of Health** delivers certificates to agribusiness companies working in the livestock-breeding sector through its Veterinary Service.

The **Ministry of Commerce** is in charge of all imported agricultural products. Under its authority, the Ivorian Chamber of Commerce and Industry (**CCI-CI**) issues certifications for agricultural products bound for exportation.

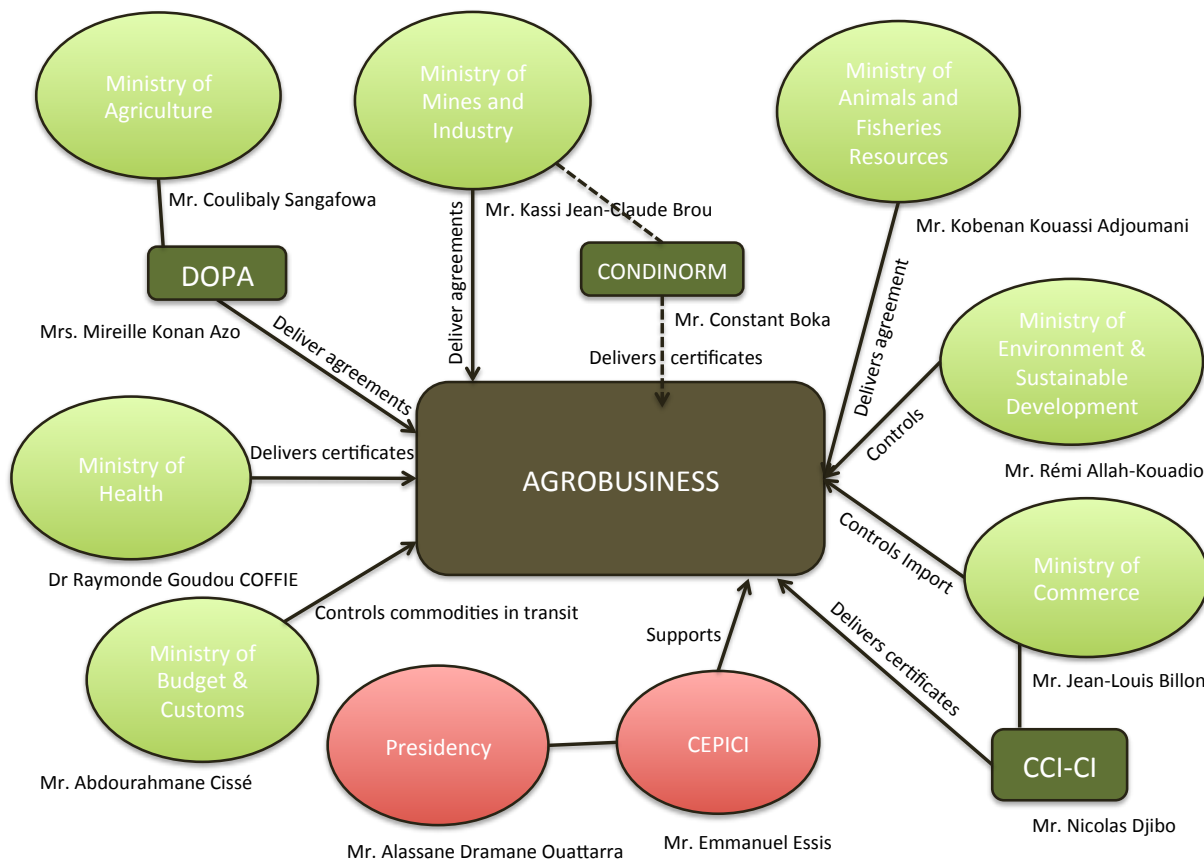
The **Budget and Customs Ministry**, working under the authority of the Prime Minister, regulates agribusiness through customs controls during the value of all agricultural products in transit (outbound and inbound) is estimated and verified.

Through the **CEPICI**, the **Presidency** supports agribusiness by promoting new operator implantation into the market, facilitating access to land, and simplifying administrative procedures.

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2.2 Professional Organizations and Public Institutions

Except for the rubber and palm tree sectors, the production chain until exportation remains the same.

1/ Producers → Traders → Buyers → Operators (Export / Manufacturing)

Or

2/ Producers → Cooperatives → Buyers / Operators

Producers usually form cooperatives. Each cooperative is composed of at least seven entities (physical or moral) with common interests, working in the same geographical zone. Their aim is to assist and support all of its members in a nonpartisan and non-religious manner.

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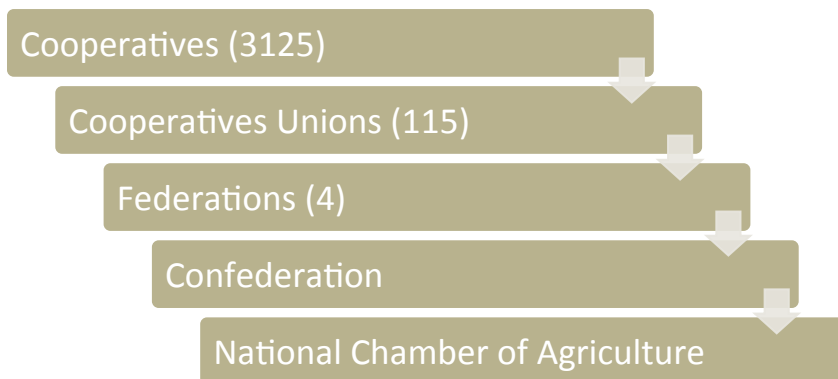
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Today there exist 3,125 cooperatives (2134 of which work in coffee/cocoa, 298 in cotton and 189 in cashew production). They offer 10 000 regular jobs and 30 000 temporary jobs. Some are specialized and dedicated uniquely to exportation (for example COOPEX), others to access to credit and formal savings (COOPEC and CREP) and others to micro-finance opportunities. Producers collaborate in order to get easier access to inputs (tools, seeds and fertilizers), share investments, and receive their payments (most producers don't hold bank accounts so they are paid through their cooperatives).

The number of cooperatives is huge, and many are headed by individuals with significant financial and political power on the ground. However some of them suffer from a lack of proper governance, financing and/or have conflicts with government authorities.



The National Chamber of Agriculture works under the shared authority of the Ministry of Agriculture and the Ministry of Economy and Finance. It is a financially autonomous public institution. There is also a network of regional chambers of agriculture and department chambers, which work on agricultural development, and dialogue coordination between the public and private sectors.

Agribusiness is also supported by public institutions working under the supervision of the Ministry of Agriculture:

Note: Although the employees of these public institutions with autonomous moral identities are not government employees, their incomes come mainly from the agribusiness sectors (tax) and from State subsidies.

➤ The following institutions are dedicated to research and technical support:

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- The National Center for Agricultural Research (**CNRA** – Centre National de Recherche Agricole), whose mission is to promote modern techniques and tools, especially fertilizers and enhanced seeds;
- The Inter-Professional Fund for Agricultural Research and Council (**FIRCA** - Fonds Interprofessionnels pour la Recherche et le Conseil Agricoles), in charge of sector regulation, organization and financing.

There are several other institutions that might help potential investors understand the local market and accompany them during their implantation in Ivory Coast:

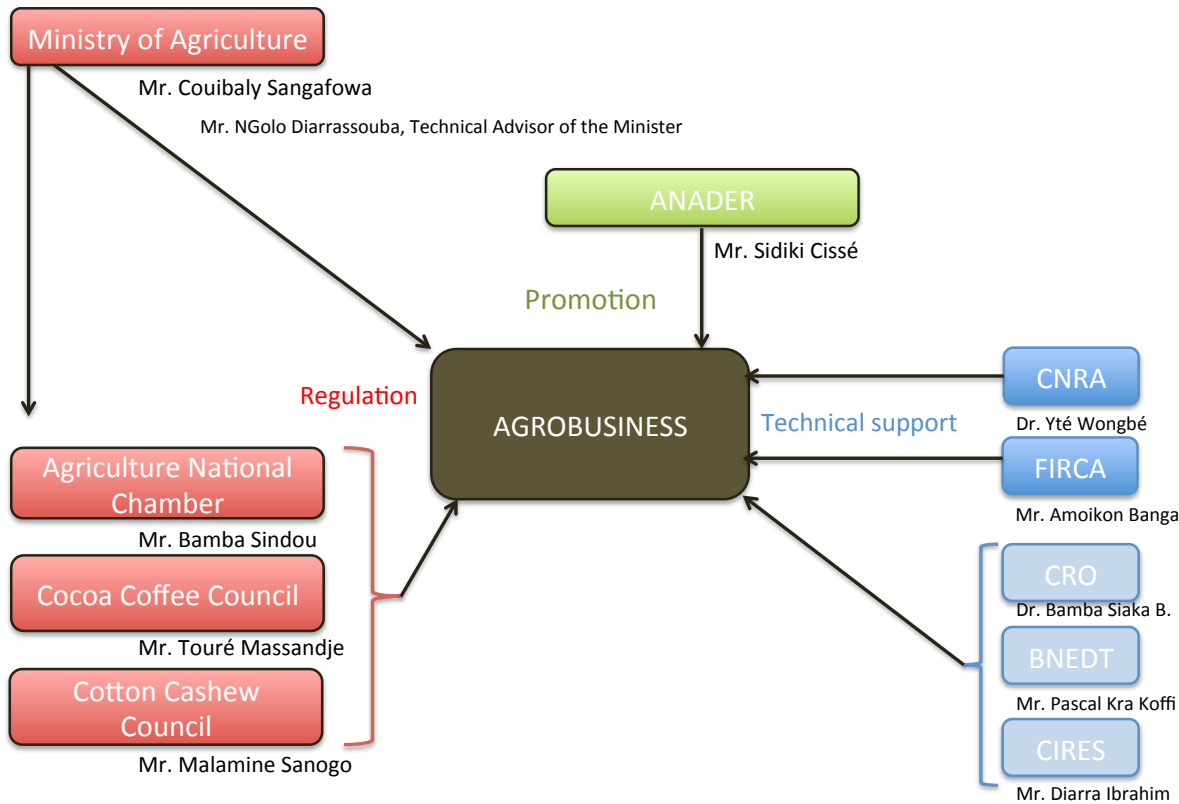
- The Oceanographic Research Center (**CRO** – Centre de Recherches Océanographiques)
- The Ivorian Center for Social and Economic Research (**CIRES** – Centre Ivoirien de Recherches Economiques et Sociales)
- The National Office for Development and Technical Studies (**BNEDT** – Bureau National des Etudes de Développement et Techniques).

➤ The National Agency for Rural Development (**ANADER** – Agence Nationale pour le Développement Rural) is an institution dedicated to producer training, agricultural communications campaigns and promotion of the sector: ANADER is a public limited liability company jointly owned by the State (35%) professional organizations (33%) and private companies (32%) .

➤ The following the councils are dedicated to sector regulation: **Coffee and Cocoa Council**, the **Cotton and Cashew Council**, the **ONDR**, **OCAB**, and **AIPH**. They perform the following functions:

- Drafting and implementing legal regulations;
- Setting raw product prices and farm gate prices;
- Coordinating dialogue between all operators in a given sector.

In addition to the aforementioned public institutions and cooperative unions, Agriculture Professional Organizations bring together the full spectrum of operators in a specific sector (producers, investors, exporters and processing firms). These entities are tied to and coordinated by the Ministry of Agriculture's Directorate of Agricultural Production Operations (Direction des opérations de la production agricole).



2.3 Civil Society (NGO's, Associations, Trade Unions...)

First, it is crucial for every operator wishing to invest in Ivorian agricultural lands to understand that in addition to the legal norms established by the official administration, local power dynamics and hierarchies are also at play. Any agri-business company will therefore have to deal with this reality at every stage of its venture.

There are several NGO's dedicated to environmental protection, namely Redplus and Amistad, which are quite active in Ivory Coast. Their aim is to raise population awareness on the importance of sustainable development and the effective protection of forestlands.

With respect to community development civil society, especially in the rural regions, is virtually nonexistent. International corporate groups wishing to improve their image and reputation often launch social development initiatives. In addition, there are numerous initiatives, particularly in the export sector (cocoa, cotton, and cashew) carried out by international NGO's (like the World Cocoa Foundation) in collaboration with private groups. These tend to promote better training, child protection and local community development.

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Conclusions & Recommendations

After four weeks of investigations using open source materials and conducting interviews with medium to top-level management individuals, AGS is able to draw the following conclusions:

- Ivory Coast has experienced dynamic growth since 2012. In 2013 international trade grew by 2%, along with a 3.5% increase in imports and a 1.1% increase in exports. While France remains the country's second trading partner behind Nigeria, the Netherlands have emerged as the third trading partner with 6% of foreign trade volumes. Ivory Coast is especially important for the Dutch Cocoa industry, since a large portion of Ivorian cocoa is exported to Dutch or other European companies in Amsterdam.
- Agribusiness is crucial for the country's development because of its impact on the global economy, national employment and rural life. In Ivory Coast the agricultural sector is regulated by bodies that should be able to protect rural communities, but the State will still have to overcome technical and financial challenges in order to be efficient and enhance the attractiveness of agribusiness. In this context infrastructures are crucial, as they play an important role in expanding agri-business activities, and thereby supporting export growth.
- Despite the fact that infrastructure development at the Abidjan port will increase harbor capacities, the related costs remain a major limitation. Dialogue with port authorities seems to be difficult and many operators have no other choice but to reduce the quantities of their goods coming through Abidjan. A decline in port activity would impact the entire economy, as it is the exit door of all Ivorian resources. Second, poor road conditions and traffic congestion represent another challenge, as the port is located on Southern end of Abidjan, and is separated from the industrial zones and the rest of the country by the lagoon. Currently only 3 bridges cross the lagoon in Abidjan.
- Although the State is trying to create attractive investment conditions, local and international companies suffer from fiscal and administrative harassment. Informal bribes remain widespread in public institutions, tax audits are frequent and the level of various taxes has significantly increased: the tax on industrial lands has increased more than tenfold between 2012 and 2014, and the tax on beverages was multiplied by 3 over the same period.

Throughout our investigation, we noticed that local institutions would be pleased to increase their partnerships with European counterparts in order to mitigate the French and Chinese implantations. Furthermore language cannot be considered as a significant impediment, because local medium to top management individuals are becoming increasingly proficient in English. Moreover due to the increase in Dutch and Belgian penetration in the Ivorian market, local initiatives such as the Dutch speaking nursery school should be highlighted.

In order to complete the study on market potential in Ivory Coast, we would advise the Dutch Embassy to investigate further on:

- The business environment in Ivory Coast (legal, fiscal, administrative and banking conditions);
- The industrial environment in Ivory Coast (taxes, access to energy, human resources, labor laws);
- Specific strategic sectors in Ivory Coast (biomass fuel and sustainable energy solutions, for example).

Today, it seems critical that any private actor looking to invest in Ivory Coast should undertake the following actions:

- Construct industry specific power maps and lobbying strategies (especially on public markets);
- Conduct market studies to identify key actors, opportunities and competitors, in specific sectors;
- Investigate on their potential partners (their reputation, business practices, and litigation situations).

AGS would be pleased to further accompany the Dutch Embassy or any Dutch company in understanding the local market and identify business opportunities.