

Economy

Overview: The economy of Benin remains underdeveloped and dependent on subsistence agriculture, cotton production, and regional trade. Growth in real output has averaged a sound 4% in 1991-94 but this rate barely exceeds the rapid population growth of 3.3%. Inflation jumped to 35% in 1994 (compared to 3% in 1993) following the 50% currency devaluation in January. Commercial and transport activities, which make up almost 36% of GDP, are extremely vulnerable to developments in Nigeria as evidenced by decreased reexport trade in 1994 due to a severe contraction in Nigerian demand. The industrial sector accounts for less than 10% of GDP and mainly produces foods, beverages, cement, and textiles. Support by the Paris Club and official bilateral creditors has eased the external debt situation in recent years. The government, still burdened with money-losing state enterprises and a bloated civil service, is gradually implementing a World Bank supported structural adjustment program.

National product: GDP - purchasing power parity - \$6.7 billion (1994 est.)

National product real growth rate: 4% (1994 est.)

National product per capita: \$1,260 (1994 est.)

Inflation rate (consumer prices): 35% (1994 est.)

Unemployment rate: NA%

Budget:

revenues: \$272 million (1993 est.)

expenditures: \$375 million, including capital expenditures of \$84 million (1993 est.)

Exports: \$332 million (f.o.b., 1993 est.)

commodities: cotton, crude oil, palm products, cocoa

partners: FRG 36%, France 16%, Spain 14%, Italy 8%, UK 4%

Imports: \$571 million (f.o.b., 1993 est.)

commodities: foodstuffs, beverages, tobacco, petroleum products, intermediate goods, capital goods, light consumer goods

partners: France 20%, Thailand 8%, Netherlands 7%, US 5%

External debt: \$1 billion (December 1990 est.)

Industrial production: growth rate -0.7% (1988); accounts for 10% of GDP

Electricity:

capacity: 30,000 kW

production: 10 million kWh

consumption per capita: 25 kWh (1993)

Industries: textiles, cigarettes, construction materials, beverages, food, petroleum

Agriculture: accounts for 35% of GDP; small farms produce 90% of agricultural output; production is dominated by food crops - corn, sorghum, cassava, yams, beans, rice; cash crops include cotton, palm oil, peanuts; poultry and livestock output has not kept up with consumption

Illicit drugs: transshipment point for narcotics associated with Nigerian trafficking organizations and most commonly destined for Western Europe and the US

Economic aid:

recipient: US commitments, including Ex-Im (FY70-89), \$46 million; Western (non-US) countries, ODA and OOF bilateral commitments (1970-89), \$1.3 billion; OPEC bilateral aid (1979-89), \$19 million; Communist countries (1970-89), \$101 million

Currency: 1 CFA franc (CFAF) = 100 centimes

Exchange rates: Communauté Financière Africaine francs (CFAF) per US\$1 - 529.43 (January 1995), 555.20 (1994), 283.16 (1993), 264.69 (1992), 282.11 (1991), 272.26 (1990)

note: beginning 12 January 1994 the CFA franc was devalued to CFAF 100 per French franc from CFAF 50 at which it had been fixed since 1948

Fiscal year: calendar year