

Introduction

Benin is a small country in West Africa with a coastline on the Bight of Benin. Neighboring countries include Burkina Faso, Niger, Nigeria, and Togo. The geography of Benin is mostly flat with sandbanks that make access to the coast difficult. The government system is a republic; the chief of state and the head of government is the president. Officially, Benin has a mixed economic system, however, subsistence farming and underdeveloped industries are indicative of a traditional economy in which the allocation of available resources is based on inheritance and primitive methods. Benin is a member of the Economic Community of West African States (ECOWAS).



Location: Western Africa

Capital City: Porto-Novo (+1 GMT)

Chief of State: President Patrice Talon

Head of Govt.: President Patrice Talon

Currency: Communauté Financière Africaine franc (XAF)

Major Languages: <p>55 languages; French (official); Fon (a Gbe language) and Yoruba are the most important indigenous languages in the south; half a dozen regionally important languages in the north, including Bariba (once counted as a Gur language) and Fulfulde</p>

Primary Religions: <p>Muslim 27.7%, Roman Catholic 25.5%, Protestant 13.5% (Celestial 6.7%, Methodist 3.4%, other Protestant 3.4%), Vodoun 11.6%, other Christian 9.5%, other traditional religions 2.6%, other 2.6%, none 5.8% (2013 est.)</p>

Calling Code: 229

Voltage: 220

Key Websites

Main Government Page: gouv.bj

Commerce Ministry: finances.bj

Investment Promotion Agency: cepici.gouv.ci

Key Economic Facts

Income Level (by per capita GNI):	Low Income
Level of Development:	Developing
GDP, PPP (current international \$):	\$54.16 billion (2022)
GDP growth (annual %):	6.25% (2022)
GDP per capita, PPP (current international \$):	\$4,056.11 (2022)
External debt stocks, total (DOD, current US\$):	\$6,863,789,220.00 (2021)
Manufacturing, value added (% of GDP):	9.82% (2022)
Current account balance (BoP, current US\$):	-\$0.73 billion (2021)
Inflation, consumer prices (annual %):	1.35% (2022)
Labor force, total:	4,811,208 (2022)
Unemployment, total (% of total labor force) (modeled ILO estimate):	1.65% (2022)
Imports of goods and services (current US\$):	\$5.10 billion (2022)
Exports of goods and services (current US\$):	\$3.77 billion (2022)

GDP Composition %

Agriculture Services Industry Manufacturing



**Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

Rankings

Index	Rank
Corruption Perceptions Index	77 / 178
Global Competitiveness Index	125 / 141
Global Enabling Trade Index	124 / 136
Index of Economic Freedom	84 / 176
International Logistics Performance Index (LPI)	76 / 160
Inward FDI Potential Index	136 / 139
KOF Index of Globalization	130 / 185
Networked Readiness Index (NRI)	128 / 139
Open Budget Index	21 / 114

Risk Assessment (Provided by Coface)

Country rating: B - Political and economic uncertainties and an occasionally difficult business environment can affect corporate payment behavior. Corporate default probability is appreciable.

Business Climate rating: C - The business environment is difficult. Corporate financial information is often unavailable and when available often unreliable. Debt collection is unpredictable. The institutional framework has many troublesome weaknesses. Intercompany transactions run major risks in the difficult environments rated C.

Strengths

- High growth potential, based in particular on tourism, transit trade and improved agricultural yields
- Strategic position (access to the sea for hinterland countries: 2000 km pipeline from Niger to Benin completed)
- Effective structural reforms: investment and fiscal consolidation
- Support from multinational organization's and bilateral partners

Weaknesses

- Poorly diversified economy (exports based on cotton and re-exports, and imports of energy and food)
- Governance shortcomings: corruption, bureaucracy, political and judicial arbitrariness
- High poverty rate (47%), high level of underemployment (70%), massive informal sector (90% of jobs), linked to subsistence agriculture
- Insecurity in the north due to Islamist incursions
- Tensions with neighbouring Niger

U.S. Embassy

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