

Ivory Coast exports coffee to Brazil

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COFFEE and cocoa, at present enjoying an unprecedented price mark-up in world markets, are certainly boosting the Ivory Coast's economy – and setting remarkable new 'firsts' along the way. One of these was the fact that for the first time ever the Ivory Coast has exported coffee to the world's major producer – Brazil!

Brazil's own disastrous frosts have made the going on the coffee scene somewhat harder than normal, shrinking the total forecast crop of 1200 kilos to less than half that total, and the Ivorians are helping to make up the shortfall. Elsewhere, the Angolan conflict and the congestion at the Port of Lagos both contributed to stimulating the demand on international markets for Ivory Coast coffee.

Thanks to the rocketing price of coffee and cocoa, along with a bumper crop, the Ivory Coast's National Marketing Board of Coffee and Cocoa should register a surplus in the order of 100bn CFA francs. Coffee production this year should reach the all-time record figure of 207,000 tonnes and cocoa production should be greater than

225,000 tonnes.

Benefiting from the favourable prices of these two commodities, the Ivory Coast's economy is gradually recovering from the difficult financial situation experienced in 1974 and 1975. Since the beginning of the energy crisis, the Ivory Coast's oil bill has soared from 9bn CFA francs to 34bn CFA francs, of which 5bn were re-exported to the Upper Volta. Added to this, the increased prices of imported manufactured goods – reflecting inflation in the industrialised nations – has accelerated the deterioration of the Ivory Coast's trade balance.

The favourable omens in commodity markets for the Ivory Coast's two leading exports means that the country's balance of payments will again be largely in surplus. After the 10bn CFA franc deficit for 1975, the Ivory Coast's balance of payments for the first six months of 1976 was better by 32bn CFA francs.

Although the economic pointers are favourable, there are some important structural problems which worry Ivorian

economic experts.

For example, the annual growth rate, which averaged approximately 11 per cent between 1960 and 1970 (with a 3 per cent inflation rate, the real growth rate was a respectable 7.6 per cent), has fallen to 5.8 per cent in 1973 and even lower in 1974 and 1975. Foreign indebtedness has also risen substantially, given the Ivory Coast's ultra-liberal economic policy.

Finally, the net inflow of foreign capital has reached the sum of 45bn CFA francs. This is still insufficient to cover the deficit in the current capital accounts. The transfer abroad of salaries and profits on foreign investments has accelerated to the point where it is greater than incoming investments. The Ivory Coast's foreign currency reserves fell by 26bn CFA francs because of this external transfer of funds.

Despite these serious structural problems relating to the Ivory Coast's ultra-liberal development policy, Ivorian officials are optimistic about the future of their economy. Among the numerous positive signs which they point out is the expansion of the Abidjan stock market – the only one in West Africa. During the past year, Ivorian nationals have acquired shares in foreign companies for a value of 2.5bn CFA francs ●