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INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

THE ECONOMY
OF
THE IVORY COAST

April 30, 1963

CURRENCY EQUIVALENTS

Unit: Franc de la Communaute Financiere
Africaine (CFA franc)

1 CFA franc	=	US \$0.004
247 CFA francs	=	US \$1
1 million CFA francs	=	US \$4,051

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BASIC DATA

Area: 125,000 square miles

Population: 3.3 million approximately

Gross Domestic Product (1960): U.S. \$548 million equivalent

Gross Domestic Product Per Head (1960): U.S. \$170 equivalent

External Trade

	<u>1960</u>	<u>1961</u>
	(in million U.S. \$ equivalent)	
<u>Exports</u>		
Total	149.2	174.4
Franc zone	95.6	108.0
<u>Imports</u>		
Total	118.4	152.0
Franc zone	89.6	113.2
<u>Balance</u>		
Total	30.8	22.4
Franc zone	6.0	-5.2

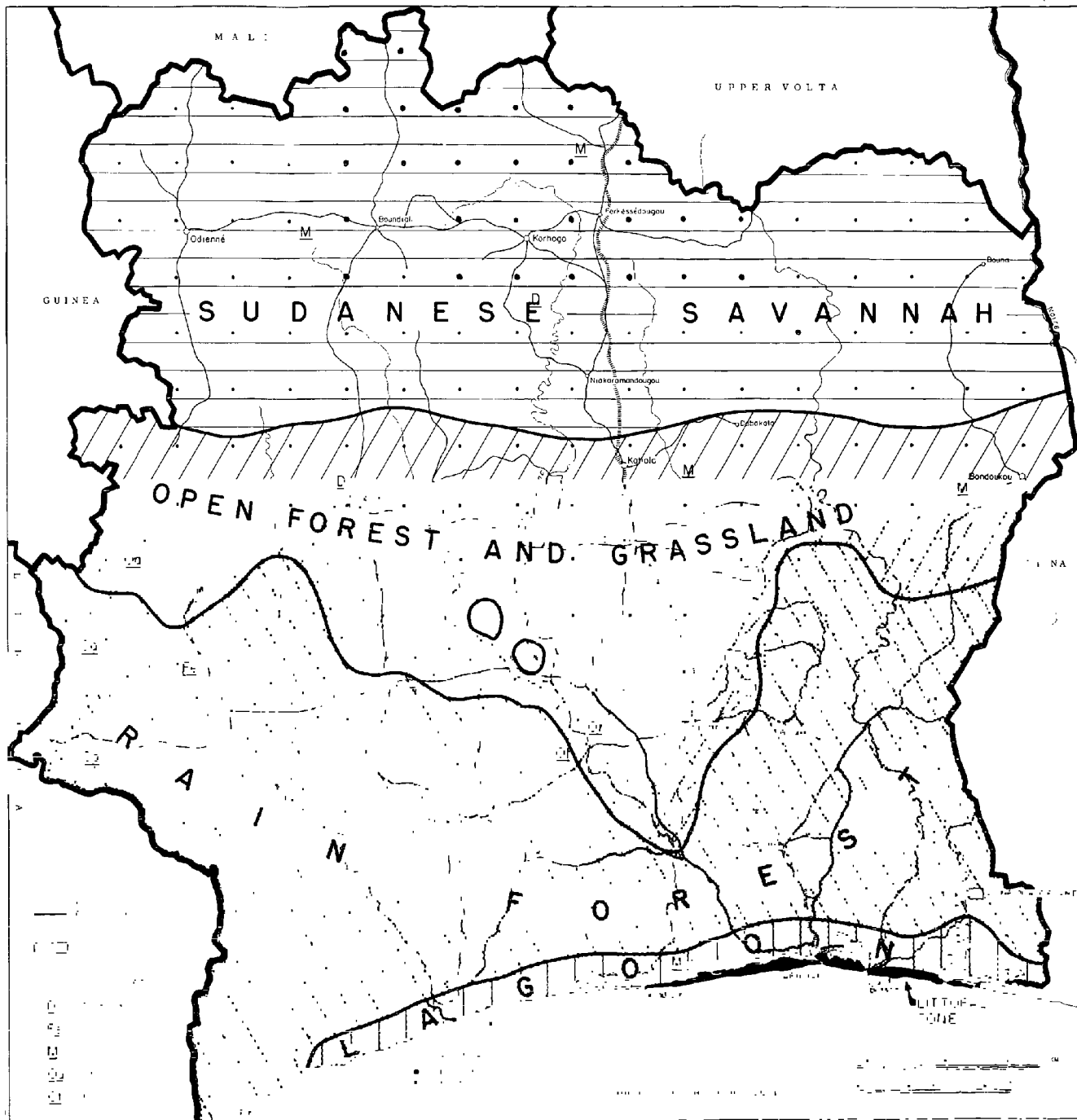
Public Finance

	<u>1960</u>	<u>1961</u>
	(in million U.S. \$ equivalent)	
<u>Expenditures</u>		
Ordinary	77.2	104.0
Investment	31.6	20.8
Entente countries	<u>5.6</u>	<u>5.6</u>
Total	<u>114.4</u>	<u>130.4</u>
<u>Revenues</u>	<u>105.6</u>	<u>124.4</u>

Estimated External Debt (Dec. 31, 1962): U.S. \$55.4 million equivalent

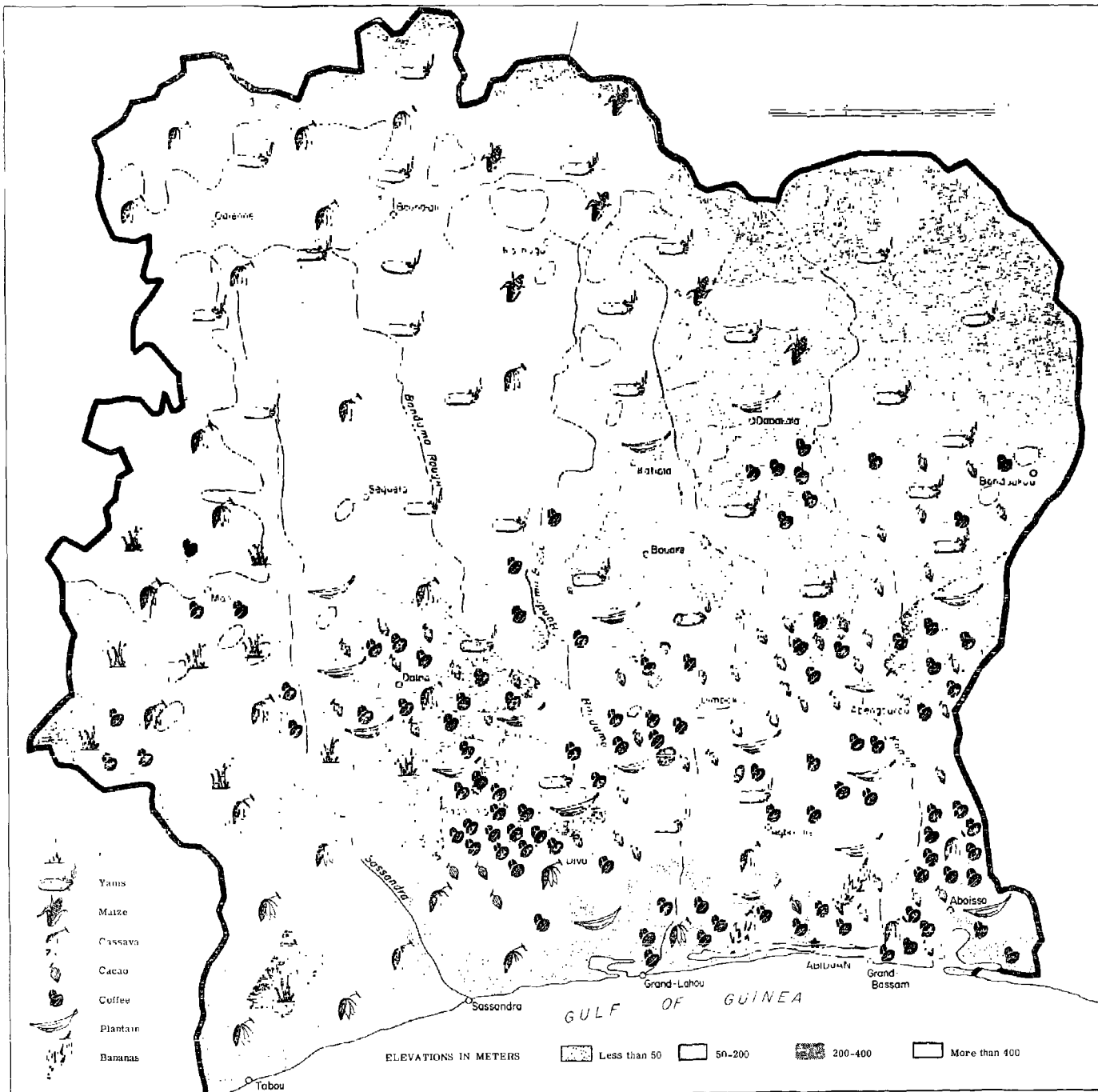
IVORY COAST

Map I



IVORY COAST

Map II



SUMMARY AND CONCLUSIONS

The Ivory Coast gained independence from France in 1960 under President Houphouet-Boigny. He considers that particularly in the economic field the work of Europe in Africa is still far from completed. He has therefore maintained a close cooperation with France and a liberal attitude towards private foreign capital. His leadership appears to have firm popular support. Only a well-organized opposition could challenge it seriously.

The economy of the Ivory Coast is based chiefly on small peasant agriculture producing foodstuffs, and coffee and cocoa for export. Other important export products are bananas, produced by European planters, and tropical woods. But the economy is changing. Industry and mining, quite negligible seven to eight years ago, are now contributing about 10% to domestic output.

Past performance of the economy, of public finances and of the balance of payments has been good, but depended to a considerable extent on a close association with France, which offered a guaranteed market for the country's principal agricultural exports, financed capital and some current expenditures and provided executive and technical talent. Real growth has probably averaged some 6% annually over the last 5 to 6 years and per capita income should now be close to U.S. \$200 equivalent.

After the substantial growth of recent years, the uncertain market prospects for a further rapid growth of exports are a reason for concern and difficult for the country to adjust its expectations to. The relatively easy period of high coffee and cocoa prices in the world market has come to an end. Tariff preferences and special transitional aid for the diversification of agriculture deriving from association with EEC will replace to some extent special tariff protection in the French market, but Ivory Coast exports, in particular coffee, will no longer benefit from French price support arrangements. Moreover, world market prospects for the country's principal exports are not very promising, with the exception perhaps of tropical woods. The search for new export products and markets has to go on. But more has to be done. The productive structure of the economy has to be broadened and basic services have to be strengthened.

Although the prospects for raising export earnings and hence for continued economic growth at satisfactory rates are uncertain, external debt is still low and the Ivory Coast should certainly be able to service additional debt on conventional terms. Past performance of the economy and of the balance of payments has been good, the public finances have been prudently managed; moreover present per capita income is relatively high, especially for a West African country. If, however, the Ivory

Coast had to seek external financing for a number of major projects in the near future, it would become necessary to provide some part in the form of IDA credits rather than to rely exclusively on Bank loans. In this connection one might mention that the most important needs for which financing from other sources is not yet fully assured are for agricultural projects or programs where the return on capital is expected to be low or for investment in education, particularly at the secondary level including vocational training, where the benefits are indirect and necessarily long run.

THE ECONOMY OF THE IVORY COAST

I. INTRODUCTION

1. The Ivory Coast is outstanding in several ways in today's Africa: it is one of the few African countries where the European population has increased substantially since independence - from about 15,000 in 1960 to perhaps 25,000 now; a favorable political climate combined with a liberal economic policy have meant that economic growth and more particularly the building up of a modern industrial sector have continued uninterrupted; public savings have contributed in every year to the financing of investment in the public sector; foreign trade has continuously generated large surpluses allowing for a favorable balance of payments on current account.

2. In other respects, however, the Ivory Coast rather conforms to African norms: the lack of trained manpower which will continue for many years to come; the slowness of farmers to change their ways; the dependence on a limited range of export products, the prices of which have fluctuated widely on world markets; a small local market and difficulties to compete abroad impeding industrial development; the large proportion of investment in the public sector devoted since independence to administrative building and housing; the setting up of an administrative apparatus and government services modeled after those of the former colonial power - too costly for the country's modest means, too refined for the simple tasks demanded of them and too difficult to operate with the number of qualified personnel available.

3. Climate, vegetation and topography are typical for a country lying on the Gulf of Guinea. A narrow strip of coastal lagoons is followed by dense rain forests, interrupted by a few savannah areas and covering about two-fifths of the country's total area estimated at 125,000 square miles. Annual rainfall averages between 50 and 70 inches, temperatures and humidity are high and vary little over the year. About 150 miles inland the country shades over into open forest and grassland, followed by Sudanese-type savannah with its hot desiccating wind, the harmattan, and its distinct dry and rainy seasons. Altitudes rise gradually and evenly from the ocean toward the north to about 1,300 feet. There are a few isolated mountain areas with peaks up to 5,000 feet. Four large rivers, not navigable but useful in transporting lumber, cross the country from north to south.

4. Population is estimated at 3.3 million, or about half that of neighboring Ghana and is increasing at a net annual rate of around 2.3%. It is largely rural - over 80% living in small villages and deriving their livelihood from agriculture. The two largest towns, Abidjan and Bouaké, count some 200,000 and 60,000 inhabitants respectively. Six large ethnic groups can be distinguished. But no one is dominant and French is becoming

rapidly the common language. Other Africans, mostly from Upper Volta and working as farm hands, vary around 300,000. The 25,000 Europeans are mainly in industry, commerce and administration, with relatively few engaged as planters, growing bananas and pineapples. Syrian and Lebanese shopkeepers number perhaps 3,000.

II. POLITICAL SITUATION

5. The Ivory Coast has the familiar one-party system and presidential-regime type government. The leadership of President Houphouet-Boigny, who stands out as a liberal and a moderate and who commands respect and prestige in the French-African bloc as one of the founders of the Rassemblement Démocratique Africain - a party which still enjoys a large following in French-speaking Africa, appears to have firm popular support. Only a well organized opposition could challenge it seriously.

6. Originally President Houphouet-Boigny wanted to achieve independence for his country and for the rest of French-speaking Africa within the Community of France and African States created in 1959. When other political leaders of French-speaking Africa attempted to change the character of the Community from a union of equal partners to a loose association, Houphouet-Boigny decided to leave the Community and to demand outright independence from France. Independence came in August 1960. A cooperation Agreement covering economic, monetary and financial matters, as well as technical and cultural assistance was concluded with France in April 1961.

7. While a policy of close cooperation with France, in particular the continued employment of Frenchmen in key technical and administrative posts, a policy favoring the participation of foreign private capital in industrial development, is probably the best course to follow on practical grounds, it is not without political dangers. The President is resisting pressures for a too rapid Africanization of the administration and of key economic sectors and hopes that his policy of cooperation with France and Europe and his economic liberalism will produce tangible results before long, prove him right and allay criticism by younger more radical elements. A huge effort to train Africans, and a readiness on their part, once they have acquired an education and a minimum of experience, to fill the relatively less glamorous medium and low echelon jobs, are needed to guarantee a smooth transition and continued economic and social progress.

8. From the Conseil de l'Entente, a loose association between the Ivory Coast, Dahomey, Niger and Upper Volta, to the Afro-Malagasy Union and the Monrovia Group, the President has unswervingly supported African unity. The creation of the Conseil de l'Entente in 1959 was initiated by the Ivory Coast. It provides for periodic consultation between the chiefs of state of the four countries, which should cover such matters as the coordination of development planning of policies in the fields of taxation, labor legislation, transport and communications. A Solidarity Fund, to

which the Ivory Coast is a net contributor was set up and the Entente countries joined Mali, Mauritania and Senegal in forming the West African Customs Union.

9. President Houphouet-Boigny does not, however, believe in the surrender of national sovereignty or in tight economic union. He believes that efforts should first be directed at strengthening the economy at home.

III. THE ECONOMY

(a) Production

10. The Ivory Coast is the most prosperous among the African countries south of the Sahara formerly associated with France. Real growth has probably averaged some 6% annually over the last 5 to 6 years, in spite of some loss of income due to deteriorating terms of trade. Most of the growth occurred in the export sector and more recently also in industry, whereas production of traditional agriculture is unlikely to have increased much faster than population, i.e., 2% a year. Economic expansion slowed down in 1962 owing to the bad 1961/62 coffee crop.

11. Gross domestic product is estimated to have reached CFA francs 135 billion in 1960. On a per capita basis, therefore, it should now be close to \$200 equivalent which nominally would put the Ivory Coast almost at the same level as neighboring Ghana. However, price and cost relationships in the Ivory Coast are probably out of line with the outside world.

12. Growth in the past has been impressive. It has relied on a close association with France, which offered a guaranteed market for the country's principal agricultural exports, financed capital and also some current expenditures and provided executive and technical talent. Gross investment has averaged perhaps 12% to 15% of gross domestic product, but investment in the productive sectors of the economy has been relatively modest.

13. The economy has remained predominantly agricultural - agriculture, forestry, livestock and fisheries accounting for about half of domestic output - and past economic growth has depended chiefly on the production and export of a few tropical crops and forest products. There is no demographic pressure. Highest densities are around 60 inhabitants per square mile and average density is about 27. A vast area in the southwest towards the Liberian border appears to be almost completely empty. There is no shortage of relatively good soils and water is available over most parts of the country. Land is generally owned by the established users and land ownership is not yet a serious problem. The Ivory Coast is fortunate in benefiting from research stations set up by the French to service all of tropical ex-French Africa. Climate and soil conditions, crop patterns and behavior as well as diseases are generally well known. But agricultural extension is the missing link. Production methods in African foodstuffs are primitive. It relies mainly on shifting cultivation. Crop rotation or the use of fertilizers are largely unknown. Yields and farm incomes are low.

14. The Ivory Coast is an important coffee and cocoa producer, the area under these two crops accounting for about 700,000 hectares or for one-third of the total area under cultivation. Coffee (of the Robusta variety) and cocoa exports of about 150,000 and 85,000 tons respectively account for about 70% of the country's total exports, bananas and tropical woods for another 20%. Whereas climatic conditions in the southern rain forest belt are ideal for almost any tropical crop, a protected market in France and high world market prices in the immediate postwar period have favored the expansion of coffee and cocoa. Production is almost entirely in the hands of small African farmers. Yields are generally low and fall off rapidly after a few years of cultivation.

15. Towards the north, where the country shades over into open forest and savannah and where drought can be a problem in some years, rainfall is still sufficient for cattle-breeding or for settled agriculture, producing foodstuffs and some cotton. The country is self-sufficient in food production, except for meat, rice, sugar and dairy products. The local diet in the southern half, however, relies heavily on starches - yam, cassava and plantain - and is deficient in proteins, although livestock predominates in the northern savannah, meat has still to be imported. More recently fishing has expanded substantially.

16. The economy is however changing. Industry and mining, quite negligible 7 to 8 years ago, are now contributing about 10% to domestic output. The opening of the port of Abidjan in 1951, which now handles over 2.5 million tons of traffic a year, stimulated the creation of industry around Abidjan. Over the years an industrial complex has grown which comprises about 100 enterprises employing some 12,000 people, engaged in food and beverage production, processing of agricultural raw materials, timber and construction materials and more recently in the manufacturing of consumer goods that hitherto had to be imported. Bouaké, the second largest town, has an important textile industry. Among the more important industrial projects, for which plans are already well advanced, are a rubber plant based on local latex, of which production is just starting, an oil refinery and fertilizer plant, a pulp and paper factory, cement, insecticides and chemicals, tuna fish canning and refrigeration and in a few years refineries for palm oil, production of which the Government is pushing as an additional export crop.

17. Mining, although still relatively unimportant, is already contributing 5% to export revenues. Exploitation of a small but conveniently located manganese deposit near the coast not far from Abidjan started in 1960 and has now reached an annual production of 100,000 tons. Other high-grade manganese deposits are known, but they are generally small and located in areas where transport and water supply problems would make exploitation at present low world market prices unattractive. Diamond mining, hitherto limited to surface exploitation, appears promising, a Kimberley rock formation having recently been located near Seguela.

(b) Basic Services

18. The transport system consists chiefly of the Port of Abidjan, the south-north-Abidjan-Niger railway line, and a road network of about 20,000 miles, of which 7,000 miles are all-weather and less than 600 miles hard-surfaced roads. Port, railway and road traffic on the main arteries, increased during the last few years at rates averaging between 20% and 25%. Part of this was due since 1960 to the increase in traffic to and from Mali, which was formerly handled through Dakar. This may be temporary. The rate of expansion has already slowed down considerably in 1962. Nevertheless, the expected normal increase in traffic of the Ivory Coast and Upper Volta might justify some investment in main transport facilities, whereas extension of the secondary road network would probably be of some benefit to the principal agricultural areas.

19. An expansion program for the Port of Abidjan providing additional berths, cargo handling facilities and extension of storage areas started in 1960. It is financed with a contribution from the French Fonds d'Aide et de Coopération (FAC). A road and railway expansion program is now being prepared by the Government. The Fonds Européen de Développement (FED) of the European Economic Community (EEC) is expected to finance a substantial part of the program. FED has already granted about U.S. \$10 million equivalent for railway improvement and road construction. Minor road rehabilitation and construction of feeder roads has so far been financed out of local resources allocated to a special road fund.

20. The electric power sector is still very small. It consists of the Abidjan system with an installed capacity of 32 MW, of which 20 MW are hydro, and of 4 MW small isolated diesel capacity in the interior of the country. Expansion has been rapid. Sales of the Abidjan system have almost doubled in the last three years - with industry and administration the largest consumers - to reach 108 million kwh and a peak demand of 18 MW in 1962. The power company expects sales and peak demand to double again between now and 1966 after which they are supposed to rise at a rate of around 20% a year. Expansion of the Abidjan thermal plant to an installed capacity of 32 MW, expected to be financed in part by Export-Import Bank loans, and of the Ayame hydro plant to 50 MW, scheduled for completion early in 1965, should be sufficient to cope with demand up to around 1966/67. However, planning the expansion of production and distribution beyond 1966/67 has to start without much delay so that if demand does rise at these very high rates, a proposal can be ready for consideration some time in 1964. Two dam sites, one in the center of the country on the Bandama River and one near the Ghana border on the Comoe River, as well as a thermal alternative have been retained for a more detailed study.

21. A considerable effort, which started well before independence in 1960, has been made to strengthen the social infrastructure particularly in health and education. Most of the larger communities have now adequately staffed dispensaries and the two larger towns, Abidjan and Bouaké, are equipped with modern hospitals.

22. Expansion of education has been mainly at the primary level, the total number of pupils being around 250,000 and primary school leavers about 15,000. In Abidjan and the larger towns the enrollment rate exceeds already 70% and for the country as a whole it is about 40% compared with less than 10% in 1955. Enrollment at the secondary level is about 14,000 students with about 1,500 graduating after 4 years and a little more than 100 graduating as bacheliers. University students number about 400, most of them enrolled at French universities. The teaching staff at the primary level is all African, but over half of the teachers are not properly qualified whereas teaching at the secondary level is almost entirely assured by about 900 French teachers.

23. Formal education is supplemented to some extent by excellent on-the-job training programs offered by the larger private enterprises as well as by the railway and power companies.

24. The Government is trying to slow down educational expansion at the primary level - a difficult undertaking in view of the strong popular support and enthusiasm for primary education - and to accelerate instead the development of secondary and higher education, including the training of qualified teachers. In secondary education the Government intends to bring up total enrollment and specializations to levels corresponding to the estimated needs for trained manpower 7 to 10 years hence, both for expanding the economy and for replacing at least part of the French technical assistance personnel. Agricultural training, technical and scientific subjects as well as mathematics will be stressed. In higher education teaching will in the future take place in the home country as far as practicable - thereby diminishing the political risks of sending students abroad. A nucleus of a university (Centre d'Enseignement Supérieur) will therefore be created in Abidjan. Attached to it will be a secondary teachers college and engineering schools for agriculture and public works.

25. Educational planning, however, including the setting up of an educational department able to carry out an educational expansion program is still in its initial stage. Work on such a program covering the period up to 1970 and beyond began recently with the assistance of UNESCO.

(c) Internal Finance

26. The financial and monetary situation is sound. Since 1959, the year of a changeover from a West African federal budget to a national budget, ordinary revenues, consisting nearly entirely of tax revenues, largely based on imports and exports, have always been sufficient to cover ordinary expenditures. They are now CFA francs 32 billion or approximately 20% of national product. Expenditures increased at an average annual rate of about 25% during the 1959-61 three-year period, owing to the setting-up of the institutions and government services attributable to an independent state and to a rise in social expenditures, particularly in education. In addition, some CFA francs 3 to 4 billion which are outside the budget were paid for each year by France. However, only part of it, consisting mainly of

contributions to salaries of French technical assistance personnel, can be regarded as taking the place of ordinary expenditures of the Ivory Coast's Government, the remainder being expenditures by France for maintaining air defense and other military support facilities or for pension payments to veterans of the French Army. Ordinary revenues could therefore finance also between one-third and one-half of public investment and make a small contribution to the budgets of the three other Entente countries, Dahomey, Niger and Upper Volta. The remainder of the public investment budget was financed by drawing down FAC and FED grants and by some borrowing abroad. On the whole the performance of public finances has, therefore, been good.

27. The tendency of ordinary expenditures to rise has slowed down considerably in 1962 and the 1963 budget estimates, including debt service, foresee only a moderate increase over 1962 to some CFA francs 27 billion, mainly because of the Minister of Finance's vigorous drive to prune allocations wherever feasible. Investment expenditures, on the other hand, after having fluctuated between CFA francs 5 and 8 billion annually during the 1959-61 three-year period are expected to exceed CFA francs 10 billion a year with the implementation of the 1962/63 Interim Plan. However, as in the past, actual expenditures will probably lag again considerably behind estimates, mainly because of the difficulties certain departments, particularly agriculture and education, have in preparing and executing their programs. Completion of the Interim Plan, which was conceived mainly as a mopping-up of investment in the public sector before starting an overall economic development plan, can therefore not be expected before some time in 1964. Almost 40% of the investment inscribed under the Interim Plan is again for administrative building and housing as well as for urban development, another 25% for the transport and electric power sectors and most of the remainder for agriculture, education and social affairs as well as for technical and economic studies.

28. The Government is determined to pursue its policy of generating substantial public savings - new direct taxes earmarked directly to the investment budget were recently introduced and certain indirect rates were increased - to have most of the remainder of the public investment program financed by grants from the French FAC and the Brussels FED and to keep external borrowing under strict control. Disbursements under aid commitments by FAC and FED have averaged about CFA francs 1.8 billion a year during 1959-62. American aid is relatively small, amounting to about CFA francs 0.5 billion a year. In addition, the Government has privately placed with French insurance companies 5% 13-year bonds guaranteed by the French Government - CFA francs 1 and 2 billion in 1959 and 1962 respectively; another CFA francs 1.5 billion, covered by the same agreement, will be placed early in 1963. It borrowed also CFA francs 375 million from the Government of Israel in 1962.

29. The development of total public expenditures and ordinary public revenues is shown in the table below:

	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>
	Actual			Estimate	
	(in billion CFA francs)				
<u>Expenditures</u>					
Ordinary	15.7	19.3	26.0	26.3	27.0
Investment	5.2	7.9	5.2	9.7	11.3
Entente countries	<u>0.7</u>	<u>1.4</u>	<u>1.4</u>	<u>1.4</u>	<u>1.4</u>
Total	<u>21.6</u>	<u>28.6</u>	<u>32.6</u>	<u>37.4</u>	<u>39.7</u>
<u>Revenues</u>					
Deficit	-1.9	-2.2	-1.5	-5.2	-5.9

30. The Government is also trying to induce private saving, consisting largely of corporate saving by foreign firms in commerce and industry, to contribute more effectively to the country's investment effort. Although a favorable political climate and a generous investment code were successful in attracting new private foreign capital to invest in industry and real estate, already established enterprises, particularly in commerce, have tended to reduce inventories and to transfer profits and depreciation reserves for placement abroad. The Government has therefore recently introduced a 10% levy on corporate and real estate profits to be paid to a National Investment Fund. An enterprise can have the payment refunded, if within a two-year period it invests in the country, for purposes agreed by the Fund, a multiple varying between 2 and 4 depending on the priority of the sector. Otherwise the payment will be converted into long-term interest-bearing bonds issued by the Fund.

31. The monetary and banking system is in transition, but is still closely linked to France. The Ivory Coast is a member of the French franc zone and under the 1962 Agreement, effective November 1, setting up the "Union Monétaire Ouest Africaine", it shares a common currency, the franc CFA, and a common bank of issue, the "Banque Centrale des Etats de l'Afrique de l'Ouest" with five other countries, Dahomey, Mauritania, Niger, Senegal and Upper Volta. Whereas the 1962 Agreement left the currency arrangements, notably the rights to issue notes and the convertibility of the franc CFA into French francs at the present exchange rate, unchanged, it gave the individual member states a stronger representation and more influence in adapting credit policies to their own economic needs. National monetary committees review periodically the rediscount ceilings of local banks with the Central Bank. France, although still represented on the Board of the Bank, is no longer a shareholder and her main link and means of control of the Bank is now the "operations account" which the Bank holds with the French Treasury and through which all foreign exchange transactions, including those in French francs, are settled. In case of prolonged deficits of the "operations account" France can request the Bank to increase the rediscount rates and lower rediscount ceilings.

32. Four commercial banks are the main source of short- and medium-term finance of the private sector. They were formerly branches of French banks, but have now been reconstituted as independent local banks with European and American banks participating in the share capital. In addition, there are four public credit institutes: the Crédit de la Côte d'Ivoire, in which the Government and the French Caisse Centrale de Coopération Economique are shareholders, specializes in real estate and small industrial equipment loans; the Caisse Nationale de Crédit Agricole, operating on government funds but also accepting deposits, extends small loans to farmers; the Caisse Autonome d'Amortissement, originally created to administer the Government's direct debts, is rapidly becoming the main depositor and banker of the public and semi-public sector; and finally the Caisse Centrale de Coopération Economique itself which extends long-term loans to both the public and private sector.

33. Total deposits with the banking system, including the postal checking and savings bank, have increased regularly over the last few years, in spite of at times substantial transfers abroad. They were around CFA francs 17 billion at the end of 1962. Bank loans and advances outstanding have fluctuated between CFA francs 25 and 30 billion, reflecting mainly changes in export financing of the principal crops.

34. So far there has been no inflationary pressure from the public finance side, and the recourse of the private sector to Central Bank financing has been kept within safe limits. In these circumstances, the main determinants of price changes, in a country where non-monetary transactions are substantial, are the level of import-export prices and of agricultural crops. The cost-of-living index for Africans, heavily weighted by food expenditures and influenced to some extent by changes in purchasing power of farmers from the sale of export crops, declined in 1962 after having risen steeply the previous year; the index for Europeans increased moderately over recent years except for a 5% rise in 1961. Maintaining monetary stability in the future will depend to a much larger extent on the ability of local authorities of the Ivory Coast and also of the other member countries of the Union Monétaire to exercise restraint, now that their power to determine credit policies has increased and that the governments can within moderate limits borrow directly from the Central Bank.

(d) Trade and Payments

35. The Ivory Coast is essentially an exporter of a few tropical agricultural and forest products. It still depends on foreign supplies for almost all industrial goods and fuel, most of the textiles and construction materials, for many food items for Europeans as well as for rice, sugar and alcoholic beverages, consumption of which is largely shared by Africans. Among the principal exports, cocoa has declined relatively over the last few years while coffee has continued to account for almost half of total export revenues. Exports of bananas, tropical woods and diamonds increased substantially, while manganese appeared as a new export.

36. With a protected market in France absorbing most of the Ivory Coast's coffee crop at a high support price, the internal Coffee Stabilization Fund could maintain the price to the producer relatively high and subsidize exports outside France when coffee prices fell in the world market. World market prices declined by almost 50% between 1955 and 1962, while the effective French support price and the price paid to the Ivory Coast producers declined by a somewhat lesser amount. Plantation and production of coffee continued, therefore, to expand to present levels of around 500,000 hectares and 150,000 tons respectively compared with perhaps 300,000 hectares under coffee and a production of 85,000 tons in 1955. There are no stocks because of the exceptionally bad 1961/62 crop and the 1962/63 production and exports are not expected to exceed by much 140,000 tons, the Ivory Coast's export quota under the International Coffee Agreement.

37. Exports and imports increased substantially both by volume and by value over the last few years to reach CFA francs 43.6 and 38 billion respectively in 1961. In 1962 exports reached CFA francs 44.7 billion. Exports of bananas, tropical woods and diamonds increased, but coffee and cocoa exports were lower. Imports declined to about CFA francs 34 billion, mainly because of the lower purchasing power in the hands of farmers, an after effect of the bad 1961/62 crop year. Trade surpluses have varied between CFA francs 5 and 9 billion over recent years. There was a small deficit with the franc zone in 1961. Surpluses with the rest of the world were achieved every year. If unrecorded trade with neighboring countries particularly to the north and consisting mainly of livestock imports and foodstuff exports were taken into account, annual surpluses would probably be even larger.

38. France remains the most important trading partner of the Ivory Coast. Exports and imports to and from France and other franc zone countries averaged some 60% of their respective annual totals in the last few years. Other important export markets are the United States for coffee, the Netherlands for cocoa, Germany and Italy for tropical woods. Recorded transactions with the other countries of the West African Customs Union are relatively modest.

39. Trade between France and the Ivory Coast is governed by the 1961 Cooperation Agreement: no tariffs are levied but fiscal duties remain in force; France extends preferential treatment in the French market for the principal agricultural products of the Ivory Coast in the form of quotas and guaranteed prices; the Ivory Coast agrees to import minimum levels of certain goods from France. Detailed arrangements are negotiated annually. At present cocoa and tropical woods are protected in the French market only by tariffs which are relatively low. Bananas benefit in addition from quotas on imports from the non-franc area and consequently from a price which has been about 20%-25% above the prices at other European ports of entry. Coffee, on the other hand, is sold under a quota arrangement and at a guaranteed price. Both the quota and the support price were reduced for the 1962/63 crop year, the

quota from 100,000 tons the preceding year to 88,000 tons and the price from French francs 3.20 per kg. c.i.f. French ports to francs 2.90, which is still about 45% above world market level.

40. With the association of the Ivory Coast to the European Economic Community these bilateral arrangements are now to be revised. This will particularly affect coffee since the French support price will have to be reduced to the world market level over a 3-year period starting with the 1963/64 crop year. Difficulties for the other principal export products should be relatively less, although the EEC Common External Tariff, effective January 1, 1963, will be generally lower than former French tariffs, and French quotas on imports from other associate countries will be abolished.

41. Balance of payments data available since 1957 cover only payments with non-franc-area countries. Data on payments with the franc area will be available for 1963. The Central Bank is now proceeding to record transactions with other franc-area members separately for each of the Union Monétaire countries.

42. Transactions with non-franc-area countries have shown a surplus every year exceeding CFA francs 12 billion in 1961. The 1962 surplus estimated at CFA francs 14 billion is again substantial. Information available on transactions with the franc zone indicate that private remittances to France were substantial in every year. They were offset to some extent by current civil and military expenditures of the French Government. On capital account there has been on balance a repatriation of private capital, which was particularly large in 1960, the year of independence, but which has since declined. Similarly, repatriation of private capital was offset by official capital imports, mainly on account of the operations of FAC and the Caisse Centrale de Coopération Economique.

IV. PROSPECTS AND CREDITWORTHINESS

(a) Economic

43. Raising productivity while at the same time diversifying agricultural production is a challenging task. It requires an effort by the state in the form of considerable capital investment and of strengthening extension services, which bear fruit, however, only if the farmer is willing, once he is properly guided, to do his own share, persistently, without letting down after some initial commendable effort. Traditional values, consumption needs and spending habits are formidable obstacles. The Ivory Coast, moreover, faces a problem common to most tropical forest countries: while climatic conditions are good, the range of crops that can be grown profitably for extended periods of time tends to be relatively narrow. Yields fall off rapidly, because of primitive cultivation

practices but also because of insufficient humus accumulation. Overproduction and declining prices on the world market are recurring problems.

44. The main actions contemplated for the rain forest belt are to reduce the total area under coffee and cocoa and stabilize production at around present levels; secondly, to introduce rubber, palm oil, and, in the coastal lagoon area, copra as new export crops. Industrial planting started a few years ago on a moderate scale. In the open forest area towards the center of the country, the principal objectives are to associate cattle breeding with agriculture and vice versa to associate agriculture with cattle breeding in the northern savannah, to introduce an improved variety of cotton in the existing crop rotation of traditional food products and to expand the cultivation of rain-fed rice.

45. The long-term outlook for both natural rubber and palm oil is for declining prices on the world market, to which the Ivory Coast will have to adjust itself ultimately, unless preferential arrangements for exporting to the European Common Market countries can be secured.

46. Rubber, of which about 4,000 hectares have recently been planted in the small artificial savannah around Dabou near Abidjan, is in the hands of private firms formerly working in Indo-China. In view of the uncertain market prospects and also because of a disease attacking trees planted on forest soils, the planters are reluctant to commit themselves to a large expansion program.

47. Palm oil is regarded by the Government as offering the best prospects for becoming a major export crop. A very ambitious expansion program carried out by the Department of Agriculture started in 1962, for which FED is expected to contribute \$4.5 million in 1963. The 1962-64 plantation program covers about 5,000 hectares. Industrial estates of 1,500 and 1,300 hectares respectively are to assure the regular supply of the future oil mills. Small African plantations are to be grouped around them. Plans call for planting about 15,000 hectares a year between 1965 and 1975. New improved disease-resistant plant material producing after 5 years is being used. Yields expected to average between 2.0-2.5 tons of oil per hectare appear rather high. Moreover, if the initial investment, which is a charge of the Government and which covers plant material, land preparation and care of plants until production, is fully taken into account in cost calculations, the safety margin at the present world market price expressed in CFA francs is already very narrow. The whole palm oil program, in sum, would appear to require a careful re-study.

48. Industrialization has made an impressive start by African standards, but is still on a fragile basis and the outlook for many individual branches must remain uncertain. Mining appears to offer good prospects only for diamonds.

49. Foreign firms have favored the Ivory Coast among West African countries mainly because of the favorable political climate. However,

here as elsewhere in Africa, the political situation could change rapidly. Protective duties and fiscal advantages have meant substantial profits in spite of small units and high production costs. Generally prospects appear brightest for industries processing local raw materials to the finished or semi-finished stage. The outlook for import substitution or for industries catering mainly for the African market, importing the raw materials or the parts used, remains uncertain as long as the small local market lacks sufficient purchasing power and access to the markets of neighboring countries is closed or obstructed. The West African Customs Union or the Conseil de l'Entente could provide the institutional framework for a closer economic cooperation among West African countries. However, internal fiscal duties are replacing tariffs on many important industrial goods produced within the Union. Industrial coordination among member countries of the Union and even of the Entente is almost non-existent. In this respect the setting-up of cement plants, an oil refinery and fertilizer production, which are among the larger industrial projects of the Ivory Coast, must be viewed with some caution. Selling to neighboring countries is essential for profitable operations.

50. The Ivory Coast has the potential for continued economic growth at rates which are likely to be considerably more modest than in the past provided a favorable political climate can be maintained and the Government and the people are prepared to settle down to do some hard work. The uncertain prospects for a further rapid growth of exports are a reason for concern. The relatively easy period of high coffee and cocoa prices in the world market has come to an end. Tariff preference and special transitional aid for the diversification of agriculture deriving from association with EEC will substitute to some extent the special tariff protection in the French market; but Ivory Coast exports, in particular coffee, will no longer benefit from French price support arrangements. The adjustment of the price of coffee under the terms of the EEC Association Agreement and the expected reduction of the price of bananas will in the future entail a substantial loss of income - some CFA francs 5 billion a year based on 1962 export volumes. Market prospects appear reasonably favorable for cocoa, at least for 1963. Quality and conditioning have to improve further. They are good for tropical woods. The country's forest resources are however not unlimited. Present destructive exploitation methods will have to change. The outlook for vegetable oil products, in particular palm oil, of which the Ivory Coast hopes to become a major producer and exporter must be regarded as uncertain unless a high-quality oil can be produced. Diamonds may become an important foreign exchange earner. Fish canning and freezing, particularly of tuna, could make some contribution to exports if the present trend of foreign fleets operating in the Gulf of Guinea to prefer Abidjan as a home base continues.

51. Exports are likely to remain the main stimulus to economic expansion and the incomes derived from them will provide the best incentive for the growth of local industries. Relying on a limited range of exports, whose prices fluctuate widely in the world markets, is a drawback. The search for new export products and markets has therefore to go on. To be

successful more attention will have to be paid to production costs. It may also require, at some appropriate time, a review of the relationship between internal and world prices. But more has to be done. The productive structure of the economy has to be broadened and basic services have to be strengthened. This will require some planning effort, establishing clear investment priorities based on realistic estimates of resources, domestic and foreign, which are likely to become available.

(b) Development Planning

52. A development planning effort concentrating on the 1965-70 period has been undertaken by the Minister of Finance and Planning, but so far without much cooperation by other government departments. A draft development program has been completed by a team of French experts organized at the initiative of the Minister of Finance and working under his direct responsibility. The main purpose of the draft program is to alert public opinion and to show those responsible for devising and executing economic policies what can be achieved given the country's resource base, provided the right policy decisions are taken on time.

53. The draft program recognizes the priority of agricultural development which has to provide most of the increase in production and exports and on which the growing industrial sector has to rely for selling its products. To maintain economic growth at even a modest rate with the prospective market conditions for agricultural products, the national effort has to be substantially larger than in the past - given changed circumstances, in particular the need to diversify agriculture and to assure the training of qualified manpower. Therefore, if dependence on foreign aid is to be kept within reasonable limits, an effort to limit consumption and to raise savings has to be undertaken at the same time.

54. The draft program is likely to be fairly detailed as far as manufacturing, agricultural processing and mining are concerned, listing individual projects and in some cases including fairly detailed studies, or on the reorganization of services, in particular, internal commerce, but probably does not go beyond describing broad objectives or production targets for agriculture, animal husbandry, education and other basic services. Some government departments have started preparing programs and projects to be undertaken in their sectors. Work is also progressing on regional programming for certain selected areas with the heaviest population concentration. It is carried out by fairly large teams drawing on very diversified talents, which will also gather more secure information on production, income and consumption patterns in the traditional economy. A separate study for the development of the Southwest region is being undertaken by the Development and Resources Corporation of New York. Completion of this additional planning work is expected for early 1964 and a detailed development program could be ready for execution by the end of that year.

55. Judgment on the development program has to await publication of the draft report, which is likely to be a competent and internally consistent

document. Some remarks on the planning effort appear, however, pertinent. Implicit in the working assumptions of the French team and its proposals for developing the productive sectors is the belief that the time when the Ivory Coast will have to compete more directly on world markets is still in the distant future. Consequently, their appraisal of export prospects tends to be optimistic. Secondly, foreigners have so far been mainly concerned with working on the program, whereas participation by Africans responsible for its execution, except for the Director of the Plan, has been limited.

56. Three sectors were proposed to the mission by the Minister of Finance for possible Bank/IDA/IFC financing, namely industrial development banking, school construction and plantation of oil palm trees. On previous occasions he had sounded out the Bank about participating in the development of the Southwest region, but did not mention it this time. Independently, President Houphouet-Boigny expressed his personal wish for having a General Economic Survey and the Department of Public Works, which is responsible for the power sector, appeared interested in associating the Bank with the 1964-68 power expansion program. This might well be of high priority if demand for electric power continues to increase at present high rates.

57. Plans for setting up an industrial development bank have existed for quite some time. There is no capital market and existing institutions providing long-term finance to the private sector are not specialized in making loans to or in participating in industrial enterprises. Industrial development, on the other hand, has already gained some momentum. It depends however almost entirely on foreign private initiative and the proposed bank would initially find little or no indigenous private enterprise to finance.

58. Unlike some other newly-independent countries, the Ivory Coast does not insist on reserving for the Government a controlling interest in industrial development banking, but welcomes the participation of foreign private capital for the time that acceptable local shareholders are not available. What is less sure, however, is that the Government will refrain from imposing on the development bank the financing of certain government-sponsored industrial projects where the economics are doubtful. The Government is prepared to extend a loan to the bank, amount and terms of which depend in part on the terms and the amount of a proposed A.I.D. loan.

59. No project was put forward by the Minister of Education. The Department itself is now being reorganized under a new minister, the central administration strengthened, and an educational expansion program is in preparation. Financing of individual projects which appear of high priority, such as expansion or construction of new secondary schools in Abidjan and Bouaké, the schools for the training of secondary teachers and of agricultural and public works engineers, appears assured. A broad

construction program for general secondary schools in the other parts of the country, for primary teacher training, secondary technical and vocational training has to await the completion of the educational expansion program and preparatory planning work now undertaken.

60. Plantation of oil palm trees is the only agricultural project brought to the mission's attention, although there appears to be some need for financing regional agricultural development and feeder roads. Regional agricultural development is carried out in a few small areas with considerable local initiative, but without sufficient support by the Ministry of Agriculture; it consists essentially of introducing new cash crops well adapted to local soil and climatic conditions and of selecting in each village the most competent African farmers, teaching them improved methods of cultivation and helping them financially for an initial period.

61. The program for planting oil palm trees is given high priority by both the Ministries of Finance and Agriculture. But opinions differ about the rate of expansion. The Ministry of Finance wants to accelerate the planting beyond the areas for which financing appears assured by FED, whereas the Department of Agriculture claims it has its hands full. The supply of plant material is still a bottleneck, but more serious are the difficulties of finding reliable and qualified African labor both for the planting and the production phase. Recruiting experienced foreign supervisory and technical personnel is apparently no problem.

62. The planting is done by a specialized firm under contract with the Ministry of Agriculture. A French research institute with wide experience in tropical vegetable oil crops, acts as technical consultant and supplies the plant material. Both appear competent, but their responsibilities end with the entry into production of the trees. No decision has yet been taken on the organization of the industrial estates, including the operation of the oil mills, whether they will be run by cooperatives, by the state or by private companies, or on their relations with the African producers, or on the sharing with the Government of the costs for the initial investment in planting.

(c) Creditworthiness

63. The Government has shown ability to manage its own financial and economic affairs. Whether it will be able to induce the sense of purpose and to provide the executive talent necessary to carry out a development plan successfully is a different matter. It is primarily a one-man government, but if President Houphouet-Boigny were to depart, other able men who might very well continue the policies of close cooperation with Europe and of partnership with foreign private capital would be there to replace him.

64. The Ivory Coast will be able to continue to count on grant aid from both the French FAC and the Brussels FED, but it will have to work

harder for it in the sense that the preparation of projects and programs presented has to improve. New aid commitments by the FED for 1963 are now likely to be delayed pending ratification of the EEC Association Agreement. The country was able to borrow in the French market with the guarantee of the French Government. It can expect some assistance from the U.S. and Germany. Negotiations with Germany for a series of loans are in progress. Early in 1963 the Export-Import Bank granted a small loan for electric power. The future of these bilateral aid programs is, however, uncertain.

65. The external debt is still very small and annual service payment absorbs only a modest proportion of foreign exchange earnings from exports. However, foreign debts recently incurred or now under consideration by the Government are on terms which bear no proper relation to the projects they finance and are therefore likely to add to the net burden of the budget and of the balance of payments. Debt at present outstanding is estimated at about U.S. \$55 million equivalent, and annual service payments account for less than 2% of present export earnings. The bulk of it is owed to the former French FIDES and to the Caisse Centrale de Coopération Economique. These are mostly long-term and low-interest debts. There is no transfer problem under present monetary arrangements and service is in local currency.

66. Although the prospects for raising export earnings and hence for continued economic growth are considerably more unfavorable than in the past, external debt is still low and the Ivory Coast should certainly be able to service additional debt on conventional terms. Past performance of the economy and of the balance of payments has been good, the public finances have been prudently managed; moreover present per capita income is relatively high, especially for a West African country. If, however, the Ivory Coast had to seek external financing for a number of major projects in the near future, it would become necessary to provide some part in the form of IDA credits rather than to rely exclusively on Bank loans. In this connection one might mention that the most important needs for which financing from other sources is not yet fully assured are for agricultural projects or programs where the return on capital is expected to be low or for investment in education, particularly at the secondary level including vocational training, where the benefits are indirect and necessarily long run.

STATISTICAL APPENDIX

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Table 1

Gross Domestic Product and Expenditures 1960 1/

	<u>In billion CFA francs</u>	<u>In percent of G.D.P.</u>
<u>Resources</u>		
Agriculture	71.5	52.9
of which:		
Traditional	41.4	30.7
Export crops	25.4	18.8
Forests	3.7	2.7
Fisheries	1.0	0.7
Industry, Handicraft, Mining, Electric Power	11.3	8.4
Construction	5.5	4.1
Transport and Services	10.9	8.0
Commerce	<u>36.0</u>	<u>26.6</u>
Gross Domestic Product	135.2	100.0
Imports of goods and services	36.5	
Decline of Inventories	<u>0.8</u>	
TOTAL available resources	<u><u>172.5</u></u>	
<u>Expenditures</u>		
Private Consumption	99.9	
Public Consumption	5.6	
Gross Investment	20.2	14.9
Increase of Inventories	1.1	
Export of goods and services	<u>45.7</u>	
TOTAL use of resources	<u><u>172.5</u></u>	

1/ The above estimates were worked out by the team of experts preparing the 1965-70 development program.

Table 2

Agricultural Production

	Production					Acreage 1961 in hectares
	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	
	in thousand metric tons					
<u>Foodstuff</u>						
Yam	1727	1128	1803	1900	1500	200,000
Cassava	667	432	787	800	760	153,000
Plantain	599	488	830	851	980	192,000
Paddy rice	137	70	143	160	156	206,000
Maize	112	85	141	147	99	187,000
Millet	51	34	38	42	27)	
Sorghum	32	34	33	37	28)	150,000
Taros	121	98	103	103	95)	
<u>Export Crops</u>						
Coffee <u>1/2/</u>	82	111	162	134	185	500,000
Cocoa <u>1/ 2/</u>	49	50	55	64	97	220,000
Bananas	37	47	57	82	100	6,500
Pineapple	10	15	17	18	21	950
Palm oil	6	8	12	19	20)	
Palm kernel	11	15	12	15	17)	12,000
Cola	22	28	24	25	29	
<u>Other</u>						
Cotton	5.4	4.6	7.3	7.1	5.7	52,000
Tobacco	1.1	1.9	2.1	2.0	1.7	5,700

1/ There are discrepancies between production figures and export figures particularly for 1957, which cannot solely be explained by the difference of crop and calendar year or by selling from stocks.

2/ Coffee 1962: 101,000 tons
 1963: 150,000 tons
 Cocoa 1962: 82,000 tons
 1963: 85,000 tons

Source: Ministère de l'Agriculture.

Table 3

Public Finance: Expenditures and Revenues 1959-62
(in billion CFA francs)

	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>
		Actual		Estimate
<u>Expenditures</u>				
(a) Ordinary				
General administration	1.9	3.0	3.6	3.6
Defense	-	-	0.9	2.1
Economic services	1.4	1.6	1.7	2.0
Public Works and Housing	1.8	2.3	2.3	2.6
Education	2.7	2.8	3.9	4.8
Health and Social Services	1.5	1.7	2.2	2.3
Common to all services	3.5	4.7	5.5	5.1
Other	<u>2.9</u>	<u>3.2</u>	<u>5.9</u>	<u>3.8</u>
Total	15.7	19.3	26.0	26.3
(b) Investment	5.2	7.9	5.2	9.7
(c) Fonds de Solidarite - Conseil de l'Entente	<u>0.7</u>	<u>1.4</u>	<u>1.4</u>	<u>1.4</u>
Total	21.6	28.6	32.6	37.4
<u>Revenues</u>				
Direct taxes	2.7	2.3	3.3	3.8
Import duties and taxes	4.5	8.7	10.1	11.3
Export duties and taxes	4.6	4.2	5.1	5.2
Other indirect taxes	6.0	6.6	8.1	8.2
Various revenues	<u>1.9</u>	<u>4.6</u>	<u>4.5</u>	<u>3.7</u>
Total	19.7	26.4	31.1	32.2

Source: Ministère des Finances, des Affaires Economiques et du Plan.

Table 4

FAC and FED Grant Aid
1959-1962

	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u> <u>1/</u>
	<u>Fonds d'Aide et de Coopération</u>			
	<u>(in million CFA francs)</u>			
Agriculture	277	450	733	248
Transport and Communications	527	544	362	-
Electric power	150	-	-	-
Education	37	240	-	198
Health	-	186	290	121
Technical and economic studies	-	200	95	100
Others	<u>100</u>	<u>-</u>	<u>120</u>	<u>15</u>
Total	1091	1620	1500	682

	<u>Fonds Européen de Développement</u>			
	<u>(in million U.S. \$ equivalent)</u>			
Agriculture and Fisheries	0.6	2.9	3.3	-
Transport	-	2.0	7.4	-
Water supply	1.1	-	1.6	-
Education	1.2	-	2.5	2.1
Health	0.6	-	-	-
Others	<u>-</u>	<u>-</u>	<u>1.6</u>	<u>3.5</u>
Total	3.5	4.9	16.4	5.6

	<u>Total FAC and FED</u>			
	<u>(in million U.S. \$ equivalent)</u>			
Commitments	7.8	10.4	22.4	8.3
Disbursements	7.4	7.6	5.2	8.0

1/ as of November 30.

Source: Fonds d'Aide et de Coopération and Fonds Européen de Développement.

Table 5

Wholesale and Cost of Living Indices

	<u>1959</u> Dec.	<u>1960</u> Dec.	<u>1961</u> June	<u>1961</u> Dec.	<u>1962</u> June
<u>Wholesale</u> (June 1956 = 100)					
Construction material	123	125	126	126	127
<u>Cost of living</u>					
European (Sept. 1947 = 100)	373	378	393	396	401
African (Feb. 1960 = 100)	-	98	122	117	114

Source: Ministère des Finances, des Affaires Economiques et du Plan
Bulletin Mensuel de Statistique.

Table 6

Banking System
(in billion CFA francs)

	<u>1960</u> Dec.	<u>1961</u> Sept.	<u>1961</u> Dec.	<u>1962</u> Sept.
<u>Deposits</u>				
Banks ^{1/}	14.4	14.6	15.3) 16.2
Postal checking ^{2/}	0.8	1.0	1.1	
Savings bank	0.3	0.3	0.3	
Total	<u>15.5</u>	<u>15.9</u>	<u>16.7</u>	<u>16.5</u>
<u>Loans and Advances</u>				
Banks ^{1/}	25.6	29.3	30.2	25.5
of which rediscounts	10.6	12.9	14.8	7.9
Caisse Centrale de Coopération Economique	3.8	4.4	4.7	5.5
Treasury notes ^{3/}	<u>1.9</u>	<u>2.3</u>	<u>2.7</u>	<u>2.3</u>
Total	<u>31.3</u>	<u>36.0</u>	<u>37.6</u>	<u>33.3</u>

^{1/} Commercial and public credit institutions.

^{2/} Private individuals and enterprises only.

^{3/} Issued for advance payments of certain indirect taxes.

Source: Banque Centrale des Etats de l'Afrique de l'Ouest.

Table 7

Foreign Trade 1953-1962 ^{1/}
(in billion CFA francs)

<u>Year</u>	<u>Exports</u>		<u>Imports</u>		<u>Balance</u>	
	<u>Total</u>	<u>Franc zone</u>	<u>Total</u>	<u>Franc zone</u>	<u>Total</u>	<u>Franc zone</u>
1953	19.1	13.3	12.6	9.8	6.5	3.5
1954	27.3	18.5	19.3	14.8	8.0	3.7
1955	25.6	15.0	19.0	14.3	6.6	0.7
1956	26.3	17.2	18.5	13.7	7.8	8.5
1957	24.4	17.5	19.5	14.1	4.9	3.4
1958	31.5	23.1	22.8	15.9	8.7	7.2
1959	33.8	21.5	28.3	20.7	5.5	0.8
1960	37.3	23.9	29.6	22.4	7.7	1.5
1961 (1st half)	24.6	15.9	18.6	14.1	6.0	1.8
1961	43.6	27.0	38.0	28.3	5.6	-1.3
1962 (1st half)	25.1	14.7	17.5	12.5	7.6	2.2

^{1/} Not included is trade with the other countries of the West African Customs Union (Dahomey, Mali, Mauritania, Niger, Senegal and Upper Volta) and Guinea. Trade with these countries is largely unrecorded and is likely to show substantial surpluses in favor of the Ivory Coast. Figures on recorded trade are given below; changes reflect primarily a better statistical coverage.

<u>Year</u>	<u>Exports</u>	<u>Imports</u>	<u>Balance</u>
	(in million CFA francs)		
1956	0.5	2.1	-1.6
1957	0.5	2.5	-2.0
1958	0.6	3.1	-2.5
1959	0.9	3.5	-2.6
1960	1.5	2.8	-1.3
1961	3.5	3.8	-0.3

Source: Bulletin Mensuel de Statistique .

Table 8

Exports - Principal Commodities

	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>
	<u>Value - in billion CFA francs 1/</u>					
Coffee	15.1	14.0	18.9	16.0	18.7	20.2
Cocoa	8.4	6.3	6.4	10.6	8.7	9.8
Bananas	0.3	0.8	1.3	1.1	1.3	2.1
Fruit juices	0.1	0.2	0.2	0.2	0.2	0.2
Palm products	0.3	0.3	0.5	0.5	0.6	0.3
Tropical woods	1.3	1.9	3.3	4.0	6.3	8.3
Manganese	-	-	-	-	0.2	0.6
Diamonds	0.2	0.2	0.3	0.3	0.3	0.8
	<u>Volume - in thousand metric tons</u>					
Coffee	118.7	101.2	112.5	104.7	147.6	154.8
Cocoa	75.8	66.5	46.3	63.3	62.9	88.4
Bananas	24.7	34.7	46.1	54.0	72.6	91.8
Fruit juices	2.3	2.8	2.5	3.3	3.7	3.6
Palm products	18.5	15.2	22.7	16.8	18.9	12.9
Tropical woods	214.4	262.7	402.0	444.1	654.5	793.6
Manganese	-	-	-	-	22.7	109.4
Diamonds (in thousand carats)	133.2	154.6	169.0	200.6	197.8	531.4

1/ Based on unit value figures which in some cases, particularly for bananas, are substantially lower than actual values.

Table 9

Imports - Principal Commodities
(in billion CFA francs)

	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>
<u>Foodstuff and beverages</u> of which:	<u>2.8</u>	<u>3.4</u>	<u>3.3</u>	<u>4.5</u>	<u>4.3</u>	<u>6.4</u>
Rice	0.3	0.7	0.4	1.0	0.9	1.0
Sugar	0.5	0.6	0.7	0.9	1.0	1.2
Dairy Products	0.3	0.3	0.4	0.6	0.6	0.8
Alcoholic beverages	0.5	0.7	0.7	0.7	0.7	1.1
<u>Fuel and raw materials</u> of which:	<u>3.3</u>	<u>3.5</u>	<u>4.1</u>	<u>4.7</u>	<u>5.1</u>	<u>8.0</u>
Petroleum products	1.1	1.3	1.5	1.9	1.7	2.0
Construction materials	0.6	0.7	0.7	0.8	0.9	1.0
Metals	0.8	0.8	0.9	1.0	1.3	1.4
Fertilizers	0.1	0.1	0.3	0.2	0.3	0.3
<u>Manufactured goods</u> of which:	<u>12.4</u>	<u>12.6</u>	<u>15.4</u>	<u>19.1</u>	<u>20.2</u>	<u>23.6</u>
Textiles	3.3	3.4	4.4	4.8	5.2	6.3
Chemicals and Pharmaceuticals	0.9	1.0	1.4	1.3	1.8	2.1
Automobiles	2.0	2.8	2.6	4.0	3.5	4.5
Electrical equipment and apparatus	0.6	0.7	1.0	1.2	1.4	1.5
Machines	1.7	1.5	1.9	2.7	3.0	3.5

Source: Bulletin Mensuel de Statistique .

Table 10

Balance of Payments With
Non-Franc Area Countries 1960-1962
(in billion CFA francs)

	<u>1960/61</u> Oct. 1/Sept. 30	<u>1961</u>	<u>1961/62</u> Oct. 1/Sept. 30
A. <u>Current</u> (net)			
Goods and services	10.3	11.2	12.0
Donations	<u>0.7</u>	<u>0.7</u>	<u>1.7</u>
Total	11.0	11.9	13.7
B. <u>Capital</u> (net)	<u>0.5</u>	<u>0.3</u>	<u>0.4</u>
Total (A and B)	11.5	12.2	14.1

Source: Banque Centrale des Etas de l'Afrique de l'Ouest, 1962 Annual Report.

Table 11

Estimated External Debt Outstanding December 31, 1962
(in million U.S. \$ equivalent)

	<u>Amount</u>
<u>External Public Debt</u>	
1913-36 50-year bond issues of Ex-AOF (Ivory Coast 19.3%)	0.16
1954 20-year 4-1/2% IBRD loan to French Overseas Railways Admin- istration (Ivory Coast 47.65%)	1.35
1954 30-year 6% Caisse de dépôts et Consignations loan	0.52
1959-61 13-year 5% bond issue with French Insurance Companies	10.57
1962 5-year 6% Government of Israel loan	1.45
1962 40-year 1% debt with French FIDES, general section ^{1/} (to Ex-AOF, consolidated June 1962)	23.26
Debts with Caisse Centrale de Co- opération Economique	
FIDES, local section ^{1/}	1.48
Loans outside FIDES program	3.52
Loans to political subdivision; public or semi-public enter- prises; private sector with government guarantee	8.63
Other	<u>1.50</u>
Total	52.38
<u>External Private Debt with Exchange Guarantee</u>	<u>3.00</u>
<u>Total External Debt</u>	<u>55.38</u>

^{1/} The FIDES program consisted of a general section, financed by France, and a local section, financed by the territories, but in most cases pre-financed by advances from the C.C.C.E.

Source: Ministère des Finances des Affaires Economiques et du Plan:
Direction des Finances Extérieures.