

**Credit Rating Note**
**Validity: August 2018 - July 2019**

Category of values	Rating scale	Currency	Current rating	Previous rating	Validity	Outlook
Long-term	Local currency	CFA	A-	A-	31/07/2019	Stable
Short-term	Local currency	CFA	A2	A2	31/07/2019	Stable

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**Basic financial data**

	2016	2017
Nominal GDP (billion CFA Francs)	21 685,8	23 510,0
GDP per capita at current prices	882,7	943,8
Growth rate (%)	8,2	7,8
Inflation (%)	0,7	0,7
Rate of investment (%PIB)	20,7	20,9
Wage bill (% tax revenues)	47,9	49
Debt stock (%PIB)	41,8	42,7
Foreign debt (%PIB)	23,2	24,5
Budget balance excluding grants (%GDP)	-5,2	-5,4
Budget balance including grants (%GDP)	-3,9	-4,2

**Introduction**

Cote d'Ivoire is located in West Africa and is a member of the West African Economic and Monetary Union (WAEMU) and the Economic Community of West African States (ECOWAS).

With a surface area of 322,462 km<sup>2</sup>, the country has a quadrilateral shape and is bordered to the north by Burkina Faso and Mali, to the west by Guinea and Liberia, to the east by Ghana and to the south by the Atlantic Ocean.

**Justification of the rating and outlooks**
**Long term:**

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

**Short term:**

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

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

**Key performance factors**

The rating is based on the following positive factors:

- Good ability to carry out reforms;
- An economic growth still outstanding;
- Inflation remains stable;
- Enhancement of the financial soundness in the banking sector
- Significant progress in public administration's transparency;
- A continued public finance reforms' implementation;
- A debt sustainability that remains constant.

**Main factors of fragility of credit quality:**

- A very unstable political and social environment;
- The public administration is still not efficient due to weak governance, despite efforts to improve the management
- Resources still absorbed by the debt service and staff costs
- A public debt, still easily affectable by the foreign exchange risk
- Slowdown in 2018 reforms with regards to the broadening of the tax base
- A slight deterioration of banks assets