

**FUNDAMENTALS**  
**CÔTE D'IVOIRE CPI**  
**UPDATE:**  
**TIGHTENING PURSE**  
**STRINGS**



02 MAY 2023



**Economist**, WAEMU & Nigeria  
based in Abidjan

Charles Levy  
+225 0707921303  
Charles.levy@ic.africa

## IN BRIEF

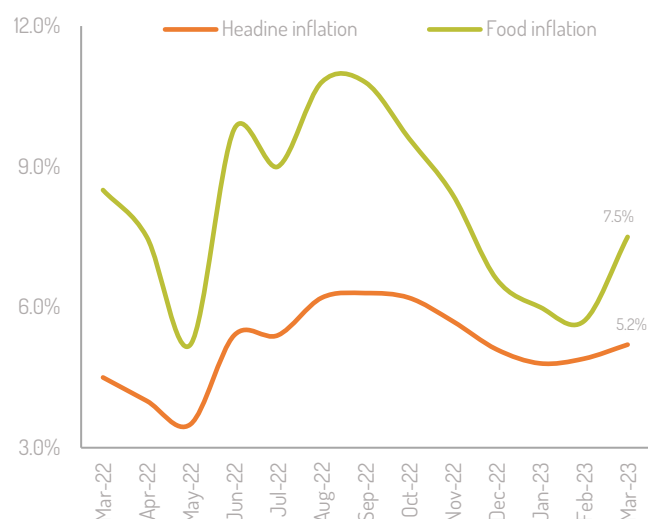
- Cote d'Ivoire's headline inflation increased by 30bps to 5.2% year-on-year in March 2023, driven by a spike in food annual inflation. At the current level of 5.2%, Cote d'Ivoire's headline inflation stands at 220bps above the WAEMU medium-term target of 3.0%.
- Cost factors related to gasoline prices intensified the price pressure on food products amidst a significant dependence on imports of fish, meat, rice and wheat, which endured the impact of a strong dollar on the CFA franc.
- For the April 2023 CPI data, we expect food inflation to ease slightly following the Easter and Ramadan festivities in March 2023, enabling better availability of agricultural products on the markets
- In our view, the upcoming regional and municipal elections in 4Q2023 will provide incentive to maintain subsidies with price control policy to limit the inflation risk ahead of the elections.

## Côte d'Ivoire's headline inflation rate increased to 5.2% in March 2023

Côte d'Ivoire's headline inflation increased by 30bps to 5.2% year-on-year in March 2023, driven by a spike in food annual inflation. This represents the third consecutive month of uptick in headline inflation with the latest increase underpinned by acceleration in food prices. We observed increases in inflation for food products and non-alcoholic beverages (+7.4%), Transport (+10.7%), as well as Restaurants and Hotels (+7.1%).

At the current level of 5.2%, Côte d'Ivoire's headline inflation stands at 220bps above the WAEMU medium-term target of 3.0%.

### DISAGGREGATED CONSUMER PRICE INFLATION



Source: BCEAO, National Bureau of Statistics

We believe the impact of geopolitical tensions in Eastern Europe contributed to the high gasoline prices, which rose by 28.3% year-on-year in Côte d'Ivoire with a resultant push on transportation fares. This cost factor intensified the price pressure on food products amidst a significant dependence on imports of fish, meat, rice and wheat, which endured the impact of a strong dollar on the CFA franc.

For the April 2023 CPI data, we expect food inflation to ease slightly following the Easter and Religious festivities in March 2023, enabling better availability of agricultural products on the markets.

### Government subsidies should contain inflation in the short term

During his address to the nation on 25<sup>th</sup> April, 2023, the President of the Republic of Côte d'Ivoire indicated the

measures implemented by the Ivorian government to support purchasing power. In particular, FCFA 725 billion (USD 1.2 billion), equivalent to 2.0% of GDP, was granted in subsidies to mitigate the impact of international price increases on the cost of transport and goods. Additionally, the authorities also provided FCFA 62 billion (USD 103 million) in support for millers, which we expect to ease the cost burden and limit the pass-through to consumer prices.

In our view, the upcoming regional and municipal elections in 4Q2023 will provide incentive to maintain subsidies with price control policy to limit the inflation risk ahead of the elections. Within this context, we expect food prices to ease in the near-term, capping the upside for headline inflation.



## For more information contact your IC representative

### Business development & client relations

#### Derrick Mensah

Head, Business Development  
+233 24 415 5765  
derrick.mensah@ic.africa

#### Dora Youri

Head, Wealth Management  
+233 23 355 5366  
dora.youri@ic.africa

#### Kelvin Quartey

Analyst, Business Development  
+233 57 604 2802  
kelvin.quartey@ic.africa

### Corporate Access

#### Joanita Hotor

Corporate access  
+233 50 137 6100  
Joanita.hotor@ic.africa

### Insights

#### Courage Kingsley Martey

Head, Insights  
+233 240 970 832  
courage.martey@ic.africa

#### Churchill Ogutu

Economist  
+254 711 796 739  
churchill.ogutu@ic.africa

#### Lydia Adzobu

Senior Analyst, Financial sector  
+233 24 656 8669  
Lydia.adzobu@ic.africa

### Investing

#### Isaac Adomako Boamah

Chief Investment Officer  
030 225 2623  
isaac.boamah@ic.africa

#### Obed Odenteh

Portfolio Manager, Fixed Income  
+233 54 707 3464  
obed.odenteh@ic.africa

#### Timothy Schandorf

Portfolio Manager, Risk Assets  
+233 24 292 2154  
Timothy.schandorf@ic.africa

#### Herbert Dankyi

Analyst, Rates  
+233 55 710 6971  
herbert.dankyi@ic.africa

#### Clevert Boateng

Analyst, Consumer, Technology,  
Media & Telecommunication  
+233 24 789 0452  
clevert.boateng@ic.africa

### Operations

#### Nana Amoah Ofori

Chief Operating Officer  
+233 24 220 6265  
nanaamoah.ofori@ic.africa

#### Emmanuel Amoah

Fund Administrator  
+233 20 847 2245  
emmanuel.amoah@ic.africa

#### Kelly Addai

Fund Accountant  
+233 20 812 0994  
kelly.addai@ic.africa

### Trading

#### Randy Ackah-Mensah

Head, Global Markets  
+233 24 332 6661  
randy.amensah@ic.africa

#### Allen Anang

Equities, Trader  
+233 54 084 8441  
allen.anang@ic.africa

#### Isaac Avedzidah

Trader, Fixed Income  
+233 24 507 7382  
isaac.avedzidah@ic.africa

#### Terms of use - disclaimer - disclosure

This communication is from the Insights desk of IC Asset Managers (Ghana) LTD, a member of IC Group (IC). The message is for information purposes only and it is subject to change as it is only indicative and not binding. It is not a recommendation, advice, offer or solicitation to buy or sell a product or service nor an official confirmation of any transaction. It is directed at both professionals and retail clients. This message is subject to the terms and conditions of IC Group. IC is not responsible for the use made of this communication other than the purpose for which it is intended, except to the extent this would be prohibited by law or regulation. All opinions and estimates are given as of the date hereof and are subject to change. IC is not obliged to inform investors of any change to such opinions or estimates. The views are not a personal recommendation and do not consider whether any product or transaction is suitable for any particular type of investor.