

Where Africans welcome the businessman

Ivory Coast is thriving with help of French capital—and so are investors. Now it's angling for U. S. money, and getting nibbles



President Felix Houphouët-Boigny (right) has steered Ivory Coast on moderate course since independence in 1960.

In steamy west and central Africa, half a dozen left-wing, corrupt, or bungling regimes have been overthrown lately by army leaders. This is not surprising, as the poverty, backwardness, and tribalism that plague many new African countries dim the early hopes fostered by independence. But the rapid succession of coups makes foreign investors jittery.

Against this turmoil, the Ivory Coast, a former French colony, stands out in sharper contrast than ever. It has achieved remarkable political stability—by African standards—under its moderate leader, President Félix Houphouët-Boigny, a former cabinet minister in France and a friend of Charles de Gaulle. Its capital, Abidjan, has become an African boom town.

The key to this stability and growth is Houphouët-Boigny's sensible management of government and his astute economic planning. An important factor has been his willingness to let the French keep administrative and business ties left over from colonial days. Now he is angling to get other foreigners—including U.S. businessmen—interested in his country.

U. S. nibbles. To attract investors from other nations and balance the pervasive French influence, Houphouët-Boigny has had enacted a liberal investment law, which offers tax exemptions up to 25 years for high-priority investments.

This has already had some response from U.S. businessmen. U.S. companies are reported to have presented proposals for developing

rubber and sugar cane, two priority industries. Harry Winston is looking into diamond exploration possibilities and Stokely-Van Camp, Inc., into a possible shrimp-processing plant. There may be room for U.S. companies to assemble cars, tractors, and communications equipment, though French influence is so strong that many deals will probably have to include some French capital.

Present U.S. investment in the Ivory Coast totals only about \$12-million, mostly in oil refining and distribution, banking, and a hotel—in association with French business. But the U.S. is the country's No. 2 trading partner, after France.

Jumping in. Other competitors of the French have been jumping in more heavily. Pakistan's Aga Khan has built a \$3-million jute sack-making plant. Japanese interests are putting up a textile mill. An Israeli businessman, Moshe Mayer, is building a \$6-million luxury hotel and spearheading a big tourism project. An Egyptian group will erect a \$5-million office and apartment complex. Germany's Krupp will build a \$28-million pulp and paper plant, to be owned by the government.

Profits, for those who get in, can be high—and can be freely remitted. Says the director of a big trading company: "We lose interest in any business here which yields less than 15%." Quite often, return on real estate and industrial investment has been around 20% to 25%.

French aura. But despite the interest it now is attracting elsewhere, the Ivory Coast seems at first glance even more like a French colony than it did at the time of independence in 1960. There are 30,000 French personnel—administrators, managers, businessmen—in the country, against 12,000 in 1960. Last year,



Modern \$7.5-million Hotel Ivoire in Abidjan looms across lagoon as commuters take off on 4¢ boat ride.

Downtown Abidjan, capital of Ivory Coast, presents a contrast of modern buildings, rushing traffic, traditional costumes.

Paris provided \$40-million in aid, and French investments account for most of the \$380-million private capital flowing in since 1960.

With this help, the Ivory Coast has averaged a 9% increase in gross national product since 1960 and has piled up \$90-million in reserves. There's hope of achieving self-sustaining growth in the 1970s.

Abidjan, the capital, has grown in 15 years from a population of 30,000 to 300,000. It is the home of the World Bank's first African office, of the new African Development Bank, and of Air Afrique, an airline owned jointly by 12 French-speaking African countries. New 10- and 15-story buildings poke here and there above its skyline. It has some light manufacturing facilities, and an assembly plant for Renault vehicles. Abidjan's wide boulevards, parks, and French-style elegance have given it the name "Paris of Africa" (and many prices have skyrocketed Paris-style, too).

Solid basis. All this is no mean accomplishment for a country with little mineral wealth and only 3.8-million people. It's especially impressive when you look at nearby lands: Guinea, which threw out the

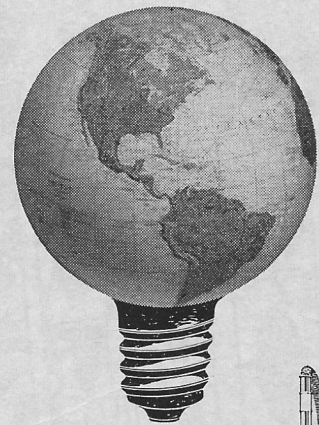
French, is foundering in half-baked socialist schemes; Ghana, headed until recently by the radical Kwame Nkrumah, is bankrupt; Nigeria is still wracked by bloody regional strife after an army takeover.

The Ivory Coast, it's true, has some advantages over many other African lands. Tribalism is not so disruptive as elsewhere. Official corruption is not a serious problem. The country is not so heavily dependent on one crop as many neighbors; it is a big coffee producer (\$105-million exports last year) and a major cocoa producer (\$37-million exports), but its bananas and tropical woods also contributed to total 1965 exports of \$268-million. The U.S. is a big coffee customer, sending machinery in return (\$10-million in tractors in 1965).

Yet the Ivory Coast's relatively strong position is due largely to the to the policies of Houphouët-Boigny.

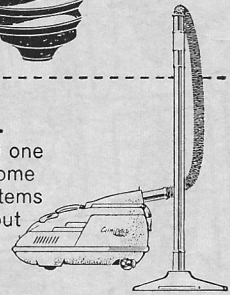
Though there have been a couple of half-hearted attempts at coups d'états, Houphouët-Boigny remains popular; last year he was elected for another five-year term.

Troubles, too. Nevertheless, his problems are piling up. For one thing, the Ivory Coast has been able



COMPACT DIVISION...

Over one and one half million Home Cleaning Systems sold throughout the world.



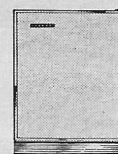
VANGUARD DIVISION...

Life Saving Home Fire Alarm Systems.



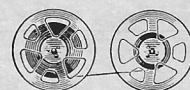
SHERWOOD DIVISION...

Tent Camping Trailers.



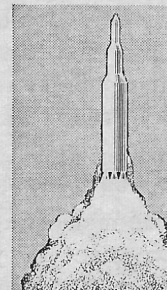
HADCO DIVISION...

Chassis and running gear for trailers. Gas/Electric Refrigerators.



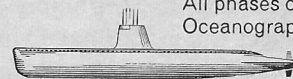
TAPEMASTER DIVISION...

Hi-Fidelity Magnetic Recording Tape.



INTERSTATE ELECTRONICS CORPORATION...

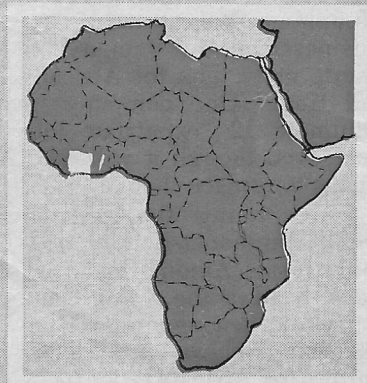
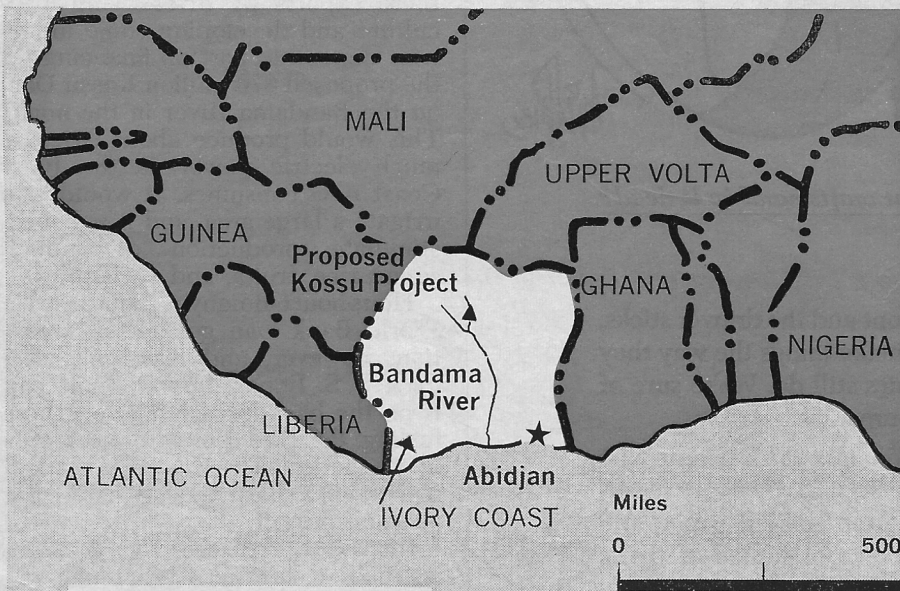
Systems Development Division—prime contractor for Polaris data acquisition. Data Products Division—Analog to Digital Converters, Tracking Filters, CRT Recorders. OceanicS Division (Formerly NMC)—All phases of Physical Oceanography.



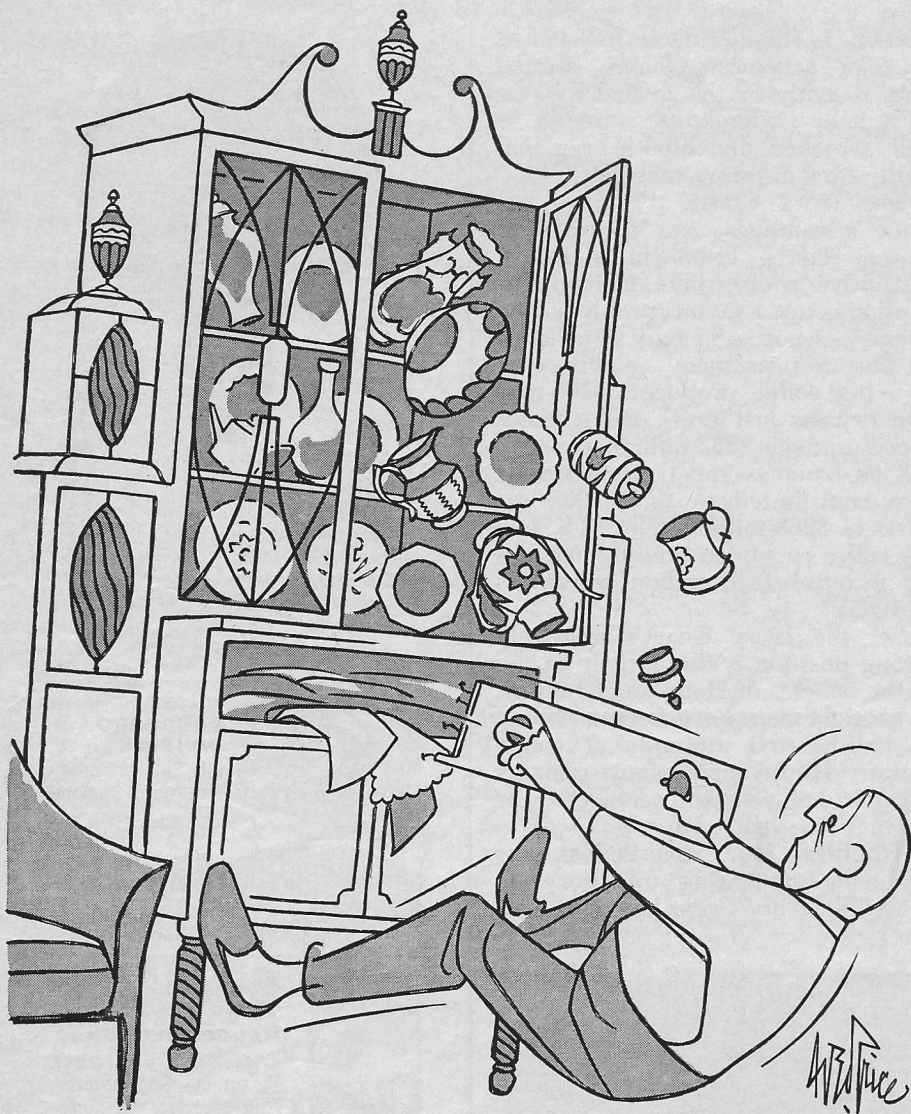
From the very simple to the deeply complex, Interstate is a part of all the worlds of Man. The old and known...the new and unknown...the routine and the puzzling. These are the elements of Interstate and its subsidiaries—contributing daily to home, industry and military needs.

INTERSTATE ENGINEERING CORPORATION

522 East Vermont Ave. Anaheim, Calif. 92805



**Ivory Coast:
stable and
growing fast**



Does it sometimes strike you that craftsmanship is dead?

When you pay \$900 for a breakfast and the drawer sticks, does it seem that they just don't make things the way they used to? Chin up. Some companies still do. We're sure of that because we're one of the companies.

We make paper. Fine paper. We make it for people who care about the letters they write. That's why every letterhead paper we make is a true cotton content paper, and that's why we give you your choice of fifteen of them. From Strathmore Bond, *the* standard for corporate correspondence, to Strathmore Parchment, each is designed to reflect the exact image you wish to convey.

Strathmore also makes fine printing papers and develops custom papers for industrial and technical uses.

Strathmore papers are made with old-fashioned craftsmanship and modern know-how. Try them. Every one is top drawer.



Strathmore
PAPER IS PART OF THE PICTURE

STRATHMORE PAPER COMPANY, WEST SPRINGFIELD, MASSACHUSETTS



Manager Pierre Eyrier heads local branch of French West African bank—40% owned by First National City.

to produce about twice as much coffee as provided under the International Coffee Agreement (partly by selling to the Soviet bloc); it's not clear if this can continue. Last year's sharp fall in cocoa prices was a blow (they are higher now).

Plans to reduce dependence on these exports by diversifying agriculture and developing some industries depend in part on financing for the proposed \$70-million Kossu Dam on the Bandama River in the north. This would produce about twice as much electric power as the Ivory Coast now consumes. It would also irrigate a large area, and it is hoped, stimulate production of rubber, sugar, rice, fruits, and vegetables.

Houphouët-Boigny's request for a World Bank loan got a cool reception, however, and his application for a U. S. Export-Import Bank loan is on the back burner. There's some feeling that the Kossu project may be premature. The Common Market, meanwhile, has sponsored a big palm oil project.

Pressures. Pressures for "Africanization" of business are mounting. Houphouët-Boigny made it plain to businessmen in January that he wants more jobs for Africans in retail trade. One company plans to eliminate 12 "expatriate jobs" this year even though it will take 20 Africans to replace them.

Some young Ivorians, however, want Houphouët-Boigny, now 61, to move faster. Among them is Philippe Yacé, head of the ruling Democratic Party and heir apparent. Many businessmen believe he would press harder for Africanization if he came to power. **End**

