

**ANNEX 1 – BENIN**

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## 1 ECONOMIC ENVIRONMENT

### 1.1 Main features

1.1. Located in the Gulf of Guinea, Benin has an area of 114,763 km<sup>2</sup> and had a population of 10.9 million in 2015. Its geographical location affords it a 120-km coastline interrupted by the Cotonou and Grand-Popo river estuaries, making the country an important transit hub within the subregion and offering it tremendous opportunities for trade in port services.

1.2. With a per capita gross national income (GNI) of US\$840 in 2015, Benin is still in the least developed countries group (low-income country).<sup>1</sup> According to the 2015 Human Development Report published by the United Nations Development Programme (UNDP), Benin's Human Development Index (HDI) was 0.48 in 2014, ranking it 166<sup>th</sup> out of 188 countries and territories and classifying it as a country of low human development. Its economy remains heavily dependent on a small number of goods and services. Despite a strong economic growth performance in recent years, poverty remains acute in Benin. According to the latest official survey, the poverty rate rose from 36.2% to 40.3% of the population between 2011 and 2015<sup>2</sup>, affecting rural areas on a widespread basis (43.4% of the poor in 2015).

1.3. The Beninese economy is still struggling to develop and diversify to lift a large portion of its population out of poverty. The economy is founded mainly on cotton and port activities alone. The agricultural sector, which employs a large majority of the working population, continues to operate with rudimentary equipment that limits the productivity and incomes of agricultural workers.

1.4. Despite an improved business climate as measured by the *Doing Business* indicator, thanks in particular to customs and port reforms (section 3.1)<sup>3</sup>, and the creation of a single window for business start-up procedures, serious weaknesses continue to jeopardize the country's economic development. Access to energy and credit remains problematic and the costs of these two factors are high. Moreover, the lack of secure property titles and the weakness of the judicial framework in enforcing contracts undermines the attractiveness of the Beninese economy. These frailties in the business environment mainly affect the country's industrial fabric, which is struggling to expand because of the high production costs they generate.

1.5. The sectoral distribution of gross domestic product (GDP) did not change significantly during the review period (Table 1.1). Apart from its vital role as a major source of livelihood in rural areas, agriculture also accounted for about 23% of GDP in 2015, compared to around 25% in 2010. A similar decline occurred in the manufacturing sector, while telecommunications expanded. Although the manufacturing sector is relatively marginal, it offers opportunities for economic diversification. The sector mainly consists of units within the agri-food, chemical and building materials industries. The services sector contributes just over half of GDP, and is driven largely by transport (specifically port services) and telecommunications, as well as tourism.

1.6. Trade in goods and services increased from around 52% of GDP in 2009 to nearly 70% in 2016. It is fuelled mainly by strong demand for imports of food and capital goods, supported by an ever-increasing urban population, works involving public and private investment, and official or contraband transit. The informal sector plays a preponderant role in the Beninese economy, contributing over 60% of GDP<sup>4</sup> and a similar proportion of all jobs. Informality continues to spread as a result of demographic growth and the inability of the formal segment of the economy to absorb the national labour force. During the review period, informal trade flows continued to emerge, mainly due to the prohibitions imposed by Nigeria (section 3) and the premiums on the parallel foreign exchange market caused by fluctuations in the Nigerian currency, the naira.

<sup>1</sup> Online information viewed at: <http://donnees.banquemondiale.org/?locations=BJ-XM>.

<sup>2</sup> Online information viewed at: <http://www.africaneconomicoutlook.org/fr/notes-pays/benin>.

<sup>3</sup> Benin was among the ten countries that most improved their performance in 2015 and 2016, and it continued on this path in 2017.

<sup>4</sup> Online information viewed at: [http://cesbenin.org/public/images/ressource/cesbenin-11092012141807-RAPPORT\\_CES\\_BENIN\\_SECTEUR\\_INFORMEL.pdf](http://cesbenin.org/public/images/ressource/cesbenin-11092012141807-RAPPORT_CES_BENIN_SECTEUR_INFORMEL.pdf).

**Table 1.1 Main macroeconomic indicators, 2009-2016**

	2009	2010	2011	2012	2013	2014	2015	2016
GDP at current prices (US\$ million)	7,097.2	6,969.8	7,814.3	8,117.1	9,111.0	9,575.0	8,457.5	8,894.1
GDP at current prices (€ million) <sup>a</sup>	5,108.9	5,262.5	5,621.3	6,317.5	6,862.0	7,216.9	7,625.8	8,040.6
Nominal per capita GDP (US\$)	793.5	757.7	826.0	834.3	910.7	930.8	799.7	818.1
Nominal per capita GDP (€)	571.2	572.1	594.2	649.3	685.9	701.6	721.1	739.6
GDP at constant prices (variation %)	2.3	2.1	3.0	4.8	7.2	6.4	2.1	4.0
Population (million)	8.9	9.2	9.5	9.7	10.0	10.3	10.6	10.9
Rural population (% of total population)	58.5	58.1	57.7	57.3	56.9	56.5	56.1	55.6
Unemployment (% of total economically active population)	0.9	0.9	0.9	14.3		n.a.	n.a.	n.a.
Inflation (CPI - variation %)	2.2	2.3	2.7	6.8	1.0	-1.1	0.3	-0.9
<b>GDP by type of expenditure at constant prices (%)</b>								
Final consumption expenditure	3.2	1.6	2.3	3.4	4.3	3.6	3.6	3.2
Private consumption	1.9	1.8	2.3	2.6	4.1	3.9	1.8	1.7
Public consumption	9.3	0.9	1.9	7.3	5.2	2.2	11.5	8.9
Gross fixed capital formation (GFCF)	7.3	9.6	2.6	0.4	42.0	-3.3	-7.8	-12.6
Exports of goods and services	-6.0	5.6	-9.7	24.1	19.4	40.0	3.6	-0.1
Imports of goods and services	4.2	7.0	-5.8	13.6	28.0	15.8	-5.8	-15.7
<b>Distribution of GDP at current basic prices (%)</b>								
Agriculture, livestock, forestry and fishing	26.9	23.3	25.6	25.2	24.0	23.5	23.1	23.5
Agriculture	19.2	18.5	17.3	17.1	16.4	15.9	n.a.	n.a.
Livestock, hunting	4.1	4.4	4.6	4.4	4.1	3.9	n.a.	n.a.
Fishing and forestry	3.5	0.4	3.8	3.8	3.5	3.6	n.a.	n.a.
Mining and quarrying	0.8	0.8	0.6	0.6	0.6	0.5	0.5	0.5
Manufacturing	16.3	16.2	14.9	14.2	14.6	14.4	15.7	15.2
Electricity and water	0.5	0.7	0.8	0.9	0.8	0.8	0.9	0.9
Construction and public works	7.3	8.3	7.9	7.1	7.0	7.4	7.9	8.0
Services	49.8	52.5	51.7	53.3	54.8	55.3	54.0	54.1
Commerce, restaurants and hotels	13.1	13.0	14.7	14.5	15.4	16.5	15.5	15.3
Transport, post and telecommunications	9.2	10.0	9.7	12.7	12.8	12.1	11.5	11.3
Banks and other financial institutions	3.3	3.4	2.4	2.2	2.6	2.8	n.a.	n.a.
Public administration and social security	8.6	9.8	9.3	9.2	9.2	9.1	9.3	9.3
Education	5.3	5.7	5.5	5.2	5.2	5.2	5.2	5.2
Health and social work	1.0	1.1	1.1	1.0	1.1	1.1	1.1	1.1
Other services	9.3	9.4	9.1	8.6	8.6	8.6	n.a.	n.a.
Financial intermediation services indirectly measured (FISIM)	-1.7	-1.8	-1.6	-1.5	-1.8	-1.9	-2.1	-2.2
<b>External sector</b>								
Current account (% of current GDP)	-9.1	-7.6	-6.6	-7.1	-7.4	-9.2	-8.8	-6.9
Merchandise balance (% of current GDP)	-7.2	-7.1	-7.0	-6.9	-6.7	-7.4	-6.0	-6.4
Services balance (% current GDP)	-3.9	-2.0	-1.2	-1.9	-2.7	-4.2	-3.8	-1.6
Overall balance (% of current GDP)	-1.5	2.4	-0.3	1.7	2.2	3.7	1.7	-1.5
Total reserves, excluding gold (US\$ million)	81.7	85.7	81.4	83.2	84.2	76.0	66.8	57.5
CFAF per US\$ (annual average)	472.2	495.3	471.9	510.5	494.0	494.4	591.4	593.0
Nominal effective exchange rate (2000 = 100)	118.3	111.8	113.1	107.5	111.4	114.3	104.1	107.7
Real effective exchange rate (2000 = 100)	123.2	115.2	114.4	112.4	114.1	112.8	100.3	100.5
External debt, concessional (US\$ million)	968.1	1,106.2	1,188.5	1,279.3	1,523.2	1,681.0	1,790.6	n.a.
External debt, concessional (€ million)	696.9	835.3	855.0	995.7	1,147.2	1,267.0	1,614.5	n.a.

	2009	2010	2011	2012	2013	2014	2015	2016
External debt, total (US\$ million)	1,317.2	1,599.2	1,868.6	2,059.6	2,013.7	2,045.1	2,179.2	n.a.
External debt, total (€ million)	948.2	1,207.4	1,344.2	1,603.0	1,516.6	1,541.5	1,964.9	n.a.
Concessional debt/Total debt (%)	73.5	69.2	63.6	62.1	75.6	82.2	82.2	n.a.
<b>Public finance (% current GDP)</b>								
Total income and grants	19.5	18.9	18.8	19.2	18.6	17.4	17.0	14.6
Current income (total income excluding grants)	17.2	17.5	16.4	17.4	17.7	16.5	16.4	14.1
Tax revenue	14.9	15.2	14.5	14.4	14.8	14.8	14.3	12.2
Foreign trade taxes	4.3	8.1	7.1	7.7	8.3	7.6	6.9	5.5
Grants	2.3	1.4	2.4	1.8	0.9	0.9	0.6	0.5
Total expenses and net loans	24.0	20.3	20.5	19.7	21.2	19.4	24.8	20.6
Current expenses	14.6	14.6	14.0	14.3	14.1	13.8	16.9	14.8
Capital expenses	8.8	5.1	6.1	5.2	6.4	5.3	7.5	5.7
Net loans	0.4	0.6	0.3	0.1	0.7	0.3	0.4	0.1
Current account balance	2.5	2.9	2.4	3.1	3.6	2.7	-0.5	-0.7
Overall balance excluding grants	-6.9	-2.9	-4.0	-2.2	-3.5	-2.9	-8.5	-6.5
Overall balance	-4.6	-1.5	-1.7	-0.4	-2.6	-1.9	-7.9	-6.0
Variation in arrears	-0.8	-0.5	-0.3	-0.3	-0.1	-0.1	-0.2	0.0
Overall balance, cash basis (excluding grants)	-6.3	-3.2	-4.6	-2.4	-3.3	-3.5	-8.5	-6.5
Financing needs:								
External financing	1.9	3.3	3.0	2.3	3.9	2.7	2.6	2.1
Domestic financing	4.3	-0.1	1.5	0.1	-0.6	0.8	5.8	4.4
External public debt (end of period)	22.6	16.9	16.6	15.4	16.8	20.1	20.9	21.6

n.a. Not available.

a The CFA franc, which is the common currency of the WAEMU countries, is pegged to the euro at a rate of: €1 = CFAF 655.96.

Source: Online information from IMF eLibrary-Data; online information from the World Bank; Central Bank of West African States (BCEAO), *Annuaire statistique 2015*; African Development Bank Group, *African Statistical Yearbook 2017*.

## 1.2 Recent economic trends

1.7. The Beninese economy gradually consolidated during the review period. Real GDP expanded steadily as from 2010 and its growth rate, which was around 2% in that year, has remained above 5% since 2013. However, the sustained expansion eased slightly in 2015, with a rate of 5.2% compared to 6.5% in 2014. The slight slowdown in 2015 was partly due to repeated electric power outages, adverse weather conditions affecting agricultural production and declining economic activity in Nigeria.

1.8. The strong performance of the agricultural sector formed the main basis for an overall improvement of the national economic situation. The cotton subsector, where output doubled between 2010 and 2014, generates (directly and indirectly) about 45% of non-customs tax revenue and 13% of GDP (section 4.1). Agricultural production excluding cotton has also grown significantly, on the back of the agricultural production diversification programmes being implemented by the authorities. Growth in the secondary sector also benefited from the improvement in the cotton-producing industries (ginning activities) and those involved in the production of cement and other construction materials in a context of intensive works to improve and rehabilitate certain roads and hotel complexes. A strong performance in the services sector, notably transport and telecommunications, also made a contribution to economic growth.

1.9. The Growth and Poverty Reduction Strategy Paper, the third edition of which spanned the period 2011-2015, provided a frame of reference for development policies and strategies in the period under review. It aimed to promote inclusive growth to enable sustained poverty reduction by strengthening the private sector through the creation of strong public-private partnerships (PPPs). In 2010, Benin signed a three-year arrangement under the Extended Credit Facility (ECF) for a total of roughly US\$109 million, in order to support the authorities' efforts to boost economic

growth by stimulating infrastructure investment and implementing structural reforms to enhance the country's competitiveness.

1.10. During the review period, the authorities introduced structural and macroeconomic reforms to support economic growth in an international context that has remained fragile until now. In general, budgetary policy targets optimal domestic resource mobilization and efficient public expenditure programming. Since 2013, the Government has been using a programme budgeting system to allocate appropriations according to the public policies being pursued in order to plan public investments more effectively. Efforts are understood to be under way to develop a multi-year budget and economic planning document. Although public spending increased significantly in 2015 owing to expenditure on certain road projects, the share of investment spending remains lower than that of current expenditure, which is kept high by the wage bill (about 45% of revenue compared to the WAEMU norm of 35%).<sup>5</sup>

1.11. Government income has remained relatively stable, resulting in a sharp increase in the overall deficit (including grants) from 1.9% to 7.9% of GDP between 2014 and 2015, having been stable in the preceding years. The Government continues to use the bond market to cover its financing needs, as well as obtaining direct funding from local banks. However, the public debt/GDP ratio remains low, despite having risen steadily over the review period, from 16.9% in 2010 to 20.8% in 2015. Benin is implementing a medium-term debt strategy for the period 2014-2018, which focuses, *inter alia*, on making priority use of concessional financing supplemented by small amounts of non-concessional borrowing to finance profitable projects.

1.12. As a WAEMU member, Benin applies the monetary policy pursued by the Central Bank of West African States (BCEAO), the main objective of which is price stability for sustainable economic growth (common report, section 1). In Benin, between 2010 and 2011, inflation (measured by the Consumer Price Index) was held below the WAEMU threshold (maximum) set at 3% per annum, before surging to 6.8% in 2012, particularly owing to hikes in food and fuel prices. The latter reflected the cuts in gasoline subsidies by Nigeria, from where it was smuggled into Benin. The inflation rate then plummeted in 2013 and stayed in line with community standards with a top rate of 3% in 2016.

1.13. Benin's external current account has persistently been negative, as a result of deficits in both goods and services trade (Table 1.2). The deficit hovered around 7% of GDP from 2010 to 2013 (Table 1.1), with slight variations, mainly due to fluctuations in the prices of cotton and petroleum products, and capital goods purchases. The current account deficit widened sharply in 2014 and 2015, mainly owing to higher imports of capital goods relating to the manufacturing sector and other infrastructure works.

**Table 1.2 Balance of payments, 2009-2016**

(€ million)

	2009	2010	2011	2012	2013	2014	2015	2016 <sup>a</sup>
<b>Current account balance</b>	-467.1	-400.5	-371.4	-449.1	-507.0	-667.0	-671.5	-555.8
Goods and services (net)	-567.4	-477.2	-462.1	-553.1	-646.5	-842.1	-741.4	-648.7
Goods (net)	-369.4	-372.7	-395.3	-435.4	-460.9	-535.6	-455.1	-517.6
Exports f.o.b.	881.5	967.6	899.8	1,122.8	1,492.6	1,932.0	1,517.0	1,224.2
Imports f.o.b.	1,251.0	1,340.3	1,295.1	1,558.2	1,953.5	2,467.4	1,972.1	1,741.7
Services (net)	-197.9	-104.4	-66.8	-117.7	-185.7	-306.6	-286.3	-131.3
Credit	159.0	284.3	295.8	337.7	387.4	360.7	310.2	359.5
Transport	12.9	76.4	82.0	87.4	107.0	110.5	129.2	n.a.
Travel	94.5	112.7	129.1	132.2	142.5	113.9	127.0	108.5
Debit	357.0	388.6	362.5	455.4	573.2	667.3	596.5	490.6
Transport	208.9	234.9	227.6	285.4	311.3	503.5	393.9	n.a.
Travel	37.8	43.4	38.0	33.3	29.3	40.9	56.2	n.a.
Primary income	-23.8	-40.4	-11.1	-52.0	-52.0	-46.0	-59.2	-65.6
Debt interest	-18.8	-12.3	-11.9	-16.2	-14.9	-15.7	-23.6	-35.2
Secondary income	123.9	117.1	101.8	156.0	191.5	221.2	129.1	158.5

<sup>5</sup> Online information viewed at: <http://www.africaneconomicoutlook.org/fr/notes-145,0pays/benin> and at: <http://www.imf.org/external/pubs/cat/longres.aspx?sk=43554>.



	2009	2010	2011	2012	2013	2014	2015	2016 <sup>a</sup>
Public administration	74.5	63.4	23.0	48.5	59.5	67.1	27.8	36.6
Other sectors	49.4	53.7	79.0	107.5	132.0	154.1	101.3	122.0
Migrant remittances	88.3	96.0	102.0	89.8	106.4	117.5	101.9	99.1
<b>Capital account</b>	116.0	115.3	190.9	129.6	140.1	191.9	113.0	145.0
<b>Financial account</b>	-280.8	-406.0	-148.8	-411.2	-505.7	-731.9	-682.4	-290.4
Direct investment	-74.2	-147.0	-73.0	-187.8	-227.1	-292.4	-105.5	129.6
Portfolio investment	-57.0	-37.5	-42.5	-53.7	-29.7	-36.4	-179.2	-64.8
Other investment	-149.6	-222.0	-33.2	-17.4	-248.8	-403.1	-398.2	-96.0
<b>Net errors and omissions</b>	-4.1	5.9	13.4	14.3	12.3	11.0	3.5	0.0
<b>Overall balance</b>	-74.5	126.7	-18.3	106.0	151.1	267.9	127.4	-120.4

n.a. Not available.

a Projection.

Source: Central Bank of West African States (BCEAO).

1.14. The medium-term economic outlook for Benin is encouraging. The IMF forecasts growth rates of 6% in the medium term, under the combined effect of improved infrastructure and the structural reforms announced in the country's development programmes.<sup>6</sup> Moderate increases in domestic revenues are projected, particularly due to the elimination of certain ad hoc exemptions; this should help trim the budget deficit to about 4.75% of GDP by 2020. The same analyses suggest that Benin's current account will deteriorate between 2015 and 2019 owing to an increase in public investment; but it is expected to improve gradually from 2020 onwards, as investment and import growth stabilize.<sup>7</sup> Nonetheless, these forecasts depend heavily on the economic situation in Nigeria and the implementation by Benin of its structural reform plans (including institutional reforms), as set out in its development strategies.

1.15. A new development policy reference framework, the Government Action Programme (PAG) titled "Benin Revealed", was launched in 2016 to maximize the performance of the Beninese economy in 2017-2021. This programme is designed to serve as the sole instrument for steering government action and for programming the activities of ministries and implementing the State budget.

1.16. In essence, it is based on three key pillars: (1) consolidation of good governance by strengthening democratic achievements; (2) structural transformation of Benin's economy through macroeconomic consolidation and workforce skill development; and (3) improvement of the population's living conditions through the provision of basic social services and land-use planning. In February 2017, an IMF mission finalized discussions with the Beninese authorities on a three-year economic programme under the Extended Credit Facility (ECF) arrangement. This reflects in particular the strategic orientations of the PAG. In April 2017, the IMF's Executive Board approved a US\$151.03 million agreement with Benin under the ECF.<sup>8</sup>

### 1.3 Trade performance

1.17. Official trade figures show an irregular pattern of imports and exports during the review period. Exports (in value terms) fell sharply between 2010 and 2011, due, in particular, to bad weather conditions that affected cotton production. The latter had grown steadily between 2011 and 2014 on the back of government efforts to revive agricultural production. The collapse of exports in 2015 would appear to have been largely due to the measures adopted by Nigeria (one of Benin's key export/re-export markets) to ban imports of certain agricultural products. A sizeable portion of Benin's cross-border trade passes through the informal circuit and is therefore not recorded. Re-exports are also important because of Benin's geographical location, hence the importance of transit operations. Imports also fluctuated widely over the same period, reflecting the trend of commodity prices (fuel and food products).

<sup>6</sup> The Growth and Poverty Reduction Strategy (GPRS), the third generation of which spanned 2011-2015, is the operational tool of Benin's long-term development programme.

<sup>7</sup> Online information viewed at: <http://www.imf.org/external/french/pubs/ft/scr/2016/cr1606f.pdf>.

<sup>8</sup> Online information viewed at: <http://www.imf.org/fr/News/Articles/2017/04/07/pr17124-benin-imf-executive-board-approves-us-151-03-million-under-the-ecf-arrangement>.

1.18. The structure of trade remained broadly unchanged. Exports are highly concentrated and dominated by agricultural products, especially cotton and its by-products (Table A1.1 and Chart 1.1). Re-exports of manufactured goods, including transport equipment, remain substantial.

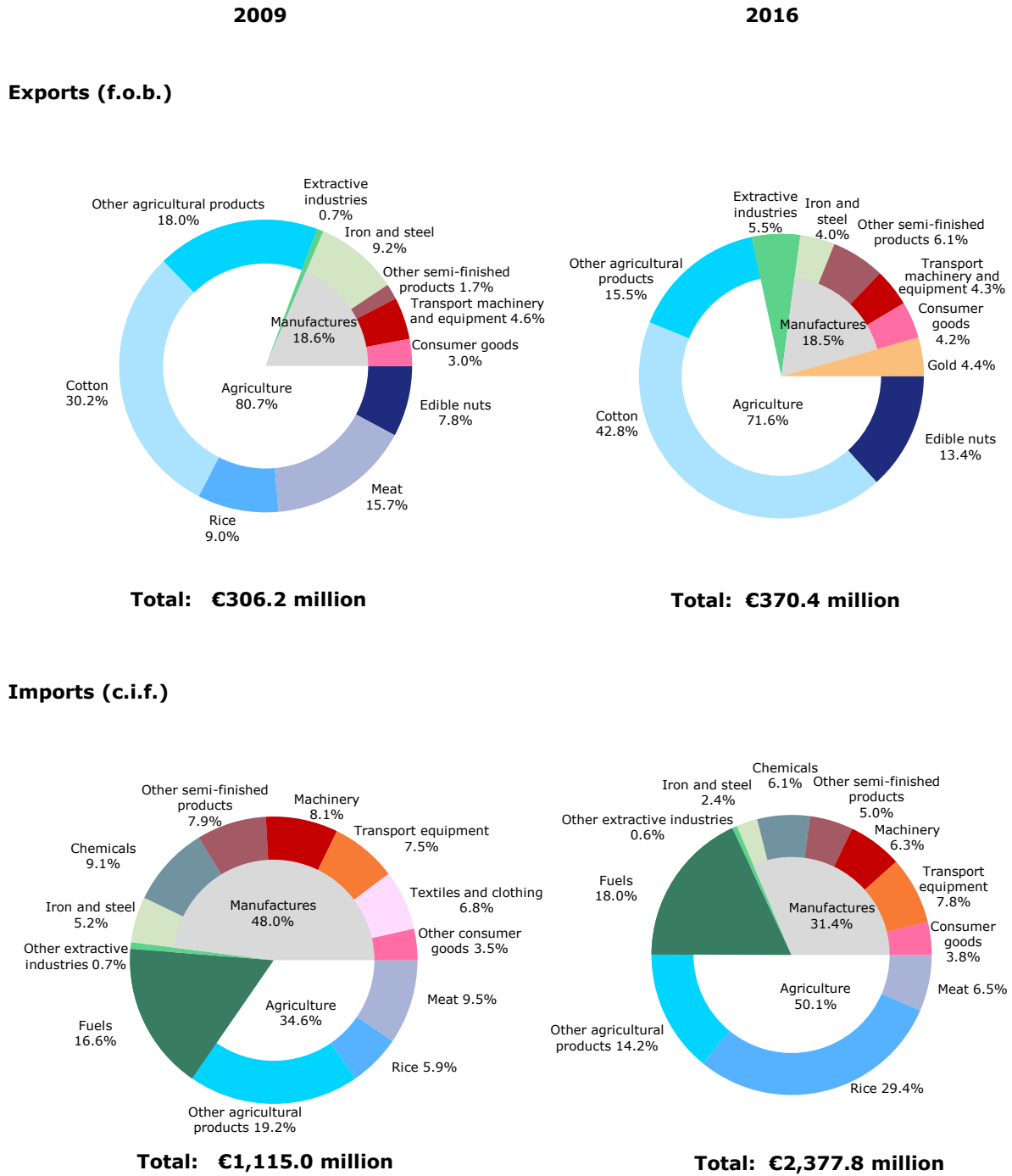
1.19. Imports are much more diversified, however, and consist mainly of food products (including rice and meat), fuels, electric power, transport equipment, textiles, cement, medicines and agricultural inputs (Table A1.2 and Chart 1.2).

1.20. The distribution of Benin's export markets has been fairly uneven over time, as confirmed during the review period. China, which was the main export market during the previous review period, saw its share collapse from 25% in 2012 to 6.7% in 2016 due to the slowdown in its economy and weaker demand for commodities. In 2016, India ranked as the main destination of Beninese products, ahead of Malaysia, Bangladesh, the European Union and China (Table A1.3 and Chart 1.2). The share of exports going to African countries fell between 2010 and 2016, from 64.4% to 28.1%, respectively, as a result of the slump in exports to Nigeria.

1.21. The European Union, particularly France, remains the main source of merchandise imports, followed by China and India (Table A1.4 and Chart 1.2). However, its relative share has declined steadily since 2009 as imports from India and Thailand have increased.

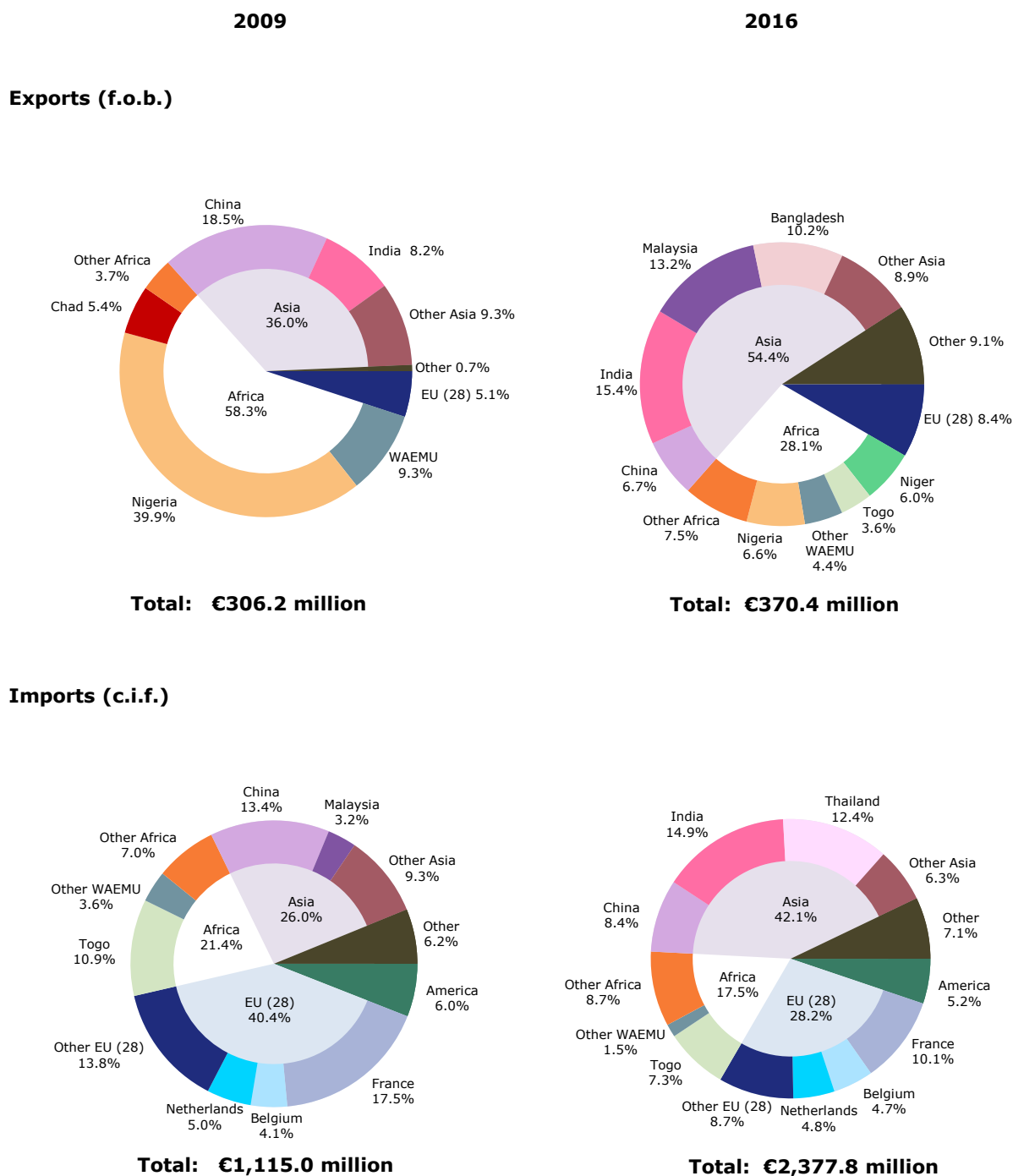
1.22. Benin is a net importer of services (Table 1.2). The bulk of such imports relate to freight and insurance. Engineering and audit services for major ongoing works are also important. The main services imports are tourism activities.

**Chart 1.1 Structure of merchandise trade, 2009 and 2016**



Source: UNSD, Comtrade database (SITC Rev.3).

Chart 1.2 Direction of merchandise trade, 2009 and 2016



Source: UNSD, Comtrade database (SITC Rev.3).

#### 1.4 Foreign direct investment

1.23. The majority of foreign direct investment (FDI) is channelled into port activities, infrastructure building and cotton industry activities. The Government is taking steps to diversify the activities that benefit from FDI through reforms in several agricultural subsectors and processing activities. Although Benin enjoys major advantages such as access to the sea, the availability of certain agricultural inputs and the possibility of preferential access, including within WAEMU, the level of FDI is below potential due to the business environment, which is hampered by cumbersome administrative procedures, low labour productivity, high production costs and weak infrastructure (section 4).

1.24. Stocks of FDI, which have been increasing since 2010 (Table 1.3), are driven by the rail loop project, which will link Cotonou to Niamey (Niger) initially, then Ouagadougou (Burkina Faso) and Abidjan (Côte d'Ivoire); and the creation of three new banks in Benin. Investment flows in the telecommunications, energy and transport sectors have also contributed to this steady growth.

**Table 1.3 Foreign direct investment, 2009-2016**

(€ million)

	2009	2010	2011	2012	2013	2014	2015	2016
Inflow	96.7	133.5	115.9	178.7	271.3	305.4	206.7	n.a.
Outflow	22.4	-13.5	42.9	14.7	44.1	13.0	23.8	n.a.
Inward stock	549.1	456.1	528.7	766.7	1,057.4	1,211.1	1,502.0	n.a.
Outward stock	41.4	16.2	54.9	75.7	122.4	119.7	151.7	n.a.

n.a. Not available.

Source: Online information from UNCTADSTAT.

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## 2 TRADE AND INVESTMENT REGIMES

### 2.1 Overview

2.1. There has been no substantial change in Benin's general institutional and legal framework since the preceding review of the country's trade policies in 2010. Benin's Constitution has not been amended since December 1990. It provides for the separation of executive, legislative, and judiciary power. The President of the Republic and the parliamentarians are elected by direct universal suffrage.

2.2. Under the Constitution, Benin is a multiparty republic with a presidential regime. The President of the Republic is elected for a once-renewable five-year term, and appoints the other members of the Government. The current President has been in office since April 2016.

2.3. The National Assembly comprises 83 deputies elected by direct universal suffrage for (renewable) four-year terms, exercises legislative power and controls the Government's activities. The last parliamentary elections took place in 2015. Laws, including those determining the State's income and expenditure targets, have to be adopted by the National Assembly. Implementing decrees for legislation voted by the Assembly are adopted by the Council of Ministers and are immediately enforceable. The President may also submit to a popular referendum any draft law concerning a matter of national interest. However, no such case arose during the period under review.

2.4. Judicial power is vested in the Supreme Court, which is at the apex of the judicial pyramid, and in the appeal courts, the lower courts and conciliation tribunals. The Supreme Court has competence for administrative and judicial matters and the State's accounts. Its decisions are final and are binding on the Executive, the Legislature and all other judicial bodies. The Constitutional Court is responsible for reviewing the constitutionality of laws and regulatory acts; it is the authority that regulates the functioning of government institutions and activities. The High Court of Justice is empowered to judge the President of the Republic and members of the Government for acts deemed to be high treason and for offences committed in the exercise of their functions. No such case has ever been brought before the Court.

2.5. The Constitution remains the highest ranking law in the country's legal order. In the domestic hierarchy it comes before laws, ordinances, decrees and orders.

2.6. In certain circumstances, the Government may issue ordinances valid for a limited period. A distinction must be made between two types of ordinance. Those issued pursuant to Article 68 of the Constitution serve to introduce exceptional measures; they have the force of law and may be examined only for their constitutionality, such examination being limited to verifying infringements of citizens' constitutional rights. The National Assembly determines the duration of any exceptional measures. Ordinances under Article 102 of the Constitution are adopted by the Council of Ministers and take effect upon publication, although in principle they lapse if the draft law on their ratification is not submitted to the Assembly within the time-limit fixed in the enabling legislation. According to the authorities, no enabling legislation has been requested by any Government since the adoption of the Constitution.

2.7. International treaties and agreements have the force of law once signed and ratified and published in the Official Journal. Under the monistic system, once ratified they take precedence over laws, subject, with respect to each individual agreement or treaty, to its being applied by the other party. The WTO Agreements may be cited directly in judicial proceedings, including in the event of a trade dispute, although this has never occurred so far.

2.8. Commercial litigation between economic operators is heard in the ordinary courts. The commercial chambers in the lower courts have competence for trade disputes, which are heard there in the first instance. Each appeal court also has a special chamber for ruling on appeals relating to trade disputes.<sup>1</sup> In 2016, Law No. 2016-15 (of 28 July 2016 on the organization of the Judiciary in the Republic of Benin) and its implementing decrees established three courts of appeal and three commercial courts; they are not yet operational.

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<sup>1</sup> Article No. 61 of Law No. 2001-37 of 27 August 2002 on the organization of the Judiciary in Benin.

2.9. Benin is a member of the Organization for the Harmonization of Business Law in Africa (OHADA). OHADA's Common Court of Justice and Arbitration (CCJA) is therefore competent to hear final appeals relating to trade disputes.<sup>2</sup>

## 2.2 Trade policy formulation and objectives

2.10. The Ministry responsible for trade is tasked with coordinating technical questions concerning the formulation and implementation of trade policy, including WTO-related matters, and all trade agreements. Other ministries are also involved in formulating and implementing trade policy, in particular the Ministry responsible for finance and the ministries responsible for sectoral matters. Most of Benin's trade policy instruments and practices are established by laws, ordinances and regulations.

2.11. Private sector organizations are consulted on an ad hoc basis on the formulation of trade policy; however, there is still no permanent arrangement for consultations between the State and the private sector. According to the authorities, such a consultation framework is under preparation.

2.12. Regional economic integration within WAEMU and ECOWAS is at the heart of Benin's trade policy (common report, section 2).

2.13. The other major objective of Benin's trade policy is to integrate its trade and investment policies into the country's development strategy. In 2011 the country implemented its third-generation Poverty Reduction Strategy. Having opted for a private sector-oriented development strategy based on new export lines, the Government is seeking to attract investment, mainly by simplifying the procedures for setting up businesses and by adopting a new investment code.

2.14. A number of products, especially in the agricultural sector, hold significant export development potential. They are mainly the following: cotton and textiles, cashew nuts, pineapples, fish and fisheries products, and commercial crafts. Efforts are being made to create a climate favourable to investment in these economic fields, to increase local value added and to raise the competitiveness of products so as to facilitate their access to international markets. Besides, tourism and other services such as port services are potentially significant drivers of Benin's economic performance.

## 2.3 Trade agreements and arrangements

### 2.3.1 Relations with the World Trade Organization

2.15. Benin is an original Member of the WTO (common report, section 2). The concessions made by Benin at the conclusion of the Uruguay Round are contained in Schedule XLVIII as regards goods and in document GATS/SC/11 as regards services.

2.16. Benin submitted very few notifications to the WTO during the period under review (Table 2.1).

**Table 2.1 Benin's notifications to the WTO, 2010-2016**

Requirement	WTO document	Content
Sanitary and phytosanitary measures	G/SPS/N/BEN/6 of 11 November 2010	Notification on pesticides
Article XXVIII:5 of the GATT	G/MA/328 of 8 January 2015	Invocation of paragraph 5 of Article XXVIII
Rules of origin	G/RO/N/150 of 10 November 2016	Notification under Article 5 and paragraph 4 of Annex II to the Agreement on Rules of Origin

<sup>2</sup> The OHADA member countries are: Benin; Burkina Faso; Cameroon; Central African Republic; Chad; Comoros; Democratic Republic of the Congo; Republic of the Congo; Côte d'Ivoire; Gabon; Guinea; Guinea-Bissau; Equatorial Guinea; Mali; Niger; Senegal; and Togo.

Requirement	WTO document	Content
Subsidies and countervailing measures, Article 25.11 and 25.12	G/SCM/N/202/BEN of 11 November 2016	Notification under Article 25.11 and 25.12 of the Agreement on Subsidies and Countervailing Measures
Anti-dumping practices, Article 16.4 and 16.5	G/ADP/N/193/BEN of 11 November 2016	Notification under Article 16.4 and 16.5 of the Agreement
Intellectual property rights	IP/N/3/BEN/1 of 30 November 2016	Points notified under Article 69 of the TRIPS Agreement

Source: WTO documents.

2.17. Like other WAEMU members, Benin is a member of several regional trade groupings, including the African Union (AU) and ECOWAS (common report, section 2).

### 2.3.2 Regional and preferential agreements

2.18. In addition to the ECOWAS trade preferences, Benin is granted trade preferences by the European Union and the United States (common report, section 2).

## 2.4 Investment regime

### 2.4.1 Legislative framework

2.19. Work has been in progress since Benin's preceding trade policy review to make the investment regime more attractive and to encourage the entry of informal businesses into the formal sector. The reforms have, among other things, led to separate formalities for registering newly created enterprises with the Chamber of Commerce and Industry of Benin (CCIB); the alignment of the costs borne by foreigners in setting up businesses with those borne by Beninese nationals; the setting of a time-frame of eight business hours for the formalization of companies, except in cases of *force majeure*; the free, online publication of excerpts from the Trade and Personal Property Credit Register (RCCM) on the website of the Investment and Export Promotion Agency (APIEX)<sup>3</sup>; the possibility for promoters to verify the availability or otherwise of the name of their future enterprise on a dedicated website; the reduction of the cost of formalization from CFAF 65,000 in 2013 to CFAF 10,000 as of July 2014 for sole proprietorships, and from CFAF 225,000 to CFAF 17,000 as of July 2014 for the creation of limited liability companies; the elimination of the costs and regulatory time-limits binding on the notary in the process of creating a limited liability company; the elimination of the minimum capital requirement for the creation of limited liability companies in Benin; and the freedom given to partners in a limited liability company to set the initial amount of their share capital. Moreover, the use of a notary in setting up a business is now optional.

2.20. The 1990 Investment Code remains the basic regulatory framework for all investment in Benin.<sup>4</sup> The Code guarantees identical treatment of Beninese nationals and foreigners. It also guarantees the repatriation of earnings of all descriptions on invested capital, including dividends and the proceeds of liquidation of the company. It establishes a common law regime, preferential regimes and a special regime.

2.21. In principle, Benin does not impose any restrictions on foreign investment.

2.22. Admission to one of the preferential regimes is open to any newly created enterprise in any sector, if the business is of interest or special importance to attaining the goals of the national economic and social development plan. Companies engaging in the following activities are not eligible for these preferential regimes: buying for resale in the same state; repackaging, cutting up, twisting or wrapping of finished or semi-finished products and any other activity that does not entail working or processing within the meaning of the customs nomenclature; and activities

<sup>3</sup>Online information viewed at: [www.gufebenin.org](http://www.gufebenin.org) for information on investments, and at: <http://www.guidenbenin.com>.

<sup>4</sup> Law No. 90-002 of 9 May 1990 containing Benin's Investment Code. The Code as amended is understood to be undergoing thorough revision.



detrimental to the environment and to public health<sup>5</sup>, for which an environmental compliance certificate is required.

2.23. Preferential regimes may also be accorded to companies long established in Benin in the event that they are expanding their activities, provided, however, that the expansion is not into one of the areas of activity expressly ruled out under the Code. In such a case, the preferential regime applies only to the expansion.

2.24. Apart from the above-mentioned criteria, eligibility for a preferential regime requires that the created activity contribute to implementing the land-use policy, job creation, improving the balance of payments and the development of local resources.

2.25. There are five preferential regimes established in accordance with specific conditions. They offer domestic and foreign companies customs and fiscal concessions that have not changed since the preceding trade policy review.<sup>6</sup> There is the "A" regime for SMEs; the "B" regime for "large" companies; the "C" regime for fiscal stabilization; the "D" regime for heavy investment; and the "E" regime for structural investment.<sup>7</sup>

2.26. The period for which the concessions are given depends on the zone in which the beneficiary company is established, that is: five years for the City of Cotonou and the surrounding area within a radius of 25 km; seven years for the urban areas of Porto-Novo, Parakou, Abomey and Bohicon; and nine years for other areas in Benin. Under Regime D, the period of concessions has been extended and includes a start-up or maximum investment period of five years, plus an operating period of 12, 13 or 15 years depending on the zone. At the end of this period, companies approved under Regimes C and D are entitled to fiscal stabilization as regards the rate and method for determining the base for taxes other than industrial and commercial profits tax (BIC) throughout the period of entitlement. Service providers are not eligible for tax exemptions during the operating phase.<sup>8</sup>

2.27. When the concessions under the preferential regimes end, the company must continue its activities for at least five years otherwise it has to reimburse the State for the concessions granted during the entitlement period. However, given the difficulties of monitoring and assessment, no such case has been identified to date.

2.28. Among other things, the Code aims to encourage local value added. Activities that consist of buying for resale in the same state or repackaging and wrapping finished goods are, therefore, not entitled to the concessions. Up to 2008, there had to be at least 50% value added in order to receive the concessions. This figure has, however, been lowered to 30% under the new ordinances. The Code requires beneficiaries to have a minimum of 60% Beninese nationals on the payroll.<sup>9</sup> Investors must also comply with national or international quality standards applicable to goods and services that are the subject of their activities; protect the environment; keep SYSCOA (West African Accounting System)-compliant accounts; abide by the approved investment programmes; allow controls by the authorities; and be entered in the Trade Register.

2.29. A Technical Investment Commission (CTI) examines the application and approves projects. The Investment Control Commission (CCI) ensures that the regulatory requirements (number of local jobs, value added, etc.) are met. Once the investment is made, notification of that investment is verified by the CCI.

2.30. The special regime applies to enterprises falling into the following categories: enterprises providing services in the fields of health, education and public works, whose investment is at least CFAF 20,000,000; and enterprises engaging in an activity other than those covered by the preferential regimes and the amount of whose investment falls between CFAF 5 million and CFAF 20 million. Upon creation, they are entitled to a 75% reduction in import duties and taxes, with the exception of the municipal tax and the statistical tax on machinery, equipment and tools

<sup>5</sup> No application was rejected on this basis during the review period.

<sup>6</sup> WTO document WT/TPR/S/236/Rev.1 of 22 November 2010.

<sup>7</sup> As defined in the Investment Code.

<sup>8</sup> Article 59 of Law No. 90-033.

<sup>9</sup> Articles 33, 35 and 36.

to be used for production or operations; and spare parts specifically for the imported equipment up to a limit corresponding to 15% of the c.i.f. value of the equipment.

2.31. Besides, there are concessions under specific regimes, such as the Mining Code, for the exploitation of natural resources.

#### **2.4.2 Institutional framework**

2.32. The institutional framework for investments underwent significant change during the review period. Given the number of institutions responsible for investment promotion, in 2014 the Government set up the Investment and Export Promotion Agency (APIEX), under the supervision of the Office of the President of the Republic, to support export and investment in Benin. It still has exclusive responsibility for dealing with private investors, whether Beninese or foreign. The APIEX is the outcome of amalgamation of the Beninese Trade Promotion Agency (ABePÉC), the single window for business formalities (GUFE) and the Presidential Investment Council (CPI). The APIEX began operating in October 2015.

2.33. Any company seeking approval for a preferential regime under the Investment Code must apply to the APIEX, which acts as the Secretariat for the CTI.

2.34. Any dispute regarding the interpretation or application of the Investment Code may be brought before a Dispute Settlement Commission, whose terms of reference are spelled out in the Code. Work is in progress to set up this Commission. Appeals can also be made to the International Centre for Settlement of Investment Disputes (ICSID). Benin has signed investment protection agreements and treaties with the Federal Republic of Germany (1978), Great Britain (1986), and Switzerland (1973). According to the Beninese authorities, investment promotion and protection agreements have also been ratified with: Belgium-Luxembourg, Burkina Faso, Chad, Egypt, Ghana, Guinea, Libya, Mali, the Netherlands and South Africa.

2.35. In 1993 Benin also ratified the Convention establishing the Multilateral Investment Guarantee Agency (MIGA).<sup>10</sup>

#### **2.5 Industrial Free Zone regime**

2.36. Benin's Industrial Free Zone (ZFI) regime was established in 1999 under Law No. 99-001 of 13 January 1999 containing the Finance Law for 1999. The law on its organization and operation was approved in 2005. The ZFI has been operational since 2009. The ZFI option adopted by Benin is to combine geographically defined free zones (in Sèmè-Podji) and free points or free enterprises (details pending) which, if they meet the criteria, may be established anywhere in Benin and be entitled to the applicable incentives. In 2016, there were 19 free points in Benin, and 11 of 19 companies approved under the ZFI regime were operating.

2.37. This regime is managed by a public limited company called the "ZFI Administrative Board". The aims being pursued by the Beninese authorities in creating the ZFI are, *inter alia*: export promotion and diversification, improving the trade balance; increasing foreign exchange earnings; technology transfer; and job creation. The Industrial Free Zone Approval Board is responsible for approving applications for accreditation from enterprises wishing to obtain ZFI status.

2.38. Those eligible to benefit under the ZFI regime are: enterprises engaged in industrial production for export; services enterprises whose services are available solely to industrial enterprises approved under the ZFI regime; and enterprises which produce goods intended solely for the industries approved under the ZFI regime.

2.39. To qualify under the ZFI regime, industrial production companies must undertake to fully satisfy the following conditions: (1) guarantee that at least 65% of their annual production will be exported; (2) give priority for permanent jobs to Beninese nationals with qualifications equivalent to those of non-Beninese; and (3) help train Beninese nationals to occupy high-skill positions in the Industrial Free Zone; and (4) give priority to raw materials, equipment and supplies of Beninese origin, provided that they are equally competitive.

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<sup>10</sup> MIGA, online information viewed at: <http://www.miga.org>.

2.40. Service companies must fulfil the second condition and provide services relating exclusively to the activities of the industrial production enterprises operating under the ZFI regime. For their part, enterprises which produce goods intended solely for the industries approved under the ZFI regime must meet the second and fourth conditions.

2.41. Any company that has benefited from a preferential regime under the Investment Code may only be given ZFI status five years after the preferential regime has ended.

2.42. For activities covered by their approval under the ZFI regime, enterprises are eligible, as of the date of signature of the approval, for the tax concessions set out in Table 2.2.

**Table 2.2 Tax concessions under Benin's Industrial Free Zone regime**

Measure	Concessions
Import duties and taxes (excluding municipal tax)	Exemption upon import of machinery, equipment and tools; spare parts specifically for the equipment imported; raw materials and semi-finished goods; products to be used for packaging and wrapping processed products; fuel; lubricants; building materials; office furniture and office consumables; electric generators and parts; telecommunications equipment; appliances for air conditioners in companies approved under the ZFI regime and cold stores. For goods vehicles purchased by the companies, there is a 60% reduction on these duties and taxes. Only the municipal tax is payable upon export.
Industrial and commercial profits tax (BIC)	Exemption for the first 10, 12 and 15 years, respectively, for geographical zones 1, 2 and 3. Reduction to a 20% rate (normal rate 25% or 30% depending on the case) for five years as of the 11 <sup>th</sup> , 13 <sup>th</sup> and 16 <sup>th</sup> years, depending on the zone.
Employers' contribution	4% rate on salaries (compared to a normal rate of 8%) for five years.
Income tax on securities	5% rate (compared to a normal rate of 18%) for five years.
Property tax on developed and undeveloped land, business tax	Exemption for ten years.
VAT	Exemption for the delivery of semi-finished goods, packaging, works and services supplied to the approved enterprise. Export at zero rate (general export regime).

Source: Law No. 2005-16 of 8 September 2005 establishing the ZFI regime.

2.43. The free zone regime also provides concessions for "zone promoters", which are public or private legal entities that have developed and equipped a parcel of land which they own or of which they have right of use and which they operate as a geographically defined free zone, after approval.

### 3 TRADE POLICIES AND PRACTICES BY MEASURE

#### 3.1 Measures directly affecting imports

##### 3.1.1 Customs procedures, valuation and requirements

3.1. There have been no changes to the registration requirements for importers since Benin's previous trade policy review (TPR). They continue to be governed by Law No. 90-005 of 15 May 1990 determining the criteria for engaging in trade in the Republic of Benin (as amended by Law No. 93-007 of 29 March 1993) and Decree No. 93-313 of 29 December 1993. Any natural or legal person of any nationality may freely import authorized products.

3.2. The profession of importer or exporter is subject to listing in the Trade Register upon payment of CFAF 10,000 for legal persons and CFAF 5,000 for natural persons. In addition, traders must be registered with the Ministry of Trade in order to be given an identification number (importer-exporters' code). This is issued upon payment of a flat rate admission fee of CFAF 30,000. When setting up a company, the initial annual payment to the Chamber of Commerce and Industry is CFAF 50,000 for Beninese citizens and CFAF 150,000 for foreigners, representing the fee for admission to the Chamber. The following year, the subscription is calculated *pro rata* to the economic operator's turnover.

3.3. Most customs procedures remain unchanged since Benin's previous TPR, although efforts are being made to modernize customs clearance operations. In 2013, the Government adopted a customs reform strategy for the period 2013-2016 with the aim, *inter alia*, of building the customs administration's capacity, modernizing customs clearance tools and improving the mobilization of customs revenue through: (a) better risk management; (b) control of customs value through a "customs value certification programme"; (c) pre-customs clearance control measures by installing scanners; (d) post-customs clearance control measures; and (e) rational implementation of the various customs procedures, including tracking of goods in transit and a plan to reduce exemptions, although no reduction plan was introduced during the review period.

3.4. In 2014, Benin adopted Law No. 2014-20 of 27 June 2014 establishing the Customs Code. This governs all customs procedures in Benin and takes into account most of the provisions in the WAEMU Community Code. Goods must have a customs declaration for all customs procedures; exemption from import duties and taxes does not dispense with this requirement. In principle, a detailed declaration is filed by approved customs brokers (or forwarding agents) or directly by importers. The latter must, however, possess a temporary and revocable customs clearance authorization for transactions concerning specific goods, issued by the Minister responsible for finance. The criteria for approval of customs brokers have been harmonized within WAEMU (common report, section 3).

3.5. The following documents are required for customs procedures: importer's licence; invoice; freight note; invoice showing the insurance premium and, where applicable, the preshipment inspection certificate, certificate of origin and phytosanitary certificate. Imports entering by sea must be accompanied by an electronic cargo tracking note (ECTN) drawn up by the National Shippers' Council. To obtain this note, the shipper, or his representative, must register on the electronic platform (Internet site) which issues ECTNs and provide a copy of the bill of lading and the invoice. The following fees apply: €25 (CFAF 16,250) per bill of lading for cargo from Europe or Africa and €100 (CFAF 65,000) per bill of lading for cargo from Asia, Oceania or America.

3.6. In principle, customs clearance procedures have been computerized using the ASYCUDA WORLD system. Benin is interconnected with Niger customs' electronic platform. According to the authorities, the computerized network covers all customs posts in Benin and all declarations are registered electronically.

3.7. Since 2015, Benin has had a single window for foreign trade transactions in the Port of Cotonou. According to the authorities, this has enabled transactions to be streamlined by making them paperless. All procedures with the various agencies are carried out using a single interactive platform. For each shipment, using a computer connected to the Internet, the user (the importer or the declarant) submits all the information required for the single window electronically on a dedicated and secured website. Decisions by the various competent agencies are processed and

forwarded to the user through the system. Adoption of the single window appears to save time. According to the authorities, the average time taken for customs clearance is 48 hours from the moment of filing the customs declaration accompanied by all the necessary documents. According to the World Bank's *Doing Business 2016* report, however, the average time is 72 hours.<sup>1</sup>

3.8. Customs declarations are processed according to a risk assessment method that provides for three channels: green (good for release), yellow (inspection of documents) and red (inspection of documents and physical inspection). According to the authorities, barely 10% of goods go through the red channel. The main factors taken into account for the risk assessment are: the reputation/trustworthiness of the importer; the person making the declaration; the type of goods; the import regime; the country of origin or source of the goods; the nationality of the carrier; the mode of transport; and the currency of the invoice. In general, the green channel is for vehicles with a fixed value in transit to countries in the hinterland; vehicles and goods for the destination State in the hinterland; and used vehicles with a fixed value going to coastal countries. The red channel is mainly for vehicles shipped in containers and fabrics and clothing of Asian origin. Other goods are dealt with through the yellow channel.

3.9. Benin does not have any formal system of approved economic operators. According to the authorities, however, a plan to introduce such a system is being finalized, an advance decision system was adopted in January 2017 and it is expected to become operational by December 2017. Moreover, the customs authority has created a service dedicated to providing economic agents with customs information.

3.10. There is a clearing credit mechanism in Benin for perishable goods, pursuant to the provisions of the Community Code (common report, section 3). When this mechanism is used, the increment is 3 per mil of the total amount of the duties and taxes payable.

3.11. Benin has not yet ratified the WTO Agreement on Trade Facilitation and has not notified its category A measures either.

3.12. During the review period, Benin continued to impose mandatory preshipment inspection of goods. In 2011, BENIN CONTROL, a company incorporated under Beninese law, was entrusted by the Government with implementing a "Programme for the verification of new generation imports" which looked at prices and tariff headings for goods; the contract between BENIN CONTROL and the Beninese Government was, however, suspended in 2012. As a result, between 2012 and 2014 the preshipment inspection system was suspended.

3.13. In April 2014, Benin made SGS SA responsible for introducing a customs value certification programme (PCV) and BIVAC (BUREAU VERITAS) for the purchase, installation and operation of scanners in Benin. In practice, the customs used the expertise of SGS SA in case of any doubts as to value, but the contract to operate the scanner was never implemented. After three years, the Beninese customs should take over the whole customs valuation procedure. According to the authorities, however, since 1 April 2017, the Government has given BENIN CONTROL responsibility for certifying the value of goods.

3.14. Benin has not submitted any notification to the WTO in relation to customs valuation of goods. In principle, the WAEMU regulations on customs value remain in force in Benin (common report, section 3.1.2). These WAEMU regulations, together with Benin's Customs Code, fully incorporate the WTO provisions on customs valuation. WAEMU also has a community system of reference values with the aim of "combating false declarations of value and unfair competition". In practice, the Beninese customs were using a list of values up to January 2017 but have indicated that it is no longer in use.

3.15. Reference values continue to apply, however, to determine the value of imported used vehicles. A system of floor values is in effect for vehicles over ten years old.

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<sup>1</sup> The time includes preparation and filing of the documents during handling in the port or at the border, customs procedures and inspections; the cost is not negligible. Online information viewed at: <http://français.doingbusiness.org/data/exploreeconomies/benin/#close>.

### 3.1.2 Rules of origin

3.16. Benin has notified the WTO that it does not apply any non-preferential rules of origin.<sup>2</sup>

3.17. In principle, WAEMU's preferential rules of origin, whose basic provisions are harmonized with those of ECOWAS, apply in Benin. Nevertheless, some problems have been encountered in implementing these rules (common report, section 3).

3.18. The National Approval Committee receives applications for approval of access to the WAEMU and ECOWAS preferential schemes. If need be, economic operators are asked to file two applications for approval.<sup>3</sup> If the decision is favourable, approval is issued by the Ministry responsible for industry. The list of approved products, together with the accompanying documentation, is sent to the respective WAEMU and ECOWAS Commissions for transmission to member States. A certificate of origin is valid for the product concerned for a period of six months.

### 3.1.3 Customs duties

3.19. Benin has applied the ECOWAS common external tariff (CET) since 1 January 2015. It comprises five rates (instead of four for the former WAEMU CET): zero, 5%, 10%, 20% and the new 35% rate. Benin also imposes other community duties and taxes, namely: the statistical tax (RS) of 1% (5% on goods imported under suspensive procedures); the ECOWAS community levy (PC) of 0.5% on behalf of the ECOWAS Commission; and the community solidarity levy (PCS) of 1% on behalf of the WAEMU Commission. Benin does not, however, apply the provisional taxes (community taxes but optional at the national level) allowed during the period of adjustment to the ECOWAS CET (common report, section 3).

3.20. In addition to other community duties and taxes, Benin imposes other levies, for example, port charges such as stevedoring-cargo handling (CFAF 1,000/t), port fees (CFAF 1,300/t) and customs seal taxes (CFAF 25 per seal). A "computer fee" of CFAF 10,000 applies to each customs declaration for all goods imported into Benin, as well as those exported or re-exported.

3.21. Benin's bindings apply to a total of 39.6% of its tariff lines (common report, Table 3.10). During the Uruguay Round, Benin bound agricultural products at a ceiling of 60%, with the exception of vegetable oils (HS 1507-1522), wheat starch (HS 1108.11) and corn starch (HS 1108.12), which were bound at 100%. Lower rates apply to the bindings made before the Uruguay Round on Benin's behalf, when it was a colony. These concern milk, not concentrated or sweetened, dairy cream not concentrated or sweetened, concentrated milk without sugar or added sugar, bound at 7%, as well as cereal flour (of wheat, spelt or meslin), bound at 5%.

3.22. In addition, 24 four-digit tariff lines of HS Chapter 25<sup>4</sup> were bound at 50% during the Uruguay Round, while the previous tariff bindings for some other non-agricultural products were 4% to 75%. Other duties and taxes were bound at 19%.

3.23. Currently, for some 623 tariff lines, the MFN rates applied by Benin exceed the corresponding bound levels.

### 3.1.4 Other taxes

3.24. The regimes (except for the rates) for VAT, excise duty, the tax on petroleum products, as well as the advance payment of industrial and commercial profits tax (BIC), have been harmonized within WAEMU (common report, section 3). In Benin, the standard rate of VAT is 18%; the General Tax Code provides a list of goods (imported or domestically produced) exempt from VAT. *Ad valorem* excise duties are: 1% on wheat flour, edible fats and oils; 7% on non-alcoholic beverages, except for water; 7% on cosmetics; 20% on beer and cider, and private vehicles of

<sup>2</sup> WTO documents G/RO/W/166 of 22 September 2016; and G/RO/N/149 of 1 September 2016.

<sup>3</sup> Applications, accompanied by 12 copies of the approval documentation, must be filed with the Directorate of Regional Integration in the Ministry of the Economy and Finance. A fee of CFAF 100,000 is payable at the time of filing.

<sup>4</sup> The tariff lines are: HS 2502; 2503; 2504; 2505; 2506; 2507; 2508; 2509; 2510; 2511; 2512; 2513; 2514; 2515; 2516; 2517; 2518; 2524; 2525; 2526; 2527; 2528; 2529 and 2530 (Schedule of Concessions XLVIII).

13 HP or more; 40% on wine and 45% on champagne. Special taxes (single special tax on petroleum products) are imposed on the following petroleum products: premium petrol (CFAF 65/litre), regular petrol (CFAF 55/litre), diesel fuel (CFAF 20/litre), lubricants (CFAF 17/litre) and grease (CFAF 23/kg).

3.25. Pursuant to Law No. 2008-09 of 30 December 2008, an ecotax on polluting activities is imposed on a list of imported or domestic products at rates ranging from 0.25% to 5% of the c.i.f. value or production cost for domestically produced products (Table 3.1).

**Table 3.1 Ecotax, 2016**

Product	Rate applied
Batteries and accumulators	0.5% of the c.i.f. value or the domestic production cost
Disposable recipients and packaging other than in plastic and containing various products	0.5% of the c.i.f. value
Empty disposable recipients and packaging other than in plastic	0.25% of the c.i.f. value
Sulphur under the transit regime	CFAF 25/kg
Tobacco and cigarettes	5% of the c.i.f. value or the domestic production cost

Source: Law No. 2008-09 of 30 December 2008.

3.26. The advance payment on profits tax (AIB) is levied on registered taxpayers with a single tax identification number at a rate of 1%, while non-registered operators pay 5%.

3.27. A special standing advance (AFS) of CFAF 50,000 is levied on each used vehicle imported or in transit (except for vehicles going to Burkina Faso or Niger).

### 3.1.5 Import prohibitions and restrictions and import licensing

3.28. Pursuant to the Customs Code, the list of prohibited goods is determined according to the regulations of the WAEMU Council of Ministers (common report, section 3.2.3). Consequently, pursuant to WAEMU regulations, the Ministries responsible for the environment and trade each year establish the import quota for ozone-depleting substances after consulting the branch's operators. A special authorization from the Directorate of Foreign Trade, valid for six months, is required to import such substances.<sup>5</sup>

3.29. As a signatory to the Montreal Protocol, Benin undertook to ban the production and import of chlorofluorocarbons as of January 2010 and in 2010 a draft law was being prepared for this purpose.

3.30. Some goods can only be imported by authorized importers because of their particular and/or strategic nature or to ensure adequate supplies on the domestic market and guarantee their quality. They include in particular: narcotics, psychotropic substances; laboratory reagents; edible plant products; pharmaceuticals; medical equipment; explosives; toxic and corrosive products; products subject to spontaneous combustion; inflammable products and fuels (section 4); fertilizer; cement; radioactive products; and liquids with a flashpoint.

3.31. In 2009, Benin imposed temporary bans on imports by road or river, even from WAEMU member countries, for some fast-moving consumer products (Table 3.3). In addition, frozen foodstuffs of animal origin not of ECOWAS origin can only be imported through the autonomous port of Cotonou or Cotonou's international airport.<sup>6</sup> According to the authorities, the majority of these measures are to protect human health by preventing the introduction of tainted food products through land borders where controls are less strict.

<sup>5</sup> Order No. 002/MEHU/MICPE/MFE/DC/SG/DE/SEL/DEE/SR of 8 January 2003.

<sup>6</sup> Decree No. 91-50 of 29 March 1991 regulating the import of foodstuffs of animal origin.



3.32. The import and transit of bovine meat and its by-products from any origin has required prior authorization from the Livestock Directorate since 2009.<sup>7</sup>

**Table 3.2 Temporary import bans, 2016**

Import banned	Product	Legislative text
By road or river	Wheat flour	Order No. 30/MICPE/DC/SG/DCCI/DC of 23 May 2006
By road	Vegetable oil Rice Sugar Frozen fish Frozen meat and offal	Order No. 1357/MFE/DC/SGM/DGDDI/DAR of 8 November 2004
By road	Refrigerated fish Refrigerated meat and offal Refrigerated or frozen dead poultry	Order No. 640/MFE/DC/SGM/DGDDI/DAR of 26 May 2005
By road	Edible oils	Order No. 1115/MDEF/MIC/DC/SG/DGDDI/DGCI/DGCE of 8 November 2006 <sup>a</sup>

a Order No. 87/MIC/MEF/DC/SG/DGDDI/DGCE/DGCI of 18 December 2007 excludes edible oils originating in WAEMU and ECOWAS from the temporary ban.

Source: Ministry of Trade.

### 3.1.6 Contingency measures

3.33. Benin has never taken any contingency measure. Moreover, it does not have any national legal structure in this respect. A WAEMU community code has been in force in countries belonging to the Union since 2004 and fully incorporates the provisions of the relevant WTO Agreement (common report, section 3.1.7).<sup>8</sup>

### 3.1.7 Other measures

3.34. Benin applies the trade sanctions adopted by the United Nations or regional organizations to which it belongs. It does not participate in countertrade and has not signed any agreement with governments or foreign firms with a view to influencing the quantity or value of goods or services exported to its market.

3.35. According to the authorities, domestic legislation contains no provisions regarding local content; no benefits are contingent on compliance with such criteria. In addition, there are buffer stocks of basic foodstuffs and petroleum products (section 4.2).

## 3.2 Measures directly affecting exports

### 3.2.1 Customs procedures and requirements

3.36. The registration formalities applicable to imports of goods for commercial purposes also apply to exports (section 2 above). All exports must have a customs declaration. An average of 24 hours is required for customs procedures upon export.

3.37. The export of gold, diamonds or any other precious metals or stones requires joint approval by the Ministers responsible for finance and mining.

3.38. Just as for imports and exports, goods in transit must be declared, either by an approved customs broker (or forwarding agent) or directly by the trader. They also require a road escort, provided by the Beninese customs. The cost of a customs escort includes a monitoring and control

<sup>7</sup> Order No. 162/MCAT/MDR/MSP/MFE/DC/DCI/DE of 26 December 2000, repealed by Order No. 57/MC/MAEP/MS/MEF/DAC/SGM/DGCI/DPCI/DE/SA of 24 July 2009.

<sup>8</sup> Regulation No. 9/2003/CM/UEMOA.



fee (RSC) of CFAF 99,000 for the goods and CFAF 47,200 for the vehicles, in addition to a "convoy assembly tax" of CFAF 25,000 for staying in the assembly area before the convoy leaves.<sup>9</sup>

3.39. Goods in transit are not subject to import duties or taxes, but a non-refundable contribution of 0.25% to the guarantee fund set up by ECOWAS is levied on goods in transit on behalf of Benin's Chamber of Commerce and Industry. Levies in the form of the municipal tax, the statistical tax (Table 3.3), the customs stamp duty and the special standing advance payment on vehicles in transit to landlocked countries constitute a deposit.<sup>10</sup> The deposit is refunded when proof is provided that the vehicle has legally left Beninese territory.

3.40. Moreover, overseas-registered transport vehicles of a weight of 1,500 kg or more have to pay an internal road tax of CFAF 5,000, plus the customs stamp duty; overseas-registered vehicles for private use have to pay a temporary import tax of the same amount.

**Table 3.3 Summary of taxes on exports, re-exports and goods in transit, 2016**

(Percentage of f.o.b. value)

Scheme	Municipal tax	Statistical tax	Special re-export tax	Guarantee fund	Total <sup>a</sup>
Transit to landlocked countries	n/a <sup>b</sup>	n/a	n/a	0.25	0.25
Transit to coastal countries	0.85	5	n/a	0.25	6.1
Re-export	0.85	5	4 <sup>c</sup>	0.25	10.1
Single temporary admission	0.85	5	n/a	n/a	5.85
Special temporary admission	0.85	5	n/a	n/a	5.85
Export of indigenous products	0.85	n/a	n/a	n/a	0.85

n/a Not applicable.

a Customs stamp duty is payable on all receipts issued by the customs authority for duties and taxes paid on entry or exit at a rate of 4% of the amount of the receipt.

b The municipal tax on goods in transit to landlocked countries was suspended in January 2009.

c The following products (HS tariff lines) are subject to the special re-export tax (TSR): milk (0402910000); vegetable oils (1511901000 and 1511909000); sugar (1701911000 to 1701919000); edible pasta (1902110000 to 1902400000); alcoholic beverages, including beer (2203001000 to 2205900000 and 2207200000 to 2208900000); new tyres (4011100000 to 4011990000); new inner tubes (4013100000 to 4013900000); fabrics (5001000000 to 5516940000, 5801100000 to 5811000000 and 6001100000 to 6006900000); and reinforcing steel (7214990000).

Source: Information provided by the Directorate-General of Customs and Indirect Taxation.

### 3.2.2 Taxes, duties and levies

3.41. A fiscal exit duty of 3% of the f.o.b. value is levied on exports of cocoa beans, crude oil and precious metals and stones.

3.42. In addition, certain taxes are imposed on an *ad valorem* basis on goods exported or in transit (Table 3.5). As is the case for imports, a computer fee is levied on exports and re-exports.

3.43. Zero rate VAT applies to products and services exported.

### 3.2.3 Export prohibitions and restrictions and export licensing

3.44. In order to protect natural resources, Benin bans the export of unprocessed teak wood and charcoal. Export bans also apply to cotton seed and food crops.

3.45. The export of animals, animal and agricultural products, and plant material require a sanitary/phytosanitary certificate issued by the Ministry responsible for agriculture.

<sup>9</sup> There is an escort to coastal countries every day of the week except Sundays and holidays; there are convoys to the hinterland countries every Tuesday, Thursday, Friday and Saturday.

<sup>10</sup> This deposit, whose amount is lower than the amount of the duties and taxes payable, is not, however, conducive to combating fraud.

3.46. The export of precious metals requires approval from the Minister of Finance, unless the articles only contain a small quantity of metal, weigh less than 500 g or comprise a maximum of ten gold pieces or are exported by the Treasury or the BCEAO.

3.47. Pursuant to the Memorandum of Understanding (Badagry Memorandum), Beninese customs helps Nigeria to ensure compliance with the export bans in force in Nigeria.

### **3.2.4 Export support and promotion**

3.48. Benin's latest notification under Article XVI:1 of the GATT 1994 and Article 25 of the Agreement on Subsidies and Countervailing Measures dates back to 1998 and concerned the absence of export subsidies in 1996 and 1997.<sup>11</sup>

3.49. The Investment Code and the Industrial Free Zone (ZFI) regime give various reductions, exemptions or other fiscal incentives (including import duty) that also apply to imported raw materials and packaging to be used to manufacture products for export (section 2). Exports of worked or manufactured products from free zones and free points by enterprises approved under the ZFI regime only have to pay the municipal tax. It would appear, however, that since the ECOWAS CET came into effect, companies approved under the ZFI regime in principle no longer receive tariff preferences within countries in the region such as Nigeria, as community origin does not apply to their products. Nevertheless, since 2016, following an amendment to the Investment Code, enterprises approved under the ZFI provisions may renounce this regime and opt for the benefits afforded by the Investment Code.

3.50. Within the CCIB, the AGOA resource centre, set up in 2010, helps Beninese exporters to take advantage of the benefits offered by the AGOA (trade preferences).

3.51. In 2014, under the supervision of the Office of the President of the Republic, the Government set up the Investment and Export Promotion Agency (APIEX) to support export and investment in Benin. It is the result of amalgamation of the Beninese Trade Promotion Agency (ABePEC), the single window for business formalities (GUFE) and the Presidential Investment Council (CPI). The APIEX disseminates trade information on foreign markets as part of its export promotion activities.

## **3.3 Measures affecting production and trade**

### **3.3.1 Incentives**

3.52. In addition to the customs procedures provided at the community level, since 1993 Benin has applied a special temporary admission procedure for equipment imported by companies in order to carry out public works and construction.<sup>12</sup> This is granted upon request and makes it possible to calculate the duties and taxes payable based on the length of amortization of the equipment and its use in customs territory; the total amount payable must not exceed 7% and is due when the goods are declared at the customs.

3.53. Benin grants duty and tax reductions and exemptions under its Investment Code, mining contracts and its ZFI regime (section 2). In addition, several import duty exemption schemes are regularly introduced and/or renewed annually (Table 3.4).

3.54. The Finance Law for 2016 introduced the temporary removal of customs duty and VAT on certain computer and transport equipment for the year 2017, although they are still subject to the PCS, the PC and the statistical tax.<sup>13</sup>

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<sup>11</sup> WTO documents G/SCM/N/38/BEN of 30 September 1998 and G/AG/N/BEN/1 of 27 October 1998.

<sup>12</sup> Order No. 02g/MF/DC/DDDI of 9 February 1993.

<sup>13</sup> Law No. 2016-33 of 26 December 2016.

**Table 3.4 Exemptions, 2010-2016**

Goods imported	Concessions	Period applied
Computer equipment (including software)	Exemption from VAT, customs duties and taxes, except for the community solidarity levy, the community levy and the statistical tax	2004-2017
New vehicles intended for public transport <sup>a</sup>	Exemption from all duties and taxes, except for the community solidarity levy, the community levy, the statistical tax and the municipal tax	2004-2009
Agricultural inputs, phytosanitary equipment and apparatus <sup>a</sup>	Exemption from import duties and taxes, except for the statistical tax	2004-2017
Agricultural machinery and equipment <sup>a</sup>	Exemption from import duties and taxes, except for the statistical tax and customs stamp duty	2005-2015
New equipment and materials intended for the construction of service stations, pavement petrol pumps, petrol and diesel fuel tanks <sup>a</sup>	Exemption from import duties and taxes and VAT	2007-2015
New tanker trucks intended for the distribution of petroleum products	Exemption from import duties and taxes and VAT	2008-2015

a Exemption also applicable to domestically manufactured or purchased products.

Source: Beninese authorities.

3.55. Most of the incentives given by Benin are of a fiscal nature and are intended to foster the development of small and medium-sized enterprises, enterprises with high economic and social potential, and to support exporting. In addition to the benefits available under the Investment Code and the ZFI regime (section 2), there are also exemptions for imports and purchases of certain specific inputs and capital goods on the domestic market (section 3.1). From 2011 to 2015, new companies legally incorporated did not have to pay the business tax for their first year of operation. For these companies, the employers' contribution on salaries was spread over three years (25% for the first two years and then 50% the third year).

3.56. The Finance Law for 2015 introduced a single tax called the single business tax (TPU), combining income tax, business tax, licence fees and the employers' contribution on salaries. For new companies, the TPU is spread over three years (25% for the first two years of operation and 50% for the third year).

### 3.3.2 Standards and other technical regulations

3.57. There have been some changes to the institutional framework for standardization since Benin's previous TPR. From 2010 to the end of 2016, under the supervision of the Ministry responsible for industry, the Beninese Standardization and Quality Management Agency (ABENOR) was responsible for drawing up, implementing and monitoring/following up the national policy on standardization, certification and quality promotion in Benin.<sup>14</sup> The Beninese Metrology and Quality Control Agency (ABMCQ), under the supervision of the Ministry responsible for industry and trade, was in charge of controlling measuring instruments, expertise and metrological control of industrial machinery and the scheme for accrediting food analysis laboratories.

3.58. In January 2017, ABENOR and ABMCQ were amalgamated to form the National Metrology Standardization and Quality Control Agency (ANM), which is the enquiry point for the Agreement on Technical Barriers to Trade (TBT), even though it has not yet been notified as such to the WTO.

3.59. Standardization initiatives may come from public authorities, consumers' associations or producers. Under the ANM, the National Standardization and Quality Management Council coordinates technical questions concerning normalization and certification activities and support for accreditation. When a request for the introduction of a standard is received, the file is forwarded to

<sup>14</sup> Decree No. 2010-477 of 5 November 2010 on the establishment, functions, organization and operation of ABENOR.

the competent technical committee. In 2016, there were eight technical committees dealing with the following areas: agriculture and agricultural products, building and public works, food products, electricity and electrical equipment, chemicals, textiles, pharmaceuticals and cosmetics. These technical committees are responsible for preparing standards. Draft standards go through a public enquiry phase in order to receive amendments from the actors involved. After this phase, the technical committees adopt the draft standards. Lastly, an order from the Minister responsible for industry publishes the standard in the Official Journal. Benin has accepted Annex III to the WTO Agreement on Technical Barriers to Trade.<sup>15</sup>

3.60. According to the authorities, there were 251 national standards in force in Benin in March 2017 and no national technical regulation had been introduced. The Beninese authorities apply international technical regulations to protect animal, plant and consumer health (section 3.3.3). The conformity of imports with mandatory standards (technical regulations) has to be certified by a body recognized by Benin. For example, the inspection of processed food is supervised by the Directorate of Food and Applied Nutrition (DANA), which has its own laboratory. In addition, the National Public Health Laboratory (LNSP), under the Ministry responsible for health, is in charge of food metrology, and the Laboratory of Earth, Water and Environmental Sciences (LSSEE) is responsible for analysing soil, water and fisheries products.

3.61. Other agencies responsible for implementation and verification of conformity include the National Centre for Public Works Testing and Research (CNER-TP), under the supervision of the Minister responsible for public works and transport; the Energy Directorate in the Ministry responsible for mining, energy and water resources; and the Directorate of Pharmacy, Medicines and Diagnostic Tests in the Ministry responsible for health.

3.62. There is a mutual recognition agreement between Benin and Nigeria on standardization, accreditation and certification, although its provisions have never been implemented.

### 3.3.3 Sanitary and phytosanitary measures

3.63. The main feature of the legal and institutional framework for controlling food safety continues to be the existence of a large number of legal and regulatory texts (Table 3.5). The danger of such a situation is that it makes the sanitary control system ineffective and costly for economic actors.

**Table 3.5 SPS regulatory framework, Benin**

Legislative text	Description
Law No. 84-009 of 15 March 1984	Establishing the control of foodstuffs
Decree No. 85-241 of 14 June 1985	Additives used in foodstuffs, content of contaminants and undesirable substances in these foodstuffs, materials in contact with these foodstuffs and cleaning products for these materials
Decree No. 85-242 of 14 June 1985	Labelling and presentation of foodstuffs
Decree No. 85-243 of 14 June 1985	Hygiene in the production and marketing of foodstuffs
Decree No. 85-245 of 14 June 1985	Responsibilities, composition and functioning of the National Codex Alimentarius Committee
Law No. 87-015 of 21 September 1987	Public Hygiene Code (Articles 36 to 45 and Article 156 with regard to penalties)
Law No. 91-004 of 11 February 1991	The Republic of Benin's phytosanitary regulations
Decree No. 92-258 of 18 September 1992	Detailed rules for implementation of Law No. 91-004 of February 1991
Order No. 85 MDR/DC/CC/CP of 22 April 1993	Professional hygiene required for the sale of phytopharmaceuticals and their use by providers of services
Order No. 186 MDR/DC/CC/CP of 22 April 1993	Labelling, packaging and the technical notice for authorized pharmaceuticals

<sup>15</sup> WTO document G/TBT/CS/N/142 of 14 May 2002.

Legislative text	Description
Order No. 187 MDR/DC/CC/CP of 22 April 1993	Content of applications for authorization, testing and approval of phytopharmaceuticals
Order No. 188 MDR/DC/CC/CP of 22 April 1993	Criteria for authorization and use in agriculture of phytopharmaceuticals containing certain hazardous substances
Interministerial Order No. 255/MDR/MF DC/CC/CP of 19 May 1993	Ban on the use in agriculture of active ingredients contained in phytopharmaceuticals
Order No. 302 MS/DC/SA of 6 February 1995	Responsibilities, organization and functioning of the Directorate of Hygiene and Basic Sanitation
Interministerial Order No. 128 MDR/MF/DC/CC/CP of 7 March 1995	Phytosanitary control of plants and plant products upon import or export
Order No. 591/MDR/DC/CC/CP of 26 October 1995	Professional authorization required for the sale of phytopharmaceuticals and their use by providers of services
Order No. 592/MDR/DC/CC/CP of 26 October 1995	General conditions for the use of certain fumigants in agriculture and special provisions on methyl bromide and hydrogen phosphide
Order No. 593/MDR/DC/CC/CP of 26 October 1995	Content of applications for authorization, testing and approval of phytopharmaceuticals
Interministerial Order No. 40/MCAT/MDR/MSPSCF/MEHU/MF/DC/DCI/DCE of 23 May 1997	Ban on the import and sale in the Republic of Benin of anti-mosquito insecticides containing active ingredients and chemical products harmful to human health and the environment
Order No. 251/MDR/DC/CC/CP of 29 July 1997	Authorization of phytopharmaceuticals
Decree No. 97-616 of 18 December 1997	Implementation of Law No. 87-015 of 21 September 1987 containing the Public Hygiene Code
Decree No. 97-624 of 31 December 1997	Structure, composition and functioning of the Sanitary Police
Order No. 1106 MSP/DC/SGM/DPP/CASES/SA of 22 February 2000	Creating a local sanitary brigade in each commune
Decree No. 114 of 9 April 2003	Quality assurance for fisheries products in the Republic of Benin
Order No. 245 MAEP/D-CAS/SGM/DRH/DPQC/SA of 30 July 2007	Rules for the organization and procedures for quality control, market preparation and traceability of agricultural products of plant origin
Order No. 74/MAEP/D-CAB/SGM/DRH/DP/SA of 26 February 2009	Special rules for the organization of official controls of products of animal origin for human consumption
Order No. 75/MAEP/D-CAB/SGM/DRH/DP/SA of 26 February 2009	General principles and general requirements for food legislation, food safety and procedures for the safety of foodstuffs
Order No. 122/MAEP/D-CAB/SGM/DRH/DP/SA of 23 March 2009	Food hygiene
Order No. 123/MAEP/D-CAB/SGM/DRH/DP/SA of 23 March 2009	Special hygiene rules for foodstuffs
Order No. 133/MAEP/D-CAB/SGM/DRH/SA of 30 March 2009	Regulations on official controls intended to verify the conformity of legislation on animal feed and foodstuffs with the provisions on animal health and welfare
Decree No. 2011-113 of 8 May 2012	Establishing the Beninese Food Safety Agency
Framework Law No. 2014/19 of 7 August 2014	Fishing and aquaculture in the Republic of Benin

Source: Information provided by the Beninese authorities.

3.64. In 2012, with the joint support of Belgian cooperation, the European Union and FAO, Benin set up the Beninese Food Safety Agency (ABSSA), which remains under the supervision of the Ministry responsible for agriculture, livestock and fisheries.<sup>16</sup> The Agency controls food quality and safety and also has a monitoring, early warning and information role in relation to food safety. It has introduced inspection programmes in food processing facilities. It analyses and assesses

<sup>16</sup> Decree No. 2011-113 of 8 May 2012.

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conformity through the "Central Food Safety Control Laboratory" (LCSSA) in the Ministry responsible for agriculture, based in Cotonou. In 2016, the LCSSA was accredited by BELAC with the ISO 17025 standard in the sphere of microbiology, enabling it to assess the conformity of imported agricultural and agri-food products and those intended for export.

3.65. In 2002, the European Union had suspended the export of shrimps from Benin to its market. With the creation of ABSSA, however, Benin now has the required means of inspection and has been reinstated in the list of third countries authorized to export fisheries products to the EU. Nevertheless, the shrimp fishing sector has subsequently found it difficult to attain the level of exports prior to the ban.

3.66. The competent services of the Ministry responsible for health inspect and control facilities producing and selling food and are also responsible for epidemiological and sanitary surveillance at borders, ports and airports, and for hygiene and basic sanitation.

3.67. The Directorate in charge of livestock is responsible for inspecting and controlling food of animal origin and live animals. It also has responsibility for the sanitary safety of animals. The veterinary services issue certificates for the export of animals to neighbouring countries, although this activity does not appear to comply with the relevant OIE standards.<sup>17</sup> All importers of products of animal origin must apply to the Director responsible for livestock for an import permit. A sanitary certificate issued by the country of origin has to be submitted for the import of animals or products of animal origin.

3.68. The Division for the control and monitoring of fisheries products, part of the Directorate of fisheries production in the Ministry responsible for agriculture, controls the hygiene of fisheries products, particularly those for export.

3.69. The safety of plant production is the responsibility of the competent services of the Directorate in charge of plant production. This Directorate is also responsible for phytosanitary monitoring and for organizing the sanitary control of plants and plant products, as well as for controlling the quality of inputs.

3.70. A permit issued by the Ministry responsible for agriculture is required to import plant products for consumption (valid for six months for the product concerned). When goods enter, the import permit and the phytosanitary certificate issued by the exporting country must be submitted for documentary inspection, but this does not dispense with conformity control. The Directorate responsible for plant protection takes samples for analysis. Inspection of imported plant products by the Directorate is free of charge.

3.71. An authorization is required to import, manufacture or use pesticides (phytopharmaceuticals) on Beninese territory. Requests for authorization, sale, testing or approval have to be submitted to the National Committee for the Approval and Control of Phytopharmaceuticals (CNAC). The fees payable are: CFAF 200,000 for examining the file on a product (CFAF 100,000 for renewal); and CFAF 500,000 for professional approval of a single distributor or applicator for a product (CFAF 250,000 for renewal). If the application is accepted, the approval authorization is issued in an order by the Minister responsible for agriculture. There are two types of approval: provisional approval for sale (APV) lasting four years; and approval-authorization (AH) for a period of ten years.

3.72. Benin has not yet transposed the WAEMU and ECOWAS provisions to ensure the free movement of approved phytopharmaceuticals; the requirements on approval of imported products and the relevant procedures apply irrespective of the country of origin. In addition, Benin is drawing up national rules for fertilizers and seeds in conformity with the relevant WAEMU provisions.

3.73. Following cases of food poisoning caused by endosulfan, particularly in the northern part of Benin, the Ministry responsible for agriculture, livestock and fisheries notified the WTO of a ban on

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<sup>17</sup> Online information viewed at: [http://www.oie.int/fileadmin/Home/eng/Support\\_to\\_OIE\\_Members/pdf/PVS\\_FU\\_Rapport-Benin.pdf](http://www.oie.int/fileadmin/Home/eng/Support_to_OIE_Members/pdf/PVS_FU_Rapport-Benin.pdf).



the import, distribution and use of all phytopharmaceuticals containing endosulfan as of November 2009.<sup>18</sup>

3.74. The enquiry point notified by Benin for the WTO SPS Agreement is the Director responsible for plant production. The Director-General of Foreign Trade is the national authority responsible for notifications.<sup>19</sup>

3.75. Benin acceded to the International Plant Protection Convention (IPPC) in 2010.

3.76. Benin had a moratorium on the import and cultivation of GMOs up to 2013. Since that date, no appropriate legal framework has been introduced.

3.77. There have been no changes to the requirements on packaging, marking and labelling during the review period. In general, Benin's regulations require that a description of the contents, instructions for use and the name and address of the manufacturer or distributor should appear clearly and legibly in French. In addition to the general information, labels on phytopharmaceuticals must show the risk level by means of a coloured band at the bottom of the label and indicate the sales authorization or approval number. Sellers who have been given approval may insert in products put on the market a technical notice in French covering one to a maximum of four pages reproducing and supplementing the information on the label.

3.78. Certain international provisions on labelling are applied, for example, the Codex Alimentarius standards for food and the FAO directives on indicating the risk of phytopharmaceuticals.<sup>20</sup> In accordance with the principles laid down in the WHO Framework Convention on Tobacco Control, cigarettes may only be sold in Benin in packets that clearly show, in legible characters on the front and back, the health warning "Tobacco seriously endangers health".<sup>21</sup>

3.79. Infant formula must mention that breastfeeding is to be preferred to bottle feeding and have a warning against the risks of inappropriate preparation.<sup>22</sup>

### 3.3.4 Competition and price control policy

3.80. In principle, competition is regulated at the community and national levels. The competence of community competition authorities covers: anti-competitive understandings, abuse of a dominant position, State support, and other practices attributable to member States (common report, section 3.3). Those areas not regulated at the WAEMU level fall within the competence of national authorities.

3.81. Until 2016, the national competition regime was governed by Ordinance No. 20/PR/MFAEP of 5 July 1967. It considers concerted action, agreements, express or tacit understandings, coalitions of any type or for any reason whose purpose is to hinder the free exercise of competition by preventing free pricing to be unlawful. The same applies to the activities of a company or group of companies in a dominant position on the domestic market whose purpose is, or may have the effect of, hindering the normal operation of the market. Understandings or dominant positions resulting from the implementation of legislative or regulatory texts are not covered by this definition, together with those whose proponents can prove that the aim is to improve and expand opportunities for production or to ensure economic development.

3.82. Law No. 2007-21 of 16 October 2007 on consumer protection in the Republic of Benin deals in part with unfair competition and discriminatory practices on the part of companies. It prohibits

<sup>18</sup> WTO document G/SPS/N/BEN/6 of 11 November 2010.

<sup>19</sup> WTO documents G/SPS/ENQ/26 of 11 March 2011 and G/SPS/NNA/16 of 11 March 2011.

<sup>20</sup> Law No. 84-009 of 15 March 1984 and its implementing Decree No. 85-242 of 14 June 1985 on labelling; Order No. 186 MDR/DC/CC/CP of 22 April 1993 on labelling, packaging and the technical notice for authorized pharmaceuticals.

<sup>21</sup> Law No. 2006-12 of 7 August 2006 regulating the production, sale and consumption of cigarettes and other tobacco products. Online information viewed at: [http://www.abp.gouv.bj/affiche\\_dep.php?num\\_depeche=2137](http://www.abp.gouv.bj/affiche_dep.php?num_depeche=2137).

<sup>22</sup> Decree No. 97-643 of 31 December 1997 regulating the sale of maternal milk substitutes and infant formula.

any advertising that includes in any form whatsoever false allegations, indications or presentations or those likely to mislead. The services of the Directorate responsible for trade are in charge of its implementation.

3.83. In 2016, a new Law was adopted to reorganize competition in Benin.<sup>23</sup> It applies to any production, distribution of goods or provision of services, including that provided by a public legal person when it competes with the private sector. It repealed the contrary provisions in the 1967 Ordinance. Under the Ministry responsible for trade, the Directorate of free competition is in charge of implementing the Law and acts as the relevant focal point. The new Law deals, *inter alia*, with free pricing, anti-competitive practices, transparency in the market and unfair competition, restrictive individual practices such as promotional sales, consumer safety and the control and ascertaining of offences, legal proceedings and sanctions. It provides for the creation of the national competition council, whose implementing decree is in process of being adopted.

3.84. In general, the principle of free pricing remains in force, although the national authorities, through the Directorate of Domestic Trade, reserve the right to regulate the price of strategic goods and services, or if conditions are not competitive, especially in sectors where there are monopolies (either *de facto* or *de jure*). Several regulatory methods are currently used for this purpose, namely: the determination of floor prices for cashew and shea nuts; the determination of ceiling prices for bread, inputs for cotton, seed cotton, refined petroleum products, medicines and other pharmaceutical or veterinary products.<sup>24</sup> Moreover, although the price of postal services, water and electricity are fixed by the operators concerned, their application must be approved by the regulatory authorities.

3.85. The Government may also take the necessary measures to prevent excessive price increases in crisis situations or when the market is not operating normally.

### 3.3.5 State trading, State-owned enterprises and privatization

3.86. Benin has not notified the WTO of State-trading enterprises within the meaning of Article XVII of the GATT. Despite privatization, however, the State owns shares in a number of enterprises operating in most sectors of the economy (Table 3.6). According to the authorities, State intervention is intended to ensure or support domestic production in important and/or strategic sectors of the national economy.

3.87. Since the process of liberalizing its economy started in 1988, Benin has liberalized 37 enterprises, mainly by selling the enterprise as a whole, giving a management lease, leasing the company or granting a concession (Table 3.7).

**Table 3.6 State intervention in the economy, 2016**

Company	Sector	Share held by the State	Details
Société nationale pour la promotion agricole (SONAPRA)	Promotion of agricultural subsectors	100%	In process of being dissolved
Société pour le développement du coton (SODECO)	Cotton ginning	66.4%	Semi-public company
Centrale d'achat des intrants agricoles (CAI)	Supply of inputs	45%	Sale of the State's share under way
Port Autonome de Cotonou (PAC)	Port services	100%	Management contract for two future container terminals
Société béninoise des manutentions portuaires (SOBEMAP)	Port services	100%	Privatization not yet envisaged
Conseil national des chargeurs du Bénin (CNCB)	Port services	100%	Privatization not yet envisaged

<sup>23</sup> Law No. 2016-25 of 4 November 2016 on the organization of competition in the Republic of Benin.

<sup>24</sup> Decree No. 2001-244 of 16 July 2001. The retail price of pharmaceutical and veterinary products is determined by applying the coefficient 1.61 to the ex-factory price of the products excluding tax; these products are VAT exempt.



Company	Sector	Share held by the State	Details
Compagnie béninoise pour la navigation maritime (COBENAM)	Maritime transport	100%	Reconstruction planned
Organisation commune Bénin-Niger (OCBN)	Rail transport	51%	In process of being put out to concession
Centre national d'essais et de recherches des travaux publics (CNERTP)	Public works	100%	Reorganization has not yet begun
Société béninoise d'énergie électrique (SBEE)	Electricity services	100%	Rehabilitation under way
Société nationale des eaux du Bénin (SONEB)	Water services	100%	Privatization not yet envisaged
Société des industries textiles du Bénin (SITEX)	Processing of cotton lint (unbleached)	100%	State support of around CFAF 1.5 billion in 2016
Compagnie béninoise des textiles (CBT)	Processing of cotton lint (unbleached)	49%	Bilateral Benin-China
Loterie nationale du Bénin (LNB)	Lottery	100%	
Société de gestion des marchés autonomes de Cotonou (SOGEMA)	Market management	100%	
Centres d'action régionale pour le développement rural, departments	Extension services	100%	
Office national de soutien et de stabilisation des prix des produits agricoles (ONS)	Securitizing and raising the income of agricultural producers	100%	
Office national d'appui à la sécurité alimentaire (ONASA)	Food security	100%	
Office national du bois (ONAB)	Management of State-owned plantations and development of the forest economy	35%	Sale of 65% in December 2009
Office béninois de recherches géologiques et minières (OBRGM)	Development of resources in the subsoil	100%	
Institut géographique national (IGN)	Topography and cartography	100%	
Office de radiodiffusion et télévision du Bénin (ORTB)	Radio and television broadcasting	100%	
Bénin Télécoms SA (BT SA)	Telephony and Internet	100%	Privatization project under way
La Poste du Bénin SA (LPB SA)	Postal and financial services	100%	
Office national d'imprimerie et de presse (ONIP)	Printing and press	100%	
Office de gestion du stade de l'amitié (OGESA)	Sports facilities	100%	
Centre national de production de manuels scolaires (CNPMS)	Production of teaching manuals and documents	100%	
Centre national hospitalier et universitaire (CNHU)	Clinical care and training	100%	
Hôpital de Ouidah	Medical care	100%	
Hôpital mère enfant lagune (HOMEL)	Medical care	100%	
Hospitals, four departments (Atacora, Borgou, Oueme, and Zou)	Medical care	100%	
Société des ciments d'Onigbolo (SCO)	Cement works	0%	Benin's share (51%) sold in March 2010
Sucobé (formerly Société sucrière de Savè)	Sugar production	49%	Management lease

Company	Sector	Share held by the State	Details
Société nationale de commercialisation des produits pétroliers (SONACOP) SA	Import, storage and distribution of hydrocarbons	35%	
SOBEBRA (formerly La Béninoise)	Brewery	8%	
Africaine des assurances (formerly SONAR)	Insurance	5%	
Continental Bank Benin	Banking	0%	The 43.6% held by the State was sold in September 2008
Banque de l'habitat	Banking	10%	
SERHAU-SEM	Regional housing and urban planning studies	10%	
Appontement pétrolier du Bénin (ORIX)	Petroleum deposit	40%	
Caisse autonome d'amortissement (CAA)	Financial intermediation	100%	Manager of the public debt

Source: Directorate of Management and Control of State-owned Enterprises, Ministry of the Economy and Finance.

**Table 3.7 List of companies according to the form of denationalization between 1988 and 2017**

Total sale			Partial sale	Management lease	Lease	Concession
1- SONAE	11- SONICOG (IBCG)	19- Hôtel de la plage	1- IBETEX	1- Ex-OBECI cinemas	1- Twenty State-owned cashew nut plantations	1- South container terminal including two berths in the Autonomous Port of Cotonou
2- RAVINAR	12- SCO	20- Hôtel Croix du sud (2007)	2- Béninoise	2- Société sucrière de Savè	2- Djidja-Covè and Djougou zone hospitals (under way in 2017)	
3- Abattoir de Cotonou/Porto-Novo	13- Maïserie de Bohicon	21- PAC No. 2 cold warehouse	3- SONAR (IARD L'AFRICAINE DES ASSURANCES)	3- Parakou cashew nut plant		
4- MANUCIA	14- COBENAM travel agency	22- Brasserie d'Abomey	4- SONACOP (41 service stations 1998)	4- Natitingou tomato concentrate plant		2- Centre international des conférences /Palais des congrès (CIC/PCC) process suspended in 2015
5- SONACI	15- PPS drilling platform	23- Crude petroleum storage centre	5- SONACOP (1999)	5- Hôtel Croix du sud (1999)		
6- SCB	16- Relais de l'aéroport	24- Benin Marina Hotel	6- SONAPRA (industrial tool)	6- Complexe agrumicole de Za-Allahè		
7- SOBETEX	17- Godomey fertilizer plant	25- Continental Bank Benin	7- IBB SA	7- Complexe Cimentier d'Onigbolo		
8- SOTRAZ	18- Unités Pistes du Carder Atlantique		8- UTPA (full sale under way in 2017)			
9- SONAR (Branche VIE UBA-VIE)						
10- SONICOG (SHB and CODA BENIN)						

Source: Permanent Secretariat of the Technical Commission on Denationalization.

### 3.3.6 Government procurement

3.88. Most of the provisions in the legislative framework for government procurement<sup>25</sup>, in force in Benin since 2009, have been drawn up according to the relevant community directives (common report, section 3.3.5).

3.89. Since the adoption of the Government Procurement Code in 2009, several texts have been adopted during the review period for its implementation.<sup>26</sup> In part, this is a follow-up to the action plan drawn up by WAEMU in 2014 with a view to reforming government procurement and public service concession contracts in member States.<sup>27</sup>

3.90. In March 2017, a new law was adopted amending the 2009 Government Procurement Code. Among other things, it provides further details on the criteria for waivers from open invitations to tender; specifies the obligation to widely disseminate invitations to tender for government procurement; and introduces a system for mutual settlement of disputes in the course of fulfilling government procurement contracts.

3.91. The Code mainly applies to procurement by legal persons under public law and certain legal persons under private law acting on behalf of the former or benefiting from their financing with a view to carrying out works, supplying goods or services, or intellectual services, when the amount of the contract reaches or exceeds the thresholds determined by decree.<sup>28</sup> The threshold depends on the beneficiary and the nature of the contract.

3.92. For procurement by the Government, public institutions and State-owned companies, the threshold is set at: CFAF 60 million for works; CFAF 20 million for the supply of goods or services; and CFAF 10 million for intellectual services. For procurement by local authorities and their public institutions, the thresholds are fixed at CFAF 15 million for works and CFAF 7.5 million for goods, services and intellectual services. For amounts below the thresholds fixed, a procedure requesting an estimate may be utilized provided that it complies with the principles of non-discrimination as regards access and treatment of bidders. The National Directorate of Government Procurement Control (DNCMP) carries out random controls of orders *a posteriori* when they involve amounts below the minimum thresholds. A *a posteriori* control by the DNCMP only occurs if the Regulatory Authority for Government Procurement (ARMP) has not yet received an accusation or complaint concerning irregularities committed in the course of awarding or fulfilling a government procurement or a public service concession contract.

3.93. The Code establishes the separation of the regulatory, control and contract award functions for procurement. Regulatory functions are the responsibility of the ARMP within the Office of the President of the Republic. It therefore proposes to the President of the Republic, *inter alia*, any recommendation likely to improve and enhance the efficiency of the government procurement system, implementation of government procurement regulations and procedures, non-jurisdictional settlement of disputes arising from procedures awarding government procurement contracts, and collects and centralizes statistics on the award, fulfilment and monitoring of government procurement contracts (on its website [www.marches-publics.bj](http://www.marches-publics.bj)). The statistics are broken down by type of procurement, not by the method of awarding the contract.

3.94. The DNCMP, in the Ministry of Finance, acts as the central body for *a priori* control of procedures for awarding government procurement contracts; it supervises a network of decentralized structures within each contracting authority. The DNCMP controls spending whose thresholds are determined by decree. For government departments and entities, the thresholds are: CFAF 200 million for works, CFAF 80 million for goods and services, CFAF 60 million for intellectual services provided by firms of consultants and CFAF 40 million for intellectual services provided by individual consultants. For State-owned companies and entities, government institutions whose task is to organize or operate energy, water, transport, telecommunication or other public services, the thresholds are: CFAF 450 million for works, CFAF 350 million for goods

<sup>25</sup> Law No. 2009-02 of 7 August 2009.

<sup>26</sup> Online information viewed at: <http://www.armp.bj/index.php/13-reformes/184-reformes-des-marches-publics-au-benin-ce-qui-va-changer-avec-la-relecture-du-code-des-marches-publics-et-des-delegations-de-service-public>.

<sup>27</sup> Decision No. 03/2014/CM/UEMOA of 28 June 2014.

<sup>28</sup> Decree No. 2011-479 of 8 July 2011.

and services, CFAF 100 million for intellectual services provided by firms of consultants and CFAF 60 million for intellectual services provided by individual consultants.

3.95. Two principal methods of awarding contracts are determined in the Code: invitation to tender and direct negotiation (private agreement). Invitations to tender may be open, restricted or involve two stages (i.e. with prequalification).<sup>29</sup> In principle, an open invitation to tender is the rule and the use of any other procurement method must be exceptional and justified by the contracting authority. Below the thresholds for awarding contracts, the contracting authority may use the request for quotation procedure, provided that the procedures followed comply with the principles laid down in the Code. Contracts for intellectual services, on the other hand, are awarded after consultation and submission of a proposal.

3.96. Invitations to tender and prequalification notifications must be published in the government procurement journal and any other national and/or international publication. Publication in an international journal is only compulsory for contracts with external financing or contracts open to international bidding. Publication in the national and/or international press does not dispense with the obligation to publish in the government procurement journal. Notifications and invitations to tender may also be published electronically and, unless otherwise specified in the invitation, bids may be transmitted to the contracting authority electronically as well. In general, bids are examined on the basis of the economic, financial and technical criteria cited in the invitation to tender in order to determine which acceptable bid is the lowest.

3.97. Bidders who consider that they have suffered prejudice may appeal to the contracting authority or a higher authority within five working days following the date of publication of the decision awarding the contract. They must claim a manifest violation of the government procurement regulations. Appeals against decisions by the contracting authority may be made to the ARMP. The latter's decisions may be the subject of an appeal to a jurisdictional authority.

3.98. A community preference (not exceeding 15% of the amount of the bid) is given for bids submitted by bidders from WAEMU countries. This preference may only be granted under certain additional conditions: traceability of at least 30% of the value added within WAEMU for the supply of goods; community origin of at least 30% for inputs or personnel employed for public works, buildings or industrial facilities; and, for the provision of services, a contribution by WAEMU nationals estimated at more than 50% of the total value of the service. Companies and groups of operators must prove that WAEMU citizens hold shares in the registered capital (over 50%) and/or control the governing bodies (at least 50%). Since January 2015, contracting authorities have been encouraged to reserve at least 60% of government orders for office furniture for local products. The Government is also understood to have decided to reserve at least half of government orders amounting to less than CFAF 10 million for local SMEs.

3.99. Benin is neither a party nor an observer at the Plurilateral Agreement on Government Procurement and has not announced its intention to accede.

### **3.3.7 Intellectual property rights**

3.100. Benin is a contracting party to several regional and international treaties and agreements on intellectual property rights (IPRs), including those administered by the World Intellectual Property Organization (WIPO).<sup>30</sup> It also acceded to the Singapore Treaty on the Law of Trademarks in 2016.

3.101. Like the other members of WAEMU, Benin belongs to the African Intellectual Property Organization (OAPI), which was established by the Bangui Agreement (common report, section 3). The revised Bangui Agreement (1999) was ratified by the Beninese authorities on

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<sup>29</sup> A restricted invitation to tender may only be made if the special nature of the goods, works or services to be provided means that there is only a limited number of competent suppliers or providers. Only complex procurement may justify an invitation to tender in two stages. In any event, if at least three bids have not been received when the time-limit expires, the period for submitting bids may be extended by 15 calendar days. An invitation to tender is only valid if, at the end of the supplementary period, the contracting authority has received at least one bid deemed to be admissible and in conformity.

<sup>30</sup> The exhaustive list of the IPR arrangements to which Benin is party is published online by WIPO. Viewed at: <http://www.wipo.int/wipolex/en/profile.jsp?code=BJ>.

6 November 2003.<sup>31</sup> It applies as a domestic law in Benin and is automatically enforceable so no domestic legal instrument is needed for its implementation.

3.102. The National Industrial Property Agency (ANAPI), supervised by the Ministry responsible for industry, acts as Benin's National Liaison Structure with OAPI. As such, it is the focal point for applications for industrial property titles made in national territory. Only a few titles were transmitted to OAPI during the review period (Table 3.8). According to the authorities, this low number is attributable to poor knowledge of intellectual property and the lack of financial resources. ANAPI heightens public awareness of the importance of industrial property and follows trends at the international level; it also helps to enhance the value of IP titles. The sanctions provided in the Bangui Agreement apply to the infringement of IPRs in Benin.

3.103. The Beninese Copyright Bureau (BUBEDRA), part of the Ministry responsible for culture, manages copyright and related rights.<sup>32</sup> Benin's regulatory structure gives authors economic and moral rights; even if the original work has been sold, authors of graphic or three-dimensional works (and their heirs) have an inalienable right to a share of the profit from any subsequent sale of the work at public auction or through a dealer.<sup>33</sup> If an offence is committed, BUBEDRA may bring legal proceedings; penalties may take the form of a term of imprisonment (from three months to two years) and/or a fine (from CFAF 500,000 to CFAF 10 million).<sup>34</sup>

3.104. In principle, the customs services are empowered to act *ex officio* if copyright is infringed. Manufacturers and importers of media used to reproduce literary or artistic works must pay remuneration, levied and distributed by BUBEDRA. In 2010, discussions between BUBEDRA and the Directorate-General of Customs were under way with a view to establishing a mechanism for collecting this remuneration at the customs cordon. Benin's regime does not make any distinction between Beninese and foreign owners of copyright. The latter, however, must prove their authorship and their membership of a collective management association in order to be given national treatment.

3.105. The National Commission to Combat Piracy of Literary and Artistic Works (CNLP) is responsible for combating piracy, particularly that of musical and cinematographic works.<sup>35</sup> The actual fulfilment of its responsibilities appears to be slowed down by the lack of financial resources.

3.106. On 23 November 2016, Benin ratified the Protocol amending the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) with a view to facilitating access to affordable medicines by least developed Members.<sup>36</sup>

**Table 3.8 Titles transmitted to OAPI by ANAPI, 2010-June 2016**

	2010	2011	2012	2013	2014	2015	2016	Total
Patents	6	7	7	4	6	4	2	<b>36</b>
Trademarks and service marks	63	54	55	72	98	72	56	<b>470</b>
Trade names	25	19	28	30	23	14	5	<b>130</b>
Industrial designs	144	164	216	164	360	176	2	<b>1,226</b>
Utility models	0	0	0	0	0	0	0	<b>0</b>
Geographical indications	0	0	0	0	0	0	0	<b>0</b>

Source: Information provided by the authorities.

<sup>31</sup> Law No. 2003-19 of 22 October 2003 and its implementing Decree No. 2003-452 of 6 November 2003.

<sup>32</sup> Decree No. 93-114 of 25 May 1993, as amended by Decree No. 2007-115 of 9 March 2007.

<sup>33</sup> Law No. 2005-30 of 10 April 2006.

<sup>34</sup> UNESCO (2009). Benin does not have any special courts for copyright and intellectual property and in general the lower-level courts hear such cases.

<sup>35</sup> Decree No. 2008-578 of 20 October 2008.

<sup>36</sup> The Protocol allows exporting countries to grant compulsory licences to their generic suppliers to manufacture and export medicines to countries that cannot manufacture the needed medicines themselves. Online information viewed at: [https://www.wto.org/english/news\\_e/news16\\_e/trip\\_23nov16\\_e.htm](https://www.wto.org/english/news_e/news16_e/trip_23nov16_e.htm).

## 4 TRADE POLICIES BY SECTOR

### 4.1 Agriculture

#### 4.1.1 Overview

4.1. Agriculture is important for Benin's economy because of the contribution it makes to GDP, export earnings and employment (section 1). However, during the review period its importance was in relative decline, in particular because of the expansion in the production and export of certain manufactured or semi-manufactured products (Table A1.1).

4.2. The sector mainly consists of small subsistence holdings, which account for 95% of agricultural production. The principal cash crops are cotton (41.9% of export earnings in 2015), cashew nuts and palm oil. The principal food crops are yams, cassava and maize.

4.3. There are three climatic zones in Benin in which a wide variety of plant, animal, fish and timber-producing activities are carried out. The north of the country is a semi-arid Sudan-type zone, characterized by an annual rainfall that ranges from 900 mm to 1,100 mm and a relatively high rainfall deficit. The main economic activities are livestock raising and growing cotton – the country's main export crop – and shea nuts. The average size of the holdings is ten hectares. The centre of Benin is a zone of forests and humid savannah, with an average yearly rainfall of 1,200 mm. The south of the country is a sub-equatorial zone where annual rainfall can reach 1,500 mm. Most of the land cultivated in the centre and the south is devoted to producing food crops, particularly yams, cassava, maize, tomatoes, pineapples and groundnuts, in addition to cotton.

4.4. Benin's agricultural potential is considerable but underexploited. Only 17% (i.e. about 1,375,000 hectares) of its useful agricultural area is cultivated annually, with 60% being devoted to the principal food crops. In addition, the country has a vast network of water resources, with reserves estimated at 13 billion m<sup>3</sup> of surface water and 1.8 billion m<sup>3</sup> of underground water available for irrigation and multipurpose water retention systems.

4.5. The sector still faces a number of challenges, namely, its dependence on the rains, combined with inadequate irrigation systems, the lack of mechanization linked with the financial constraints on small farmers, and the problems of obtaining access to credit. The effect of these various difficulties is to limit the productivity of the small farmers and the competitiveness of Benin's agricultural products.

4.6. There has been a relative increase in principal crop production since 2010 (Table 4.1). This would appear to be attributable to the agricultural strategies currently being implemented and a favourable rainfall in recent years. However, it should be noted that sugar cane production fell steadily during the review period. Attacks by insects and rodents and infestation by weeds appear to have been responsible for this poor performance.

4.7. According to the authorities, the harvests recorded during the season 2015-2016 were down on those recorded in preceding years. The main reasons for this appear to have been an adverse distribution of rainfall in terms of time and space and poor coverage of input requirements.<sup>1</sup>

**Table 4.1 Food production and principal crops, 2010-2014**

(1,000 tonnes)

	2010	2011	2012	2013	2014
Cassava	3,445	3,646	3,646	3,910	4,067
Yams	2,624	2,735	2,811	2,959	3,221
Maize	1,013	1,166	1,185	1,317	1,354
Palm kernel oil	460 <sup>a</sup>	460 <sup>a</sup>	530 <sup>a</sup>	560 <sup>a</sup>	583 <sup>b</sup>
Pineapples	266	247	376	359	n.a.
Tomatoes, fresh	187	164	245	332	n.a.
Sorghum	168	133	144	88	100

<sup>1</sup> Ministry of Agriculture, Livestock and Fisheries. Online information viewed at: [http://www.agriculture.gouv.bj/IMG/pdf/analyse\\_descriptive.pdf](http://www.agriculture.gouv.bj/IMG/pdf/analyse_descriptive.pdf).



	2010	2011	2012	2013	2014
Groundnuts, in shell	154	132	129	150	145
Cotton seed	137	265	240	307	382
Rice (paddy)	125	220	217	207	234
Beans, dried	107	85	95	103	96
Cashew nuts, in shell	102	163	170 <sup>a</sup>	180 <sup>a</sup>	n.a.
Sweet potatoes	77	49	52	66	65
Sugar, cane	48 <sup>c</sup>	48 <sup>a</sup>	10	23	20
Palm kernels	46 <sup>c</sup>	46 <sup>c</sup>	53 <sup>c</sup>	56 <sup>c</sup>	59 <sup>b</sup>
Palm oil	46 <sup>c</sup>	46 <sup>c</sup>	2	2	1
Okra	46	48	68	48	48
Chillies and peppers, fresh	45	39	68	67	n.a.
Legumes, n.e.s	43 <sup>b</sup>	40 <sup>a</sup>	42 <sup>a</sup>	42 <sup>a</sup>	43 <sup>b</sup>
Peppers, sweet and spiced	38	39	68	67	n.a.
Millet	27	25	30	23	24
Coconuts	19 <sup>c</sup>	19 <sup>c</sup>	19 <sup>c</sup>	19 <sup>c</sup>	19 <sup>b</sup>
Bananas	18 <sup>b</sup>	18 <sup>b</sup>	19 <sup>a</sup>	18 <sup>b</sup>	n.a.
Soya	18 <sup>c</sup>	13 <sup>c</sup>	71	75	100
Mangoes, mangosteens and guavas	14 <sup>b</sup>	14 <sup>a</sup>	15 <sup>a</sup>	15 <sup>b</sup>	n.a.
Oranges	13 <sup>b</sup>	14 <sup>a</sup>	14 <sup>a</sup>	14 <sup>b</sup>	n.a.
Shea nuts	13 <sup>b</sup>	13 <sup>a</sup>	14 <sup>a</sup>	15 <sup>a</sup>	15 <sup>b</sup>
Sesame	10 <sup>c</sup>	10 <sup>c</sup>	0	0	1
Onions, dried	8	11	40	44	n.a.

n.a. Not available.

a FAO estimate.

b FAO data based on an imputation methodology.

c Unofficial figure.

Source: Viewed at: <http://faostat3.fao.org/download/Q/QC/F>.

4.8. Benin is a net importer of agricultural products. Its exports consist mainly of agricultural products, in particular: cotton, cashew nuts, palm oil, shea nuts and sugar. Staple food imports consist mainly of rice, sugar, milk and meat.

#### 4.1.2 General agricultural policy

4.9. Benin's development strategy, as defined in the Government Action Programme (PAG) and the Growth and Poverty Reduction Strategy (SCRIP), views the agricultural sector as a means of combating poverty. However, the public resources allocated to agriculture are still insufficient, amounting to about 6.5% of the national budget, which is below the commitment of 10% of the national budget to agriculture made by the African Heads of State at Maputo during the African Union Summit in July 2003. Moreover, this low level of resource allocation is aggravated by a disproportionate distribution; for example, in some years, over 50% of the budget is allocated to transport and office equipment.<sup>2</sup>

4.10. The basic documents defining the main outlines of agricultural sector policy clarified the strategic choices that should guide agricultural and rural development. In particular, the aim is to promote a sustainable, modern and competitive agriculture that prioritizes small farms, with a low level of State intervention. The main measures envisaged involve increasing agricultural production and diversifying the agricultural subsectors by creating an institutional framework that facilitates access to credit and conditions that favour public-private partnership.

4.11. The principal agricultural policy document implemented during the review period was centred on the Strategic Plan for the Revival of the Agricultural Sector (PSRSA) for the period 2011-2015, the aim of which was to ensure increased agricultural production and contribute to food security through efficient production and sustainable farm management. The expected outcome of this policy was to reduce the proportion of Benin's population suffering from hunger and malnutrition from 33% to 15% by 2015; to ensure that production and products are competitive and have access to markets, thanks to promotion of the agricultural subsectors; and to increase agricultural product export volume by 50% between 2011 and 2015.

<sup>2</sup> Online information viewed at: <http://www.mepppd.bj/wp-content/uploads/2015/06/Rapport-%C3%A9valuation-Politique-d%C3%A9veloppement-secteur-agricole.pdf>.

4.12. According to the authorities, a new agricultural policy framework, the Strategic Plan for the Development of the Agricultural Sector (PSDSA), the agricultural offshoot of the PAG, is under preparation. It would take into account the conclusions of the evaluation of the PSRSA and is intended to achieve the objectives assigned to the latter by, among other things, increasing productivity, structuring the value chains, establishing social safety nets to improve the resilience of the agricultural systems, improving the framework of governance within the sector and setting up a financing scheme.

4.13. The Ministry of Agriculture, Livestock and Fisheries (MAEP) is responsible for coordinating the implementation of agricultural policies. In November 2016, the Government restructured the institutional framework for agricultural policy, under the agricultural chapter of the PAG.<sup>3</sup> To that end, Beninese territory was subdivided into seven agricultural development zones whose administration was entrusted to Territorial Agricultural Development Agencies (ATDA). Under this new system, the agricultural development zone provides the framework for the operational implementation of agricultural development policies. The Government hence decided to terminate the activities of the former agricultural policy implementation agencies, namely, the National Agricultural Promotion Company (SONAPRA), the National Food Security Support Board (ONASA), the National Agricultural Income Support Board (ONS) and the Agricultural Inputs Purchasing Pool (CAIA).

4.14. In 2013, with a view to ensuring the security of land tenure, Benin adopted a new Land Code.<sup>4</sup> By establishing a unified title, it aims to put an end to insecurity by treating rural land (the subject of rights established or acquired in accordance with custom) on a par with registered urban land.

4.15. Average tariff protection in the agriculture and fisheries sector (SITC, Rev.2) was 11.9% in 2016, appreciably down on 2011 (13.1%), with rates ranging from 5 to 35% (common report, section 3.1). Moreover, VAT is levied on domestic and imported agricultural products at the rate of 18%, although there is an exemption for unprocessed food products. Benin prohibits the import of wheat flour, sugar, vegetable oil and rice, by land or river. The import and transit of bovine meat and bovine meat products of any origin are subject to the prior authorization of the Livestock Directorate.

### **4.1.3 Policies by subsector**

#### **4.1.3.1 Plant production**

##### **4.1.3.1.1 Cotton**

4.16. Cotton production grew steadily from 2010 onwards, with annual quantities that more than doubled between 2010 (137,000 tonnes) and 2014 (382,000 tonnes) (Table 4.1). Seed cotton is produced by farmers organized in cooperatives, then resold to ginning companies which convert it into cotton lint. The other by-products are seed and cottonseed cake and oil.

4.17. Cotton is Benin's principal economic subsector. Directly and indirectly, the cotton subsector accounts for 45% of tax revenue (excluding customs duties) and contributes 13% to GDP formation. Cotton provides the means of subsistence for more than 40% of the rural population, which in Benin amounts to nearly three million people. It represents around 60% of the local industrial fabric and supplies 19 ginning mills, five textile factories, three cotton seed crushing plants and one cotton-wool factory. Cotton subsector activities also have knock-on effects on transport, craft industries, commerce and construction. However, more still needs to be done to stimulate the subsector and promote local processing, given that only about 5% of cotton lint production is consumed by the five textile factories, the rest being exported.

4.18. For nearly ten years the cotton subsector has been prey to difficulties linked to the dysfunctionality of the various institutional structures successively put in place following its liberalization in 1990, with the privatization (by transfer of equity capital) of SONAPRA's industrial

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<sup>3</sup> Decree No. 2016-681 of 7 November 2016 establishing the institutional framework for agricultural development in Benin.

<sup>4</sup> Law No. 2013-01 of 14 January 2013 containing the Land and State Property Code in the Republic of Benin.



plant (ten ginning mills). The capital was transferred in 2008 to the Cotton Development Company (SODECO), a semi-public enterprise whose shares are currently owned by a private company (51%) and the State (49%).

4.19. In 2009, a framework agreement was concluded between the State and the Cotton Trade Association (AIC), the coordinating body for those working in the cotton subsector (in particular, the producers, the cotton ginners and the input distributors). Under the agreement, the AIC draws up inter-trade agreements, follows them up and organizes the negotiation of the price of seed cotton. It is also responsible for training and supporting producers, conducting research into cotton, ensuring the production and distribution of seed and collecting cotton-related statistics. Its resources come from a levy on the price paid by the ginner to seed cotton producer networks. The governance of the AIC was studded with crises between 2009 and 2011. However, these recurring crises reached their peak in 2012. During the 2011-2012 season, following a crisis between the Beninese State and the AIC, the framework agreement with the AIC was suspended, which led to the latter being stripped of all its roles in the management of the cotton subsector and these roles being transferred to the MAEP and other State bodies.

4.20. Thus, during the 2012-2013 season, input distribution was managed by the Local Agricultural Promotion Centres (CeCPA). For financing the cotton growing and marketing season, the State allocated CFAF 115 billion. In addition, the State negotiated with the private companies and SODECO for the cotton to be ginned. The cotton lint produced during the 2012-2013 season was sold on the world market by the State, through SONAPRA, supported by international expertise.

4.21. In May 2016, the Beninese Government announced the transfer of the management of the cotton subsector to the private sector, together with the restoration of the framework contract between the State and the AIC. The subsector management system is based on: a single price for the sale of inputs and the purchase of seed cotton throughout the country; the obligation on the producers to sell all their production to ginning companies established in Benin; and the obligation on the ginners to purchase the whole of Beninese production. In 2016, the net purchase price for seed cotton paid to the producers by the ginners was CFAF 260 per kg for high-grade and CFAF 210 per kg for lower-grade seed cotton. The net price for organic cotton was CFAF 312 per kg. The selling price for fertilizers was CFAF 240 per kg, that for insecticides CFAF 3,500 per half-hectare dose and that for selective weed killers CFAF 5,000 per litre. Small farmers sell the seed cotton to their respective cooperatives, which resell it to the ginners.

#### **4.1.3.1.2 Cashew nuts**

4.22. Benin's cashew nut subsector is becoming increasingly important at the environmental, economic and social levels. The cashew tree plantations cover about 190,000 hectares (as compared with 10,000 in 1990), generally in association with other annual crops such as cotton or yams. In view of the soil-impoverishing effects of the latter, cashew-tree growing provides a means of reconditioning degraded soil. Cashew nut production has steadily increased, rising from 102,000 tonnes in 2010 to 180,000 tonnes in 2013. The great majority of the cashew-tree plantations belong to individual small-scale producers and the average size of the holdings per planter is between 1 and 1.5 hectares.

4.23. Benin's cashew nut subsector offers a great opportunity for exports, second only to that offered by cotton. It accounts for around 8% of export value. However, a substantial proportion of the cashew nuts exported from Benin actually consists of re-exports of nuts from certain neighbouring countries.

4.24. Only a small fraction of raw nut production is processed, with barely 5% of domestically produced nuts being processed locally, including 1 to 2% by small-scale units and 3% by semi-industrial and industrial enterprises.

4.25. The productivity of the cashew tree plantations is still low, between 300 to 500 kg/hectare, whereas the current potential is estimated at between 1,000 and 1,500 kg/ha.<sup>5</sup> The constraints on the subsector's development include problems of coordination between the actors in general, the

<sup>5</sup> Online information viewed at:  
[http://www.africacashewinitiative.org/imglib/downloads/ACI\\_Benin\\_frz\\_high%20resolution.pdf](http://www.africacashewinitiative.org/imglib/downloads/ACI_Benin_frz_high%20resolution.pdf).

virtual monopoly enjoyed by dealers when purchasing from the producers, and the limited access to specific cashew-tree inputs and financing.

4.26. An Interministerial Price-Setting Commission for agricultural products and inputs, not specific to the cashew-nut subsector, sets the floor prices for cashew nuts. It meets at the approach of the marketing season to propose a seasonal floor price for cashew nuts to all the actors, together with the starting and end dates of the marketing season. The minimum price set is supposed to be consensual and forms the subject of a presidential decree. However, in practice, the exporters/dealers set the price with account for the trends on the world market and in the exchange rate with the US dollar. Faced with the non-transparency of the price structure actually employed, the producers are increasingly organizing with a view to setting up group marketing, a strategy which would give them greater negotiating power.

4.27. The floor price for the 2014-2015 cashew-nut marketing season was set at CFAF 225 as compared with CFAF 200 during the previous season.

4.28. The National Federation of Cashew Nut Producers (FENAPAB) is responsible for protecting the producers' interests. It is comprised of decentralized bodies at regional and village levels. Other weakly structured trade associations are also active within the subsector. These include: Association for the Development of Exports (ADEx); the Tropical Product Exporters Group (GEPT); the National Tropical Agricultural Product Purchasers Association (ANAPAT); and the Cashew Kernel Processors and Exporters Association.

#### **4.1.3.1.3 Pineapples**

4.29. Pineapple production is becoming increasingly important in Benin (Table 4.1). It provides the means of subsistence for approximately 10,000 individual producers, about 70% of whom are small-scale producers with holdings that are less than one hectare in size.

4.30. In recent years, pineapple growing has become a significant part of the efforts to diversify agricultural exports, alongside exports of cotton and cashew nuts. The two main varieties (sugar loaf and smooth Cayenne) are mostly grown in the south, in the Atlantic and Littoral departments. In the PSRSA, the State envisaged an increase in pineapple production from 150,000 tonnes in 2007 to 600,000 tonnes in 2015. Moreover, it set itself the objective of promoting local pineapple processing and facilitating access to regional and international markets for Beninese pineapples and their products, in particular by creating favourable maritime transport conditions.

4.31. About a quarter of the total available supply of pineapples is processed, the rest being eaten fresh. Two by-products are obtained from raw pineapples, namely, pineapple juice and syrup and dried pineapple. There are numerous small-scale and semi-industrial pineapple processing units producing a range of products such as juices, syrups, and pineapple and dried pineapple preserves. Several pineapple processors are investing in the production of pasteurized pineapple juice, most of them established in Cotonou, Porto-Novo and Abomey-Calavi and grouped within the Union of Fruit and Vegetable Processors of Benin (UTRAFEL).

4.32. Formal pineapple exports go mainly to Europe by air, while in the subregion, particularly in Nigeria, Niger and Burkina Faso, the product is marketed informally.

4.33. The subsector continues to face several challenges, including: problems with preserving the pineapples, which are perishable by nature, the difficulties and high costs of access to credit, and the high charges for air freight. The main constraints on juice-making are the high cost of the production factors, particularly electricity, and of the packaging, which is mainly imported. Moreover, the subsector suffers from the inefficient organization of its various actors.

4.34. The organizations involved in the pineapple subsector include the National Federation of Pineapple Trade Organizations of Benin (FENOPAB), which brings together all the producers; the Benin Fruit Producers Association (APFB); the South Benin Producers Union (UPS Bénin); the Benin Pineapple Producers Network (RePAB); and the Small Farmers Pineapple Exports Management Committee (COGEX-ANA).

#### 4.1.3.2 Livestock production

4.35. In Benin, livestock raising is the second most important agricultural activity after plant production. Moreover, it contributes to agricultural services by producing manure (for maintaining soil fertility), as well as by providing means of traction and transport, particularly in the cotton-growing areas. However, it still makes only a minor contribution to GDP.

4.36. Livestock raising in Benin is characterized by traditional practices and involves bovine animals, sheep, goats, pigs and poultry. In addition, modern egg and broiler chicken production is being developed in semi-urban areas. Cattle, mainly bovine (78%), accounts for most of the livestock raisers' financial capital.

4.37. Overall, livestock production has been stagnant since 2009 (Table 4.2). Efforts to revitalize the subsector remain negligible as compared with government measures taken to support plant production. The veterinary profession is understood to have been liberalized since 2010.

**Table 4.2 Primary livestock, 2009-2013**

	2009	2010	2011	2012	2013
Cow milk, whole, fresh	30,486 <sup>a</sup>	32,000 <sup>b</sup>	32,500 <sup>c</sup>	33,000 <sup>c</sup>	33,000 <sup>c</sup>
Cattle meat	30,800 <sup>a</sup>	28,666 <sup>a</sup>	30,140 <sup>a</sup>	30,800 <sup>a</sup>	31,350 <sup>a</sup>
Cattle meat, indigenous	24,188 <sup>a</sup>	26,080 <sup>a</sup>	28,659 <sup>a</sup>	29,319 <sup>a</sup>	29,869 <sup>a</sup>
Poultry meat	21,440 <sup>a</sup>	22,400 <sup>a</sup>	23,840 <sup>a</sup>	24,000 <sup>a</sup>	24,400 <sup>a</sup>
Chicken meat, indigenous	21,360 <sup>c</sup>	22,235 <sup>c</sup>	23,485 <sup>c</sup>	23,645 <sup>a</sup>	24,045 <sup>a</sup>
Hen eggs, in shell	11,104	9,851	10,664	11,552	12,522
Goat milk, whole, fresh	7,900 <sup>a</sup>	8,215 <sup>a</sup>	8,575 <sup>a</sup>	8,925 <sup>a</sup>	8,960 <sup>a</sup>
Game meat	7,303 <sup>b</sup>	7,800 <sup>b</sup>	8,000 <sup>c</sup>	8,000 <sup>c</sup>	8,000 <sup>c</sup>
Goat meat	5,023 <sup>a</sup>	5,200 <sup>a</sup>	5,350 <sup>a</sup>	5,400 <sup>a</sup>	5,450 <sup>a</sup>
Goat meat, indigenous	4,643 <sup>a</sup>	4,820 <sup>a</sup>	4,950 <sup>a</sup>	5,000 <sup>a</sup>	5,050 <sup>a</sup>
Pig meat	4,431 <sup>a</sup>	4,614 <sup>a</sup>	4,788 <sup>a</sup>	5,040 <sup>a</sup>	5,096 <sup>a</sup>
Pig meat, indigenous	4,431 <sup>a</sup>	4,614 <sup>a</sup>	4,787 <sup>a</sup>	5,039 <sup>a</sup>	5,095 <sup>a</sup>
Cattle hides, fresh	5,040 <sup>a</sup>	4,691 <sup>a</sup>	4,932 <sup>a</sup>	5,040 <sup>a</sup>	5,130 <sup>a</sup>
Sheep meat	2,946 <sup>a</sup>	2,977 <sup>a</sup>	3,000 <sup>a</sup>	3,100 <sup>a</sup>	3,150 <sup>a</sup>
Sheep meat, indigenous	2,689 <sup>a</sup>	2,721 <sup>a</sup>	2,752 <sup>a</sup>	2,852 <sup>a</sup>	2,902 <sup>a</sup>

a Calculated.

b FAO data based on an imputation methodology.

c FAO estimate.

Source: Viewed at: <http://faostat3.fao.org/download/Q/QL/F>.

4.38. The efforts of government institutions are mainly aimed at modernizing the animal production systems and concern, in particular: (a) the strengthening of health monitoring and epizootic disease control; (b) the improvement of the performance of local breeds, the raising of exotic dairy breeds and the strengthening of "agriculture-livestock" integration; (c) the development of fodder crops and cattle feed; (d) the organization of watering points; and (e) the creation of cattle markets.

4.39. In 2016, the CET rates applied to products of animal origin ranged between 5% and 35% (as against 5% and 20% in 2011), with an average of 24.1% (18.8% in 2011).

#### 4.1.3.3 Fisheries production

4.40. The fisheries and aquaculture subsector contributes 3% to Benin's GDP and employs around 25% of the active population in the agricultural sector. It provides about 600,000 jobs (direct and indirect) and nearly 30% of the total amount of animal protein consumed in Benin. Around 10,000 fishermen and fish traders are engaged in small-scale sea fishing (some 10,000 tonnes a year) using dug-out canoes. Most fishing takes place in inland waters and reportedly employs over 300,000 people along the country's major rivers and lagoons. Fish farming is little developed and its contribution to national fisheries production is relatively small (1%) despite the opportunities that exist and the numerous initiatives taken. Total fisheries production is currently estimated at 50,000 tonnes a year and includes fish, crabs and shrimps.

4.41. There is considerable potential for fishing in terms of job creation and satisfaction of the population's food requirements. Benin has a long shoreline (around 125 km in length), which

extends from the frontier with Nigeria to the frontier with Togo, and an Exclusive Economic Zone (EEZ) of nearly 27,750 km<sup>2</sup>. Its hydrographic network is quite dense, consisting of lagoons, lakes, rivers, streams, swamps, flood plains and reservoirs.

4.42. The subsector faces a number of challenges. Overfishing and the degradation of aquatic ecosystems due to the use of non-selective fishing gear and the pollution of stretches of water by household and industrial waste mean that domestic production of fisheries and aquaculture products remains very low and insufficient to meet people's needs. Since 2014, fishing and fish farming have been regulated by Framework Law No. 2014-19 of 7 August 2014 on fishing and fish-farming in the Republic of Benin. The Law establishes the conditions for fishing in the waters under Beninese jurisdiction and is intended, among other things, to guarantee the sustainable management of fisheries resources. Foreign fishing craft and sea-fishing vessels may be authorized to fish in Beninese waters under international agreements concluded between the Republic of Benin and the country whose flag they fly or in which they are registered. As of 2016, there were no fisheries agreements in place under the new legislation. However, Ghana has tuna boats in Beninese waters and negotiations are under way for the adoption of a fisheries agreement in conformity with the regulations in force.

4.43. A fish-farming development project, entitled Project for Extension of Inland Aquaculture (PROVAC), financed by Japan, has been in process of implementation since 2011. The first phase involved training and the supply of inputs and infrastructure. The second phase was launched in 2017. The implementation of the Fisheries and Aquaculture Development Programme (PADPA) was completed in 2015. It was intended to ensure food and nutritional security with respect to the supply of fisheries products, in particular by installing fisheries infrastructure, improving access to markets and providing capacity building for the fishermen.

4.44. Prior to 2002, shrimps were the main fisheries export item, with an average of 700 tonnes per year being exported to the countries of the European Union. However, in July 2003, as a result of its failure to meet the relevant health requirements, Benin was forced to suspend its exports of fisheries products to the European countries pending compliance with international standards. Since the lifting of the suspension in 2012, official exports appear never to have exceeded 30 tonnes per year, primarily owing to the financial difficulties experienced by the shrimp exporters and poor fishing practices.

4.45. Depending on the type of vessel, fees are levied at the following rates: CFAF 8,000 per GRT for trawlers; CFAF 12,000 per GRT for shrimp boats; CFAF 25,000 per GRT for seine-fishing tuna boats; and CFAF 40,000 per GRT for pole-fishing tuna boats.

#### **4.1.3.4 Forestry and timber products**

4.46. Benin's forests cover about 65% of the country's total area and are divided up between classified State lands, protected State lands and privately owned forest areas. Most primary timber processing is undertaken by the National Timber Board (ONAB), which has a teak production unit and sells logs, sawn timber, poles, bundles of firewood, and furniture, including for export. The company Industrie du bois du Bénin (IBB S.A.) and ONAB are the main exporters of logs (Table 4.3). However, the export of unprocessed teakwood is prohibited. In addition, ONAB conducts reforestation campaigns to provide 36,000 tonnes of firewood a year, but this does not meet annual demand, which is estimated at three million tonnes.

**Table 4.3 Timber production in Benin, 2010-2015**(m<sup>3</sup>)

Season	Log production Industrie du bois du Bénin (IBB S.A.)	ONAB Log production ONAB (trackside sale)	Production by private operators (sold standing)	Other Production	Total
2010	16,739.25	18,783.18	12,089.13	376,658	424,269.56
2011	26,403.39	8,896.73	19,375.59	151,430,065	206,105,775
2012	22,712.26	11,073.66	13,248.33	61,518.86	108,553.11
2013	19,783.10	11,715.98	29,752.27	23,534,0572	84,785,4072
2014	26,084.16	13,402.79	19,408.72	75,466	134,361.67
2015	25,324.42	25,258.57	6,768.93	n.a.	130,334.41

n.a. Not available.

Note: The annual total corresponds to the volume of logs sold.  
The 2016 season is still ongoing and the final results will not be available until it has ended.

Source: Directorate-General of Forests and Natural Resources (DGFRN), annual report. Information provided by the Beninese authorities, National Timber Board.

4.47. Forestry in Benin is governed by Law No. 93-009 of 2 July 1993 on the Forest Regime and its implementing Decree No. 96-271 of 2 July 1996. The Law regulates the management, protection and exploitation of forests, and the trade in and manufacturing of forestry and related products. It divides up the State-owned forest lands into classified and protected areas, while establishing the classification and declassification criteria, user rights, and the conditions of management and exploitation of State forests. The issuing of import permits for timber products has been suspended since 2010.

4.48. Any natural or legal person wishing to engage in forestry activities must be resident in Benin. Under the legislation, six types of operating permit may be issued by the competent authorities, namely: a timber exploitation permit (logs, billets, sawn wood, parquet, friezes, pallets); a building wood exploitation permit (poles, posts and squared wood); a firewood and charcoal exploitation permit; a special medicinal plant harvesting permit; a private plantation exploitation permit; and an oil palm exploitation permit. Production taxes and charges are levied on wood products at specific rates depending on the category and the circumference of the wood; *ad valorem* duties are also payable on imports and exports.<sup>6</sup>

## 4.2 Mining, energy and water

4.49. The mining sector continues to make only a marginal contribution to Benin's GDP formation (Table 1.1). Nonetheless, the country has great potential in terms of mineral resources such as gold (currently being exploited), minerals used for building materials, iron, and phosphates. Moreover, it possesses other still unexploited mineral wealth, such as nickel, rutile, zircon and diamonds. The subsoil of the Beninese coastal basin contains several potential oil deposits which are in process of being explored.

4.50. Investment in services relating to the exploitation of mineral and energy resources is open to both Beninese nationals and foreigners.

### 4.2.1 Mining products

4.51. There were no changes in the regulatory framework of Benin's mining sector during the review period. Law No. 2006-17 of 17 October 2006 on the Mining Code and mining taxes in the Republic of Benin is still the main instrument governing prospecting, exploration and exploitation of useful minerals (with the exception of liquid and gaseous hydrocarbons and groundwater); all the resources contained in the soil and subsoil are owned by the State.

4.52. The Code provides for the following titles: an authorization to prospect, which does not confer on the holder any right to dispose of the substances discovered, these remaining in the ownership of the State; an exploration permit; and an exploitation permit valid for 20 years and

<sup>6</sup> Law No. 2006-24 of 26 December 2006.

twice renewable for a period of ten years; and a small-scale or semi-industrial mining authorization. The latter applies only to indications of mineralization or deposits whose industrial exploitation has been shown not to be economically viable. In 2016, there were 12 companies authorized to mine in Benin. However, only three of them were exploiting mineral deposits.

4.53. Mining taxation, as defined by the Code, comprises an *ad valorem* royalty on materials extracted from quarries, at the rate of 10% of the value of the mining production, with the exception of limestone for cement-making. During the exploitation period, in addition to the *ad valorem* royalty, the State levies fixed charges, surface taxes (the amount of which is established by order), industrial and commercial profits tax and the other non-deductible taxes for which the General Tax Code provides. Exploitation permit holders are also subject to the business tax after the first five years of production and to land taxes under the conditions laid down in the General Tax Code.

4.54. Mineral imports are subject to the payment of customs duties at a rate which averages 5.1%, with a minimum of zero and a maximum of 10%; to this should be added the other entry charges and taxes (common report, section 3.1.4).

4.55. Materials, machinery and equipment, with the exception of private motor cars, imported under an exploration permit, benefit from the temporary admission procedure. Where mining is involved, the temporary admission of machinery and equipment, with the exception of private motor cars, covers the mine installation period, which is 30 months.

4.56. Under the Code, in consideration for the exploitation of its subsoil resources, the Beninese State must be assigned 10% of the capital of any mining company, without any financial contribution on its part, with the possibility of an additional holding of up to 10%. However, this provision is not yet being applied as the body intended to represent the State is not yet in place.

#### 4.2.2 Hydrocarbons

4.57. Benin is not a producer of petroleum products. However, prospecting has revealed a potential for petroleum production. In 2015, hydrocarbons accounted for about 11.7% of imports (Table A1.1).

4.58. Hydrocarbon prospecting, exploration, exploitation, refining, transport and marketing on Beninese territory are governed by Law No. 2006-18 of 17 October 2006 containing the Petroleum Code. The State remains the sole owner of all Benin's liquid and gaseous hydrocarbon resources. Their exploitation is open to both Beninese and foreign operators. Any foreign entity must provide proof of a stable facility in Benin in order to carry out prospecting operations and of a company incorporated in Benin in order to carry out exploration, exploitation and transport operations. Petroleum contracts, issued by the Minister responsible for hydrocarbons following approval in the Council of Ministers, are required to obtain an exploration or exploitation permit. The Code provides for production-sharing contracts (with the State) and concession contracts. However, no concession contract appears to have been awarded as yet.

4.59. The holder of a hydrocarbons exploration, exploitation or transport permit is required to conduct an environmental impact study. The holder must also, throughout his activities, comply with the provisions of the environmental protection legislation in force.

4.60. The tax regime applicable to the prospecting, exploration, exploitation and transport of hydrocarbons provides for: a fixed charge for the issue and renewal of authorizations, an annual surface tax (never actually collected in Benin), the amount of which is fixed, in principle, by a decree adopted in the Council of Ministers, and a royalty proportional to the ex-field value of the hydrocarbons produced, at rates of between 8% and 12% (depending on the difficulties of exploration and exploitation).<sup>7</sup> The tax on gross profits may not exceed 45% and is not levied in the case of a production-sharing contract.

4.61. Benin currently imports all its petroleum needs. The National Petroleum Product Marketing Company (SONACOP) and other approved private oil companies supply the country with petroleum

<sup>7</sup> For contracts signed before the Code entered into force (October 2006), the rate is 10%.



products. Private firms must obtain an import and marketing authorization issued by joint order of the Ministers responsible for trade and for hydrocarbons.<sup>8</sup> An application for authorization must be accompanied, among other things, by a copy of the declaration of existence; certification of the single tax identification number; a ten-year investment programme including the establishment of a service station network with a minimum total capacity of 600 m<sup>3</sup> and covering at least six departments; and a general installation safety and environmental protection plan. Moreover, private companies must demonstrate technical knowledge in the field of petroleum products. There is also an informal marketing sector for petroleum products from Nigeria.

4.62. Several taxes are levied on imported petroleum products, including the CET and indirect taxes (including excise duty at specific rates and VAT).

4.63. The selling prices of petroleum products are fixed by decree, on the basis of trends in world prices. The price of butane gas is subsidized (CFAF 69/kg). SONACOP is responsible for managing Benin's strategic stocks of petroleum products.

### 4.2.3 Electricity

4.64. Despite the magnitude of its hydroelectric potential Benin remains heavily dependent on the outside world for its power supplies. Almost all the electricity consumed comes from abroad. Domestic electricity production is mainly thermal. The hydroelectric mini-power station at Yeripao, in the north-west of the country, contributes less than 1% of the demand to domestic electricity production. According to the authorities, the population's access to electricity remains modest, with an electrification rate of 55.1% in urban areas and 4.1% in rural areas in 2015.

4.65. The PAG aims to give Benin energy independence in the short term, thanks to competitive thermal generation. Within this framework, specific measures will involve the rehabilitation of the generating plant of the Beninese Electricity Company (SBEE) and the Maria-Gléta thermal power station, together with the construction of new generating plants. The Government is also aiming to develop hydroelectric power and increase the contribution from renewables.

4.66. In 2013, Benin set up the Electricity Regulatory Authority (ARE), which is charged with monitoring compliance with the laws and regulations governing the electricity subsector; protecting the public interest; and guaranteeing the continuity and quality of the services, the financial balance of the subsector and its harmonious development.<sup>9</sup>

4.67. The Ministry responsible for energy formulates national electricity policy and oversees all the bodies directly involved in the sector apart from the ARE.

4.68. The Benin Electricity Community (CEB) acts as the sole purchaser for Benin and Togo. The CEB obtains its supplies from its foreign partners (Côte d'Ivoire, Nigeria and Ghana). It has hydroelectric generating capacity and two 20 MW gas-fired power stations. The Beninese Electricity Company (SBEE) distributes electricity in Benin. It purchases a large proportion of its electricity from the CEB and also generates power equivalent to less than 10% of electricity demand from its diesel-fired power stations.

4.69. The 1968 Benin-Togo Electricity Code, revised in 2004, put an end to the CEB's production monopoly, thereby opening up branches of production to private operators. However, it maintains the CEB's exclusive right to import electricity, as both the exclusive transporter and sole purchaser for the whole of Benin and Togo. Law No. 2006-16 of 27 March 2007 containing Benin's Electricity Code supplements the Benin-Togo Code and defines, among other things, the arrangements for the participation of private operators in the electricity subsector. Private producers must conclude an agreement (concession or other agreement) with the State and sign a contract for the purchase and sale of electricity with the CEB. Self-generators may freely resell their surplus output, up to a maximum of 50% of their total production, beyond which they are treated as private producers required to resell their production to the CEB or the SBEE. In urban areas electricity is distributed

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<sup>8</sup> Decree No. 2008-614 of 22 October 2008 containing detailed rules for the import and distribution of refined petroleum products and their by-products in the Republic of Benin.

<sup>9</sup> Decree No. 2009-182 of 13 May 2009 on the establishment, functions, organization and operation of the Electricity Regulatory Authority.

exclusively by the SBEE and in rural areas by the Beninese Rural Electrification and Energy Management Agency (ABERME).

4.70. ABERME is responsible for the implementation of State policy on rural electrification and energy management. The task of the Internal Electrical Installation Control Agency (CONTRELEC) is to promote compliance with the technical requirements relating to the construction of internal electrical installations with a view to ensuring the safety of persons and property.

4.71. The tariff scale applied by the SBEE includes a social tranche for subscribers with a monthly consumption that is less than or equal to 20 kWh. The amount consumed is invoiced at CFAF 78 per kWh and is exempt from VAT. Subscribers whose monthly consumption exceeds 20 kWh are ineligible for the social tranche. Thus, their first 250 kWh are invoiced at CFAF 109 per kWh (first tranche) and the rest (second tranche) at CFAF 115 per kWh. These two tranches are subject to VAT.<sup>10</sup> In general, the tariffs take production and supply costs into account. They are set by the Directorate responsible for energy in consultation with the SBEE, before being approved by the ARE.

#### 4.2.4 Water

4.72. Benin has an abundance of water resources. It is drained by a relatively dense hydrographic network, albeit with an intermittent flow regime.

4.73. According to the national water policy paper adopted in 2008, internal and external water inflows amount to about 13.106 billion m<sup>3</sup> per year, the River Niger excluded.<sup>11</sup> Despite this potential, at present not all the regions of the country appear to have suitable access to drinking water. In 2007, the Ministry responsible for water resources recorded 13,000 water sources (including wells and public taps), 13% of which were in poor condition. In 2010, there was one water point for every 500 inhabitants in rural areas.

4.74. The institutional framework for the management of water resources consists of public and private actors including, in particular, the ministries concerned with water management; the local authorities; and the non-State actors grouped since 2011 in the National Water Board (CNE), which is the first institutional framework structured at national level and brings together all the categories of public and private actors concerned with the sustainable management of water resources.<sup>12</sup>

4.75. Several government strategy papers are currently in place with a view to developing water resources. They mainly comprise: the 1997 Benin National Water Resource Management Strategy, the 1999 Benin Vision for Water Resources 2025 and the National Water Policy of 2008. They are aimed at establishing an integrated, coordinated and sustainable system of water resource management in Benin. Law No. 2010-44 of 24 November 2010 regulates water management in the Republic of Benin.

4.76. One of the objectives of national water policy, based on the United Nations Millennium Development Goals (MDG), was to guarantee access to drinking water for 75% of the urban population and 68% of the rural population by 2015. The rural access level rose from 46.5% at the end of 2007 to 57.2% at the end of 2010, thanks to the construction of more than 3,576 additional water points, while the urban access level increased from 51% in 2006 to 54% at the end of 2008.

4.77. The management and exploitation of water resources, including for commercial purposes, are in principle open to competition. However, the supply of drinking water in rural areas is the responsibility of the local authorities.<sup>13</sup> They act as the contracting authority (planning infrastructure, awarding contracts, and supervising and managing the works). The Beninese National Water Company (SONEB) acts as the contracting authority in urban and peri-urban areas.

<sup>10</sup> Online information viewed at: <https://www.sbee.bj/site/a-propos/votre-facture>.

<sup>11</sup> Online information viewed at:

[http://eaubenin.bj/docs/Strategie/Projet\\_Politique\\_Nationale\\_Eau\\_validee\\_101108.pdf](http://eaubenin.bj/docs/Strategie/Projet_Politique_Nationale_Eau_validee_101108.pdf).

<sup>12</sup> Decree No. 2011-574 of 31 August 2011 on the establishment, functions, composition, organization and operation of the National Water Board.

<sup>13</sup> Law No. 97-029 of 15 January 1999 organizing the Communes.



4.78. According to the authorities, the price structure for water in rural areas is not standardized. Charging is often based on water meters on public drinking fountains for village water supplies and independent water points. There are other types of charging which require the beneficiaries to pay a lump sum per household and per month or to contribute in the event of a breakdown. In urban areas, SONEB's charging system is based on the monthly consumption per m<sup>3</sup> and network maintenance costs. Some of SONEB's customers resell the water to non-subscribers, charging by the bowl.<sup>14</sup> SONEB's charging system includes a social tranche for the disadvantaged segments of society. A tariff equalization mechanism is in place at the national level.

### 4.3 Manufacturing sector

4.79. The PAG aims to promote local processing units, together with the development of exports of their products. Several reforms are envisaged for promoting competitiveness. These include: tax incentives, facilitation of access to business financing, and the simplification of administrative procedures.

4.80. Manufacturing's contribution to GDP formation remains modest (Table 1.1). The sector consists of small textile (cotton ginning and processing, spinning and weaving), agri-food, cosmetics and cement companies. Craft industry activities, generally informal, are relatively important in terms of their contribution to GDP and the reduction of unemployment and poverty.

4.81. In 2015, some 381 products from 55 Beninese enterprises were admitted to the intra-community trade preference regime (common report, section 3.3). Most were processed products such as cottonseed and other oils, juices, jams, concentrates, syrups and other fruit and vegetable preserves.

4.82. The State remains significantly involved in cotton processing activities. Because the textile companies are uncompetitive, most cotton exports take the form of lint. The Benin Textile Complex (COTEB) does spinning and weaving. It is partly owned by the State, which also has shares in SITEX (manufacturer of unbleached fabrics) and the Benin Textile Company (CBT).

4.83. The simple average applied rate of the MFN tariff (ECOWAS CET) in the manufacturing sector (SITC definition) is 12.4%. For manufacturing products as a whole, the tariff is characterized by mixed escalation (common report, Table 3.6), slightly negative from raw materials (10.4%) to semi-finished products (10.1%) and positive towards finished products (13.9%).

### 4.4 Services

4.84. The contribution of commercial services to GDP has been maintained on average at 45% (Table 1.1) and the sector employs around 36% of the economically active population. The main branches of the services sector in terms of contribution to GDP are: transport, telecommunication and tourism services, together with financial services, including banking.

4.85. Under the General Agreement on Trade in Services (GATS), the specific commitments made by Benin are limited to less than 10% of all the services subsectors listed in the sectoral classification (MTN.GNS/W/120). The sectors included in Benin's Schedule comprise banking deposit, loan, payment and money transfer services; some hotel and restaurant services; some maritime transport services and auxiliary services for all modes of transport.<sup>15</sup>

#### 4.4.1 Main subsectors

##### 4.4.1.1 Telecommunications and postal services

4.86. During the review period, the Government's objectives in information and communication technology, as contained in its policy and strategy paper (2008-2013), were aimed, among other

<sup>14</sup> Online information viewed at: [http://www.qwp.org/Global/GWP-WAf\\_Files/GIRE-IWRM-Governance%20eau%20BENIN.pdf](http://www.qwp.org/Global/GWP-WAf_Files/GIRE-IWRM-Governance%20eau%20BENIN.pdf).

<sup>15</sup> Benin did not participate in the negotiations on basic telecommunication or financial services conducted by the WTO under the GATS.

things, at the adoption of a legal framework designed to encourage investment and economic growth, the establishment of a modern infrastructure and the development of human resources. Since 2014, the postal services and telecommunication sector has been governed by Law No. 2014-14 of 9 July 2014 on Electronic Communication and Postal Services. This sets out, in particular, the operating conditions for the provision of postal and telecommunication services (conditions of access, licensing costs and the subsector's tax regime), and the arrangements with regard to universal service. Its implementing Decree No. 2014-599 of 9 October 2014 established the Regulatory Authority for Electronic Communications and Postal Services (ARCEP). In principle, ARCEP is an autonomous entity. It is responsible, among other things, for compliance with the regulations on licensing in the subsector and the rules on competition and it establishes the technical and administrative specifications for the approval of communications equipment.

4.87. In accordance with the Law on Electronic Communications and Postal Services, it is necessary to obtain a licence or authorization to access the Beninese electronic communications market. However, some branches not covered by the licence or authorization regimes may be freely exploited, subject to compliance with the legislation in force.<sup>16</sup> A licence is required for: the installation, provision and operation of electronic communications networks and/or services open to the public; the supply of transport capacity; the provision of public telephone services and when, for reasons of national policy concerning, in particular, public order, morality, security or public health, the State decides that the service is to be provided under licence. Licences are granted by invitation to tender, open or restricted, in accordance with the provisions of Benin's Government Procurement and Public Service Concession Code. The authorization regime mainly concerns the establishment and/or operation of any independent electronic communications network that uses the public domain, including through the atmosphere or via hertzian waves.

4.88. Decree No. 2013-555 of 30 December 2013 established the Beninese Electronic Communications and Postal Universal Service Agency (ABSU-CEP). The National Electronic Communications and Postal Universal Service Programme is intended to ensure:

- complete telephone coverage of the whole of Beninese territory;
- the availability of broadband in areas with a poor service or no service at all;
- generalization of the use and provision of information and communication technology equipment in the three branches of education and the literacy sector;
- generalization of the use and provision of information and communication technology equipment for actors in the health sector; and
- the contribution of the subsector to improving the productivity of small farms and to food security.

#### **4.4.1.1.1 Telecommunications**

4.89. During the review period the telecommunication market continued to grow. The number of mobile telephone subscribers, which was about 3,625,400 in 2008, rose from 8,407,846 in 2012 to 11,556,665 in 2015. The mobile telephony market consists of five operators (SPACETEL Benin (MTN), ETISALAT, GLO MOBILE, BBCOM and LIBERCOM), with a teledensity that increased from 89.78% in 2012 to 107.79% in 2015 (Table 4.4). The operators SPACETEL Benin and ETISALAT Benin have a licence to establish and operate technologically neutral mobile telecommunication networks enabling them to provide mobile Internet broadband services (2G, 3G, ...). The provision of access to fixed telephone lines is a monopoly of Bénin Télécom. In 2015 the country had 194,666 fixed telephone lines as compared with 156,715 in 2012, but teledensity remains below 2% (Table 4.5).

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<sup>16</sup> These include some radio installations; cryptology services, under certain conditions; and infrastructure operators.

**Table 4.4 Cellular Mobile Networks, 2012-2015**

	2012	2013	2014	2015
<b>Mobile telephony subscriptions</b>	8,407,846	9,627,447	10,780,875	11,556,665
Subscriptions to the SPACETEL Benin network	2,729,716	3,464,683	3,893,252	4,428,953
Subscriptions to the ETISALAT network	2,795,566	3,311,468	3,586,006	4,546,195
Subscriptions to the GLO MOBILE network	1,514,548	1,468,289	1,908,653	2,293,034
Subscriptions to the BBCOM network	1,074,666	1,103,014	1,103,629	0
Subscriptions to the LIBERCOM network	293,350	279,993	289,335	288,483
<b>Mobile teledensity (%)</b>	89.78	96.43	107.94	107.79
Percentage of the territory covered by mobile telephony	0	0	0	0
Percentage of the population covered by mobile telephony	0	0	0	0

Source: Information provided by the Beninese authorities, *Données opérateurs* (2015).

**Table 4.5 Fixed telephony network, 2012-2015**

	2012	2013	2014	2015
Fixed telephony subscriptions	156,715	159,443	195,662	194,666
Wired network (conventional)	60,345	58,168	57,435	57,987
Wireless network (CDMA)	96,370	101,275	138,227	136,679
Fixed teledensity	1.67	1.60	1.96	1.82

Source: Information provided by the Beninese authorities, Bénin Télécom SA (BTSA) (2015).

4.90. Eleven operators currently hold fixed broadband Internet operating licences. They are authorized to operate radio or copper-wire access networks. As for Bénin Télécom Service, it operates a wired network, an optical fibre transmission network and an LTE network. Fixed-line Internet access remains marginal in Benin (Table 4.6). However, mobile telephone Internet access increased fivefold between 2012 and 2015 (Table 4.7). Domain names within Benin's country code (".bj") area are administered by Bénin Télécoms.<sup>17</sup>

**Table 4.6 Fixed Internet access, 2012-2015**

	2012	2013	2014	2015
<b>Internet bandwidth (in Mbit/s)</b>	1,085	1,595	1,595	2,217
International Internet bandwidth	1,085	1,595	1,595	2,217
<b>Fixed Internet subscriptions with the operator BTSA</b>	42,159	42,834	42,806	73,168
Fixed Internet subscriptions (RTC)	737	678	673	641
Subscriptions with ISDN	35	41	46	46
Leased lines	45	25	27	27
Fixed (wired) broadband Internet subscriptions using ADSL technology	4,578	4,338	4,278	4,848
Fixed (wired) broadband Internet subscriptions, by speed (WiMAX)	374	362	354	270
Fixed (wireless) broadband Internet subscriptions (CDMA)	36,390	37,390	37,428	67,336
<b>Fixed Internet subscriptions with ISPs (WLL)</b>	0	0	4,051	1,433
Subscriber base Internet ISOCEL	0	0	2,666	677
Subscriber base OTI	0	0	950	756
Subscriber base Internet CANALBOX BENIN	0	0	435	0
<b>Fixed Internet subscriptions (wired + wireless)</b>	42,159	42,834	46,857	74,601
Fixed Internet teledensity (%)	0.45	0.43	0.47	0.70
<b>Subscriptions to fixed (wired) broadband Internet</b>	4,997	4,725	4,659	5,145
Fixed broadband teledensity (%)	0.05	0.05	0.05	0.05

Source: Information provided by the Beninese authorities, *Données opérateurs* (2015).

<sup>17</sup> Online information from the Internet Assigned Numbers Authority, "Delegation Record for BJ", viewed at: <http://www.iana.org/root-whois/bj.htm>.

**Table 4.7 Mobile Internet, 2012-2015**

	2012	2013	2014	2015
<b>Mobile Internet subscriptions</b>	414,725	1,087,089	1,915,542	2,155,041
Subscriptions to the SPACETEL BENIN network	155,367	533,379	1,120,855	1,055,159
Subscriptions to the ETISALAT network	203,110	496,525	737,989	1,042,883
Subscriptions to the GLO MOBILE network	6,808	7,607	9,107	9,498
Subscriptions to the LIBERCOM network	49,440	49,578	47,501	47,501
Subscriptions to the BBCOM network	0	0	0	0
Mobile Internet teledensity (%)	4.43	10.89	19.18	20.10

Source: Information provided by the Beninese authorities, *Données opérateurs* (2015).

4.91. The interconnection of networks and services is a regulatory requirement. In general, interconnection and capacity-leasing tariffs are established with account for the costs. Every interconnection contract is subject to prior approval by the Regulatory Authority.

4.92. A charge of CFAF 2 per minute is levied on every outgoing domestic and international call and a charge of CFAF 23 per minute on incoming calls. A 1% levy is imposed on the turnover, net of tax and interconnection charges, for the previous year, as the operators' contribution to the electronic communications and postal universal service.

#### 4.4.1.1.2 Postal services

4.93. La Poste du Bénin, a commercial public institution with legal personality and financial autonomy, provides the Beninese population with postal and financial services. In 2012, it handled around 4,600,000 items of mail, a large proportion of which were addressed to private individuals by businesses and administrations.

4.94. Under the Law on Electronic Communications and Postal Services in Benin, La Poste du Bénin is the operator responsible for the universal postal service. Moreover, it has the following reserved activities: the collection, sorting, forwarding and distribution of items of mail, domestic or international, weighing less than 1 kg, by ordinary or express delivery; the right to issue and sell postage stamps, postage-due stamps, official stamps, reply coupons and all other postal paper intended for stamping or philately and displaying the words "Republic of Benin" or any other sign, seal or symbol of the Republic.

4.95. Direct mail and services relating to registered and insured mail are also reserved for the operator responsible for the universal postal service. However, other postal operators may provide services relating to depot collection and/or recorded delivery, at prices fixed by the Regulatory Authority.

4.96. The courier services market includes private operators in the domestic and international segments. With a market share estimated at more than half of domestic traffic, the company Top Chrono dominates domestic courier services open to competition, followed by EMS, a subsidiary of La Poste du Bénin. The other private operators, including DHL (dominant in international traffic), UPS Bénin, TNT and SDV, are mainly oriented towards international services. In addition, informal mail distribution covers a not inconsiderable proportion of domestic courier traffic.

#### 4.4.1.2 Transport

4.97. The PAG regards an improved transport infrastructure as an important means of leveraging the country's economic development. It aims to achieve this ambition by carrying out a number of

flagship projects, including the construction of a new airport, expansion of the port of Cotonou and upgrading of certain major roads.

#### 4.4.1.2.1 Port services and maritime transport

4.98. Maritime transport is of fundamental importance for the national economy. In addition to serving as a preferred supply channel for the domestic market, the Port of Cotonou has a subregional role to play. The maintenance and operation of the port, together with the management of the port area, are the responsibility of the Autonomous Port of Cotonou (PAC), a government institution of an industrial and commercial nature with civil status and financial autonomy.

4.99. Several reforms and modernization projects, including the computerized management of truck arrivals and departures, were carried out during the review period. Moreover, the authorities have noted that the introduction of the port single window has appreciably reduced delays in the Port of Cotonou (section 3.1).

4.100. Goods traffic (imports and exports) increased steadily between 2011 and 2014, before falling slightly in 2015. Imports (by volume) of hydrocarbons and food products are the main items on the list of goods entering the country by sea, while outward traffic consists predominantly of timber, cashew nut and cotton exports (Table 4.8).

4.101. A major proportion of the port traffic, about 57% in 2015, is for the account of other countries, mainly Niger, Nigeria, Burkina Faso and Mali (Table 4.9).

**Table 4.8 Trends in goods traffic, 2010-2015**

(Tonnes)

Traffic	2010	2011	2012	2013	2014	2015
<b>IMPORTS</b>						
Hydrocarbons	1,152,164	1,033,627	953,128	746,178	670,473	825,269
Clinker, gypsum, limestone and slag	527,489	641,804	730,894	741,863	1,002,998	399,418
Construction materials	369,581	391,678	424,431	325,949	339,121	392,831
Cereals and the like	843,123	478,925	1,034,758	2,516,364	2,381,967	1,766,376
Food products	1,267,578	1,249,954	1,443,391	1,698,013	2,094,588	2,121,620
Lubricants and bituminous materials	31,631	34,728	19,804	23,554	9,755	4,414
Fertilizer and insecticides	29,883	40,799	118,330	133,540	40,069	48,773
Equipment	335,874	307,479	269,299	280,295	171,047	70,932
Vehicles and parts	511,272	558,585	489,608	515,911	620,901	602,893
Sulphur	52,209	41,554	74,072	32,396	41,210	34,321
Miscellaneous	1,118,812	978,195	716,699	942,669	1,576,092	1,951,651
<b>Sub-total imports</b>	<b>6,239,616</b>	<b>5,757,327</b>	<b>6,274,414</b>	<b>7,956,732</b>	<b>8,948,220</b>	<b>8,218,498</b>
<b>EXPORTS</b>						
Vegetable oils	348	3,280	4,952	2,949	6,930	3,345
Cotton seed	21,406	1,879	149	9,447	4,216	9,842
Cake	10,086	1,837	4,238	8,112	3,841	3,997
Timber	141,280	423,851	485,667	312,554	436,575	250,892
Cashew nuts	119,949	140,301	155,765	120,594	148,888	183,066
Shea nuts	9,121	27,454	24,690	19,368	35,940	11,526
Other products	69,440	89,885	114,422	90,328	248,092	181,418
Cotton	84,748	79,653	88,924	136,738	189,493	240,004
Hydrocarbons & bulk liquids	9,472	71	103,818	20,381	3,989	0
Equipment	4,972	3,142	1,558	2,4432	67,657	24,549
Vehicles and parts	1,734	2,733	2,864	3,264	19,475	16,540
Miscellaneous	247,183	273,221	177,845	156,109	434,128	230,450
<b>Sub-total exports</b>	<b>719,739</b>	<b>1,047,307</b>	<b>1,164,892</b>	<b>882,287</b>	<b>1,599,225</b>	<b>1,155,629</b>
<b>OVERALL TOTAL</b>	<b>6,959,355</b>	<b>6,804,634</b>	<b>7,439,306</b>	<b>8,839,019</b>	<b>10,547,445</b>	<b>9,374,127</b>

Source: Information provided by the Beninese authorities. Autonomous Port of Cotonou.

**Table 4.9 Goods traffic by user country, 2010-2015**

(Tonnes)

Year	2010	2011	2012	2013	2014	2015
Benin	3,073,809	3,301,387	4,061,666	4,038,635	5,506,437	4,021,794
Niger	2,486,778	2,173,000	2,254,283	3,656,925	3,633,211,64	3,269,823
Nigeria	614,949	572,589	494,459	431,151	443,490	459,475
Mali	193,683	257,868	174,918	176,589	106,153	127,760
Burkina Faso	445,444	365,000	373,797	355,992	224,323	286,108
Togo	5,801	15,043	6,704	15,985	17,548	6,544
Other	138,891	119,745	73,480	163,742	616,282	1,202,623
Overall Total	6,959,355	6,804,632	7,439,306	8,839,019	10,547,445	9,374,127
Total Transit	3,885,546	3,503,245	3,377,641	4,800,384	5,041,008	5,352,333
Transit share (%)	55.83	51.48	45.40	54.31	47.79	57.10

Source: Information provided by the Beninese authorities. Autonomous Port of Cotonou.

4.102. Container traffic handling operations are carried out by four companies, namely: the Benin Port Handling Company (SOBEMAP), a State-owned company with financial autonomy; the Container Terminal Handling Company (SMTC), part of the Bolloré Group; Benin Terminal; and the Cotonou Handling Company (COMAN), part of the Maersk-Sealand Group. SOBEMAP still has a monopoly on the handling of non-containerized products and goods, apart from the used vehicle market, which it shares with the Grimaldi Group's company RoRo Terminal.

4.103. Benin does not have a merchant navy of its own. Eight foreign companies operate in the Beninese maritime transport services sector, the two major ones being the Maersk Line Group, which has its own port operations company, and CMA-CGM (Delmas).<sup>18</sup> The Association of Benin Shipping Agents and Brokers (ACAM) represents these companies' interests.

4.104. The National Shippers' Council of Benin (CNCB) is responsible, among other things, for protecting the interests of importers and exporters, notably by negotiating freight rates on their behalf with the shipping companies. The CNCB's resources come from annual subscriptions paid by importers and exporters; commission on goods imported into Benin; and commission paid by shipping companies whose vessels call at the Port of Cotonou. In addition, charges are made for issuing the electronic cargo tracking note (ECTN), a document which provides information on, among other things, the nature of the cargoes shipped for the Port of Cotonou and on the costs of import operations (section 3.1). As from 1 April, responsibility for collecting the charges for the ECTN will pass from the CNCB to the PAC.

#### 4.4.1.2.2 Air transport

4.105. Benin has one international-class airport (Cotonou International Airport) and seven domestic airfields.<sup>19</sup> The domestic network is served by small private companies; 17 regional and international-scale airline companies operate the international network.<sup>20</sup>

4.106. Ordinance No. 26/GPRD/MTP of 26 December 1963 containing the Civil and Commercial Aviation Code of the Republic of Dahomey is the main legislative provision on civil aviation in Benin. It is supplemented by the Aeronautical Regulations. In addition, at regional level, there is the WAEMU Community Civil Aviation Code, which is supranational in nature.

4.107. Under the authority of the Ministry responsible for infrastructure and transport, the National Civil Aviation Agency (ANAC) performs civil aviation regulatory and monitoring functions on behalf of the Beninese State.

4.108. Benin is a signatory to the Yamoussoukro Decision and the Convention on International Civil Aviation (Chicago Convention); it is also a member of the International Civil Aviation Organization (ICAO). In general, apart from technical requirements, the conditions for allocating

<sup>18</sup> These companies are: UASC, COSCO, Grimaldi, Delmas, MSC, Bolloré, Maersk and Pil.

<sup>19</sup> The airfields of: Parakou, Kandi, Natitingou, Savè, Porga, Cana/Bohicon and Djougou (currently unusable).

<sup>20</sup> These airlines include: Air Burkina, Air Côte d'Ivoire, Arik Air, Asky Airlines, DHL (cargo), CAMAIR CO, CEIBA Intercontinental, Cronos Airlines, Equatorial Congo Airlines, Trans Air Congo, Ethiopian Airlines, Kenya Airways, South African Airways, Royal Air Maroc, Air France, Brussels Airlines, and Turkish Airlines.



traffic to a company include the existence of a multilateral or bilateral agreement and the designation of the company in question by the civil aviation authority of the country of origin (or its notification through diplomatic channels). Benin has signed several bilateral agreements with ICAO member States (Table 4.10).

**Table 4.10 Air transport agreements**

Partner	Date	Entry into force	5 <sup>th</sup> freedom <sup>1</sup>	7 <sup>th</sup> freedom <sup>2</sup>	Cabotage <sup>3</sup>	Cooperation <sup>4</sup>	Designation <sup>5</sup>	Refusal <sup>6</sup>	Tariff regime <sup>7</sup>	Capacity	Statistics <sup>9</sup>	ALL
Germany	29.12.1978		N	N	N	N	S	SOEC	DA	PD	N	1.0
Belgium	15.02.1971		Y	N	N	N	S	SOEC	DA	PD	Y	6.0
Burkina Faso	20.06.1980		N	N	N	N	S	SOEC	DA	PD	Y	0.0
United States	28.11.2000		Y	N	N	Y	M	SOEC	DD	FD	N	28.0
Ethiopia	17.07.1986		Y	N	N	N	S	SOEC	DA	PD	Y	6.0
Russian Federation	17.12.1975		Y	N	N	N	S	SOEC	DA	PD	N	7.0
France	09.12.1963		Y	N	N	N	M	SOEC	DA	PD	Y	10.0
Gabon	20.09.1985		N	N	N	N	S	SOEC	DA	PD	Y	0.0
Guinea	18.08.1988		Y	N	N	N	S	SOEC	DA	PD	N	7.0
Libya	06.09.1979		N	N	N	N	S	SOEC	DA	PD	Y	0.0
Niger	18.01.1979		N	N	N	N	S	SOEC	DA	PD	Y	0.0
Nigeria	24.08.1979		Y	N	N	N	S	SOEC	DA	PD	Y	6.0
Poland	13.05.1988		N	N	N	N	S	SOEC	DA	PD	Y	0.0
Switzerland	06.11.1975		Y	N	N	N	S	SOEC	DA	B1	Y	10.0
Togo	31.07.1970		N	N	N	N	S	SOEC	DA	PD	Y	0.0

- Note:
- 1 Fifth freedom rights (N = no; Y = yes).
  - 2 Seventh freedom rights.
  - 3 Cabotage rights.
  - 4 Airline company cooperation clause, code-sharing, for example.
  - 5 Designation: "S" = single; "M" = multiple.
  - 6 Type of refusal clause: SOEC = Substantial ownership and effective control; PPOB = Principal place of business, n.a. = not available.
  - 7 Type of pricing clause: DA = Double approval; DD = Double disapproval; CoO = Country of origin; ZP = Zone pricing; TL = Free pricing; n.a. = not available.
  - 8 Type of capacity clause: PD = Pre-determination; B1 = Bermuda I; FD = Free determination, O = other; n.a. = not available.
  - 9 Whether the agreement provides for the exchange of statistical data.

Source: Table compiled by the WTO Secretariat, on the basis of information provided by the Beninese authorities.

4.109. There was an increasing trend in the transport of passengers and freight during the review period (Table 4.11).

**Table 4.11 Air traffic statistics for Cardinal Bernardin Gantin de Cadjehoun International Airport, 2010-2015**

Period	2010	2011	2012	2013	2014	2015
<b>Aircraft movements</b>						
Commercial	10,942	10,456	10,803	10,268	9,777	7,119
Other	1,154	884	1,430	1,756	1,882	1,196
<b>Overall total</b>	<b>12,096</b>	<b>11,340</b>	<b>12,233</b>	<b>12,024</b>	<b>11,659</b>	<b>8,315</b>
<b>Passengers (units)</b>						
Arrival	200,079	230,651	230,651	232,878	248,272	259,936
Departure	213,123	250,738	250,738	242,491	266,133	267,103
Transit, direct	0	0	0	0	0	0
<b>Overall total</b>	<b>413,202</b>	<b>481,389</b>	<b>481,389</b>	<b>475,369</b>	<b>514,405</b>	<b>527,039</b>
<b>Freight (kg)</b>						
Arrival	3,072,606	2,615,928	2,492,571	3,264,428	3,150,960	2,659,158
Departure	3,875,594	4,081,533	4,306,884	4,734,910	5,577,024	5,598,731
<b>Overall total</b>	<b>6,948,200</b>	<b>6,697,461</b>	<b>6,799,455</b>	<b>7,999,338</b>	<b>8,727,984</b>	<b>8,257,889</b>



Period	2010	2011	2012	2013	2014	2015
<b>Mail (kg)</b>						
Arrival	120,600	106,849	133,473	95,894	26,749	80,038
Departure	28,695	29,225	28,708	89,314	28,178	20,234
<b>Overall total</b>	<b>149,295</b>	<b>136,074</b>	<b>162,181</b>	<b>185,208</b>	<b>54,927</b>	<b>100,272</b>

Source: Information provided by the Beninese authorities. ASECNA/DAAN, Companies, DG/ANAC, AHS MENZIES BENIN.

4.110. Under the supervision of the Agency for Air Navigation Safety in Africa and Madagascar (ASECNA), the National Aviation Activities Delegation (DAAN) has been responsible for the commercial management of Cotonou Airport since 2012.

4.111. Freight prices are freely determined by the airline companies. The air freight tariffs for fruit and vegetables are subject to dues of CFAF 2 per kg for the account of ANAC and CFAF 8 per kg for the account of ASECNA.

#### 4.4.1.2.3 Land transport

##### 4.4.1.2.3.1 Road transport

4.112. Road transport is the predominant mode of internal transport for goods and passengers.

4.113. In general, the subsector has to contend with the problems of a dilapidated road infrastructure. The network of rural tracks is still very inadequate and many areas are cut off during the rainy season. Efforts to develop the economy and trade continue to be frustrated by the poor connections with the production and border areas.

4.114. Road transport prices have been liberalized and Benin is engaged in implementing the regional transport and road transit facilitation programme initiated by WAEMU and ECOWAS (common report, section 4.4.2.3). Access to the profession of road carrier is open to WAEMU and ECOWAS nationals on the same terms as those that apply to Beninese nationals. Order No. 001/MTPT/DC/DTT/SEDR of 8 January 1996 regulates the distribution of road freight between Beninese carriers and those from third countries. In the case of freight bound for the hinterland countries, it reserves one third of the tonnage for Beninese carriers, and half the tonnage in the case of coastal countries. Cabotage is not allowed under Beninese legislation.

##### 4.4.1.2.3.2 Rail transport

4.115. Rail transport services used to be managed by the Benin-Niger Joint Railway and Transport Organization (OCBN), an industrial and commercial bi-State enterprise. The subsector is experiencing immense difficulties due to the steady decline in its goods traffic and total lack of passenger traffic. The OCBN has since become a new company called BENIRAIL, with its capital divided up among the Beninese State, the Nigerian State and the private sector (Annex on Niger).

##### 4.4.1.2.4 River and lagoon transport

4.116. The Port of Cotonou remains less competitive than its rivals in the subregion. The main weaknesses affecting the port's competitiveness include low capacity, poor productivity due to its handling rate, and relatively burdensome customs procedures.

4.117. Efforts are being made to develop river and lagoon transport services, which are still being provided by small local craft. In 2010, the Government set up a regulatory framework establishing the conditions for engaging in river and lagoon transport activities. The Directorate in charge of river and lagoon transport is responsible for introducing the relevant government strategy.

#### 4.4.1.3 Tourism

4.118. In 2013, Benin formulated its national tourism policy for the period 2013-2025. Among other things, this document identified the challenges facing the subsector and the measures that could be taken to develop the country's tourism potential.

4.119. Tourism accounts for about 2% of Benin's GDP and is a major source of foreign currency earnings. In 2011, it employed around 42,500 people, that is, 2.2% of the economically active population.<sup>21</sup> Most of the jobs are in restaurants and in hotels and other forms of accommodation. Between 2010 and 2014, the number of hotels increased from 580 to 1,134. During the same period, capacity rose from 7,362 rooms with 14,704 beds to 13,143 rooms with 29,329 beds.

4.120. Benin's tourism assets are considerable and diversified. The site of the royal palaces of Abomey is currently on UNESCO's world heritage list, while the oral genre "*Gelede*" is on the representative list of the intangible cultural heritage of humanity. With regard to the architectural heritage, the country is full of examples of ancient architectural styles, the most famous of which is the *Tata Somba*. Moreover, its natural heritage includes several biosphere reserves (classified/sacred forests, parks and bodies of water) and upland areas (the Atacora chain and the hills of Dassa and Savalou). The lake village of Ganvié and cultural, including religious, products are other attractions. Given its potential, Benin could make tourism an effective means of driving economic growth, creating jobs and reducing poverty.

4.121. The weakness of the legislative and institutional framework appears to be one of the reasons for the sluggishness in the tourism subsector. The laws and regulations governing the subsector have remained unchanged for a number of years and are ill-adapted to the realities of the present. The main legislative instrument is Law No. 93001 on hunting and tourism of 3 August 1993, which allowed for private investment in the subsector. The hotel legislation includes Decree No. 96-345 of 23 August 1996 and the catering trade is regulated by Decree No. 87-76 of 7 April 1987 on the installation and operation of food service establishments. As for the current institutional organization, it is characterized by a multiplicity of participants without a formal framework for cooperation. However, the authorities have indicated that efforts are being made to reform the legislative and institutional framework for tourism in Benin.

4.122. Overall, the subsector is open to foreign companies. In its GATS Schedule of Specific Commitments, Benin undertook to maintain hotel and restaurant services open to foreign commercial presence. The entry and temporary stay of directors, senior executives and specialists transferred by a company establishing itself in these subsectors in Benin were also bound. Travel agencies installed outside Benin (cross-border supply) must work through a Beninese or foreign agency established in the country.

4.123. Investments of CFAF 20 million or more in tourism activities are eligible for the special regime under the Investment Code. Moreover, tax relief is available for certain vehicles used for tourism.

#### **4.4.1.4 Financial services**

##### **4.4.1.4.1 Banking**

4.124. The legislative and institutional framework for banks has remained unchanged since Benin's preceding TPR. The practice of banking is subject to WAEMU's common banking regulations and to the prudential rules drawn up by its Banking Commission, which also has a monitoring role.

4.125. Under the GATS, banking services for deposits, loans, payments and transfers have been bound for modes 1 to 4.<sup>22</sup> Banks must be established in the form of public limited companies with fixed share capital having their principal place of business in Benin or, by special authorization, in the form of cooperative or mutual societies with variable share capital.<sup>23</sup> Moreover, any person acting as the director, administrator or manager of a bank or financial institution or one of its agencies must be of Beninese nationality unless the bank has been allowed assimilation to nationals of the Republic of Benin under an establishment agreement.

4.126. Benin has 15 banks approved by the BCEAO.<sup>24</sup> They form a large part of the financial sector, accounting for over 90% of assets in 2015. Moreover, at the end of June 2015, banking

<sup>21</sup> National Tourism Policy Paper, 2013-2025. Ministry of Culture, Literacy, Crafts and Tourism, Cotonou, October 2013.

<sup>22</sup> WTO documents GATS/SC/11 and GATS/EL/11 of 15 April 1994.

<sup>23</sup> Law No. 90-018 of 27 July 1990 containing the banking regulations.

<sup>24</sup> Online information viewed at: <http://www.bceao.int/Benin-2330.html>.

assets accounted for 62% of GDP.<sup>25</sup> The banking system continues to suffer several weaknesses, mainly the high level of non-performing bank loans.

4.127. Financial inclusion has recently improved with the development of microfinance institutions which provide services for more than 20% of the population. The activities of these financial institutions are subject to common WAEMU regulations (common report, section 4.4).<sup>26</sup> In Benin, the microfinance institutions are supervised by the Ministry responsible for finance.

#### **4.4.1.4.2 Insurance**

4.128. The Beninese insurance market is subject to the regulations of the Inter-African Conference on Insurance Markets (CIMA) (common report, section 4). There are 14 insurance companies, among them eight offering fire, accident and risk (general) insurance and six offering life insurance. In 2011, general insurance accounted for 70% of production.<sup>27</sup>

4.129. The subsector is supervised by the Ministry responsible for finance. In addition to third-party insurance for motor vehicles, which is compulsory under the CIMA Code, third-party insurance for users of commercial or fishing vessels and insurance of goods at importation, irrespective of the mode of transport used, are also compulsory in Benin.

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<sup>25</sup> Online information viewed at: <https://www.imf.org/external/french/pubs/ft/scr/2016/cr1607f.pdf>.

<sup>26</sup> Law No. 59/94/ADP of 15 December 1994 and its implementing Decree No. 95-308/PRES/MEFP of 1 August 1995.

<sup>27</sup> Online information viewed at: <http://www.asabenin.org/GROUPE%20AXA.COM/vues/presentation.php>.

## 5 APPENDIX TABLES

Table A1. 1 Structure of exports, 2009-2016

	2009	2010	2011	2012	2013	2014	2015	2016
World (US\$ million)	425.3	533.9	388.6	460.3	602.0	951.0	625.6	409.8
World (€ million)	306.2	403.1	279.5	358.3	453.4	716.8	564.1	370.4
	(Percentage share)							
Total primary products	81.4	80.5	69.1	73.4	76.7	59.7	71.7	77.1
Agriculture	80.7	72.3	55.0	63.9	68.6	46.6	66.6	71.6
Food	49.3	50.5	25.3	28.4	26.4	14.9	22.7	27.1
0577 - Edible nuts (excluding nuts chiefly used for the extraction of oil), fresh or dried, whether or not shelled or peeled	7.8	6.1	13.4	12.8	12.8	9.2	14.4	13.4
4222 - Palm oil and its fractions	3.7	1.0	0.5	0.6	0.4	0.0	2.9	2.9
4229 - Other fixed vegetable fats, crude, refined or fractionated, other than "soft"	0.0	0.3	0.9	0.6	0.1	0.0	0.3	2.0
0813 - Oilcake and other solid residues (except dregs), whether or not ground or in the form of pellets, resulting from the extraction of fats or oils from oil-seeds, oleaginous fruits and germs of cereals	1.9	1.8	1.5	1.4	2.2	0.9	0.9	1.7
0611 - Sugars, beet or cane, raw, in solid form, not containing added flavouring or colouring matter	2.0	0.8	0.0	1.6	2.0	0.9	0.6	1.4
2237 - Oil-seeds and oleaginous fruits, n.e.s.	0.0	0.0	0.2	0.3	0.7	0.2	0.7	1.2
4212 - Cotton seed oil and its fractions	0.0	1.1	2.3	2.2	1.5	0.6	0.7	1.1
2223 - Cotton seeds	0.1	0.8	0.0	0.0	0.0	0.1	0.2	0.8
2222 - Soya beans	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.8
0123 - Meat and edible offal of the poultry of subgroup 001.4	15.7	17.8	0.0	0.0	0.0	0.0	0.0	0.0
0423 - Rice, semi-milled or wholly milled	8.6	17.1	2.3	1.0	1.7	0.8	0.0	0.0
Agricultural raw materials	31.4	21.8	29.7	35.5	42.2	31.7	43.9	44.6
2631 - Cotton (other than linters), not carded or combed	30.2	20.8	28.1	32.2	39.1	30.3	41.9	42.8
2475 - Wood of non-coniferous species, in the rough (whether or not stripped of bark or sapwood) or roughly squared, but not treated with paint, stains or other preservatives	0.0	0.2	0.3	1.5	1.3	0.2	1.4	0.9
Mining	0.7	8.3	14.1	9.6	8.1	13.1	5.1	5.5
Ores and other minerals	0.7	0.7	2.3	1.4	1.9	2.2	1.3	1.9
2823 - Other ferrous waste and scrap	0.5	0.3	1.7	0.7	0.6	0.6	0.8	1.0
Non-ferrous metals	0.0	0.1	0.1	0.0	0.0	0.0	0.1	0.1
Fuels	0.0	7.5	11.7	8.2	6.2	10.9	3.6	3.6
334 - Petroleum oils (other than crude)	0.0	6.7	11.0	8.1	5.8	10.5	3.3	3.2
Manufactures	18.6	15.1	27.7	22.3	19.7	38.0	25.9	18.5
Iron and steel	9.2	6.2	13.4	13.9	10.1	4.3	4.4	4.0

	2009	2010	2011	2012	2013	2014	2015	2016
6762 - Bars and rods (other than those of subgroup 676.1) of iron or steel, not further worked than hot-rolled, hot-drawn or hot-extruded, but including those twisted after rolling	0.0	0.0	0.0	0.0	3.1	1.6	1.0	0.8
6761 - Bars and rods, hot-rolled, in irregularly wound coils, of iron or steel	3.9	2.1	4.0	4.7	2.2	1.0	0.7	0.8
Chemicals	0.9	0.9	1.6	1.1	0.9	1.0	0.8	1.4
Other semi-manufactures	0.8	0.6	1.5	1.4	2.9	6.4	6.7	4.7
6612 - Portland cement, aluminous cement, slag cement, supersulphate cement and similar hydraulic cements, whether or not coloured or in the form of clinkers	0.0	0.0	0.0	0.5	2.2	4.0	5.8	3.7
Machinery and transport equipment	4.6	5.8	6.4	2.2	3.1	23.0	11.6	4.3
Power-generating machinery	0.1	2.4	0.6	0.0	0.1	0.1	0.6	0.1
Other non-electrical machinery	3.3	1.5	3.9	1.3	2.4	10.9	2.7	2.6
7443 - Ships' derricks; cranes (including cable cranes); mobile lifting frames, straddle carriers and works trucks fitted with a crane	0.1	0.1	0.4	0.1	0.1	0.6	0.1	0.5
Agricultural machinery and tractors	0.2	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Office machines and telecommunications equipment	0.1	0.0	0.0	0.0	0.0	0.2	0.0	0.1
Other electrical machinery	0.1	0.5	0.1	0.2	0.1	0.6	0.2	0.1
Automotive products	1.0	1.2	1.5	0.6	0.4	0.9	0.8	1.2
7812 - Motor vehicles for the transport of persons, n.e.s.	0.1	0.3	0.7	0.4	0.3	0.3	0.4	0.6
Other transport equipment	0.0	0.1	0.3	0.1	0.1	10.4	7.2	0.2
Textiles	2.4	1.4	4.3	3.1	2.3	1.5	1.7	2.7
6522 - Cotton fabrics, woven, unbleached (other than gauze and pile and chenille fabrics)	1.6	1.1	3.8	2.8	2.0	1.4	1.7	2.6
Articles of apparel and clothing accessories	0.1	0.0	0.1	0.0	0.0	0.0	0.1	0.1
Other consumer goods	0.5	0.3	0.4	0.6	0.4	1.7	0.6	1.4
Other	0.0	4.3	3.2	4.2	3.6	2.3	2.4	4.4
9710 - Gold, non-monetary (excluding gold ores and concentrates)	0.0	4.3	3.2	4.2	3.6	2.3	2.4	4.4

Source: WTO Secretariat calculations based on data from the UNSD Comtrade database (SITC Rev.3).

**Table A1. 2 Structure of imports, 2009-2016**

	2009	2010	2011	2012	2013	2014	2015	2016
World (US\$ million)	1,549.0	2,133.6	2,070.0	2,316.4	2,940.7	3,596.1	2,474.7	2,630.2
World (€ million)	1,115.0	1,610.9	1,489.1	1,802.9	2,214.8	2,710.5	2,231.4	2,377.8
	(Percentage share)							
Total primary products	52.0	61.4	53.9	62.5	57.4	64.5	61.9	68.6
Agriculture	34.6	41.3	36.5	40.8	42.8	49.6	43.9	50.1
Food	31.1	38.6	33.9	37.9	40.3	47.6	41.3	49.0
0423 - Rice, semi-milled or wholly milled, whether or not polished, glazed, parboiled or converted (including broken rice)	5.9	14.7	7.5	13.1	18.0	27.1	15.2	21.5
0422 - Rice, husked but not further prepared (cargo rice or brown rice)	0.0	0.1	0.1	0.5	2.2	1.3	3.2	7.6
0123 - Meat and edible offal of the poultry of subgroup 001.4, fresh, chilled or frozen	9.3	7.6	9.3	9.4	7.8	6.8	9.1	6.4
0342 - Fish, frozen (excluding fillets and minced fish)	1.7	1.3	1.5	1.5	1.3	1.5	2.3	2.7
4222 - Palm oil and its fractions	4.3	6.0	5.0	2.7	2.3	1.4	2.1	2.6
0341 - Fish, fresh (live or dead) or chilled (excluding fillets and minced fish)	0.0	0.0	0.0	0.0	0.0	2.4	1.4	1.7
0612 - Other beet or cane sugar and chemically pure sucrose, in solid form	0.9	0.9	0.9	0.9	1.0	0.7	1.5	1.2
Agricultural raw materials	3.5	2.6	2.6	2.9	2.5	2.0	2.6	1.1
2690 - Worn clothing and other worn textile articles; rags	3.3	2.5	2.3	2.4	1.9	1.5	2.0	0.8
Mining	17.4	20.1	17.4	21.7	14.6	14.8	18.0	18.5
Ores and other minerals	0.5	0.4	0.6	0.5	0.4	0.4	0.4	0.4
Non-ferrous metals	0.2	0.1	0.1	0.2	0.1	0.2	0.3	0.2
Fuels	16.6	19.6	16.7	21.0	14.1	14.3	17.4	18.0
334 - Petroleum oils (other than crude)	9.9	13.5	9.9	15.5	8.9	9.7	11.7	13.1
3510 - Electric current	6.3	5.3	6.0	5.3	4.7	3.8	4.6	3.6
3425 - Butanes, liquefied	0.4	0.6	0.6	0.2	0.4	0.6	0.6	0.9
Manufactures	48.0	38.6	46.1	37.5	42.4	35.5	38.1	31.4
Iron and steel	5.2	4.0	5.7	6.1	3.5	2.3	2.9	2.4
6761 - Bars and rods, hot-rolled, in irregularly wound coils, of iron or steel	3.5	1.9	2.9	2.4	0.8	0.7	1.0	0.8
Chemicals	9.1	6.9	8.8	5.9	5.5	5.0	6.1	6.1
5429 - Medicaments, n.e.s.	2.8	2.1	2.5	2.4	2.0	1.9	2.2	2.0
5421 - Medicaments containing antibiotics or derivatives thereof	0.9	0.7	0.9	0.7	0.6	0.6	0.7	0.8
Other semi-manufactures	7.9	6.8	8.8	7.5	8.2	4.7	5.8	5.0

	2009	2010	2011	2012	2013	2014	2015	2016
6612 - Portland cement, aluminous cement, slag cement, supersulphate cement and similar hydraulic cements, whether or not coloured or in the form of clinkers	2.5	2.5	3.9	3.4	2.8	1.3	1.5	1.4
6624 - Non-refractory ceramic bricks, tiles, pipes and similar products	0.8	0.6	0.7	0.6	0.7	0.5	0.9	0.7
Machinery and transport equipment	15.6	14.0	15.4	11.9	20.1	18.1	18.2	14.1
Power-generating machinery	0.4	0.7	0.4	0.6	0.5	0.5	0.6	0.5
Other non-electrical machinery	3.5	3.3	3.6	2.9	6.6	4.1	4.4	3.4
7443 - Ships' derricks; cranes (including cable cranes); mobile lifting frames, straddle carriers and works trucks fitted with a crane	0.0	0.3	0.0	0.3	1.1	0.2	1.0	0.7
Agricultural machinery and tractors	0.0	0.2	0.1	0.2	0.1	0.1	0.3	0.2
Office machines and telecommunications equipment	2.9	1.9	2.0	1.5	2.0	1.1	1.7	1.2
Other electrical machinery	1.4	1.3	1.2	0.8	1.6	1.1	1.7	1.2
Automotive products	5.1	4.8	5.6	4.2	3.8	3.4	5.2	5.3
7812 - Motor vehicles for the transport of persons, n.e.s.	3.3	2.7	3.2	2.8	2.2	2.0	3.1	3.5
7821 - Motor vehicles for the transport of goods	1.0	1.2	0.9	0.7	0.9	0.8	1.1	1.0
Other transport equipment	2.4	2.1	2.6	1.9	5.6	7.9	4.6	2.5
7851 - Motor cycles (including mopeds) and cycles fitted with an auxiliary motor, with or without side-cars; side-cars	2.0	1.7	2.2	1.6	1.7	1.9	2.4	2.0
Textiles	3.4	2.2	3.4	3.0	2.3	2.9	2.0	1.4
Articles of apparel and clothing accessories	3.3	2.1	1.0	0.5	0.3	0.2	0.2	0.2
Other consumer goods	3.5	2.7	3.0	2.7	2.5	2.3	2.7	2.3
Other	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0

Source: WTO Secretariat calculations based on data from the UNSD Comtrade database (SITC Rev.3).



**Table A1. 3 Destination of exports, 2009-2016**

	2009	2010	2011	2012	2013	2014	2015	2016
World (US\$ million)	425.3	533.9	388.6	460.3	602.0	951.0	625.6	409.8
World (€ million)	306.2	403.1	279.5	358.3	453.4	716.8	564.1	370.4
	(Percentage share)							
America	0.4	0.1	0.2	0.7	0.7	2.2	1.3	2.4
USA	0.0	0.0	0.1	0.4	0.5	1.2	0.7	1.7
Other America	0.4	0.1	0.1	0.3	0.2	1.0	0.6	0.7
Europe	5.2	8.9	10.7	7.1	8.3	19.5	11.5	12.1
EU-28	5.1	8.0	10.6	6.4	7.3	13.7	8.8	8.4
France	0.6	0.8	2.2	0.9	0.5	3.2	2.5	2.1
Denmark	0.9	1.3	3.0	1.5	1.8	2.0	2.2	2.0
Belgium	0.1	1.0	0.3	0.2	0.2	1.6	0.7	1.1
Italy	0.1	1.0	1.1	0.1	0.1	0.2	0.4	1.0
EFTA	0.1	0.4	0.0	0.6	0.7	1.4	1.2	0.9
Other Europe	0.0	0.5	0.1	0.1	0.2	4.5	1.5	2.9
Albania	0.0	0.0	0.0	0.0	0.2	0.5	0.7	2.2
Commonwealth of Independent States (CIS)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.5
Ukraine	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.5
Africa	58.3	64.4	45.8	44.4	37.8	42.1	28.5	28.1
Nigeria	39.9	42.3	11.9	8.9	11.7	5.0	6.3	6.6
Niger	2.1	3.1	2.6	5.2	5.2	5.9	9.6	6.0
Togo	2.5	2.2	2.3	1.8	3.0	2.0	1.7	3.6
Egypt	0.0	0.0	0.4	0.2	2.3	3.0	2.6	3.3
Côte d'Ivoire	2.6	2.6	4.6	6.5	2.2	1.9	1.7	2.9
Ghana	0.3	4.1	4.8	5.0	2.8	3.9	1.5	1.2
Burkina Faso	0.6	1.1	1.8	0.8	1.1	0.6	0.6	1.1
Middle East	0.1	0.9	1.4	0.6	1.0	0.3	0.5	1.5
United Arab Emirates	0.0	0.7	1.3	0.2	0.1	0.1	0.4	1.3
Asia	36.0	25.7	41.8	47.1	52.2	35.8	58.2	54.4
China	18.5	10.0	15.6	25.0	20.0	9.9	5.3	6.7
Japan	0.0	0.0	0.0	0.0	0.3	0.0	0.0	0.0
Other Asia	17.5	15.7	26.2	22.0	32.0	26.0	53.0	47.7
India	8.2	4.6	9.8	11.2	11.8	8.6	13.0	15.4
Malaysia	1.2	1.5	4.0	7.0	3.9	3.8	8.8	13.2
Bangladesh	0.0	0.6	0.1	0.0	2.9	4.4	7.4	10.2
Viet Nam	3.1	2.1	1.6	1.5	3.7	4.1	7.5	3.2
Pakistan	0.8	0.7	0.5	0.2	0.5	0.5	2.8	1.7
Indonesia	2.0	3.2	7.1	0.6	6.4	3.6	3.7	1.1
<b>Memorandum:</b>								
West African Economic and Monetary Union (WAEMU)	9.3	9.6	12.5	14.8	11.9	10.6	14.1	14.0
Niger	2.1	3.1	2.6	5.2	5.2	5.9	9.6	6.0
Togo	2.5	2.2	2.3	1.8	3.0	2.0	1.7	3.6
Côte d'Ivoire	2.6	2.6	4.6	6.5	2.2	1.9	1.7	2.9
Burkina Faso	0.6	1.1	1.8	0.8	1.1	0.6	0.6	1.1
Senegal	0.4	0.3	0.0	0.3	0.2	0.0	0.5	0.2
Mali	1.2	0.4	1.1	0.2	0.2	0.2	0.1	0.1
Guinea-Bissau	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: WTO Secretariat calculations based on data from the UNSD Comtrade database.

**Table A1. 4 Origin of imports, 2009-2016**

	2009	2010	2011	2012	2013	2014	2015	2016
World (US\$ million)	1,549.0	2,133.6	2,070.0	2,316.4	2,940.7	3,596.1	2,474.7	2,630.2
World (€ million)	1,115.0	1,610.9	1,489.1	1,802.9	2,214.8	2,710.5	2,231.4	2,377.8
	(Percentage share)							
America	6.0	4.5	5.3	7.6	8.9	9.0	6.9	5.2
USA	2.5	2.2	2.2	1.8	5.5	6.4	3.3	2.2
Other America	3.5	2.4	3.1	5.8	3.4	2.7	3.6	3.0
Brazil	2.9	1.8	2.3	3.6	2.6	1.8	2.8	2.0
Europe	43.7	41.7	44.6	42.0	33.1	30.7	36.1	31.1
EU-28	40.4	38.2	41.4	37.2	30.7	28.7	34.0	28.2
France	17.5	14.7	15.7	13.7	11.7	8.3	11.7	10.1
Netherlands	5.0	5.7	4.4	4.4	4.2	4.5	3.2	4.8
Belgium	4.1	3.8	4.6	5.2	4.0	3.8	4.9	4.7
Spain	2.1	2.6	2.0	1.9	1.5	2.8	6.0	2.0
Germany	3.1	3.0	4.3	1.7	1.5	1.0	1.4	2.0
United Kingdom	3.9	4.4	4.6	4.5	2.3	3.6	2.1	1.3
Italy	1.4	1.6	1.5	0.9	1.6	0.9	1.2	1.0
EFTA	2.9	2.7	2.4	3.1	1.0	0.8	0.8	1.6
Switzerland	1.7	1.8	2.0	2.7	0.7	0.7	0.6	1.1
Other Europe	0.4	0.8	0.8	1.7	1.4	1.3	1.3	1.3
Turkey	0.4	0.8	0.8	1.7	1.4	1.3	1.3	1.3
Commonwealth of Independent States (CIS)	0.1	0.8	0.3	0.9	0.5	0.2	0.3	1.1
Russian Federation	0.0	0.1	0.2	0.3	0.3	0.1	0.2	1.0
Africa	21.4	19.4	23.6	22.5	19.5	18.1	19.4	17.5
Togo	10.9	7.9	12.0	10.0	10.3	7.3	8.5	7.3
Morocco	0.2	0.4	0.4	0.3	0.5	0.8	1.1	1.5
Nigeria	3.1	4.2	4.3	4.4	2.5	2.1	3.3	1.5
Mauritania	0.8	0.5	0.6	0.3	0.3	1.5	0.9	1.4
Angola	0.0	0.0	0.0	0.0	0.1	0.2	0.3	1.3
Middle East	2.4	3.1	2.2	2.7	1.7	2.1	1.8	3.2
United Arab Emirates	1.8	2.7	1.5	2.5	1.4	1.7	1.3	2.5
Asia	26.0	30.3	23.9	24.2	36.1	39.6	35.2	42.1
China	13.4	10.2	9.3	8.3	10.0	7.8	10.8	8.4
Japan	1.4	1.3	1.5	0.8	0.7	0.3	0.1	0.4
Other Asia	11.2	18.8	13.1	15.2	25.4	31.5	24.3	33.3
India	1.0	0.9	1.2	4.2	11.3	13.3	9.8	14.9
Thailand	2.8	8.6	4.4	4.7	6.7	12.6	7.7	12.4
Malaysia	3.2	5.6	4.1	2.6	2.6	1.3	2.4	2.5
Other	0.4	0.2	0.1	0.1	0.1	0.2	0.3	0.0
<b>Memorandum:</b>								
West African Economic and Monetary Union (WAEMU)	14.5	10.7	16.0	15.0	12.6	8.9	11.3	8.8
Togo	10.9	7.9	12.0	10.0	10.3	7.3	8.5	7.3
Côte d'Ivoire	2.9	2.1	3.2	4.3	1.7	1.1	1.9	0.9
Senegal	0.6	0.6	0.7	0.7	0.5	0.3	0.6	0.4
Burkina Faso	0.0	0.0	0.1	0.0	0.0	0.1	0.1	0.0
Mali	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Niger	0.1	0.0	0.1	0.0	0.1	0.1	0.0	0.0
Guinea-Bissau	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.0

Source: WTO Secretariat calculations based on data from the UNSD Comtrade database.