

Benin: Foreign investment

FDI in Figures

Most of the FDI in Benin arrived through the acquisition of interests in privatised companies. Many infrastructure projects are funded by grants or loans from the World Bank or other international development banks. In 2013, France agreed on an aid plan to develop the energy sector. In 2014, Benin received EUR 9.6 billion in aid to develop its port infrastructure. FDI inflows slowed down during the 2008 global economic crisis and have since remained weak. However, there have been signs of a strong recovery and, in 2014, [FDI reached USD 377 million](#), which represents a marked increase compared to previous years. Between 2006 and 2014, the cumulative increase reached 600% as well. According to the risk assessment agency Coface, FDI flows are expected to double in 2016 thanks to spending on infrastructure development, including ports.

Corruption, poor quality of infrastructure and problems related to the electricity supply limit the country's potential attractiveness. Benin's strong points are its strategic location near a potential market of 200 million inhabitants, its role as a trade hub for second-hand vehicles imported from Europe and resold throughout Western Africa, and the fact that it is one of the most democratic nations in the African continent. Benin has taken several initiatives to attract foreign investment (particularly in the electricity production sector), such as creating a Presidential Investment Council. Although more effort is still needed, the country's business climate has improved considerably, and Benin ranked 158th out of 189 in the [2016 Doing Business](#) report of the World Bank.

In 2015, [France remained Benin's number one investor](#). The other main foreign investing countries are other European countries and Canada.

Country Comparison For the Protection of Investors

	Benin	Sub-Saharan Africa	United States	Germany
Index of Transaction Transparency*	6	5	7	5
Index of Manager's Responsibility**	1	4	9	5
Index of Shareholders' Power***	3	5	9	5
Index of Investor Protection****	3.3	4.5	8.3	5

Source: Doing Business - 2016.

Note: *The Greater the Index, the More Transparent the Conditions of Transactions. **The Greater the Index, the More the Manager is Personally Responsible. *** The Greater the Index, the Easier it Will Be For Shareholders to Take Legal Action. **** The Greater the Index, the Higher the Level of Investor Protection.

Foreign Direct Investment	2013	2014	2015
FDI Inward Flow (million USD)	360	405	229
FDI Stock (million USD)	1,403.90	1,606.70	1,665.80
Number of Greenfield Investments***	1	1	5
FDI Inwards (in % of GFCF****)	14.1	17.3	9.9
FDI Stock (in % of GDP)	15.4	16.8	19.7

Source: UNCTAD - 2016

Note: * The UNCTAD Inward FDI Performance Index is Based on a Ratio of the Country's Share in Global FDI Inflows and its Share in Global GDP. ** The UNCTAD Inward FDI Potential Index is Based on 12 Economic and Structural Variables Such as GDP, Foreign Trade, FDI, Infrastructures, Energy Use, R&D, Education, Country Risk. *** Green Field Investments Are a Form of Foreign Direct Investment Where a Parent Company Starts a New Venture in a Foreign Country By Constructing New Operational Facilities From the Ground Up. **** Gross Fixed Capital Formation (GFCF) Measures the Value of Additions to Fixed Assets Purchased By Business, Government and Households Less Disposals of Fixed Assets Sold Off or Scrapped.

Investment Opportunities

Tenders, Projects and Public Procurement

[Frontier Market Network](#), Tenders in Africa

[African Tenders](#)

[DgMarket](#), Tenders Worldwide

Setting Up a Company

[Consult Doing Business Website](#), to know about procedures to start a Business in Benin.

Useful Resources

[Promotion of development centre \(CPI\)](#)

[Economic Developments and Prospects in Benin - African Economic Outlook](#)

[Business Portal for Africa](#)

Learn more about [Investing in Benin](#) on Globaltrade.net, the Directory for [International Trade Service Providers](#).