

U.S. Country Commercial Guides



Benin 2018

Doing Business in Benin:

2018 Country Commercial Guide for U.S. Companies

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Doing Business in Benin

Market Overview

Benin is a stable democracy with a small domestic market. The country's economy is heavily dependent on trade ties to its neighbors, particularly Nigeria. Benin's overall macroeconomic conditions were positive in 2017, with a growth rate of around 5.6 percent. Economic growth was largely driven by Benin's cotton industry and other cash crops, the Port of Cotonou, and telecommunications. Cashew and pineapple production and processing have substantial commercial potential. The country's primary source of revenue is the Port of Cotonou, although the government is seeking to expand its revenue base. A large informal sector, estimated at over 70 percent of GDP, is based primarily on unregulated trade with Nigeria.

In 2017, Benin imported about \$2.8 billion in goods such as rice, meat and poultry, alcoholic beverages, fuel plastic materials, specialized mining and excavating machinery, telecommunications equipment, passenger vehicles, and toiletries and cosmetics. Benin's total exports were \$695.60 million in 2017. Principal exports are ginned cotton, cotton cake and cotton seeds, cashew, shea butter, cooking oil, and lumber. Benin's chief import partners include the United Arab Emirates, Brazil, China, Germany, Spain, France, India, Malaysia, the Netherlands, Togo, and Thailand. In 2016 Benin's chief export partners were Bangladesh, China, Malaysia, Niger, and Nigeria.

Currently trade volumes between Benin and the U.S. are small. The 2017 trade balance is in favor of the U.S., dropping from \$635.1 million in 2015 to \$232.3 million in 2016 and 2017.

Benin leverages its port as a platform to reach over 100 million consumers in neighboring landlocked countries such as Burkina Faso, Mali, Niger, and Chad, and 155 million in Nigeria.

While Benin's immediate energy needs are severe, the government has announced an ambitious plan to meet latent demand during the next decade. Private sector engagement in independent power production aims to increase electrical power production and reduce Benin's dependence on Nigeria and Ghana. The Government promotes build-operate-transfer (BOT) projects to reach its stated goal of 4,000 megawatts (MW) available through power plants and hydropower dams with the prospects to export to the surplus to neighboring countries. A second Millennium Challenge Corporation (MCC) compact entered into force in 2017, with \$375 million devoted entirely to power sector improvements. The Benin Power Compact is advancing policy reforms to bolster financing for the electricity sector, attract private capital into power generation, and strengthen regulation and utility management. Infrastructure funded by the compact includes 46 megawatts of power generation capacity, modernization of the Cotonou and regional distribution grid, and expansion of minigrids. As two thirds of Benin's population does not have access to electricity, the compact also includes a significant off-grid electrification project via its clean energy grant facility.

Market Challenges

Benin's official language is French. English is not widely spoken, although Benin is expanding English training in its schools. U.S. companies seeking to do business in Benin may require interpreter services.

Corruption remains a problem throughout Benin, including in government procurement and the judicial system, though efforts are underway to address those issues. The process of resolving civil disputes can be slow due to Benin's inefficient bureaucracy. However, in July 2016, Benin

passed a law that formally created a commercial tribunal of first instance and a commercial appellate court to settle business-related disputes. The commercial tribunal has been operation since December 2017.

Benin lacks reliable and steady access to electricity, and quality internet connectivity to households and businesses remains a challenge, especially outside of urban areas. 3G and 4G internet is available from private cell phone service providers.

Businesses should be particularly cautious about unknown Beninese “companies” promising high volume business deals. A number of perpetrators of sophisticated internet scams (especially demands for fraudulent advance fees), originating in other countries, use a fictitious address in Benin as a base to defraud American and other foreign companies and citizens via “419” scams, named for section 419 of a Nigerian law aimed at combating financial crime. Potential U.S. investors and exporters may request that U.S. Embassy Cotonou’s Economic-Commercial section verify proposed business partners before finalizing a commitment.

Market Opportunities

While its domestic market remains small, Benin’s well-located port allows it to be a re-exporting country for its landlocked neighbors and for Nigeria, reaching markets of over 255 million consumers.

U.S. companies have notable opportunities for export of electronic products, cosmetics, poultry, toiletries, telecommunications equipment, electrical power systems, transportation equipment, cotton industry equipment, cereals, meat and poultry, agricultural machinery, dredging machinery, and construction equipment.

The best prospects for major projects are infrastructure projects, including road, airport, and railway construction, housing, telecommunications and information technology, and energy. The current government has laid out its overall strategy for development in its [Government Action Plan](#). The Government has ambitiously pursued this plan, linking most investments to it.

Market Entry Strategy

Most U.S.-based exporters appreciate having the services of a local agent who knows Benin well, and can advise an exporter or investor on entry into the Beninese market.

Investors or exporters may also access Foreign Commercial Service (FCS) products including the Goal Key Service (GKS) to meet potential business partners, Single Company Promotion (SCP) to advance products in the field, and the International Company Profile (ICP) to gain more information about Beninese markets and possible clients in Benin.

For investors who wish to establish a business in Benin, the government has established a stand-alone one-stop-shop to facilitate registration of new businesses within two days. Owing to Benin’s French investment and commercial law, investors may in advance request services of notaries for most documentation when starting a business in Benin. The Economic and Commercial Section can assist with finding potential local partners.

Political Environment

For background information on the political and economic environment of the country, please click on the link below to the [U.S. Department of State Background Notes](#)

Selling U.S. Products & Services

Using an Agent to Sell U.S. Products and Services

- U.S. companies considering entering the Beninese market, particularly if they have not previously done business in the region, should consider working with a reputable agent or distributor who is fluent in both French and English and familiar with local business practices. Having documentation and literature in French about the products or services is advisable.
- The U.S. Embassy's Economic and Commercial Section may help U.S. companies identify suitable partners by conducting due diligence research through fee-based services payable to USFCS in Lagos.

Establishing an Office

- An established reputable real estate company, or the U.S. Company's local partner or agents, are the most suitable organizations to identify an office location to lease. An American firm wishing to establish an office in Benin should work with an established local partner of confirmed reputation, and retain a competent Beninese attorney, or notary.
- Documents for business startup submitted to Benin's "one-stop window" for business creation include a certified copy of applicant's identify card and a criminal record check. Additional information may be found at <https://monentreprise.bj/> or by calling +229-21-310704. Foreign investors opening a bank account in Benin must also obtain a resident permit from Benin's Immigration Service. If the company to be incorporated is a branch of a foreign company, the above-mentioned documents will need to include the names of the local board of directors.

Franchising

At present, franchising is underdeveloped in Benin. Current franchises exist in the car rental, hotel, and food industries.

Direct Marketing

Employing direct marketing techniques in Benin may not be viable due to underdeveloped telecommunications and postal and information technology infrastructure. However, advertising and communications companies, mobile phone providers and some TV programs may perform direct marketing.

Joint Ventures/Licensing

U.S. and Beninese companies may form joint ventures to participate in the privatization or divestiture of state-owned companies, or in public procurements. With the assistance of a notary, a joint venture should be registered with the court registrar and published in the official gazette, the public daily newspaper "La Nation." Due diligence on the potential partner is always advised.

Selling to the Government

- Government procurements are issued in accordance with the Beninese procurement code. Tenders from the central government and state-owned enterprises are announced in major newspapers, particularly in the state owned newspaper "La Nation," and posted on [the website of public tenders](#). Bidders are required to submit proposals in French.

- The U.S. Embassy may assist with verification of the legitimacy of tenders from the Government of Benin. There have been instances of fraudulent claims to issue non-existent tenders.

Many governments finance public works projects through borrowing from the Multilateral Development Banks. Please refer to the “Project Financing” Section in *“Trade and Project Financing”* for more information.

Distribution & Sales Channels

Benin’s population is concentrated in the southern part of the country, particularly in greater Cotonou and surrounding areas. Retailers and consumers typically cluster in established public markets. The wholesale sector is dominated by Lebanese, Indian, Pakistani, Chinese, and Beninese businesses. The Dantokpa market in Cotonou is one of the largest markets in West Africa. Informal re-export through Benin to Nigeria is estimated to account for 80 percent of Benin’s imports and remains a significant component of local commerce.

The Port of Cotonou is a major gateway to Nigeria, and to landlocked countries such as Burkina Faso, Niger, Mali, and Chad. Cargo arriving in the port is transported by road on trucks to various local and neighboring destinations.

Express Delivery

There are only two official express delivery firms in the country: Top Chrono and DHL. Their service covers the entire country. Commercial quantity imports are subject to customs clearance and payment of import duty.

Selling Factors & Techniques

Direct personal engagement with current and prospective clients is important. Promotional materials and technical documents should be in French, or in both French and English.

eCommerce

Overview

Electronic commerce is becoming more viable as public access to smartphone technology increases. Broadcast, print media, and text messages are also useful.

The introduction and use of ATMs and credit cards by local commercial banks is enhancing business practices in the country, though the overwhelming majority of transactions are still done in cash, and even large businesses might not accept credit cards. Some mobile operators have introduced a mobile money payment system that is gaining in popularity.

The existence of online sales portals and increased social media forum usage allows buying and selling activities thanks to an increased internet penetration rate of 40.40% in December 2017 versus 25.17% in 2016, of which mobile internet accounted alone for 99.38% in 2017.

Trade Promotion & Advertising

Benin’s press and diverse broadcast media are excellent marketing resources. In addition to the public daily newspaper, “La Nation,” there are more than thirty daily newspapers published in Cotonou. Television outlets include the national TV stations include ORTB (www.ortb.bj) and the Benin Business Channel (BB24). Local Private TV stations include, Golfe TV, Canal 3, Ado TV, TV Ilema, and Tele Carrefour, and international cable channels such Canal+ and DSTV. Radio outlets include seventy-eight private radio stations, as well as the radio division of the national broadcast corporation. ORTB, Golfe, and Canal 3 broadcast via satellite to several African,

European, North American, and Asian countries. Cell phone text messages are also used for advertising. The Embassy's Economic and Commercial Section also offers paid services such as Single Company Promotions to help get the word out about an American company's products or services.

Pricing

- Most Beninese consumers have little disposable income and are extremely price sensitive across the range of consumer goods. However, there is a growing number of consumers for higher-end merchandise.
- A Value Added Tax (VAT) of 18% of gross value is applied to transactions with certain exceptions, including salaries and agricultural inputs. There is a duty of 48% for most imported goods to be sold in Benin.
- Quotations and invoices should be made in CFA Francs.
- U.S. exporters should provide prices on a CIF (Cost, Insurance and Freight) basis. U.S. exporters new to the market should require an irrevocable letter of credit prior to shipping.

Sales Service/Customer Support

Beninese clients may expect maintenance services to be included in the purchase price of durable goods. Sellers should clarify this point with clients, and may wish to factor customer service support into the purchase price or negotiate an after-sale support agreement at the time of purchase.

Protecting Intellectual Property

In any foreign market, companies should consider several general principles for effective management of their intellectual property. For background on these principles please link to our article on [Protecting Intellectual Property](#) and also [Stopfakes.gov](#).

Due Diligence

- Benin's Chamber of Commerce and Industry (CCIB) and the Ministry of Commerce may provide information on companies doing business in Benin to verify their bona fides.
- Embassy Cotonou's Economic and Commercial section frequently encounters U.S. businesses and individuals targeted by "419" cases, so-named after the section of Nigeria's Criminal Code dealing with economic crimes. Attempts are made to defraud victims using a variety of scams, which often request funds, or bank account information, to expedite a supposed commercial transaction. Examples of these scams have included falsified goods, orders ostensibly from the Beninese government, non-governmental organizations, or charitable organizations, and bogus orders for quantities of computers, cellular phones, or frozen poultry. Unsolicited emails or approaches along these lines should be verified through the Embassy's Economic-Commercial section. Similarly, requests for a large, up-front "registration fee" ostensibly required by the Beninese government or courts have been used to swindle exporters. To order an International Company Profile (ICP) service in Benin, U.S. exporters may contact their nearest Export Assistance Center in the United States.

Local Professional Services

- The government has established a one-stop business registration center to facilitate registration of new businesses. In addition, investors are strongly encouraged to hire a local notary, whose services are required for most formal documentation. Consult a [list of attorneys licensed in Benin](#).
- The U.S. Embassy's Economic-Commercial section can assist U.S. companies in identifying potential local professional services.

Principal Business Associations

- [Benin Private Investment Council](#) (CIPB)
- [Benin Chamber of Commerce and Industry](#) (CCIB)

Limitations on Selling US Products and Services

There are no limitations on U.S. products and services in Benin. There is no favoritism shown toward Beninese citizens to the detriment of foreigners for particular manufacturing sectors or services.

Web Resources

- [The online single window for business registration](#)
- [Chamber of Commerce and Industry](#)

Leading Sectors for US Exports & Investments

U.S. companies may find opportunities in, inter alia, the energy, agriculture, information technology, and infrastructure sectors.

Energy

Overview

Improving Benin's ability to meet its energy needs, particularly ensuring adequate access to electricity, is a critical goal of the Beninese government to support economic development and foreign investment. Benin depends on Nigeria and Ghana for the majority of its energy, and continues to suffer from insufficient supply. Benin's current electricity needs are estimated at 250 MW and are expected to rise to 600 MW by 2020. One of the Talon administration's long-term goals is to increase electric power generation capacity to 4,000 MW through Public Private Partnerships and to become an exporter of surplus power to neighboring countries.

	2016	2017 (Estimated)
Total Local Production	1650	165
Total Exports	0	0
Total Imports	260	260
Imports from the US	0	0
Total Market Size	410	410
Exchange Rates		

(total market size = (total local production + imports) - exports)

Opportunities

A number of opportunities exist in power generation. As Benin seeks to both increase and diversify its electric power generation capacity, opportunities in thermal, solar, wind, and other generation technologies are increasingly attractive to potential investors. Some of these opportunities may be available through the Millennium Challenge Corporation (MCC) compact, which entered into force in 2017 and is devoted entirely to Benin's power sector. Benin's government is also partnering with other donors or financial backers, including the Islamic Development Bank, to fund the construction of additional power generation capacity.

Web Resources

- www.finances.bj
- www.mcc.gov/where-we-work/country/benin
- <http://www.mcabenin2.bj/>

Agriculture Sector

Overview

Benin does not produce sufficient foodstuffs for its population domestically and relies on imported foods and agricultural products to make up the difference. Most of Benin's production of food items is in subsistence farming, so only a small % of food production makes its way to the market. Benin is a transshipment hub for agricultural cargo destined for Benin's neighbors, especially the large Nigerian market, due to relatively rapid processing of goods at the port of Cotonou and relatively good road conditions and security. An estimated 90 percent of rice and frozen poultry imported through the Port of Cotonou is sent onward to landlocked Niger or to western Nigeria. The U.S. Bureau of the Census data on direct imports of U.S. agricultural and related products into Benin indicates a drop from USD 36.86 million in 2015 to 19.42 million in 2016.

(In thousands of dollars)	2014	2015	2016	2017 (Estimated)
Total Local Production	NA	NA	NA	NA
Total Exports or Re-exports	NA	NA	109,880	NA
Total Imports			109,877	NA
Imports from the US	48,303	36,867	19,420	
Total Market Size				
Exchange Rates:	USD1.00= FCFA 560	USD1.00= FCFA 560	USD1.00= FCFA 560	

(total market size = (total local production + imports) - exports)

Sources: U.S. Bureau of the Census Data and Benin Institute of Statistics and Economic Analysis.
Leading Sub-Sectors

Among the best prospects for U.S. agricultural exports to Benin are rice, poultry, meat, wheat, corn, soybeans, canned fruits and vegetables, tomato sauce/ketchup, vegetable oil, fruit juices, pasta, wine and other spirits, powdered milk, energy drinks, mayonnaise, and snack foods. These compete with similar products from Europe and Asia.

Opportunities

Importers take advantage of Nigeria's high tariffs and porous borders to informally re-export rice, poultry products, and other food and agricultural products to Nigeria. Trade sources estimate that more than 90 percent of Benin's imports of these types of products are meant for onward sales into Nigeria through informal cross-border trading activities. However, economic sluggishness and a depreciated currency in Nigeria severely impacted the pace of re-export from Benin in 2016 and 2017.

Web Resources

<https://www.census.gov/foreign-trade/statistics/product/enduse/exports/c7610.html>

<http://www.insae-bj.org/>

Jude E. Akhidenor

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D/L: +234-1-460-3577 Email: Jude.Akhidenor@fas.usda.gov

Construction

Overview

The Government of Benin's action plan (French Acronym PAG) is the country's largest planned infrastructure venture in recent history. It envisions a set of Public Private Partnerships suitable for foreign investment, and includes projects such as construction of a new international airport, the proposed extension and modernization of Benin's seaport, and improving or building new roads supporting major transport routes. At an estimated \$2 billion, the Benin-Niger railway is another key project that calls for the rehabilitation and extension of 1000 km of railway infrastructure from Cotonou to Niamey. These projects have the potential to greatly increase regional trade and significantly boost container traffic at the Port. The tourism sector is growing with the construction of new hotels in Cotonou, and with the PAG's planned expansion of tourism facilities in several parts of the country. The PAG also foresees a significant increase in water infrastructure to fulfill its goal of bringing potable water to rural populations.

Leading Sub-Sectors

Best products/prospects include road, airport, seaport, and railway construction, water supply infrastructure, and construction of hotels, housing, and commercial centers.

Opportunities

Benin is in dire need of improved road infrastructure. The government is dedicated to realizing the projects laid out in the PAG, which is the best opportunity to potential investors to tap into the Beninese market in this sector.

Web Resources

www.gouv.bj

The government's website about the PAG: <http://revealingbenin.com/en/>

Telecommunications

Overview

Fixed-line teledensity is only about two per 100 persons. Spurred by the presence of multiple cellular providers, however, cellular telephone subscribership has been increasing rapidly with over nine million subscribers. Many individuals will subscribe with multiple providers in order to take advantage of different tariffs and deals on different networks.

Leading Sub-Sectors

GSM equipment, smart phones, internet, and mobile internet.

Opportunities

U.S. manufacturers may find ready opportunities in the supply of spare and new telecommunications equipment to GSM service providers and in the supply of smart phones.

Web Resources

Benincommercial@state.gov

www.arcep.bj

Medical Equipment

Overview

Much of the medical equipment at Benin's teaching hospital, CNHU, is obsolete and needs to be replaced. Private clinics are growing and the need for medical equipment is increasing. Some of these clinics may opt for used medical equipment.

Leading Sub-Sectors

The best prospective products are new and used medical scanners, X-ray machines, and imaging equipment. The voltage used in Benin is 220 volts.

Opportunities

The government plans to purchase new medical equipment, including for the first time two Magnetic Resonance Imaging (MRI) scanners for health facilities under its control, as part of its PAG. Prospects to sell U.S. medical equipment to Benin exist if interested parties have good Beninese partners. Private clinics may be important clients for used medical equipment.

Web Resources

Government of Benin: www.gouv.bj

Benin government's PAG: <http://revealingbenin.com/en/>

Export-Import Bank of United States of America (EXIM):
www.exim.gov/products/special/africa/

United States Trade Development Agency: www.ustda.gov

<https://marches-publics.bj/>

Benincommercial@state.gov

Travel and Tourism

Overview

Benin is the fifth largest tourist destination in West Africa and has great potential for further development in this sector. The government has declared the beachfront zone west of Cotonou between the airport and the city of Ouidah as a tourism center, and is encouraging the development of hotels and leisure in this zone. Tourism development is an important part of the government's action plan (PAG), with projects envisioned to bring tourists to several parts of the country to learn about the history of slavery, to see pre-colonial palaces, to experience unique traditional architecture, and to see elephants, lions, cheetahs, and other animals in their natural habitat. Little supporting tourism infrastructure in these locations already exists, so there is potential for investment and development.

Leading Sub-Sectors

Construction of recreational centers, restoration and creation of new tourism attraction sites, and construction and provision of accommodations and dining options.

Opportunities

The government has put in place incentives for foreign investors interested in building hotels in the beachfront area. Investors can obtain duty exemption from the government on all building materials and equipment destined to such a project.

Web Resources

Benin government's PAG: <http://revealingbenin.com/en/>

Export-Import Bank of United States of America: www.exim.gov/products/special/africa/

United States Trade Development Agency: www.ustda.gov.

Benincommercial@state.gov

Trade Regulations, Customs, & Standards

Import Tariff

Benin is a member of the Economic Community of West African States (ECOWAS) which includes Burkina Faso, Cote d'Ivoire, Gambia, Guinea-Bissau, Guinea (Conakry), Ghana, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, and Togo. As of January 2015 ECOWAS started the implementation of the "Tarif Exterieur Commun" (a Common External Tariff - CET). The standardized tariff applied to imported goods for ECOWAS member states comprising duties and taxes ranging from 0 to 35% depending on the nature and the origin of the imported goods. CET is designed to protect industries in ECOWAS member states from dumping and unfair competition. Valued Added Tax (VAT) is levied in Benin on all lucrative activities except salaries and agriculture-related activities, and customs duties are due on imported goods at the importation point of entry. VAT is refundable to sellers and importers that claim it at the end of the fiscal year.

Further information on customs procedures in Benin may be obtained on the Ministry of Economy and Finance, and Benin Customs websites at www.finances.bj and www.douanes-benin.net.

Trade Barriers

Enactment of the CET and of Benin's WTO commitments has helped reduce trade barriers. Implementation of a one-stop-shop for cargo clearances has facilitated more expeditious offloading of goods entering the country or en route to neighboring countries from the Port of Cotonou.

Import Requirements & Documentation

Documents related to import requirements vary depending on the type of goods imported. In general, importers must submit invoice, bill of lading (B/L), inspection certificate (<http://www.bureauveritas.com/>), the importer's import license, attestation of origin of the goods, and an animal or plant health inspection certificate before clearing goods.

More information may be found on Benin Customs websites at: www.douanes-benin.net.

Labeling/Marking Requirements

There are no specific labeling requirements for goods. Well-labeled goods benefit from quicker identification and customs clearance. However, Beninese law does not allow any foreign natural or manufactured goods to enter or leave Benin if the goods are falsely labeled to reflect that they are from Benin or a country with which Benin has signed a brand protection agreement. No goods without attestation of the country of origin and/or not marked as "imported" are allowed to enter Benin.

U.S. Export Controls

U.S. companies exporting to Benin must adhere to the requirements of the U.S. Bureau of Industry and Security (BIS) www.bis.doc.gov, which regulates the export and re-export of sensitive goods and technologies.

A consolidated list of eleven export screening lists from the Departments of Commerce, State and the Treasury is available at: <http://developer.trade.gov/consolidated-screening-list.html>.

Temporary Entry

Benin allows temporary entry of non-prohibited goods. Temporary entry is granted on request and addressed to the Director General of Benin Customs prior to disembarkation and to the relevant section of the Ministry of Economy and Finance. It allows calculation of duties and taxes based on the depreciation of the equipment and on the duration of its utilization in Benin.

Goods that benefit from temporary entry include equipment imported for public works, such as trucks, handling equipment, construction camp material, drilling machines, light vehicles and others. Spare parts for equipment and machines used within the framework of public works are also exonerated.

When the temporary entry period ends, the beneficiary company may: (i) pay duties and taxes if it wants to keep the goods or equipment in Benin, (ii) re-export the equipment, (iii) place such goods in a warehouse or storage depot until its final destination is determined, or (iv) request an extension of the initial temporary entry authorization.

Prohibited & Restricted Imports

The import of guns, ammunition, narcotics (except those accepted for medical use), and materials that may endanger the environment are prohibited.

Customs Regulations

Goods are cleared by registered clearing agents hired by the importer. All required documents are handled by such agents. Further information on Benin Customs may be obtained at:

Benin customs website: www.douanes-benin.net

Ministry of Economy and Finance: www.finances.bj

A one-stop-shop for customs clearance, the Societe d'Exploitation du Guichet Unique (SEGUB), has been operational in Benin since 2011. SEGUB issues a receipt/slip (Bordereau de Frais Unique, or BFU) to the clearing agent once the required clearing documents have been submitted. Once issued, the BFU enables agents to remove cargo from the port within twenty-four hours. Additional information on BFU and SEGUB are available at: www.segub.bj.

Trade Standards

Overview

Benin's national standards body develops and implements its own national standardization and certification policy, including for building construction, electricity, and agribusiness. It coordinates national standards development work and ensures the promotion, adoption, and voluntary use of standards. It implements the national certification scheme for products and services and operates the national conformity marking system. It promotes the quality and reliability of products, goods, and services, including for environmental protection. However, Benin has also adopted regional standards such as the West African Economic and Monetary Union (WAEMU) and the Economic Community of West African States (ECOWAS) and other internal standards.

The European Union has recently provided Benin with assistance to establish a laboratory to test foodstuffs and medication.

Standards

The Benin Agency for Standardization and Metrological Service and Quality Control Management (ANM) grants approval for and disseminates government standards on all products and services. Many standards in Benin are adopted from international standards organizations such as ARSO (African Organization for Standardization), ISO (International Standardization Organization), or AFNOR (French Agency for Normalization). Benin is also member of SMIIC (the Standards and Metrology Institute of Islamic Countries).

Contact:

Email: Contact@anmbenin.com

Tel: +229 21310449

Fax: +22921310459

Website: www.anmbenin.com

NIST Notify U.S. Service

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. **Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets.

[Register online](#)

Conformity Assessment

Conformity assessment for products other than food is conducted by ANM. The Food Safety Control Agency (ABSSA) deals locally with food product conformity assessment, the Ministry of Health's Pharmacies Directorate for locally made and imported pharmaceutical products, and the Applied Nutrition and Food Agency (DANA) for import food products.

Product Certification

ANM, ABSSA, DANA and the Ministry of Health's Pharmacies Directorate are the only product certification agencies, depending on the type of products.

Accreditation

ANM, ABSSA, DANA and the Ministry of Health's Pharmacies Directorate are the only agencies authorized to issue certifications for imports and exports. Pharmaceutical products are tested by Benin's Pharmaceutical Products Control Office. Test certificates from seasoned foreign laboratories are accepted.

Publication of technical regulations

State owned newspaper "La Nation" is the national gazette posting technical publications.

Contact Information

ABSSA

01 BP 362

Cotonou, Benin

Email: abssabenin@yahoo.fr

Animal Husbandry Department/Direction de l'Elevage

Contact: Dr. Byll Orou Kerou Gado

Tel: +229 21331815

Pharmaceutical Products Control Office/Direction de Pharmacies

Ministry of Public Health

Contact: Mr. Fernand Gbaguidi

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Trade Agreements

Benin is signatory to all relevant international trade conventions of the World Trade Organization and the United Nations Conference on Trade and Development. Benin is part of the trade agreement between the European Union, Africa, Caribbean and Pacific countries. Benin is also a member of regional and sub-regional economic unions such as ECOWAS and WAEMU. In 1993, Benin ratified the convention providing for the establishment of the Multilateral Investment Guarantee Agency that aims to improve investment opportunities in developing countries and promote investment flow.

Licensing Requirements for Professional Services

Requirements for licensing for professional services are available through local professional associations.

Web Resources

- Government of Benin : <http://benin.eregulations.org>; <http://www.gouv.bj/>;
- Ministry of Economy and Finances: <http://www.finances.bj/>
- Benin Customs Administration: <http://www.douanes-benin.net/>
- SEGUB (Customs One-stop-Shop): <http://www.finances.bj/>
- Port of Cotonou: <http://www.portdecotonou.com/>
- Daily La Nation: <http://www.lanationbenin.info/>
- <http://www.abssa-bj.org/>

Investment Climate Statement.

Executive Summary

Benin is a stable democracy in Sub-Saharan Africa with regular, peaceful elections. Presidential elections in March 2016 witnessed a transfer of power to a new government led by former businessman Patrice Talon, a bitter rival of former President Yayi. The country's 2018 budget estimated at USD 3.15 billion prioritizes investment. The Government of Benin (GOB) has pinned significant hopes on mobilizing private sector funding for major infrastructure development projects over the next three years through public-private partnerships (PPPs). A new law to facilitate PPPs has been enacted and is expected to attract additional Foreign Direct Investment (FDI) and increase the country's economic growth under the government's five-year action plan. The government is also working to update the country's investment and public procurement codes in compliance with the PPP law.

President Talon launched his signature initiative in December 2016, a very ambitious USD 15 billion five-year Government Action Plan ("Programme d'Actions du Gouvernement" or PAG). The PAG lays out a development plan from 2016 to 2021 structured around 45 major projects, 95 sector-based projects, and 19 institutional reforms. With the goals of strengthening the administration of justice, fostering a structural transformation of the economy, and improving living conditions, the projects are concentrated in infrastructure, agriculture and agribusiness, tourism, health, and education. The government claims the PAG will create 500,000 jobs, though the president's critics see plenty of room in the PAG for sole-source contracts profiting administration insiders. The Talon administration's revocations of certain high-dollar contracts signed under the previous administration in favor of new ones with Talon-allied companies have fed this latter perception.

Benin continues its efforts to attract private investment in support of economic growth - a link the government sees as central to boosting Benin's development prospects. In 2015, it set up an Investment and Exports Promotion Agency (APIEX) as a one-stop business startup, investment promotion, and foreign trade promotion center. Benin's overall macroeconomic conditions were positive in 2016 and 2017, despite GDP growth slowing in 2016 due to economic recession in neighboring Nigeria on which Benin's economy heavily depends. The cotton industry, the Port of Cotonou, telecommunications, agriculture, energy, the cement industry, and housing are the main economic drivers and prospects for investment. The country's GDP is roughly 71 percent services, 21 percent agriculture, and 8 percent manufacturing.

On June 22, 2017, a) five-year, USD 375 million Millennium Challenge Corporation (MCC) compact with Benin entered into force. This follows Benin's 2006-2011 compact, which modernized the country's port - the principal source of government revenue - and improved land administration, the justice sector, and access to credit. The Benin Power Compact is advancing policy reforms to bolster financing for the electricity sector, attract private capital into power generation, and strengthen regulation and utility management. Infrastructure funded by the compact includes 46 megawatts of power generation capacity, modernization of the Cotonou and regional distribution grid, and expansion of minigrids. As two thirds of Benin's population does not have access to electricity, the compact also includes a significant off-grid electrification project via its clean energy grant facility.

Table 1

Measure	Year	Index/Rank	Website Address
TI Corruption Perceptions Index	2017	85 of 180	http://www.transparency.org/research/cpi/overview
World Bank's Doing Business Report "Ease of Doing Business"	2017	151 of 190	http://www.doingbusiness.org/rankings
Global Innovation Index	2017	116 of 127	www.globalinnovationindex.org/content/page/data-analysis
U.S. FDI in partner country (M USD, stock positions)	2015	USD 18	http://www.bea.gov/international/factsheet/
World Bank GNI per capita	2015	USD 840	http://data.worldbank.org/indicator/NY.GNP.PCAP.CD

Openness To, and Restrictions Upon, Foreign Investment

Policies Toward Foreign Direct Investment

The Government of Benin (GOB) actively encourages foreign investment. The creation of APIEX in 2015 resulted in a dialogue between the Government and investors to implement reforms and improve Benin's business environment. The APIEX mission is to reduce and, where possible, eliminate administrative barriers to doing business and to attracting additional foreign direct investment. The agency has significantly reduced processing times for construction permits (from 90 to 30 days) and registration of new companies (from 15 days to one day). In July 2016, Benin passed a law establishing a commercial tribunal of first instance and a commercial appellate court, a move that is expected to expedite the settlement of business-related disputes. The full-service office that expedites customs clearances, reduces the cost of clearances, and minimizes processing barriers to clearing cargo at the Port of Cotonou makes it possible to obtain cargo clearance within 48 hours of the date of its off-loading at the Port of Cotonou, though in practice this tends to take somewhat longer. The reinstatement of the cargo inspection and scanning program known as PVI, first tried in 2012, resumed operations at the Port of Cotonou in 2017.

Limits on Foreign Control and Right to Private Ownership and Establishment

Beninese law guarantees the right to own and transfer private property. The court system enforces contracts, but the judicial process is inefficient, plagued by corruption, and enforcement of rulings is problematic. Most firms entering the market work with an established local partner

and retain a competent Beninese attorney. A list of English-speaking lawyers and legal counselors is available on the Embassy's website <https://bj.usembassy.gov/u-s-citizen-services/attorneys/>.

Other Investment Policy Reviews

In 2015 the Beninese government conducted an investment policy review (IPR) jointly through the Organization for Economic Cooperation and Development (OECD), the World Trade Organization (WTO), and the United Nations Conference on Trade and Development (UNCTAD). Further to a 2016 fact-finding mission, the UNCTAD Report on the Implementation of the IPR of Benin assesses progress in implementing the original recommendations of the IPR, and highlights a few more policy issues to be addressed in the investment climate. The full report may be found at <http://investmentpolicyhub.unctad.org/Upload/BeninIR2016.pdf>

Business Facilitation

In an effort to attract Foreign Direct Investment (FDI), Benin has instituted a visa-free system for African nationals. Those traveling on non-African passports can obtain e-visas through an online process for short stays. The country is also planning to open four new trade offices abroad to enhance Benin's international business opportunities. One is already underway in Shenzhen, China; others will be located in Europe, the United States, and the Middle East.

Benin made property registration simpler and less expensive in order to boost the real estate market and improve access to credit. The measures apply to real personal property, estate and mortgage taxes, and property purchase receipts, with the aim of reducing corruption in the property registration process. In order to register property, individuals and businesses must present a taxpayer identification number (registration for which is now free). Land registration and property purchase certifications are free, but there is a fee for obtaining a property title. In a related measure, the government issued 2,513 titles free of charge in 2016 for owners of land that had been registered with the financial and technical assistance of the Millennium Challenge Corporation's first compact with Benin.

It should take roughly 24 hours to register a business, and there is no need for a notary's assistance. APIEX serves as the single investment promotion center and conduit of information between the foreign investor and the Beninese government.

Benin defines:

- Micro-enterprises as having less than five employees;
 - Small and medium size enterprises (SMEs) as having between five and 99 employees. SMEs may be a subsidiary of an international firm.
- A full-service office – run by a private company under the supervision of the Ministry of Infrastructure and Transport – expedites customs clearances, reduces the cost of clearances, and minimizes processing barriers to clearing cargo at the Port of Cotonou. This office makes it possible to obtain cargo clearance within as little as 48 hours after its off-loading at the Port of Cotonou, though in practice this tends to take somewhat longer.

Outward Investment

The Beninese government has no policy or incentive in place to encourage the country's businessmen to invest abroad. The Beninese government does not restrict domestic investors from investing abroad.

Bilateral Investment Agreements and Taxation Treaties

Benin has bilateral investment agreements with the United States, France, Germany, the United Kingdom, Switzerland, Portugal, Canada, Guinea-Conakry, Ghana, Mauritius, Chad, Mali, Burkina Faso, the Netherlands, and China. Benin is listed as a member country to International Investment Agreements with the Economic Community of West African States (ECOWAS), the African Union, and the West African Economic and Monetary Union. Benin does not have a bilateral taxation treaty with the United States, though it is eligible under the African Growth and Opportunity Act (AGOA) to export certain items duty-free to the United States.

Legal Regime

Transparency of the Regulatory System

Benin is a member of UNCTAD's international network of transparent investment procedures. Foreign and domestic investors can find detailed information on administrative procedures applicable to investment and income generating operations at <http://benin.eregulations.org/>, including the number of steps, name and contact details of the entities and persons in charge of procedures, required documents and conditions, costs, processing time, and legal bases justifying the procedures. There is no rule to prevent a monopoly over a particular business sector. The Benin Private Investment Council-CIPB is the only business-related think-tank or body that advocates for investors, <http://www.cipb.bj/>. Generally, draft bills are not available for public comment. However, individuals (including non-citizens) have the option to file appeals about or challenge passed or enacted bills with the country's Constitutional Court.

International Regulatory Considerations

Benin is a member of the Organization for the Harmonization of African Business Law, known by its French acronym OHADA, and has adopted OHADA's Universal Commercial Code (codified law) to manage commercial disputes and bankruptcies within French-speaking African member countries. Benin is also a member of OHADA's Common Court of Justice and Arbitration and the International Center for the Settlement of Investment Disputes (ICSID). OHADA provisions govern bankruptcy. Debtors may file for reorganization only, and the creditor may file for liquidation only.

Legal System and Judicial Independence

The preamble of the Beninese Constitution, adopted on December 11, 1990, highlights the attachment of the Beninese people "to principles of democracy and human rights as they have been defined by the Charter of the United Nations of 1945 and the Universal Declaration of Human Rights of 1948, the African Charter on Human and Peoples' Rights adopted in 1981 by the Organization of African Unity and ratified by Benin on 20 January 1986 and whose provisions form an integral part of this present Constitution and of Beninese law and have a value superior to the internal law."

Benin's domestic law includes various legislative and regulatory texts covering family law, land law, labor law, criminal law, criminal procedure, and civil, commercial, social, and administrative proceedings. The newly created commercial court enforces commercial related issues. Court cases tend to proceed slowly and there may be challenges in the enforcement of court decisions. Magistrates and judges, though appointed by the Executive, remain independent. Benin's courts enforce rulings of foreign courts and international arbitration.

Laws and Regulations on Foreign Direct Investment

Benin is a member of OHADA's Common Court of Justice and Arbitration (CCJA) and the International Center for the Settlement of Investment Disputes (ICSID). Investors may include arbitration provisions in their contracts in order to avoid prolonged entanglements in the Beninese courts. The United Nations' <http://www.theiguides.org/guides/benin.pdf> details investment procedures in Benin. In 2014, CCJA judged that the Beninese government had illegally seized the ginning assets of the cotton company SODECO (Societe de Developpement du Coton, a public-private joint venture), and had illegally revoked the Port of Cotonou cargo inspection contract with the private company Benin Control. The CCJA ordered payment of USD 267 million in compensation to the two companies owned or largely controlled by then-cotton tycoon, and current Head of State, Patrice Talon (see <http://www.ohada.org/index.php/fr/ohada-au-quotidien/role-des-audiences-publiques-de-la-cour-ccja>). The APIEX one-stop-shop website, <http://benin.eregulations.org/>, provides information on regulations and procedures for investment in Benin.

Competition and Anti-Trust Laws

There is no existing agency that reviews transactions for competition-related concerns. Only the local court or international arbitration courts may address these concerns filed with them. There are no recent or existing competition cases to highlight.

Expropriation and Compensation

Based on a 1992 privatization law, the Government is forbidden from nationalizing private enterprises operating in Benin.

In conformity with World Bank structural reform commitments, the government opened the cotton sector and its related components (namely ginning and inputs) to the private sector in the 1990s, and in 2008 divested the ginning industry part of its agricultural parastatal SONAPRA (Societe Nationale pour la Promotion Agricole) moving the ginning assets and regulatory control functions to SODECO. SODECO is a public-private joint venture: 35 percent government, 45 percent private (owned by now-president Patrice Talon), and the remainder split between stock market, local communities, cotton growers, and staff members. In October 2012, prompted by concerns over performance and mismanagement, the government reassumed control of cotton production and ginning holdings under SONAPRA. Under President Talon's administration, in 2016 SODECO took back control of its ginning facilities and SONAPRA has been dissolved.

In 2006, the government took over the management of previously privatized oil company SONACOP on the grounds that the company was in financial disarray, lacked funds for its operations, and was unable to supply gas stations throughout the country. SONACOP remains a state-owned enterprise today, charged with import and distribution of petroleum products.

In February 2017, the Council of Ministers announced that the government was terminating concessions for the management of four state-owned hotels (two in Cotonou and two in northern Benin), and instructed the Minister of Justice to file reparations claims against the concessionaires on the grounds that they had not fulfilled their concession agreements.

In 2012, the government took control of the private bank Banque Internationale du Benin (BIBE) stating that poor management risked leading the bank to bankruptcy and possible systemic risk to the banking sector. BIBE is still in government hands.

Dispute Settlement

ICSID Convention and New York Convention

Benin is a member of the International Center for the Settlement of Investment Disputes (ICSID) and New York Convention.

Investor-State Dispute Settlement

Post has no reports of government interference in judicial handling of investment disputes. All three known past investment disputes between U.S. investors and the Beninese government were resolved in favor of the U.S. investors. However, in 2016, the government revoked the contract of U.S.-based company SECURIPORT for the provision of civil aviation and immigration security services; this dispute remains unresolved. The local courts recognize and enforce foreign arbitral awards issued against the government. In 2010, Benin's civil society challenged a contract awarded by the government in the communications sector and the award decision was reversed. There is an investment incentive agreement between the Government of the United States of America and the Government of Benin.

International Commercial Arbitration and Foreign Courts

Benin is a member of the Organization for the Harmonization of African Business Law, known by its French acronym OHADA, and has adopted OHADA's Universal Commercial Code (codified law) to manage commercial disputes and bankruptcies. Benin is also a member of OHADA's Common Court of Justice and Arbitration and the International Center for the Settlement of Investment Disputes (ICSID) and as such enforces foreign arbitral awards as well as foreign court rulings. Post is unaware of any investment dispute resolution made in favor of a state-owned enterprise by domestic courts.

Bankruptcy Regulations

OHADA provisions govern bankruptcy. Debtors may file for reorganization only, and creditors may file for liquidation only. Benin's score of 105 on the 2018 World Bank Group Doing Business report's "Resolving Insolvency" category is an upgrade from the 2017 score of 115.

Industrial Policies

Investment Incentives

Depending on the size of the investment, investors may benefit from reduced tax liability on profits or imported industrial equipment for up to one year from the date of business registration. Investors must meet several criteria including employing a minimum number of Beninese nationals, safeguarding the environment, and meeting nationally accepted accounting standards. The Investment Control Commission monitors companies that receive these incentives to ensure compliance.

Foreign Trade Zones/Free Ports/Trade Facilitation

The 2008 Investment Code allows for the creation of Free Trade Zones and establishes incentives such as tax reductions for investors. There are currently three Free Trade Zones in Benin, but the only active one is located in southeastern Benin near the Nigerian border. Depending on the size of the investment, free trade zone investors may benefit from reduced tax liability on profits, and duty free on imported inputs including raw material and equipment, exported finished products, or imported industrial equipment for up to one year from the date of business registration.

Investors must meet several criteria including employing a minimum number of Beninese nationals, safeguarding the environment, and meeting nationally accepted accounting standards. A local entity and a foreign investor enjoy the same opportunities. The Investment Control Commission monitors companies that receive these incentives to ensure compliance.

Performance and Data Localization Requirements

According to Benin's 2008 Investment Code, investors must meet certain criteria, including employment of a minimum number of Beninese nationals, in order to qualify for tax reductions and other incentives. These criteria are not rigorously applied to senior management. Union leader participation is required in Board of Directors' meetings.

There are no government-imposed conditions on permission to invest and there is no "forced localization" policy pertaining to the use of domestic content in goods or technology. There are no requirements in place for foreign IT providers to turn over source code and/or provide access to encryption.

The Benin Post and Communications Regulatory Authority, ARCEP, ensures the confidentiality of the content of all communications by the service provider or operator, whether this is information or other data the service provider obtains in the course of providing the services offered. No information may be disclosed without the written consent of ARCEP or a signed order of the competent judicial authority. Additional information may be found at www.arcep.bj

Protection of Property Rights

Real Property

Benin's Land Act, enacted on August 24, 2013, codifies real property rights. Land ownership disputes account for 80 percent of the cases seen by Beninese tribunals. The Land Act is designed to ensure fair access to land and protect ownership rights. It stipulates that unoccupied acquired land cannot be reverted to other or previous owners (though there still exists the risk of squatters). The Land Act establishes a transparent legal procedure for obtaining and documenting ownership, reduces property speculation in urban and rural areas, and encourages land development. In an effort to identify property owners and register land titles, the government declared that the land registration process would be free of charge until further notice.

The Land Act stipulates that development projects financed by international or multinational agencies cannot involve or lead to forced evictions. The state is obligated to do everything possible at each stage of development project implementation to ensure due respect of economic, social and cultural rights recognized by international conventions and covenants and guarantees by the Beninese constitution.

Secured interests in real and personal property are recognized and enforced. Benin's legal system protects and facilitates acquisition and disposition of property, land, buildings, and mortgages. Secured interests in property are registered with the Land Office of the Ministry of Finance. However, it is recommended that foreign and non-resident investors buy land with title deeds and the intervention of a notary public in order to help avoid any land disputes that may result from the acquisition process. Large land leases for investment in rural areas are enforced by local city halls in conformity with the Land Act. Additional information regarding the

acquisition of property may be found at the Beninese Land Agency's website at http://www.beninfoncier.bj/?page_id=173.

Intellectual Property Rights

Benin is a signatory to both World Intellectual Property Organization Internet treaties. However, enforcement of intellectual property rights is constrained by Benin's limited capacity.

In July 2016, Benin's Director of Pharmacies announced the seizure of 2.4 tons of counterfeit solid and injectable medication from a private residence in Cotonou and the arrest of a suspect. In February 2017, the government seized another 80 tons of counterfeit drugs in Cotonou and the court found 12 individuals guilty of illegally acting as pharmacists.

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en>.

Financial Sector

Capital Markets and Portfolio Investment

Government policy supports free financial markets, subject to oversight by the Ministry of Finance and Economy and the Central Bank of West African States (BCEAO). Fourteen commercial banks operate in Benin, where the access rate to banking services is estimated at 12 percent. Foreign investors may seek credit from Benin's private financial institutions and the West Africa Economic and Monetary Union (WAEMU) Regional Stock Exchange (Bureau Regional des Valeurs Mobilières - BRVM) headquartered in Abidjan, Cote d'Ivoire with local branches in each WAEMU member country.

There are no restrictions for foreign investors to establish a bank account in Benin and get loans on the local market. However, proof of residency or evidence of company registration is required to open a bank account.

Money and Banking System

The banking sector has been generally reliable. Fourteen private commercial banks operate in Benin in addition to the regional central bank (BCEAO) and a soon-to-open subsidiary of the African Development Bank. Only 12 percent of the Beninese population uses banking services. If microfinance institutions are taken into account, banking access may be as high as 18 percent. In recent years, non-performing loans have been growing at an alarming rate. Fifteen percent of total banking sector assets are estimated to be non-performing. Benin is part of WAEMU. The BCEAO regulates the banks in Benin and is present in all member states including Benin.

Foreign banks are required to obtain a banking license before operating branches in Benin. They are subject to the same prudential regulations as local or regional banks. Benin has lost no correspondent banking relationships during the last three years. There is no known current correspondent banking relationship in jeopardy. Foreigners are required to present proof of residency to open bank accounts.

Foreign Exchange and Remittances

Foreign Exchange

All funds entering the country from abroad for investment purposes require reporting and registration with the Ministry of Economy and Finance at the time of arrival of funds. Evidence of registration is required to justify remittances of investment capital, earnings, loan/lease repayments or royalties. Such remittances are allowed without restrictions.

Funds entering the country from abroad for investment purposes must be converted into local currency. For the purposes of repatriating such funds, either the invested funds or the interest/earnings or royalties can be converted into any world currency.

The currency of Benin is BCEAO-CFA Franc (international code: XOF). XOF has a fixed parity with the Euro and fluctuates against all other currencies based on this parity. This parity was established at the time of the Euro's creation (January 1, 1999) and has not changed since then. The parity stands at XOF 655.957= EUR 1.00, guaranteed by the French government under an arrangement between the Treasury of France and the European Union.

Remittance Policies

There have been no recent plans to change investment remittance policies. Banks require documents to justify remittances related to investments. The waiting time to remit investment returns does not exceed 60 days in practice.

Sovereign Wealth Funds

Benin has no Sovereign Wealth Fund.

State-Owned Enterprises

There are 42 wholly-owned SOEs operating in the country, including mainly public utilities (electricity and water), fixed and mobile telecommunications, postal services, port and airport management, gas distribution, pension funds, agricultural production, and hotel and convention center management. There are also a number of partially-owned SOEs in Benin. Some of these receive subsidies and assistance from the government. There are no available statistics regarding the number of individuals employed by SOEs.

With the exception of public utilities (including electricity and water), pension funds, and land-line telephone service for which the public telephone company retains a monopoly, many private enterprises compete with public enterprises on equal terms.

SOE senior management may report directly to a government ministry or to a board of directors comprised of senior government officials and political leaders along with representatives of civil society and other parastatal constituencies. SOEs are required by law to publish annual reports and hold regular meetings of their boards of directors. Financial statements of SOEs are reviewed by certified accountants and private auditors. Though the government audit institution has the authority to conduct a review of SOE financial statements, it has yet to do so. SOEs are subject to the same tax policies as the private sector.

SOEs are established pursuant to presidential decrees, which define their responsibilities. The government appoints senior management and members of the Board of Directors. SOEs are generally run like private entities.

Benin is not a member of OECD.

The courts independently process disputes between SOEs and private companies or organizations without government interference.

Privatization Program

The government has elected to support targeted divestiture programs rather than total privatization of State-Owned Enterprises. The state-owned telecommunications company, Benin Telecom Infrastructure, and its affiliate cell phone provider, Libercom, are targeted for either a divestiture program or dissolution by 2021. The state-owned electricity utility, Societe Beninoise d'Energie Electrique (SBEE) will soon be managed privately through a management contract, even though the government will retain full ownership. Through the second MCC compact on power there will be increased opportunities for Independent Power Producers (IPP) to participate in power generation.

Foreign investors may participate in privatization programs. In March 2015, the governments of Benin and Niger jointly signed a document that would dissolve the Benin-Niger Railway Organization (OCBN) parastatal and assign its concession to foreign private investors.

In December 2017, the government authorized the Minister of Infrastructure and Transport to sign a three-year renewable management contract for the Port of Cotonou with the Belgian firm Port of Antwerp International (PAI). PAI accordingly took over management of the port in May 2018. The move is intended in part to attract foreign investors to fund updates to and expansion of the port.

The government procurement process is specified by the Beninese procurement code (Code des Marches Publiques: <http://www.finances.bj/spip.php?article804>). Tenders from the central government are announced in major publications, newspapers, and posted on the website of the Ministry of Finance and Economy at www.finances.bj. Published tenders often include local investor participation requirements.

Beninese procurement law allows for open and closed bid processes. Contracts are often awarded based on government solicitations to short-listed companies with industry-specific expertise, often identified based on companies' commercial activities conducted in other overseas markets. The public procurement process is not always deemed non-discriminatory. Foreign companies have expressed concerns about unfair treatment, biased consideration, and improper practices specific to the process of selecting short-listed companies.

Responsible Business Conduct

In general, government policies and public tenders are made public online and in the newspapers. Anti-corruption, human rights, environmental protection, and consumer NGOs and activists are active in Benin and report misconduct and violations of good governance practices. There are also government-funded agencies in charge of monitoring business conduct. They include the Post and Communication Regulation Agency (ARCEP), the Anti-Money Laundering Agency, the National Commission on Systems and Freedom, and the National Anti-Corruption Authority (ANLC).

Benin does not currently have a significant extractives/ mining industry, though small-scale or artisanal mining activities do take place in some parts of the country.

Corruption

Benin has laws aimed at combatting corruption. The government has demonstrated the political will to reduce corruption and has imposed administrative sanctions and removals from office against high-profile, allegedly corrupt officials. In early- and mid-2018 the government requested, and the National Assembly approved, the lifting of parliamentary immunity of a small number of opposition parliamentarians accused of corruption or embezzlement during former government roles. No current or former high-level government official has yet faced prosecution in Beninese courts, leaving the effectiveness of anti-corruption efforts unproven. Corruption remains a recurring problem in areas including public administration, government procurement, customs and taxation, and the judiciary.

Bribery is illegal and subject to up to ten years' imprisonment, but enforcement of this is subject to the same capacity constraints that hamper many rule of law issues in Benin. Private companies establish their own code of conduct to avoid conflicts of interest in line with the country's laws. The government has identified the fight against corruption as a national priority. Efforts reflecting government focus on fighting corruption include the 2013 creation of the National Anti-Corruption Authority (ANLC) in charge of referring corruption cases to court. By law, the ANLC has the ability to combat money laundering, electoral fraud, economic fraud, and corruption in the public and private sectors. Benin's State Audit Office is also responsible for identifying and acting against corruption in the public sector.

Benin is a signatory of UN Anticorruption Convention and the OECD Convention on Combatting Bribery of Foreign Public Officials in International Business Transactions.

Resources to Report Corruption

Contact at government agency or agencies responsible for combating corruption:

Jean-Baptiste Elias

President

ANLC

01 BP 7060 Cotonou, Benin

+229 21 308 686

anlc.benin@yahoo.fr

Ms. Blanche Sonon

President

Social Watch

02 BP 937, Cotonou, Benin

+229 21042012 - 229 95961644

swbenin@socialwatch-benin.org

Political and Security Environment

There has been no political violence affecting private investment in Benin since the end of the country's socialist period in 1990. The country held a peaceful political transition in April 2016.

Labor Policies and Practices

The government adheres to internationally recognized rights and labor standards. Benin's constitution guarantees workers' freedom to organize, assemble, and strike. Government

authorities may declare strikes illegal if they are deemed a threat to public order or the economy and may require those on strike to maintain minimum services. Approximately 75 percent of salaried employees belong to unions. There are several union confederations. Unions are obliged to operate independently of government and political parties, but in practice often act to further political aims. Benin's labor code, as revised in 2017, is favorable to employers. Most of Benin's working population is engaged in agriculture or other primary-sector activities. The official unemployment rate in Benin in 2014 was 14.3 percent, though estimates of actual unemployment figures are much higher. Unskilled and skilled labor and qualified professionals are generally available. Nearly 90 percent of youth between the ages of 15 and 29 work in the informal sector. The standard legal work week is 40 hours and payment of overtime is allowed. In August 2017, President Talon signed a new law on the framework for private sector and government employment, termination of employment, and placement of labor in Benin. The new law sets a maximum limit of three to nine months' salary (calculated using the last 12 months of salary) to be paid to an employee in case of abusive termination of employment or layoffs. If fired on legitimate grounds, but short of being caught red-handed doing something unlawful, an employee with a minimum of one year on the job is entitled to receive two months' salary as severance pay. Under the former law, private companies who dismissed employees for unsatisfactory performance were routinely sued. The law also allows for multiple renewals of limited time contracts; previously, a limited duration contract could only be renewed twice, and upon a third renewal was considered an employment contract with indefinite duration. Many of Benin's labor laws were holdovers from the Marxist era and had served as impediments to private enterprise, despite a revamping of the labor code in 1998. Civil courts and the Directorate of Labor deal with labor dispute resolution, and collective bargaining is common in line with the labor law.

OPIC and Other Investment Insurance Programs

The Overseas Private Investment Corporation (OPIC) offers financial underwriting for companies wishing to invest in Benin.

Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy

	Host Country Statistical Source	USG or International Statistical Source	USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
Economic Data	Amount	Amount	
Host Country Gross Domestic Product (GDP) (M USD)	USD 8,291	USD 8,573	www.worldbank.org/en/country
Foreign Direct Investment	Host Country Statistical source	USG or international statistical source	USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other

U.S. FDI in partner country (M USD, stock positions)	USD 2	USD 2	BEA data available at http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm
Host country's FDI in the United States (M USD, stock positions)	N/A	N/A	BEA data available at http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm
Total inbound stock of FDI as % host GDP	N/A	N/A	N/A

Table 3: Sources and Destination of FDI

Direct Investment from/in Counterpart Economy Data					
From Top Five Sources/To Top Five Destinations (US Dollars, Millions)					
Inward Direct Investment			Outward Direct Investment		
Total Inward	Amount	100%	Total Outward	Amount	100%
France	134	77.90%	Togo	23	65.71%
Equatorial Guinea	16	9.30%	Côte d'Ivoire	7	20%
Switzerland	11	6.25%	Kenya	5	14.29%
Gabon	6	3.48%	Cameroon	0	0%
Denmark	5	2.90%	Congo DR	0	0%
"0" reflects amounts rounded to +/- USD 500,000.					

Table 4: Sources of Portfolio Investment

Data not available.

Contact for More Information

Political and Economic Section
U.S. Embassy, Boulevard de la Marina, Cotonou
00229-21300650
BeninCommercial@state.gov

Trade & Project Financing

Methods of Payment

Letters of credit, bank drafts, bills of exchange, money wiring, checks, credit cards, and cash are commonly used to make payment for imports. Within the country, cash is the most common payment method for local transactions. Businesses may accept check payments from customers with whom they are familiar. U.S. exporters new to the Beninese market should request an irrevocable confirmed letter of credit drawn on one of the major banks.

Banking Systems

The banking system in Benin is regulated by the regional central bank, Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO) and the Banking Commission of the West African Monetary Union (WAEMU, or in French, Commission Bancaire de l'Union Economique et Monetaire Ouest Africaine (UEMOA)). All banks in Benin are private sector institutions and belong to either an international or regional banking group. These banks are often reluctant to lend for medium- and long-term loans.

Foreign Exchange Controls

The local currency (CFA Franc) is pegged to the Euro at CFA 655.937 for €1.00. Transactions requiring foreign exchange must be duly documented and approved by exchange control authorizations. Exceptions include foreign travel, foreign education, or medical expenses within prescribed limits. Expatriates can remit their salaries outside Benin. Transfers within the UEMOA zone are not subject to foreign exchange controls.

Implications for U.S. business: All investments by a foreign investor in Beninese companies must be declared to the Ministry of Economy and Finance.

All loans given by U.S. individuals or companies to a Beninese borrower must also be declared to the Ministry of Economy and Finance to facilitate the transfer of repayments of principal and interest.

Foreign transfers executed through the BCEAO must include the following information: (i) instructing party, (ii) the amount in CFA Francs, (iii) amount in foreign currency, (iv) name and the address of the beneficiary, (v) account number and banking domicile of the beneficiary, and (vi) the purpose of the transfer and supporting documents.

US Banks & Local Correspondent Banks

Orabank is the only bank active in Benin with indirect U.S. ownership. Citibank's correspondent bank in Benin is Ecobank Benin. The French bank Societe Generale operates in both the United States and Benin.

There are 13 banks operating in Benin: 11 commercial banks and two regional bank representations.

ECOBANK — Ecobank and U.S. EXIM Bank have signed a Master Guaranty Agreement to encourage medium- and long-term loans for businesses, one of the first agreements of this type within francophone Africa.

Mr. Lazare Noulekou, General Manager

Rue du Gouverneur Bayol
01 BP 1280
Cotonou, Benin
Tel: +229 21313069

Fax: +22921313385
Email: ecobankbj@ecobank.com
Website: <http://www.ecobank.com/countryinfo.aspx?cid=74023>

Orabank — formerly Financial Bank, a member of Emerging Capital Partners, a Washington D.C.-based private equity firm.

Mady Compaore, Managing Director
01 BP 2700
Cotonou, Benin
Tel: +229 21-31-31 00 / 03 / 04
Fax: +229 21-31-31-02
Website: [Not available](#)

Bank of Africa — U.S. Ex-Im Bank has signed a Master Guaranty Agreement with Bank of Africa and ECOBANK to encourage medium- and long-term loans for businesses, the first agreement of this type within francophone Africa.

Mr. Faustin Amoussou, General Manager
08BP 0879
Cotonou, Benin
Tel: +229 21-31-32-28
Fax: +229 21-31-31-17
Email: information@boabenin.com
Website: <https://www.bank-of-africa.net/en/boa-benin>

NSIA Banque Benin — Diamond Bank belongs to NSIA Groupe of Cote d'Ivoire

00229 21 31 96 00
00229 21 31 98 98
Mr. Benedict Ihekire, General Manager
01 BP 955
Cotonou, Benin
Tel: +229 21319600
Email: ecoute@groupensia.com
Website: <https://www.groupensia.com/bj/en/contact-us-2.html> ;
<https://www.groupensia.com/bj>

Societe Generale du Benin — SGB is a French bank opened in 2002.

Mr. Pascal Bied-Charreton, General Manager
01 BP 585
Avenue Clozel
Cotonou, Benin
Tel: +229 21-31-83-00
Fax: +229 21-31-82-95
Email: banque.sgb@socgen.com

Website: www.societegenerale.bj; www.societegenerale.com

Banque Sahelo-Sahélienne pour le Commerce et l'Investissement — a Libyan sub-regional Islamic bank.

Mr. Thierno Mamadou Diallo, General Manager

131 Rue Dakodonou,
Lot 26-F Guinkomey
08 BP 485
Cotonou, Benin
Tel: +229 21-31-87-07/21-31-87-05
Fax: +229 21-31-87-04

E-mail: bsic.benin@bsicbank.com

Website: <http://www.bsicbank.com/benin/>

Banque Atlantique du Benin — BAB opened in 2005.

Ms. Gisele Adotevi Adjibi, General Manager

08 BP 0682

Cotonou, Benin

Tel: +229 21-31-10-18/21-31-10-19

Fax: +229 21-31-31-21

Email: mamady.diakite@banqueatlantique.net

Website: <http://banqueatlantique.net/reseau/benin/>

Banque Internationale du Benin (BIBE)

Mr. Jean-Jacques Golou, General Manager

03 BP 2098

Cotonou, Benin

Tel. +229-21310462/21310463/21309522/21322557

Fax: +229-21311605/21310862

Email: secretariatdg@bibebank.com;

Website: www.bibebank.com

United Bank for Africa (UBA).

Mr. Julien Koffi, General Manager

United Bank for Africa - UBA

Carrefour des Trois Banques

Avenue Pape Jean-Paul II

01BP2020

Cotonou, Benin

Tel: +229-21312424

Fax; +229-21311699

Website: www.ubagroup.com

BGFI Bank-Benin — a subsidiary of the French-Gabonese BGFI Bank, with headquarters in Gabon.

It was established in 2010 in Benin.

Mr. Myriam Adotevi, General Manager

01 BP 4270

Cotonou, Benin

Tel: +229-2131334/21-31-33-48

Fax: +229-21-313339

Email: benin@bgfi.com; eqc-benin@bgfi.com

Website: <http://bj.bgfionline.com/en/>

Banque Africaine Pour le Commerce et l'Industrie -- opened in 2015.

Mr. Adam Dendé Affo, General Manager

01 BP 7744

Lot N°374 parcelle C, Boulevard St Michel

Cotonou, Benin

Tel: +229 21-31-22-00

Fax: +229 21 60 10 04

Email: contact@baic-bank.com

Website: www.baic-bank.com

CCEI Bank Benin – subsidiary of Equatorial Guinea CCEI Bank, opened in 2015.

Immeuble Dina,
Boulevard Saint-Michel
Cotonou, Benin
CIBAO, Benin
Boulevard Saint-Michel
Cotonou Benin

SONIBANK

Centre Kodeih N°9
Rue Gouverneur Bayol
Cotonou
Tel: +229 21-31-21-89

Banque Centrale Des Etats De L’Afrique De L’Ouest (BCEAO) —

BCEAO-Benin is the Benin office of the Central Bank of the West African States, with headquarters in Dakar, Senegal.

Mr. Mr. Alain Michel Komaclo, National Director

BP 325

Cotonou, Benin

Tel: +229 21-31-24-66/31-24-67

Fax: +229 21-31-24-65

Email: courier.Bdn@bceao.int

Website: www.bceao.int

Banque Ouest Africaine de Developement (BOAD) — local office of the West African Development Bank based in Lome, Togo.

Mr. Mahamadou Biga Hassyu, Resident Chief of Mission

01 BP 268

Agence Principale

Av. Jean Paul II

Cotonou, Benin

Tel: +229 21-31-59-35

Fax: +229 21-31-59-38

Email: mbiga@boad.org

Website: www.boad.org

Project Financing

[Trade Finance Guide: A Quick Reference for U.S. Exporters](#), published by the International Trade Administration's industry & Analysis team

[Export-Import Bank of the United States](#)

[Country Limitation Schedule](#)

[OPIC](#)

[Trade and Development Agency](#)

[SBA's Office of International Trade](#)

[USDA Commodity Credit Corporation](#)

[U.S. Agency for International Development](#)

Business Travel

Business Customs

Business relations are often conducted in person in Benin. Proper attire is a suit or clothing of a similar formality regardless of the weather. Business cards are normally exchanged in initial meetings.

Travel Advisory

Please note the [State Department's travel advisory website](#).

Visa Requirements

U.S. visitors require visas to travel to Benin. Visas may be obtained at the nearest Benin Embassy or Consulate prior to travel or via a new online system at <https://evisa.gouv.bj/en/>. The [Embassy of the Republic of Benin](#) in the United States of America is located at 2124 Kalorama Road, N.W., Washington, D.C. 2008, Telephone: (202) 233-6656; email: Email: info@beninembassy.us. Travelers using passports issued by African countries are exempted from the need for a visa for stays under 3 months.

U.S. companies that require travel by foreign business representatives to the United States should be advised that security evaluations for foreign travelers are handled via an interagency process. Visa applicants should visit the [State Department visa website](#).

Currency

Benin is a member of the West African Economic and Monetary Union (WAEMU). Benin's currency is the CFA Franc, issued by the Central Bank of West African States (BCEAO). The CFA Franc is fixed to the Euro at CFA 655.957/Euro. The currency exchange rate as of September 2018 is approximately CFA Franc 564/USD. The U.K. pound sterling and the U.S. dollar are sometimes accepted in hotels and banks, but need to be converted into CFA Francs for other purchases in the country. Debit cards and traveler's checks are also accepted and most local banks' ATMs are readily accessible to U.S. ATM networks.

Telecommunications/Electric

- There is only one landline telephone provider in Benin, the parastatal Benin Telecoms S.A. Potential subscribers to this service are required to send completed requests for a landline connection to Benin Telecoms S.A. with relevant supporting documents including copies of identity cards, resident permits, and property tax receipts or copies of the lease agreement.
- High-speed internet connections, Wi-Fi, and fax are available at hotels. Residential and office internet services are readily available.
- Mobile phones and social networks are widely used; many Beninese carry two or three mobile phones at a time. In 2017 over 9.3 million mobile phone subscribers were using the services of five mobile phone providers. Approximately 28,615 Beninese were connected to fixed line Internet in 2017 and 4,600,961 to mobile internet. Mobile social media platforms, particularly Facebook, WhatsApp, and Viber, are important communication tools.

- U.S. calling cards that include AT & T through roaming may be used locally for international calls.
- Electricity voltage is 220 volts and it is highly recommended that U.S. travelers to Benin carry along their converter and adaptor.

Transportation

Transportation options in country include bush taxis or buses for intercity transportation and motorbike taxis or car taxis within Cotonou and most other cities. Chauffeured cars may also be rented in Cotonou. Travelers on motorbike taxis are encouraged to wear helmets to reduce the risk of head trauma in case of an accident.

Language

French is the main language spoken in Benin, which has multiple ethnicities with distinct languages. English is not commonly used.

Health

- Benin is a tropical country where malaria is endemic. Hepatitis B and C and upper respiratory infections are common.
- Sanitation is poor and people burn trash in urban areas.
- The only vaccination required to enter Benin is yellow fever. All visitors must have a valid international health certificate (WHO Yellow Card/Carte Jaune de L’OMS) with proof that they have been vaccinated for yellow fever. New vaccinations must be at least ten days old to take effect; visitors who are vaccinated less than ten days prior to arrival in Benin may be denied entry.
- Malaria prophylaxis and vaccines for hepatitis B and C, typhoid, and rabies are strongly recommended for visitors.
- Major health clinics are in Cotonou. They are not up to U.S. standards and they take neither credit cards nor foreign health insurance cards. Only cash payment is accepted, often in advance of treatment.

Local Time, Business Hours and Holidays

The local time is GMT+1. The official workweek in Benin is Monday through Friday. Most offices close for two to three hours at midday but remain open until 18:30 or later. Some private businesses and banks operate on Saturdays.

National holidays:

1. January 1 - New Year’s Day
2. January 10 - Traditional Religion Day
3. April - Easter Holiday
4. May 1 – Labor Day
5. May - Ascension Day and Whit Day, precise dates vary
6. Date varies – End of Ramadan / Eid-al-Fitr
7. August 1 - Benin Independence Day
8. August 15 - Assumption Day
9. Date varies – Tabaski / Eid al Adha
10. November 1 - All Saints Day

11. Date varies – Maouloud
12. December 25 - Christmas Day

Temporary Entry of Materials or Personal Belongings

Benin allows the temporary entry of material and personal belongings, subject to customs inspection. Customs officers may decide to levy duty on these belongings depending on their use. Temporary importation of commercial samples and professional equipment is subject to payment of 7% of the normal import duty after a formal request is addressed to the customs office.

Travel Related Web Resources

[State Department Visa website](#)

[U.S. Embassy Cotonou Visa Unit](#)

[Benin Embassy Visa Unit in Washington, D.C.](#)

[Benin Directorate of Emigration and Immigration](#)

[U.S. State Department's Travel Advisory for Benin](#)