



**Africa  
Logistics  
Zone**



# **THE SPECIAL ECONOMIC ZONE WITHIN THE PORT OF COTONOU**



**EDITION  
2024**

This document presents the Africa Logistics Zone project at the Autonomous Port of Cotonou from all angles, with particular emphasis on its advantages.

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## CONTEXT

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The port function, initially limited to the loading and unloading of ships, has evolved considerably, firstly towards an industrial function and then a logistics and supply chain function, bringing together industry and logistics with the aim of shortening the entire supply chain. Today we are witnessing the emergence of so-called intelligent ports, in which integrated port information systems play a key role.

In view of these developments, and given the major role played by the Port of Cotonou in the national economy, it is vital for the Port of Cotonou to equip itself with a port logistics zone and a port information system, in order to meet new market demands and stand out from the competition.

## INTRODUCTION

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A logistics study carried out as part of the Africa CEO forum 2020 concludes that Africa can only optimally host 4 value-added logistics hubs. One hub covering North Africa, another covering Southern Africa, a third covering East Africa and the fourth covering West Africa coupled with Central Africa.

An in-depth analysis focusing on the West and Central Africa regions shows that the Port of Cotonou's strategic geographical position gives it undeniable advantages as a logistics hub serving ECOWAS, CEMAC and the Democratic Republic of Congo. These three blocs represent 22 markets with a total population of 543.7 million, a GDP of USD 828 billion and an import value of USD 148.4 billion.

Furthermore, a benchmarking of ports in the sub-region shows that they are essentially second-generation ports.

Following a market study and a feasibility study, the conclusions of which were positive, the Port of Cotonou decided to seize the opportunity by implementing a new-generation logistics zone. This logistics zone project, known as the Africa Logistics Zone (ALZ), coupled with the Port Information System (PIS) project, will enable the Port of Cotonou to become the fourth-generation port in West Africa, making it the forerunner in the region.

This summary is divided into 3 main sections:

- o The purpose of the Logistics Zone, its nature as a joint venture and its Special Economic Zone (ZES) status
- o Industries and activities planned for the Logistics zone
- o The advantages of the Logistics Zone
- o CAD/CAM case study: Project and customer requirements

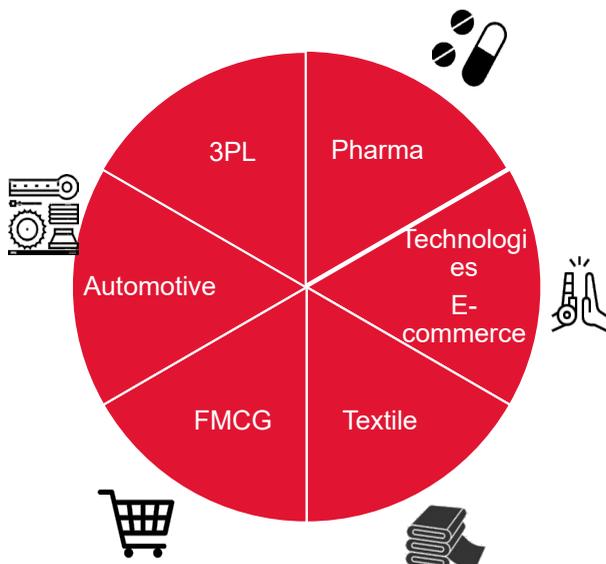
## OBJECTIVE, JOINT VENTURE AND SEZ STATUS

**ALZ aims to be a world-class regional logistics hub**, bringing a unique and effective experience to the major supply chain issue of last-mile delivery in the West and Central African markets, while limiting the explosion in flows and additional costs and helping to reduce the global carbon footprint.

Located in the heart of the Port of Cotonou and covering an area of 51 ha, ALZ is the result of a Public Private Partnership between the Government of Benin and the Port of Antwerp-Bruges International, one of Europe's leading maritime and logistics hub. Equipped with state-of-the-art infrastructure and information systems, ALZ enjoys the status of a Special Economic Zone (SEZ) and is governed by Law n°2022-38 of 03 January 2023 establishing the regime for Special Economic Zones in the Republic of Benin.

## INDUSTRIES AND ACTIVITIES PLANNED WITHIN ALZ

### FOCUS ON TARGET INDUSTRIES



This pie chart highlights the industries eligible for the Africa Logistics Zone. These include the :

- Machinery and equipment
- Technology (High Tech).
- Automotive
- Fast Moving Consumer Goods
- Spare parts
- Third-party logistics (3PL).
- Energy

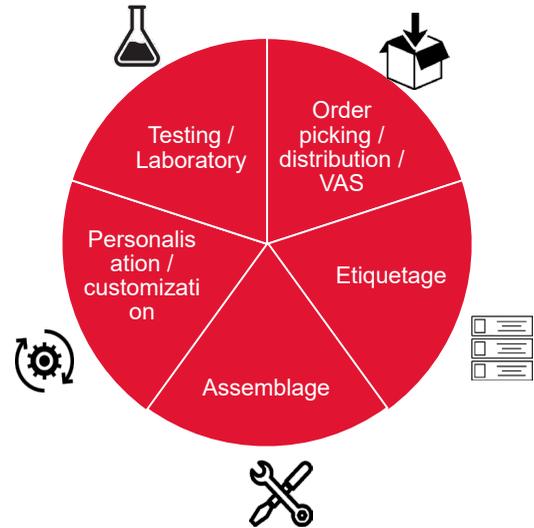
To this list can be added the pharmaceutical industry and offshoring through outsourcing and service businesses such as call centres, contact centres, etc.

## FOCUS ON VALUE-ADDED ACTIVITIES

In accordance with Law n°2022-38 of 03 January 2023 establishing the regime for Special Economic Zones in the Republic of Benin, a Société d'Aménagement et de Gestion (SAG) has been set up to develop and manage the Logistics Zone.

In operational terms, SAG has adopted 2 approaches :

- Sorting, packaging, distribution and related services
- Labelling in accordance with specific market conditions
- Assembling parts, etc.
- Customisation and adaptation to customer needs
- Testing and repairs



## OPERATIONAL MODE WITHIN ALZ

In accordance with Law n°2022-38 of 03 January 2023 establishing the regime for

Special Economic Zones in the Republic of Benin, a Société d'Aménagement et de Gestion (SAG) has been set up to develop and manage the Logistics Zone.

In operational terms, SAG has adopted 2 approaches:

1. Customers are given the opportunity to make the investment themselves in terms of building their own logistics warehouse.
2. Customers can opt to rent a logistics warehouse built by SAG.

## THE ADVANTAGES OF ALZ: A LOGISTICS HUB WITH SPECIAL ECONOMIC ZONE STATUS.

Africa Logistics Zone offers a number of advantages to investors, including :

## ADVANTAGES LINKED TO THE ZONE'S GEOGRAPHICAL POSITION

- Located in the heart of the Port of Cotonou, ALZ is ultra-secure: ISPS Zone
- Extremely fast supply times for empty containers

- Extremely short import delivery times (virtually no last miles )
- Significant reduction in import & export transfer costs (virtually no first & last mile)
- Bonded area
- Direct, easy access to port terminals
- On-site availability of a wide range of logistics equipment
- Connectivity: direct access to the rail network, 5 minutes from the airport



## ADVANTAGES LINKED TO THE PORT OF COTONOU'S MAJOR PROJECTS WITH A HIGH IMPACT ON THE LOGISTICS ZONE

The Port of Cotonou has adopted an ambitious master plan comprising 12 high-impact projects for the Logistics Zone and its investors, including :

1. **Centralised access and the Zongo car park**, which will improve and digitise lorry access to the Port of Cotonou.
2. **The construction of Terminal 5**, a 20-hectare bulk terminal, and the improvement of nautical access will **increase the production and competitiveness of the Port of Cotonou**.
3. **The extension of the Port Basin and the renovation of the North Quays** will make it possible **to accommodate large ships over 300 m long with a draught of over 15 m**, and to increase the Port of Cotonou's container capacity.
4. **The Grand Nokoué Logistics Platform**, built on 24,000m<sup>2</sup>, is made up of warehouses that meet international logistics standards.
5. **The construction of the Maritime Affairs Centre**, which will bring together all the key players in the port hub and create a more efficient working environment for all those involved.

## **FACILITIES OFFERED BY THE LOGISTICS ZONE**

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1. Customs & tax benefits (investment exemptions)
2. Social benefits (simplified procedure for issuing visas, resident cards, etc.)
3. Simplified customs formalities (imports & exports)
4. One-stop shop: centralising and facilitating key administrative procedures
5. Support services for administrative activities (call centres, service centres, etc.)
6. Banking facilities (simplified international money transfer & foreign exchange authorisation procedures)
7. Supply of quality electricity in quantity at a preferential rate
8. World-class IT infrastructure (Data Centre, Optical Fibre, 5G, TOS, etc.)
9. Availability of high-quality infrastructure (fire station, dispensary, police station, testing laboratories, training centre, etc.). )
10. Personalised, local support: rapid resolution of investors' difficulties

## **AN ADVANTAGEOUS LEGAL AND REGULATORY FRAMEWORK**

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As mentioned above, ALZ enjoys the status of a Special Economic Zone and is governed by Law n°2022-38 of 03 January 2023 establishing the regime for Special Economic Zones in the Republic of Benin. This law offers numerous customs, fiscal and social advantages to investors in the Zone, an overview of which is provided in table N\*1, attached to this memo.

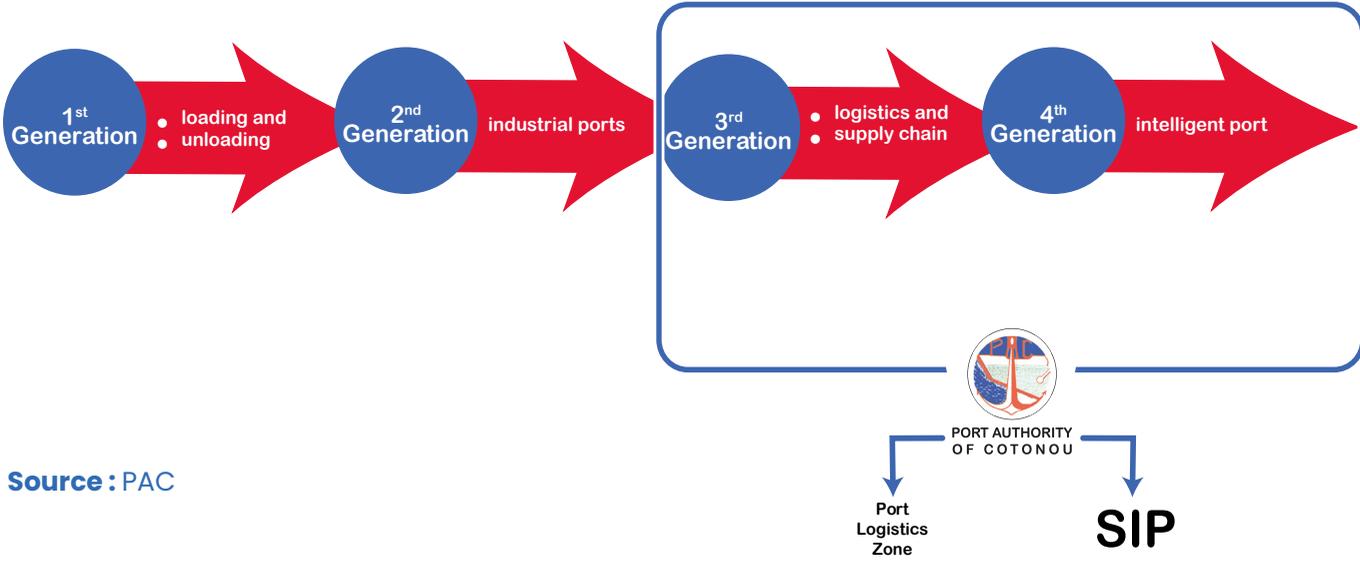
## **ADVANTAGES LINKED TO THE COUNTRY'S ECONOMIC ATTRACTIVENESS**

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Benin enjoys a strategic geographical location that is highly favourable to business and investment, with good connectivity to the front and hinterland, by land, sea (see appendix) and air.

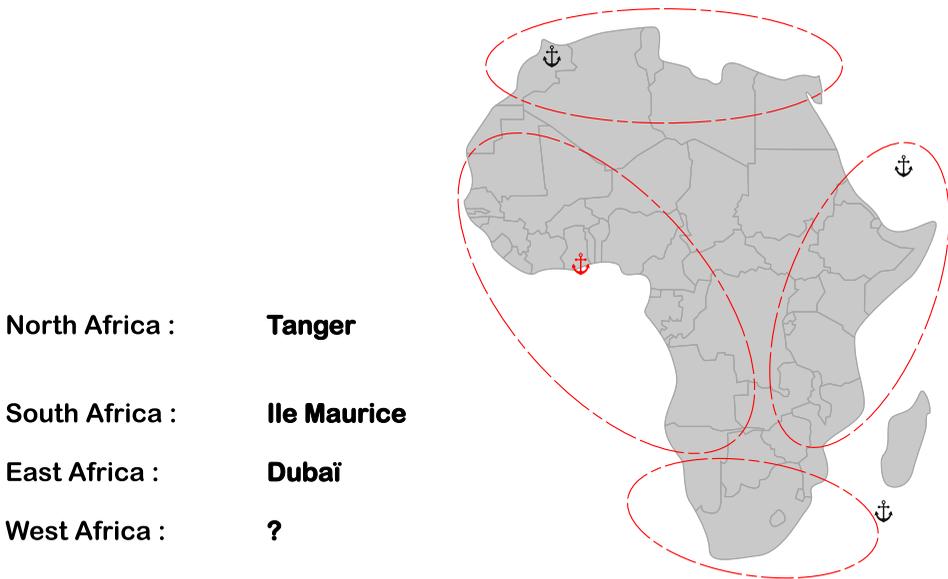
Similarly, Benin's political and democratic context is stable, and the economy is growing rapidly, leading to an improvement in the various performance rankings, including the Ease of Doing Business and Logistics Performance Index rankings, for which Benin has risen from 158 (2016) to 149 (2020) and 115 (2016) to 67 (2022) respectively.

**APPENDIX 1 : EVOLUTION OF PORTS WORLDWIDE**



Source : PAC

**APPENDIX 2  
CLASSIFICATION OF LOGISTICS HUBS IN AFRICA**



Analysis by Africa CEO forum 2020: Africa cannot naturally have 4 logistics hubs, including a merger of West and Central Africa

Analysis by Africa CEO forum 2020: Africa cannot naturally have 4 logistics hubs, including a merger of West and Central Africa . The ports studied in the sub-region are second-generation ports, i.e. they include an industrial zone within the port (Senegal, Togo, Côte d'Ivoire).

The concept of an integrated logistics zone has not materialised.

Source : Africa CEO Forum 2022

# APPENDIX 3 : OVERVIEW OF SEZ REGIMES - LAW 2022-38 OF 03 JANUARY 2023

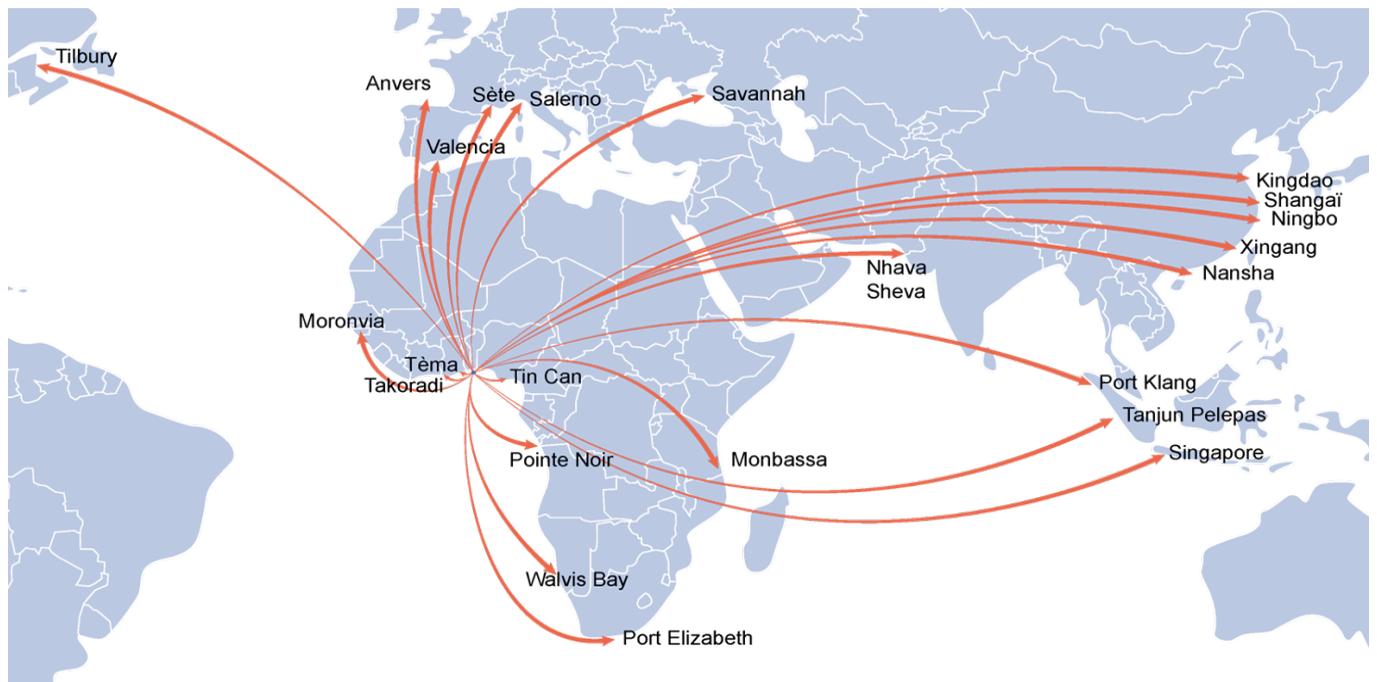
| Schemes     | 1. Export Scheme   | 2. Intra-community trade promotion Scheme   |  |   |
|-------------|--|---|--|---|
| Eligibility | No amount requirement<br>Mandatory: export 80% of the goods  | 2A : XOF 10 to 20 billion   | 2B : XOF 20 to 50 billion  | 2C : > XOF 50 billion   |
| Customs     | <p><b>Total exemption from import duties and taxes, except for the road tax, the statistical tax, the customs stamp, the community levy, the community solidarity levy and the solidarity levy on:</b></p> <ul style="list-style-type: none"> <li>equipment, tools and commercial vehicles intended exclusively for production</li> <li>specific spare parts for imported equipment up to an amount equal to 15% of the value of the equipment at cost of insurance and freight</li> </ul> |   |  |   |
| Fiscal      | <ul style="list-style-type: none"> <li>exemption from <b>customs duties on raw materials</b></li> </ul>  | No exemption on raw materials   |  |   |
|             | 0 to 15 years  | 0 to 12 years   | 0 to 15 years  | 0 to 17 years   |
|             | <ol style="list-style-type: none"> <li>Exemption from <b>corporate tax, advance payment of tax</b> based on profits and <b>flat rate minimum tax</b></li> <li>exemption from <b>the contribution of patents and licenses</b></li> <li>exemption from <b>registration duty</b> in the event of a capital increase</li> <li>exemption from the amount of the <b>employer's payment on wages</b></li> </ol>   | <ol style="list-style-type: none"> <li>exemption from <b>corporate tax, advance payment of tax</b> on profits and <b>flat-rate minimum tax</b></li> <li>exemption from <b>the contribution of patents and licenses</b></li> <li><b>50% reduction</b> in the amount of the <b>employer's payment on wages</b></li> </ol> | <ol style="list-style-type: none"> <li>exemption from <b>corporate tax, advance payment tax</b> based on profits and the <b>flat-rate minimum tax</b></li> <li>exemption from <b>the contribution of patents and licenses</b></li> <li><b>80% reduction</b> in the amount of the employer's payment on wages</li> <li>the employer's payment on wages</li> </ol> | <ol style="list-style-type: none"> <li>exemption from <b>corporate tax, the advance payment tax</b> based on profits and the <b>flat-rate minimum tax</b></li> <li>exemption from <b>the contribution of patents and licenses</b></li> <li>exemption from the amount of the <b>employer's payment on wages</b></li> <li>exemption from <b>registration duty</b> in the event of a capital increase</li> </ol> |
|             | <b>Exemption from transfer duty, registration and capital gains tax in the event of the sale of property, transfer or contribution between companies</b>   |   |  |   |
|             | > 15 years   | > 12 years  | > 15 years   | > 17 years  |
|             | Corporate tax at 15%   | Corporate tax at 15%  | Common Law scheme  | Common Law scheme   |
| Social      | <ol style="list-style-type: none"> <li>Facilitation on visa and resident card</li> <li>Freely negotiated employment contract</li> <li>Resident card for a period of 5 years</li> </ol>   |   |  |   |

## APPENDIX 4 : OVERVIEW OF CONNECTIONS TO THE HINTERLAND AND NEIGHBOURING COUNTRIES BY LAND: LORRIES

| CORRIDOR              | DISTANCE (in Km) | JOURNEY TIME | NUMBERS OF BORDERS |
|-----------------------|------------------|--------------|--------------------|
| COTONOU - NIAMEY      | 1020             | 16h          | 1                  |
| COTONOU - OUAGADOUGOU | 1010             | 17h          | 2                  |
| COTONOU - BAMAKO      | 1870             | 30h          | 3                  |
| COTONOU - TCHAD       | 1950             | 33h          | 2                  |
| COTONOU - TOGO        | 150              | 03h          | 1                  |
| COTONOU - LAGOS       | 125              | 04h          | 1                  |
| COTONOU - GHANA       | 750              | 10h          | 2                  |
| COTONOU - ABIDJAN     | 875              | 18h          | 3                  |

Tableau N° 2 | Source : PAC

## APPENDIX 5 : SUMMARY OVERVIEW OF THE NETWORK OF MARITIME CONNECTIONS AVAILABLE IN THE SUB-REGION AND INTERNATIONALLY



Source : PAC



🌐 [www.alz.bj](http://www.alz.bj) ✉ [contact@alz.bj](mailto:contact@alz.bj) ☎ +229 **97 97 65 08**  
📍 Boulevard de la Marina | Port de Cotonou