



Dragon Sourcing

Your Tailored Approach to Emerging Markets

Study on Sourcing Opportunities in *Benin*

Feb, 2020




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Executive Summary- Top Export Categories

Category	Export Value(2018) in USD Thousands	Top Export Destinations	Import Duty into EU	Import Duty into US	No of Suppliers
Cotton	461,411	China, Bangladesh, Vietnam, Malaysia	Nil	Nil	
Edible Fruits & Nuts	142,278	Somalia, Djibouti, Vietnam, Indonesia, Pakistan, UAE	Nil	Nil	
Oilseeds	51,537	China, Israel, Vietnam, UAE, Turkey	Nil	Nil	
Vegetable Oils & Fat	48,002	Nigeria, Malaysia, The Netherlands, China	Nil	Nil	
Cement	19,894	Niger, Togo, Burkina Faso	Nil	Nil	
Textile	796	Belgium, US, UK, France, Nigeria	Nil	Nil	

Legend  More than 20 suppliers  Between 10-20 suppliers  Less than 10 suppliers



Sourcing Opportunities in Benin

MACRO ECONOMICS



Benin Overview

- Stretching 670km from the Niger River to the Gulf of Guinea, Benin occupies a geo-strategic position in West Africa
- Port of Cotonou, road network and development of economic, industrial and free trade zones are key to the region's commerce
- Located in the east part of Benin Republic and also situated at the east of Cotonou, Porto-novo is known as "the Political Capital of Benin" and is the traffic hub and material distribution center of road transport system in southeastern of Benin Republic and Federal Republic of Nigeria
- Benin is one of Africa's most stable democracies but the country is challenged by multiple economic and development factors and the country ranks 166 out of 187th countries on the Human Development Index
- Economic growth is largely dependent upon agriculture and fluctuations in the volume of rainfall, the high cost of agricultural inputs, and the low level of mechanization impact the country's food security.



	Growth (2017)	Value (2017)
GDP	5.6%	USD 9.3 billion

Source: World Bank

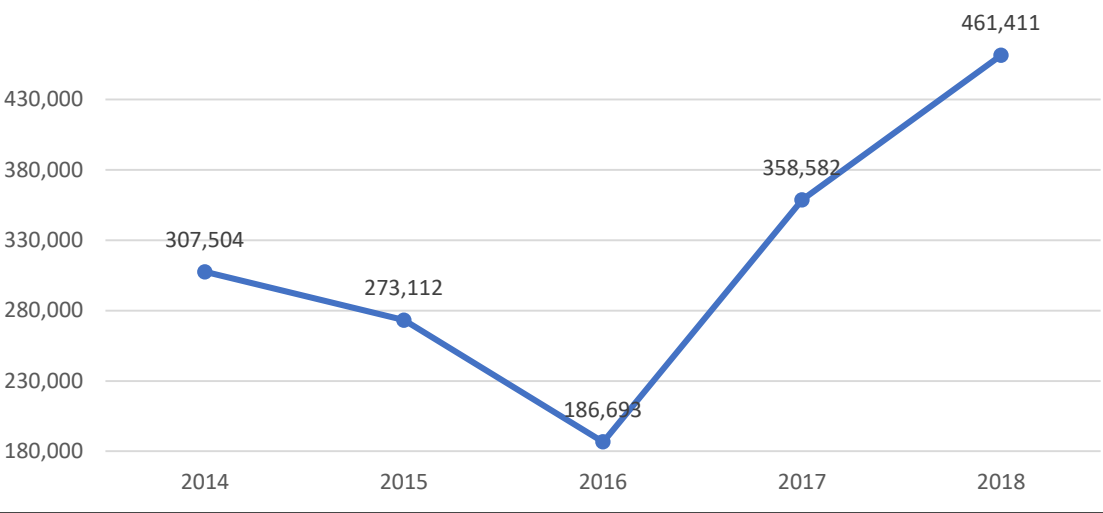


COTTON



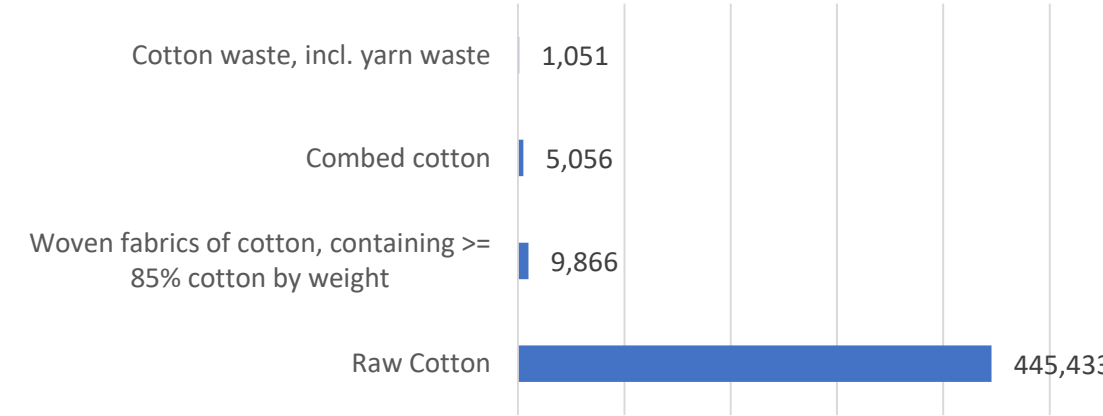
Cotton - Market Trends

Benin- Export of HS 52 Series- Cotton in USD 1000s in 2018



- Cotton in Benin contributes 40 percent of foreign exchange earnings, 12 percent of GDP and about 60 percent of the national industrial fabric
- Franc Zone cotton production for year 2019/20 is forecast at a record 6.0 million bales, up 0.6 million bales or 11 percent from 2018. Harvested area is forecast a record 3.3 million hectares, up 0.3 million hectares or 10 percent from 2018. Benin was the leading cotton producer for the region 2018 and 2019

Top Export Products under HS 52 Series in USD 1000s in 2018



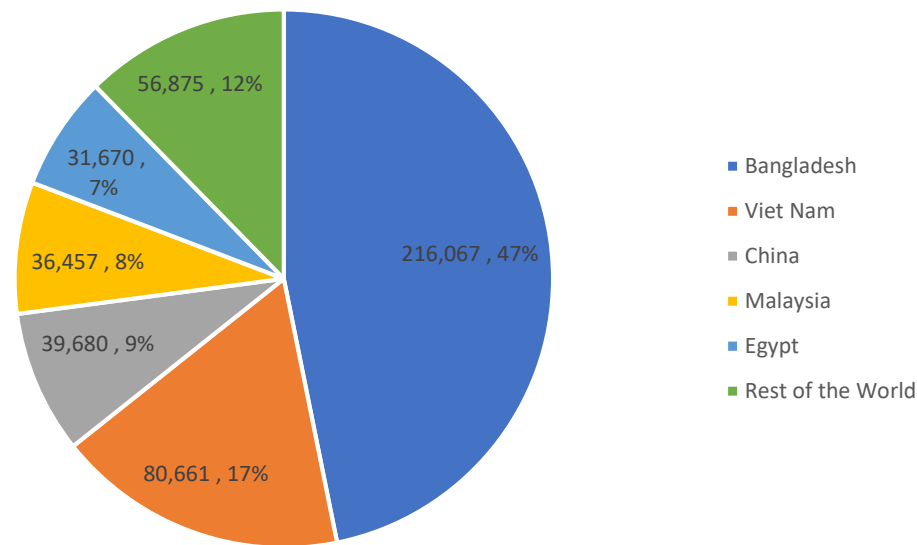
- The country produced 1.45 million 480 lb bales of cotton in 2019 with a 4% growth over the previous year

Source: International Trade Centre



Cotton- Supplier Landscape

Top Importers of HS 52 Series from Benin in 2018 in USD 1000s and in %



Source: International Trade Centre

Supplier Locations



Source: Dragon Sourcing Supplier Survey

–DSL’s initial research shows there are more than 100 trading companies in the country

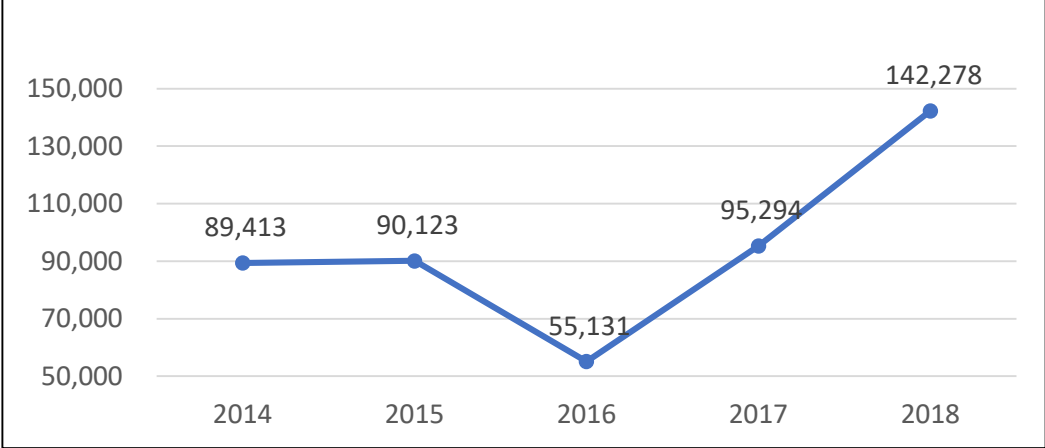


EDIBLE FRUITS & NUTS



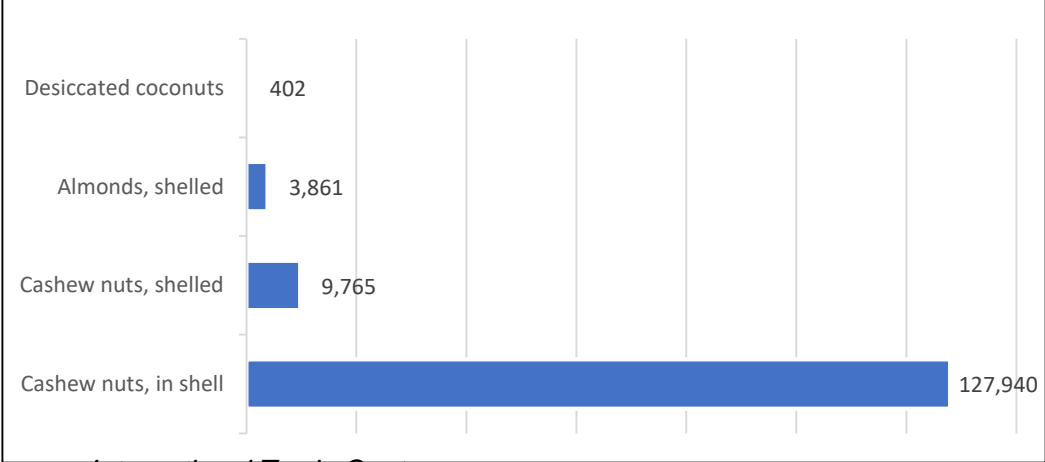
Edible Fruits and Nuts - Market Trends

HS 08 Edible Fruits and Nuts from Benin
in USD 1000s



- Benin is predominantly an agricultural country with about 55% of the economically active population engaged in the agricultural sector
- The agricultural sector is challenged by poor infrastructure, availability of rural credit and insufficient use of fertilizer, insecticides, and seeds
- Crop production and export figures are often understated as smuggling and black marketeering is not uncommon
- Main crops include food crops like manioc, yam, corn, sorghum, beans, rice, soy, sesame and sweet potatoes
- Fruits include papaws, guavas, pineapple and bananas
- Largest export from the country being nuts like Cashew, Almonds and Coconuts
- Benin produces 135,000 tons of Raw Cashew Nuts per year; 95% of these are exported to India for processing

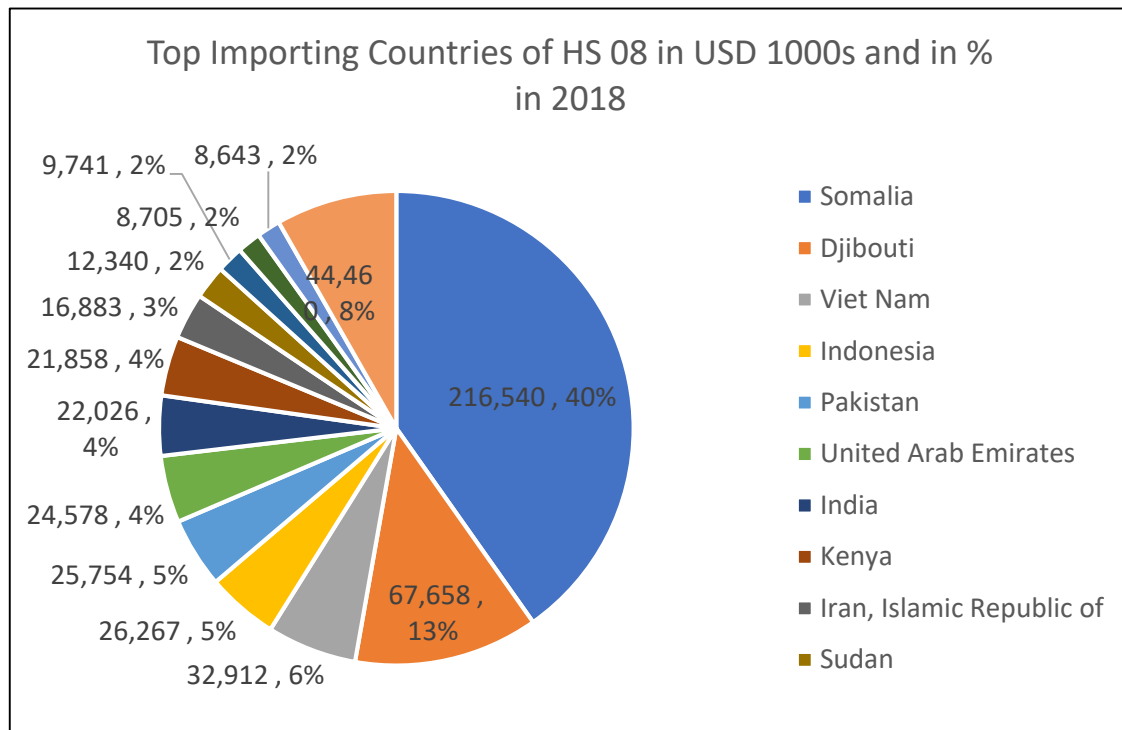
Top Products under HS 08 exported from Benin in
2018 in USD 1000s



Source: International Trade Centre



Edible Fruits & Nuts – Supplier Landscape



Source: International Trade Centre



Source: Dragon Sourcing Supplier Survey

- Cashew production is mainly limited to the northern part of the country where soil, climatic and geomorphological conditions are more favorable to the cultivation
- The shell is made into oil by companies like Fludor (subsidiary of Nigerian TDI) and is exported to countries like India where it is used to produce brake linings, paint and lacquer

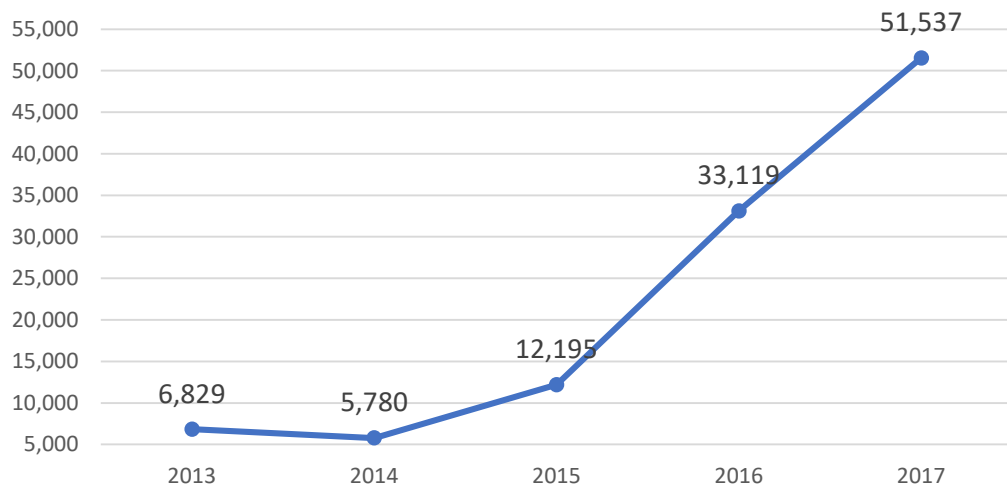


OILSEEDS



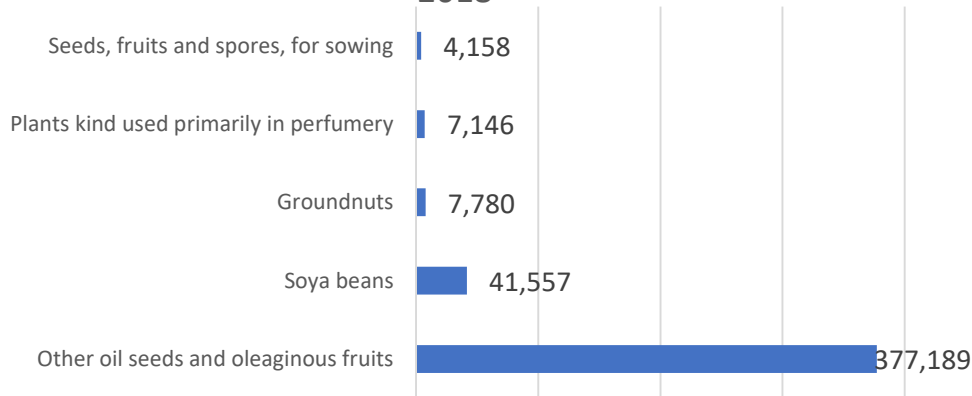
Oilseeds- Market Trends

Benin- Export of HS 12- Oilseeds in USD 1000s



- Shea products in Benin are produced in a low-developed agro-industry, but they are seen to be the country's third largest export
- Shea butter is made from the nuts of shea trees, which only grow naturally in the West African savanna belt
- Benin is the second largest Shea producer and the third largest exporter in West Africa- Shea is the largest exported product under this category followed by palm oil and groundnut (peanut) oil
- China is a major investor in the palm oil sector with investments close to \$300 million
- Palmoil was Benin's first export industry until 1980s, Oil exports have declined sharply since then

Top Export Products under HS 12 in USD 1000s in 2018

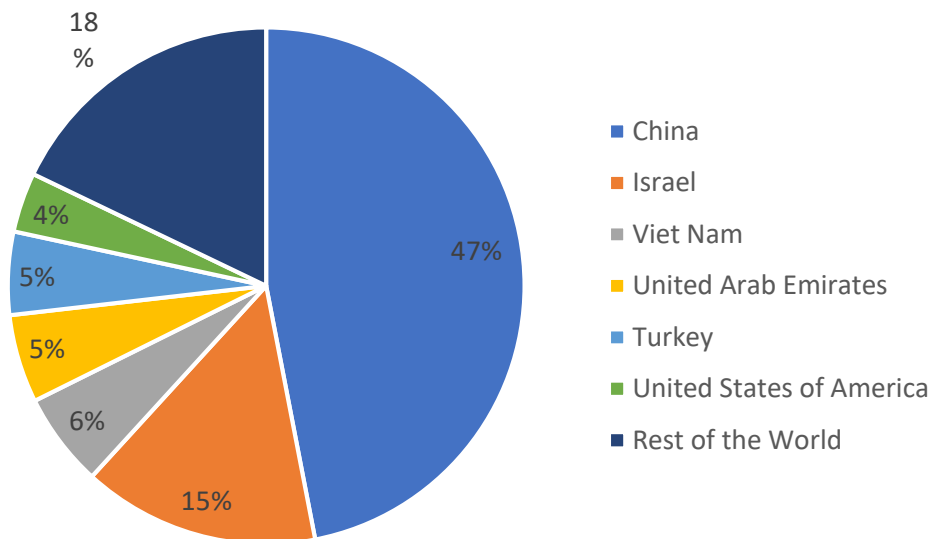


Source: International Trade Centre



Oilseeds- Supplier Landscape

Top Importers of HS 12 Series from Benin in 2018 in USD 1000s



Source: International Trade Centre

Supplier Locations



Source: Dragon Sourcing Supplier Survey

– There are more than 100 suppliers of Shea spread across the northern and southern parts of the country

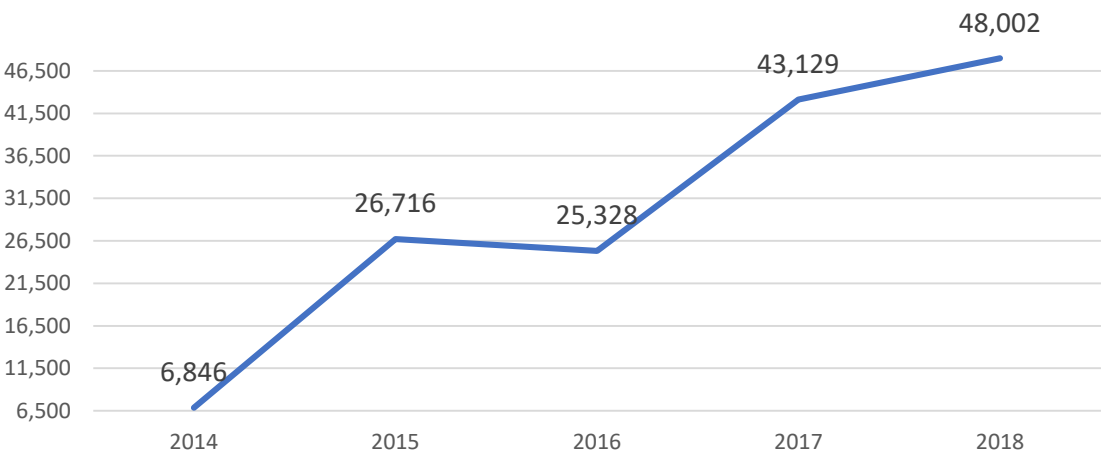


VEGETABLE FAT & OIL



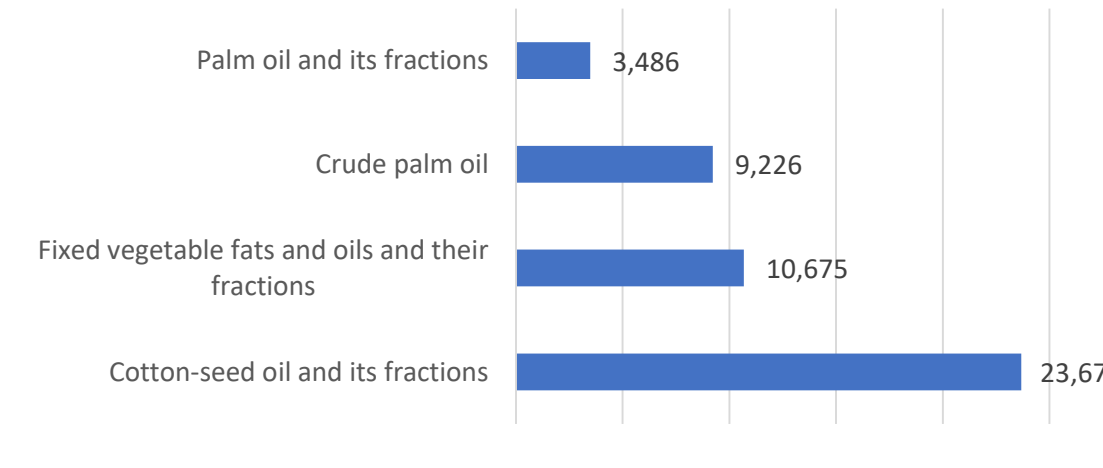
Vegetable Oils & Fat - Market Trends

Benin- Export of HS 15- Vegetable Fat and Oil in USD 1000s in 2017



- Industrial palm oil production in Benin accounts for about 20% of total production in the sector and most of it is exported
- The country was the largest producer of Palm oil in 2018 in the West African region
- Benin was also the largest exporter of Palm oil from the region- it exported 460,000 tons of palm oil in 2018 which was almost six times the Nigerian exports of the same
- Chinese investments in the industry has helped achieve a high yield and production
- India, traditionally one of the largest consumers of Palm oil, starting strengthening imports from Benin in 2019 as it imposed embargo on Malaysian exports

Top Export Products under HS 15 Series in USD 1000s in 2018



Source: International Trade Centre



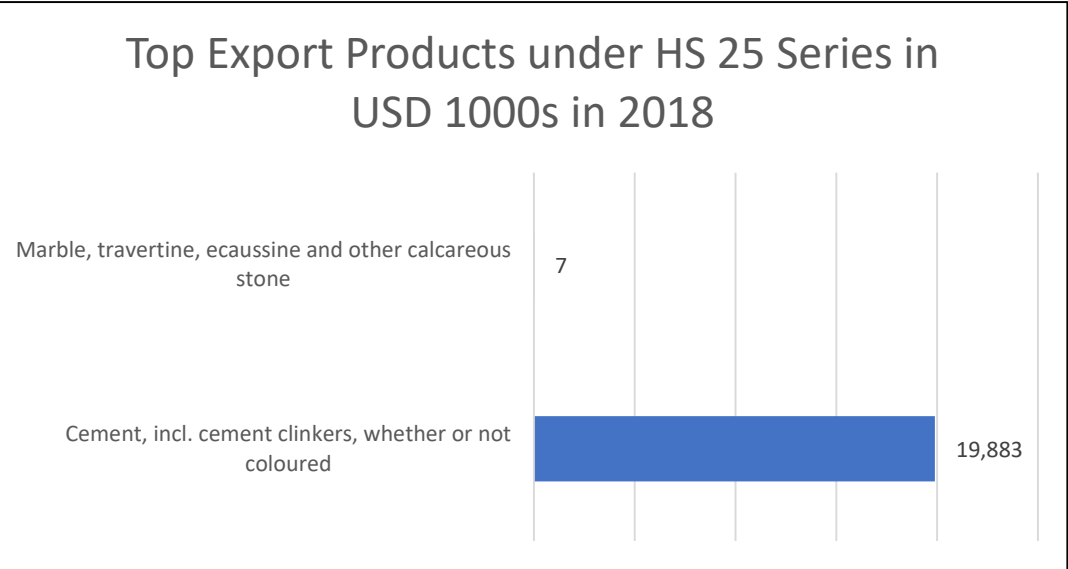
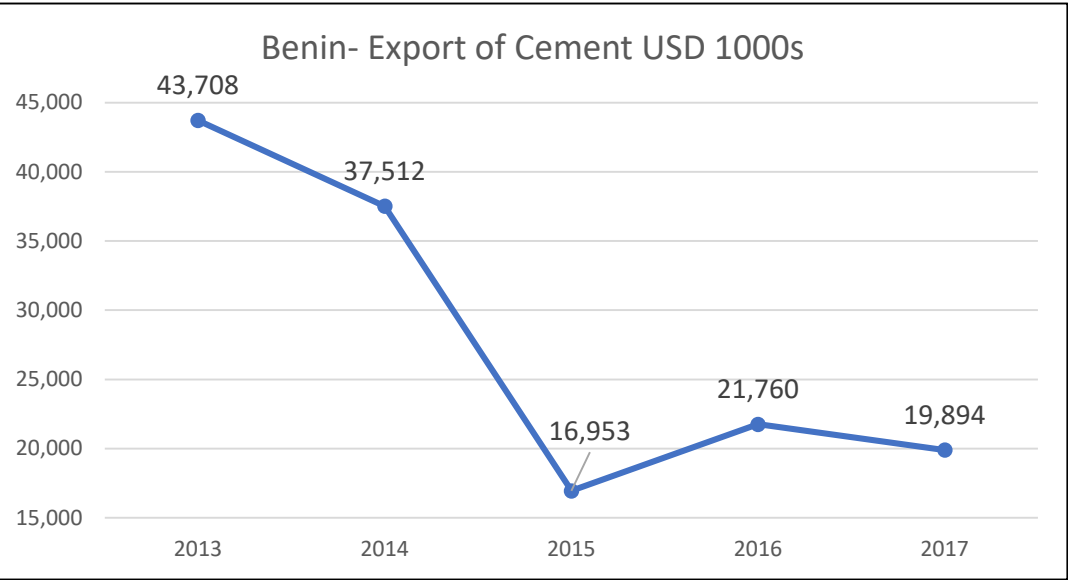
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CEMENT



Cement - Market Trends

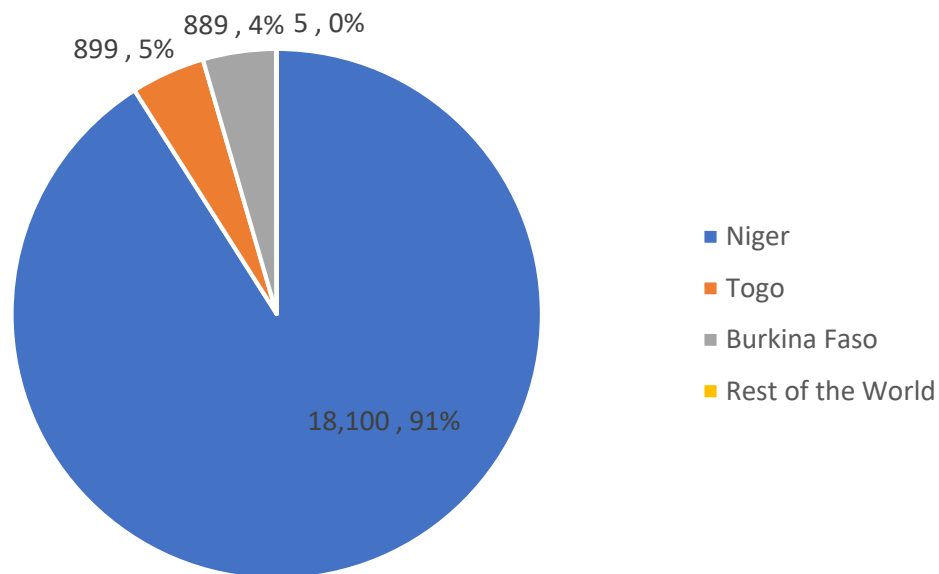


- Benin is one of the largest producers of cement in West African Region
- Most of the Cement produced is exported to Niger and other parts of Africa
- Cement is one of the Industries that is privatized in the country which is profitable and developing well
- Lafarge is the largest producer of cement in Sub Saharan Africa Region. The company has a 50% ownership and operates the second largest plant- by Lafarge Holcim, is the second-largest. It operates a 0.7Mt per year integrated plant in Cotonou
- Benin has three integrated cement plants with a combined capacity of more than 2Mt per year. The country also has a grinding plant with a capacity of 0.2Mt per year



Cement – Supplier Landscape

Top Importers of HS 25 Series from Benin in 2018 in USD 1000s and in %



Source: International Trade Centre

Supplier Locations



Source: Dragon Sourcing Supplier Survey

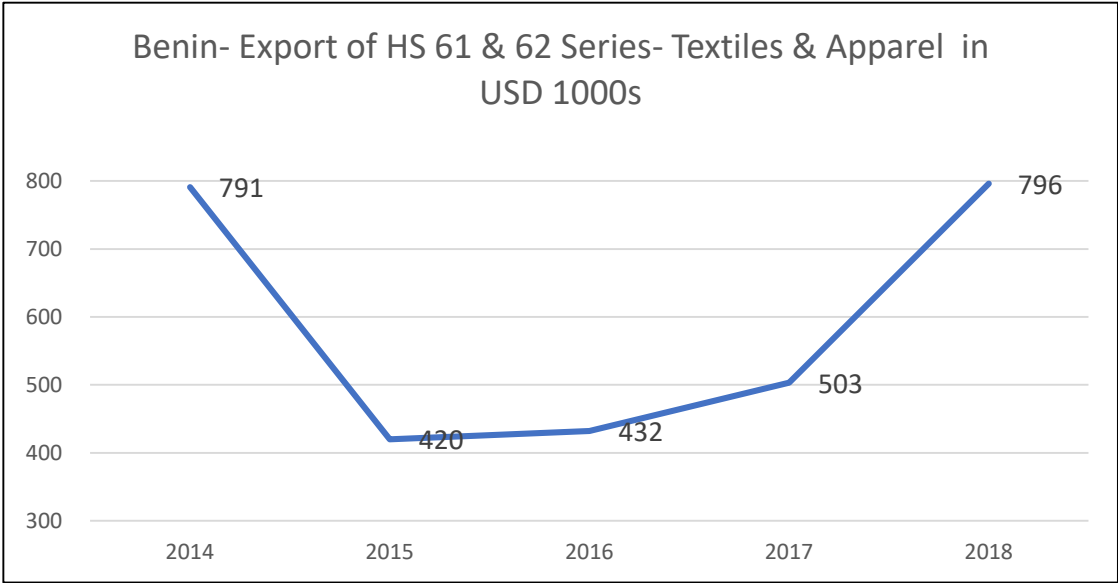
- The largest producer in the country is Cimenterie du Benin, which operates 1.3Mt per year Masse plant. Société des Ciments d'Onigbolo
- Heidelberg Cement subsidiary Cimbenin operates a 0.3Mt per year plant in Cotonou Reda Cimenterie also operates an integrated cement plant in Cotonou.
- Cement Plants are located in Cotonou and Onigbolo regions of the country



TEXTILES- An Upcoming Industry



Textiles- Market Trends



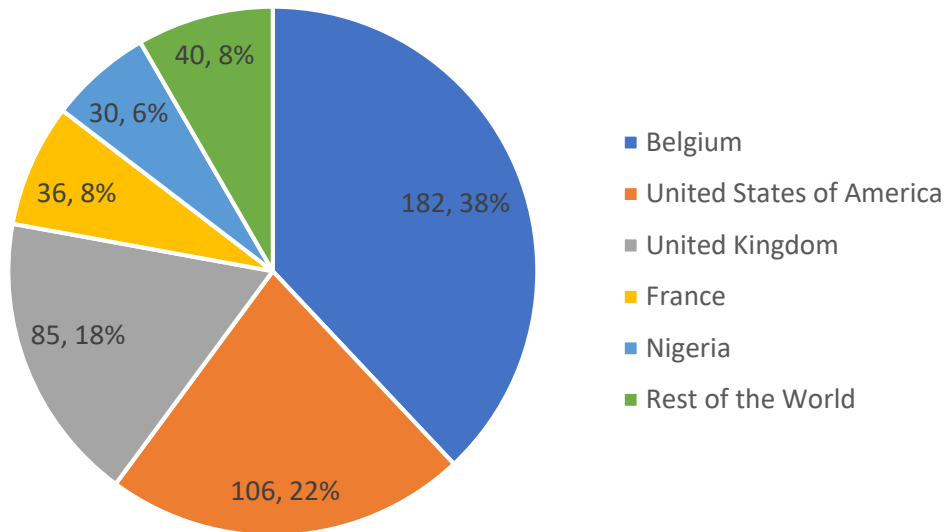
- The textile industry is an upcoming industry in Benin, owing to the large quantity of cotton produced in the country and availability of cheap labour
- Textile companies account for about 30% of the labour in the cotton sector. The apparel and footwear markets in Sub-Saharan Africa is estimated to be worth \$30 billion
- Benin has tens of textile manufacturers spread across the country, with some of these companies specializing in textiles for export

Source: International Trade Centre



Textiles- Supplier Landscape

Top Importers of HS 61, 62 & 62 Series from Benin in 2018 in USD 1000s and in %



Source: International Trade Centre

Supplier Locations



Source: Dragon Sourcing Supplier Survey

- Most producers are located in Cotonou in the South and Borgou in the North
- Benin is good in Towel and Khaki production. The country also is known to export shoes



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