

Credit Rating Note
September 2016

Category of values	Rating scale	Currency	Current rating	Previous rating	Outlook
Long-term	Local currency	CFA	A-	N/A	Stable
Short-term	Local currency	CFA	A2	N/A	Stable

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Basic financial data

	2011	2012	2013	2014	2015
Actual GDP (billion CFA)	12112.7	13677.3	15445.8	16890.9	18774.5
GDP per capita at current price (thousand CFA)	576.3	634.5	686.0	731.5	792.7
Growth rate (%)	-4.2	10.1	9.3	8.5	9.2
Inflation (%)	4.9	1.3	2.6	0.4	1.2
Investment rate (%GDP)	8.9	12.8	17.0	18.7	20.1
Credit to the economy (% GDP)	16.9	16.8	18.3	20.4	23.7
Tax revenues (%GDP)	12.3	16.2	15.6	15.2	15.7
Foreign debt (%GDP)	48.8	28.2	25.6	28.2	22.6
Budget balance excl. grants (%GDP)	-4.3	-3.8	-3.5	-4.0	-4.4

Introduction

Cote d'Ivoire is a member of the West African Economic and Monetary Union (WAEMU).

It is bordered to the north by Burkina Faso and Mali, to the west by Guinea and Liberia, to the east by Ghana and to the south by the Atlantic Ocean and has a surface area of 322,462 km².

Justification of the rating and outlooks
Long-term:

High credit quality. Protection factors are good. However, risk factors are more variable and more significant in times of economic pressure.

Short-term:

There is good assurance of timely repayment. Liquidity factors and key sovereign elements are

sound. Although current financing requirements seem to increase to the total financing requirement, access to the capital market is good. Risk factors are minor.

Key performance factors

The rating is based on the following positive factors:

- Social indicators are on the rise;
- The banking and financial market is dynamic;
- The institutional framework for debt management has been reformed and this should ensure an active management of debt and cash flow;
- Tax revenues are on the rise and can cover budget estimates;
- Public investments are made in accordance with the strategy adopted;
- Good capacity of the government to make reforms, particularly as regards the improvement of the business environment;
- Debt is rising but remains sustainable.

Below are the major rating factors regarded as negative:

- Poverty rate is in decline but remains high, reflecting an unequal distribution of wealth;
- The political environment is peaceful but remains fragile;
- Revenues are absorbed by the debt service and the rising salary mass;
- Resilience to external shocks needs to be strengthened.