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).

Key Economic Facts

- **Income Level (by per capita GNI):** Low Income
- **Level of Development:** Developing
- **GDP, PPP (current international $):** $25.44 billion (2017)
- **GDP growth (annual %):** 5.84% (2017)
- **GDP per capita, PPP (current international $):** $2,276.50 (2017)
- **External debt stocks, total (DOD, current US$):** $2,897,060,213.40 (2017)
- **Manufacturing, value added (% of GDP):** 12.30% (2017)
- **Current account balance (BoP, current US$):** -$0.93 billion (2017)
- **Inflation, consumer prices (annual %):** 0.08% (2017)
- **Labor force, total:** 4,707,957 (2018)
- **Unemployment, total (% of total labor force) (modeled ILO estimate):** 2.13% (2018)
- **Imports of goods and services (current US$):** $3.73 billion (2017)
- **Exports of goods and services (current US$):** $2.52 billion (2017)

**GDP Composition %**

- Agriculture: 22
- Services: 47
- Industry: 21
- Manufacturing: 12

*Risks Management (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**

- One of the most stable democracies in Africa
- Significant financial support from donors (ODA, HIPC, and MDRI)
- Strategic location (access to the sea for landlocked countries)

**Weaknesses**

- High levels of poverty
- Narrow and volatile export base (dependent on fluctuations in cotton price)
- Erratic electricity supply
- Governance shortcomings
- Activity and tax revenues impacted by Nigeria’s economic policy decisions
- Terrorist threat (Boko Haram) from neighboring Nigeria

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