

# COTE D'IVOIRE

## TRADE SUMMARY

The U.S. trade deficit with Cote d'Ivoire was \$387 million in 2003, an increase of \$87 million from the \$300 million deficit in 2002. U.S. goods exports to Cote d'Ivoire in 2003 were \$103 million, up 35 percent from the previous year. U.S. imports were \$490 million, mostly cocoa beans and wood products, up 30 percent. Cote d'Ivoire is currently the 114<sup>th</sup> largest export market for U.S. goods. The stock of U.S. foreign direct investment (FDI) in Cote d'Ivoire in 2002 was \$183 million, up from \$137 million in 2001.

## IMPORT POLICIES

Cote d'Ivoire is a member of the WTO, the West African Economic and Monetary Union (known by its French acronym, UEMOA), and the Economic Community of West African States (ECOWAS). In January 2000, Cote d'Ivoire eliminated tariffs on imports from the eight member-countries of UEMOA when UEMOA's Common External Tariff entered into effect. Imports from all other countries are subject to duty and tariffs based on the Common External Tariff Schedule of five percent on raw materials and inputs for local manufacture, 10 percent for semi-finished goods, and 20 percent for finished products. Additionally, a one percent statistical fee is levied on the CIF (customs, insurance, freight) value except those destined for re-export, transit, or donations for humanitarian purposes under international agreements. Other taxes on imports into Cote d'Ivoire are a one percent ECOWAS community levy (solidarity tax) of the CIF value of imported goods. There are special taxes on fish (20 percent), rice (between 5 and 10 percent based on category), alcohol, tobacco, cigarettes, certain textile products, and petroleum products. These special taxes are designed to protect national industries. The Customs office collects a value-added tax (VAT) of 18 percent on all imports, reduced from 20 percent in 2003. This tax computation includes the CIF value added to the duty and the statistical fee.

Cote d'Ivoire reportedly continues to apply minimum import prices (MIPs) to imports of certain products. Although it had a WTO waiver at one point allowing it to apply MIPs for some products, Cote d'Ivoire continued to apply MIPs after the waiver's expiration in January 2003, including to imports of products never covered by the waiver.

There are no quotas on merchandise imports, although the following items are subject to import prohibitions, restrictions, or prior authorization: petroleum products, animal products, live plants, seeds, arms/munitions, plastic bags, distilling equipment, pornography, saccharin, narcotics, explosives, illicit drugs, and toxic waste.

## STANDARDS, TESTING, LABELING AND CERTIFICATION

All items imported into Cote d'Ivoire must have a certificate of compliance to clear customs. Two European companies are contracted to carry out all qualitative and quantitative verifications of goods imported into Cote d'Ivoire equal to or higher than CFA 1.5 million (approximately \$2,800). All merchandise packaging must be clearly labeled as to its origin. Manufactured food products must be labeled in French and have an expiration date. Standards generally follow the French or European norm.

## GOVERNMENT PROCUREMENT

The government of Cote d'Ivoire regularly and periodically issues notices of procurement tenders in the local press, in the form of documentation sent to the U.S. Embassy, or sometimes published in international magazines and newspapers. The implementing agency is usually the ministry making the request or the ministry under whose tutelage the office functions. The Bureau National d'Etudes Technique et Developpement (BNETD), the government's technical planning agency and think tank,

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sometimes serves as an executing agency representing ministries for major projects to be financed by the World Bank or the African Development Bank. On occasion, there is a charge for the bidding documents.

The government has created a centralized office of public bids in the Finance Ministry to help ensure compliance with international bidding practices. While theoretically the procurement process is open, some well-entrenched French companies, through their relations with government officials, may on occasion retain preferred position in securing bid awards.

### SERVICES BARRIERS

Banks and insurance companies are subject to licensing requirements, but there are no restrictions on foreign ownership or establishment of subsidiaries. Foreign participation in computer services, education, and training currently is widespread. Prior approval, however, is required for foreign investment in the health sector, travel agencies, law, and accounting firms, and majority foreign ownership of companies in these sectors is not permitted. Foreign companies currently operate successfully in all these sectors. Three U.S. accounting firms and one U.S. bank currently have branches in Cote d'Ivoire.

### INVESTMENT BARRIERS

Cote d'Ivoire places no limits on foreign investment but does set limits on some sectors in which majority ownership must be Ivoirian. The government actively encourages foreign investment through mergers, privatizations and acquisitions, management concessions, or new start-ups. In recent years, however, political stability has become a big issue weighing on business and investor confidence. The negative effects of the 1999 coup d'etat, the ensuing 10-month military rule, and the upheavals surrounding the elections in October 2001 had not dissipated when another attempted coup and rebellion gripped the nation in September 2002. Ongoing attempts at national reconciliation, while showing progress, have been slow and protracted.

### INTELLECTUAL PROPERTY RIGHTS (IPR) PROTECTION

The Ivoirian Civil Code protects the acquisition and disposition of intellectual property rights. Legal protection for intellectual property may fall short of TRIPS standards. Cote d'Ivoire is a party to the Paris Convention, its 1958 revision, and the 1977 Bangui Agreement covering 16 Francophone African countries in the African Intellectual Property Organization (OAPI). Effective February 2002, changes were made to the Bangui Accords in an effort to bring them into conformity with TRIPS. Under OAPI, rights registered in one member country are valid for other member states. Patents are valid for ten years, with the possibility of two five-year extensions. Trademarks are valid for ten years and are renewable indefinitely. Copyrights are valid for 50 years.

In 2001, Ivoirian experts drafted a new law in an effort to bring Cote d'Ivoire into conformity with TRIPS. The new law adds specific protection for computer programs, databases, and authors' rights with regard to rented films and videos. The National Assembly has not yet approved this legislation.

The government's Office of Industrial Property is charged with ensuring the protection of patents, trademarks, industrial designs, and commercial names. The office faces an array of challenges, including resource allocation, political will, and the distraction of the ongoing political crisis. As a result, enforcement of IPR is largely ineffective. Foreign companies, especially from east and south Asia, flood the Ivoirian market with all types of counterfeit goods. Government efforts to combat piracy are modest. The Ivoirian Office of Author's Rights (BURIDA), established in 1998, recently established a new sticker system to enter into effect in January 2004 to protect phonograph, video, literary and artistic property rights in music and computer programs. BURIDA's operations remain hampered by a long-running

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dispute over policy and who should direct the agency, but the agency does help to promote IPR enforcement with lawyers and magistrates.

### **ELECTRONIC COMMERCE**

Electronic commerce is in its very early stages in Cote d'Ivoire but is expected to grow over time. There are a number of cultural barriers to growth, including the custom of paying with cash and the absence of widespread issuance and use of credit cards. However, a few individuals and small businesses have begun experimenting with electronic commerce, and interest in the medium continues to gain ground.

### **OTHER BARRIERS**

#### **Corruption**

Many U.S. companies view corruption as an obstacle to investment in Cote d'Ivoire. Corruption has the greatest impact on judicial proceedings, contract awards, customs, and tax issues. It is common for judges open to financial influence to distort the merits of a case. Corruption and the recent political crisis have affected the Ivoirian government's ability to attract and maintain foreign investment. Some U.S. investors have raised specific concerns about the rule of law and the government's ability to provide equal protection under the law.

There is no specific legal provision for the arbitration of investment disputes, although in 1989 the Supreme Court upheld the use of arbitration. Cote d'Ivoire is a member of the International Center for the Settlement of Investment Disputes.