

The Return of Cote d'Ivoire

By John James ♦ PUBLISHED 18 May 2012

A drive through the broad avenues of what is one of Africa's more glamorous cities yields few pointers to the post-election crisis that tore apart the country's just-healed political process last year.

IVORIANS, EVER PROUD of their French colonial ties, aren't normally quick to speak English. But the words 'Cote d'Ivoire is back' are regularly heard and published in the bustling economic capital Abidjan, a sentiment apparently better expressed in the language of Shakespeare. A drive through the broad avenues of what is one of Africa's more glamorous cities yields few pointers to the post-election crisis that tore apart the country's just-healed political process last year. Do appearances deceive or is the former West African economic miracle truly back on track?

On the regional stage, the country is quickly making its voice heard again. In February, less than a year after taking office, President Alassane Ouattara became chairman of the Economic Community of West African States (ECOWAS). As a close ally of the outgoing chairman, Nigerian President Goodluck Jonathan, Ouattara was in some ways the obvious choice to lead the regional bloc. But an Ivorian head of state has never held the post and locally people murmured that national reconstruction work meant he wouldn't have the time. Ouattara, a former deputy managing director of the International Monetary Fund (IMF), has nonetheless quickly set to work, and perhaps inspired by last

year's crisis, has pushed ECOWAS into a more interventionist role, trying to deal with coup d'états in Mali and Guinea Bissau in March and April respectively.

The diplomatic meetings have given new life to the hotel sector and occupancy rates at Abidjan's principal business hotels are around 80%. The city's landmark Hotel Ivoire has half-reopened, and will be fully refurbished and in the hands of Sofitel by next year. Azalai, Onomo, Teylieum and Kempinski hotels have all started work on brand new hotel complexes. On the infrastructure front, work has finally got underway on a new US\$325 million bridge over the lagoon that dominates Abidjan's topography. Roads are being resurfaced, and the airport is being upgraded. The major mobile phone networks, Orange, MTN and Moov have been issued with 3G licences and the new services should be operational in the next few months. Refurbishment work has started on the headquarters of the African Development Bank and diplomatic staff are moving back. In May the UK's embassy reopened after being shuttered for seven years, and an Ivoire-British chamber of commerce will be set up in the coming weeks. The bounce back this year will look impressive, with growth of around eight per cent expected, before dropping back to just over five per cent in 2013.

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While things are looking up for the Ivorian economy, some investors are still waiting for a bit more post-crisis water to pass under the bridge. So the rest of 2012 will be crucial for establishing a foundation for future growth. Politically, the dust is still settling after the instability of 2010-2011, and both the demobilisation process and the political

strategy chosen by the opposition, whose principal leader Laurent Gbagbo, is awaiting trial at the International Criminal Court, will be important. The government is making the right noises about improving the business climate, but for the time being it is almost out of funds to invest, ahead of the IMF's expected HIPC (Heavily Indebted Poor Countries) completion point, expected to bring substantial debt relief at the end of June.

Reconciliation remains a major challenge. Some high level Ivorian business leaders fear the president may have overestimated the impact an improving economy would have on the reconciliation process. Regardless, households are still recovering from last year's crisis, insecurity in the poorer suburbs and the affect of high global food prices, making life difficult for normal Ivorian households. The heavily-mediatised Truth, Reconciliation and Dialogue Commission appears to have very little dynamism and public hearings remain a long way off. Things aren't helped by the fact

that many pro-Gbagbo supporters continue to insist that he won the 2010 election, while also making his release from the ICC a condition of talks (something the new government couldn't obtain even if it wanted to).

Bearing this in mind though, the most probable outcomes look rosy for Cote d'Ivoire: it's well situated in the region, with a good inheritance of infrastructure from the spectacular growth of the 1960s and 1970s. It has reliable electricity supplies, improved economic management and a reasonably diversified economy, with potential for expansion in hydrocarbons and mining, among other areas. That should be good news for the region, particularly in the francophone West African monetary zone, which Cote d'Ivoire's economy dominates. Landlocked Mali, Burkina Faso and Niger should all benefit from the growth, and stronger trade with neighbouring Ghana should lift the entire zone. **END**

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