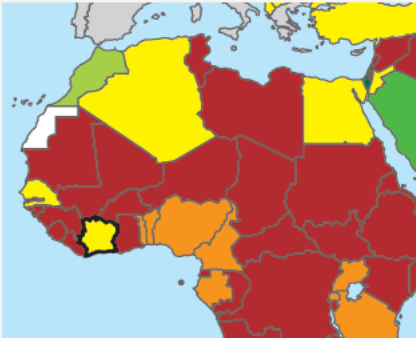
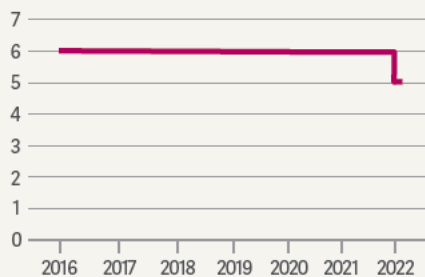


Basic facts (2021)

Population: 28 million
 GDP, nominal: USD 70,1 billion
 GDP/capita: USD 2 534



The country risk categories are arranged on a scale from 0 to 7. The lower the figure, the better the country's creditworthiness

Country classification history

Source: EKN

Strengths

- + Stable growth
- + Relatively strong macroeconomy
- + WAEMU anchors government finances and currency.

Weaknesses

- Unresolved domestic political conflicts raise risk of political instability
- Commodity-based economy exposed to price/climate changes.
- Relatively weak business climate.

Stable macroeconomy, elevated political risk

Côte d'Ivoire's economy is still undergoing rapid transformation, as it has since the end of its civil war in spring 2011. Over the past decade, the economy has grown by an average of just over seven per cent per year, which has enabled the build-up of relatively stable government finances. Côte d'Ivoire is a member of the West African Economic and Monetary Union (WAEMU) in which the currency is pegged to the euro and guaranteed by France. The currency zone contributes to macroeconomic stability in the form of low rates of inflation, relatively small movements in currency exchange rates, and reduced transfer risk both within the zone as well as against hard currencies. WAEMU also allows the central government to borrow in CFA on the regional capital market, which reduces the refinancing risk compared to if only the domestic market had been available. The growth is largely natural resource-driven in the form of agriculture, gold mining and oil extraction, albeit an emerging food and textile industry is also contributing. The large agricultural sector and its long coastline make Côte d'Ivoire one of the most vulnerable countries in the world in terms of the present risks with climate change. Furthermore, the natural resource-based economy is sensitive to fluctuations in the prices of cocoa, coffee and oil on the global markets. Cocoa accounts for nearly 40 per cent of the country's exports.

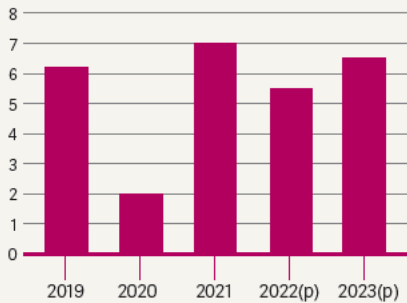
The greatest risk is found in domestic politics. The recent history of Côte d'Ivoire has been marred by a deadly spiral of political conflicts and the country remains severely divided. The civil wars of 2000-2007 and 2010-2011 severely battered the economy and led to several sovereign defaults, most recently in 2011. Extensive military unrest occurred in both 2014 and 2017. President Alassane Ouattara has ruled Côte d'Ivoire since 2010 and is now in his third term, which is controversial, as the country's Constitution only allows for two terms. Ouattara initially did not intend to run for a third term in the 2020 elections but reversed himself after the sudden death of his intended successor Gon Coulibaly in August 2020.

Continued resilience in the economy

The economy continues to show resilience to negative external factors. During the COVID-19 crisis, growth fell to a maximum of two per cent in 2020 and has shown further strength since. Over the next two years, the economy is expected to grow at 6-7 per cent per year. Stable gold and cocoa prices have supported growth during the crisis years and will continue to contribute positively going forward. Inflation will rise above five per cent in 2022, but from a regional perspective remains low thanks to the WAEMU, which is slowing down price increases. A degree of domestic oil production is restraining energy costs, even though Côte d'Ivoire is a net oil importer. Relatively strong government finances benefit Côte d'Ivoire, which has managed to keep fiscal deficits below 6% during the crisis years and public debt/GDP just above 50 per cent. Unlike neighbouring Ghana, the cost of its debt service is moderate. Just over 13 per cent of government revenue goes to servicing the public debt. The composition of the debt is favourable, with a significant share of concessional loans in the total stock. More than half of the public external debt is denominated in the euro, which reduces the exchange rate risk as the CFA is pegged to the euro. The stability of government finances and relatively good external liquidity mean that Côte d'Ivoire still has the possibility to refinance Eurobonds, although the

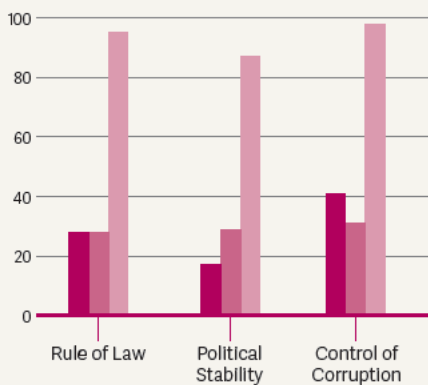
Ivory Coast

Real GDP growth (constant prices, % per annum)



Source: IMFWEQ, Macrobond

Business environment



■ Ivory Coast
■ Sub-Saharan Africa
■ Sweden

Ranking from 0 (worst) to 100 (best)

Source: The World Bank, Macrobond

Swedish export to Ivory Coast

Year	MSEK
2021	284
2020	244
2019	243
2018	192
2017	362

Source: SCB

EKN:s exposure

Category	MSEK
Guarantees	1 712
Offers	3 200

Ministry of Economy and Finance chose to postpone the sale of new bonds until at least to 2022 due to the high cost of financing. Côte d'Ivoire is one of the countries in Africa where the risk margins on its outstanding Eurobonds are currently below 500 basis points, compared to Ghana's risk margins of more than 4,000 basis points, for example. WAEMU's common foreign exchange reserves are equivalent to more than five months of import cover.

Côte d'Ivoire's domestic politics have been stable for some years, but the underlying political conflicts have not disappeared. The main antagonists during the civil wars – Ouattara, Gbagbo and Bédié – are still active participants in politics and the ethnic divisions within the country are clearly visible. None of the three has pledged to stay out of politics in the 2025 presidential elections, although Ouattara is likely instead to appoint a successor ahead of the elections, possibly the current Prime Minister, Patrick Achi. High levels of poverty and low levels of development in the country as a whole add to the risks of social unrest. Côte d'Ivoire is also threatened by violence from Islamist groups gaining ground in neighbouring Burkina Faso, which potentially could destabilise the country. However, compared to ten years ago, political divisions within the country have diminished. Some political reforms have been implemented and over the past decade, the country's institutions have improved considerably. In the summer of 2022, Ouattara, Gbagbo and Bédié met in an attempt by the President to strengthen political stability in the country. Ouattara is likely to try to outmanoeuvre Gbagbo and Bédié in time for the 2025 elections, either by imposing constitutional barriers or by making overtures. This would reduce the risk of renewed political violence. The three may be on their way out of politics due to their old age, which would reduce the risk of political conflict. Ouattara is 80, Gbagbo 77 and Bédié 88. As regards the external threat, attacks by Islamist groups have been relatively few and on a small scale. The government has increased its military presence in the north of the country and is investing resources to strengthen access to food supply in vulnerable areas. Despite the obvious risk of setbacks, the main scenario is that Côte d'Ivoire remains relatively politically and economically stable over the next 3 to 5 years. In October 2022, EKN upgraded Côte d'Ivoire to country risk category 5. The outlook for the country's credit risk is stable.

Business environment

Strong growth, low level of inflation and a stable currency provides the basis for a relatively favourable business environment in Côte d'Ivoire. High growth is central to the country's stability, making government policies relatively business friendly. An extensive bureaucracy and a complex tax system are weaknesses. The level of corruption in the country remains at relatively high levels – Côte d'Ivoire is ranked 105th out of 180 in Transparency International's 2021 Corruption Perceptions Index, significantly worse than Ghana and Senegal, for example, which are ranked 73rd. The high level of corruption affects the legal system, which is generally weak. Thus, engaging in civil litigation can be time-consuming and outcomes are very uncertain, as is also the case with bankruptcy proceedings.

EKN's policy

EKN applies normal risk assessment for sovereign risks, as well as for banks and

Ivory Coast

commercial enterprises. Thus, there are no pre-defined requirements in the cover policy regarding the provision of guarantees to these categories of buyers. As in most African countries, EKN is off cover with regard to public risks other than the sovereign. In transactions with these types of buyers, a letter of credit, bank guarantee or government guarantee is a mandatory requirement.

EKN:s commitment and experience

EKN's exposure consists primarily of sovereign risks in the form of a contract for buses in the amount of approximately SEK 2.3 billion and a water treatment project of approximately SEK 2 billion. In addition to water treatment and transport, the EKN has exposure in the mining sector, the paper industry, and the telecom industry. In general, the payment experience has been good. Areas in payment and claims are commercial and spread among a handful of exporters. The largest claim (roughly SEK 20 million) relates to three transactions with a company in the transport industry, entered into in 2017 - 2018.