

BENIN TRADE & TARIFF UPDATE (2021)

Regional Economic Communities

- Benin is part of two Regional Economic Communities (RECs) - the Community of Sahel-Saharan States (CEN-SAD) and the Economic Community of West Africa (ECOWAS).
- Benin deposited its instrument of ratification and schedule of tariff concessions, along with other ECOWAS member states.

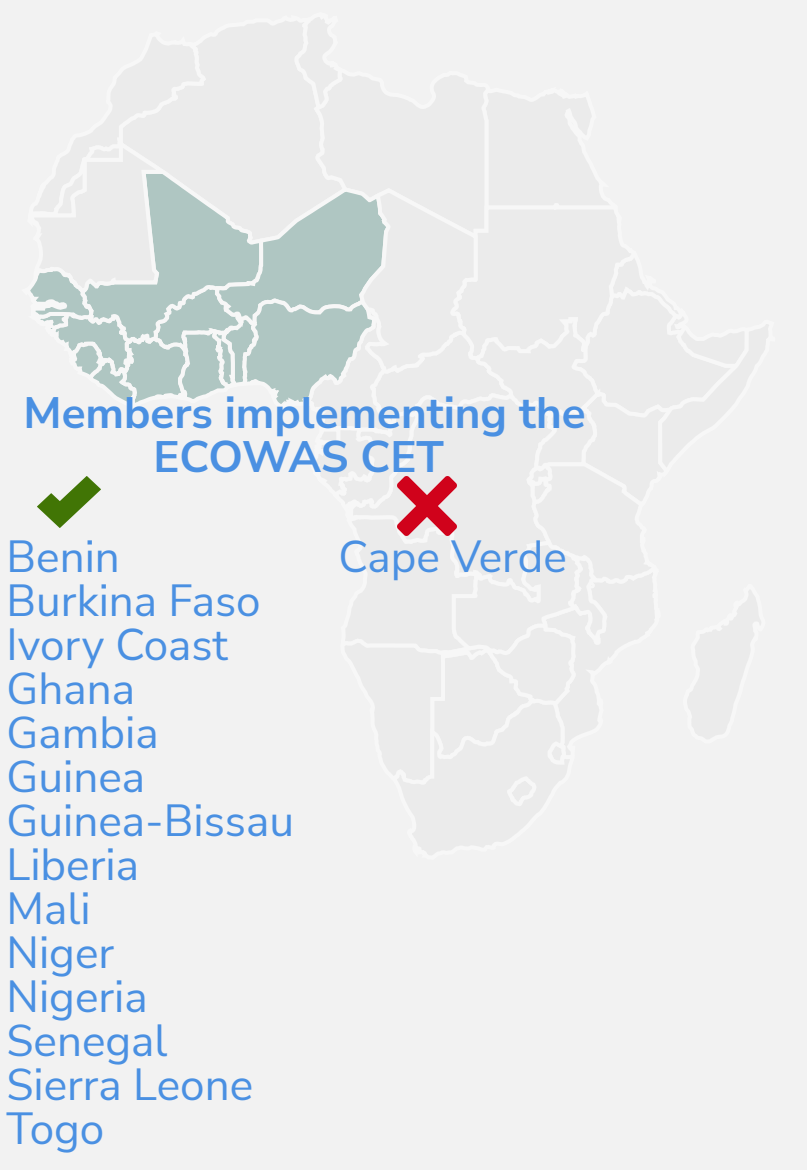
CEN-SAD

- CEN-SAD currently has 24 member states aspiring to establish an Economic Union for the free movement of goods, services and commodities.
- There is currently **no free trade agreement in place**.



ECOWAS

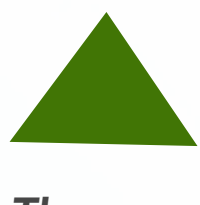
- ECOWAS has 15 members and it is a customs union with a Common External Tariff (CET).
- Qualifying imports from approved ECOWAS producers under the **ETLS (see market access below)** are imported into Benin duty-free; and



Intra-Africa total trade (imports & exports) 2021

16%

Benin's intra-Africa trade as share of its Global trade



0.4%

There was no significant changes in terms of intra-Africa trade growth over the 2020 and 2021 period

Intra-Africa exports have however increased by 33% while intra-Africa imports declined by 7% over the same period (2020/ 2021)

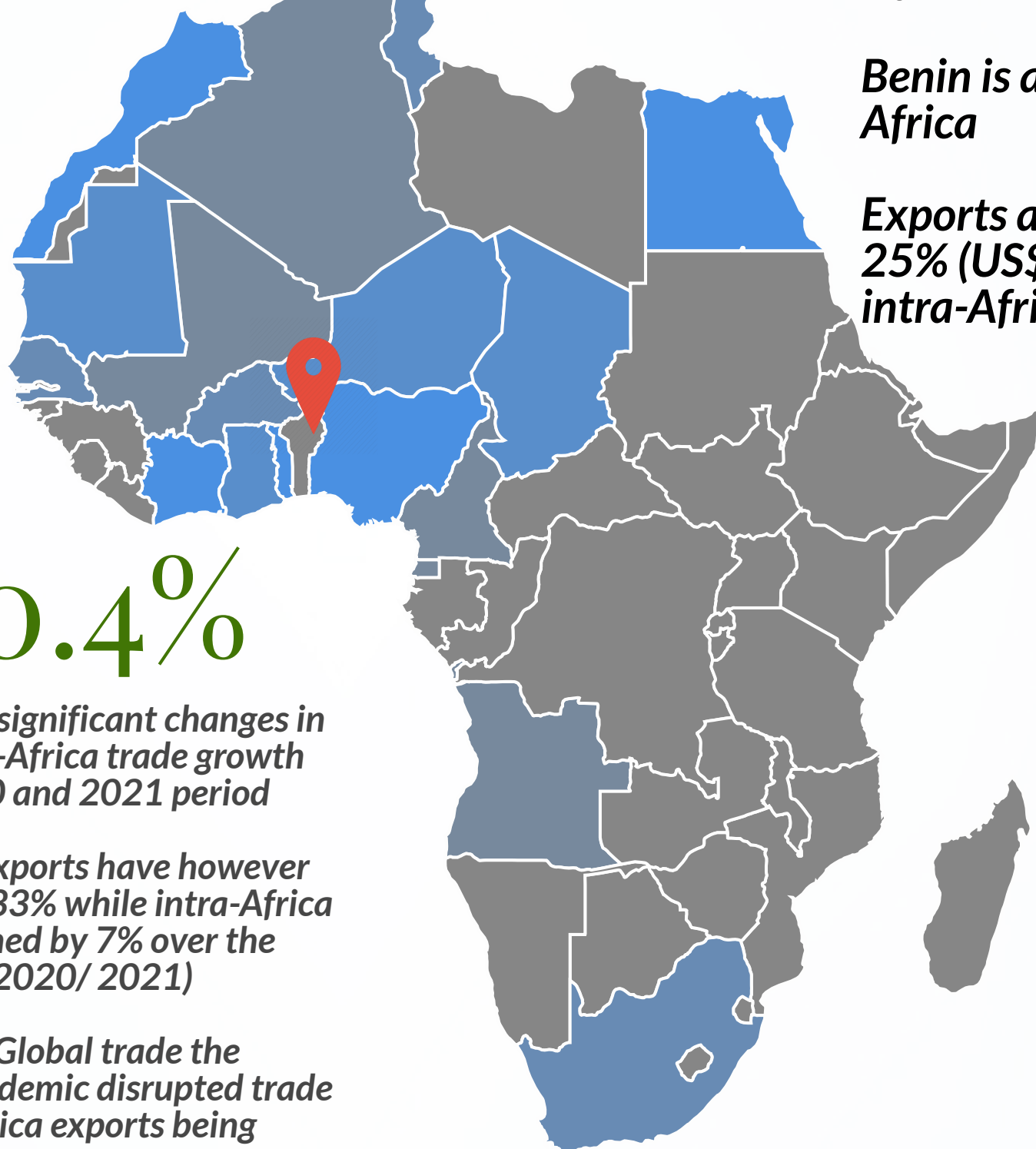
As with most Global trade the Covid-19 pandemic disrupted trade with intra-Africa exports being affected the most

US\$0.7 bn

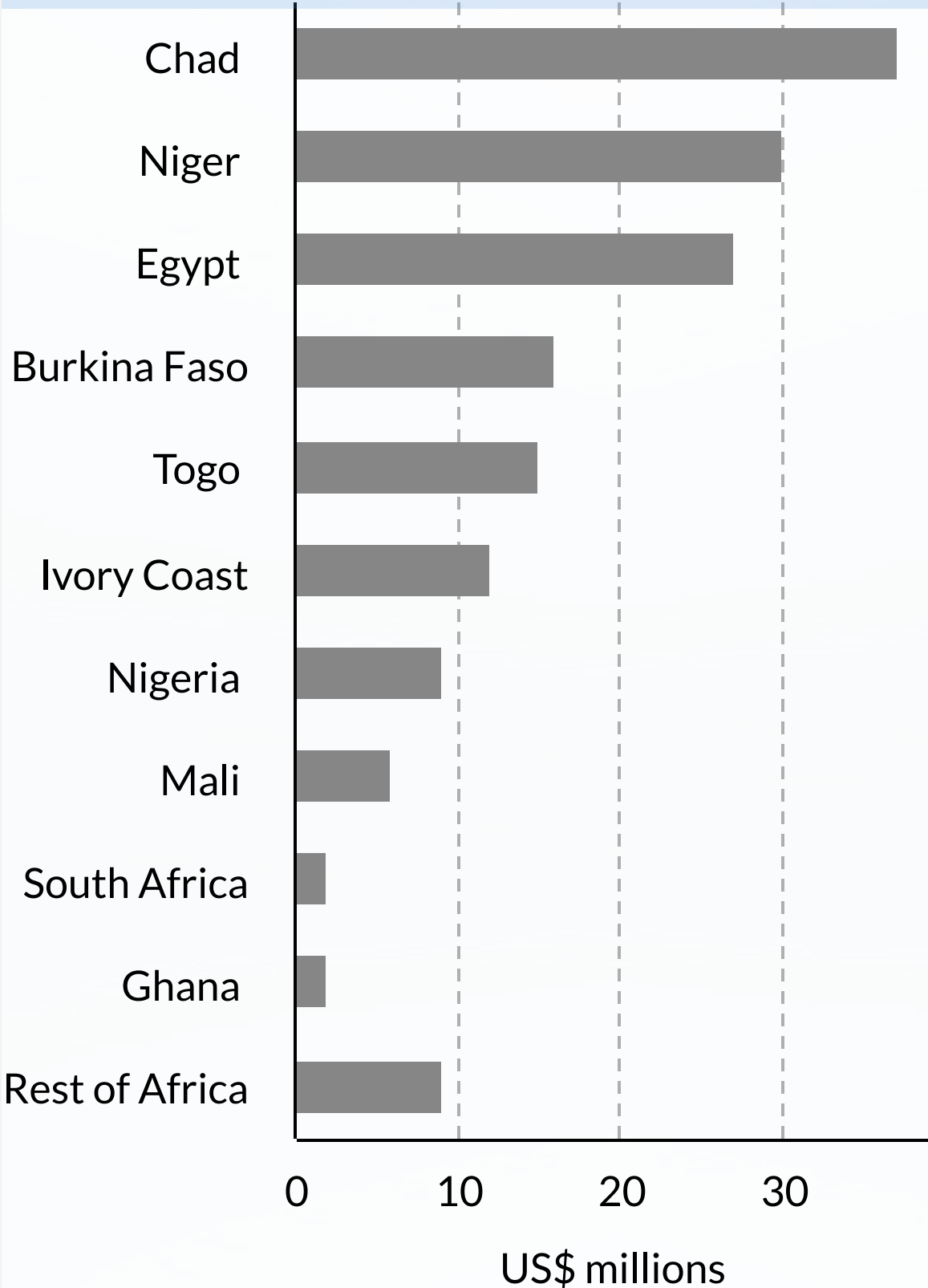
Benin's intra-Africa trade in 2021

Benin is a net importer with Africa

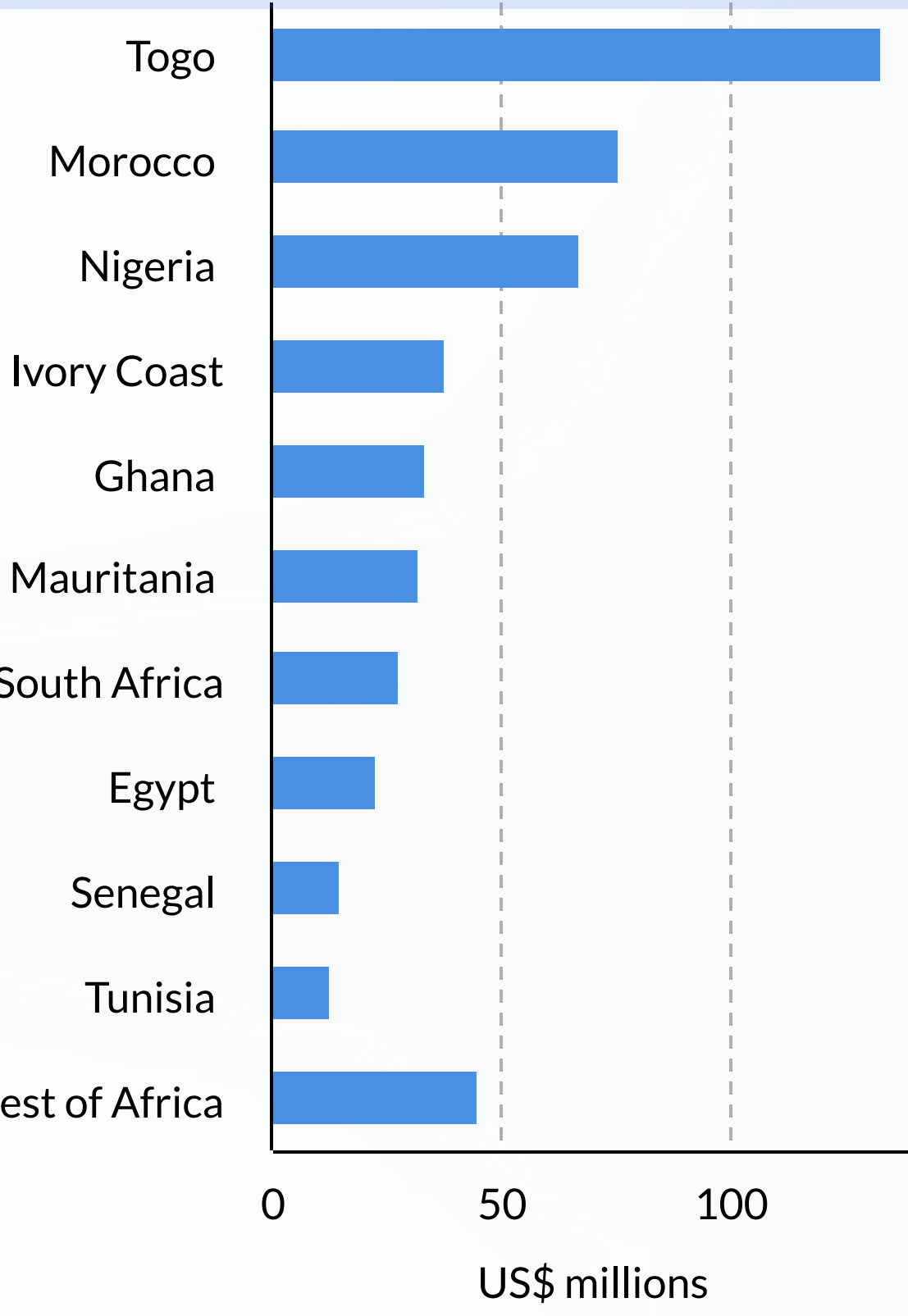
Exports accounted for only 25% (US\$165 million) of its intra-Africa trade in 2021



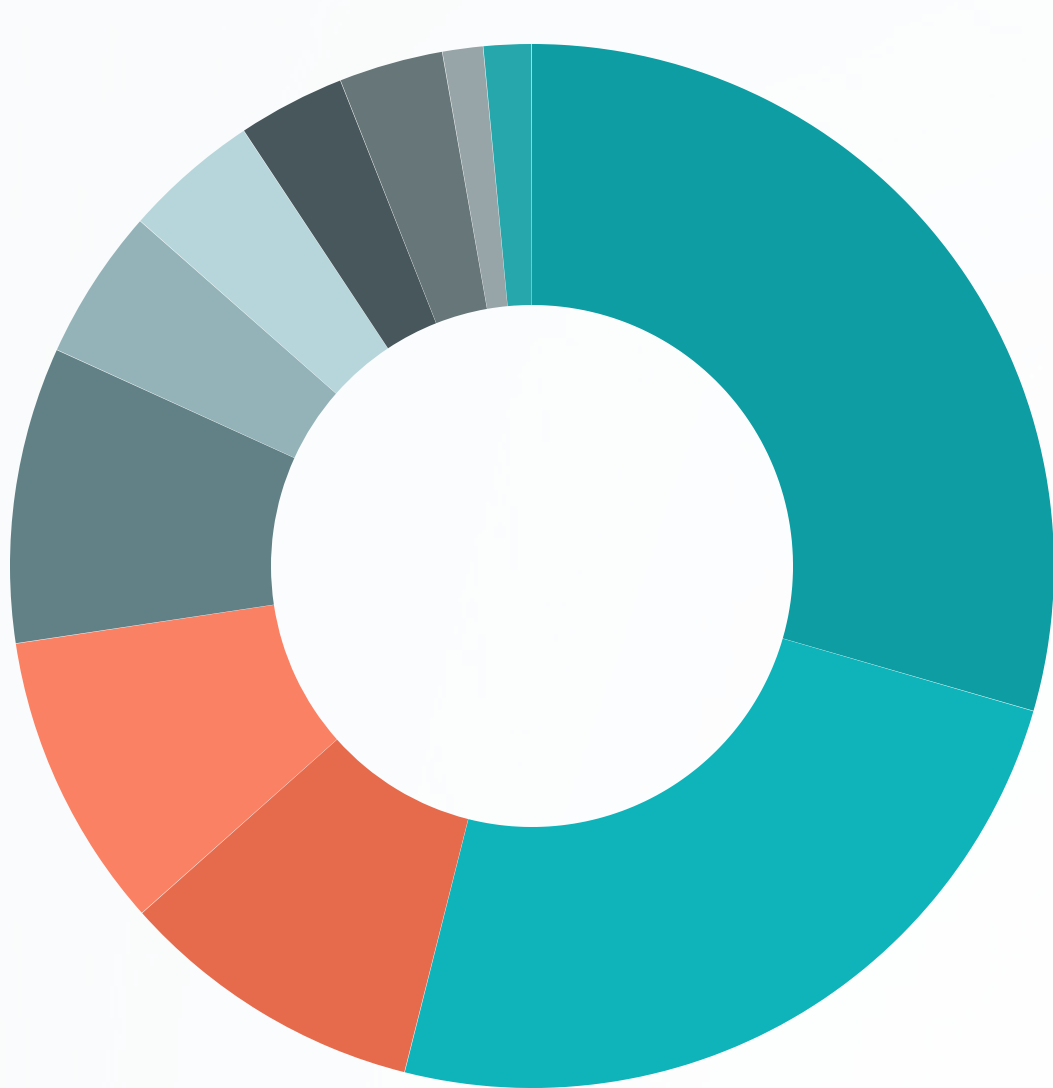
Top 10 intra-Africa export destinations (2021)



Top 10 intra-Africa import sources (2021)



Benin's intra-Africa exports by product group (2021)



- Base metals (29.49%)
- Textiles & clothing (24.45%)
- Mineral products (9.5%)
- Vegetable products (9.2%)
- Food, beverages & tobacco (9.16%)
- Chemical products (4.69%)
- Machinery (4.21%)
- Transport equipment (3.32%)
- Animal or vegetable fats & oils (3.23%)
- Plastic products (1.26%)
- Other (1.48%)

- Benin's intra-Africa exports are concentrated with over 50% of intra-Africa exports dominated by Base metals (29%) and Textiles & Clothing (24%)

- Mineral products, vegetable products and food, beverages & tobacco account for an additional 28% share of Benin's intra-Africa exports

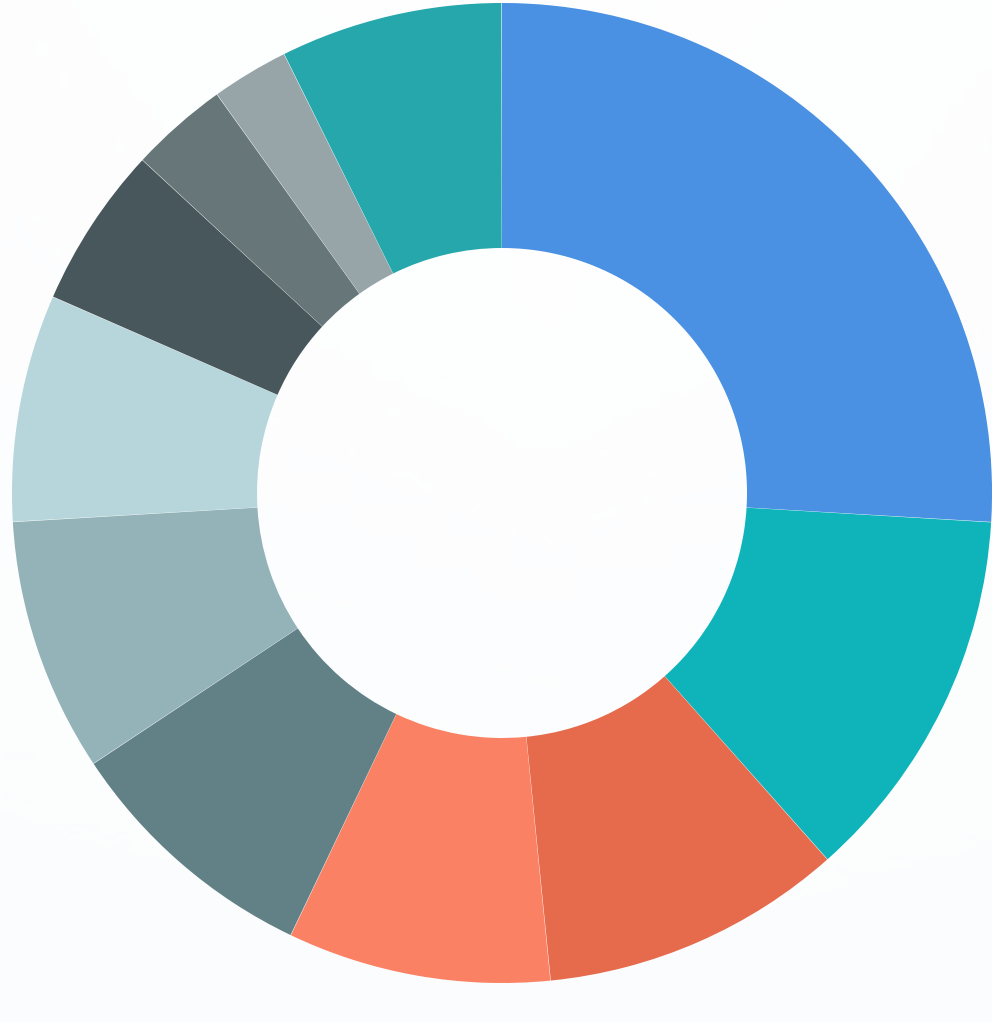
- Top 10 intra-Africa export destinations account for about 95% of Benin's intra-Africa exports

- The bulk of Benin's intra-Africa exports are destined to the ECOWAS (77%)

- Egypt and South Africa are the only countries outside of ECOWAS that feature in the Top 10 export destinations

Benin's intra-Africa imports by product group (2021)

- Mineral products dominate Benin's intra-Africa import basket
- The rest of the Top 10 intra-Africa import product groups' market share are relatively evenly distributed
- Benin's imports from a few African countries. Top 10 African countries account for 91% of Benin's intra-Africa imports
- Outside of ECOWAS in Top 10, Benin trades with Morocco (15%); South Africa (6%); Egypt (5%) and Tunisia (3%)



- Mineral products (25.95%)
- Chemical products (12.49%)
- Transport equipment (9.99%)
- Base metals (8.66%)
- Machinery (8.61%)
- Live animals, animal products (8.36%)
- Food, beverages & tobacco (7.49%)
- Plastic products (5.34%)
- Paper products (3.22%)
- Vegetable products (2.55%)
- Other (7.33%)

5 year growth performance (exports)

Benin's intra-Africa exports declined by 3% (CAGR) over review period 2017 - 2021

Exports to top destination Chad grew by 115% (CAGR) over review period 2017 - 2021

Base metals, non-metallic minerals and footwear recorded the highest growth rates of 51%; 34% & 29% (CAGR) respectively over review period 2017 - 2021

5 year growth performance (imports)

Benin's intra-Africa imports grew by 7% (CAGR) over review period 2017 - 2021.

Top import supplier Togo's exports to Benin declined by 12% (CAGR), the review period (2017-2021)

Top imported product group recorded growth rates of -11%; and -4% (CAGR) respectively for period (2017-2021)

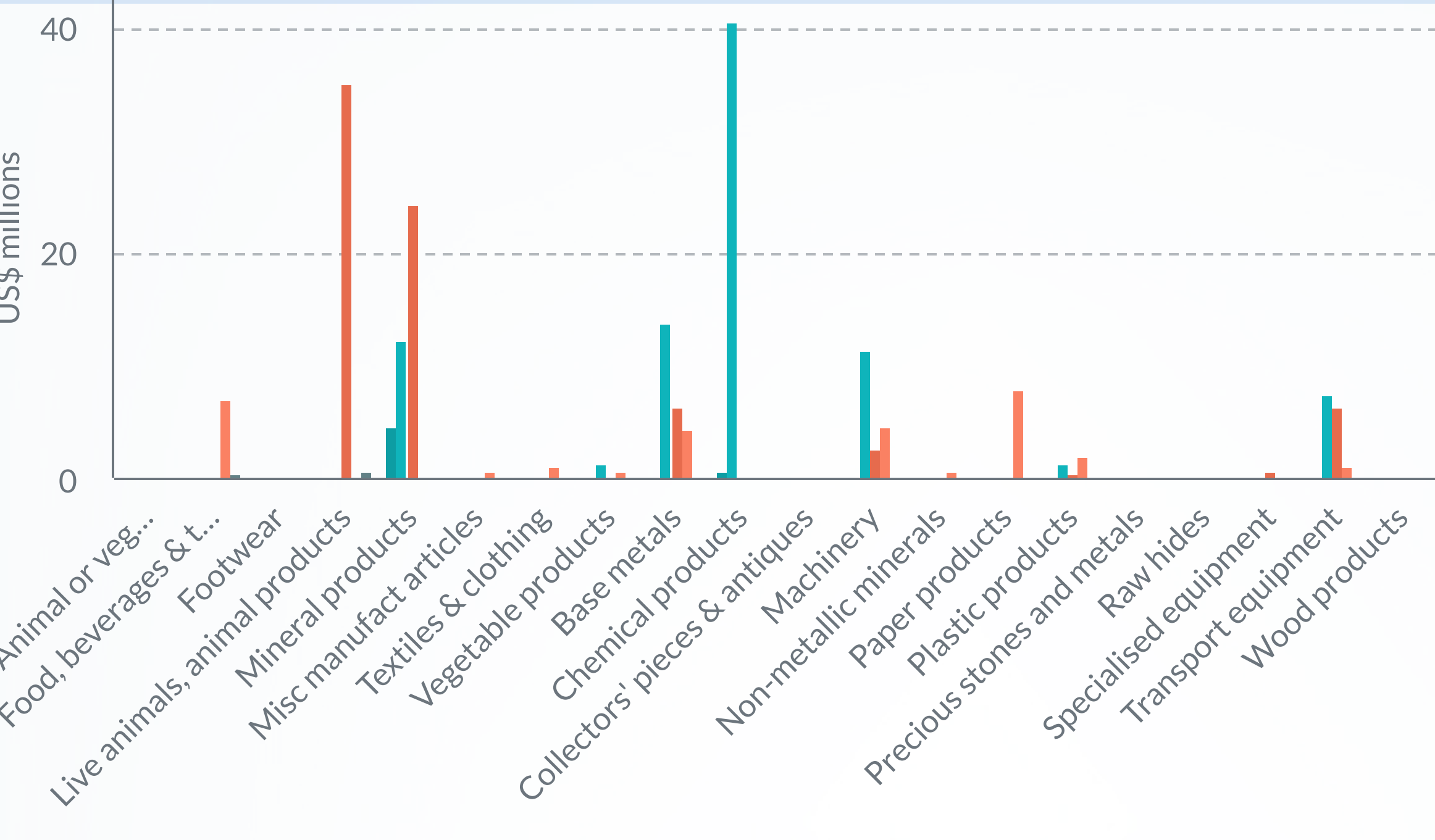
Export markets showing significant growth

Benin's intra-Africa exports to Chad, Liberia and Angola, showed significant growth although from a low base over period 2017-2021, growing by 115%; 66%; & 61%, respectively

Benin's intra-Africa trade is mostly with West African countries. Chad, Niger and Burkina Faso are key players.

Benin can capitalise on the opportunities that may arise once trade under AfCFTA commences and enter into regional value chains (RVCs) especially the textiles and clothing RVC

MARKET ACCESS - Benin's tariff regime (ECOWAS CET)



- The ECOWAS CET has five tariff bands - duty-free, 5%, 10%, 20% and 35%

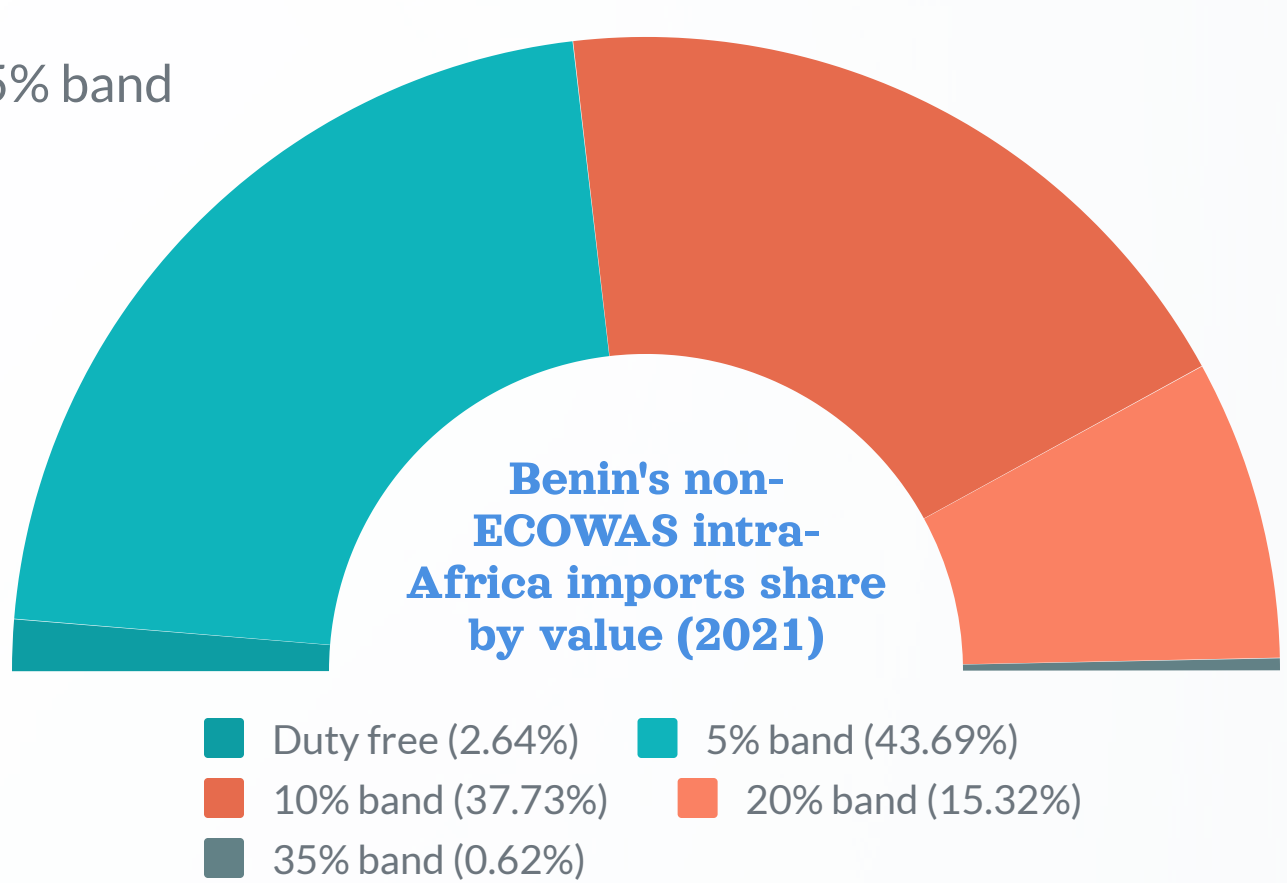
- Outside of ECOWAS very few intra-Africa imports enter Benin duty free. These constitute only 3% by value of Togo's intra-Africa imports

- Non-ECOWAS intra-Africa imports account for 40% by value of Benin's intra-Africa imports.

- Chemical products which are imported the most by value attract tariffs mostly in the 5% tariff band

ECOWAS Trade Liberalization Scheme (ETLS)

- ETLS is a trade arrangement aimed at encouraging free trade among ECOWAS Member States
- ETLS is designed to ensure the free movement of goods, capital and persons and the rights of residence and establishment
- Its consists of elements such as the rules of origin and other elements of the procedure to benefit from the ETLS
- Products covered include agricultural products, handicrafts, crude products and industrial products
- The ETLS is open to all enterprises located and operating in any of the 15 ECOWAS Member States that intend to export the product within the region
- Companies must register their products and comply with RoO requirements



Benin's average intra-Africa non-tariff trade costs for manufactured & agricultural goods (2015-2019)

BENIN'S MANUFACTURED PRODUCTS NON-TARIFF TRADE COSTS (2015-2019) AD VALOREM EQUIVALENT

Highest average non-tariff trade cost countries

- Rwanda- 438%
- Namibia- 281%
- Egypt- 264%

Lowest average non-tariff trade cost countries

- Togo - 63%
- Ivory Coast- 102%
- Ghana- 112%

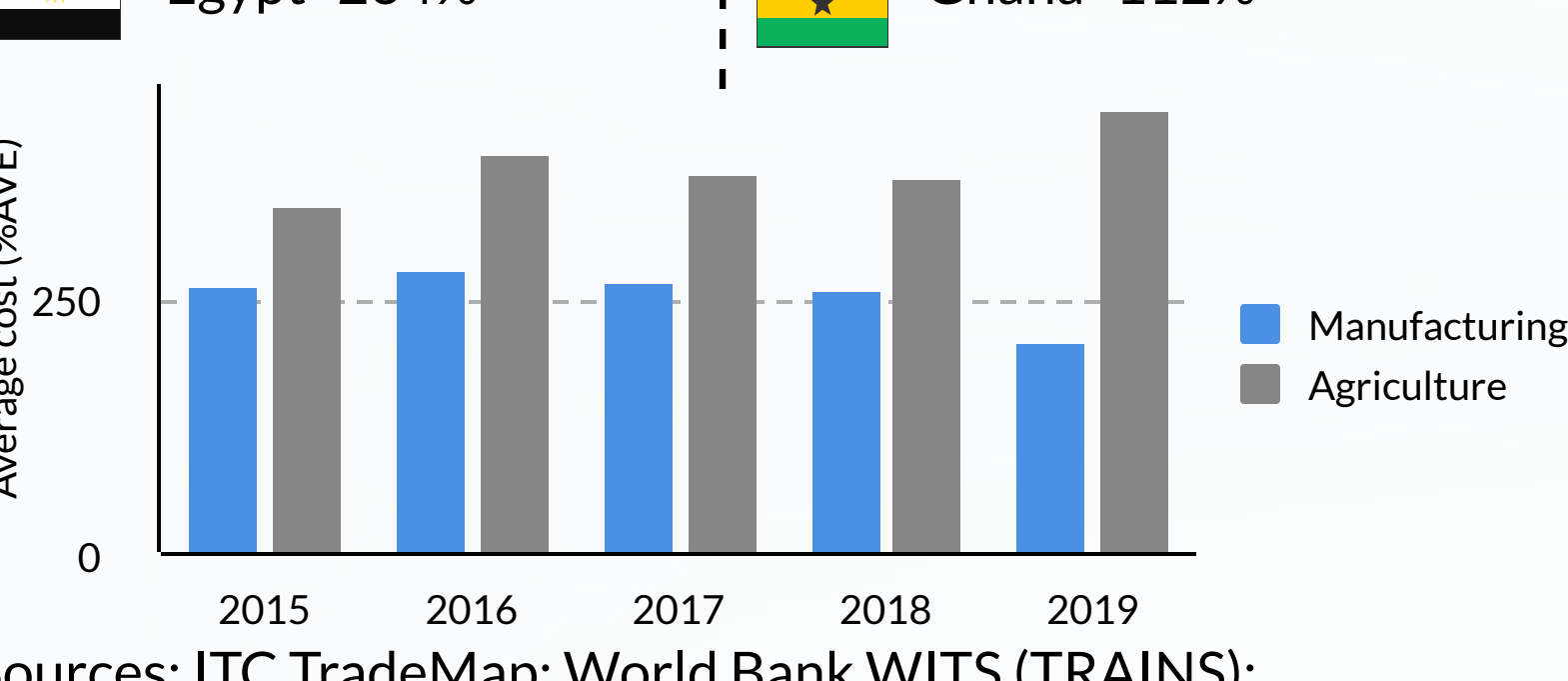
BENIN'S AGRICULTURAL PRODUCTS NON-TARIFF TRADE COSTS (2015-2019) AD VALOREM EQUIVALENT

Highest average non-tariff trade cost countries

- Senegal- 468%
- Tunisia- 464%
- Ivory Coast-365%

Lowest average non-tariff trade cost countries

- South Africa - 161%
- Egypt - 163%
- Nigeria - 269%



Sources: ITC TradeMap; World Bank WITS (TRAINS); World Bank ESCAP Trade Cost databases; <https://etls.ecowas.int/about-etls/>