Final Report

ASSESSMENT STUDY ON THE IMPACT OF AFRICAN CONTINENTAL FREE TRADE AREA (AfCFTA) AGREEMENT ON THE ECONOMY OF CÔTE D'IVOIRE

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ACRONYMS AND ABBREVIATIONS

AGOA: Africa Growth Opportunity Act

EPA: Economic Partnership Agreement

IEPA: Interim Economic Partnership Agreement

BAU: Business As Usual

ECOWAS: Economic Community of West African States

CGECI: General Confederation of Enterprises in Côte d'Ivoire
(*Confédération Générale des Entreprises de Côte d'Ivoire)*

DGD: General Directorate of Customs
(Direction Générale de la Douane)

FNISCI: National Federation of Industry and Services of Côte d'Ivoire
(Fédération Nationale des Industries et Services de Côte d'Ivoire)

FOPAO: Federation of West African Employers' Organisations
(Federation of West African Employers' Organisations)

INS: National Institute of Statistics
(Institut National de la Statistique)

SAM: Social Accounting Matrix

CGE Model: Computable General Equilibrium Model

WTO: World Trade Organization

GDP: Gross Domestic Product

LDC: Least Developed Country

NDP: National Development Plan

GSP: Generalized System of Preference

TEE: Overall Economic Table
(Tableau Economique d'Ensemble)

IOT: Input-Output Table

EU: European Union

UEMOA: West African Economic and Monetary Union

UGECI: Union des Grandes Entreprises Industrielles de Côte d'Ivoire
(Union des Grandes Entreprises Industrielles de Côte d'Ivoire)

USA: United State of America

AfCFTA: African Continental Free Trade Area

EXECUTIVE SUMMARY

The Agreement establishing the African Continental Free Trade Area (AfCFTA) was signed in Kigali, Rwanda on 21 March 2018 by the Heads of State and Government of Africa. This historic act created one of the largest Free Trade Areas in the world, with an area covering 55 countries and connecting 1.2 billion people. The trade exchanges that will be generated by the AfCFTA will most certainly have a major impact on the economic development of the African continent. This will notably include increasing and strengthening intra-African trade, as well as promoting both intra and external African investment.

As a process that will ultimately liberalize duties on 97% of tariff lines in African countries, of which 7% over a period of 10 years for all countries except for the Least Developed Countries (LDCs), the AfCFTA represents a strong opportunity for developing economies such as Côte d'Ivoire.

Côte d'Ivoire is a country that certainly has many strong points (the largest economy in the UEMOA region, strong experience in regional integration processes, high economic growth rate since 2012, committed to coherent structural and institutional reforms, etc.) that will allow it to benefit from the implementation of this Free Trade Area, but it also has some weaknesses to address (high level of poverty, high level of corruption, low gender equality index, high frequency of political social unrest since 1999, etc.).

While the AfCFTA presents a clear win-win opportunity, it is important to assess the efforts required and to identify the opportunities. Thus, in order to better evaluate these efforts and to better identify the opportunities offered by the AfCFTA for Côte d'Ivoire, it seemed necessary to analyze the impact of its implementation on the Ivorian economy, making sure to disaggregate the rest of the world and to put a special focus on the participation of women and youth.

In order to achieve these objectives, our analysis combined three analytical tools: a statistical analysis of trade between Côte d'Ivoire and the rest of the world, a survey of the major actors in the Ivorian economy and an impact assessment using a Computable General Equilibrium model.

In our statistical analysis of Côte d'Ivoire's foreign trade over the period 2015-2021, we not only studies its main partners for import and export, but we also analyzed their composition and main trends.

In our survey, we focused on the main actors in the Ivorian economy, seeking to highlight the opportunities expected from the implementation of the AfCFTA. This includes the opportunities for the Ivorian economy as a whole, and those specifically applicable to women and youth in Côte d'Ivoire, and the specific conditions for each category to benefit.

To assess the impact of the AfCFTA on Côte d'Ivoire's economy, we first disaggregated the "Rest of the World" section of its 2015 Social Accounting Matrix. We then proceeded to adapt the CGE model to our case. Finally, we simulated the effects of the implementation of the AfCFTA on Côte d'Ivoire's economy based on three scenarios: 1) unilateral, total and immediate liberalisation, 2) unilateral, total, progressive and proportional liberalisation over a period of five years, and 3) immediate and total liberalisation, but with an increase in Ivorian exports to other African countries.

A statistical analysis of trade exchanges shows that Côte d'Ivoire has a structurally positive trade balance. Ivorian exports are dominated by unprocessed primary products. Côte d'Ivoire's imports are dominated by consumer goods, with food products accounting for more than 40% of the total. Côte d'Ivoire's main trading partner is still the European Union, even though the latter's weight has weakened over time. However, if the other UEMOA countries constitute the third destination of Ivorian products after the EU and the other non-African partners except the USA and China, In terms of imports, China is the third. It also appears that trade between Côte d'Ivoire and the USA remains low compared to the potential that exist. Within ECOWAS region, Côte d'Ivoire is a net importer. Finally, the Covid-19 pandemic appears to have affected trade in Côte d'Ivoire to a relatively lesser extent compared to other countries in West Africa, Africa as a whole and the world.

The opinion survey revealed that the main expectations for the implementation of the AfCFTA in terms of opportunities for the Ivorian economy as a whole are respectively, access to new markets, diversification of trade partners and development of its exports. In short, what is sought are opportunities resulting from an increased outgoing trade. For women, the main opportunities expected from the implementation of the AfCFTA are the development of women's trade and their businesses with other African countries and the creation of new business activities. For the youth, the main opportunity expected from the implementation of the AfCFTA is the development of their trade or businesses with other African countries.

An assessment of the effects of the AfCFTA on the Ivorian economy using a CGE model shows that, overall, the implementation of the AfCFTA is beneficial to the Ivorian economy, but especially when the opening of (or access to) domestic markets is reciprocal. Indeed, while the net impact of the implementation of the AfCFTA, according to the scenarios of immediate and progressive unilateral liberalisation, is negative in terms of GDP variation, this impact is positive under the third scenario (immediate liberalisation with access to the markets of other African countries). Moreover, while the implementation of the AfCFTA leads to revenue losses for the government under the first two scenarios, it leads to increased revenue for the government under the third scenario.

On the basis of the results of our analyses and simulations, recommendations are made to ensure that Côte d'Ivoire fully benefits from the implementation of the AfCFTA. These recommendations were separated into two categories: general recommendation and those specific to women and youth. The general recommendations mainly revolve around the effective implementation of the national strategy for the promotion of exports and the integration of Côte d'Ivoire in the world economy, the AGOA strategy and the effective implementation of the national AfCFTA plan. They also include the creation of conditions for the development of a dynamic cooperation between companies (VSB, SME and Large companies) along the global value chains via policies for subcontracting, outsourcing and local content, etc. and facilitating travel between African countries (eliminating the need for visa or reducing the requirements to obtain them).

With regard to women, in addition to providing capacity-building and helping them to better structure their activities, providing them with socio-economic infrastructure such as day care centers, hospitals and maternity wards at the various borders would increase their participation in intra-African trade. Similarly, the organization of trade fairs, forums and business exhibitions for women would have a beneficial effect.

For youth, in addition to capacity building in business management and trade relations, providing technical and financial support for the development of their entrepreneurial activities, the creation of an e-commerce platform. Similarly, our recommendations highlight the organization of trade fairs, forums and business exhibitions for young people.

Going even further, the results of our simulations based on a CGE model can be improved by taking into account the nature of the businesses (exporters or importers), the gender of the Managing Director (MD) or owner (male or female) and the age of the MD or owner. These improvements are conditional and depend on the availability of statistics from the Financial Data Bank tracking these distinctions.

1 INTRODUCTION

The Agreement establishing the African Continental Free Trade Area (AfCFTA) was signed in Kigali, Rwanda on 21 March 2018 by the Heads of State and Government of Africa. This historic act created one of the largest Free Trade Areas in the world, with an area covering 54 countries and connecting 1.2 billion people. The trade exchanges that will be generated by the AfCFTA will most certainly have a major impact on the economic development of the African continent. This will notably include increasing and strengthening intra-African trade, as well as promoting both intra and external African investment.

The AfCFTA, in accordance with the Agreement, proposes a gradual scheme for the liberalisation of trade, taking into account the nature of the goods and their relative contribution to the country's economy as well as the level of development of each country. Thus, it has been decided that, for the time being, 90% of tariff lines are to be liberalized. This concerns "non-sensitive" products. The products classified as "sensitive" cover 7% of tariff lines and will be liberalized after an adjustment period that should not exceed 10 years (13 years for the Least Developed Countries or LDCs). The remaining 3% of products will not be liberalized and will continue to benefit from the protection scheme defined by each country. It goes without saying that such a liberalisation of trade throughout Africa represents clear opportunities, especially for developing countries such as Côte d'Ivoire, which are pursuing a profound structural transformation in order to become emerging countries.

In order to take advantage of these opportunities, Côte d'Ivoire has considerable strengths it can build on. These strengths include a sustained economic growth since the end of the political-military crisis in 2011, a comparative advantage on a number of products (agricultural and non-agricultural) whose exploitation can make it a relatively diversified economy on the African continent, etc., as well as a national strategy for the implementation of the AfCFTA with an action plan.

Côte d'Ivoire, in fact, has shown a strong macroeconomic performance since the end of the post-electoral crisis in 2011.The largest economy in the West African Economic and Monetary Union (UEMOA), accounting for 36% of its GDP in 2016[1] , Côte d'Ivoire is the main economic driver[2] among these countries. Moreover, the average annual GDP growth rate of Côte d'Ivoire was 8.6% over the 2012-2018 period, making the Ivorian economy dynamic and solid overall, even though the annual GDP growth rate was 7.4% in 2018 and around 7.5% in 2019 according to IMF forecasts, but 2.4% in 2020 due to the coronavirus pandemic.

We could also cite the large number of reforms that have been undertaken by the country in various economic and social areas since 2012. These reforms led to the establishment of two National Development Programmes (NDP): NDP 2012-2015 and

[1] UEMOA Commission, *Report on Multilateral Surveillance* ***(Rapport sur la surveillance multilatérale)*** (www.uemoa.int).
[2] EPC-ANNEX Côte D'Ivoire. WT/TPR/S/362/Rev.1 - Côte d'Ivoire

NDP 2016-2020. A third programme is currently being implemented, PND 2021-2025.

Making full use of the strengths requires not only good identification and planning but also a good assessment of the impact of the preferential trade opportunities offered by the AfCFTA in terms of partnership with other regions of the world, the volume of trade with its African peers, the promotion of women and youth, economic growth, and the content of its trade depending on the destination or origin.

It is with this in mind that the UNDP, as a technical and financial partner of Côte d'Ivoire, decided to have an in-depth study carried-out on qualities that Côte d'Ivoire has in terms of commercial trade, as well as in the opportunities if women and young people are present.

This study has two main objectives. Firstly, to conduct an impact assessment of the implementation of the AfCFTA within different scenarios. Secondly, to conduct a political economy analysis of the implementation of the AFCFTA with the gender concept (women and youth) as a basis.

Thus, this study has several specific objectives.

For the impact assessment of the AfCFTA, these are are as follows:

Analyse the structure of the existing Social Accounting Matrix (SAM) for Côte d'Ivoire, in particular its "Rest of the World" section to identify the degree of disaggregation;

Disaggregate the “Rest of the World” section into 5 blocks of partners, namely: AfCFTA, EU, China, USA and Rest of the World in order to apply a more refined computable general equilibrium model;

On the basis of this new SAM, assess the impact of the implementation of the AfCFTA on the main aggregates of Côte d'Ivoire according to two main scenarios, total and unilateral liberalisation on the one hand and progressive and annually proportional liberalisation on the other;

Identify strategic sectors for Côte d'Ivoire;

In the future, establish the summary of these agreements and their impact on the balance of trade in the future.

The political economy analysis of the implementation of the AfCFTA for Côte d'Ivoire will be broken down as follows:

Highlight the main challenges (competitiveness, legislation, etc.) to be addressed in order to better benefit from the AfCFTA agreements;

Indicate the best way for women and young people to have greater ownership and benefit from the content of the agreements.

To achieve these objectives, the methodology developed with the UNDP team combines three main tools: statistical analysis, field surveys and the application of computable general equilibrium models.

In particular and firstly, as part of the statistical analyses, a description of Côte d'Ivoire trade patterns was made from which lessons were drawn for the implementation of the AfCFTA.

Secondly, an analysis of the Social Accounting Matrix (SAM) of the Computable General Equilibrium Model (CGEM) was carried out in order to adapt it by disaggregating the "Rest of the World" section into seven blocks of trading partners. The impact of two alternative scenarios on the economy of Côte d'Ivoire was simulated on the basis of the adapted SAM. The first scenario advocates a policy of liberalisation through the unilateral and immediate removal of trade barriers between African countries. A second scenario based on a policy of liberalisation by progressive and proportional removal of customs barriers over a period of five years.

The results of these two tools were reinforced and compared with those of an opinion survey carried with key actors of the economy and trade in Côte d'Ivoire.

The present report is divided into five (5) parts, not counting the introduction. In the second part, we present the socio-economic and commercial characteristics of Côte d'Ivoire through a statistical analysis of cross-cutting indicators. In the third part, we analyse the SAM of the existing CGE Model of Côte d'Ivoire, adapt it by disaggregating the "Rest of the World" section, and present the structure of our new SAM while explaining the hypotheses underlying our CGE Model. In the fourth part, we present and analyse the results of the application of the CGE Model through the two scenarios retained. The fifth part allows us to draw the conclusion of our study and to make recommendations.

2 Socio-economic and trade characteristics of Côte d'Ivoire

Côte d'Ivoire, one of the first African states to sign and ratify the AfCFTA, has a mixed and contrasting economic, social, trade and institutional profile. A sustained growth trajectory and economic stability are countered by an increasing debt burden and a deterioration in the quality of institutions as measured by corruption. The poverty level is still very high, as are inequalities, especially gender inequalities. Community leadership, synonymous mature institutions in charge of economic integration in the sub-region, is an asset in the perspective of the AfCFTA. While the country's trade basket is undergoing structural change, both in terms of products and partners, the relatively low level of

African countries in its trade portfolio offers interesting prospects with the dis mantling of barriers foreseen under the Agreement and the parallel process of trade facilitation through the improvement of both physical and intangible infrastructure.

2.1 Macroeconomic framework : some indicators

Please find below some statistical data to summarise the macroeconomic situation of Côte d'Ivoire from 2015 to 2020

Table 1 Selected macroeconomic indicators for Côte d'Ivoire over the period 2015-2020

Indicators	2015	2016	2017	2018	2019	2020
Gross Fixed Capital Formation (in current US dollars)	10839176559	10322899412	10380531216	11463865557	12356200130	13764764813
Gini index (World Bank estimate)	41.50	..	..	..	..	..
GDP per capita (in current US dollars)	1972.55	2013.38	2111.03	2314.05	2276.33	2325.72
Growth rate (Annual %)	7.19	7.18	7.36	6.89	6.23	1.96
GDP (in current US dollars)	45814637971.47	47964234560.05	51588158717.53	58011466450.86	58539424929.72	61348579465.10
Access to electricity (% of population)	62.60	64.30	65.60	67.17	68.55	..
Total population	23226148	23822726	24437475	25069226	25716554	26378275
Proportion of seats held by women in the national assembly (%)	9.16	9.16	10.59	10.59	10.98	11.37
Total unemployment (% of total labour force) (ILO estimate)	3.15	2.60	3.27	3.29	3.32	3.49

Source: World Development Indicators

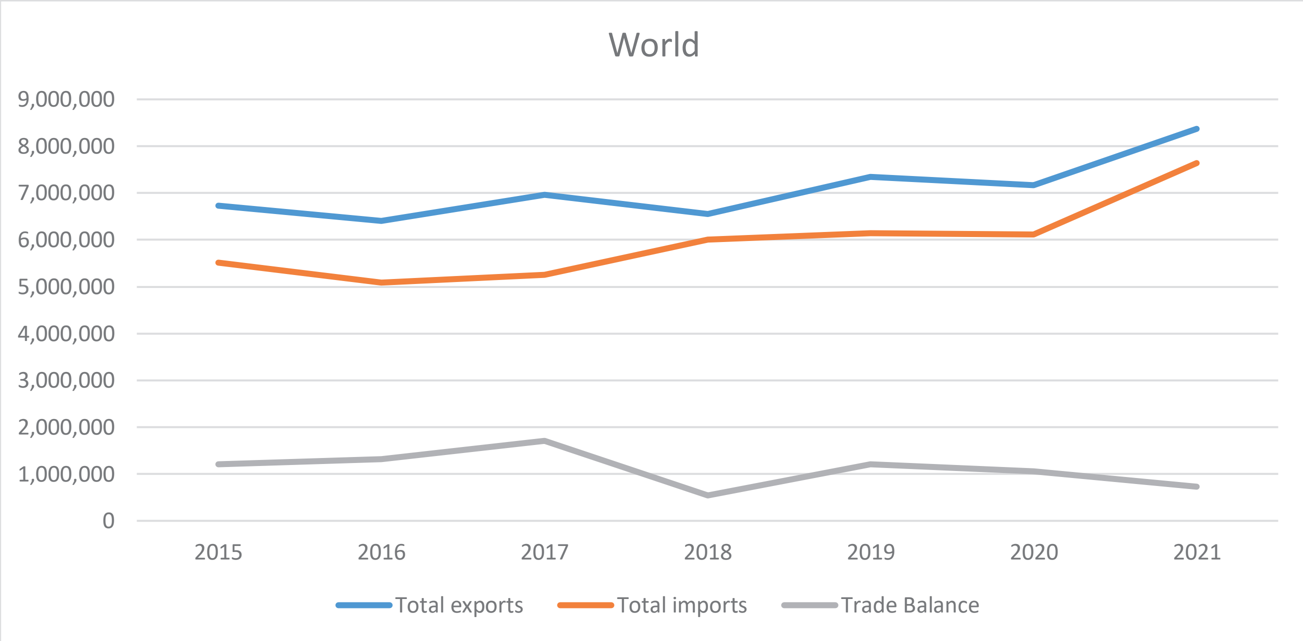
2.2 Trade structure

1. General

Figure 1 seen below shows the evolution of exports, imports and the trade balance of Côte d'Ivoire over the period 2015-2021. Exports and imports grow throughout this period, with a parallel evolution, with exports always dominating. The trade balance is therefore positive from year to year, reflecting a persistence that could be described as structural. The trade balance of Côte d'Ivoire thus appears structurally positive; this is the case in fact, since its trade balance has only been negative since independence in 1994.

The COVID-19 pandemic, of which the 1st case was reported in Côte d'Ivoire on 11 March 2020, does not seem to have challenged this strong trend in Côte d'Ivoire's external trade relations. ‘

Figure 1 Evolution of exports, imports and the trade balance of Côte d'Ivoire over the period 2015-2021



Sources: DGD data and authors' calculations

2. Exports

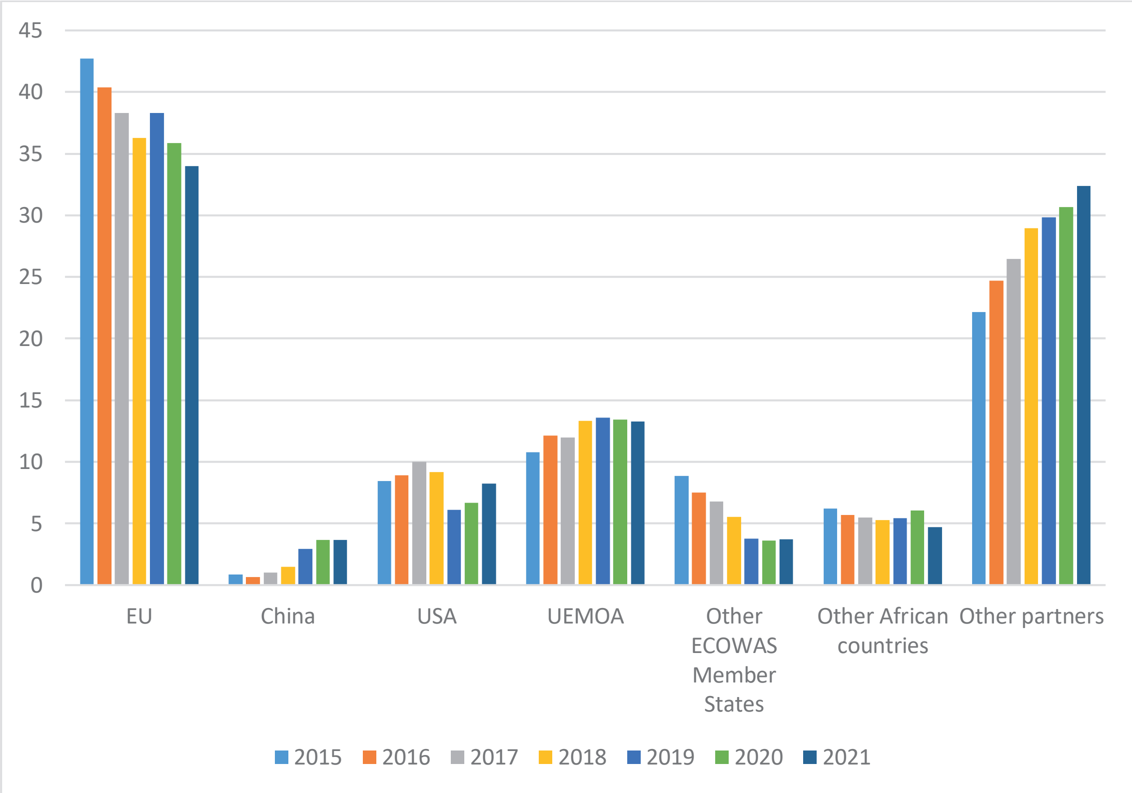
We will make a general presentation and then a presentation under its main sections.

2.1. Overview

The distribution of destination countries for Ivorian exports is quite striking, as shown in Figure 2 below. The European Union is the main destination of Ivorian exports, well ahead of the UEMOA, the United States of America, other African countries, other ECOWAS countries and China.

Côte d'Ivoire maintains a certain diversity of partner countries, as indicated by the section of other partners, which is the second most important destination zone for Ivorian exports. The diversification of trade partners seems to be in place, with an increase in the share of UEMOA countries, and continued growth of countries from other regions of the world and China, to the detriment of exports to the European Union and other ECOWAS countries. The particular case of China is edifying. Indeed, exports to China will continue to rise, equaling those to ECOWAS and non-ECOWAS countries in 2020 and 2021. China is positioned as the 6^{e} importing country of Cote d'Ivoire's products; which can justify the desire of some Ivorian exporters to conquer the Chinese market since everything remains to be done.

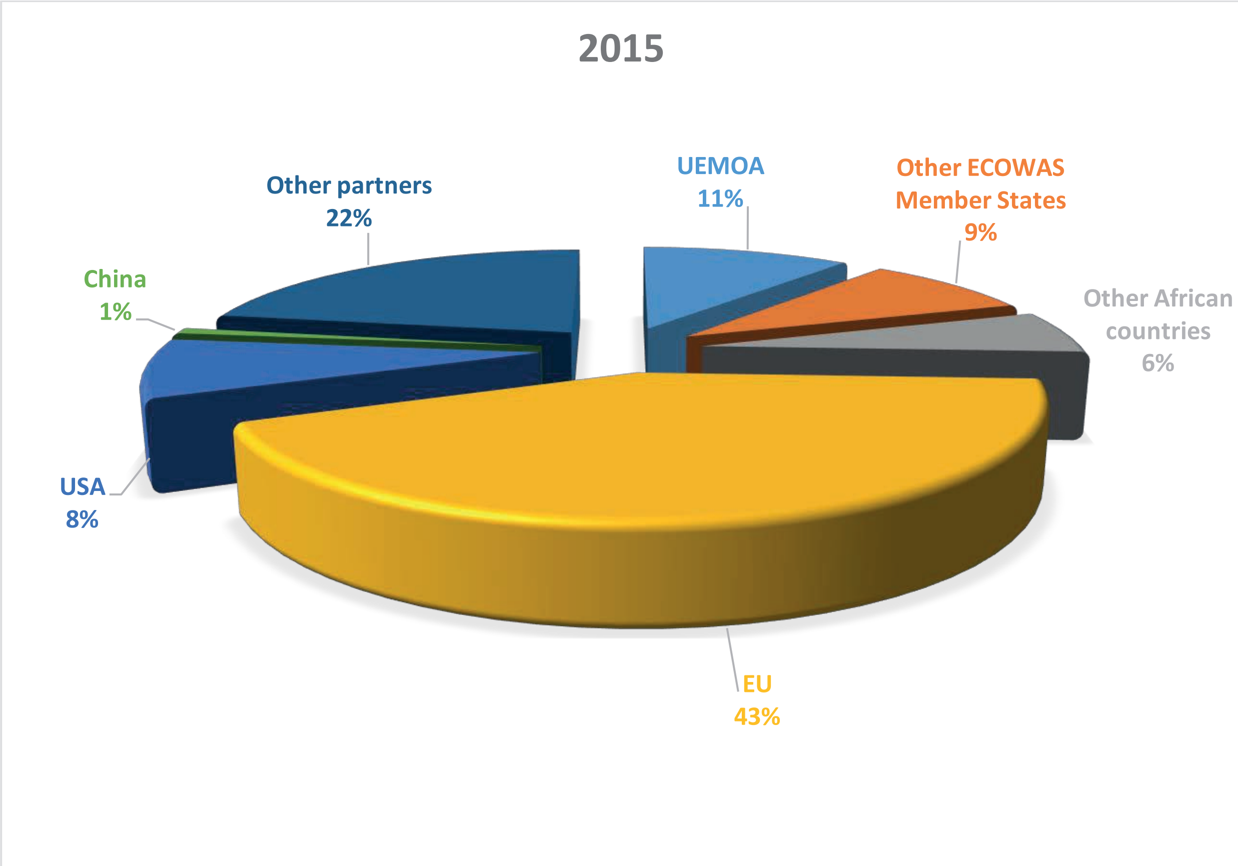
Figure 2 Development of Côte d'Ivoire's exports by destination over the period 2015-2021

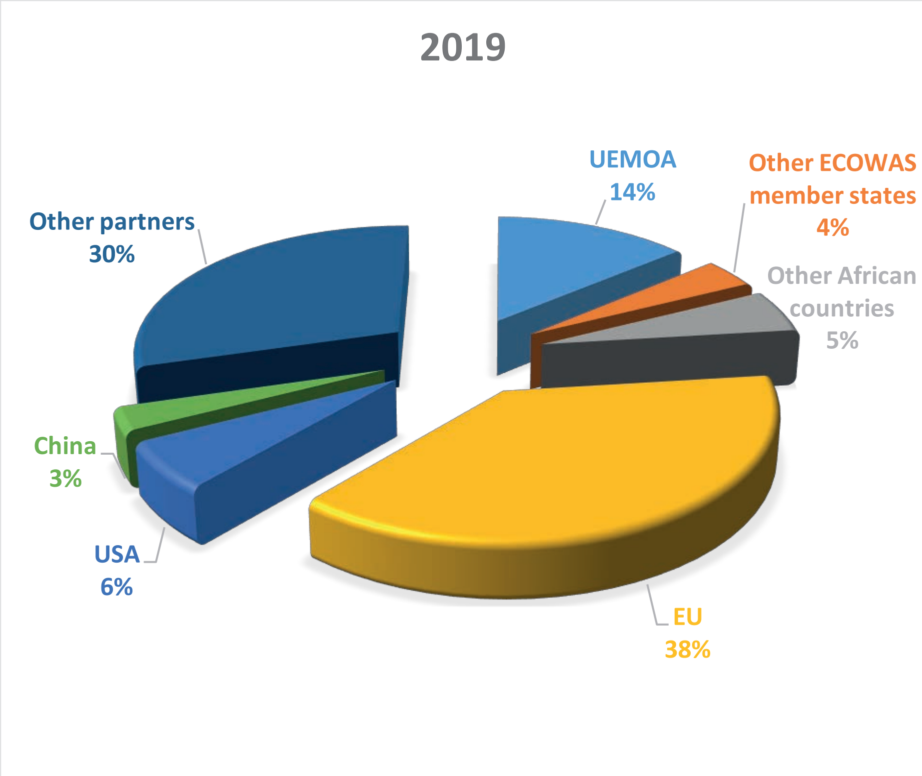


Sources: DGD data and authors' calculations

The consequences of the COVID-19 pandemic on the distribution of Côte d'Ivoire exports in terms of recipients are described in Figures 3a and 3b.

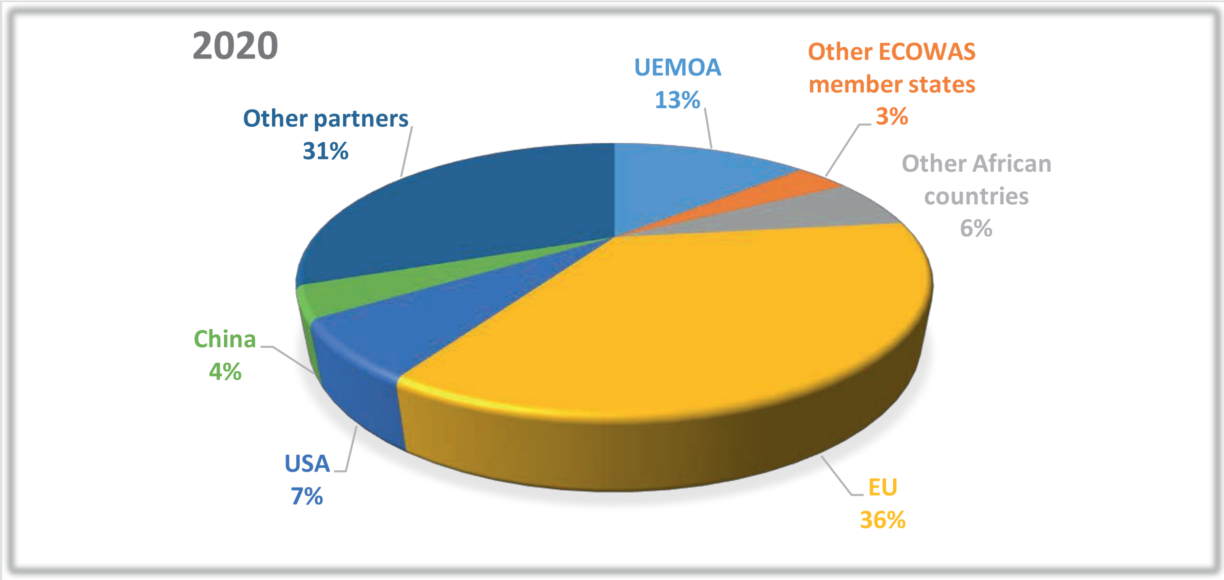
Figure 3a: Côte d'Ivoire's main export destination countries before Covid-19.

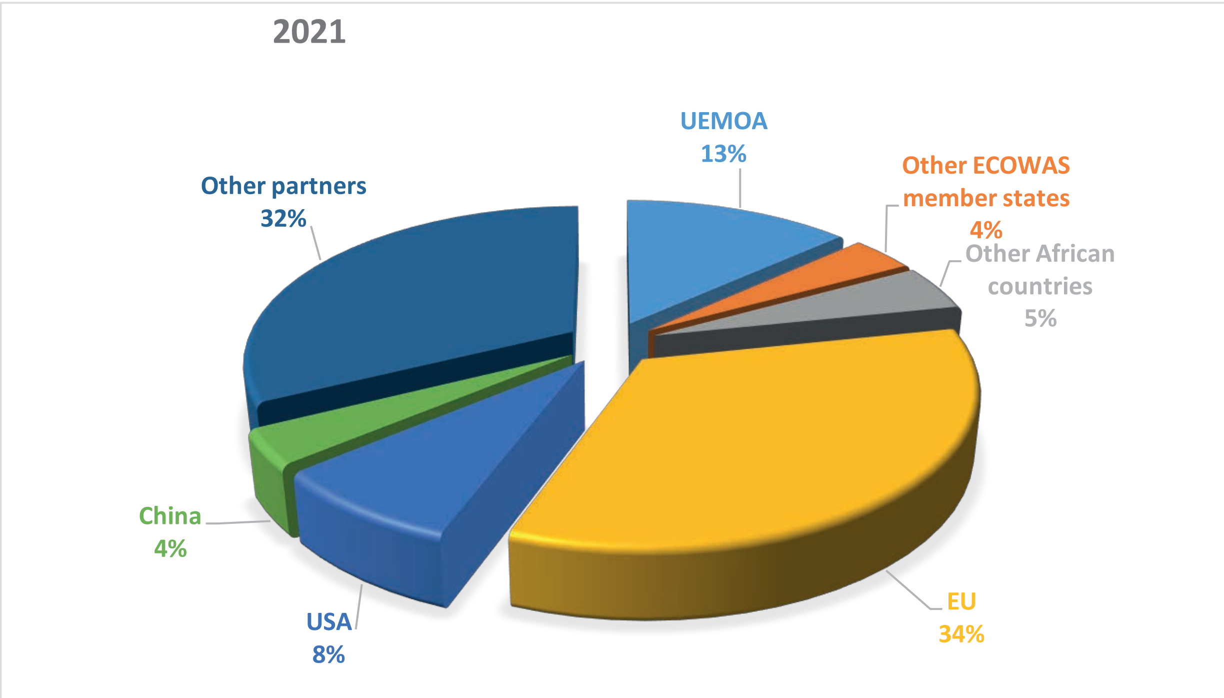




Source: DGD data and authors' calculations

Figure 3b. Main destination countries for Ivorian exports since the outbreak of the COVID-19 pandemic.





Source: DGD data and authors' calculations

The distribution of partners shows a continuous increase in the share of Ivorian exports to the European Union (EU), the UEMOA and China. However, ECOWAS is definitely importing less Ivorian products, with a drop in its relative importance from 9% in 2015 to 4% in 2019. Other African countries are also buying less Ivorian products, with a proportion that decreases from 6% to 5% from 2015 to 2019. This dynamic in the distribution of Côte d'Ivoire's exports shows the need for genuine economic integration between African countries. The implementation of the AfCFTA represents a ray of hope for the Ivorian economy in this sense.

Furthermore, the true effects of the COVID-19 pandemic can be seen by comparing the exploded graphs of the 2019 and 2020 periods. The new distribution of exports is then confirmed by the graph for 2021. There is a persistence of the distribution of Ivorian exports observed before this global health crisis. The shares of ECOWAS and other African countries remain very low (around 3%, 4% and 4%, respectively).

In the end, the COVID-19 health crisis did not have a notable or significant impact on the distribution of Ivorian exports. Indeed, the shares of Côte d'Ivoire's various partners were relatively stable, regardless of the pandemic.

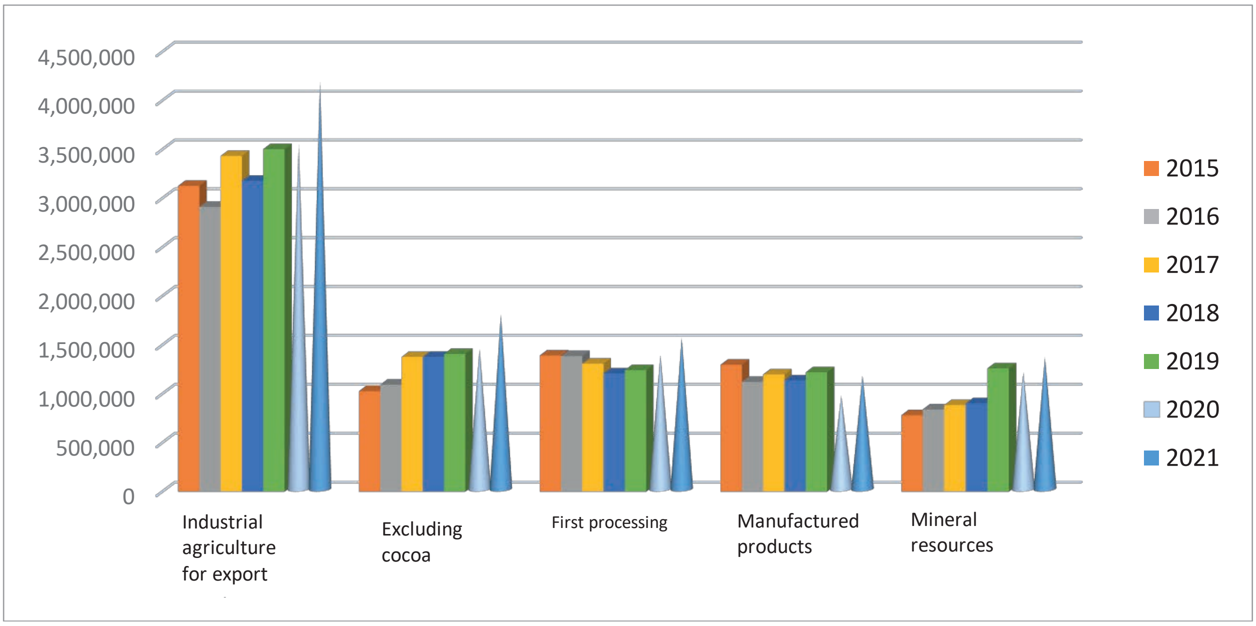
2.2. Structure of exports

An inspection of the different product categories exported by Côte d'Ivoire reveals the predominance of industrial and processing agriculture (Figure 4). Exports of agricultural products, apart from cocoa, are on the rise, as is mining production.

This shows the strong potential of the Ivorian economy and the promising prospects for the effective implementation of an African common market. The particular circumstances imposed by the COVID-19 pandemic on trade, notably the limitation of the movement of people and the digitalisation of activities that lend themselves to teleworking, as well as the numerous episodes of confinement instituted in a number of Western countries, all of this context has nevertheless had an almost non-existent effect on Ivorian exports.

However, manufactured goods experienced a slight decline from 2019 to 2020 but resumed growth immediately thereafter. The drop in global demand in 2020 due to the Coronavirus slightly altered Ivorian exports of manufactured goods. One reason for this could be the import of intermediate products or inputs whose availability on the world market has been reduced by the slowdown in activities in the areas producing these inputs. On the other hand, agricultural and mining products, whose production process is intrinsically local and labour-intensive, have not experienced a slowdown in production. The few periods of confinement and curfew put in place by the Ivorian authorities were not only short-lived, but mainly concerned urban areas, not rural ones.

Figure 4 Côte d'Ivoire main export sectors over the period 2015-2021



Source: DGD data and authors' calculations

Note: The cones indicate the situation during the pandemic COVID-19

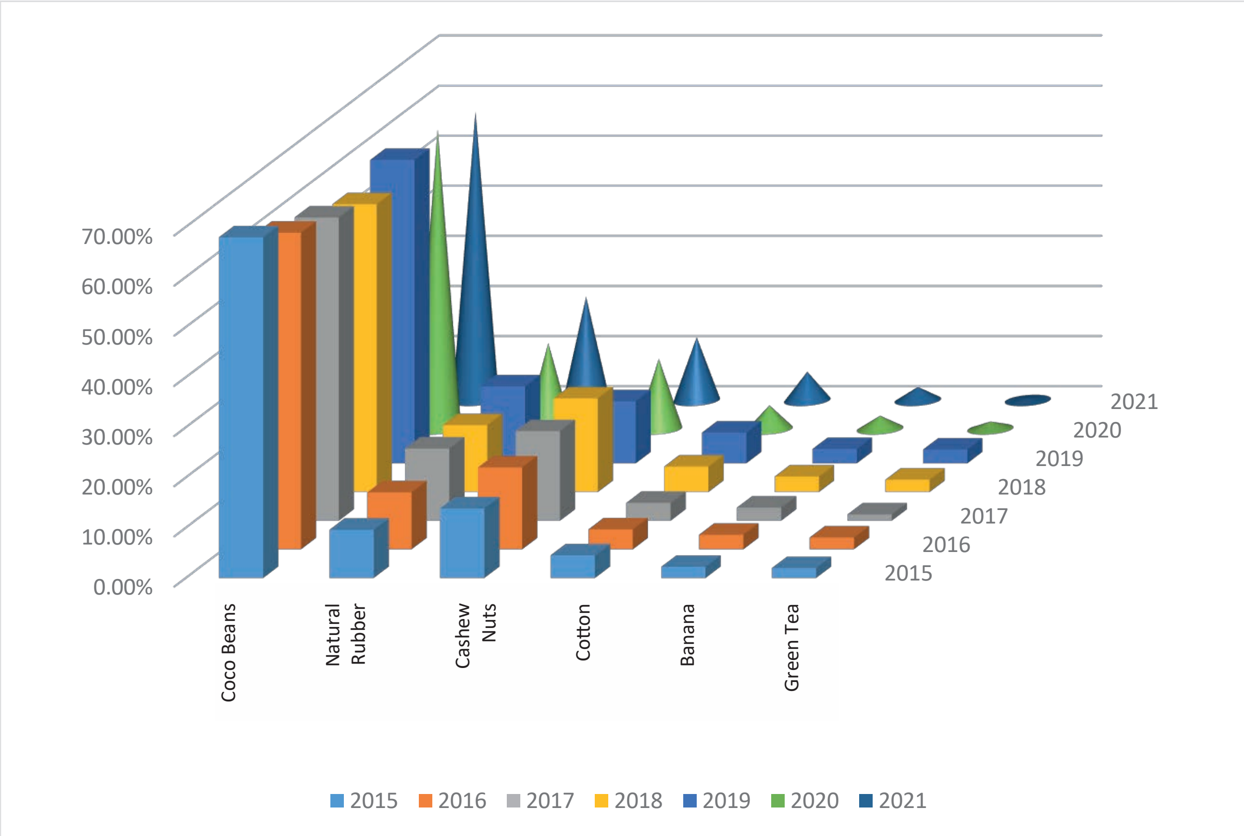
In order to get a better sense of the Ivorian export potential, it is important to examine the different export sections individually.

1.2.1 Industrial and export agriculture

As shown in Figure 5 below, the agro-industrial sub-sector is dominated by cocoa production, sometimes accounting for more than 60% of exports. Two products share second place, namely cashew nuts and natural rubber, with proportions in total agro-industrial exports at times reaching 10% to 25%. While cocoa bean exports have been on a slight downward trend, they have been on the upswing since 2019, with growth accelerated by the COVID-19 pandemic. Cashew nut exports, on the other hand, show the opposite dynamic, growing over the study period and tending to be outperformed by natural rubber since 2020.

It should be noted that green coffee, which has been an important export crop for decades, only ranks 6th among Ivorian agricultural exports, representing less than 5% of total exports in this sector and even less than 2% since 2019. The structure of exports is therefore not static in Côte d'Ivoire, as it is capable of adapting to the demands of the times or to the new ambitions of producers. This flexibility of the agricultural production fabric is an undeniable asset for the country at a time when the African common market is becoming a reality.

Figure 5 Evolution of Ivorian industrial agriculture exports over the period 2015- 2010



Source: DGD data and authors' calculations

Note: The cones indicate the situation during the pandemic COVID-19

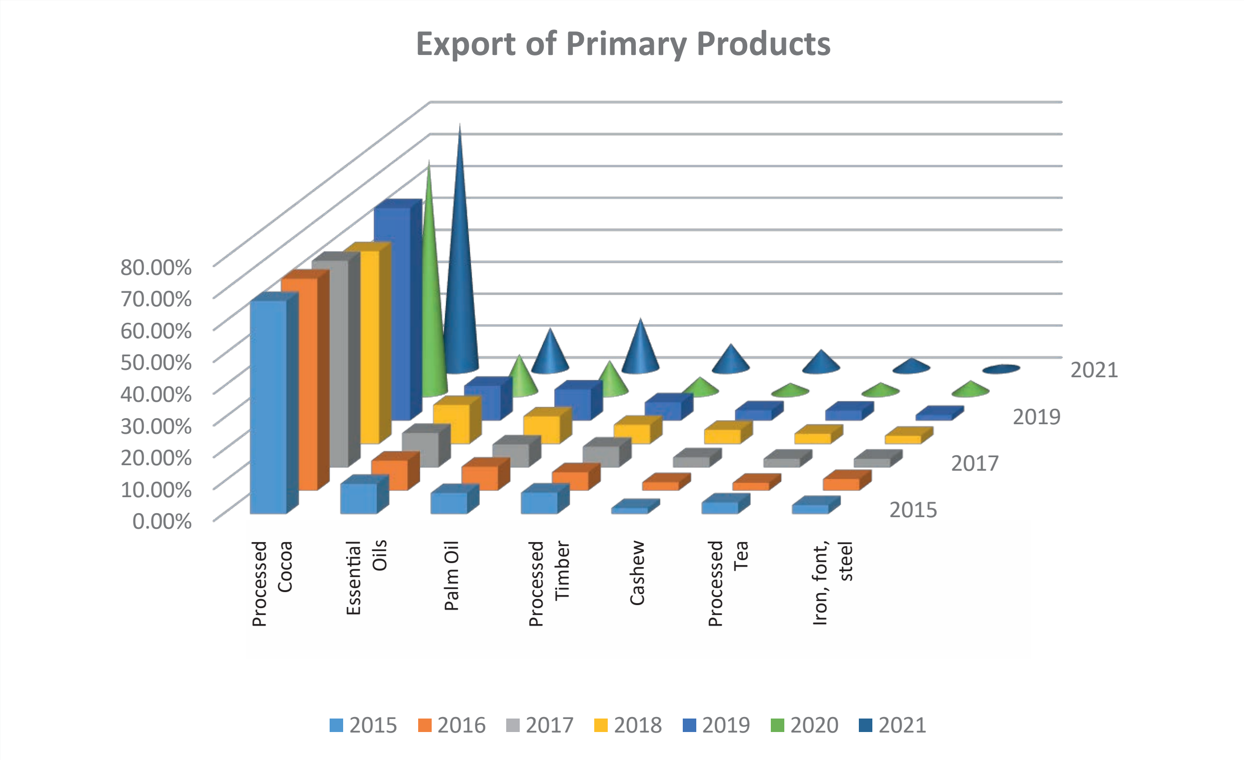
1.2.2. Primary processing products

Within exports of primary processing products (Figure 6), cocoa production is the main component (nearly 60% of the sector's activities). Cocoa cultivation remains the spearhead of Ivorian exports and is increasingly followed by a first processing phase.

Other agricultural products are also processed, namely essential and vegetable oils, palm oil and processed wood, accounting for between 5% and 10% of exports from the primary processing sector. Exports of coffee and cashew kernel products are relatively small.

This section shows a continuous increase in exports from 2015 to 2021, despite the Coronavirus pandemic. This reflects the interest of Ivorian economic actors in the need to generate greater added value, rather than continuing to export raw materials. This trend extends beyond food products, with exports even including iron and steel products.

Figure 6 Evolution of exports of primary products by Côte d'Ivoire over the period 2015-2021



Source: DGD data and authors' calculations

Note: The cones indicate the situation during the pandemic COVID-19

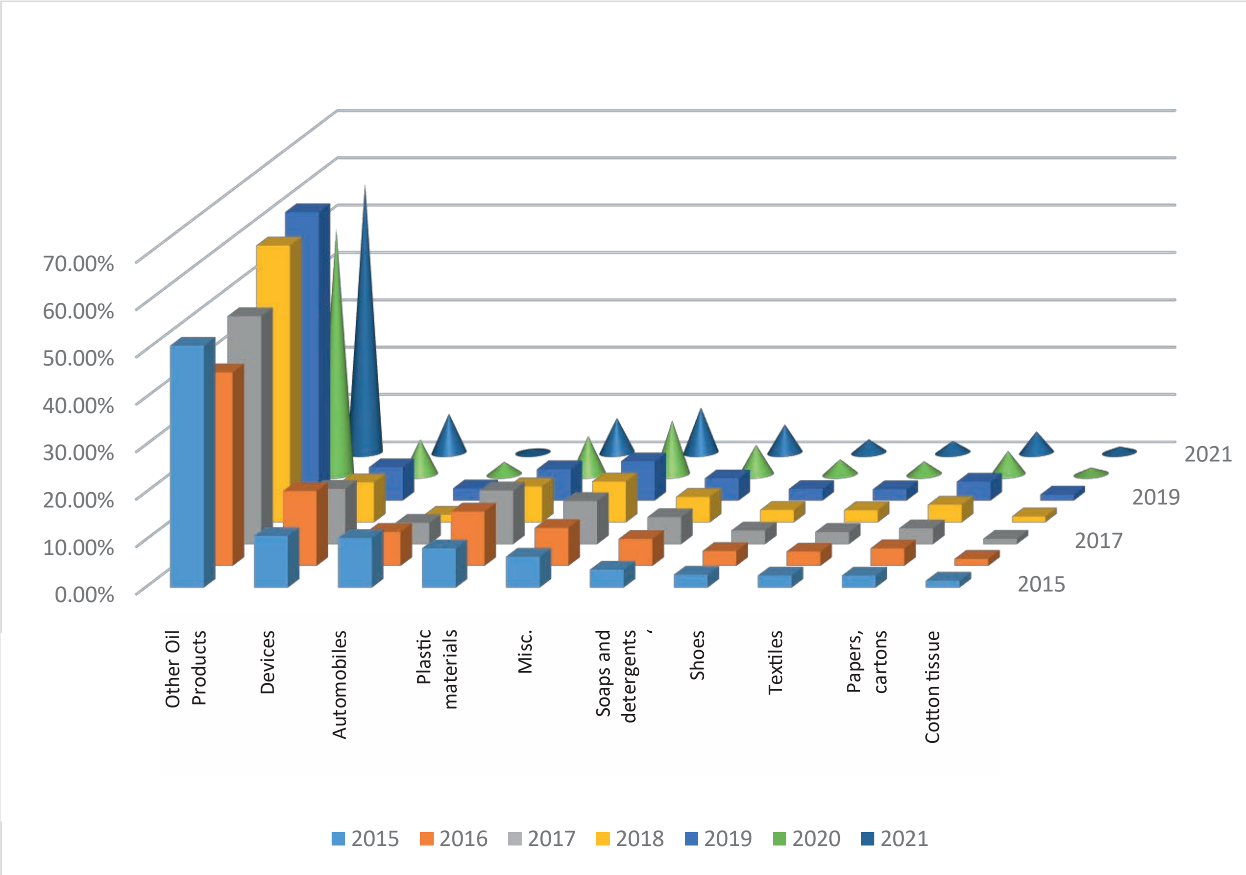
1.2.3. Manufactured products

Manufacturing production is an essential pillar of Ivorian exports. It is mainly driven by petroleum products other than crude oil, which account for almost 55% of total manufacturing exports and are booming in terms of their dynamics from 2015 to 2019 (Figure 7).

Apart from this giant of Ivorian industry, a wide variety of manufacturing products are exported. These include textiles, plastic products, appliances, and even motor vehicles assembled in Côte d'Ivoire.

Nevertheless, the global health crisis in 2020 caused a slight decline in manufacturing exports, probably due to the unavailability of some imported inputs and a slowdown in demand during the first months of the pandemic. Fortunately, exports seem to pick up immediately in most manufacturing products, as shown by the 2021 cones in Figure 7. Only motor vehicles show a real decline in exports, with a continuous decline throughout the entire analysis period, unfortunately made worse by COVID-19.

Figure 7 Development of Côte d'Ivoire's manufactured exports over the period 2015-2021



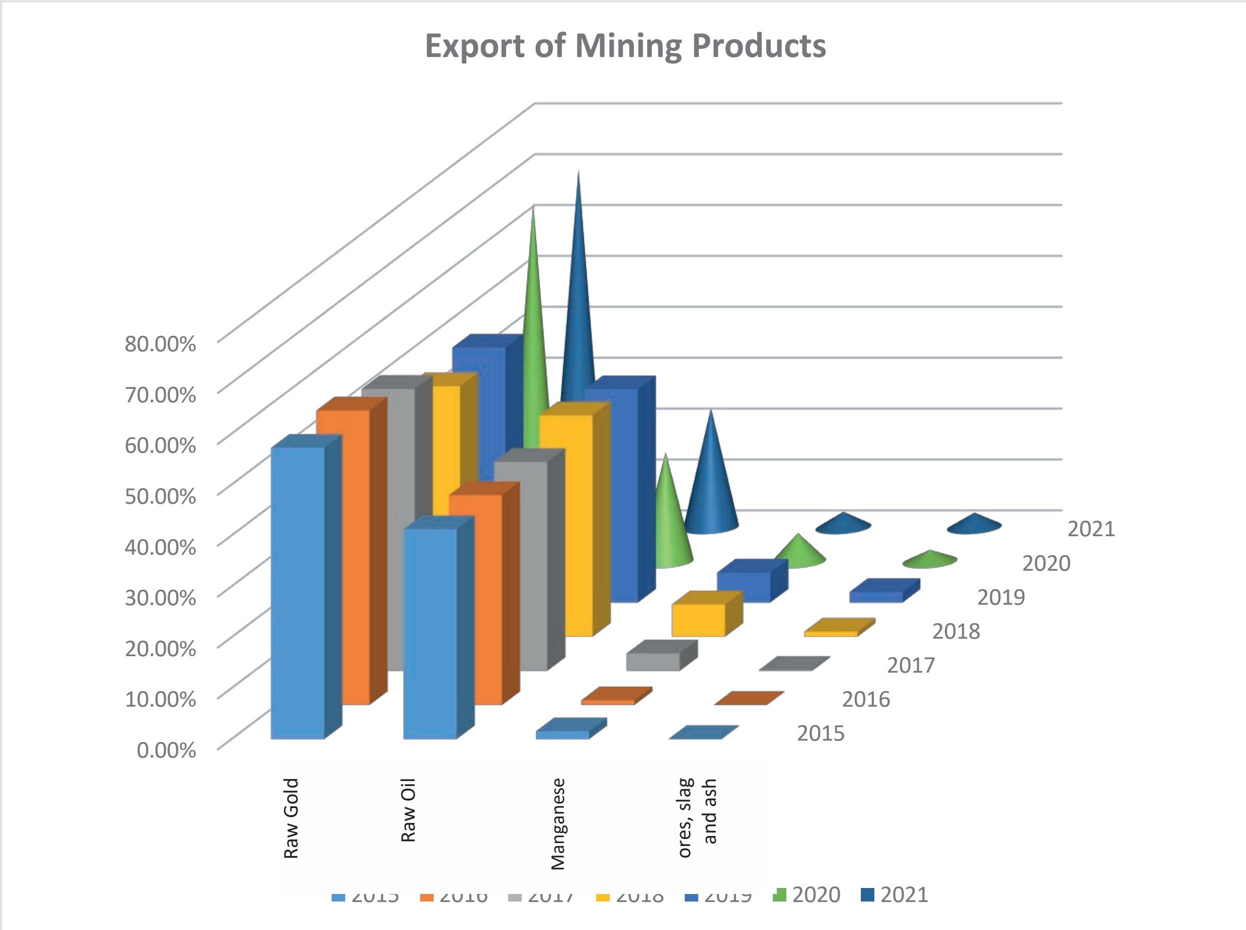
Source: DGD data and authors' calculations

Note: The cones indicate the situation during the pandemic COVID-19

1.2.4. Mining products

Mining products are dominated by raw gold (around 50%), followed by crude oil (around 35%). Exports of manganese and other minerals are very low, accounting for less than 10% of mining exports. Figure 8 shows a contrasting evolution between exports of crude gold and other mining products. Indeed, gold production, after a slight decline in 2018, is experiencing strong growth exacerbated by the COVID-19 pandemic. The share of raw gold has risen from 45% in 2019 to almost 75% in 2021.

Figure 8 Development of Côte d'Ivoire's mining exports over the period 2015-2021



Source: DGD data and authors' calculations

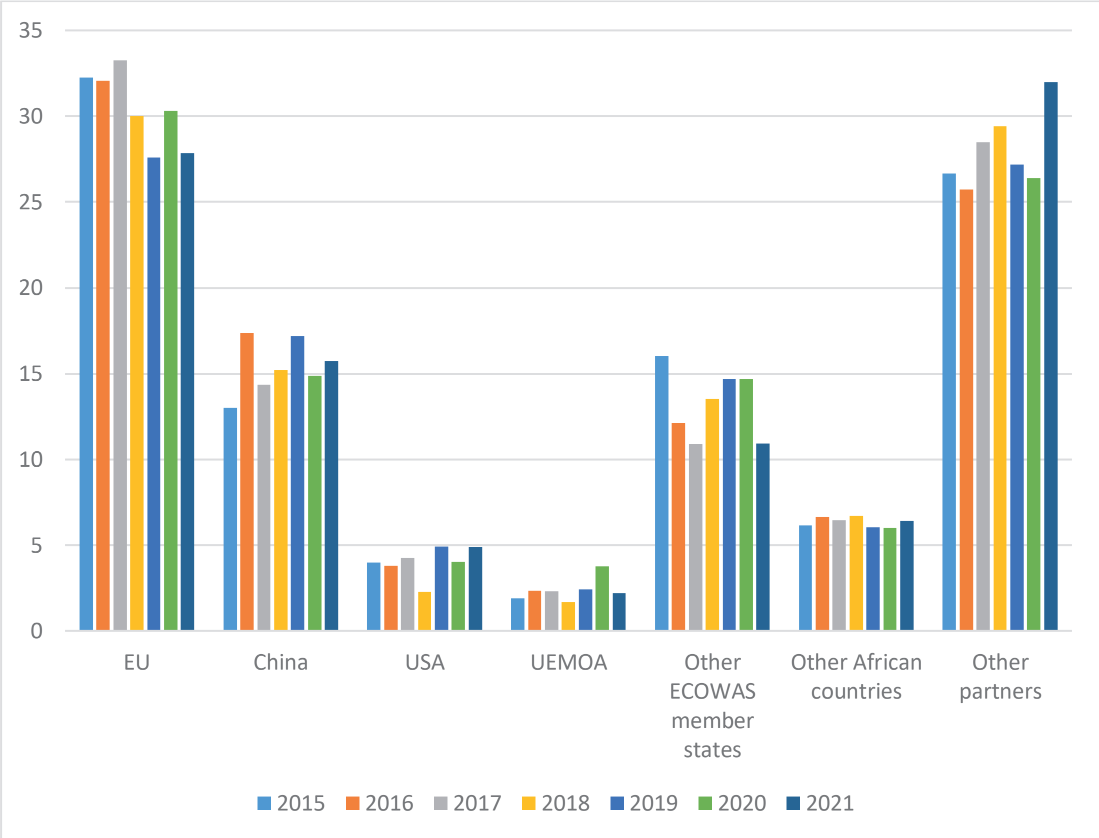
Note: The cones indicate the situation during the pandemic COVID-19

3. Imports

We first analyse Côte d'Ivoire's imports according to their sources before analysing the impact of the covid-19 pandemic on their distribution.

The following figure (Figure 9) shows the distribution of Côte d'Ivoire's imports by source.

Figure 9: Evolution of Côte d'Ivoire's imports by origin over the period 2015-2021



Source: DGD data and authors' calculations

Note: The cones indicate the situation during the pandemic COVID-19

Côte d'Ivoire imports come primarily from the European Union, followed by other non-African partner countries, except for the year 2021 when Côte d'Ivoire imports from other trading partners exceed those from the European Union in terms of percentage of total Ivorian imports. It should be noted that these two zones each account for around 30% of Côte d'Ivoire's imports (Figure 10).

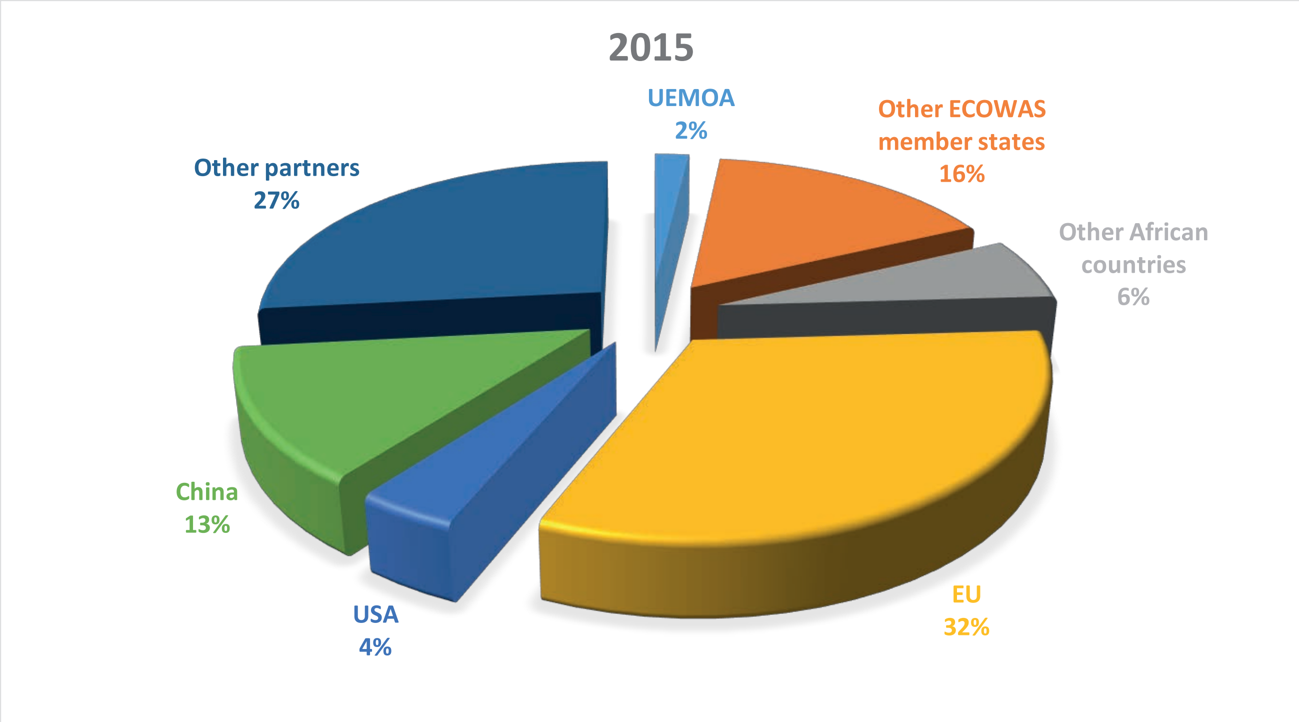
However, the European Economic Community remains Côte d'Ivoire main trading partner in terms of imports. On average over the last seven (7) years, it has accounted for about 30%, followed immediately by other non-African partners from which the country imports an average of 28%. Imports from this set of trading partners are tending to increase more and more, as evidenced by the increase observed since 2015, to the point of overtaking imports from the European Union in 2021. This could be the consequence of measures taken by Côte d'Ivoire to diversify its trade partners, signing trade agreements with Morocco, Brazil and the Republic of South Africa, etc. Thus, Côte d'Ivoire shows a spirit of commercial openness, trading with nations from all regions of the world. To date, there is a certain diversity in the origin of products imported by Côte d'Ivoire.

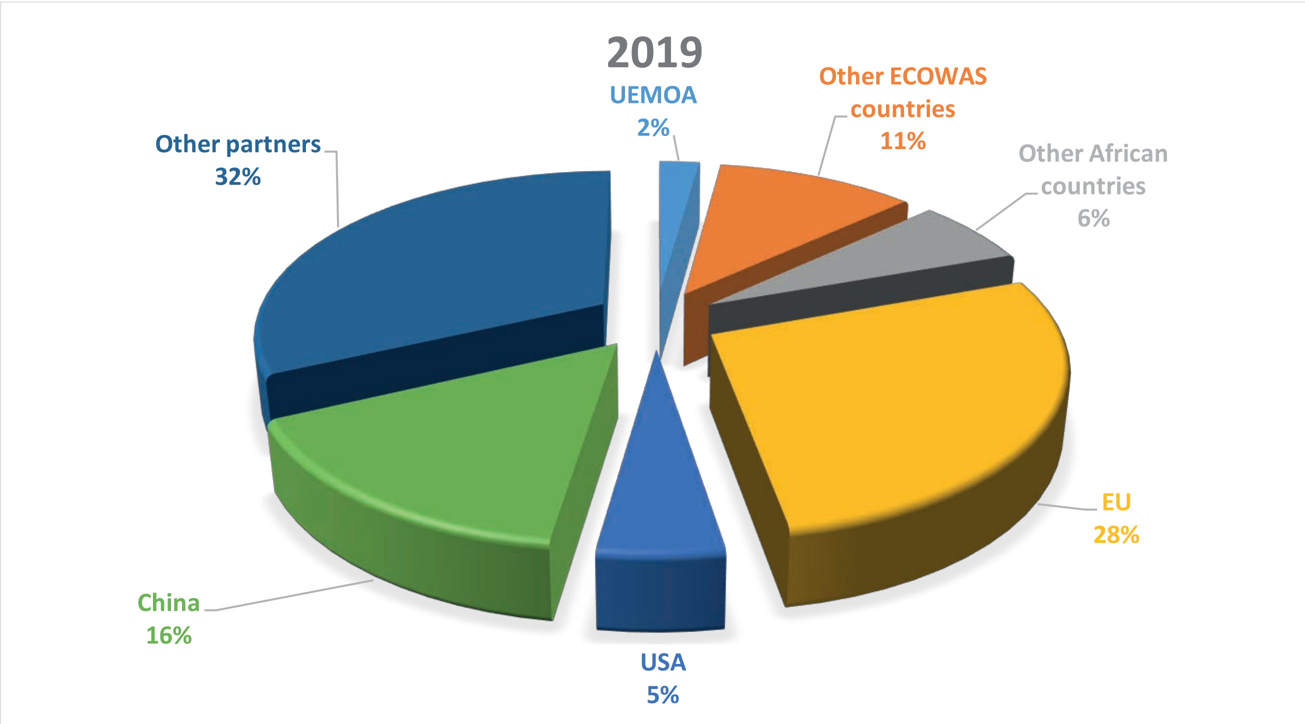
China and the other ECOWAS countries, with relative shares of 16% and 11% respectively in 2021, are ahead of the other African countries from which Côte d'Ivoire buys only about 6% of the goods it imports. This certainly notes a certain growing dependence on China, but it also indicates that Côte d'Ivoire remains committed to regional integration even if its imports from ECOWAS countries have been declining since 2015.

However, progress is needed to increase the share of the African domestic market in Ivorian imports. Just as in the case of exports, trade collaboration between African countries is not yet at the level of our peoples' expectations. The fact that the UEMOA supplies barely 2% of Côte d'Ivoire's imports is difficult to understand unless one assumes identity of production and absence of sub-regional specialisation. The common market that the AfCFTA will constitute is an opportunity for all the countries of the continent, including Côte d'Ivoire. Thus, the creation of the African common market could increase trade between African countries, and Côte d'Ivoire is ready to commit itself resolutely to it.

The COVID-19 pandemic has had little effect on the distribution of sources of Côte d'Ivoire's imports (see Figures 10a and 10b), with only very slight variations in the order of 1 to 2% in this redistribution, notably from the European Union, UEMOA and ECOWAS countries to other non-African partner countries and China.

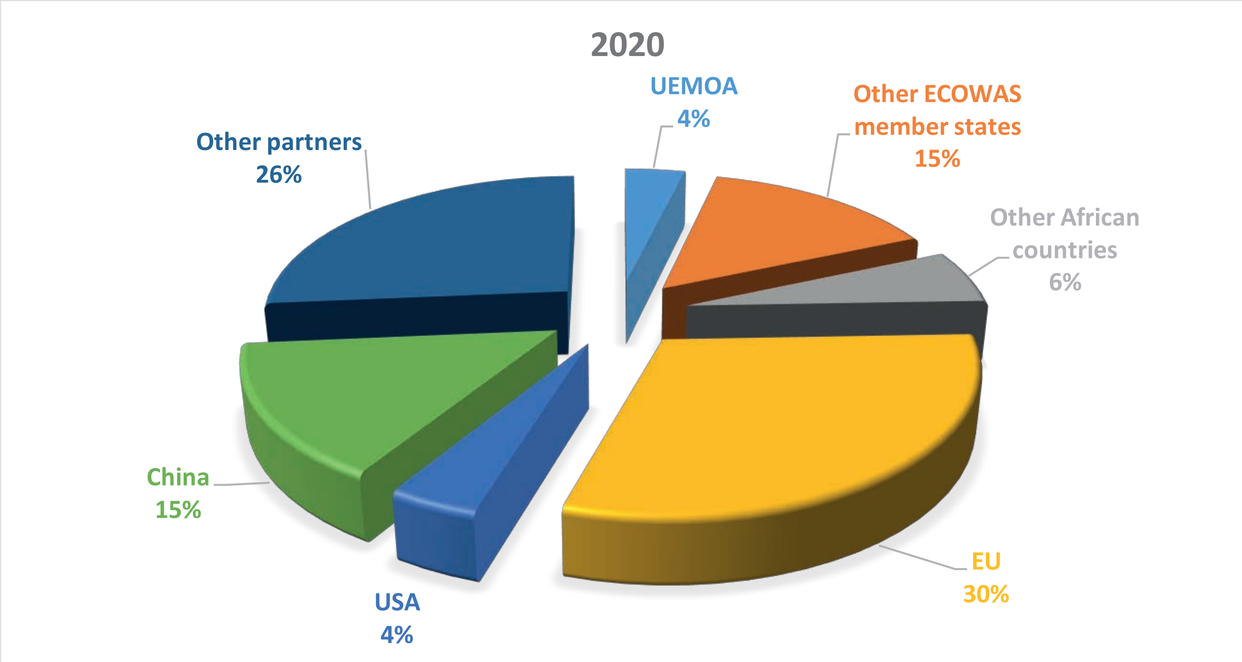
Figure 10a: Côte d'Ivoire main supplier countries before Covid-19

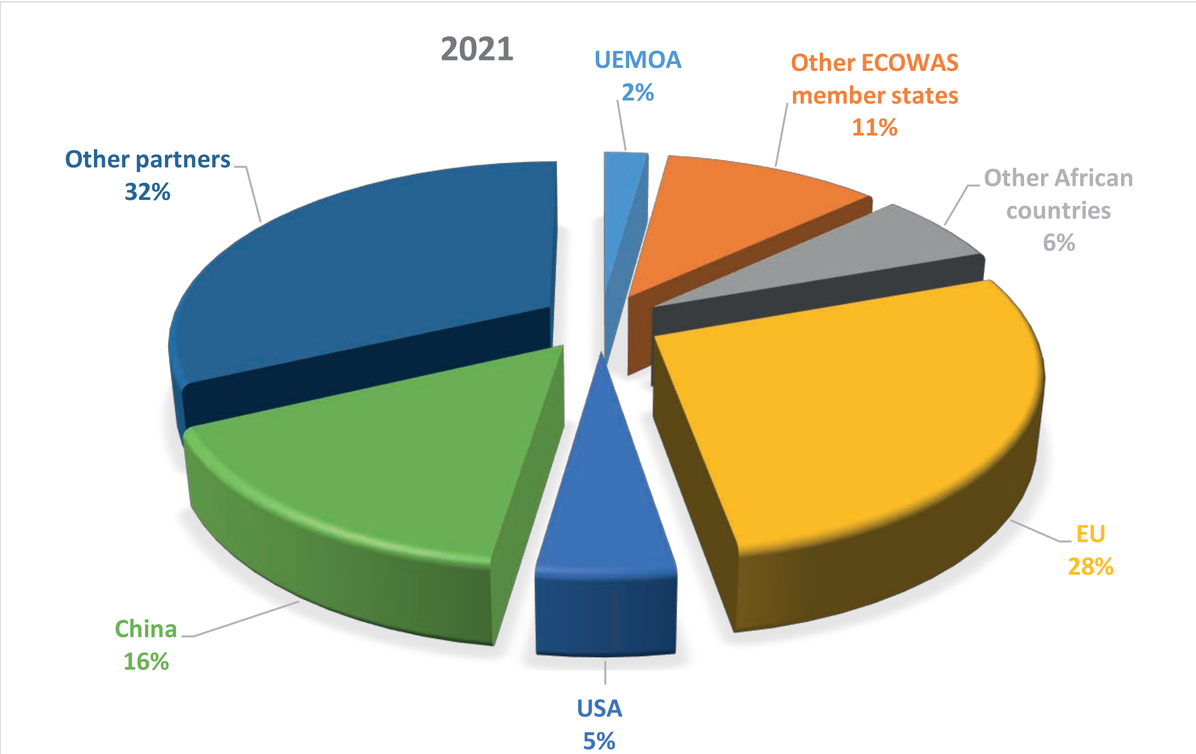




<u>Source</u>: DGD data and authors' calculations

Figure 10b: Main supplier countries to Côte d'Ivoire since the COVID-19 pandemic





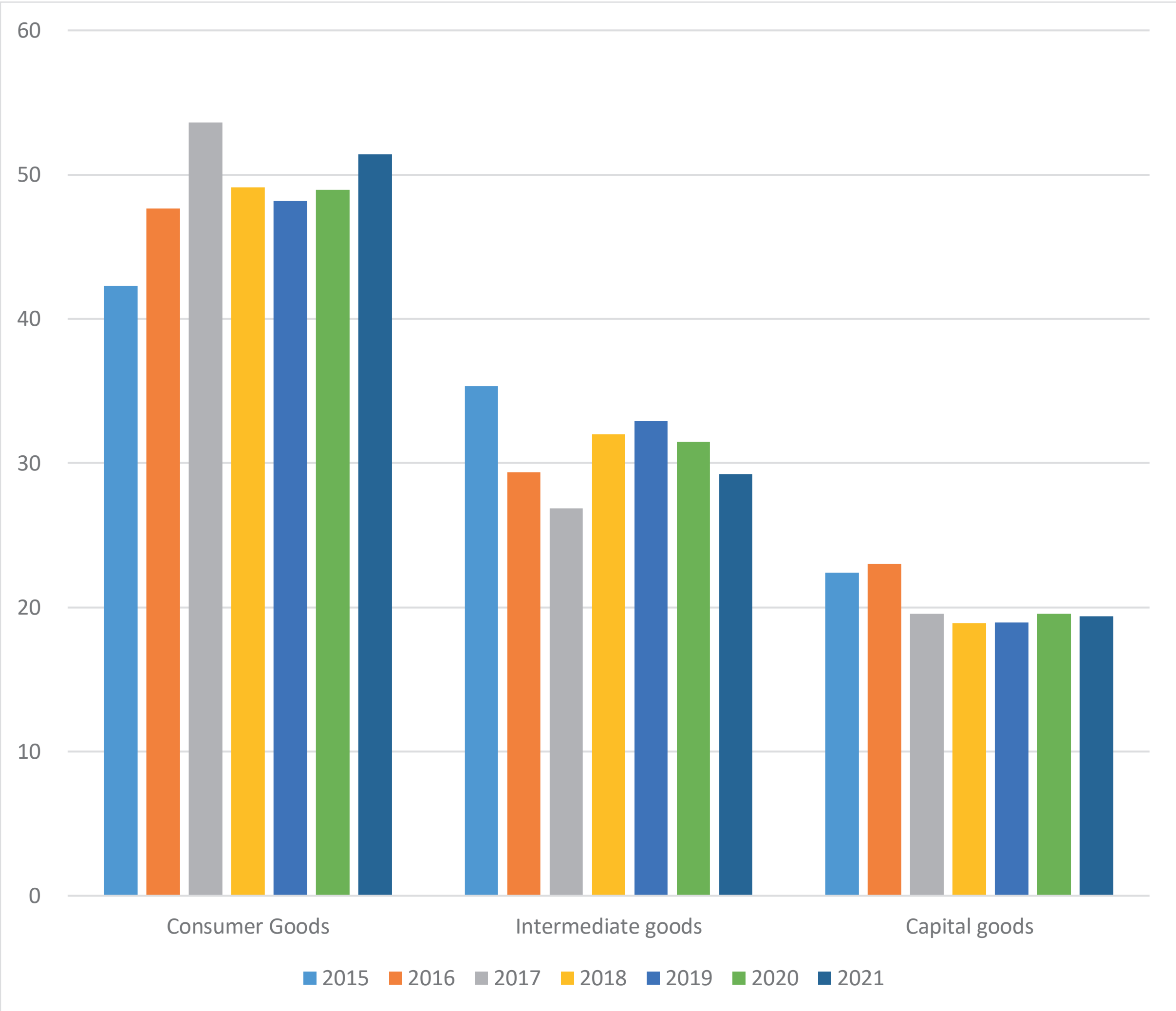
Source: DGD data and authors' calculations

Analysis of the structure of Côte d'Ivoire imports (Figure 11) shows that these are mainly consumer goods, the proportion of which varies over time but with an increasing general trend. The proportion of consumer goods thus rises from 42% of total imports by Côte d'Ivoire in 2015 to 51% in 2021, having reached 58% in 2017.

The second import item is intermediate goods, the proportion of which varies over the period 2015-2021 but with a downward trend. The proportion of intermediate goods has thus fallen from 35% of total imports in 2015 to 29% in 2021. The share lost by imports of intermediate goods appears to be benefiting imports of consumer goods.

Imports of capital goods, although their share in total imports of Côte d'Ivoire is fluctuating, are also on a downward trend with a lower rate than imports of intermediate goods over the period 2015-2021. Indeed, the share of capital goods in Côte d'Ivoire's total imports fell from 22% in 2015 to 19% in 2021, having reached 23% in 2021.

Figure 11 : Comparative evolution of Côte d'Ivoire's import components over the period 2015-2021



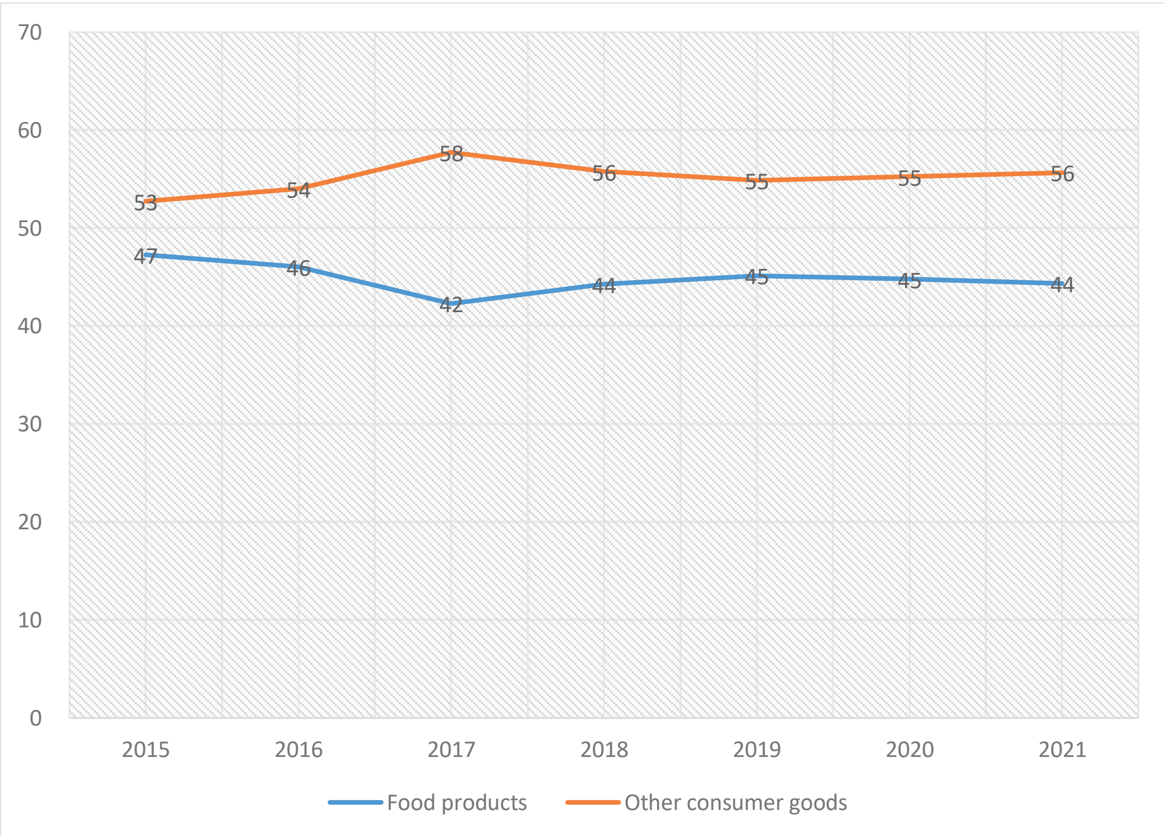
Sources: DGD data and authors' calculations

The consumption item is dominated by imports of other consumer goods to the detriment of food products, which certainly reflects Côte d'Ivoire's agricultural characteristics, but the proportion represented by food products raises questions. Indeed, food imports over the period 2015-2021 vary from 42% in 2017 to 47% in 2015 and will reach 44% in 2021. Figure 12 shows these findings. This food item, however, is dominated by three products: rice, soft wheat and fresh fish.

The other consumer goods item is dominated by five characteristic product types: 1) passenger vehicles, 2) plastics and articles of plastics, 3) pharmaceuticals, 4) miscellaneous chemical products and 5) petroleum products other than crude oil.

Analysis of changes in 2019, 2020 and 2021 indicates that the Coronavirus pandemic does not appear to have had a significant impact on the structure of imports of consumer goods.

Figure 12 : Comparative evolution of the shares of food and non-food imports in total imports of consumer goods by Côte d'Ivoire over the period 2015-2021



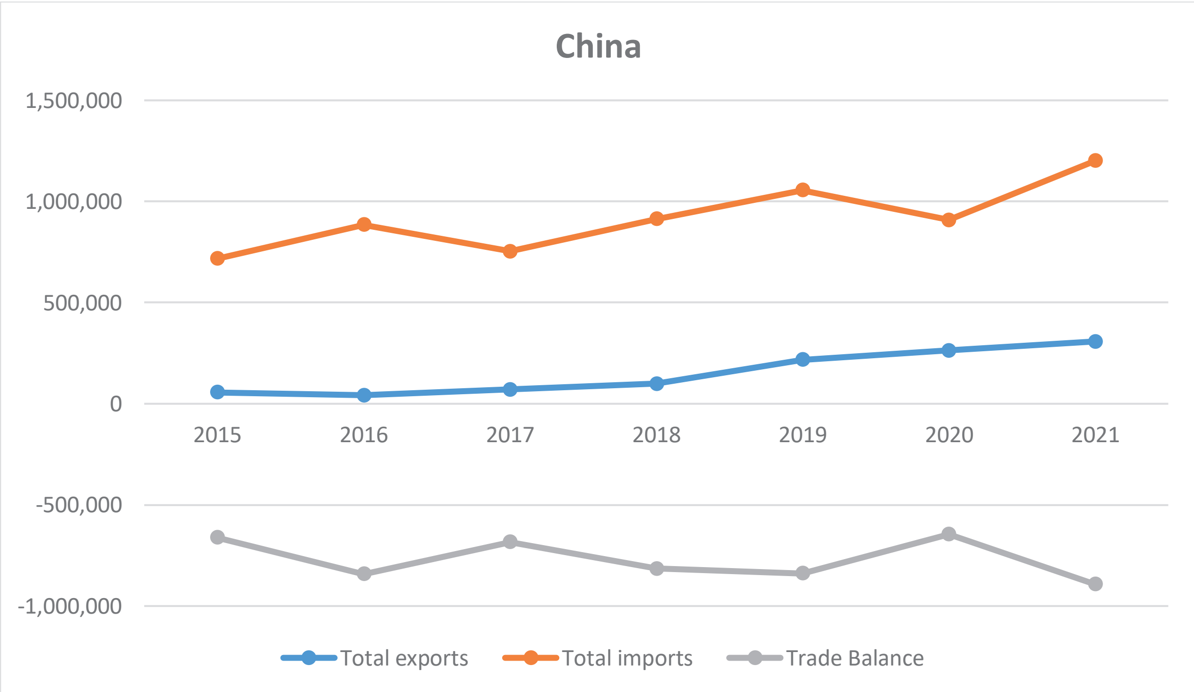
Source: DGD data and authors' calculations

2.3 Some Lessons from Côte d'Ivoire's trade patterns

The analysis of trade flows between Côte d'Ivoire and its partners shows certain striking characteristics that they retain despite the coronavirus pandemic that began in 2020.

Firstly, the trade relationship between Côte d'Ivoire and China resembles a Centre (China)-Periphery (Côte d'Ivoire) relationship. Indeed, the rate of coverage of Côte d'Ivoire's imports from China is only 0.07% according to the statistics of the DGD[3] Côte d'Ivoire. This situation is worrying insofar as more than 40% of these imports are consumer products on average each year, according to figures from the DGD Côte d'Ivoire. This observation is also reflected in the bilateral trade balance between Côte d'Ivoire and China, which is structurally negative, reaching -841 717 000 000 FCFA in 2017 before Covid-19 and - 892 702 000 000 FCFA in 2021 after Covid-19.

Figure 13: Evolution of Côte d'Ivoire's exports, imports and trade balance with China over the period 2015-2021



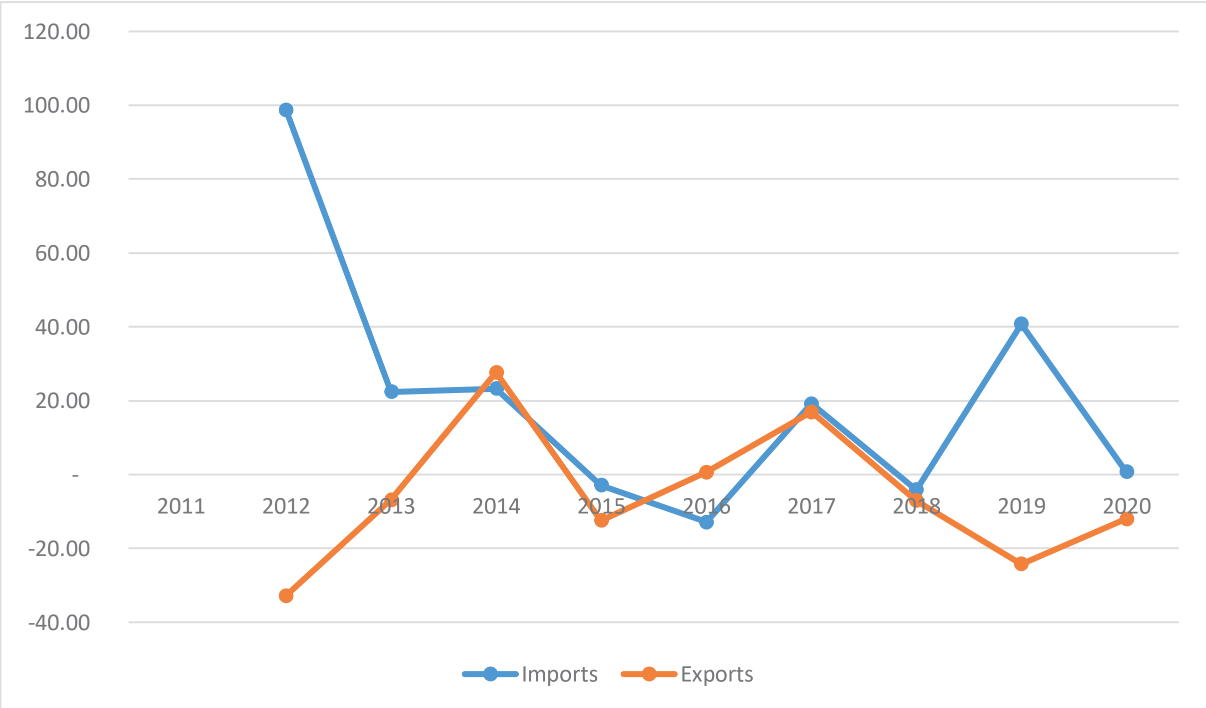
Sources: DGD data and authors' calculations

Second, the trade relationship between Côte d'Ivoire and the US does not seem to have been boosted by Côte d'Ivoire's reintegration into the AGOA programme in 2011 after being excluded in 2004[4] especially with regard to exports. Between the end of 2011 and the end of 2019, Côte d'Ivoire's exports to the United States of America have increased by a factor of 0.580 (i.e. divided by 1.72), while

[3] DGD: General Directorate of Customs (Direction Générale des Douanes de la Côte d'Ivoire).
[44] https://ci.usembassy.gov/fr/le-centre-de-documentation-de-agoa/

Côte d'Ivoire's imports from the United States have increased by a factor of 4.01. However, this trade relationship appears to be strategic for the development of Côte d'Ivoire as it has an import coverage rate of 2.29% (see Figure 18). Although the total volume of trade between Côte d'Ivoire and the United States in terms of value is relatively low compared to the volume of trade with the European Union, for example, this high import coverage rate is indicative of a greater inflow than outflow of foreign currency for Côte d'Ivoire. However, the variations in trade flows between Côte d'Ivoire and the United States of America from one year to the next are erratic. Such fluctuations, which are reflected in the annual growth rates (see Figure 14) as well as in the evolution of the trade balance (Figure 15), suggest that Côte d'Ivoire is not able to exploit the trade opportunities with the United States of America offered by AGOA[5] . Given that Côte d'Ivoire has an AGOA strategy, such a situation cannot be explained either by the unsuitability or ineffectiveness of the strategy or by its non- or insufficient implementation. Some of the responses to the questionnaire submitted to the main actors in Côte d'Ivoire's international trade point in this direction.

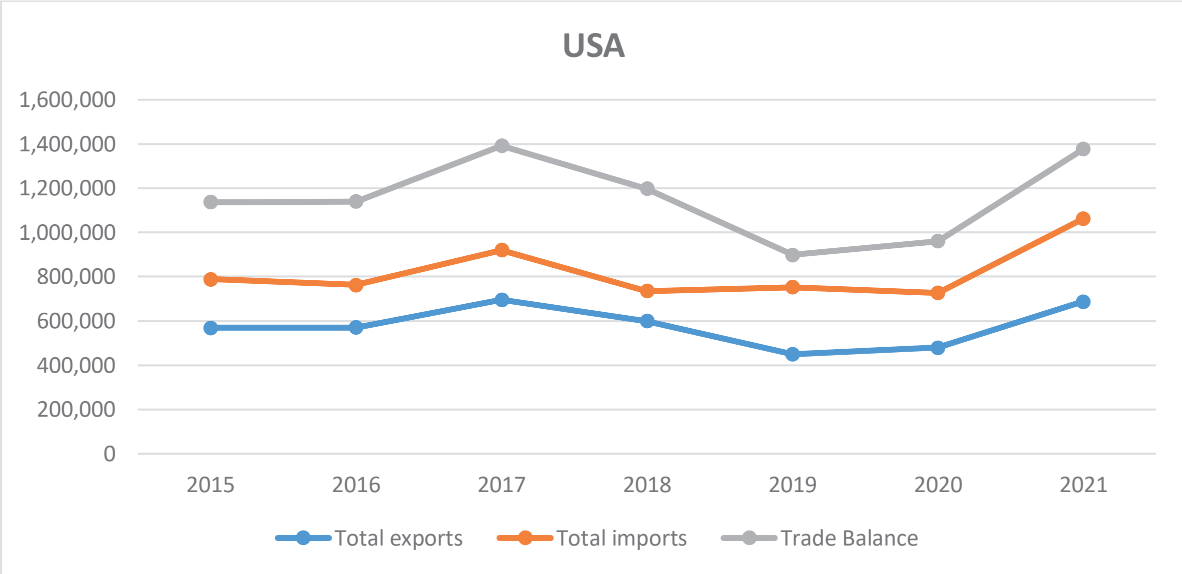
Figure 14 : Evolution of the growth rate of exports and imports of Côte d'Ivoire with the USA over the period 2011-2020



Sources: UNCTAD and authors' calculations

[5] The Africa Growth Opportunity Act (AGOA) is the culmination of an initiative launched on 17 June 1997 by President Clinton to promote economic growth and opportunity in Africa. AGOA was signed into law on 18 May 2000 under Title 1 of the United States Trade and Development Act.

Figure 15 : Evolution of exports, imports and the trade balance of Côte d'Ivoire with the USA over the period 2015-2021

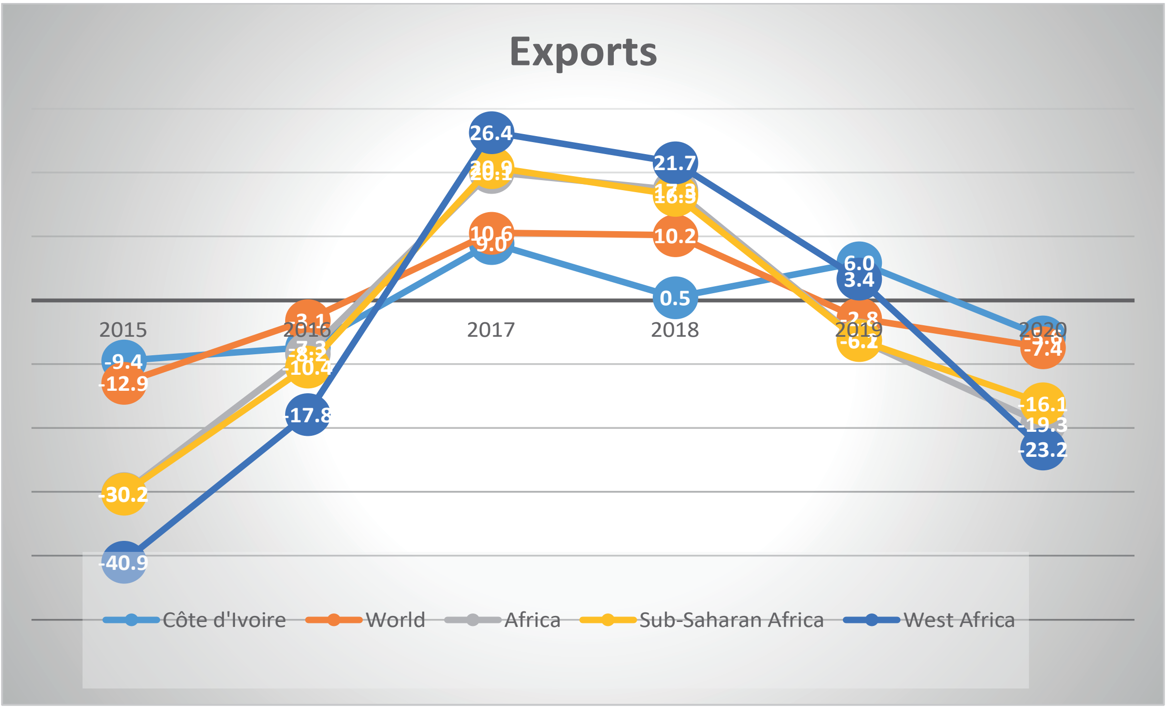


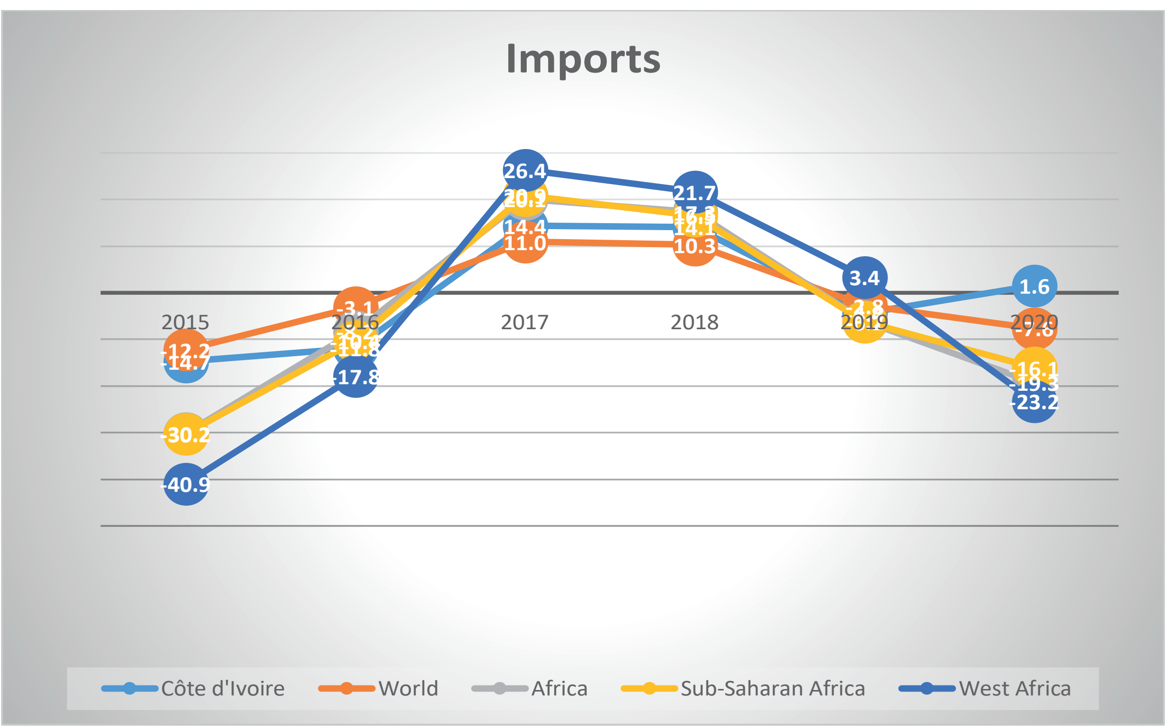
Sources: DGD data and authors' calculations

Third, the coronavirus pandemic seems to have disrupted Côte d'Ivoire's trade flow patterns less in terms of partners. Moreover, it seems to have affected Côte d'Ivoire's trade flows less than those of many others, whether in terms of imports or exports. Indeed, the variations in these flows between the situation before and after Covid-19 are -5.6%, while those of the world were -7.4%, those of Africa -19.3%, Sub-Saharan Africa -16.1% and West Africa -23.3%. While Côte d'Ivoire's exports were negatively affected, although less so than the world as a whole and African countries, its imports actually increased over the period by 1.6% while exports from the world as a whole fell (-7.6%) as well as those from Africa (-19.3%) including West Africa (-23.2%) according to UNCTAD figures (Figure 16). Given that the coronavirus pandemic was the cause of the disruption of production chains and the movement of goods between countries of the world, one might have expected Côte d'Ivoire, a country with a high degree of openness (47.01%), to be badly affected. This low level of disruption of trade flows in Côte d'Ivoire compared to other African and world countries could be explained on several levels: the confinement of the Greater Abidjan area alone, the support provided to businesses, the long-term functioning of the agricultural export market and a lesser outbreak of the coronavirus disease[6] . It could also be explained by a better response of the Ivorian economy to shocks in terms of trade relations and supply chains.

[6] The total number of coronavirus cases in Côte d'Ivoire is estimated at 81410 cases including 791 deaths as of 25-02-2022, https://covid19.who.int/info?openIndex=2

Figure 16: Comparative evolution of the growth rate of exports and imports of Côte d'Ivoire with certain zones over the period 2015-2020





Sources: UNCTAD data and authors' calculations

Fourth, it should be noted that the coronavirus pandemic has not affected the structure of Côte d'Ivoire's trade partnerships. While there have been changes in the relative weight of some of Côte d'Ivoire's trading partners between 2020 and the end of 2021, these are minor (see Figures 3a, 3b, 11a and 11b). This can be seen in the analysis of the relative weights of Côte d'Ivoire's trading partners in terms of the proportion of the value of its total export and import volumes. This finding is not surprising insofar as a structural change in the relative weights of trading partners would require time, whereas the pandemic is only two (2) years old. This idea is reinforced by the analysis of Côte d'Ivoire's trade balance which, overall, remains structurally positive. Indeed, the trade balance of Côte d'Ivoire is positive.

Fifth, Côte d'Ivoire appears, in terms of its bilateral trade balance, to be a net importer within ECOWAS. Indeed, Côte d'Ivoire's trade balance with ECOWAS member countries other than those of the UEMOA is structurally negative over the period 2015-2021. Indeed, over this period, the value of the trade balance varies between -99.371 billion in 2017 and -637.735 billion in 2020, starting from -288.949 billion in 2015. This situation could be a source of concern for the authorities and some observers, but the significance of this negative trade balance should be strongly qualified for two reasons. The first is that Côte d'Ivoire imports a large quantity of crude oil from non-UEMOA ECOWAS countries, while exporting a small quantity of petroleum products other than crude oil to these countries (Table 2). The second is that this import of crude oil allows Côte d'Ivoire to export significant quantities of non-crude oil products to UEMOA countries after processing the crude oil (Table 2).

Table 2: Comparative evolution of the bilateral trade balance between CI and other ECOWAS countries and the trade balance of petroleum products over the period 2015-2021

Year	2015	2016	2017	2018	2019	2020	2021
Total exports of petroleum products other than crude oil	244 708	94 127	93 216	76 104	47 487	59 500	46 303
Total crude oil imports	817 360	517 149	471 938	720 297	792 308	762 606	655 527
Trade balance of petroleum products alone	-572 652	-423 022	-378 723	-644 193	-744 821	-703 106	-609223
Ratio of petroleum product TB to global TB	1,98	3,15	3,81	1,43	1,19	1,10	1,17
Difference between petroleum product TB and global TB	-283 702	-288 640	-279 351	-194 388	-120 567	-65 371	-87 804

Sources: DGD data and authors' calculations

Sixthly, if the trade balance of Côte d'Ivoire, trade taken as a whole, is structurally positive (Figure 1), this certainly reflects the good health of the Ivorian economy and its capacity to penetrate world markets, but a reading of the products exported shows that exports are dominated by primary products. And as the structure of its partners shows, Côte d'Ivoire trades mainly with non-African countries (mainly the so-called developed countries). This poses two main problems. Firstly, the weakness of the Ivorian economy in terms of processing; if this were not the case, Côte d'Ivoire would have exported to African and other developing countries processed products in proportions comparable to those of unprocessed products exported to Western countries. Secondly, the trade strategy developed by Côte d'Ivoire in the framework of its National Development Plans (NDP), NDP 2012-2015, NDP 2016-2020 and NDP 2021-2025, does not seem to be effective either because it is inappropriate or because it is not or insufficiently implemented. The responses to the questionnaire from some of the main players in Côte d'Ivoire's foreign trade sector point to the ineffectiveness of the implementation of the national strategy for export promotion and integration into the global economy adopted in 2012.

In sum, Côte d'Ivoire presents important opportunities in terms of trade in the implementation of the AfCFTA, as it has significant room for improvement.

However, to take advantage of this, it is necessary that it effectively implements: (1) its national export strategy and integration into the global economy, (2) its AGOA strategy and (3) its national AfCFTA implementation plan.

3 The Computable General Equilibrium Model of Côte d'Ivoire with disaggregation of the "Rest of the World" Section.

Computable General Equilibrium Models (CGEM) have been established as a tool for analysing the impact of shocks on economies since the mid-1970s (Cogneau and Roubaud; 1994). According to Cogneau and Roubaud (1994), Johansen's (1960) model for Norway is considered in the literature as the pioneer paper of CGE models.

CGE Models have the advantage of directly specifying the microeconomic behaviour underlying the macroeconomic equilibrium. They are based on the hypothesis of the representative agent. In order to avoid this assumption being too simplistic, CGEPs are as disaggregated as possible. In this way, once state intervention and openness to the outside world have been defined, they can deal finely with questions of resource reallocation and redistribution. Their main areas of application in economic policy are still foreign trade and tax reforms: response of economies to external shocks, pricing, free trade, poverty and inequality, etc.

In the case of this study, the aim is to adopt a social accounting matrix that takes into account concerns about the impact of the external shock of the AfCFTA and the redistributive effects of the AfCFTA on women and youth.

3.1 Diagnosis of Côte d'Ivoire's SAMs and challenges of disaggregating the "Rest of the World" Section

Various studies on the impact of preferential trade agreements for Côte d'Ivoire using computable general equilibrium models exist. We can cite, among others, Zatman (1995); Decaluwé et al (2001); Lambert and Suwa (1991); Collange and Plane (1994); Cockburn, Decaluwé and Fofana (2010); Bakouan, Diarra and Zalle (2020); Ferrari et al (2015); Diallo, Kamagaté and Koné (2006, 2010); Decaluwé, Dissou and Patry (1998), etc. These models differ on several criteria, the nature of the problem to be solved, the angle from which one approaches the problem, the degree of disaggregation, etc.

Côte d'Ivoire adopted an official CGE Model in 2019. Like all CGE Models, it is based on a Social Accounting Matrix (SAM). Following Cogneau and Roubaud

(1994), it should be noted that before the appearance of the CGE Model, economists and statisticians were already constructing Social Accounting Matrices (SAMs), in order to extend the practice of "input-output" models to questions of income distribution. The SAMs represent a major effort to synthesise the main economic statistics from the national accounts on the one hand (IOT and TEE), and from household surveys and business statistics on the other. In this way, in a disaggregated form, SAMs provide an initial description (an initial "model" in the broad sense of the term) of the economic flows characteristic of a given national economy. The major problem in constructing a SAM is the availability of statistics, which are sometimes very incomplete, as is often the case in developing countries like Côte d'Ivoire. However, it should be noted that the CGE Model presented by Côte d'Ivoire in 2019 is based on a 2015 SAM, i.e. the reference year of the matrix is 2015.

In the present case, the first concern is the nature of the structure of the official CSM of the State of Côte d'Ivoire with regard to the "Rest of the World" section, particularly on the trade side. Analysis of this SAM shows that the disaggregation of the "rest of the world" section does not take into account the concern linked to the distinction between the four blocs of partners, namely ECOWAS, the rest of Africa, the European Union, the USA and other partners. On analysis, the 2015 CSM of the official CGE Model of Côte d'Ivoire does not disaggregate the "Rest of the World" section.

The fact that the rest of the world is not disaggregated may lead the model to underestimate certain effects of the trade situation in Côte d'Ivoire. Indeed, trade in Côte d'Ivoire takes place within a multi-level and multi-dimensional regulatory framework. The regulatory framework for trade in Côte d'Ivoire is multilateral, preferential and bilateral. Côte d'Ivoire, like many countries in the world (164 member countries as of 29 July 2016[7]) is a member of the World Trade Organisation (WTO). The WTO is an international institution (in the full sense of the term[8]) whose central principle is the promotion of non-discriminatory trade. In the case of the preferential dimension of the regulatory framework for trade, this consists of regional trade agreements (UEMOA, ECOWAS, CEN-Sahel, Mano River Union), interregional agreements (EPAi[9] Côte d'Ivoire-European Union and ECOWAS-European Union EPA[10]) and preferential trade agreements such as the Generalised System of Preferences (GSP) AGOA. In its bilateral dimension, Côte d'Ivoire's trade is also covered by trade agreements signed with individual countries such as Burkina Faso, Morocco, etc.

It goes without saying that the interaction of all these rules can have a positive or negative impact on the nature of the impact of the AfCFTA on Côte d'Ivoire's economy. This multiplicity of frameworks for the regulation of Côte d'Ivoire's foreign trade raises the

[7]. https://www.wto.org/french/thewto_f/whatis_f/tif_f/org6_f.htm accessed on 20/02/2022.

[8] That is, as an institution, the WTO is both a set of rules, principles and procedures that are implemented, but also a structure.

[9] IPEA : Interim Economic Partnership Agreement between Côte d'Ivoire and the European Union signed in 2008 pending the entry into force of the EPA between ECOWAS and the European Union.

[10] The Economic Partnership Agreement (EPA) between ECOWAS and the European Union has not yet entered into force.

question of the conformity of the AfCFTA with WTO rules. Beyond the legal and economic questions of this conformity, in its trade policy dimension, it is possible that certain measures or provisions which may allow the State of Côte d'Ivoire to benefit from the AfCFTA are not permitted or authorised by WTO rules. In these circumstances, partners such as the United States of America, through AGOA, or the European Union through the IEPA, therefore hold strategic positions regarding the range of trade policies or measures that a country like Côte d'Ivoire can implement.

In addition, the need for diversification of trading partners, which is reflected in the downward trend in the shares of Côte d'Ivoire's traditional trading partners in its total trade, may also help to modulate the impact of the AfCFTA on the Ivorian economy as a favourable factor.

The capacity to master the interactions between these different dimensions of the regulatory framework of its external trade, through its experience of regional integration processes, can also be a favourable factor.

The disaggregation of the "Rest of the World" section helps to take these aspects into account and to make visible the need to adopt certain reforms.

3.2 Structure of the model and adaptation of the SAM or disaggregation of the "rest of the world" section)

The social accounting matrix (SAM) used is the 2015 one constructed by Ferreira et al. We have adapted it to our problem by disaggregating the rest of the world account into five partners. After the adjustments, the final SAM contains 109 accounts divided into six main groups. In particular, we distinguish four types of production factors, namely skilled labour, unskilled labour, private capital and published capital; twenty-two (22) categories of institutions: Urban households and rural households, firms, government, five categories of rest of the world (African countries, European Union (EU), United States of America (USA), China and other partner countries) and thirteen (13) government finance accounts (one

production tax account, one direct tax account, one indirect tax account, five import tax accounts and five export tax accounts). It also includes twenty-seven (27) sectors of activity and twenty-seven (27) products. The list of sectors and products is provided in the table below. Table 3

Table 3: Schematic presentation of the structure of the SAM in Côte d'Ivoire for the year 2015

	Factors (2)	Institutional sectors (25)	Activities (41)	Domestic market (41)	Exports (41)	Accumulation (2)
Factors (2)			Payment of factors			
Institutional sectors (25)	Remuneration of factors	Inter-institutional transfers	Production taxes and operating subsidies	Imports, Indirect taxes on products and taxes on imports	Tax on exports	
Activities (41)				Local sales	Exports	
Domestic market (41)		Private and public final consumption	Inputs	Margins	Margins	GFCF and change in inventories
Exports (41)		Exports				
Accumulation (2)		Savings				

Source: authors.

Table 4: The industries and goods/services of the SAM

Business line	Products (goods and services)
Food crops	Food crops products
Cocoa farming	Dried cocoa beans
Coffee farming	Green coffee
Cotton farming	Cotton in bulk
banana and pineapple farming	banana and pineapple
Rubber tree cultivation	Natural rubber
Cashew nut cultivation	Cashew nuts
Other cash crops	Other products for industry or export
Livestock and hunting	Livestock and hunting products
Forestry, logging	Forestry products
Fishing and fish farming	Fisheries and aquaculture products
Oil industry	Hydrocarbons
Other extractive industries	Other mining and quarrying products
Meat and fish production	Products of the slaughter, processing, preservation of meat and fish
Grain processing and product manufacturing	Products of the manufacture of cereal-based food products
Cocoa and coffee processing	Cocoa and coffee processing products
Other agri-food industries	Products of the manufacture of other food products
Textile, clothing, leather and wood industry	Textiles, clothing, leather, wood and wooden articles excluding furniture
Refining and coking	Petroleum refining and coking products
Chemical, rubber and plastics industry	Chemical products
Other industrial products	Other industry products
Construction	Buildings and building construction works
Trade and repair	Sale and repair of motor vehicles and motorbikes
Hotels, restaurants and transport	Accommodation, food and transport services
Post and telecommunications	Post and telecommunication services
Other market services	Other market services
Public administration and social security	Non-market services

Source: Authors based on the 2015 Côte d'Ivoire SAM

3.3 Data sources

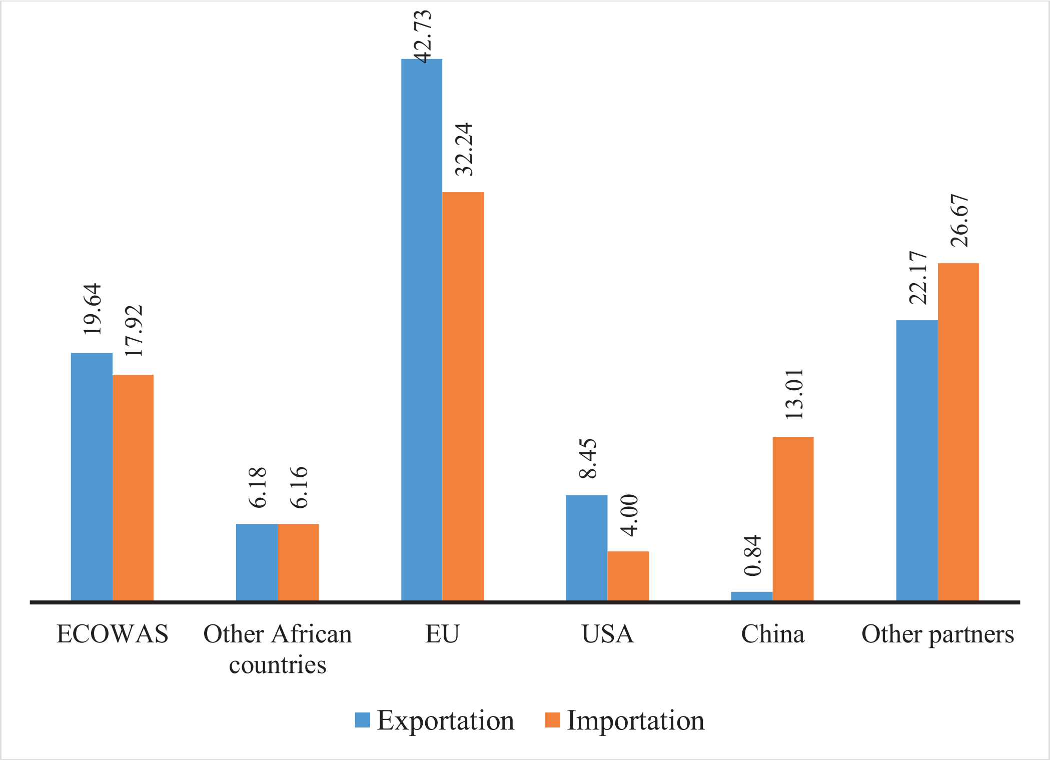
The data sources from which this SAM was constructed are: 1) the 2015 SAM by Ferreira et al, (2021); 2) the international trade accounts of the Directorate General of Customs; and 3) the UEMOA Harmonised Household Living Conditions Survey.

3.4 Some Lessons From the SAM

3.4.1 External Trade

Côte d'Ivoire exports more of its products to the European Union (42.73%), ECOWAS (19.64%), the United States of America (8.45%), other African countries outside ECOWAS (6.18%) and China (0.84%). Almost 22% of its exports are to other partners. Imports come mainly from the European Union (32.24%), ECOWAS (17.92%), China (13.01%), other African countries outside ECOWAS (6.16%) and the United States of America (4%). About 27% of Côte d'Ivoire's imports come from other partners.

Figure 17 Distribution of exports and imports by partner country



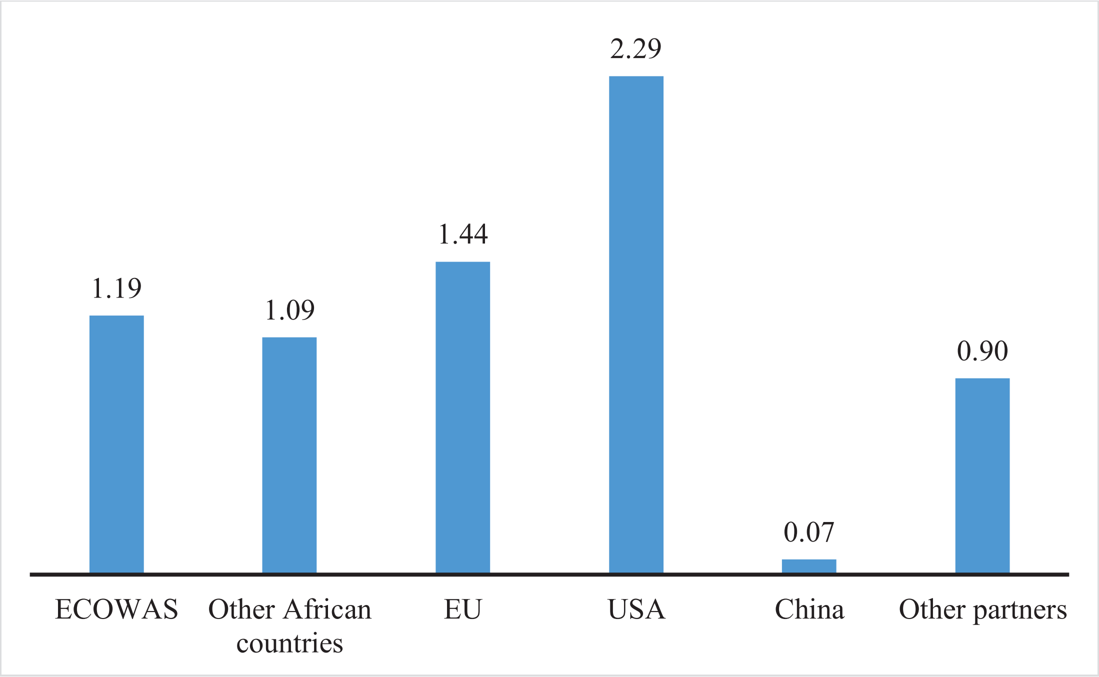
Source: Calculations from SAM data

Even the volume of trade with the United States of America seems low, it appears that Côte d'Ivoire exports 2.29 times more to the United States of America than it imports. Conversely, it exports 0.07 times more to China than it imports. This means that the value of imports from China is 14 times higher than the value of its exports.

Indeed, the dependency rate, which is measured by the export-import ratio, shows that Côte d'Ivoire's partnership with the USA is important, even strategic, for Côte d'Ivoire because it exports more to the USA than it imports. Moreover, its dependency rate on the

USA is the highest (2.29), followed by the EU (1.44), then ECOWAS (1.19) and then the other African countries (1.09). Côte d'Ivoire's dependence rate on China is the lowest (0.07), which suggests a strong margin for improvement, as Côte d'Ivoire exports practically nothing to China (Figure 16).

Figure 18 Dependency ratio (export to import ratio)



Source: Calculations from SAM data

The degree of openness of the Ivorian economy in 2015, which was 47.01%, tells us that the country is relatively open. This relative openness to the outside world should enable it to benefit from trade liberalisation policies.

International trade plays an important role in the Ivorian economy. Côte d'Ivoire exports about 30% of its production and imports 28% of its composite products. The primary sector exports relatively 43% of its production, the secondary sector 31% and the tertiary 22%. In terms of imports, the secondary sector imports nearly 44% of its composite products (domestic demand, i.e. the sum of local production sold on the domestic market and imports), the primary sector 26% and the tertiary 5% (Table 5).

Table 5 : Foreign trade structure (%)

	EX/XS*	*MI*/Q**	*EXi/EX*	*Mi/M*
Primary sector	*43,04*	*27,73*	*26,40*	*15,69*
Secondary sector	*31,17*	*43,82*	*41,31*	*78,24*
Tertiary sector	*22,41*	*4,77*	*32,30*	*6,07*
Set	*29,59*	*27,60*	*100,00*	*100,00*

Source: Authors based on the 2015 Côte d'Ivoire SAM

*Note: EX stands for export; MI refers to import; Q stands for composite products; XS stands for production; the index i stands for goods and services

An analysis of exports by partner reveals a slight heterogeneity. Overall, exports are relatively more driven by EU countries (43%) and African countries (26%). At the sectoral level, the gap is marked in the primary sector between the EU countries and the African countries (Table 6).

Table 6 : Weight of exports and imports in production and domestic demand (%)

	African countries	*EU*	*USA*	*China*	*Other partners*	*Total*
Primary sector	*3,98*	*49,05*	*13,74*	*1,91*	*31,31*	*100*
Secondary sector	*33,63*	*44,93*	*7,46*	*0,59*	*13,39*	*100*
Tertiary sector	*33,68*	*34,74*	*5,39*	*0,27*	*25,93*	*100*
Set	*25,82*	*42,73*	*8,45*	*0,84*	*22,17*	*100*

Source: Authors based on the 2015 Côte d'Ivoire SAM

As shown in Table 5, imports of industrial products represent about 78% of total imports of Côte d'Ivoire. Almost 25% of these imports come from African countries (Table 4).

Table 7 : Relative weight of imports by trading partners and by sector

	African countries	EU	USA	China	Other partners	Total
Primary sector	16,90	29,30	2,00	7,91	43,89	100
Secondary sector	25,96	33,03	4,53	14,31	22,17	100
Tertiary sector	18,47	29,62	2,44	9,31	40,17	100
Set	24,08	32,24	4,00	13,01	26,67	100

Source: Authors based on the 2015 Côte d'Ivoire SAM

3.4.2 Sectoral Contributions

Analysis of the contribution of the different sectors to wealth creation in Côte d'Ivoire shows that the food sector is the largest contributor (12.15%; Table 8), followed by the wholesale and retail trade sector, suggesting that Côte d'Ivoire can rely on the agricultural sector to diversify its economy.

Table 8 Sectoral share of aggregate value added (%)

	Share in total value added	Share of output distributed as value added	Factor intensity
Food crops	12,15	82,60	81,91
Cocoa farming	6,64	75,57	15,82
Coffee growing	0,31	81,79	8,48
Cotton growing	0,78	90,84	11,39
Sweet banana and pineapple growing	0,76	93,67	7,34
Rubber tree cultivation	1,18	67,52	25,22
Cashew nut cultivation	1,65	73,90	15,38
Other cash crops	1,47	87,27	12,66
Livestock and hunting	0,62	76,10	5,22
Forestry, logging	0,29	15,74	117,16
Fishing and fish farming	0,08	22,54	9,46
Oil industry	5,13	79,88	38,64
Other extractive industries	0,35	33,00	0,15
Meat and fish production	0,29	11,93	3,18
Grain processing and product manufacturing	0,23	12,21	2,82
Cocoa and coffee processing	1,93	33,17	11,14
Other agri-food industries	3,57	33,04	5,12
Textile and clothing industry	0,75	32,27	5,49
Leather and footwear industry	0,21	43,20	6,49
Woodworking and Manufacture of Wooden Products	0,41	26,83	1,96
Paper and board industry, printing	0,41	35,06	2,17
Refining and coking	2,39	24,05	23,60

Chemical industry	0,92	32,38	3,04
Rubber and plastics industry	2,30	42,13	6,39
Manufacture of other non-metallic mineral products	0,82	40,41	9,98
Basic metal products	0,89	27,22	5,53
Manufacture of machinery, equipment and transport	0,10	30,35	1,25
Manufacture of furniture, various industries	0,95	36,60	8,54
Generation and distribution of electricity from g	2,12	68,10	5,95
Construction	5,34	51,25	8,63
Wholesale and retail trade	9,76	30,64	6,36
Repairs	1,71	79,38	11,10
Hotels and restaurants	0,31	39,06	2,21
Transport and communications	2,87	43,94	1,51
Post and telecommunications	5,23	81,13	10,83
Financial activities	0,65	28,40	1,68
Real estate activities	4,92	97,99	65,94
Services provided to businesses	7,59	86,12	5,10
Public administration and social security	7,67	69,93	1,12
Education	3,39	82,03	0,29
Health and social work	0,86	64,17	0,10
Set	100,00	53,06	5,10

Sources: Calculations from SAM data

4 Analysis of the results of the simulations and the survey

We first present the results of the survey and then those of the CGE Model.

4.1 The results of the opinion survey

Our survey was carried out on a small sample in order to better target those who are directly involved in trade or/and who participate in decision making concerning Côte d'Ivoire's foreign trade. We deliberately eliminated the Secretariat of the National AfCFTA Committee to avoid any suspicion of bias in the responses (see the list of selected structures in the annex).

Our target sample consists of eleven (11) structures, six (6) of which responded with eleven (11) completed questionnaires. Of the respondents, 72.73% were men and 27.27% were women. Of the respondents, 72.73% were married and 27.27% were single. 36.36% were under 35 years of age and 63.64% were between 36 and 65 years of age. They have a second university degree (4th and 5th university year) for 63.64% and a third university degree (6th, 8th and 10th university year) for 36.36%. 9.09% work in the primary sector, 18.18% in the secondary sector and 90.91% in the tertiary sector. 36.36% of them are middle managers, 18.18% are senior managers, 36.36% are executives and 9.09% are managers of groups of companies. Finally, 45.45% have a maximum of 5 years' experience, 27.27% have between 6 and 10 years' experience and 27.27% have more than 10 years' experience.

At this stage, the analysis of the responses shows that 100% of the respondents consider that the AfCFTA presents certain opportunities for Côte d'Ivoire as a whole. These opportunities are diverse in their view, however the reduction in import costs and production costs will be low in terms of opportunity (see Table 7)

Table 9 Opportunities for Côte d'Ivoire as a whole from the AfCFTA

Types of opportunities	Percentage of respondents
Developing exports	81,82
Importing products at lower cost	63,64
Reduce production costs	45,45
Improve the quality of its products	63,64
Diversifying production	63,64
Conquering new markets	100,00
Diversifying business partners	100,00

Source: Our survey

When looking at the opportunities that the AfCFTA presents to women and youth in Côte d'Ivoire, it appears that the creation of new jobs is seen as less relevant compared to opportunities such as the development of their trade or businesses. For young people, this relative doubt also concerns the creation or initiation of new business activities for them (see Table 8).

Table 10: Opportunities that the AfCFTA offers to women and youth in Côte d'Ivoire according to Ivorian economic actors

Types of opportunities	Percentage of positive responses	
	Women	Young people
Job creation for women/youth	72,73	72,73
Creation or initiation of business activities by women/youth	100,00	72,73
Development of women/youth enterprises	81,82	72,73
Development of trade of women/youth or their businesses with other African countries.	90,91	90,91

Source: Our survey

The main lesson that can be drawn from Tables 7 and 8 is that efforts to raise awareness, communicate and exchange information on the opportunities that the AFCFTA presents for Côte d'Ivoire and its various components should be strengthened. Indeed, each item in our two tables is in fact, or is seen as, an opportunity to be expected from the implementation of the AfCFTA, but not all respondents perceive them as such, despite their knowledge of the AfCFTA.

Awareness-raising, information and training for authorities, managers and other administrative officials, both public and private, as well as for women and young people, in order to better understand the commitments made in the framework of the AFCFTA and the opportunities that these offer Côte d'Ivoire, are emphasised in the replies to the questionnaires submitted. Indeed, the majority of respondents to the questionnaires emphasised at least one of these aspects for Côte d'Ivoire to benefit from the implementation of the AfCFTA.

4.2 The results of the ECG Model simulations

To assess the impact of the implementation of the AfCFTA on the Ivorian economy, we carry out three simulations covering a period of sixteen years (2015 - 2030). The first simulation (Sim 1) involves the immediate and full liberalisation of imports from African economies from 2021. The second simulation (Sim 2) consists of a progressive liberalisation of goods from African economies. The third simulation (Sim 3) combines the hypothesis of the first simulation with the hypothesis of an increase in exports to other African countries. The results of the simulations are compared to the *"Business as Usual* (BAU)" reference situation.

Given the weight of imported goods in the productive fabric, particularly intermediate demand, customs liberalisation would cause an increase in imports and would also affect the sectors according to the intensity of the inter-industry links. The distribution of factor incomes could therefore be modified.

4.2.1 Hypothesis of unilateral, immediate and extensive liberalisation to all sectors

Effect on value added and Gross Domestic Product (GDP)

As imports increase relatively more than exports, GDP falls by 0.52% compared to the baseline situation. It can be seen that only the value added of the primary sector is negatively affected (Table 11).

Table 11: Change in value added and GDP (% relative to BAU scenario), 2030

	Reference	After the shock	Variation
Primary sector	13 153 013	13 011 975	-1,07
Secondary sector	21 068 623	21 107 524	0,18
Tertiary sector	23 150 223	23 244 795	0,41
GDP at market prices	28 797 830	28 648 231	-0,52

Source: Simulation results

Effect on Import Demand

It emerges that total and immediate liberalisation would lead to an increase of 0.14% in total imports for Côte d'Ivoire in 2030. This slight increase in import demand is essentially driven by demand for goods from the secondary sector (Table 12).

Table 12: Change in demand of general imports (% compared to BAU scenario), 2030

	Reference	After the shock	Variation
Primary sector	2 038 153	2 010 462	-1,36
Secondary sector	10 165 056	10 213 674	0,48
Tertiary sector	788 531	785 566	-0,38
Imports	12 991 741	13 009 703	0,14

Source: Simulation results

Effect on export demand

Given that the current account balance is exogenous, an increase in imports must be supported by an increase in exports in order to avoid a deterioration in the situation of the national economy vis-à-vis its trading partners. To this end, exports increase by 0.65% compared to the reference situation (Table 13).

Table 13: Change in general export demand (% relative to BAU scenario), 2030

	Reference	After the shock	Variation
Primary sector	3 328 163	3 356 075	0,84
Secondary sector	5 640 049	5 668 079	0,50
Tertiary sector	4 549 199	4 580 825	0,70
Exports	13 517 411	13 604 980	0,65

Source: Simulation results

Effect on the structure and content of foreign trade demand

The analysis of Table 14 reveals that the full and immediate liberalisation of products from African countries leads to an increase in import demand. Imports from African countries increase by 8.6%. This increase is driven by imports of secondary sector products. It also appears that liberalisation makes the African market more competitive and causes a preference for this market over others. Thus, imports from European Union countries fell by 2.5%. The drop in imports from other partner countries is 1.7% for the United States of America, 2% for China and 2.4% for other partners.

The impact of immediate and total liberalisation nevertheless causes a slight increase in exports to all of Côte d'Ivoire's trading partners (Table 14).

In sum, the structure of Côte d'Ivoire's foreign trade is significantly affected by the implementation of the AfCFTA. In addition, exports to the rest of the world outside Africa are increasing more in the secondary sector.

Table 14 : Change in import demand and export demand by partner (% relative to BAU scenario), 2030

	Import	Exports	
African countries			
Primary sector	2,4	0,6	Primary sector
Secondary sector	9,9	0,5	Secondary sector
Tertiary sector	-0,4	0,7	Tertiary sector
Imports	8,6	0,6	Exports
European Union			
Primary sector	-1,5	0,8	Primary sector
Secondary sector	-2,8	0,5	Secondary sector
Tertiary sector	-0,4	0,7	Tertiary sector
Imports	-2,5	0,6	Exports
United States of America			
Primary sector	-0,9	0,8	Primary sector
Secondary sector	-1,8	0,5	Secondary sector
Tertiary sector	-0,4	0,7	Tertiary sector
Imports	-1,7	0,7	Exports
China			
Primary sector	-0,9	0,8	Primary sector
Secondary sector	-2,2	0,6	Secondary sector
Tertiary sector	-0,4	0,7	Tertiary sector
Imports	-2	0,7	Exports
Other partners			
Primary sector	-2,7	0,9	Primary sector
Secondary sector	-2,5	0,5	Secondary sector
Tertiary sector	-0,4	0,7	Tertiary sector
Imports	-2,4	0,7	Exports

Source: Simulation results

Effect on public finances and government revenue

This has a negative impact on government resources. There is a decline in revenues from indirect consumption-related taxes, taxes on production, capital income and transfers (Table 15).

Table 15: Change in public finances and government income (% relative to BAU scenario), 2030

	Reference	After the shock	Variation
Government income	5 984 083	5 978 994	-0,09
Domestic indirect tax	1 500 054	1 498 605	-0,10
Import tax	1 063 592	1 069 145	0,52
Export tax	568 819	570 210	0,24
Production tax	405 016	404 455	-0,14
Capital income	757 554	753 941	-0,48
Transfer income	530 426	530 467	-0,09

Source: Simulation results

In sum, it can be said that total and immediate liberalisation would have increased Côte d'Ivoire's imports from other African countries in the primary and secondary sectors. It would have substituted Africa for other sources. It would have caused revenue losses for the Ivorian government but would have improved Ivorian exports to all its partners, even if import and export taxes would have improved.

4.2.2 Hypothesis of a unilateral, progressive and proportional liberalisation over five (5) years

Effect on value added and Gross Domestic Product (GDP)

In the case where access of Ivorian products to the market of other partners remains limited, progressive liberalisation also leads to a deterioration of GDP at market prices of around 0.53%. It is also observed that only the value added of the primary sector is negatively impacted (Table 16). This situation can be explained by the fact that imports increase relatively more than exports (table 19).

Table 16 Change in value added and GDP (% relative to BAU scenario), 2030

	Reference	After the shock	Variation
Primary sector	13 153 013	13 017 080	-1,03
Secondary sector	21 068 623	21 102 874	0,16
Tertiary sector	23 150 223	23 242 927	0,40
GDP at market prices	28 797 830	28 645 694	-0,53

Source: Simulation results

Effect on import demand

It emerges that gradual liberalisation will eventually lead to an increase of 0.13% in total imports for Côte d'Ivoire. This slight increase in import demand is essentially driven by demand for goods from the secondary sector (Table 17).

Table 17: Change in general import demand (% relative to BAU scenario), 2030

	Reference	After the shock	Variation
Primary sector	2 038 153	2 009 597	-1,40
Secondary sector	10 165 056	10 213 571	0,48
Tertiary sector	788 531	785 628	-0,37
Imports	12 991 741	13 008 796	0,13

Source: Simulation results

Effect on export demand

Progressive liberalisation leads to a slight increase in exports of 0.63% compared to the reference situation (Table 18)

Table 18: Change in general export demand (% relative to BAU scenario), 2030

	Reference	After the shock	Variation
Primary sector	3 328 163	3 355 470	0,82
Secondary sector	5 640 049	5 666 498	0,47
Tertiary sector	4 549 199	4 580 000	0,68
Exports	13 517 411	13 601 969	0,63

Source: Simulation results

Effect on the structure and content of foreign trade demand

The analysis of Table 19 shows that the progressive liberalisation of products from African countries leads to an increase in import demand. Imports from African countries increase by 8.6%. This increase is driven by imports of products from the secondary sector. Imports from European Union countries are down by 2.5%. Imports from other partner countries fell by 1.7% for the United States of America, 2% for China and 2.4% for other partners.

The repercussions of the gradual liberalisation have nevertheless led to a slight increase in exports to all of Côte d'Ivoire's trading partners, ranging from 0.4% for the secondary sector to the European Union to 0.8% for the primary sector to the EU, the USA, China and other partners.

Table 19: impact of the establishment of the AfCFTA on exports and imports by region

	Import	Exports	
African countries			
Primary sector	2,3	0,7	Primary sector
Secondary sector	9,9	0,5	Secondary sector
Tertiary sector	-0,4	0,7	Tertiary sector
Imports	8,6	0,6	Exports
European Union			
Primary sector	-1,6	0,8	Primary sector
Secondary sector	-2,8	0,4	Secondary sector
Tertiary sector	-0,4	0,7	Tertiary sector
Imports	-2,5	0,6	Exports
United States of America			
Primary sector	-0,9	0,8	Primary sector
Secondary sector	-1,8	0,5	Secondary sector
Tertiary sector	-0,4	0,7	Tertiary sector
Imports	-1,7	0,7	Exports
China			
Primary sector	-1	0,8	Primary sector
Secondary sector	-2,2	0,6	Secondary sector
Tertiary sector	-0,4	0,6	Tertiary sector
Imports	-2	0,7	Exports
Other partners			
Primary sector	-2,8	0,8	Primary sector
Secondary sector	-2,5	0,5	Secondary sector
Tertiary sector	-0,4	0,7	Tertiary sector
Imports	-2,4	0,7	Exports

Source: Simulation results

Effect on public finances and government revenue

This has a negative impact on the government's resources. There is a decline in revenues from indirect consumption-related taxes, taxes on production, capital income and transfers (Table 20).

Table 20 Impact of the AfCFTA on government revenue

	Reference	After the shock	Variation
Government income	5 984 083	5 978 778	-0,09
Domestic indirect tax	1 500 054	1 498 638	-0,09
Import tax	1 063 592	1 069 056	0,51
Export tax	568 819	570 167	0,24
Production tax	405 016	404 463	-0,14
Capital income	757 554	753 898	-0,48
Transfer income	530 426	530 478	-0,09

Source: Simulation results

It should be noted that the results of these first two simulations are based on the hypothesis of unilateral liberalisation, i.e. that Côte d'Ivoire's partners are not obliged to open their markets in the context of the implementation of the AfCFTA. Such an assumption may seem surprising, but it is justified by the demand for reciprocity in the implementation of trade agreement commitments.

4.2.3 Hypothesis of unilateral liberalisation with an opening of African economies to Ivorian exports

The implementation of the AfCFTA requires Côte d'Ivoire to liberalise 90% of its imports from African countries immediately. It will have to liberalise 7% of its tariff lines over a period of 10 years. Thus, this is almost all imports except for so-called sensitive products (3% of tariff lines). However, the other African countries are supposed to grant the same advantages to Côte d'Ivoire, which should thus see its products enter the markets of its African partners free of all customs duties. To take into account the export opportunities that the AfCFTA offers to Côte d'Ivoire, we assume that the demand of African countries for Ivorian products increases at the same time as Côte d'Ivoire liberalises its imports from Africa.

Effect on value added and Gross Domestic Product (GDP)

Full and immediate liberalisation accompanied by an increase in exports to African markets would lead to an increase of 2.35% in GDP. At the sectoral level, only the secondary sector would see an increase in its value added of 1.87% (Table 21).

Table 21: Change in value added and GDP (% relative to BAU scenario), 2030

	Reference	After the shock	Variation
Primary sector	13 153 013	12 980 610	-1,31
Secondary sector	21 068 623	21 462 044	1,87
Tertiary sector	23 150 223	23 073 116	-0,33
GDP at market prices	28 797 830	29 475 392	2,35

Source: Simulation results

Effect on import demand

Full and immediate liberalisation with increased exports to African markets boosts imports by almost 3.5%. Import demand increases for all sectors. The increase is 4% for the secondary sector, 2.5% for the tertiary sector and 1.5% for the primary sector (Table 22).

Table 22: Change in general import demand (% relative to BAU scenario), 2030

	Reference	After the shock	Variation
Primary sector	2 038 153	2 069 457	1,54
Secondary sector	10 165 056	10 571 614	4,00
Tertiary sector	788 531	808 276	2,50
Imports	12 991 741	13 449 347	3,52

Source: Simulation results

Effect on export demand

Overall, full and immediate liberalisation with an increase in exports to African markets leads to an increase in exports of 1.67%. This export would only benefit the export of secondary sector products by 5.41% (Table 23).

Table 23: Change in general export demand (% relative to BAU scenario), 2030

	Reference	After the shock	Variation
Primary sector	3 328 163	3 311 799	-0,49
Secondary sector	5 640 049	5 944 941	5,41
Tertiary sector	4 549 199	4 486 268	-1,38
Exports	13 517 411	13 743 008	1,67

Source: Simulation results

Effect on the structure and content of foreign trade demand

The analysis according to partners shows that the net increase in imports from African countries will have a knock-on effect on imports of products from the rest of its partners to a lesser extent. In the long term, imports from African countries increase by almost 13%. They would be 0.5% for the European Union, 1.2% for the United States of America, 1.4% for China and 0.8% for the other partners (Table 24).

An analysis by partner shows, as expected, a 9% increase in exports to African countries. This increase would be driven more by exports of products from the primary and secondary sectors. On the other hand, Côte d'Ivoire is likely to reduce its exports to the European Union, the United States of America, China and other partners (Table 24).

Table 24: Impact of the AfCFTA on exports and imports by region

	Imports	Exports	
African countries			
Primary sector	5,3	17,3	Primary sector
Secondary sector	14,4	17,3	Secondary sector
Tertiary sector	2,5	-1,4	Tertiary sector
Imports	12,9	9,3	Exports
European Union			
Primary sector	1,2	-1,2	Primary sector
Secondary sector	0,3	-0,9	Secondary sector
Tertiary sector	2,5	-1,4	Tertiary sector
Imports	0,5	-1,1	Exports
United States of America			
Primary sector	1,6	-1,2	Primary sector
Secondary sector	1,1	-1,3	Secondary sector
Tertiary sector	2,5	-1,4	Tertiary sector
Imports	1,2	-1,3	Exports
China			
Primary sector	1,9	-1,1	Primary sector
Secondary sector	1,2	-1,3	Secondary sector
Tertiary sector	2,5	-1,4	Tertiary sector
Imports	1,4	-1,2	Exports
Other partners			
Primary sector	0,3	-1,2	Primary sector
Secondary sector	0,7	-1,1	Secondary sector
Tertiary sector	2,5	-1,4	Tertiary sector
Imports	0,8	-1,2	Exports

Source: Simulation results

Effect on public finances and government revenue

Given that full and immediate liberalisation with increased exports to African markets would be conducive to GDP growth, it appears that overall indirect revenues on goods and services are increasing. The increase in these tax revenues contributes to an increase in government revenue (Table 25).

Table 25 Change in public finances and government income (% relative to BAU scenario), 2030

	Reference	After the shock	Variation
Government income	5 984 083	6 116 323	2,21
Domestic indirect tax	1 500 054	1 529 444	1,96
Import tax	1 063 592	1 104 296	3,83
Export tax	568 819	574 052	0,92
Production tax	405 016	411 213	1,53
Capital income	757 554	776 839	2,55
Transfer income	530 426	533 680	0,61

Source: Simulation results

The results of simulations 1 and 2 are based on the assumption of unilateral liberalisation, i.e. that Côte d'Ivoire's partners are not obliged to open their markets in the context of the implementation of the AfCFTA. Such an assumption may seem surprising, but it is justified by the demand for reciprocity in the implementation of commitments relating to trade agreements. This demand is regularly made by Ivorian economic operators who feel that the efforts to open up are not reciprocally applied to them. The above results of the MEGC simulation tend to reinforce the concern of Ivorian economic operators that in the absence of reciprocity in the implementation of commitments contained in trade agreements, they can only derive very little benefit.

5 Conclusion and recommendations

The establishment of the AfCFTA seems to be an opportunity for Côte d'Ivoire, which can draw on a high degree of openness, its experience in regional integration, the diversity of its agricultural production and the diversity of its trading partners to take advantage of it. In particular, statistical analyses of Côte d'Ivoire's trade show its challenges but also its potential.

The impact of the implementation of the AfCFTA analysed through three liberalisation scenarios whose effects were simulated by means of a CGE Model based on an adapted 2015 SAM concludes that the situation is advantageous for Côte d'Ivoire in a context of trade offensive. Indeed, the total and immediate liberalisation accompanied by an increase in exports to African markets favourably stimulates imports by almost 3.5%. Import demand is increasing for all sectors. The increase is 4% for the secondary sector, 2.5% for the tertiary sector and 1.5% for the primary sector. It leads to an increase in exports as a whole (1.67%)

through the strong increase in exports of secondary sector products (5.41%). Africa, both as a source of imports and as a destination for Ivorian exports, tends to replace its other partners. All this would lead to an increase of 2.35% in GDP, but through the performance of the secondary sector, whose value added would increase by 1.87%. The result is an overall improvement in government revenue of about 2.21% through the improvement of all its items.

On the basis of these results as well as the findings of the statistical analysis of trade flows in Côte d'Ivoire over the period 2015-2021, and taking into account the responses to the questionnaire submitted to certain major actors in foreign trade and the Ivorian economy, we make the following recommendations

- so that Côte d'Ivoire as a whole benefits from the implementation of ZLECaf,
    1. the effective implementation of the national strategy for the promotion of exports and the integration of Côte d'Ivoire into the world economy;
    2. the effective implementation of the national AGO strategy;
    3. the effective implementation of the national implementation plan ZLECAf ;
    4. the coherence of these commercial strategies in the service of the Ivory Coast;
    5. Côte d'Ivoire's defence of reciprocity in the implementation of the commitments contained in the AfCFTA agreement;
    6. the continuation by the Ivorian authorities of awareness-raising, information and training for economic actors and operators in Côte d'Ivoire;
    7. the strengthening and development of economic infrastructures, in particular those supporting trade at national, regional and continental levels;

It is obvious that the implementation of each of these three strategies requires not only that the structures in charge of their operation have a substantial budget and human and material resources, but also that financial resources are available to finance the various activities, measures and reforms that these three strategies contain, while avoiding duplication.

To take advantage of trade initiatives such as the AfCFTA, AGOA and other trade agreements, it is important that the production and processing system is dynamic, and in this sense we recommend

1. Improved cooperation between Ivorian companies;

2. creating the conditions for dynamic cooperation between companies (VSBs, SMEs and large companies) all throughout the global value chains that will be mutually beneficial through subcontracting, outsourcing and local content policies.

- so that women can benefit from the implementation of the AfCFTA :

  1. Strengthening and developing women's skills in managing and running their businesses and in developing their trade across the African continent;

  2. support for women to better structure their activities;

  3. optimising the support mechanisms available to women while creating new ones with more targeted missions;

  4. the provision of socio-economic infrastructures such as crèches, nurseries, hospitals and maternity wards for women at the various borders;

  5. the organisation of trade fairs, forums and business shows for women across the African continent;

  6. taking full account of informal trade, where most women are found, by developing coherent, accessible and feasible strategies (carrying out studies and designing plans) for the formalisation of these activities.

- so that young people can benefit from the implementation of the AfCFTA :

  1. to have a quality and competitive basic education, at least on the scale of the African continent;

  2. train them to accept the idea that the civil service and wage employment are no longer the best routes to social success;

3. the development of financial and technical support for their entrepreneurial and structuring activities;

4. the development in their favour of platforms dedicated to e-commerce and the marketing of all other technological innovations;

5. the organisation of trade fairs, forums and business shows for their benefit.

Beyond these recommendations, the results of this study can be improved by taking into account the nature of the enterprises (exporters or importers), the gender of the manager or owner (male or female) and the age of the manager or owner. These improvements are conditional on the availability of Financial Data Bank statistics tracking these distinctions.

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Annexes

Survey Questionnaire

ASSESSMENT STUDY ON THE IMPACT OF THE FREE TRADE AGREEMENTS (AFCFTA) ON THE IVORIAN ECONOMY

Background

The Agreement establishing the African Continental Free Trade Area (AfCFTA) was signed in Kigali, Rwanda on 21 March 2018 by the Heads of State and Government of Africa. This historic act created one of the largest Free Trade Areas in the world, with an area covering 55 countries and connecting 1.2 billion people. The trade exchanges that will be generated by the AfCFTA will most certainly have a major impact on the economic development of the African continent. This will notably include increasing and strengthening intra-African trade, as well as promoting both intra and external African investment.

Côte d'Ivoire has significant attributes that position it well to seize these opportunities. These attributes include sustained economic growth since the end of the politico-military crisis in 2011, a comparative advantage in a number of products (agricultural and non-agricultural) whose exploitation can make it a relatively diversified economy on the scale of the African continent, etc., to the provision by Côte d'Ivoire of a national strategy study on the implementation of the AfCFTA accompanied by a strategic plan.

In order to capitalise on these strengths, it will be necessary not only to identify and plan properly, but also to assess the impact of this preferential trade opening, the AfCFTA, in terms of partnerships with other regions of the world, the volume of trade with African peers, the promotion of women and youth, economic growth, and the content of trade by destination or origin.

The Objectives of the Study

Thus, this study has a dual purpose: an impact assessment of the implementation of the AFCFTA with scenarios and a political economy analysis of the implementation of the AfCFTA with the gender concept (women and youth) as a basis.

The dimension of interest to us in this questionnaire is that of political economy analysis.

6 Identification of the respondent

6.1 Gender

Male

Female

6.2 Marital status

Married

Single

Widow(er)

Divorced

6.3 Age group

< 35

35 < age < 65

More than 65% of the

6.4 Level of education

Not educated

Primary

Secondary school (6ème to 3ème)

Secondary school (2nde to Tle)

Higher education (1er cycle: 1ère , 2nde and 3ème university year)

Higher education (2nd cycle: 4ème and 5ème university year)

Higher education (3ème Cycle: 6ème , 8ème and 10ème university year)

6.5 Sector of activity

Primary (Agriculture, fisheries, etc.):

Secondary (extraction, mining, processing, etc.) :

Tertiary (commerce, insurance, banking, etc.) :

6.6 Situation in your job

Agent

Technician

Middle management

Senior management

Executive

Cluster manager

Other (please specify)

6.7 Number of years in the business

[0 to 5 years]

[5 to 10 years]

More than 10 years

7 Checking its knowledge of the AFCFTA

What do you know about the AfCFTA?

8 The opportunities of the implementation of the AfCFTA

8.1.1 For the Ivory Coast as a whole

Developing exports
Importing products at lower cost
Reduce production costs
Improve the quality of its products
Diversifying production
Conquering new markets
Diversifying business partners

8.1.2 For young Ivorians

Job creation for young people
Creation or initiation of business activities by young people
Development of youth enterprise activities
Development of trade between young people or their companies and other African countries.

8.1.3 For women

Job creation for women
Creation or initiation of commercial activities by women
Development of women's enterprise activities
Development of trade of women or their enterprises with other African countries.

9 The challenges of implementing the AfCFTA for Ivorian youth

For Côte d'Ivoire to seize these opportunities, what should it do?

What should the Ivorian government do to ensure that young people take advantage of these opportunities linked to the AFCFTA? The employers' organisations?

For young people to seize these opportunities related to the AfCFTA, what should young people themselves do ? Youth organisations?

For women to seize the opportunities of the AfCFTA, what should the Ivorian government do? Employers' organisations?

For women to seize the opportunities of the AfCFTA, what should women themselves do? Women's organisations?

Table 26 : Structures entered and status of responses as of 28 February 2022

Structures contacted	Response to date	No. of responses
CGECI	yes	6
UGECI	Yes	1
FINISCI	yes	1
FIPME	No	0
Ministry of Trade	No	0
Ministry of Planning and Development		
Ministry of Foreign Affairs and African Integration	Yes	1
Ministry of Economy and Finance	yes	1
National Export Council of Côte d'Ivoire	yes	1
FOPAO	No	0
Kaydan	No	0
Total		**11**

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