

Newsletter – June-July 2024

Today's headlines...

1. **The IMF Executive Board Concluded the Second Review of the ECF and EFF Programs, the First Review of the RST Program, and Approved a Disbursement of \$570 Million**
2. **The Directorate General of Financing Held a “Global Investor Call” with Nearly 170 participants**
3. **A Chinese Consortium Will Invest \$3 Billion in Côte d'Ivoire Over 20 Years for the Development of Economic and Industrial Hubs**
4. **The Korean Economic Development Cooperation Fund (EDCF) Will Mobilize \$1 Billion in Côte d'Ivoire by 2028**
5. **Côte d'Ivoire Grants Two Mining Licenses for the Development of the 3rd Largest Gold Project in West Africa**
6. **Construction of the Abidjan Bus Rapid Transit Line, Co-Financed by the World Bank and the French Development Agency, has begun**
7. **Valency Inaugurated a Cashew Processing Plant in Abidjan Through Norwegian and Finnish Financing of \$10 Million**

1. **The IMF Executive Board Concluded the Second Review of the ECF and EFF Programs, the First Review of the RST Program, and Approved a Disbursement of \$570 Million**

On June 25, 2024, the IMF Executive Board concluded the second review of the Extended Credit Facility (ECF) and the Extended Fund Facility (EFF), as well as the first review of the Resilience and Sustainability Trust (RST) and approved the immediate disbursement of \$570 million. The ECF/EFF agreements approved in May 2023 provide the Republic with access to SDR 2.6 billion (400% of the quota, approximately \$3.5 billion) over 40 months. Additionally, the RST agreement approved in early 2024 provides access to SDR 975.6 million (150% of the quota, approximately \$1.3 billion).

The Executive Board noted that the implementation of the programs has been “strong” and that the Republic of Côte d'Ivoire has met all performance criteria and structural benchmarks. The Fund considers the Ivorian economy “resilient” despite a challenging international environment. The medium-term outlook is considered favorable, with growth expected to reach 6.5% in 2024. The IMF also commended the Government’s efforts to increase tax revenues and affirmed the credibility of the objective to achieve a public deficit of 3% by the end of 2025. These efforts reflect the Ivorian authorities’ ongoing commitment to enhancing

revenue mobilization in the medium term through the implementation of a new revenue mobilization strategy approved in May 2024.

The IMF also noted that macroeconomic risks have balanced out, as evidenced by the upgrade of the Republic's credit rating by Moody's from Ba3 to Ba2 in March, leading to increased interest from international investors.

Finally, the IMF praised the debt management operation carried out in January 2024. This operation improved Côte d'Ivoire's Debt Sustainability Analysis (DSA), confirming a moderate risk of debt distress without any need for judgmental adjustments.

2. The Directorate General of Financing Held a "Global Investor Call" with Nearly 170 Participants

On Wednesday, July 24, 2024, Côte d'Ivoire held a "Global Investor Call" (GIC), led by the Directorate General of Financing. This meeting is part of the new initiatives under the DGF's Investor Relations framework. The goal is to maintain regular communication with international investors outside the context of financial transactions. The delegation from the Ministry of Finance and Budget included Mr. Lanciné Diaby, Director General of Financing, Mr. Sansan Hien, Deputy Director General of the Economy, and Mr. Adopo Fiacre, Director of Budgetary Policies and Syntheses.

The GIC agenda was structured into three parts: (i) a presentation of the latest macroeconomic and financial developments in Côte d'Ivoire, as well as at the regional level, (ii) a detailed presentation of the January 2024 debt management exercise and its results and impacts on the public debt profile, and (iii) an open Q&A session for all investors.

The conference generated significant interest, with 168 participants from 102 different institutions, including key investors and Côte d'Ivoire's institutional partners.

The presentation used during the session is available on the [DGF website](#).

3. A Chinese Consortium Will Invest \$3 Billion in Côte d'Ivoire Over 20 Years for the Development of Economic and Industrial Hubs

The Investment Promotion Center of Côte d'Ivoire (CEPICI) announced that the Chinese consortium CAFTRADE intends to invest \$3 billion over 20 years (c. XOF 1.8 trillion) in Côte d'Ivoire.

As part of this initiative, CEPICI and the consortium signed a memorandum of understanding for the development of a commercial and industrial hub in the Agneby-Tiassa region. The financing will be structured in three phases: \$500 million will be made available starting in January 2025, \$1 billion in the second phase, and another \$500 million later. These investments are expected to create 2,000 direct and 400 indirect jobs.

4. The Korean Economic Development Cooperation Fund (EDCF) Will Mobilize \$1 Billion in Côte d'Ivoire by 2028

During the 1st South Korea – Africa Summit held in Seoul in early June, the Minister of Finance and Budget, Adama Coulibaly, and the South Korean Minister of Foreign Affairs signed a \$1 billion agreement (c. XOF 600 billion) through the Korean Economic Development Cooperation Fund (EDCF). This agreement covers the period 2024-2028 and illustrates the commitment of both countries to strengthen their cooperation in the sectors of raw material processing, innovation, digital transition, and the automotive industry.

5. Côte d'Ivoire Grants Two Mining Licenses for the Development of the 3rd Largest Gold Project in West Africa

On July 10, 2024, the Council of Ministers adopted two decrees granting gold mining licenses to Shark Mining, 90% owned by Montage Gold, in the departments of Dianra and Kani. These mining licenses pertain to exploration permits that have led to the discovery of a world-class deposit. The deposit is estimated at 152 tons of ore, making it the third-largest gold project in West Africa.

The planned investments are estimated at XOF 489 billion (EUR 744 million) and are expected to generate approximately 2,500 direct jobs during the exploitation phase. Approximately XOF 19.8 billion (EUR 30.2 million) is allocated for local development. Work will begin in the last quarter of 2024, with production expected to start in 2027.

Montage Gold has announced a private placement by issuing shares for a maximum amount of CAD 170 million (EUR 113.9 million) to accelerate the launch of this mining asset.

6. Construction of the Abidjan Bus Rapid Transit Line, Co-Financed by the World Bank and the French Development Agency, has begun

Construction of the Abidjan Bus Rapid Transit (BRT) line began on July 10, 2024, in the presence of Prime Minister Robert Beugré Mambé. The project, co-financed by the World Bank (EUR 277 million) and the French Development Agency (EUR 91 million), will connect the Yopougon and Bingerville municipalities over 20 km. It will allow approximately 500,000 passengers daily to travel between these two municipalities in 45 minutes instead of the current 3 hours.

The BRT is one of the components of the Abidjan Urban Mobility Project (PMUA) and is part of the Ivorian government's initiative to modernize and make urban public transport more efficient. To this end, over 100 electric buses will be deployed on the line at the end of the 36 months of planned work.

7. Valency Inaugurated a Cashew Processing Plant in Abidjan Through Norwegian and Finnish Financing of \$10 Million

Valency International Trading, a subsidiary of the Singaporean group Valency International, specializing in commodity trading, announced the commissioning of its cashew peeling and packaging plant in Abidjan. The facility has a processing capacity of 45,000 tons of raw cashew nuts per year and provides 2,000 jobs.

The project was funded by Finnish (Finnfund) and Norwegian (Norfund) financiers, with a total amount of \$10 million. The plant will contribute to increasing the local processing rate of raw cashew nuts, which currently stands at 21%. It is worth noting that Côte d'Ivoire is the world's largest producer of raw cashew nuts, accounting for approximately 40% of the global supply.

Issuance calendar on the West African Monetary Union financial market

State of issues on the WAMU – June – July

Instrument	Date	Amount raised (M CFAF)	Subscription rate (%) ¹	Maturity	Coupon (%) ²	Rate (%) ³
BAT		21,620		3M	n.a.	6.58%
BAT	04/06/2024	24,571	105%	12M	n.a.	7.30%
OAT		6,510		3Y	5.70%	7.60%
OAT		500		5Y	5.90%	7.65%
BAT		35,000		3M	n.a.	6.59%
BAT	11/06/2024	6,800	103%	12M	n.a.	7.27%
OAT		7,500		3Y	5.70%	7.62%
OAT		3,555		5Y	5.90%	7.66%
BAT		14/06/2024		55,020	101%	1M
BAT	25/06/2024	29,534	112%	3M	n.a.	6.39%
BAT	02/07/2024	40,000	134%	3M	n.a.	6.56%
BAT		28,907		12M	n.a.	7.29%
OAT		3,800		5Y	5.90%	7.64%
OAT		7,610		10Y	6.25%	7.41%
BAT	09/07/2024	23,006	101%	3M	n.a.	6.61%
BAT		2,000		5M	n.a.	6.67%
BAT		5,115		12M	n.a.	7.27%
OAT		10,590		3Y	5.70%	6.44%
OAT		10,500		5Y	5.9%	7.64%
OAT		8,466		7Y	6.00%	7.51%
OAT		5,298		10Y	6.25%	7.41%
BAT		15,511		6M	n.a.	6.72%
BAT	5,156	1Y	n.a.	7.25%		
OAT	23/07/2024	21,572	110%	3Y	5.70%	7.63%
OAT		19,609		5Y	5.90%	6.51%
OAT		15,152		7Y	6.00%	7.52%
BAT		22,000		3M	n.a.	6.58%
OAT	30/07/2024	29,113	106%	3Y	5.70%	6.95%
OAT		2,000		5Y	5.90%	5.90%
OAT		21,233		7Y	6.00%	7.52%
TOTAL BAT 2024		1,087,065				
TOTAL OAT 2024		499,306				
TOTAL 2024		1,586,397				

1. Subscription rate = amount submitted / amount targeted 2. The BATs are issued through multiple rates auctions and present pre-counted interests, unlike OATs which bear post-counted interests 3. Weighted average yield
Source : UMOA – Titres

To continue the conversation ...

Do not hesitate to visit the website to consult the quarterly Public Debt Statistical Bulletin.
If you have any questions or comments, please use the e-mail address IR@tresor.gouv.ci
We will be happy to answer you.