

INSIDER VIEW

Côte d'Ivoire

MONDAY, JULY 15, 2002

Back on track and open for business

THE WEST AFRICAN nation of Côte d'Ivoire is among the world's largest producers of coffee and cocoa beans. Exports of these products have made it one of the most prosperous of the tropical African states—with 40 percent of its crop going to the American market.

In the late 1990s, however, the country was plunged into crisis when poor financial management and fraud prompted the international community to withdraw its support. Political and social unrest led to a military coup at the end of 1999—the first in Côte d'Ivoire's history. Business confidence was eroded, the price of coffee dropped, economic activity contracted and there was a marked decline in private investment.

Today, after a remarkably short period of time, the situation is rapidly returning to normal. Under President Laurent Gbagbo, the nation has a government committed to reform, in cooperation with the international donor organizations, and to fighting poverty.

President Gbagbo, whose election in October 2000 ended 10 months of military rule, says government policy is based on "ruling differently" and "re-foundation." He is particularly pleased with the progress made in resuming contacts and cooperation with the international community.

"Our early results have been acknowledged by all foreign partners," he says. "This is our first victory. All the links that had been cut because of bad gov-

NEW DIRECTION THE COMMITMENT OF LAURENT GBAGBO'S ADMINISTRATION TO REFORM AND GOOD GOVERNANCE HAS ENDED THE COUNTRY'S ISOLATION BY THE INTERNATIONAL COMMUNITY FOLLOWING THE SOCIO-POLITICAL CRISIS OF A FEW YEARS AGO. NOW THERE IS A DRIVE FOR SUSTAINABLE GROWTH



MARKET MINDED The government wants to create an environment in which private enterprise can flourish

ernance and the coup d'état are now being re-tied."

Prime Minister Pascal Affi N'Guessan describes the situation the government took over as one of "total instability."

"The army, the economy, the

social situation and security—the whole situation was catastrophic," he says. "A lot of people thought we wouldn't last more than two or three months, but we are still here and we have even engaged in

a reconciliation process. As far as the socio-political level is concerned, the situation has improved and we are heading towards complete stability."

At the end of March, the International Monetary Fund

resumed lending to Côte d'Ivoire, approving a \$365 million loan under the Poverty Reduction and Growth Facility (PRGF). The IMF said it was "encouraged by the government's demonstrated discipline in macroeconomic management and its commitment to implement structural reforms in a determined manner."

Minister of Economy and Finance Bohoun Bouabré adds: "There are no stumbling points in our discussions with our international partners today because we share the same approach on most questions. We have a common vision in the continuation of the liberalization of the economy."

The government's economic policy is focused on putting the nation back on the road to sustainable growth, reducing its dependence on external aid and improving the living conditions of its people.

It aims to achieve real GDP (gross domestic product) growth of 3 percent in 2002, increasing this to 5 percent in 2004. The target for inflation is about 3 percent with the external current account deficit narrowing to 1 percent of GDP by 2004. The growth projections are based on investment increasing significantly over the period, from

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FACTS & FIGURES

POPULATION

16.5 million

AREA

126,000 sq miles

CURRENCY

CFA franc (XOF)

EXCHANGE

699 CFA francs per
1 US\$

CAPITAL

Yamoussoukro is the official capital. Abidjan is the administrative and commercial center

GDP

\$10.4 billion (2000 est.)

NATURAL RESOURCES

Petroleum, natural gas, diamonds, manganese, iron ore, hydropower

INDUSTRY

Food processing, textiles

EXPORTS

Cocoa, coffee, tropical woods, petroleum, cotton, bananas, pineapples, palm oil, fish

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Côte d'Ivoire

The aim is to make life easier for investors

OPEN FOR BUSINESS WITH ONLY AROUND 1.5 PERCENT OF CÔTE D'IVOIRE'S FDI ORIGINATING IN THE UNITED STATES, AMERICAN FIRMS CAN EXPECT A WARM WELCOME AT THE COUNTRY'S INVESTMENT PROMOTION CENTER, CEPICI

ATTRACTING investors to Côte d'Ivoire is a top priority for the Ivorian government, which operates an Investment Promotion Center, Cepici, under the supervision of the Prime Minister's office. Cepici runs an information program about the economy, investment environment, prospects and incentives, as well as identifying and assisting investors.

Cepici's Managing Director, Godé Pierre Dagbo, acknowledges that work still has to be done to rebuild Côte d'Ivoire's international reputation in the wake of the political turmoil of the late 1990s. "That did have an impact on direct foreign investment," he says.

"We registered negative growth during that period. And from the restoration of a normal constitutional regime, after the elections of October 24, 2000, it was very important for Côte d'Ivoire to regain its position in the community of nations."

That rehabilitation process will culminate in an international investors' forum that is due to take place in Abidjan from November 13 to 15. In the meantime, Cepici is formulating a four-pronged approach. "The first consists of creating a target strategy for investors," explains Mr. Dagbo, "to show them clearly how they can invest in our country, as well as providing a support system for them."

The second element is to get various government departments to collaborate in creating new mechanisms for investment, such as free trade zones. The third is to simplify rules and regulations,



GODE DAGBO
Managing Director of Cepici

making it clearer what is authorized and what is not.

"Finally," says Mr. Dagbo, "we will reinforce the operational and human capabilities of our center, establishing a national observatory for private investment, as well as a business information center."

Already, a business information desk is operating at Abidjan airport. And Cepici acts as a one-stop shop, facilitating all the formalities required before the granting of advantages offered to investors under the country's new Investment Code. The first thing any foreign investor should do when he gets to Abidjan is to visit Cepici, Mr. Dagbo recommends.

"He should come to our office. We are here to make life easier for all investors and companies that have investments in our country. As part of our mission, we serve as an interface between the private and public sectors."

Though Côte d'Ivoire's business community has a good reputation compared with that of some other West African states, doing business there is not quite



GOING FOR GROWTH American investors will look closely at how successful Côte d'Ivoire is in reaching its annual growth target of 3 percent

the same as it would be in the U.S., hence the added value of Cepici's advice service to newcomers.

"It would be inappropriate to come to our office only when you see problems stemming from investments that have already been made," says Mr. Dagbo. "It is important to start by visiting our center, so we can clear and secure the field for you."

The U.S. currently accounts for only about 1.5 percent of foreign direct investment (FDI) in Côte d'Ivoire, a figure that Mr. Dagbo would like to see increase tenfold. "The U.S. is the biggest market,"

he says. "Whether one likes it or not, the world is America. We have to get Americans to invest more in our country, and we believe that is possible."

U.S. corporations and investment analysts will be watching closely to see how far the Ivorian government succeeds in meeting its annual economic growth target of three percent, as well as progress in an ongoing privatization program.

Though that program began well before the 1999 coup, it was seriously disturbed for a while by

political developments. Recently, the government submitted a proposal to the IMF that earmarks

no fewer than 13 companies for privatization by the end of this year. They include two banks, two textile companies, and several firms involved in the agricultural sector.

As Paul Agodio, Managing Director of Côte d'Ivoire's Privatization Committee explains, the government has received approval from the IMF and World Bank for its general approach to privatization,

which is paralleled by liberalization and the encouragement of competition.

"Such competition should help companies be more dynamic, and will also benefit customers regarding prices, quality and quantity of the service," he says.

Mr. Agodio expects the privatization process to be completed by the end of 2003. "Apart from the oil refinery, you can't find a single company in which the government still holds a majority of shares," he says. "Today, we can say privatization is behind us, and the big issue now is good governance."

No fewer than 13 companies are due to be privatized by the end of this year

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10 percent of GDP in 2001 to 15 percent.

Fiscal policy is being tightened to improve the government's financial position. Last year's "secure budget" is being followed by a "stabilization budget." All domestic and external debts are to be eliminated and government spending more tightly controlled. Collection of revenue is being improved by strengthening the tax and customs administrations, and by stepping up the fight against fraud and tax evasion.

Côte d'Ivoire was declared eligible for external debt relief under the IMF-World Bank Heavily Indebted Poor Countries (HIPC) Initiative in 1998, but the program was suspended because of the political crisis. The government will



LAURENT GBAGBO
President of Côte d'Ivoire

seek a rescheduling of all eligible debt from international creditors as soon as the country reaches the decision point under the enhanced HIPC Initiative, which according to the IMF could be in September.

The government is taking steps to withdraw from direct involvement in business—several major



PASCAL AFFI N'GUESSAN
Prime Minister

privatizations, including the oil refinery, are on the agenda (see *article above*)—and to create an environment in which private enterprise can flourish. The door is wide open to foreign investors.

"I am not a businessman and I have no intention of interfering with business," says President Gbagbo. "All I am



BOHOUN BOUABRE
Minister of Economy and Finance

concerned with is to allow businesses to become prosperous so they can create employment for the population."

He adds, "It is in our interest to have private investors come here. It will help us create employment and thus redistribute incomes. For the investor that has an interest in Africa,

there is no better place than Côte d'Ivoire. He who wants to invest and reach all of West Africa will find the ideal place through our country."

The President wants to see industry play an increasing role in the economy and diversification of exports to reduce dependency on cocoa and coffee.

"Côte d'Ivoire has been famous for its exports of primary agricultural products," he says. "Now we need to reach a new phase, the phase of industrialization, of external trade and services. We need to become a modern economy. When I leave office, I would like exports of industrial products to be exceeding exports of agricultural crops in the trade balance."

Reserves of natural gas and excess electricity generating capacity mean that Côte d'Ivoire

could become a significant regional energy supplier.

High on the government's agenda is the fight against poverty. A poverty reduction strategy paper (PRSP) is due to be finalized this month, which will focus on education, health, security and basic infrastructure.

Mr. Bouabré says: "Many years ago, the authorities in Côte d'Ivoire didn't want anyone to mention poverty. But poverty is here and with us everyday. It is our mission to find a solution to this problem."

A keystone in re-establishing socio-political stability was a national reconciliation conference last year, which successfully promoted dialogue between the main political parties. The government is also committed to decentralization and reform of the civil service.



SPDC HOTELS: CÔTE D'IVOIRE'S FINEST.

Economic and cultural powerhouse of West Africa, Côte d'Ivoire is without a doubt the ideal African destination for travelers on business or pleasure. Visitors can witness first hand the nation's myriad ethnic traditions, the fast-paced urban rhythms of Abidjan, the unique flora and fauna of the interior and the exotic local markets along the coast.

SPDC hotels serve as the perfect base from which to explore the many riches of Côte d'Ivoire. Elegant and modern, the five hotels epitomize the world-class service and discreet grace for which the country is famous.

Hotel Ivoire

Set on the picturesque shores of the Ebrié lagoon, this 750-room hotel boasts magnificent facilities for tourists and business professionals alike, including conference rooms for up to 2,000 and luxury sports and recreation areas.

Golf Hotel

A total of 306 air-conditioned rooms, as well as shops, laundry, valet and travel booking services make the Golf Hotel a perennial favorite among visitors to Abidjan.

Ivoire Golf Club

Just a short distance from the Golf Hotel, the Ivoire Golf Club is the perfect spot to tee off in West Africa. Challenging and scenic, the course offers 9- or 18-hole play.

Hotel President

In the nation's capital Yamoussoukro, the 284-room hotel's sophisticated conference facilities—and host of other services—can meet the needs of any business traveler.

Hotel de la Paix

Complete with luxury suites and bungalow-style accommodations, the Hotel de la Paix in Daoukro is renowned for its quality installations, including tennis, pool, and night club.

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Private sector is seen as playing an increasing role in economic growth

AS CÔTE D'IVOIRE emerges from the crisis of recent years, it is essential that it re-establishes an environment of trust and security to attract investment. Playing a central role in achieving this is Minister of Industry and Private Sector Promotion Alain Cocauthrey, who says his ministry aims "to meet the expectations of the private sector and of the people."

The ministry is tasked with ensuring the development of companies and the extension and diversification of industry through the establishment of small and medium-sized enterprises (SMEs).

"The leader of economic growth must progressively be the private sector rather than the public sector," says Mr. Cocauthrey. "We need to favor the business environment at the national level to enable external investors to come and benefit from everything we can offer here. We need to invest and establish businesses, so that little by little the private sector generates growth, instead of waiting for an increase of public investments."

The Minister, who comes from the private sector himself, admits there are still risks for investors that need to be minimized, but he emphasizes there are also opportunities. And he believes the message is getting through. Many investors who left Côte d'Ivoire for neighboring countries are coming back, he says.

One of the main obstacles hindering the development of small businesses is financing. "At present we are looking for models. We are discussing with the private sector itself to find reliable ways to bolster small business financing. The government is trying to take initiatives and we have found some systems that we are



ALAIN COCAUTHREY
Minister of Industry & Private Sector Promotion



GEORGES N'DIA COFFI
President of the Chamber of Commerce and Industry

trying to improve in collaboration with moneylenders and development partners."

Meanwhile, he points out that Côte d'Ivoire does have resources to attract investors. "We have appreciable human potential. We benefit from having skilled labor that will enable any company to establish itself here, with the possibility of using local people without having to import skilled workers from abroad.

"We have infrastructure that is favorable to business development—roads and harbors, with the possibility of free zones. We will give every possible opportunity to companies that would like to settle down here."

SMEs account for about 80 percent of Côte d'Ivoire's

businesses, yet they only contribute around 20 percent of GDP at present. They provide a similar level of employment.

Small and medium-sized enterprises are a particular focus of attention for Côte d'Ivoire Chamber of Commerce and Industry (CCI). "SMEs are destined to play a predominant role in the economic and social development of the country," says its President, Georges N'Dia Coffi, "because, as everyone knows, they guarantee essential production in so-called modern economies.

"As far as the Chamber of Commerce and Industry is concerned, we intend to invest in an ambitious strategy aimed at encouraging the emergence of a sector of vigorous and dynamic small and medium enterprises, as far as possible run by a larger number of Ivorian nationals."

The CCI, which is celebrating its tenth anniversary this year, sees itself as an important partner of government authorities, thereby contributing to the country's economic and social development.

As Mr. N'Dia Coffi puts it, "The Chamber should go along determinedly with and support the State's development activities in the interest of business and economic operators, who are the main creators of wealth."

He sees the Chamber as an intermediary body between the public and private sectors, with a duty to become a center of excellence that can serve the future needs of the economy. As part of that mission, the CCI organizes training courses for executives and aspirant entrepreneurs, in fields such as management skills, information technology and English language proficiency.

Moves to help small farmers grow big

ON LAND WITH COCOA PRICES IN DECLINE, THE LEADING SECTOR IN CÔTE D'IVOIRE'S ECONOMY NEEDS TO MODERNIZE AND DIVERSIFY. THE RURAL DEVELOPMENT AGENCY, ANADER, IS PROMOTING THE SPREAD OF BUSINESS-ORIENTED COOPERATIVES

AROUND two-thirds of Côte d'Ivoire's population are actively engaged in farming, forestry and fishing, which together account for more than one third of the country's GDP and two-thirds of its exports. Forty percent of the world's cocoa crop comes from Côte d'Ivoire, which is also a major exporter of coffee, palm oil, cotton, bananas, rubber, timber and tuna.

The government believes that increasing and diversifying exports is the way to drive up growth in the agricultural sector. Getting the sector back on its feet after several difficult years has posed numerous challenges. "Our main aim has been to restore confidence," says former Minister of Agriculture Alphonse Douati, "firstly among farmers here, then with our development partners overseas."

Liberalization of the coffee and cocoa sectors was completed in 1998 and 1999 with the help of the World Bank. The following year saw the setting up of the regulatory body ARCC and in 2001 a cocoa and coffee exchange, BCC, was opened, with a board comprising two-thirds farmers and one third exporters.

The government has successfully argued with the World Bank and the IMF that reforms in the coffee and cocoa sectors must temper liberalization with an awareness of the needs of small-scale growers. "That means rules that enable the peasant to predict his income, while at the same time allowing competition between different parties," Mr. Douati explains.

He is convinced that Côte d'Ivoire can capitalize on both the quality and the organic nature of much of its agricultural produce. "We've not reached the stage of genetic manipulation of crops," he says, "and that is an important consideration for certain consumers in countries like the United States."

Anader, the national rural development agency, is responsible for providing support for the country's agricultural producers. It passes on information and advice on how to maximize their productivity and the quality of their produce, and develops new areas of activity through crop development and the creation of new products. The agency also uses its expertise to assist investors in the sector.

Anader plays an important role in structuring the sector by promoting the development of cooperatives and associations of



QUALITY CROP Organic produce could prove an advantage



GUEDA BEHINAN
Managing Director of Anader

producers. "We would like farmers to integrate into dynamic and professional organizations—to build genuine agricultural companies," says Guede Behinan, Anader's Managing Director.

"We would like to think in terms of medium-sized farms rather than small farms. The smaller farmer would exist inside the farmed area but he would know it is a business and would therefore invest income in order to increase its efficiency. Everything would be done through viable cooperatives."

In effect, the agency helps the cooperatives to become agricultural companies, able to assist the farmers, market their products and satisfy their customers.

"The cooperatives should be able to provide services so that smaller farmers are able to produce better. They must be able to obtain good quality seeds and information about the market in which they can sell."

One way in which Anader contributes towards putting the cooperatives on a business footing is by helping them find professional people to run them.

"Not all the cooperatives have qualified personnel to manage them and we are in touch with institutes where there are managers coming from business schools and agronomists, so personnel can be recruited," says Mr. Behinan.

Outside funding for the agency's work is starting to flow again now that links with the international community are being re-established. The World Bank has agreed to give CFA francs 11 billion (\$16 million) this year for the purchase of materials, for infrastructure projects and to implement a modern IT network for communication between Anader and the cooperatives, while the European Union has agreed to contribute CFA francs 10 billion (\$14.5 million).

Anader has been entrusted with a prospective program for the modernization of agriculture. "This does not just mean mechanization, but effective use of fertilizers and biological products, soil and water," says Mr. Behinan. "The use of these products should take into consideration the protection of the environment."

Other issues the agency is dealing with include the search for new markets, the need to implement a reliable and cost-efficient buying process for entrants and the stocking of agricultural produce.

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AGOA eligibility brings hope and a warning

A NUMBER of Ivorian products can be found on the U.S. market, including chocolate blocks in Philadelphia, cocoa beans in Houston, cocoa paste in Buffalo, orchids in Miami and printed fabrics in New York City. Yet Côte d'Ivoire is only the eighth most important African trading partner for the United States. Ivorian commerce with the European Union (EU) is hugely more important.

However, that situation could change dramatically now that Côte d'Ivoire has become eligible for benefits under the U.S. Africa Growth and Opportunity Act (AGOA), following recent democratic reforms and the settlement of an outstanding legal dispute. Under AGOA provisions, the generalized series of preferences in trade with Africa have been extended by the U.S. from 1,700 to 7,000 products.

The textile sector is seen as offering special potential for Côte d'Ivoire. AGOA grants tax-free access to the U.S. market for textile products manufactured in Africa from threads produced in the U.S., as well as products manufactured in Africa with local prints, within certain limits. Experts believe some Ivorian textile companies may be able to double their production.

Former Minister of Agriculture Alphonse Douati believes the cotton trade should receive a particular boost. "We're going to encourage the production of organic cotton," he says. "Ivorian cotton, known as 'mambo', is a point of reference on the international market. Thanks to AGOA, we're going to capitalize on this quality to position ourselves in the U.S. market. Our strength will be the natural character and quality of the product."

An intense lobbying process took place last year to make sure Côte d'Ivoire got AGOA status. A dedicated USA Desk Office was opened at the Côte d'Ivoire Export Promotion Agency, APEX-CI, to argue the case, as well as to assist Ivorian firms to win a market position in the U.S. and to initiate joint ventures and business partnerships.

Gilbert Anoh, Managing Director of CIDT (Compagnie Ivoirienne pour le Développement des Textiles), qualifies his welcome for AGOA eligibility, however, with a forthright warning that African countries are being harmed by the U.S. policy of subsidizing its cotton farmers.

"The Ivorian textiles sector will not benefit from AGOA if it disappears because of the American subsidy. If we can't produce cotton and spin it, we won't be able to make clothes and sell them. This is the true reality," he says.

"Whatever the price of cotton is on the international market, the

OPEN DOOR TAX FREE ACCESS TO THE U.S. MARKET COULD MAKE A HUGE DIFFERENCE TO COTE D'IVOIRE'S TEXTILE INDUSTRY, BUT SUBSIDIES TO AMERICAN COTTON FARMERS STILL PUT AFRICAN PRODUCERS AT A DISADVANTAGE



AT THE FOREFRONT of the Ivorian cotton sector, CIDT is aiming to boost production and strengthen its role in community development programs

American farmer always gets a profit. Through this subsidy policy the U.S. wants to increase its share of the world market, but this seriously reduces other countries' share as they can't follow this pace.

"Even if we had the means to subsidize, the IMF and the World Bank would not allow us to do so, while on the other side rich countries subsidize both their economy and their agriculture. If the U.S. wants to fight poverty through the World Bank this kind of attitude needs to change."

Mr. Anoh says he can't predict a good future for Côte d'Ivoire's textiles sector unless the U.S. and Europe end their subsidy policies. "International prices are governed by the law of supply and demand,

If too much is produced, the market price won't be improved.

"Our farmers can't be expected to produce at a loss. There will come a time when they won't be able to produce because of the prices on the market, the economic recession, the overproduction, the increase in stocks and the American subsidy." Privatization of the remaining state-owned part of CIDT is scheduled to be completed this year. The buyer could be either a foreign investor or a cooperative of local producers.

Until the company's future has been decided, planning for the longer term has been put on hold. In the meantime, CIDT has been trying to boost cotton production on the farms. "We have been trying to increase production,



IN A SPIN Ivorian textiles companies could double output

according to our existing potential," says Mr. Anoh.

Traditionally, coffee and cocoa products have dominated Côte

d'Ivoire's exports, but APEX-CI is interested in developing other sectors. The exports agency's CEO, Guy M'Bengue, says, "Coffee and



GILBERT ANOH
Managing Director of CIDT

cocoa have their own specific circles, and to promote our industrialization it would be good to have an industrial base that can export. Given that our domestic market is small, in order to develop an industrial base, it's important to be sure of outlets for exports."


One of APEX-CI's priorities, therefore, is to promote non-traditional, processed products and above all, goods with a high added value. Another is to develop new foreign markets.

"Three-fourths of our exports, maybe more, go to the EU," Mr. M'Bengue says. "Our aim is to

Continues on page 6

More than

5



years

PORT OF ABIDJAN

CÔTE D'IVOIRE'S LINK TO THE USA

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Promoting non-traditional, high added-value products and seeking new markets

Continues from page 5

diversify, both regionally in West Africa, and towards developed countries outside Europe, like the United States and parts of Asia."

Mr. M'Bengue himself worked in the U.S. for a while, so he is familiar with the sort of demands a sophisticated market makes in terms of product specifications and marketing.

Created by the World Bank, APEX-CI is a joint venture partnership between the private sector and the government with businessmen taking the leading role. Its main objective is to provide business information to the commercial sector and to promote international trade.

The agency is following a strategy that involves both building up the expertise and capabilities of companies inside Côte d'Ivoire and the promotion of Ivorian products and services at international trade fairs, seminars and other events.

"We also work to enhance the commercial environment for exporters," Mr. M'Bengue says. "We take on board any complaints that come from exporters, repackaging them and present them to the government in such a way that the government is able to take decisions that will improve the export environment."

New infrastructure will open up under-developed areas

WHEN President Bush announced the opening of new credit lines to promote trade between the United States and Africa, Côte d'Ivoire quickly started identifying eligible sectors, with the aid of its specialist institution, the National Office for Technical Studies and Development, (BNETD).

"Our role will be to get Côte d'Ivoire ready for a number of projects that will absorb that aid, with the support of that part of the private sector that can best utilize it," says Director General, Houaoua Don Mello.

Working with the private sector is an important new dimension to BNETD's work, as until now the focus has been on advising the government and public companies. The main task has been to help the government identify viable large-scale infrastructure projects.

"We have several such projects underway," says Mr. Don Mello, "including the extension of Abidjan and San Pedro ports, and the Abidjan-Yamoussoukro Highway. We're currently studying the feasibility of a railway from San Pedro to Man."



WORKING FOR CHANGE Creation of a solid regional economic zone is a challenge for the future

Such schemes are potentially extremely important in opening up under-developed parts of the country.

"Man is in the west of Côte d'Ivoire in a zone that is reputed to be very rich in mineral resources, notably with very large iron and nickel reserves," says Mr. Don Mello. "The project to link Man and San Pedro will mean that this region will no longer be an enclave, and we can also establish a link with the Tai Park, the biggest of our national parks and home to amazing species."

BNETD has often had dealings with the IMF and World Bank and is proud of its track record regarding investment finance for large-scale projects.

"That is an important advantage," says the Director General. "In Africa, it is rare to have a multi-disciplinary set-up like ours, capable of overseeing infrastructure development, in terms of quality control, the time taken to complete, and keeping investment costs under control."

Training and research are central to BNETD's approach.

our capability and to facilitate an exchange of information."

BNETD is also acting as the national office for information technology, which it sees as opening up exciting new possibilities, not just for the domestic economy, but also for Côte d'Ivoire's role in regional initiatives. Regional cooperation is one of the great challenges of the future, in Mr. Don Mello's view.

"It is that which will enable us to bring about shared development," he says, "so we can create a fairly solid economic zone that will serve the different populations of the sub-region."

BNETD already cooperates closely with a similar institution in Senegal, and is building links with other countries including Guinea, Burkina Faso, Benin, Togo and Cameroon. "We are trying to multiply contacts in the sub-region, in order to create a framework for South-South cooperation," says Mr. Don Mello.

"That will mean we can devise common projects, such as the inter-connection of our electric grids, which would enable a sharing of Africa's different electricity sources."



Direction Générale des Douanes
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Mobiles lead as telecoms enters new era

LIBERALIZATION OF COTE D'IVOIRE'S TELECOMS SECTOR WILL BE COMPLETED IN 2004. MEANWHILE, THE NETWORK HAS BECOME MORE FLEXIBLE AND EXTENSIVE, AND MOBILE PHONE OPERATORS HAVE SEEN DEMAND, AND THEIR PROFITS, TAKE OFF

ALREADY the leader in the West African region, the Ivorian telecommunications network is expected to progress even more rapidly once the privatized state telecommunication company CI-Telecom loses its monopoly on fixed line services and international calls in less than two years.

A recent change in the country's telephone numbers from six digits to eight opened up the capacity of the sector, which was struggling to cope with demand. More than 100 million phone numbers became available—enough to provide for the next 50 years.

This has opened up a range of opportunities for the cellular phone operators and added-value services such as the internet, data compiling and public phone booths which had been held back by the shortage of numbers.

Before the digitalization plan was introduced, more than 70,000 people were on the waiting list for a telephone. This stimulated demand for mobile phones to

such an extent that in Côte d'Ivoire cellular phone subscribers outnumber fixed-line telephone subscribers.

At present, there are three cellular operators licensed by the national telecommunications regulator ATCI (Agence des Télécommunications de Côte d'Ivoire). The largest is SIM (Société Ivoirienne de Mobiles), the second largest is Telecel and the third, Comstar.

Managing Director of ATCI, Basile Gnon, says the socio-political crisis in Côte d'Ivoire has had no serious adverse effect on the forward momentum of the telecommunications sector.

"These events have had no negative impact. On the contrary, since it is through the telephone that people inform and are informed, it becomes an indispensable tool in the event of problems or troubles."

The cellular sector, he says,

has gotten off to an exceptional start. "It is a particularly dynamic sector. The profits of the operators have increased and they have asked us to grant them another pair of frequencies to enable them to widen their network."

For five years, the cellular companies were not required to pay for their licenses. Despite resistance from the operators, the government recently decided that this had to change.

"The more the sector grows, the better we understand it and understand the necessity of a law to regulate it," says Mr. Gnon.

"For five years, apart from a few expenses, nothing was demanded, but the licenses were only temporary. Nowhere was it written that they were free of charge. Now, to have a definitive license, the operators have to pay. The government has let them function for five years—enough to make

There are more subscribers for cellular phones than for fixed lines



IN TOUCH Regulator ATCI has sought comments from operators



BASILE GNON
Managing Director of ATCI

of the equity (49%) being held by the government.

In advance of the company losing its monopoly in two years' time, ATCI has been seeking comments both from current and potential operators on "the establishment and exploitation of mobile and fixed public networks."

Says Mr. Gnon, "After the appeal for comments, decisions will be taken by the government on the scope of licenses and how they are to be acquired, on whether we have two or three competitors for the fixed telephones. These things will be established by the government and made known to everyone."

profits and to enable them to pay."

The change has clarified the situation, he says. "It finally defines the cost of different licenses. This will allow anyone who wishes to join the market to know the cost of whatever license he is aiming at."

The operators are not officially required to cover the whole country. At present coverage includes the Abidjan area, Bassam, Assini, San Pedro, Gagnoa, Yamoussoukro, Bouaké, Daloa, Korhogo and Daoukro. However, Mr. Gnon says that the company judged to have covered the whole territory the best could be rewarded with benefits for its contribution towards national development.

The fixed line company, CI-Telecom, was partially privatized in 1997, with France Cable & Radio as the major strategic partner (51%) and the remainder



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From energy importer to power provider

LEADING LIGHT COTE D'IVOIRE'S ELECTRICITY SECTOR HAS AMBITIOUS PLANS TO BROADEN ITS EXPORTS TO THE REGION AND BECOME AFRICA'S TOP SELLER

ONCE A NET IMPORTER of electricity, Côte d'Ivoire has become the leading provider in the region, exporting energy to its neighbors.

"We are renowned as the leading country in the electricity sector, but we must build on this," says Valentin Kouamé, Managing Director of Sopie (Société d'Opération Ivoirienne d'Electricité). "Our ambition is to impose ourselves as the leader in the sale of electricity in Africa."

Côte d'Ivoire provides energy to Ghana, Benin, Togo, the south of Mali and Burkina Faso. "We are planning to extend these services to Guinea," says Mr. Kouamé. "Why not to Liberia as well? Once these relationships are fully established, we will go to Senegal or Mauritania."

At the regional level, Côte d'Ivoire is a leading advocate of the vision of a West African Power Pool (WAPP), a plan to harmonize electricity transmission, generation and regulation throughout the sub-region, adopted by the energy ministers of ECOWAS (Economic Community of West African States).

"We take initiatives towards ECOWAS and the UEMOA (West African Monetary Union)," says Mr. Kouamé, "and position ourselves as the leading operator in the transportation, sales and purchase of electricity."

Sopie is one of the three new institutions created when the government reorganized the electricity sector in 1998-99 with the assistance of the World Bank. The others are Anare (Autorité Nationale de Régulation du secteur de l'Electricité) and Sogepe (Société de Gestion du Patrimoine du secteur de



VALENTIN KOUAME
Managing Director of Sopie

l'Electricité). Largest of the three in terms of staff, Sopie is responsible for the planning of the electricity network and investment in the sector.

Electricity generation, transmission and distribution in Côte d'Ivoire is the responsibility of the parastatal utility Compagnie Ivoirienne d'Electricité (CIE), which was privatized in 1990. The commissioning of Phase I of the Azito Power Plant in 1999 was seen as model for future private infrastructure investment in the region. Phase III is to be triggered by demand growth and is seen by

some officials as providing an opportunity to increase electricity exports.

Demand for electricity in Côte d'Ivoire has been increasing by around twice the rate of real GDP growth since the 1994 devaluation—CIE has more than doubled its customers since then—but the impact of the recent crisis on the sector has been considerable.

"We have been facing a sharp decrease of electricity consumption," says Mr. Kouamé. "The sector depends on its own resources and the crisis produced a slowing down of our activity at the level of the projects we have initiated."



TURNED ON Abidjan, the commercial center, accounts for around 60 percent of total national electricity consumption

He is, however, much more optimistic about the future for both the national economy in general and the electricity sector in particular now that links with the international community are being re-established.

"At the level of transportation and distribution, we have some huge projects—especially to cover the eastern area of Côte d'Ivoire. We have similar projects in the western area and others to back up growth in Abidjan, which accounts for about 60 percent of the total national electricity consumption."

Electrification of rural areas is an ongoing project that needs to be given high priority in Côte d'Ivoire. About 100 villages a year have been connected to the national grid since 1995, but financial limitations have stood in the way of a more extensive program and thousands of others remain without electricity.

"We must set up a rural devel-

opment policy to back up the growth," says Mr. Kouamé. "We are planning a great rural electrification program and we have some ready-made projects to submit to the World Bank."

The obstacle to be overcome, however, remains that of funding. "The average cost for the electri-

fication of a village is 100 million CFA francs (\$145,000). This is too expensive. Our objective is to connect 200 villages per year, which means an annual cost of about 20 billion CFA francs (\$29 million). It's certainly too much for the sector to provide by itself."

He hopes for support from

international backers such as the World Bank. "This is an under-developed country and we are talking about long-term development. If the resources are not sufficient to develop rural areas, we must look for other types of resources with cheaper costs in order to meet our requirements."

Electrification of rural areas needs to be sped up, but funds are lacking

Getting back on the level

AN IMPORTANT aspect of the restructuring of the electricity sector was the creation of an independent body to manage the sector's finances.

"We are totally independent," says Jeanne-Chantal Bouedy, Managing Director of Sogepe (Société de Gestion du Patrimoine du secteur de l'Electricité). "The funds of the sector are also independent and are not controlled by the government."

If Sopie, the institution responsible for the planning of the electricity network, wants to implement any investments, the expenditure needs to be agreed by Sogepe. "One of our missions is to look for funds. Sopie builds the projects and we look for the funds after the evaluation," says Ms. Bouedy.

She says the sector suffered a year of "disarray" between 2000 and 2001, partly due to what was happening within the country and partly to external factors—the rate of the dollar and the price of oil.

"We went through a 30 percent increase in cost from 1999 to 2000. This used up all the sector's money," she says. "As the growth of the country's economy was affected by the socio-



JEANNE-CHANTAL BOUEDY
Managing Director of Sogepe

political situation, the finances of the sector were also affected. We had some on-going projects that were stopped by the international financial backers.

"We faced real difficulties but we didn't twiddle our fingers. We created some new products to maintain the growth. Our solution to the problem was to make new investments in the suburbs where people have needs for electricity."

"We also had some outstanding debts and we met with the private operators to see how we could restructure them. Then we reduced costs. I think the year 2001 saw the real recovery of the electricity sector. We agreed to a price increase of

10 percent and it allowed the sector to catch its breath."

Sorting out the debts owed to the electricity sector is also being dealt with. Ms. Bouedy believes it will take until 2003 before the sector's finances are back on the level.

"Ghana owes us \$55 million," she says. "They are trying to set up some financing means and they need our help. We are going to intervene on the financing methods and see how to find a way for the reimbursement."

"The government also owed an enormous amount—60 billion CFA francs (\$87 million)—but they made a big effort last year to pay the arrears and they will do the same this year."

Despite recent difficulties, Ms. Bouedy highlights the need for rural electrification to continue and of the need for outside help to support it.

"Côte d'Ivoire is an important country in the region and needs to be electrified," she says. "We can't develop the country by staying in Abidjan. These areas can bring something to the country. Investment in rural electrification will benefit the economy. We need to find funding from somewhere."

A Shining Light in West Africa.

To reach its goals, SOGEPE works to protect state assets and manage public investments and debts to ensure the electricity sector's financial stability. SOGEPE invites foreign partners to use their expertise and capital to make the sector a driving force of growth in Côte d'Ivoire.

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Congress puts the nation in the spotlight

STAMP OF APPROVAL THE ATTENTION OF THE WORLD'S POSTAL INDUSTRY WILL FOCUS ON COTE D'IVOIRE WHEN DECISION-MAKERS GATHER THERE IN 2004

COTE D'IVOIRE will become a showcase to the world when it hosts the 23rd Congress of the Universal Postal Union (UPU) in 2004. This honor was bestowed on the country at the last UPU Congress in Beijing in 1999, shortly before the military coup d'état in Abidjan. Since then, there has been a strong determination on the part of everyone concerned to make sure the event goes ahead as planned.

In a sense, it will mark Côte d'Ivoire's return to full, international respectability. As host, it will automatically hold the presidency of the UPU for five years.

It will also be the first time the UPU Congress has been held in sub-Saharan Africa—hence the Congress' motto: 'Africa Invites You, Côte d'Ivoire Is Waiting for You!'. Moreover, a number of African countries, notably Tunisia, are helping to ensure preparations go smoothly. China has been sharing its experiences from Beijing,

and a French technical advisor is working alongside the Congress' organizing commission.

Louis-Blaise Aka Brou, the Congress Commissioner, spent two-and-a-half months in Washington learning how the U.S. handled the 1989 Congress there. Certainly, the scale of the event is challenging. The UPU—the specialized agency of the United Nations dealing with international postal relations—currently has 189 member states and there are likely to be more than 2,500 delegates attending.

The Congress will be based at the Hotel Ivoire. "There are going to have to be all sorts of alterations there, so the Congress can proceed in the best conditions," Mr. Aka Brou says.

At this stage, he envisages three important issues at the Congress. Firstly, there will be security, in the wake of the U.S. anthrax scares and other recent developments. Secondly, there is the challenge of



LOUIS-BLAISE AKA BROU
Commissioner General of the
23rd UPU Congress

maintaining the principle of universal postal deliveries in a more competitive environment. "We have post offices in parts of the interior that don't handle more than 50 letters a year," Mr. Aka Brou says. Thirdly, there will be discussions about internal reforms within the UPU, to meet the needs of the 21st century.

Côte d'Ivoire's own postal service is going through a major overhaul, to make it a worthy host.



AN IVOIRIAN holds the first stamp launched to promote the 23rd UPU Congress—to be held in 2004—outside the main post office in Abidjan

"I think the Ivoirian government has made the necessary commitment to make sure the national postal service is up to the event," Mr. Aka Brou affirms. "Côte d'Ivoire has a

postal network that is far more extensive than that of many other countries, but it has known some difficulties. So there are questions of motivation and mentalities that

need changing, as well as the matter of updating post offices, modernizing equipment and putting

Continues on page 10



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Continues from page 9



SEBASTIEN ZEHİ
Managing Director of La Poste

information technology into place."

The man in charge of the country's postal services, Managing Director Sebastien Zehi, says increasing the number of post offices is a top priority. "Today, we have 180 post offices for 16.5 million inhabitants, of which 29 are in Abidjan, which is home to three million people," he says. "That is clearly insufficient."

The aim is to almost double the number and lengthen their hours. "Moreover, we need to improve the quality of service," he argues, "installing the most appropriate technology possible."

Mr. Zehi believes that strategic partnerships with foreign companies may evolve. Several Ivorian post offices already offer Western Union money transfer facilities. And future deals with parcel firms and courier services such as DHL are on the cards.

Getting customers there at an affordable price

FOR MORE THAN 40 years, public transportation in Abidjan has been provided by a single operator, Sotra. It is a mixed economy company, with the Ivorian government owning just over 60 percent of the equity, with the rest in the hands of Iris Bus, part of the French Renault group.

Sotra's main business is buses. It operates around 65 urban routes and a dozen express services. It also offers a waterbus service on Abidjan's lagoon. The company is a significant employer, with almost 4,500 personnel on its payroll. There was talk of cutting that back by a third, as an economy measure, which would certainly have provoked union unrest. But Sotra's Managing Director, Philippe Attey, successfully pressed for an increase in the number of vehicles instead.

Mr. Attey is a trained accountant who worked for Shell International before becoming a specialist in company financial restructuring in various countries in West Africa, including Senegal, Niger and Cameroon. In the two years since he has been at Sotra's helm, he has faced some difficult challenges.



ON THE BUSES Sotra operates 65 urban routes and a dozen express services, plus a waterbus service

Some were results of civil and political unrest. During riots in December 2000, five of Sotra's buses were set on fire, and a further 27 suffered damage. As the company's official press dossier states with startling honesty, Sotra is developing in a socially difficult environment, even hostile at times.

Nonetheless people value the service provided, and Mr. Attey recognizes how important it is to keep it accessible price-wise. "The social strata covered by this transportation are poor, so they have no means to pay the true transportation cost," he says.

"There is a discrepancy between the means to pay, and the real operational costs. Either the government agrees to pay a subsidy, or else it has to accept real-cost prices."

The dilemma is made more troubling by the fact that the government does not have large amounts of cash available for subsidies, so Mr. Attey spends a great deal of time trying to balance the books. One cost-cutting measure has been to buy second-hand buses when the fleet needs expanding or replacing. Poor road conditions in some

areas mean that some of the vehicles succumb to fatigue.

Under the circumstances, it is not surprising that Abidjan cannot contemplate the sort of integrated mass rapid transit system to which a comparable city in Europe or North America might aspire. However, there are plans for some developments, notably in the waterbus service. Nine of the ten districts of Abidjan border the lagoon, making it an attractive alternative to land-based routes.

"We want to increase the number of our boats from 19 to 50," Mr. Attey says. "Boats are



PHILIPPE ATTEY
Managing Director of Sotra

expensive, but if we make them ourselves, we will save 50 percent of the price. We also want to develop tourism on the lagoon."

Mr. Attey would like to see a second transportation company operating in greater Abidjan. Only that way, he believes, can enough buses be brought into service to meet demand. At the same time, with the approval of the World Bank, both the company and the Ivorian government are looking at the possibility of strategic partners from the private sector.

"They could be some of the big suppliers of things like gas, spare parts or tires," Mr. Attey says, "or transportation operators, who could sell their technological know-how to us."



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Abidjan expands to meet growing demand

PORT OF CALL A PROGRAM OF MODERNIZATION WITH FOREIGN PARTNERS—INCLUDING THE ABILITY TO HOST A NEW GENERATION OF SUPER CONTAINERS—IS DESIGNED TO INCREASE HANDLING CAPACITY AT ABIDJAN PORT. THE AUTHORITIES WOULD LIKE TO SEE A RISE IN THE U.S. SHARE OF THE TRADE THAT PASSES THROUGH

AS EARLY AS the 15th century, European sailors began trading along the coast of what is now Côte d'Ivoire. Ever since, commerce with the outside world has been an essential element of the region's prosperity. By far the most important gateway for such trade over the past half century has been Abidjan Port, which currently handles about 17 million tons of merchandise annually.

Opened in February 1951 by the then French Minister for Overseas Territories, François Mitterrand (later President of France), Abidjan Port has kept abreast of technical developments in port services to ensure that it retains the dominant position it enjoys in West Africa. Its importance reaches way beyond the borders of Côte d'Ivoire, as it handles significant quantities of transit trade for landlocked neighbors including Burkina Faso, Mali and Niger. The rail link between Abidjan and the Burkina Faso capital, Ouagadougou, has been an important contributing factor in making that possible.

The port also acts as a regional hub serving other countries along the West African coast, thereby giving them a link to European and North American markets.

Abidjan Port boasts four miles of quays, several of which are specifically designed to handle products such as petroleum, phosphates, fertilizers, fruit and vegetables. "Moreover, as far as infrastructure is concerned, we have very modern equipment," comments the port's Managing Director, Marcel Gossio. This is not just a matter of gantries and cranes, but also of well-trained labor. "We are able to handle 60 vessels at one time," Mr. Gossio adds.

However, a few years ago, it became obvious that the capacity of Abidjan Port would have to be increased to meet future demand and to stave off competition from possible rivals.

"Regarding container terminals, it has become very important to press ahead with extensions," says the Minister of Economic Infrastructures, Patrick Achi. "Not only for Abidjan Port, but also for San Pedro Port, which is the main outlet for our coffee and cocoa products."

As part of the modernization and expansion program, the container terminal at Abidjan is slated for privatization and a deal has been reached with an Anglo-Dutch consortium to extend the port. Fortunately, the availability of land is not a problem. The decision to



REGIONAL HUB Abidjan serves other countries along the West African coast, linking them to markets in Europe and North America

seek foreign, private sector partners for this development is in keeping with the Côte d'Ivoire's free market philosophy. "People don't often realize that after Britain, Côte d'Ivoire has been one of the first countries in the world to privatize so much and to hand over the running of public infrastructure to private concerns," Mr. Achi says.

Marcel Gossio hopes that Abidjan's future ability to host a new generation of super-container ships will mean that the port will be handling at least 20 million tons

of goods annually by 2005. He would also like to see the U.S. share of that trade rise considerably. Currently, the U.S. is in fourth place as far as the port's trading partners are concerned, behind Nigeria, France and the Netherlands, but it accounts for only six percent of total traffic.

Moreover, as Mr. Gossio laments, "as far as investment goes, the United States shows very little interest in Africa. This is

a general observation, for which the port is no exception, regarding American policy in international trade."

Mr. Gossio points out that African companies are very interested in American technology, so would like to see more U.S. involvement. "As far as investments are concerned, in my country we are doing all we can, but it is America that has to take the first step," he says.

President Bush's recent decision

to include Côte d'Ivoire as a beneficiary under the AGOA agreement will create new openings for entering the U.S. market and increase export traffic. However, as Mr. Gossio acknowledges, other problems have to be overcome, such as the unacceptable level of incidence of fraud and other irregular practices at the port, whose security also needs to be enhanced.

Important as ports are, they cannot function in isolation, which means that an efficient transport infrastructure is required in the hinterland. "For the first 20 years



PATRICK ACHI
Minister of Economic Infrastructures



MARCEL GOSSIO
Managing Director of Port D'Abidjan

or so of Côte d'Ivoire's independence, the country made an enormous effort as far as building roads and so on was concerned," says Patrick Achi. "Today, there are about 37,000 miles of road, of which about 10 percent are paved."

However, the condition of some roads has seriously deteriorated since the mid-1980s, mainly because of a lack of funds for maintenance, and some infrastructure development projects remain incomplete.

"One of our greatest challenges is to get such infrastructure up to scratch," Mr. Achi says. "Moreover, the highway between Abidjan and Yamoussoukro stops halfway, so we have to get the other half of that done."

Funds are needed for road maintenance and infrastructure development projects

Customs reforms and lottery revenue boost budget

WHEN Colonel Gnamien Konan took over as Managing Director of the Customs administration in May 2001 he found it in a sorry state. The administration was failing, with a deficit of 13 billion CFA francs (\$18.8 million).

Mr. Konan moved into action, developing a plan, getting it approved by the government and the IMF and bringing some rigorous military discipline to bear. Within eight months, the operation had been turned

around. It posted a record 50 billion CFA francs (\$72.5 million) profit, a total of 552 billion CFA francs (\$801 million)—well in excess of the targeted 502 billion CFA francs (\$728 million) and more than 40 percent of the nation's budget.

It is an extraordinary achievement, but Mr. Konan is not about to sit back on his laurels. He believes customs income can make an even greater contribution to state finances.

"Personally, I consider these results an inducement," he says. "We still have a lot of important tasks to be achieved, but the fact that we did this in eight months, with no additional contribution from the government, leads us to be optimistic for the future."

He speaks frankly about one of the biggest obstacles he faces in reaching his goal—fraud.

"My objective is to fight strongly against fraud. Fraud is not good for us or for anyone

else," he says. "It brings misery, and misery can bring chaos. If taxes and customs duties are paid as they should be, the misery will roll back and the country will be more stable."

"We are moving slowly but resolutely. Within two years it is my ambition to reach 700 billion CFA francs (\$1 million). That is an acceptable level. Once I get that amount I will have won the fight."

A computer science special-

ist, he looks to technology to provide the answer. "We want a modern customs administration," he says. Customs officers are to be granted military status.

"This will bring the same advantages to customs agents as the military and the police have," says Mr. Konan. "In addition, it will also solve the problem of discipline. Senegal has

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already made use of this solution and it worked there."

Mr. Konan is critical of the attitude of the developed nations towards African economies. "Underdeveloped countries rely on their fiscal and customs incomes," he says.

"Globalization and liberalization have an enormous cost for us. They are concepts that suit developed countries, as they request us to suppress all customs barriers. But in our countries we cannot take such a kind of decision without thinking of the consequences to our budget."

In addition to tax revenue, a substantial contribution to Côte d'Ivoire's national budget is provided by Lonaci, the national lottery. Armed with the slogan 'Wealth for the Players, Benefits for the Community!' Lonaci, has been contributing to the country's development for over 30 years, while at the same time offering a growing range of gaming products.

Originally just providing a regular lottery draw, Lonaci now runs bingo and scratch-card games, among other options, and is moving into on-line gambling.

A renovation program of sales outlets is underway, as gradually the little lottery ticket booths that can be seen in city streets are being replaced by more substantial structures, equipped with electricity and telephones.

A proportion of the money raised from sales goes to help the government's fight against poverty.

"We're currently thinking of launching a program of bringing drinking water to the north-east of Côte d'Ivoire," says Lonaci's CEO, Ernest Zabo, "because it has been noticed that there are recurring outbreaks of disease in that region, and the main reason is a lack of clean water."

From safaris to the golf course

VACATION LOCATION THE HOTELS OF COTE D'IVOIRE ARE GEARING UP TO PROVIDE MORE THAN JUST COMFORTABLE ACCOMMODATION FOR THEIR VISITORS. BUT FOREIGN MONEY AND LOCAL BUSINESS INTEREST IS NEEDED TO GET THE COUNTRY INTO THE TRAVEL BROCHURES



ON THE BEACH Natural attractions and ethnic culture are strong selling points for promoting tourism in this relatively unexplored West African country

BLESSED WITH a diverse climate, vegetation and scenery, beautiful beaches and their rich cultural traditions of more than 60 ethnic groups, Côte d'Ivoire has much to offer foreign tourists.

"Our traditional values and resources have been kept intact," says Camille Kouassi, Managing Director of the Côte d'Ivoire Agency for Tourism and the Hotel Trade, OITH. "The combination of culture and nature is at the forefront of our thinking in offering complete tours, including park visits and safaris."

Yet Côte d'Ivoire figures in few travel company brochures, outside of France and some other European countries. "The real problem today is that we are not known by tour operators," says Michel Guede Zadi, Managing Director of the SPDC group of hotels, comprising the Hôtel Ivoire, the Golf

Hôtel, Ivoire Golf Club and the Hôtel President. "Recognition is our greatest weakness."

Both the government and companies working in the hospitality business are determined to change that situation. "There is a need to create new tourist products," says Mr. Kouassi, "and to diversify them by improving the hotel infrastructure and the quality of services."

Côte d'Ivoire does have a number of five-star hotels offering the level of service the discerning international traveller requires. But some of these hotels date back to the 1960s. Moreover, in Mr. Guede Zadi's opinion, hotels need to take into account the communications-oriented attitude of many travellers these days and their demand for more than just luxury accommodation.

The flagship of the SPDC portfolio is the Hôtel Ivoire in Abidjan, which in recent years has been operated in a management partnership with Inter-Continental. As Mr. Guede Zadi outlines, the hotel is set to undergo a transformation in response to changing client taste. "These days, tourists are opting for less and less for palatial hotels," he says. "Rather, they are looking to get away from everything and, above all, to go to hotels where there is lots to do in the vicinity."

He continues, "We are going to upgrade the Hôtel Ivoire by offering different types of product. The Tower will remain a five-star hotel, but we'll make a four-star hotel out of the main building. Behind that, we'll build hotel suites or 'office hotels' for business executives."

The hotel industry suffered badly from the economic and political crisis. Occupancy rates fell to as low as 10 percent in some cases. In response, the SPDC group has been paying more attention to the domestic market, includ-

ing targeting expatriate workers based in Côte d'Ivoire who can use their weekends or other holidays to get to know the country better.

In the case of Sofitel, in Abidjan, the management has been concentrating on building up its catering trade. "At a time of crisis, one has to do everything to boost tourism in the local market," Sofitel's Managing Director Daniel Lin explains. "The joker we had to play was the reputation we already had regarding the quality of our restaurants. The only investments I made in 2001 were in the kitchen!"

Sofitel offers an off-site gourmet catering service to businesses, embassies and even the state presidency. "But what are really missing are international seminars," Mr. Lin admits. "During good years in the past, exhibitions and conferences were the icing on the cake for us. But we haven't seen anything like that since 1999."

Sofitel is better placed than some others to benefit from the hoped-



MICHEL GUEDE ZADI
Managing Director of SPDC



DANIEL LIN Managing Director of Sofitel

for recovery in business later this year or in 2003, as it had already started modernizing its facilities back in 1997. "We also created what we call the Espace Sofitel, which enables us to cater for cocktail parties of up to 500 people and dinners for 300," he says.

The SPDC group, meanwhile, is planning to move into golf tourism, which is huge business in many parts of the world but has been little developed in West Africa. "At the Ivoire Golf Club we have a clubhouse where we'll try out adding hotel rooms," says Michel Guede Zadi. "At least a hundred rooms. From then on, we'll be able to promote golf and slot ourselves into the international golfing circuit."

To achieve its potential, tourism in Côte d'Ivoire will need both foreign money and a new sense of commitment by local businessmen, according to Camille Kouassi of the Côte d'Ivoire Agency for Tourism and the Hotel Trade.

"Foreign investors account for the biggest share in tourism investment," he says. "The tourism sector in Côte d'Ivoire is quite new and is often considered an imported industry, so only a limited number of local businessmen have shown interest in the hotel trade and travel agencies."

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