

BENIN

President Patrice Talon ushers in a new era of industrial development

Leveraging its competitive advantages in logistics and agriculture, the stable and business-friendly West African nation is undergoing an economic renaissance

Home to a rich cultural heritage and breathtaking natural environments, the small West African nation of Benin also boasts an open and increasingly diverse economy that has recently been outperforming others in its region. Having achieved an average gross domestic product growth rate of 6.4% from 2017 to 2019, its resilient economy bounced back quickly from COVID-19, expanding by 7.2% in 2021 and 6.3% in 2022. During the first half of 2023, Benin's economy was slightly affected by some external events, such as elections in Nigeria and lifting of subsidies on prices of petroleum products, which should have a limited impact. Following an International Monetary Fund mission, these events are expected to cause a loss of 0.4 points of growth in 2023. Thus its growth rate has been revised to 6.1% in 2023 and should reach 6.5% in 2024.

Key growth drivers have been a dynamic agribusiness sector led by cotton and cashew exports, plus transit trade passing through the Port of Cotonou, which has a strategic location that makes it an import-export hub for Benin's landlocked neighbors, Nigeria and other West African nations. Additional important contributors include a burgeoning knowledge economy, tourism, telecommunications, energy and construction. However, the biggest catalyst for economic revitalization has been the government of President Patrice Talon, who came to power in the democratic, politically stable nation in 2016. Five years later, his determined vision to transform Benin won him a second mandate to continue his work until 2026, with the self-made cotton magnate gaining 86% of votes.

To start unleashing Benin's full economic potential, Talon spent much of his first mandate creating a more business-friendly environment. "International investors often do not come to Africa because it is considered a risk area. To outsiders, many African nations are characterized as lacking rigor, which is associated with corruption and bad governance. Since taking office, we have tried to change this perspective," explains Talon. "Our main objective for Benin's development is for everyone in the administration, judiciary, political life, the private sector and all parts of the economy to be more rigorous, and we have initiated numerous restructuring, legal and regulatory reforms that require this." To illustrate the breadth of his successful reforms, tax revenues have doubled, purely because more people are paying taxes, universal health insurance has been introduced, a one-stop shop for investors has been launched, trade customs processes have been digitalized, and Benin has passed some of the world's most advanced legislation for the protection of women's rights. "I am quite proud of the results and the degree to which our reforms have been adopted by the people of Benin. Even if everything is not perfect yet, we are on track," he asserts.

Another focus of Talon's government has been investments in the infrastructure needed to facilitate business growth, he says: "I consider infrastructure connected to, for instance, roads, water



President Patrice Talon at the US-Africa Leaders Summit in Washington.



Patrice Talon
President

and electricity to be essential components of development." At the start of its second mandate, his administration issued its second Government Action Program covering 2021-2026, which includes 342 projects valued at \$20.6 billion that are concentrated on infrastructure, as well as agribusiness, tourism, health, energy, telecommunications and

education. About half these projects are proposed as public-private partnerships and half will be fully state funded. "We are now one of the best-rated countries in Africa according to international ratings agencies, which allows us to access favorable financing conditions to make the necessary investments," Talon reveals.

Among new infrastructure schemes that are forging ahead is the Glo-Djigbé Special Economic Zone, which has so far attracted over 30 investors to establish industrial facilities, mainly to process Benin's rich agricultural harvests for added-value exports. "Factories are being set up in Glo-Djigbé by African and Asian enterprises, but very few by European and American ones at the moment. We need private sector investors to create more processing plants for cashews, pineapples, soya and textiles, for example. These factories will concentrate skilled labor and produce goods for international markets, and this is what will lead to Benin's development," he states.

Additional pillars for development are public investments in digitalization and education. "Competence is fundamental to progress. However, many of our young people lack qualifications and technical skills, as vocational education was absent from our system. We have, therefore, decided to invest significantly in vocational technical education."

PATRICE TALON
PRESIDENT

"Benin offers among the best business environments in Africa for safe and sustainable investments."

says the President. "We offer accelerated training for employees in various fields and are in the process of launching a program to build large technical schools at all levels."

Asked what he considers to be his government's biggest achievement to date, Talon replies: "Benin already has another mentality and that is our most extraordinary success of the last six years. Now, our second mandate must continue with the transformation of economic areas, including tourism, agriculture, industry and training. My message to potential investors is: come and visit as a tourist and to meet the authorities. That will give you a better idea of everything Benin has done to become a different country in just a few years. You will then realize that Benin offers among the best business environments in Africa for safe and sustainable investments. It is a small nation that is transforming into the economic heart of West Africa."

Evolving dynamics in the strong US-Benin relationship

The two nations are focused on boosting collaboration in trade and investment

Having first established diplomatic ties in 1960, the US and Benin now enjoy a multifaceted relationship. As Secretary of State Antony J. Blinken stated this August, "Our longstanding partnership is based on our mutual interest in democracy, maintaining regional security and promoting economic growth. The US will continue to stand with Benin to promote our shared values."

According to the US State Department, the West African nation has been "a model of democratic stability in an otherwise troubled region," and the US has consistently supported Benin's

ANTHONY J. BLINKEN
SECRETARY OF STATE

"Our longstanding partnership is based on our mutual interest in democracy, maintaining regional security and promoting economic growth."

democratic processes, providing assistance in organizing elections, strengthening institutions and promoting good governance. Meanwhile, Benin is considered a vital partner in ensuring the West African region's security and collaboration between the two in this area has grown due to mutual concerns about regional stability.

Benin's economic and social development has also benefited from US state investment, with a

number of agencies injecting an annual average of around \$100 million in development aid into the country in recent years. One of the most prominent is USAID, which among other things is partnering on major projects to strengthen health systems.

Another is the Millennium Challenge Corporation (MCC). The MCC's activities in the country started in 2006 with an investment to rehabilitate the Port of Cotonou, a facility that Blinken considers to be "critical to the economy of West Africa." Since then, it has supported projects to increase access to land, to justice in rural communities, to financial services for businesses and to regional markets. The most recent milestone in the MCC-Benin relationship was reached in June with the completion of the \$422.6-million Benin Power Compact — a program that has dramatically advanced the country's energy sector.

Last December, President Patrice Talon attended the US-Africa Leaders Summit in Washington, a landmark event at which President Joe Biden announced that the continent would receive at least \$55 billion in US investments over three years. "For me, the summit signaled a new willingness from the US to invest more in various sectors, especially in encouraging private-sector trade and investment," says Talon. "President Biden said there must be investment in Africa, but not many US investors have been ready to come to Benin so far. To remedy that, we have to work on the vision that investors have



MCC CEO Alice Albright, Secretary of State Antony Blinken and President Patrice Talon.

of Benin, putting things in place to mitigate risk. If we can set up this kind of mechanism on the bilateral level, it will facilitate the establishment of companies in Benin."

His government is now working to remove outdated negative visions that may have held US investors back from the diverse opportunities the country offers. And there are signals that trade between the two nations could be about to take off. The US exported goods worth \$286 to Benin in 2022, while trade going in the other direction was valued at just \$3 million. However, savvy US importers are starting to appreciate that Beninese products have duty-free status under the African Growth and Opportunity Act. Added to that, the government has invested heavily in transport and industrial infrastructure to enable

the country's vast wealth of agricultural produce to be efficiently processed and exported.

A promising indication of a changing dynamic in US-Benin trade came in July, when a textile factory in the new Glo-Djigbé special economic zone exported the first of 3 million high-quality garments made from local cotton to The Children's Place retail chain in the US.

Brian Shukan was posted as US Ambassador to Benin in 2021, but has worked there previously. He has been struck by the country's transformation. "The biggest change I'm seeing with the current government is a big improvement in economic development infrastructure," Shukan said in a recent interview, before asserting that the Beninese people are "absolutely hungry for more cooperation and partnership with the US."

TOP FIVE REASONS TO INVEST IN BENIN



The gateway to ECOWAS, a market of 15 West African states and over 300 million consumers



A politically, socially and financially stable country that is recognized as a model of liberal democracy in Africa



Clear governmental vision for development backed by huge infrastructure investments and reform programs



Attractive and constantly improving business climate supported by enticing investment incentives



Countless opportunities in diverse growth sectors and a young, highly motivated workforce

Benin's brighter tomorrow becomes a tangible reality

International agencies show confidence in Benin's dynamic and resilient economy and the government's financial management

A graduate of Harvard Business School, Romuald Wadagni amassed 17 years of expertise in French, US and African economic issues within Deloitte before being appointed as Minister of Economy and Finance in 2016. In the following interview, he explains why the Beninese economy has been outperforming others in its region and the government's strategy for maintaining that growth.

With an expected 6.1% rise in gross domestic product in 2023, Benin's economic growth is above the regional average. Can you describe some recent successes of the dynamic Beninese economy?

Thank you for noting the dynamic nature of our economy, to which I would add a second characteristic: resilience in the face of exogenous shocks. Indeed, despite the confluence of global shocks that have occurred over the last three years, our growth remained above 5.7% over the period 2020-2022, while many other countries were in the grip of recession. This is how, in 2022 and in a context of global hyperinflation, the Beninese economy was particularly robust with a real GDP growth rate of 6.3% and inflation contained at 1.4%, the lowest inflation rate within the West African Economic and Monetary Union (WAEMU) zone.

This resilience can be explained by a double phenomenon. On the one hand, growth was supported by the agricultural sector, in particular thanks to the securing of inputs necessary for production for the 2022/2023 campaign, as well as by the continued dynamic of industrialization and investments in infrastructure. On the other hand, the government has deployed effective measures to help populations cope with the high cost of living.

I would like to point out that our vigorous policy of responding to global shocks to protect our populations, particularly the most vulnerable, does not make us lose sight of budgetary discipline. Our budget deficit in 2022 was estimated at 5.5% of GDP compared to 5.7% in 2021, the second-best overall performance in the WAEMU. This drop in the overall budget balance demonstrates the government's determination to quickly return to a deficit level compatible with the WAEMU convergence criterion.

Bridging the nation's digital divide

Digitalization is fostering economic growth, job creation and improved public services

Introduced in 2018, Benin's Digital Act established a regulatory framework for the nation's transition to digitalization. This comprehensive legislation regulates the communication industry, outlines the role of digital technology in the country and ensures a clear path for digital transactions. The regulatory framework was created to provide predictability to investors and innovators to encourage them to participate in Benin's digital transformation.

The government is committed not only to ensuring accessibility to technology, but also to leveraging technology to unlock the potential of various sectors like tourism, transportation and agriculture. "I envision a nation where digital tools, platforms and solutions become an integral part of everyday life for citizens and businesses alike," declares Minister of Digital Economy and Digitization, Aurelie Adam Soule Zoumarou.

Benin has heavily invested in building a vast fiber-optic network, enhancing connectivity across the country. With over 1,500 miles of fiber optic and plans to expand, Benin is ensuring that businesses can operate efficiently and that citizens can access online public services seamlessly. The government is also exploring satellite communication solutions to provide internet access to even the most remote areas.

Nurturing collaboration and innovation

In a rapidly globalizing world, international collaboration is crucial. Benin has actively engaged with partners across the globe, seeking expertise, fostering digital trade and addressing cross-border challenges. Inspired by Estonia, the nation developed a digital interoperability platform that enhances the efficiency of public services. The result is a comprehensive ecosystem that benefits citizens, businesses and government alike. Over 300 public services have been digitalized to date through the platform, from business registration to healthcare appointments. This move has not only improved efficiency but also bolstered transparency and citizen engagement.

Citizens can interact with the government without the need for physical presence, revolutionizing the way public administration serves its people. By ensuring that digital tools have practical, everyday applications, Benin is empowering underserved communities to embrace the digital economy.

The Digital Transformation Center, a collaborative hub for both the public and private sectors, plays a crucial role in Benin's digital ecosystem. It serves as a catalyst for innovation, enabling startups, established companies and



Romuald Wadagni
Minister of Economy and Finance

Benin's economy is doing well and I am not the only one to say so. In April 2023, the International Monetary Fund carried out its second review of its Economic and Financial Program with our country to assess recent economic developments and progress made. The IMF concluded that Benin's economy is strengthening and that the authorities' well-balanced response to external shocks, supported by advanced financing under our Extended Fund Facility and Extended Credit Facility, has strengthened investor confidence. Benin's economic outlook remains favorable, thanks in particular to the expansion of our special economic zone and the modernization of the Port of Cotonou.

The solidity of the Beninese economy is also reflected in the confidence of financial rating agencies. Moody's confirmed our "B1 with stable outlook" rating this September, after Standard & Poor's and Fitch maintained "B+, outlook stable" ratings in May and April.

What are Benin's development focuses?

Firstly, we need to continue to strengthen resilience in the face of increasingly recurring and diverse shocks, particularly in relation to climate change and the security situation in the Sahel. Secondly, we must continue the economy's structural transformation, through an in-



Aurelie Adam Soule Zoumarou
Minister of Digital Economy and Digitization

research institutions to come together and create disruptive solutions. "Collaboration is key to sustainability," emphasizes Zoumarou.

Benin's innovation extends to ease of doing business. It has streamlined processes, offering a remarkable two-hour online company registration system. The introduction of e-governance initiatives, including digital passports, visas and tax payments, exemplifies Benin's focus on creating a seamless, corruption-free environment. One of the cornerstones of this vision is the Port Community System, which integrates all port stakeholders into a single data collection system. This ensures transparency, reduces cargo clearing time and eliminates corruption.

AURELIE ADAM SOULE ZOUMAROU
MINISTER OF DIGITAL ECONOMY AND DIGITIZATION

"I envision a nation where digital tools, platforms and solutions become an integral part of everyday life."

The government's commitment to fast-tracking processes, digitalization, efficient public services and collaborative partnerships makes the country an ideal destination for digital ventures. From digital health to agriculture and even artificial intelligence development, Benin offers a thriving ecosystem for companies seeking to invest and innovate. Minister Zoumarou's message is clear: "Benin is open for business."



Benin has been an independent country since 1960.

dustrialization policy based on synergies with agricultural production, as well as integration into global value chains. Thirdly, we need to amplify the sustainable increase in social wellbeing, so that each Beninese person continues to see their daily life improve and to offer the next generation a bright future. Today, this is no longer a promise; there are now tangible results.

What is your policy for meeting these goals?

The government is implementing an economic policy that covers 2021-2026, which is oriented toward the consolidation of the achievements of the 2016-2021 Government Action Program and the progressive positioning of our country on added-value chains. It is, therefore, a question of promoting sectors with high potential, including agriculture, tourism and the digital economy. Likewise, major projects aimed at filling Benin's infrastructure deficit are continuing, particularly in transport, energy and sanitation. This approach is complemented by the pursuit of reforms to improve the business environment and create a favorable framework for a dynamic and competitive private sector, as well as the promotion of a selective industrial sector. We are also working to improve technical education and vocational training to strengthen human capital, which must be one of the main levers of our long-term growth.

Challenges remain for Benin's economy, such as 2019's closure of the Benin-Nigeria border. What current risks you are particularly attentive to?

Thanks to the will and determination of Presidents Patrice Talon and Bola Ahmed Tinubu, relations between Benin and Nigeria are being revitalized more than ever. The two countries are united by indissoluble ties due to economic diplomacy and strong, active cooperation. This strengthening of ties has already favored the lifting of all customs restrictions. Today, our two states are working together and



The government is investing heavily in improving healthcare services for children.

A healthy prognosis

An innovative shake up of the health sector is taking Benin closer to universal coverage

In the last five years, Benin has taken huge strides in increasing access to quality healthcare services and reducing health inequalities for the 50% of the population that lives in rural areas. Working toward universal health coverage by 2026, the government has implemented reforms and investments that have improved the sector's governance, human resources, financing, service quality and infrastructure, as well as the availability of medicines and health information for citizens.

One prominent initiative has removed financial barriers to accessing healthcare: the Human Capital Strengthening Insurance Program. Through this, health insurance has become compulsory for everyone in Benin, which is paid for by their employers or, in the case of poorer members of society, the state. As a result, over 800,000 vulnerable people now qualify for free healthcare. In June, Minister of Health Professor Benjamin Hounkpatin launched another major initiative — the National Community Health Policy — that aims to ensure all those people have easy access to services. With nearly \$500 million in funding from the Islamic Development Bank and support from Unicef, USAID, the World Bank and the Global Fund, it is expected to impact 525,000 rural households.

"Benin has 7.7 health workers per 10,000 inhabitants, compared to WHO's recommended 25, and there is a geographical imbalance, as 79% of them are in urban centers. This policy is designed for health promotion, disease prevention and to bring health services closer to our populations," he says. 4,000 community relatives and health workers are being recruited to implement it. "A relay will be responsible for around 200 households that they visit at least once a week to provide advice, distribute products and detect issues that they refer to their supervisor. Those qualified health workers will treat sim-

considering joint development projects. Also, like any economy, Benin is exposed to some risks that are subject to rigorous monitoring and mitigation measures. The persistence of geopolitical tensions between Russia and Ukraine constitutes a risk for medium-term economic outlook at the international level. Even if the consequences had less impact on our national economy in 2022, there could still be some direct effects relating to commercial relations between Benin and the countries at war, as well as indirect effects concerning the implications of the conflict and sanctions on prices worldwide. Our country, however, remains ready to contain

ROMUALD WADAGNI
MINISTER OF ECONOMY AND FINANCE
"Despite the confluence of global shocks that have occurred over the last three years, our growth remained above 5.7% over the period 2020-2022."

the effects thanks to various measures of continuous price control on the local market and exemptions that have proven effective with regard to economic performance in the sub-region.

Another risk is climate risk. We are already observing, among other things, disruptions in agricultural calendars and yields, a drop in water levels in our drinking-water supply dams attributable to an increase in evaporation, the submergence of banks and so on.

Faced with the situation in the Sahel, the government has strengthened its security system at our borders and is deploying a civilian approach to risk mitigation. This aims to strengthen the presence of the state in localities at risk, and to meet the needs of the population in economic matters and public services.



Professor Benjamin Hounkpatin
Minister of Health

ple cases and refer others to larger facilities," he explains. Among its focuses, this program will enable Benin to continue to make remarkable progress in improving care for pregnant women and children, in promoting vaccinations for preventable diseases, in family planning guidance and in controlling malaria, which is a significant public health concern.

Beyond this project, the government will continue to invest in health provision: for example, five new hospitals are planned and Hounkpatin has announced a strengthening of training capacity that will see hundreds of doctors, nurses and midwives enter the sector or gain specialist skills. Benin is also embracing technology for telemedicine and data management, with a Digital Health Development Plan currently being formulated. As the Minister puts it, the Beninese population is benefiting from "a real health revolution."

A sustainable living environment

State investments in sustainable development are improving citizens' lives and supporting economic progress

As Minister of the Living Environment and Transport, in charge of Sustainable Development, José Didier Tonato has an expansive brief. "My ministry has responsibility for land-use planning, urban development, city management, housing, construction, the environment and climate change, waters, forests and protected areas, plus transport infrastructure and organization," he explains. "Everything concerns sustainable development and we also work closely with every other ministry, as President Talon wants an environmental dimension to be taken into account in all the country's projects."

Under the Benin Government Action Program (PAG) 2021-2026, over \$8 billion is being invested into Tonato's areas of responsibility, he says: "Overall, our ambition is sustainable improvement of the living environment and our economy's performance." His ministry is currently working on five key project areas to achieve those goals. The first is its Sustainable City and Territory Program, which concerns substantial city-level investment in urban infrastructure, principally roads and sanitation management and treatment facilities.

The second is the Housing and Construction Program. Under this umbrella, the ministry acts as a project manager for all public building works. It is also overseeing the construction of a state-of-the-art Ministerial City in the economic capital Cotonou and an Administrative City in each of Benin's 12 regions in order to enhance government effectiveness.

Another flagship element of this program is a project to build 20,000 housing units in Bomeka, a town near Cotonou, plus 14 towns in other regions. Residents should start moving into the first of 11,000 new houses and apartments in the Bomeka ecocity development this year. "Benin needs at least 100,000 new housing units annu-



José Didier Tonato
Minister of the Living Environment and Transport, in charge of Sustainable Development

ally to meet demand and this is a pilot program to show what the state wants to achieve. We want the private sector to develop projects and have carried out a lot of reforms to encourage that. For example, we facilitate access to land through our state land code, we have a new decree for building permits and we have worked with banks on individual housing financing," Tonato states.

His third focus is the Environment and Climate Program. Ministerial staff working within this remit have two central responsibilities: coastal protection and waste management. "When this government came to power in 2016, our coasts were being seriously attacked by marine erosion. We have taken protective measures at Cotonou, installed a submerged dike at Ouidah and are now treating our last, western segment of coastline," he says. "In terms of



Benin lies in a strategic location on the coast of West Africa.

JOSÉ DIDIER TONATO
MINISTER OF THE LIVING ENVIRONMENT AND TRANSPORT, IN CHARGE OF SUSTAINABLE DEVELOPMENT

"We have been rehabilitating our forests for six years and, since 2020, Benin has once again become a carbon sink."

waste, we've created a company that takes care of sanitation, waste management, cleaning, gutter maintenance and so on. That's made a remarkable difference in Cotonou." As well as state-level projects, the ministry oversees a national fund that provides for projects proposed by civil society stakeholders which will help localities adapt to or mitigate against climate change.

The fourth program covers water, forests and hunting. "We have been rehabilitating our forests for six years and, since 2020, Benin has once again become a carbon sink. This program also

includes the development of natural areas such as the Pendjari and W National Parks, which we need to secure in order to develop our tourism industry," Tonato comments.

Last but not least, there is the Transport Program, through which the ministry is currently investing in the development and modernization of roads, seaports and the airport. According to the Minister, "Our road network was in a rather deplorable state in 2016 and President Talon said he wanted all of Benin's 77 communes to be connected by paved road. We have now connected 70 of them and the remaining seven will be completed within three years."

High-quality construction standards will optimize the lifespan of these roads, he adds: "It is a territorial network that not only allows good circulation, but also agricultural and industrial production to be securely transported to our port, airport and neighboring countries."

Asked what his personal goals are in his ministerial role, Tonato replies: "My objective is to really succeed in delivering all the PAG projects on time and above all in quality."

Investment in agriculture reaps its rewards

The agricultural sector continues to make remarkable gains in productivity, quality and sustainability



Benin's agricultural export-to-import ratio has increased by about 30% in three years.

The lifeblood of Benin's economy, agriculture employs some 70% of the population and accounts for around three quarters of all exports. "We are the biggest producer of cotton in Africa and the second for cashews. A few of our other key exports are soya, pineapples and organic shea butter of remarkable quality," says Minister of Agriculture, Livestock and Fisheries Gaston Dossouhoui.

Working in collaboration with stakeholders, including national trade bodies like the Inter-professional Cotton Association, President Talon's regime has restructured and invested in agriculture, dramatically raising its productivity, quality and sustainability to position Benin as "a regional agricultural powerhouse," says Dossouhoui. "Between 2016 and 2021 cotton production increased from 451,000 to 766,276 metric tons, soya went from 180,000 to almost 400,000 metric tons and almond exports quadrupled, for example. In the last three years, our agricultural export-to-import ratio increased by about 30%."

Equally strong gains have been achieved in vital areas for food security: staples like rice and

cassava, plus livestock farming that is focused on poultry, cattle and goats.

Among measures taken to deliver these improvements, the government has promoted modernization of farming techniques, including practices that address environmental challenges such as changing rain patterns and deforestation. The latter has proved so successful that Benin could mobilize the carbon sequestration capabilities it has reestablished as a new source of revenue. "We have also created a National Agricultural Development Fund to facilitate financing for local businesses — we cannot carry out a revolution in agriculture without strengthening small and medium-sized enterprises — and to grant credit subsidies to companies that want come here."

Going for gold with investment in sports and talent

Skilled young athletes can now realize their dreams thanks to a new ecosystem for sports

In 2016, Benin's government set out to revamp the country's underperforming sports sector. "The government's approach is to provide the Beninese sports environment with adequate infrastructure for the purpose of allowing young athletes to be trained in optimal conditions, as well as for the country to host national and international competitions," declares Minister of Sports, Benoît Dato.

As part of this program, the government established sports classes in high schools and colleges, constructed new stadiums and rehabilitated older facilities to meet international standards. It also professionalized competitions, substantially increased state funding to a wide range of sports, established new transparent governance mechanisms for federations, involved the private sector in the creation of sports companies, introduced tax exemptions on salaries and investments in the sector, and acquired audiovisual production resources to capture and broadcast events.

The government's approach to the sector's development has produced positive changes in a very short period of time. The strategy provides all federations with sufficient resources to identify and train talent, while the staging of high-level championships is a priority. Through the mobilization of internal resources, concessional and/or commercial collaborations with international experts, Benin is creating a solid platform from which its sports stars can thrive.



Benoît Dato
Minister of Sports

Dato adds: "What is remarkable is that we have more and more support from those in the sports movement. Likewise, they support us in the implementation of the reforms undertaken for the detection, training, support and promotion of talents in the different disciplines. "We have made impressive progress, but we still have a lot to do; our ambition being to properly structure the sector and to put our sport at the top of the continent and the world. We have the potential."



Investment in sport is having a positive impact on people's health and wellbeing.

As in most African countries, soccer is the dominant sport when it comes to the number of people playing the game and watching it live in stadiums or on TV. Soccer in Benin has benefited from a series of successful programs, including the construction of 22 modern multi-sport stadiums with synthetic pitches meeting international standards, sports classes and initiatives for young referees and sports reporters.

"Our new national academy will be housed in Sémé City, the international city of innovation and knowledge," Dato continues. "The construction of local infrastructure in schools and neighborhoods is facilitating the practice, in adequate and optimal conditions, for learners in sports classes, as well as encouraging vocations and creating emulation in the heart of our cities."

The Ministry of Sports is now actively engaged with youth sports associations, aiming to turn them into vibrant hubs for personal growth, while the transformation of the country's sporting ecosystem has had a positive effect on young people's health and wellbeing, as well as on the economy and wider society.

"One of our main programs dedicated to young people is called Sports Classes," Dato notes. "This is a framework for detecting, training and promoting talent in Beninese middle and high schools. Funding for this government program is provided entirely by the Ministry of Sports, which initiated and implements it."

"Furthermore, we also subsidize private training centers and all other associations dedicated to the sports training of young people, as well as the maintenance of sports associations."

One-stop shop for inward investors

Benin has made it easy for companies to take advantage of investment and trade opportunities

Convinced that the private sector must be central to Benin's development, in 2018 the government established the Agency for the Promotion of Investments and Exports (APIEX) to attract foreign investment and boost international trade. "The President has given us a mandate to ensure investors are happy," offers Laurent Gangbes, APIEX's managing director. Since then, it has streamlined investment processes and become the one-stop shop for inward investors. "Everything is centralized at APIEX. We can answer all your questions, we support you and we follow you along your investment journey. If any impediments emerge at the administrative level, we unblock them — as a businessman, the President fully understands the difficulties companies can face," explains Gangbes.

The agency acts as an information hub, providing data, analysis and advice on investment sectors with growth potential, regulatory frameworks, market conditions and proposed projects. It also serves as a critical bridge in expediting connections between the government, investors and local and global stakeholders, he says. "We act as the investor's advocate with public authorities. For example, we present investors' proposals to the Interministerial Committee for the Promotion of Investments, which allows all authorizations to be obtained quickly."

Asked to describe Benin's areas of opportunity for investors, Gangbes starts with agribusiness. "We have a dynamic agriculture sector that stands out for crops such as cotton, cashews, cassava and rice, plus market gardening. Fruit is another specialism: for instance, we are one of the biggest pineapple producers, with many European firms now importing them. One of our priorities is to draw in investors that can — in partnership with local firms or alone — set up processing plants to add value to our crops."

LAURENT GANGBES
MANAGING DIRECTOR, APIEX
"There are real opportunities for US firms to set up processing units in Benin for export to the US."

A second opportunity pillar is tourism, with Benin aiming to capitalize on the wealth of unique attractions it holds for global travelers interested in beach-based, safari, historical remembrance and cultural vacations. "The third pillar is investment in knowledge technologies. In addition, we are looking for partners in the production of pharmaceuticals, cleaning products, fertilizers and many other manufacturing industries," he reveals. Beyond those opportunities, there is also major potential in hydrocarbons, renewables, mining, construction, transport and logistics, according to the agency.

APIEX's establishment is far from the only way the government has invested to encourage businesses into those activities, states Gangbes: "When President Talon came to power, he recognized that massive public investments had to be made in infrastructure to facilitate local and international private sector investments." As well as revitalizing general transport systems, infrastructure investments have been made to catalyze specific sectors. For example, rural roads have been improved so agricultural prod-



Laurent Gangbes
Managing Director, APIEX

ucts can rapidly move from farms to the Port of Cotonou or Glo-Djigbé, a new, fully serviced special economic zone for processing industries.

The state has built tourist infrastructure too. As an illustration of its scale, a submerged 4-kilometer dike has been constructed off the coast near Cotonou, making Benin's waters the only safe place to swim on the West African coast. Behind this infrastructure, international hotel and resort operators including Club Méditerranée are constructing the first properties in what is set to become a world-class vacation village. "We have also invested in small tourist-related infrastructures in two national parks, extraordinary jewels that are among West Africa's largest wildlife reserves," he says. In addition, the government has invested in protecting and promoting Benin's millennia-long cultural heritage.

Human resource capacities is another area of focus. "We have training schools within the SEZ, for instance. While companies are constructing new facilities, the state supports their workforce's training by paying salaries," Gangbes reveals. The country is also providing its young population with skills for the digital sectors of today and tomorrow. Central to this is the creation of Sèmè City, an eco-city with a university campus, research centers and startup incubators.

Regulations concerning the business environment for investors have been bolstered as well. "Benin is considered to be calm, peaceful and safe. Security of investments is legally safeguarded and we offer profitable tax and other incentives," he notes. A further advantage for exporters is natural: its location next to Nigeria and its population of around 220 million people, he adds: "Nigeria is the leading economic power in Africa, but Benin's small size means our authorities can be much more agile and flexible toward investors wanting to access that market."

Most of Benin's exports are currently enjoyed by Nigeria or nations in the West African Economic and Monetary Union region and APIEX provides locally based businesses with plenty of proactive support to enter those markets. With the agency's assistance, exports to Europe are also rising steeply, but Gangbes believes the potential for trade with the US has yet to be fully exploited: "The African Growth and Opportunity Act allows Benin-made products to enter the US duty free and we do not utilize it enough. There are real opportunities for US firms to set up processing units in Benin for export to the US or to establish trade partnerships with Beninese producers."



Benin scored highly for public spending transparency in a coveted global index.

Tax transparency is among world's best

Heavy investment in new technology is paying rich dividends through far higher tax takes

Global recognition, praise and respect for the rewards of the many innovative reforms introduced by Benin's government to increase public spending transparency was in plentiful supply when the prestigious Global Tax Expenditure Transparency Index was published in late 2023.

Not only did Benin rank an extremely impressive eighth overall — ahead of economic powerhouses such as Australia, Spain, the UK and Portugal — in the rankings compiled by the Council on Economic Policies and the German Institute of Development and Sustainability, the republic's enviable position also meant it came first in Africa.

"The resulting flow of plaudits and coverage shone a welcome spotlight on Benin's near decade-long work on improving tax transparency, something that was music to the ears of Nicolas Yéoussi, director general of taxes. It also reinforced Benin's positive image in the eyes of international investors and companies, with the nation also now ranking in the top half of the annual Corruption Perceptions Index.

The senior official has occupied his position at the Directorate General of Taxes (DGT) for a long time and, along with greater tax transparency, has succeeded in implementing numerous reforms to strengthen the economy during his time at the state body. However, not one to rest on his laurels, Yéoussi is clear where his priorities lie as he looks to build on the outstanding progress with a set of ambitious targets for the next few years and beyond.

"My priority is to grow tax revenues by at least 15% per year," he states confidently. "To achieve this challenging goal, we must adapt human resources to the strategic objectives, continue to strengthen staff capacities and modernize the performance evaluation system. "In addition, we need to continue the digitalization of revenue collection procedures and continue the reforms to broaden the base and raise awareness among the population of the importance of paying tax."

Expanding on the comprehensive government digitalization program that has seen the administration update and improve internal processes, including those at the DGT, Yéoussi says the dynamic has been welcomed by staff as well as taxpayers.



Nicolas Yéoussi
Director General of Taxes

"Modern technological tools allow taxpayers to automatically declare and pay their taxes, duties and levies, provide information, as well as enabling training and education of all users of the tax administration," he explains. "Today, almost all tax procedures are digitalized, such as online registration, certificate of tax regularity, tax clearance and so on. All taxes are electronically declared and paid by all large and medium-sized businesses. Added to all this is the online filing of financial statements.

"The next steps at our level consist of extending such procedures to small and micro-sized businesses and facilitating property tax payments through mobile telephony. Having been at a crossroads, the DGT has chosen the path of modernism by definitively turning its back on that of routine and archaism for the betterment of the entire Beninese community."

The DGT recently launched an awareness campaign to promote tax citizenship, which provides education about taxes and how to make submissions correctly, securely and on time. "The campaign aims to encourage the payment of taxes by citizens," Yéoussi adds.

"It is also a way for the government to report on the use of the tax resources mobilized to generate enthusiasm among the population for greater participation in financing the economic development of our nation."



Benin's Port of Cotonou is the trade gateway of choice for neighboring countries.

The region's hub for trade and logistics

Ongoing investments have turned the Port of Cotonou into an innovative, secure and reliable logistics platform for international trade

The Port of Cotonou is a pillar of Benin's economic growth. Often referred to as PAC, it accounts for approximately 60% of the country's gross domestic product and handles nearly 90% of its international trade. As well as servicing Benin's own import and export needs, strategically located PAC ranks as the leading transit port in the Sahel region. In 2022, it handled close to 12 million tons of goods — with transit traffic constituting around 49% of its total operations — and that figure is expected to rise to 23 million tons by 2038.

Joris Thys is CEO of the Port Authority of Cotonou, which is responsible for managing, operating and developing PAC. He reveals some of the competitive advantages that are increasingly making it the port of choice for goods being shipped to or from nearby nations, including Burkina Faso, Chad, Niger, Mali and Nigeria: "Benin is a very stable environment, which is next to an economic giant, Nigeria. Furthermore, Benin's road network is almost completely renewed, connecting our port to our landlocked neighbors efficiently and without any problems for cargo along our corridors.

"In addition, we are a lean and effective organization, which has made customer service and trade facilitation a trademark of PAC, and that is a major plus in comparison to the generally more administration-heavy other ports in the region. Our authority has always had a vision to make PAC an innovative, secure and reliable logistics platform for international trade."

In recent years, this vision has been translated into projects that have advanced and modernized a port that currently boasts four terminals. For example, the authority has embraced digitalization and innovation to enhance its operations and reduce administrative bottlenecks. In addition to the Benin Customs agency's countrywide Import Verification Program for scanning and tracking goods and Single Window for Foreign Trade, PAC's implementation of its Electronic Cargo Tracking Slip platform and e-payment acceptance have streamlined cargo management and financial processes.

"Traditionally, Benin has always played a leading role in digitalization projects and we are ready to go even further. With the support of the government, we have launched a Port Community System project, which integrates



Joris Thys
CEO, Port Authority of Cotonou

every actor in the port platform into a single data collection system, enabling the tracking of cargo's exact position in the clearing process, compiling invoice information, flagging abnormalities and allowing clients to more effectively manage their imports and exports. This is being implemented to reduce the clearing time of goods, create full transparency and completely eliminate corruption," explains Thys.

JORIS THYS
CEO, PORT AUTHORITY OF COTONOU
"We value the importance of potential American investors, especially regarding the opportunities presented by the development of our new Africa Logistics Zone."

To further enhance its position as a trade gateway, the Port Authority of Cotonou has embarked on a five-year, \$480-million investment program known as the Port Master Plan (PMP). This comprehensive plan aims to renovate and replace obsolete port infrastructure and equipment, expand capacity and improve service quality by 2026. The plan was designed



Glo-Djigbé Industrial Zone is well placed for exporting through the Port of Cotonou.

in partnership with the Port of Antwerp-Bruges International, the internationally renowned port management organization, and its execution is well under way.

"More than 40 projects are currently ongoing, which includes about 12 major infrastructural projects," he states. "Among those, the China Harbour Engineering Company is constructing a new 20-hectare specialized bulk and break-bulk terminal at the east of our existing port that is expected to be finished by 2026. The same contractor is also building truck parking just outside PAC, which will decongest the port and streets of Cotonou, allow us to automate port access formalities and controls, and improve conditions for truck drivers."

In another notable development, a joint venture between the French groups Eiffage and Spie Batignolles, plus the Beninese construction company Adeoti, won a \$177-million contract to expand the port's basin to increase quay length and water depth from 10-11 meters to 16 meters, enabling the berthing of larger vessels.

"We have also started works for a new traditional fishing harbor that will drastically improve the working conditions of fishermen and the social and economic ecosystem surrounding them; we are installing a special petroleum jetty; and we are setting up a special economic zone — the Africa Logistics Zone — which will facilitate the regional distribution of fast-moving consumer goods, pharmaceuticals, spare parts and so on. This project has the potential to generate 10,000 jobs within the next decade," says Thys.

The port's PMP has the backing of various international partners. For instance, the African Development Bank Group approved a loan of around \$85 million to support PAC's plans this July. The port authority also collaborates with US bodies on multiple levels, according to the CEO. "Firstly, our compliance with the International Ship and Port Facility Security Code — a set of measures to enhance ship and port security required by the International Maritime Organization — is audited by the US Coast Guard several times a year. Together with operators at the port, we have been able to bring PAC into compliance and have passed these audits successfully," he says.

"In addition, we benefit from various projects financed by the Millennium Challenge Corporation and were proud to receive its CEO, Alice Albright, for fruitful discussions and a visit to our beautiful port last June. Finally, we maintain a close relationship with the US Embassy in Benin for monitoring regional economic developments and to facilitate economic missions. We value the importance of potential American investors, especially regarding the opportunities presented by the development of our new Africa Logistics Zone for setting up distribution activities."

PORT OF COTONOU IN NUMBERS

-  #1 transit port in the Sahel region
-  ~60% of Benin's GDP comes from the Port of Cotonou
-  12m tons of goods handled in 2022, 23m tons expected in 2038
-  49% of the port's operations are connected to transit trade
-  100% of stakeholders are integrated into its digital Port Community System
-  \$480 million being invested under the Port Master Plan
-  40+ projects in progress including 12 major infrastructure projects
-  1 additional terminal, quay length and depth expansion, a new SEZ for logistics and much more

Fertile ground for investors in a diverse range of industrial sectors

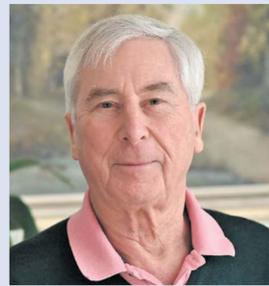
Fresh approach to fruit

A renowned supplier of prepared fruit, freshly squeezed juice and dairy-free ice cream to retailers worldwide, the UK-headquartered Blue Skies group employs over 5,000 people in its global network of facilities in the UK, Ghana, Egypt, South Africa, Brazil and — most recently — Benin.

In 2020, it expanded its operations into the West African country, opening its tenth processing factory there, which initially employed around 100 people. At this cutting-edge facility, the country's fruit is captured at its freshest, cut, packed and then flown to retailers in scheduled aircraft. "We decided to open a factory in Benin because the government's go-ahead attitude was attractive to us as investors," says Blue Skies chairman, Anthony Pile, who adds that the group's current operations in the country could grow tenfold.

The 25-year-old Blue Skies' "Blueprint" — its set of guiding principles — emphasizes responsibility to people, communities, the environment and wildlife. One of the core aspects of this commitment is ensuring minimal waste in production and distribution, as demonstrated by the fact that the group has achieved zero food waste at its Benin plant.

Water consumption is another area of focus, with measures such as water-efficient equipment and recycling through reverse osmosis leading to the group being able to recycle over 90% of the water used in the factory. New technologies have also been utilized to limit consumption of energy, plastics and chemicals. In addition, Blue Skies is continually researching ways to optimize its operational efficiency, Pile states: "In Benin, for example,



Anthony Pile
Chairman, Blue Skies

we are experimenting with new ergonomic ideas that will be incorporated into our 11th factory, which will be built in West Africa in three years' time, very possibly in Benin."

Blue Skies' investment comes as the nation is rapidly progressing and set to become an economic force in the region. "Our success has been built on the principle of adding value at the source, producing finished products where the fruit is grown, benefiting local communities and ensuring that our products are fresh from harvest," comments Pile, echoing Benin's push to add value to its raw products. "Benin is moving at an amazing pace and we are very fortunate to be in at the ground floor as the country takes off."

Radiant potential in BPO services

President of Vipp Interstis Charles-Emmanuel Berc's founding vision for his group was to tap the vast talent pool of sub-Saharan Africa to provide cost-effective business process outsourcing (BPO) services. He set out to hire individuals with a strong cultural background, proficient in French, eager to work and driven to contribute to their communities' future.

In 2011, Berc established Vipp Interstis' first subsidiary in Cameroon, before expanding into Benin and then Togo, Rwanda and Ethiopia. Today, Benin is the company's largest center, boasting nearly 1,500 employees who provide services to major European brands. "In Benin, more than anywhere else, things have been very straightforward: the investment promotion agency (APIEX) gave us an easy path to follow, something we're not used to in Africa," asserts Berc.

"Benin offers three major advantages: its transparent tax and social security legislation makes it easy to understand the challenges and risks of entrepreneurship — few African countries are at this level and the government is to be commended for this. Second is the quality of its infrastructure and third is its labor laws, which encourage hard work, but also provide for compulsory health insurance. It's a real comfort for Western entrepreneurs who come to invest here: they're on the same footing as in their own country."

While Vipp's offices in Cotonou initially started by providing just BPO services, they now also offer IT and application development services. To help its workforce adapt quickly to new challenges, the group established a coding school in Cotonou to nurture the local talent



Charles-Emmanuel Berc
President, Vipp Interstis

it relies on with APIEX's assistance. "Beninese people want to learn and do well. President Talon has shown them that it is possible to find decent, lasting jobs in the country and that prevents brain drain," Berc says.

Although still focused on international outsourcing, Vipp is increasingly receiving requests for services from expanding Beninese businesses, he notes: "We're delighted to respond to these. This growth in the domestic market is a pledge of a future that we like to imagine as radiant. In Benin, I find men and women who have the desire to succeed and to open up to the world. To know that Vipp is contributing in its own way to this success is a real source of pride for me."

Made in Benin for Benin

With the country's strong commitment to transform and develop its local industry, Fabrimetal Benin recognized the opportunity to establish a hot-rolling steel industry using the latest generation equipment, making it the first facility in Benin to provide certified European-quality FE500 reinforced steel bars (rebar). Fabrimetal aims to be the leader in producing rebar 100% locally, meeting international standards and benefiting Beninese citizens with products made in Benin by Beninese.

Part of the wider MMD Steel group, which now operates nine production facilities across the region, Fabrimetal Benin is strategically located to take advantage of the fact that demand for construction materials is surging across Africa. "The country's political stability, its current steady economic growth and the measures it has implemented to support industries reassure us in investing here," says Khalil Mourad, general director of Fabrimetal Benin. "We believe that from here, we can easily respond to local and neighboring countries' demands for internationally quality-assured products made in Africa, for building Africa."

Fabrimetal collects a significant portion of the ferrous waste and used oils from the country for production of its iron. Previously imported, this is an innovation for Benin and adds real value to local products and waste that used to be exported from the country without any transformation, forging the value-added revenue that is now being realized.

"We are proud to contribute to the heavy industries present in Benin and thank the



Khalil Mourad
General Director, Fabrimetal Benin

government for allowing us to establish this plant here," states Mourad. "We are prepared to invest in new equipment to expand our capacity as low-cost energy becomes available and import controls are adopted, which will keep us more competitive than importers of semi-finished goods and rebar."

Focused on training young people across various sectors in Benin, Fabrimetal has committed to employing over 350 local individuals and generating more than twice that number in indirect employment opportunities. "We provide comprehensive training for new employees through rigorous mentoring, enabling each of them to acquire skills that didn't previously exist," asserts Mourad.

Pioneering waste management

Around the world, solid waste not only impacts quality of life for citizens, it also poses serious environmental and social concerns. Through its Valdeo waste recovery project, Compagnie Béninoise de Production Polypropylène (CBPP) has embarked on a mission to revolutionize waste management in Benin. "The Agency for the Promotion of Investments and Exports facilitated the administrative approval process for the project and, with the support of the Beninese authorities and the West African Development Bank (BOAD), we have recently secured financing," shares Loukman Sani Agatha, director of CBPP.

With a loan of around \$8.2 million from BOAD, CBPP now has the funds to start constructing its pioneering Valdeo solid waste recovery plant, a state-of-the-art facility that will cover 6,000 square meters in the commune of Ouidah in southern Benin.

Once operational, waste such as paper, cardboard and cans collected by Valdeo agents will be taken to the recovery plant where they will be sorted, cleaned and crushed or compacted — a regeneration process that will conserve limited resources and turn them into valuable raw materials for local industries. Plastics, on the other hand, will be separated by type before being transformed into pellets that can form the basis of an array of products, ranging from bags to yogurt pots, fleece clothing, furniture, construction materials and medical equipment. "We are giving waste a second life," summarizes Agatha.

The project's vision is clear: to establish a circular economy that not only addresses the immediate issues of waste disposal and



Loukman Sani Agatha
Director, CBPP

pollution reduction, but also contributes to the long-term wellbeing of the nation. For example, Valdeo will generate around 300 jobs in the local community, with CBPP being particularly focused on supporting women, young people and those with disabilities. As part of its mission, CBPP is also working to promote waste sorting habits throughout the region.

The company's dedication to sustainable waste management is a testament to the positive change that can be achieved when visionary initiatives align with environmental stewardship and community empowerment. CBPP is not just managing waste, it's managing change toward a better future.



Glo-Djigbé Industrial Zone offers international-standard warehousing facilities.



One of Africa's biggest processing plants for soya is being built in the new SEZ.

Realizing added value in commodities

The new Glo-Djigbé Industrial Zone is set to completely revolutionize the economic landscape in Benin

The construction of a special economic zone (SEZ) is a major component of President Talon's Government Action Program and — just 30 miles north of Benin's economic capital Cotonou — the new Glo-Djigbé Industrial Zone (GDIZ) is now coming to life under the direction of the Industry Promotion and Investment Company (SIPI).

A public-private partnership, the government of Benin owns a 35% stake in GDIZ, with the Mauritanian-Singaporean firm Arise Integrated International Platforms (Arise-IIP) owning 65%. GDIZ is expected to increase Benin's gross domestic by up to \$7 billion over the next 10 years by transforming numerous locally produced agricultural and mining products into high-value processed goods for export, mostly to the US, the European Union and other African countries. "GDIZ is expected to completely change the economic landscape in Benin over the coming decade," asserts SIPI CEO Letondji Beheton.

Based on an integrated business-city model with commercial and industrial zones, international-standard warehouses and a logistics park, as well as housing, education and leisure amenities, GDIZ is strategically located on a highway connected to both the country's main airport and the Port of Cotonou. Construction of the zone's infrastructure started in 2021 and, to date, some 400 hectares of the SEZ's total 1,640 hectares have been completed in the first phase, including roads, infrastructures, fiber-optic, water and energy facilities — GDIZ will be mainly powered by 400 megawatts of solar installations.

Thus far, agreements have been signed with 36 investors that are in the process of setting up factories and talks are in progress with 20 additional investors for the zone's upcoming second



Letondji Beheton
CEO, Industry Promotion and Investment Company

phase. "We have at least \$1.2 billion committed investment in the zone today," reveals Beheton. "Currently, we have 7,000 people working in GDIZ and by the end of 2024 we will have more than 20,000. We have the opportunity to create 300,000 direct jobs in the next 10 years." A significant portion of the government's \$300-million program for industry-skills training is being directed to the SEZ to support that workforce and the park itself, he adds: "For example, in our industrial zone we have several vocational and professional training schools to train electricians, plumbers and every profession needed to maintain our infrastructures."

There are many other attractions for investors in the SEZ. As an illustration, "We have a single window in GDIZ for all paperwork and

administrative bodies covering areas such as immigration, agricultural services, the Ministry of Commerce, customs, tax and more have a presence here. Everything that investors need to do, they can do inside the zone. SIPI makes it easy to do business in Benin," says Beheton.

In addition, new arrivals benefit from the fiscal incentives available through the country's investment code. For instance, investors that set up factories in Benin do not need to pay customs duties or taxes on machinery or equipment that they bring into the country; and, when they get into active production, they get tax holidays for up to 18 years on dividends and profits. The CEO also highlights the nation's location: "Benin has an 800 kilometer border with Nigeria and from here you can access all of West Africa, which is a market of over 360 million people."

Agri-processing powerhouse

Among those investors that have already capitalized on these advantages, three integrated textile units are being established that will process around 40,000 metric tons of cotton — which represents about 12.7% of the country's total raw cotton output. Benin's cotton has been sold raw overseas up to this point, earning the country some \$600 million annually, but it would generate \$11.6 billion if it was all processed locally. "Two of the new units will be operational toward the end of this year, which means Benin will be able to stop importing cotton fabrics. To process our entire output, we need approximately 32 integrated textile units, which will generate at least 200,000 jobs," Beheton explains.

Going further up the value chain, garment factories are also being set up in the zone at the moment, with a contract in place to export hundreds of thousands of T-shirts and polo shirts, plus discussions are ongoing with brands such as H&M and Polo about further off-take of clothing made from fully traceable, sustainable Beninese cotton.

GDIZ is enabling a similar transformation of the country's cashew sector. Its cashews used to be sold to Vietnam and India for processing, but raw cashews will no longer be allowed to be exported from 2024. Instead, around 10 cashew processing units are being built in the SEZ, some

of which are already operational. Traditionally, at least 70% of the nut is wasted in production, mainly in the form of the shell. However, "Our cashew processing units are environment friendly and zero waste, which is a world first. The shell will be processed into a high-value oil used in aviation and, once we finish extracting the oil, the residue will be processed into charcoal, which can be reused for energy," he states.

Additional investment projects that are al-

LETONDJI BEHETON
CEO, INDUSTRY PROMOTION AND INVESTMENT COMPANY

"The country is going through a tremendous change and now is the time to come. It's a huge opportunity for US investors."

ready operational include one processing facility with 60,000 metric tons of capacity for organic soya, another that will be among Africa's largest plants for conventional soya processing, plus poultry and other livestock processing plants. To promote exports of these and many other agricultural products, SIPI has obtained ISO, NOP and ECOCERT certifications. Further down the line, GDIZ is also expected to become a preeminent base for manufacturers in sectors such as building materials, packaging and pharmaceuticals, as well as for the assembly of electric vehicles and electronic goods.

SIPI has partnered with numerous international institutions to help companies that want to set up operations in the zone and it would welcome US investors. It recently hosted a delegation from the US headed by a former agricultural secretary, has discussed investment opportunities with a US state-owned bank and Beheton would encourage US enterprises considering investing in Africa to take a look at what GDIZ offers: "The country is going through a tremendous change and now is the time to come. It's a huge opportunity for US investors."

Strengthened public debt management

The Autonomous Debt Management Fund's transparent and responsible services are supporting Benin's progress

Benin's Autonomous Debt Management Fund (CAGD), previously known as the Autonomous Amortization Fund (CAA), is playing a pivotal role in ensuring the government has the right financing in place to continue accelerating the country's economic transformation, while increasing social wellbeing and pushing toward achieving its United Nations Sustainable Development Goals.

Working under the Ministry of Economy and Finance's supervision but operating separately from the government's regular budgeting processes to ensure fiscal discipline, the organization has three main missions. "The first is to help formulate and implement Benin's strategy for mobilizing financing and good public debt management. Our role is to seek the best possible resources in terms of costs and maturity periods, with the least risks, in order to maintain the viability of the country's public debt," explains CAGD's director general Hugues Oscar Lokossou. "Our second mission is to ensure correct debt service, with all repayments being made on time. And our third is to monitor the execution of all development projects taking place in the country that are financed by different donors, to manage, improve and endorse all loans and disbursements. Benin is committed, as always, to continuing its efforts for good debt management and to implementing all international and regional practices and standards in that regard."

When it comes to raising funding, CAGD's primary concerns at present are priority projects included in President Talon's Government Action Program (PAG) 2021-2026, particularly ones that aim to catalyze industrial sectors with high potential, such as agriculture, tourism and the digital and knowledge economies, as well as major ongoing infrastructure projects, which will boost Benin's transport, energy and sanitation capacities, for instance. "For each project in the PAG, we must help mobilize financing in line with the type of investment. For example, concessional financing is more suitable for projects of a social nature, while commercial financing may be sought for projects offering a high return on investment," Lokossou reveals.

At the end of June 2023, Benin's public debt stood at around \$10.4 billion, a figure CAGD considers viable that represents 54.32% of the country's gross domestic product, and there were no outstanding payment arrears on any loans. "In 2021 our public debt ratio was 49.81%, so



Hugues Oscar Lokossou
Director General, Autonomous Debt Management Fund

there has been a slight increase, but it must be said that this level of debt is well below the threshold of 70%, which is set within the West African Economic and Monetary Union (WAE-MU) community," asserts Lokossou.

This limited and sustainable rise in debt ratio was due to the organization bringing in additional funding, including by issuing approximately \$1.7 billion in eurobonds, in order to continue financing vital PAG projects despite a challenging immediate economic climate resulting from the pandemic and inflation caused by the war in Ukraine. "I want to emphasize that our robust response to global shocks has not caused us to neglect the need for fiscal discipline," says Lokossou. "This is evident as Benin's budget deficit was estimated at 5.5% of GDP in 2022, making it the second-best fiscal performance within the WAEMU."

Non-resident creditors currently represent 79.6% of Benin's public debt, with 50.4% of the total being accounted for by multinational organizations with which the country has long-term relationships, such as the International Development Association, the African Development Fund, China and the French Development Agency. 84.6% of the country's domestic debt is taken up by public securities. Going forward, CAGD will continue to prioritize new concessional funding agreements with its trusted multilateral and bilateral partners, as they tend



CAGD is a trusted partner of multinational financing organizations.

to involve lower costs and longer maturities. However, it is also working hard to carry on diversifying its sources of financing by targeting, for example, international commercial banks operating with stable currencies and competitive rates.

After an International Monetary Fund review of Benin's public debt in May 2023, the global organization praised CAGD's "prudent borrowing and active debt management strategy," noting that "all projected external debt burden indicators remain below high-risk thresholds." That strategy has boosted investor confidence in recent years, allowing CAGD to better optimize the country's debt portfolio.

HUGUES OSCAR LOKOSSOU
DIRECTOR GENERAL, AUTONOMOUS DEBT MANAGEMENT FUND

"Our role is to seek the best possible resources in terms of costs and maturity periods, with the least risks, in order to maintain the viability of the country's public debt."

"We have extended the average maturity of our public securities since 2016 and, today, we always seek financing agreements with longer durations. Over the same period, we have also improved the weighted average interest rate of our portfolio, which is now 3.33%," comments Lokossou. "All of our forecast solvency and debt-liquidity ratios to 2030 will remain below their respective thresholds under our simulations that utilize the IMF's debt sustainability management tool. As an example, the ratio of

external debt service compared to budgetary revenue, which is the most relevant indicator, will only reach its peak of 17.5% in 2030, while the threshold is 18%." CAGD has built greater transparency into its systems as well and the entire structure of the country's debt portfolio and its obligations are freely available to view online.

Appointed as director general in 2022, Lokossou is now ushering the organization into its next era of modernization. "My first actions constituted an institutional diagnosis, which allowed me to identify certain inadequacies of the existing framework," he states. This review culminated in a reorganization earlier this year and the name change from CAA to CAGD to better reflect the institution's activities.

"The diagnosis process also enabled me to pinpoint the five strategic axes on which we will try to focus for the next three years. The first is increasing innovative financing practices and strengthening transparency and accountability in public debt management. The second is improving communication and cooperation with international institutions; the third is a digital transformation of CAGD's processes linked to the mobilization, management and payment of debt; the fourth is restructuring coordination between our services; and the fifth is creating an attractive work environment to improve productivity and performance."

Through its commitment to modern, transparent and responsible public debt management, CAGD aims to continue supporting the nation's progress toward fully delivering on its enormous potential for sustainable economic growth and development. As Lokossou says, "Today, Benin is a destination to promote, to visit, and to finance and invest in its programs. It is a country that has opened up to the world and which has truly transformed since 2016."

Powering an inclusive future

By capitalizing on its resources and ensuring universal access to basic services, Benin's development will be equitable and sustainable

To ensure Benin's economic development is inclusive and sustainable, the government is pursuing ambitious plans to improve access to water and electricity, and to revitalize the nation's energy and mining sectors — plans that are opening up many opportunities for international investors.

The state is also investing in these transformations, with the Ministry of Energy, Water and Mines's budget being increased by 14% to \$139 million this year. A significant proportion of that will target water. Much has already been achieved in this: for instance, according to the World Bank, only 42% of rural residents had access to safe drinking water in 2017 and that had risen to 73% by 2022.

"A top priority of President Talon's Government Action Program 2021-2026 is universal access to water," says Minister of Energy, Water and Mines Samou Seidou Adambi. "Additional resources allocated for 2023 are intended to extend and strengthen drinking water systems in deprived urban areas. The government has approved contracts that will provide drinking water to approximately 2 million people in rural areas as well." Among other things, the country

SAMOU SEIDOU ADAMBI
MINISTER OF ENERGY, WATER AND MINES

"The position of the hour is to continue to exploit all available energy sources, both fossil and renewables."

also aims to mobilize its water resources to boost agriculture, fisheries, hydropower, tourism, river transport and other industries, he adds: "The priorities there are completion of works in the Glo-Djigbé Special Economic Zone and supplying drinking water to tourist infrastructures."

When it comes to energy, Benin is set to become a key oil transit hub when the China National Petroleum Corporation's Niger-Benin oil pipeline — an investment worth over \$1 billion — opens. While this will bolster its economy, the country's bigger goal is to exploit its own hydrocarbons. "Between 1982 and 1998, Benin produced 22 million barrels of oil from our Sémé Field. Production then stopped and attempts to resume it were unsuccessful due to technical is-

ues and price volatility," the Minister explains. To help attract investors in this industry, the government has reformed its regulatory frameworks and adopted a new oil code, he notes: "All expressions of interest are treated seriously and discussions are underway with several companies for the purpose of awarding contracts on at least five oil blocks by the end of this year."

In parallel, Benin is working toward transitioning to green energy. "Benin aligns with the position of many African oil-producing countries: harnessing our hydrocarbon resources will reduce general and energy poverties, paving the way for a sustainable energy transition," asserts Adambi. "The position of the hour is to continue to exploit all available energy sources, both fossil and renewables." Benin's location and topography make it a promising base for solar, wind and hydropower projects. To encourage investments in those renewables, the government is pursuing independent power producer agreements.

The nation's ability to contribute to global decarbonization extends beyond generating green energy — beneath its soils lie some essential elements for electrification. "We have serious indications of metals like lithium, chrome, cobalt, tantalum and copper, and work is continuing to analyze our real potential in this," he reveals. "Benin's mining potential is not well known overall, but recent activities are producing results, interest in our mining sector has increased and permits are being awarded to search for gold and other metals. To support this interest, the government will continue to create an environment favorable to private investment."

Another of Adambi's focuses is strengthening electricity systems so that the population is supplied with affordable, reliable power. Leading the charge in this is Société Béninoise d'Énergie Electrique (SBEE), a state-owned company responsible for production, distribution and marketing of electricity that is privately managed.

"The government has set a goal of providing electricity access to all and we aim to surpass 2 million subscribers by 2026," affirms SBEE's general director Gérard Zagrodnik. "To achieve this, SBEE prioritized reducing the cost of connection kits to facilitate access, while grid extension, densification and restructuring projects are being developed in all regions of the country." As well as investing in modernizing the grid, SBEE is hiring more technicians to maintain its growing networks. Moreover, electricity



Ensuring universal access to water is a top priority of the government.



Samou Seidou Adambi
Minister of Energy, Water and Mines



Gérard Zagrodnik
General Director, SBEE

purchases and bill payments can now be done online, making SBEE's products and services accessible to all, even those in remote areas.

In June, the US concluded a \$422.6-million Millennium Challenge Corporation five-year compact that has supported the advance of Benin's electricity sector. As a result of the compact, major new infrastructure has been installed, a framework for private investment in off-grid renewables has been introduced that

has already attracted \$30 million in new projects and a transaction has been secured for four solar power plants with a total capacity of 50 megawatts. At an event to mark the conclusion, MCC CEO Alice Albright stressed that it would allow people and businesses to thrive: "Together with the government of Benin, we have tripled the capacity of the national power grid and modernized Benin's electric power sector to serve generations to come."

An unequalled African tourist experience

Benin has it all, from stunning beaches and wildlife to exceptional culture and historical sites

Already the fifth-largest tourism destination in West Africa and particularly popular with vacationers from neighboring Nigeria, many industry experts believe Benin will be the continent's next hotspot for discerning travelers from further afield. "Benin is an amazing country that boasts a unique blend of cultural, religious, historical, architectural and natural heritage. With its rich combination of pristine beaches, national parks for safaris, remnants of the slave trade, historical monuments and contemporary culture, Benin offers an unequalled visitor experience," enthuses Minister of Tourism, Culture and the Arts Babalola Jean-Michel Hervé Abimbola.

President Talon's administration has been investing in infrastructure and reforms to bring the nation's tourism up to international standards, he says: "Our objective is to make tourism a sector of economic development that creates wealth and jobs, and our efforts have had an effect. Benin has quickly become attractive for major investors, with large hotel groups such as Banyan Tree, Club Méditerranée, Sofitel and Rotana choosing to come here."

Measures taken to improve the investment climate include visa exemptions for travelers from various countries, the digitalization of visa issuance and the launch of incentives for those building infrastructure. Most of the preeminent hospitality operators that have signed up to date are constructing properties in a new beachfront



Babalola Jean-Michel Hervé Abimbola
Minister of Tourism, Culture and the Arts

Where Benin is truly exceptional, however, is in its man-made heritage and culture, believes Abimbola: "That stems from its history as the cradle of vodun." Also known as voodoo, Benin exported this animist religion to the Americas in the 18th century, when Ouidah was the world's second-biggest slave port. The city still contains architectural traces of those dark times, while voodoo temples and artifacts at bustling markets can be found throughout the country. "There is also great interest from visitors in our Royal Palaces of Abomey, centuries-old archaeological treasures that are a UNESCO World Heritage Site and bear witness to emblematic Beninese figures like the Amazons," adds the Minister.

Elements of the country's gastronomy, which captures the bold flavors of its bountiful harvests, also have their roots in vodun. "Our cuisine has long traditions inspired by different communities over the centuries. The unique flavor of our sauces and aroma of our spices deserve to be valued," he states. International appreciation is indeed growing, not least because of Georgiana Viou, a chef born and raised in Benin, who was awarded a Michelin star this year for her masterful blending of Mediterranean and Beninese cuisine at her Rouge restaurant in France.

The government is investing over \$1 billion to preserve, promote and develop the nation's cultural assets, customs and festivities. Abimbola explains: "We are particularly interested in culture in the context of diversifying our tourism offering. This includes, for example, building of a new arena for our annual Gaani festival that celebrates cultural identity, a new discovery tour of our heritage sites and we are constructing four new international-standard museums."

Due to open within three years, the International Museum of Memory and Slavery in Ouidah, the Museum of the Epic of the Amazons and Kings of Dahomey in Abomey, the International



Floating in the middle of Lake Nokoué, Ganvie is known as the Venice of Africa.



A traditional Beninese village house with voodoo fetishes.

Museum of Arts and Civilizations of Vodun in Porto Novo and the Museum of Contemporary Arts in Cotonou should cement Benin's reputation as a destination for culture lovers.

The opening of the latter demonstrates that the government is not just looking to the past. "To further today's talent, 'Reforms have been undertaken to strengthen the competitiveness of our cultural and artistic enterprises, with a focus on dance, music, theater, cinema and visual arts,'" he says. These reforms include the creation of an Arts Development Agency, plus a Cultural and Creative District in Cotonou that will have interconnected spaces dedicated to innovation, creation, dissemination, cultural consumption and the marketing of cultural and artistic goods.

Benin has rich traditions in literature, textiles and fashion as well, and state support for those sectors has also been restructured recently to encourage creators. "An important part of our publishing ecosystem is November's national book fair. My ministry invests in this and it attracts prestigious authors, publishers and booksellers from across the world. The winners of the annual Grand Literary Prize of Benin are recog-

nized at the fair and they are often then sent by the ministry to represent Benin at international fairs and conferences," comments Abimbola. July's fashion month, on the other hand, is the best time to be in Benin if you want to uncover its emerging design talent and innovative fabric makers before they too are given the opportunity to showcase their creations at overseas events.

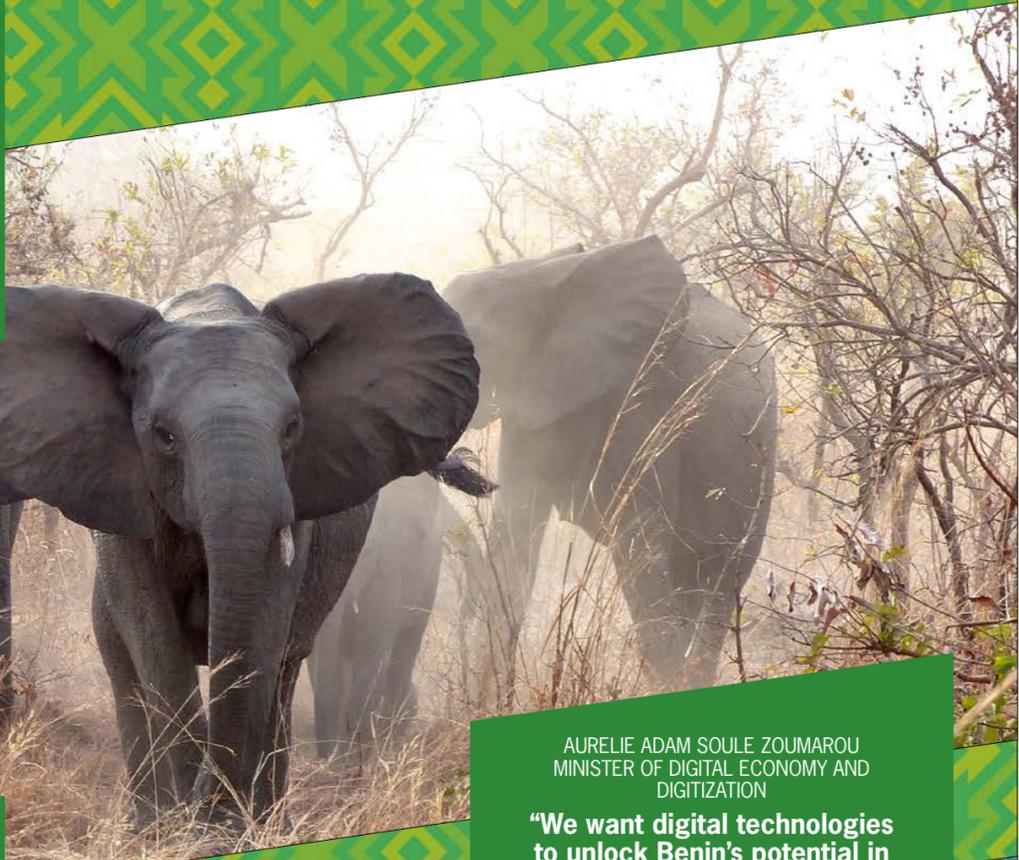
Benin's visual art scene has also come under the spotlight since President Talon's office organized the traveling exhibition "Art of Benin, Yesterday and Today" that was first shown in Cotonou last year. Currently on display in Rabat, Morocco, it is scheduled to visit Martinique and Paris, France next, and may travel to the US in 2025. "It has received a very positive response from culture and heritage professionals, collectors, curators and specialized press on all continents," Abimbola says. "Benin is positioning itself as a platform for cultural partnerships and an epicenter of the global art market. The country's progress toward this will be illustrated at the Venice Biennale 2024, which will be an opportunity for us to share Benin's artistic genius with the whole world."

BENIN

A revitalized country packed with potential

PATRICE TALON
PRESIDENT

“Benin offers among the best business environments in Africa for safe and sustainable investments. It is a small nation that is transforming into the economic heart of West Africa.”



AURELIE ADAM SOULE ZOUMAROU
MINISTER OF DIGITAL ECONOMY AND DIGITIZATION

“We want digital technologies to unlock Benin’s potential in tourism, transportation and agriculture. Benin could also be a digital services platform for the African continent.”

JOSÉ DIDIER TONATO
MINISTER OF THE LIVING ENVIRONMENT AND TRANSPORT, IN CHARGE OF SUSTAINABLE DEVELOPMENT

“We want the private sector to develop projects and have carried out a lot of reforms to encourage that. For example, we facilitate access to land.”



BABALOLA JEAN-MICHEL HERVÉ ABIMBOLA
MINISTER OF TOURISM, CULTURE AND THE ARTS

“Benin is an amazing country that boasts a unique blend of cultural, religious, historical, architectural and natural heritage. Benin offers an unequalled visitor experience.”

JORIS THYS
CEO, PORT AUTHORITY OF COTONOU

“Benin’s road network is almost completely renewed, connecting our port to our landlocked neighbors efficiently and without any problems for cargo along our corridors.”



LAURENT GANGBES
MANAGING DIRECTOR, APIEX

“The African Growth and Opportunity Act allows Benin-made products to enter the US duty free ... There are real opportunities for US firms to set up processing units in Benin for export to the US.”