

## DAHOMEY

*Dahomey lies in West Africa, on the Gulf of Guinea. Area: 112,622 km<sup>2</sup>. Population (1967 estimate): 2,461,000. Formerly a French colony, it became independent on 10 July 1960. A major West African exporter of copra and palm oil.*

### THE BANKING SYSTEM

Dahomey is one of the seven African countries which belong to the West African Monetary Union and have a joint Central Bank<sup>1</sup>; the other six members are the Ivory Coast, Mauritania, Niger, Senegal, Togo and Upper Volta.

The banking law, Law No. 65/22 of 8 July 1965, is in line with those of the Union's other members.

At the apex of the banking system, the *Banque Centrale des Etats de l'Afrique de l'Ouest* is flanked by the National Monetary Commission and the National Credit Commission. The latter is composed of the Minister of Finance and Economic Affairs, the head of the economic affairs department, the Planning Commissioner, the head of the local branch of the Central Bank, the head of the Development Bank, and representatives of various trade associations. It shares with the Central Bank responsibility for decisions on local credit distribution.

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<sup>1</sup> See under the heading NIGER.

Responsibility for bank organization, law enforcement and banking regulations rests with the six-member Banking and Finance Commission, composed of two representatives each of the finance and the economic affairs departments, the secretary-general of the planning department, and the head of the Cotonou branch of the Central Bank.

The rest of the banking system comprises three commercial banks, one development bank and one financial institute.

Of the three commercial banks, the *Banque Internationale pour l'Afrique Occidentale* is a private French bank (for details see under the heading NIGER). It has two permanent branches in Dahomey, one at Cotonou and one at Parakou.

The other French bank, *Banque Nationale de Paris*, is not private but nationalized. It has two branches in Dahomey; a permanent one at Cotonou and a non-permanent one at Porto Novo.

The third commercial bank, *Société Dahoméenne de Banque*, is a joint stock company incorporated in Dahomey. It has a capital of 125 million CFA francs and was set up on 20 March 1962 to take over the Dahomey branch of the *Crédit Lyonnais*, which still holds 29 per cent of the equity. The other shareholders are the Republic of Dahomey (31 per cent), the Dahomey development bank (20 per cent), the *Banca Commerciale Italiana* (10 per cent) and the *Deutsche Bank* (10 per cent). Unlike the other French bank, the *Crédit Lyonnais* allowed major slices of the equity to pass into the hands of domestic and foreign shareholders. This bank is the largest of the three commercial banks in Dahomey; its balance sheet total at the close of accounts for 1968 came to more than 2,500 million CFA francs, compared with about 1,000 million in the case of the other two. Almost exactly the same proportional difference was evident in the volume of short-term credit outstanding.

The *Banque Dahoméenne de Développement* is a joint stock company incorporated under Dahomey law on 16 November 1961 to take over from the former "social credit" institute. Of its capital of 300 million CFA francs, the Republic of Dahomey holds 55.4 per cent, the *Caisse Centrale de Coopération Economique* 33.3 per cent, the Central Bank 10 per cent, and private shareholders 1.3 per cent — a distribution typical of development banks in the countries of French-speaking Africa. The *Banque Dahoméenne* has two permanent branches, one at Cotonou and one at Dassa-Zoumé. It lends mainly on the long term (more than 400 million CFA francs outstanding on 30 September 1968), but, in lesser volume, also on the short and medium term.

The only financial institute, *Société Dahoméenne de Crédit Automobile*, is a joint stock company under Dahomey law and finances hire-purchase sales of motor vehicles, like similar companies linked with the Renault group in other countries of the West African Monetary Union. It was set up on 6 November 1962 with a capital of 25 million CFA francs. The shares are owned by a large number of private shareholders in parcels of less than 10 per cent; the conspicuous exception is *S.A. Nègre et Compagnie*, with a stake of 35.6 per cent.

Dahomey's Post Office Savings Fund has no independent legal status of its own, but is run by the Ministry of Posts.

