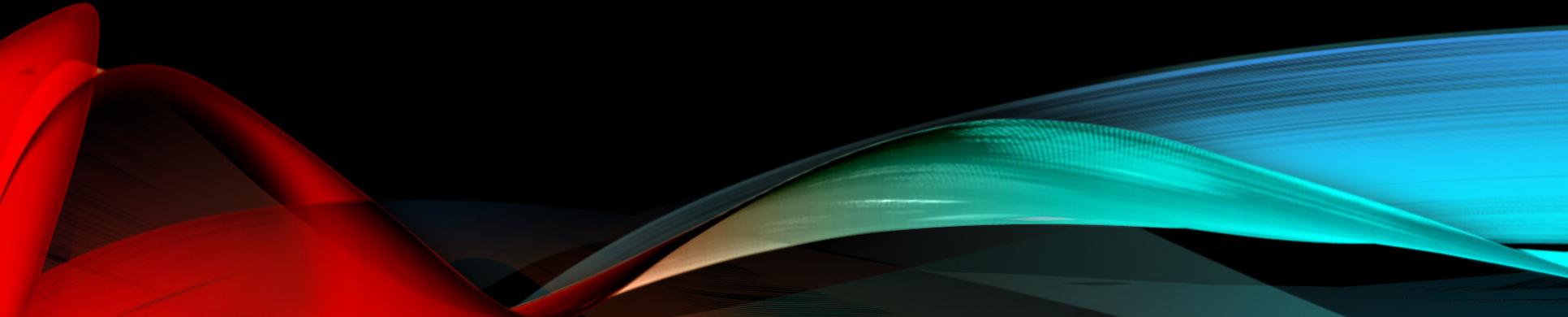




THE REFORM OF THE MINING SECTOR AND AGRICULTURAL EXPORTS IN IVORY COAST

***REFORM OF THE MINING
SECTOR IN CÔTE D'IVOIRE***



GOAL

Make the mining sector a major economic growth engine given the importance of the geological and mining potential of Côte d'Ivoire.

STRATEGIES

Improving mining governance

Intensification of mining production

Diversification of mining production

REFORMS AND ACTIONS

1. Improvement of mining governance

To develop the mining potential, reforms of the legal and institutional framework have been undertaken.

(i) Adoption of a new Mining Code

It is more attractive to investors and consistent with the principles of transparency, traceability and social responsibility. It is consensual (broad consultation), attractive (return on investment) and competitive.

This Code (Law N 2014-138). is innovative and competitive due to:

Introduction of the principle of good governance:

Kimberley Process, Extractive Industries Transparency Initiative;

Corporate Social Responsibility ;

Speed of delivery of exploration permits by setting a deadline in the Mining Code (60 days)

Introduction of a consensual tax regime to international standards (royalties, income tax):

It contributes to community development:

drawing up a community development plan with local populations and authorities;

the constitution of a fund intended to finance local socio-economic projects supplied by 0.5% of the company's turnover.



It preserves the environment:

Obligation to carry out the social and environmental impact study;

Opening of escrow account to receive all the sums necessary for the rehabilitation and closure of the mine.

Following the Mining Code, Ordinance No. 2014-148 setting surface charges and proportional taxes relating to activities governed by the Code and Decree No. 2014-632 setting the amounts and determining the terms of payment of fixed duties, Option fees, control costs, expertise, approval and issuance of maps and other documents relating to geological and mining activities, have been taken.

(ii) Adherence to the Kimberley Process

The establishment of a traceability control system enabled Cote d'Ivoire to be declared compliant with the Kimberley Process Certification System on November 22, 2013 and to obtain the lifting of the embargo on the Ivorian diamond (Resolution 2153 of the United Nations Security Council of April 28, 2014):

- Development of a procedure guide
- Development of traceability documents (production book for operators and purchase and sale receipts for collectors and purchasing offices).

Institutional frame :

Interministerial Order No. 354 MIM / MPMMEF of September 27, 2013 establishing the Permanent Secretariat of the Representation of the Kimberley Process.

Regulatory framework :

- Order No. 438 / MIM / CAB of October 21, 2014 suspending the appraisal and export of diamonds;
- Order No. 5011 / MIM of November 10, 2014 determining the procedures for issuing the Kimberley Process certificate in the context of the export of rough diamonds;
- Decree No. 502 / MIM of 10 November 2014 determining the list of documents constituting the files for approval requests as the office of purchase, import and export of rough diamonds and of authorization relating to the buying and selling of rough diamonds;
- Order No. 503 / MIM / CAB of November 10, 2014 determining the procedures for identifying the holder of an exploitation permit, the beneficiary of a mining exploitation authorization, workers, collectors and couriers in the framework of activities relating to rough diamonds.

Signing of 5 approvals as a purchasing office for rough diamonds, 4 artisanal mining licenses and 4 semi-industrial mining licenses.

(iii) Rationalization of gold panning

Faced with the spread of illicit and clandestine gold mining, with harmful consequences both on populations and on the environment in almost all regions of the country, the Government has adopted a Regulatory Program.

The objective is to clean up, organize and supervise the gold mining activity so that it is in the short term a formal legal activity, and respectful of the rules of the trade and of the physical and social environment.

The actions carried out after raising awareness among stakeholders and the installation of local committees, focused on clearing 150 sites in 2015 and identifying corridors reserved for mining crafts. Awareness and evacuation operations continue throughout the territory in accordance with the Program in order to achieve the exercise of artisanal and semi-industrial mining activity authorized and monitored.

(iv) Community development program or Local Content

The Mining Code provides for the establishment of a community development fund, Order No. 2014/148 fixes the rate of the contribution of companies to local development actions at 0.5% of turnover.

This fund is managed by a Local Mining Development Committee chaired by the Prefect of the region concerned and comprising representatives of all the strata of the populations concerned.

2. Intensification of mining production

The issuance of exploration and exploitation permits, now accelerated, is growing rapidly.

They went from 57 and 6 in 2011 respectively to 172 and 12 in 2015. In addition, mining investment increased from 67 billion FCFA in 2011 to 157 billion FCFA in 2015.

Mining production increased from 12.35 tonnes to 20 tonnes for gold and from 41,000 tonnes to 560,000 tonnes for manganese from 2011 to 2015.

The turnover of the mining sector increased from 558.55 billion FCFA to billion FCFA, with ad valorem taxes from 6.89 billion to 14 billion, over the same period. The level of employment rose from 5,354 to 6,646 people.

3. Diversification of mining production

The modernization of the geological infrastructure and the mining cadastre, which is being computerized, will further strengthen and diversify mining production in Côte d'Ivoire.

The implementation of the Western Integrated Mining Development Project by 2020 will allow the realization of four mining projects for base metals, notably Iron and Nickel.

One of the strategic axes of diversification concerns the local processing of mineral substances in order to create more added value.

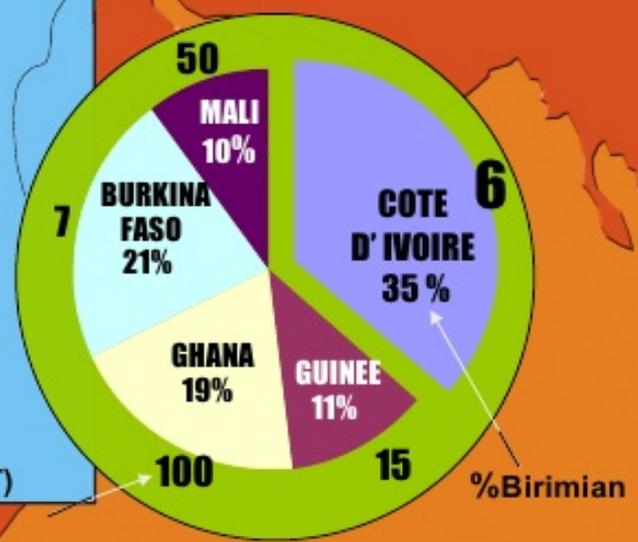
OUTLOOK

The Ivorian mining sector is a sector with high potential which will continue to develop. To continue the development dynamic that has begun, reforms and actions will continue to unfold.

These include:

- the reinforcement of actions linked to the implementation of the Kimberley Process and the completion of the project to identify new areas suitable for the exploitation of diamonds;
- the finalization of the clearance process relating to gold panning and the allocation of artisanal and semi-industrial mining permits in the dedicated areas, with the supervision of gold washers authorized by the Technical Agents of the Administration;
- monitoring the implementation of major mining projects (gold, manganese, nickel, etc.);
- the deployment of the Local Content Program, with the installation of 5 CDLMs: Mines of Bonikro-Hiré-Dougbafla, Afema, Sissengué, Lauzoua and Kaniasso;
- modernization of the geological infrastructure and the mining cadastre;
- the implementation of the Western Integrated Mining Development Project, within the framework of a PPP.

POTENTIEL AURIFERE DE LA COTE D'IVOIRE



Au (T)

AGRICULTURAL EXPORTS IN CÔTE D'IVOIRE (BRIEF DATA)



Ivorian performances

The Ivory Coast is establishing good performances in the export of its main agricultural raw materials! International sales of cotton, rubber, coffee, cocoa are up, according to provisional port data.

More specifically, between the beginning of the year and the end of August, Côte d'Ivoire exported 64,474 tonnes of coffee beans, up 45% compared to figures from last year over the same period,

The world's largest producer of cocoa beans totaled 1,534,427 tonnes, up 9% from last year over the same period from October 1 - the start of the season - to the end August (the cocoa marketing season ends the following month, in September). Over the same period, the sale of semi-finished cocoa products stood at 412,577 t and increased by 4%.

As for natural rubber, the country, the leading African producer, exported 497,434 tonnes over the same period from January 1 to August 31. An increase of 9% compared to last year which is explained by the attraction of farmers in favor of more stable incomes over the year than cocoa, for example.

Finally, in this Annus horribilis, which saw cotton prices fall by 25% on international markets, 313,448 t left Ivorian ports between January and August. An increase of 6%.

Recall that Côte d'Ivoire represents almost half (44%) of WAEMU exports in 2018, a trend that should be confirmed with the announcement of these good results. The country's main customers are Europe (Netherlands, Germany, France), the United States, Vietnam and West Africa (Burkina Faso, Mali). The very good export results should also strengthen the country's trade balance, which is in surplus but in free fall compared to 2017.

Financial impacts with Europe

Ivory Coast exports for almost € 4 billion (FCFA 2.623 billion) to the European Union (EU) and imports for around € 2 billion (FCFA 1,311 billion), giving a trade surplus of almost € 2 billion,

Cocoa and cashew represent "more than 80% of exports are linked to these two agricultural speculations".

Côte d'Ivoire benefits from the Interim Economic Partnership Agreement signed between the EU and the Ivorian state. This trade agreement allows the country to continue to access the European market without tax and without quota.

Insufficient mechanization and transformation

The Ivorian authorities and experts agree on the need to head for mechanized agriculture, after several decades of rudimentary agriculture.

In their view, this is the fundamental condition for meeting the much-desired food self-sufficiency challenge. Now is the time to replace machetes and dabas with tractors and other machinery. This has the advantages of going fast, of producing in quantity and in quality.

By achieving productive agriculture through mechanization, the problem of food self-sufficiency will thus be resolved.

Regarding processing, the Ivorian authorities urge the private sector to invest in agricultural products, which remains the poor relation of the sector's value chain in Côte d'Ivoire. Production today is no longer lacking. What is missing is its transformation.

Agriculture is a value chain, namely the production, enhancement, processing and marketing of products,

DIMEXNET IN THE PROCESS

- ❖ Provide over 500 tonnes of gold
- ❖ 22 carats and more
- ❖ Powder, nuggets or ingots
- ❖ Provide rough or cut diamonds
- ❖ Dimexnet also supplies maganese, barite and coltan...
- ❖ Supply more than 150,000 tonnes of cocoa beans per year
- ❖ Provide over 100,000 tonnes per year of cocoa butter for chocolate
- ❖ Supply over 100,000 tonnes per year of cocoa powder
- ❖ Provide more than 50,000 tonnes per year of coffee
- ❖ Provide over 100,000 tonnes of raw and shelled cashews per year
- ❖ Provide more than 50,000 tonnes of rubber trees per year
- ❖ And many other products like mangosteen, pepper, almond
- ❖ badamier...
- ❖ Acquire processing units for our products
- ❖ Acquire agricultural equipment, particularly in terms of irrigation system
- ❖ Acquire tractors and other means of production and transport...

DIMEXNET...

A good gateway to Côte
d'Ivoire and the sub-region



DIMEXNET THANKS YOU