



TOGO

Central Gateway to West Africa



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COUNTRY CONTEXT

TOGO IS THE NATURAL POINT OF ENTRY INTO THE WEST-AFRICAN MARKET...

- ~57,000 km²
- ~7 million inhabitants
- Capital: Lomé
- Official language: French
- Currency: CFA Franc (EUR 1 = 655,957)

- Nominal GDP: ~XOF 2,400bn (~USD 5bn)
- Economy based on agriculture (40% of GDP), mining and trade

A government determined to reduce poverty

A resolutely pro-business focus

- Continuous efforts of social and political dialogue to **maintain the political stability of recent years**
- Member of Ecowas and Waemu Free Trade Zone (~300 million inhabitants)
- Francophonie member state
- Commonwealth membership in progress

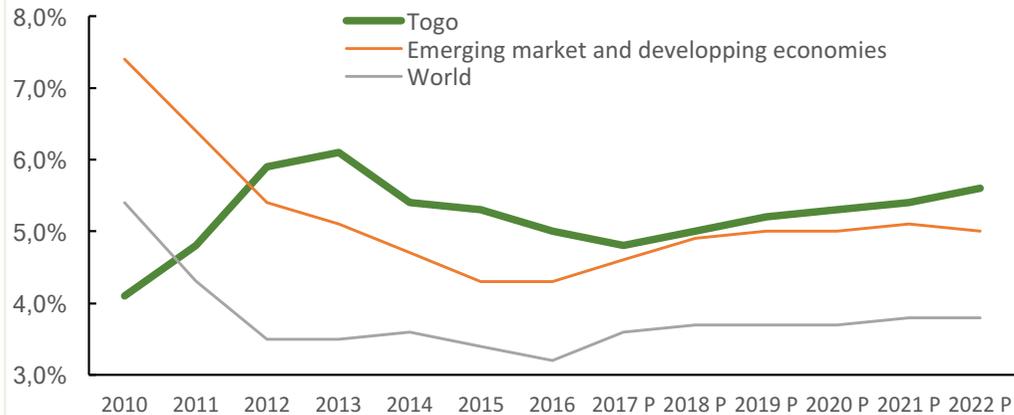
- 5th world biggest phosphate producer
- A world-class port and airport that makes Togo a prime sub-regional business hub
- No. 1 banking sector in West Africa (by number of head offices)

...WITH SOLID FUNDAMENTALS...

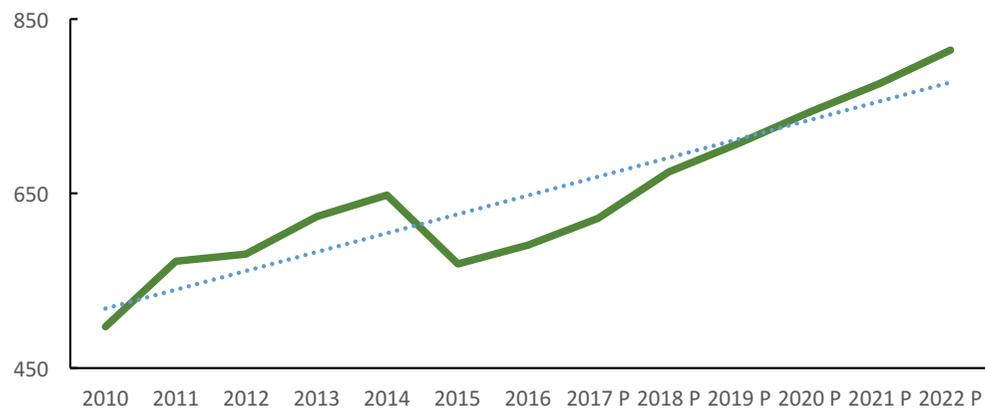
- 1 **Robust economic growth** over the last few years
- 2 **Steady investment flows** that are driving economic growth
- 3 **New, modern infrastructure**, especially in transport
- 4 **A significantly improved business climate**

1 STRONG ECONOMIC GROWTH IN TOGO OVER THE LAST FEW YEARS THAT WILL BE PURSUE TO ACHIEVE 5.6% BY 2022

Togo Real GDP Growth (Annual percent change), 2010-2022 P



Real GDP per Capita, 2010-2022 P



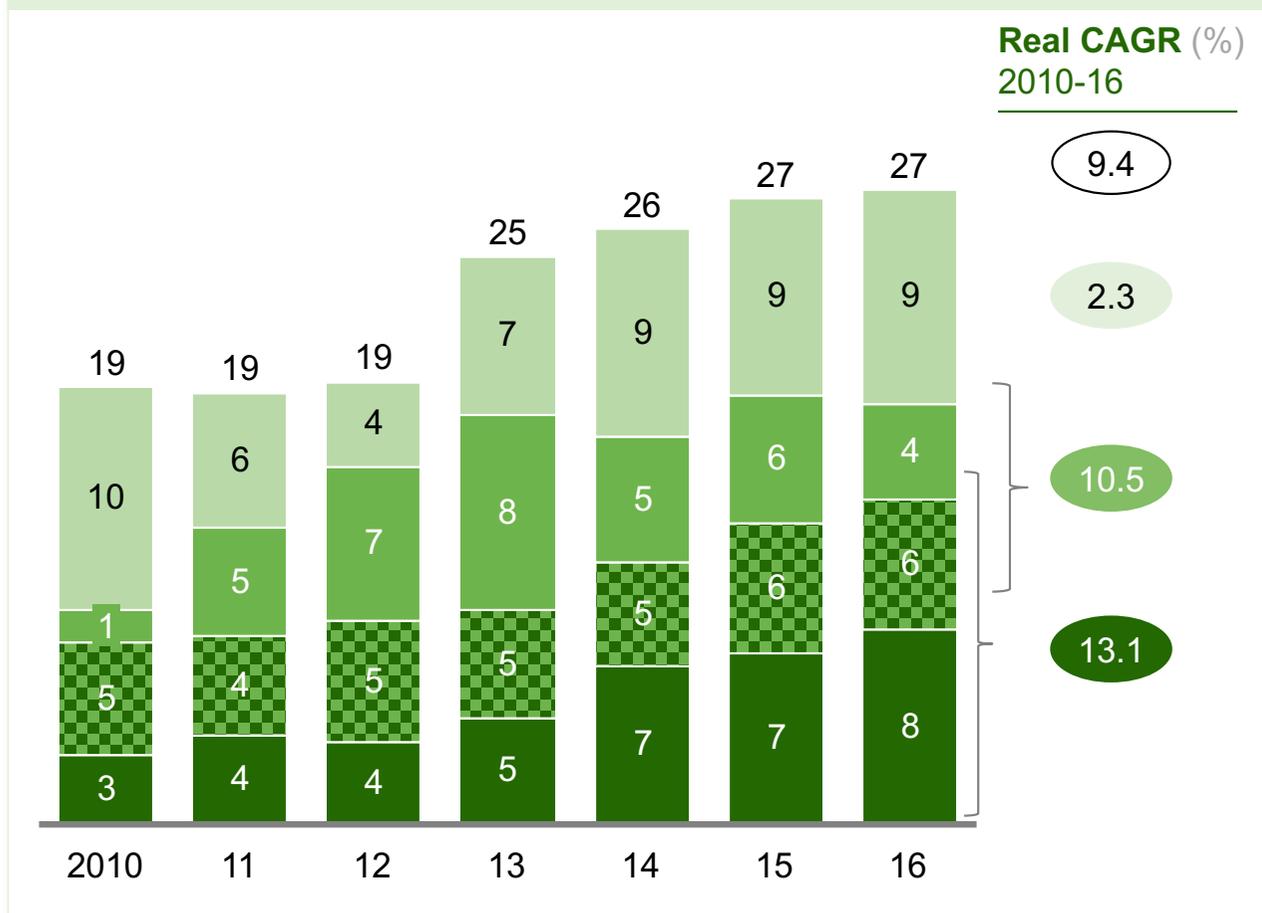
Key messages

- Togo's real economic growth between 2007 and 2015 **was a robust 4.3% per annum and is expected to continue at a rate of +5% per annum** despite moderate slowdown due to fiscal consolidation between 2016 and 2017.
- **Togo's economic growth is expected to reach 5,6% by 2020** as a result of improved agriculture productivity, strong private investments resulting from the improvement of total factor productivity (especially Energy and ICT) and reforms in public governance.
- The robust growth between 2007 and 2015 has **increased the real wealth of the Togolese by an annual average of 2%.**
- Togolese government's ambition is to **ensure that growth continues to be inclusive** to reduce poverty. This is why **special emphasis will be placed on job-creating sectors, particularly Agriculture and Manufacturing.** The main goal aim to durably reduce the poverty rate.

2 GROWTH IN TOGO HAS BEEN STIMULATED BY STRONG PUBLIC AND PRIVATE INVESTMENT FLOWS WHICH NEED TO BE MAINTAINED...

- Public investment (own resources)
- Foreign private investment
- Public investment (foreign financing)
- Domestic private investment

Investment in Togo, 2010-2016, % of GDP



Key messages

- **Public investments were at a record high between 2010 and 2016, jumping ~50% in GDP % between 2013 and 2016**
- **The foreign portion of domestic investment also increased**
- **Private domestic investments grew at a slower rate than GDP growth, possibly due to the crowding out effect brought on by public investments or difficulties in the banking sector**
- **Investments are the key driver of economic growth, especially when they can go towards importing foreign technology**

2 ...INVESTMENTS THAT HAVE BEEN PUT TO EXCELLENT USE IN TOGO IN RECENT YEARS...

Hospitality***** Renovation of Hotel 2 Fevrier (XOF 28bn, 2015)



Project to **build 10 hotels** (XOF 100bn)

Logistics



Construction of a **third wharf** at the Port Authority of Lomé (XOF 300bn, 2014)



Construction of the dock at the PAL (XOF 220bn, 2014)



Construction of a **new air terminal** at Lomé airport (USD 150m, 2016)



Dual carriageway construction for the RN1 (Lomé-Davié section completed in 2016)

Mines



Mining of a **marble deposit** in progress since 2014



Inauguration of a **new clinker production facility** in 2015 (1.5m tonnes/year)



Construction of Ecobank's pan-African head office (2011)



Establishment of **Orabank's head office in Lomé** (2012)



Sharp **increase in the provision of banking products and services** (+ >70% in six years)



National Agriculture and Food Security Program (~USD 970m)



Three **"agropoles"** (in Kara, Oti and Aou-Mono) under development



Set-up of a 100 MW capacity Contour Global coal-fired power plant in 2010



A host of projects aimed at increasing the country's **electric transportation capacity**



the CI-ZO solar kit rural electrification project underway. Target: 300,000 households electrified by 2022

Business



Agriculture

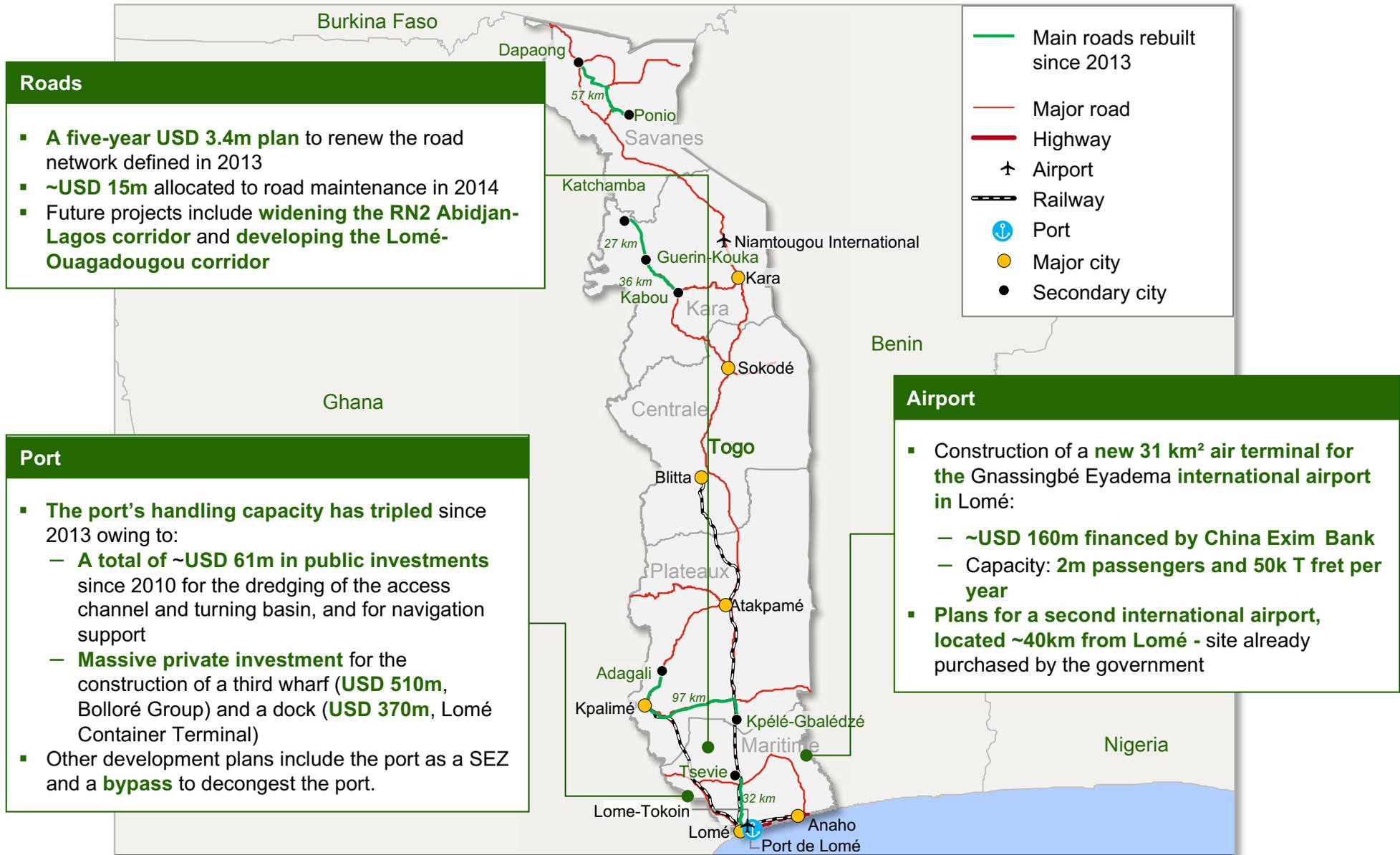


Energy



3

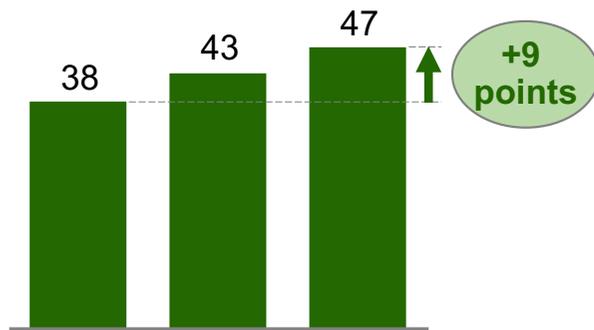
...WITH A FOCUS ON FINANCING MODERN TRANSPORTATION INFRASTRUCTURE TO SUPPORT TOGO'S POSITION AS A REGIONAL HUB



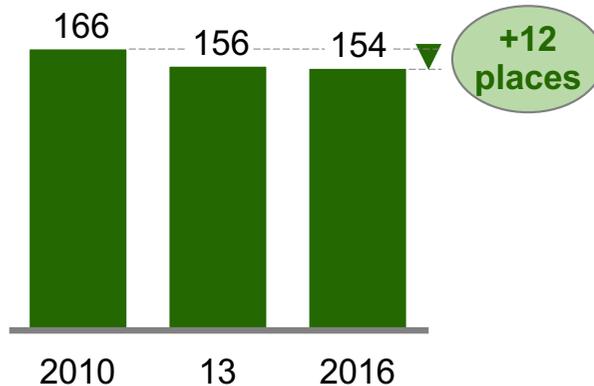
4 TOGO'S BUSINESS CLIMATE HAS IMPROVED SIGNIFICANTLY OVER THE LAST SIX YEARS

Togo's business climate: general indicators

Doing Business¹ index

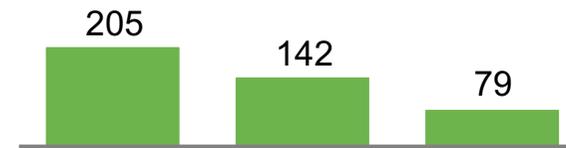


Doing Business global ranking (out of 190 countries)

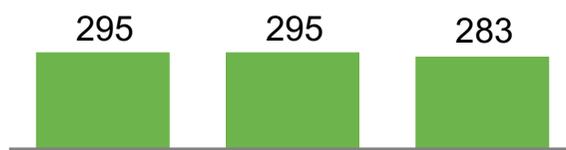


Three main reasons why doing business in Togo is easy

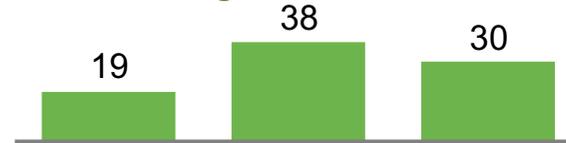
Business start-up costs (% income per capita)



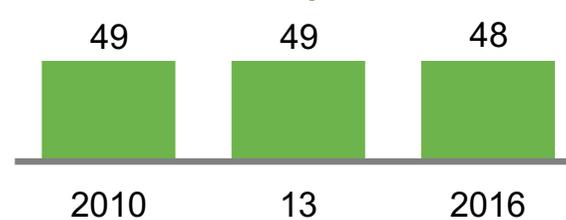
Time required to register property (average number of days)



Ease of securing a loan¹



Ease of contract compliance¹

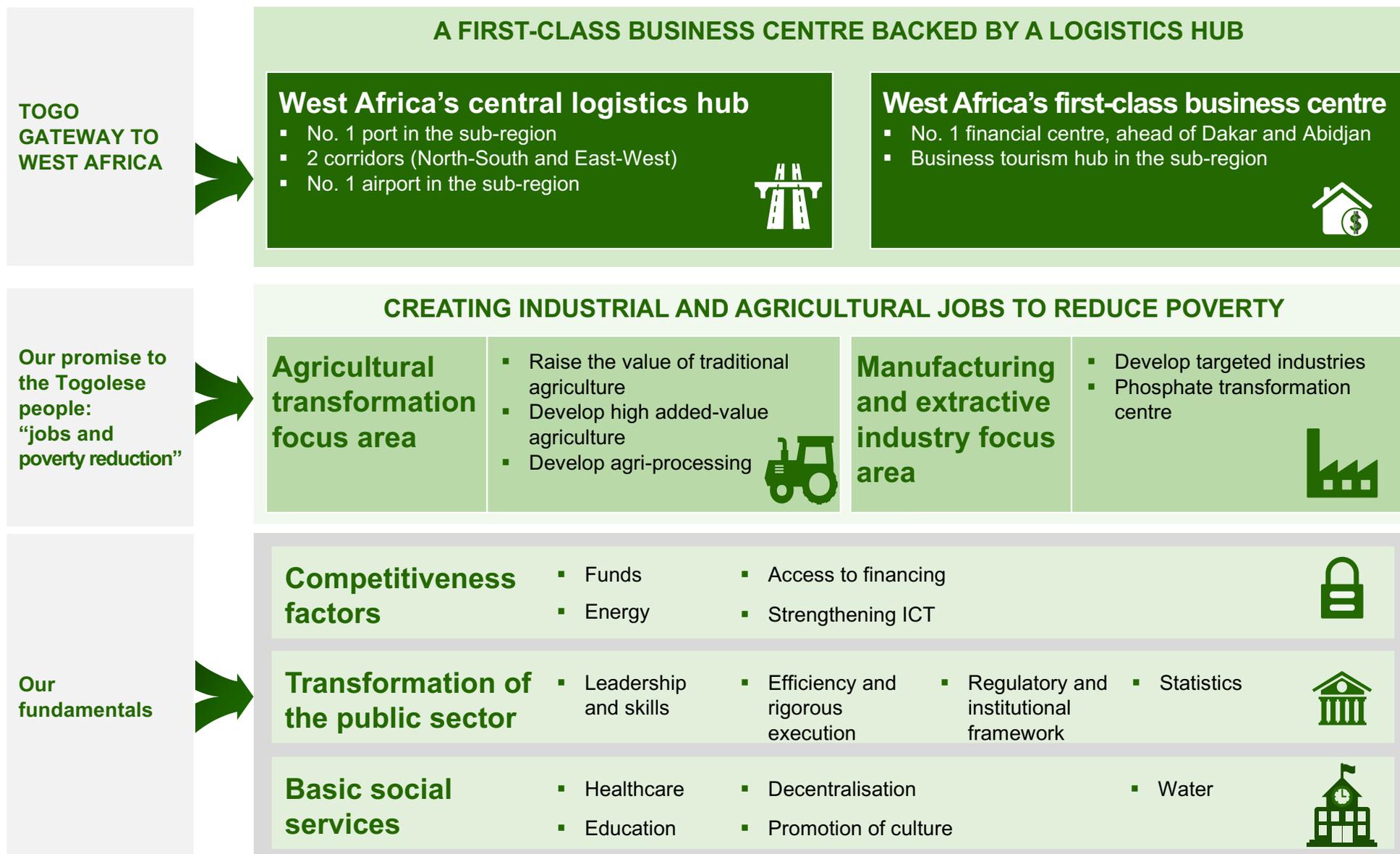


- Togo has taken great strides to **improve business start-up costs, the time required to register property, and the ease of securing a loan**
- While some obstacles remain - particularly around contact compliance - **recent progress will support private investment and growth**

¹ Each country is given a score of 0 to 100, 100 indicating countries where doing business is easiest for the given criteria. Ease of contract compliance refers to time and cost of resolving business disputes and the quality of the local judicial system. Ease of securing a loan refers to the soundness of the credit system and the efficiency of the laws governing bankruptcy and collateral.

OUR 2022 AMBITION:

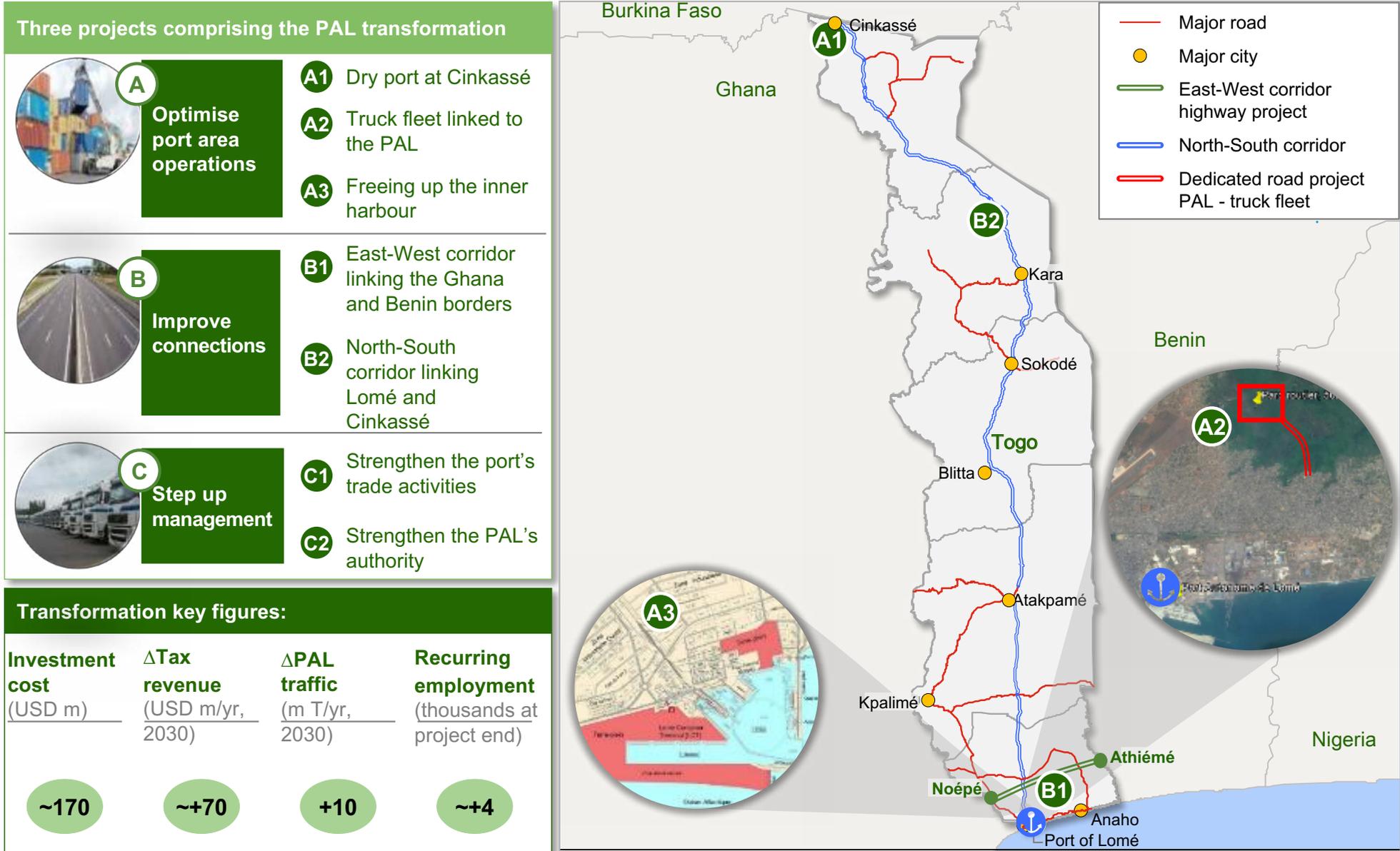
TOGO AS THE CENTRAL GATEWAY TO WEST AFRICA





MAIN INVESTMENT OPPORTUNITIES

LOGISTICS HUB: TRANSFORMATION OF THE PORT OF LOMÉ AIMED TO BECOME THE FIRST PORT OF WEST AFRICA !



LOGISTICS HUB: DEVELOPING THE SOUTH-NORTH CORRIDOR

A development project comprising two non-exclusive options

Option A

Construction of a railway line between Lomé and Cinkassé



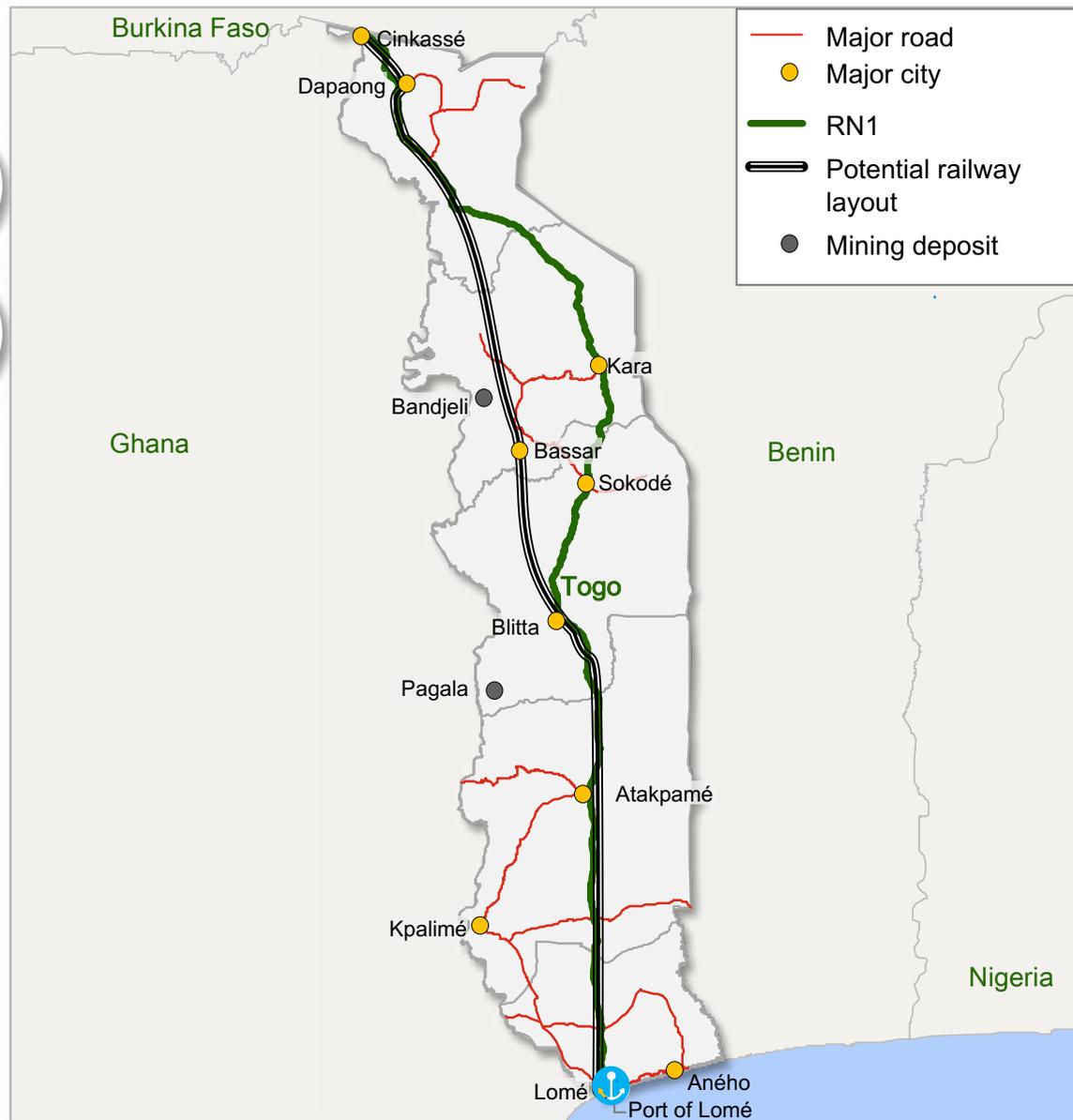
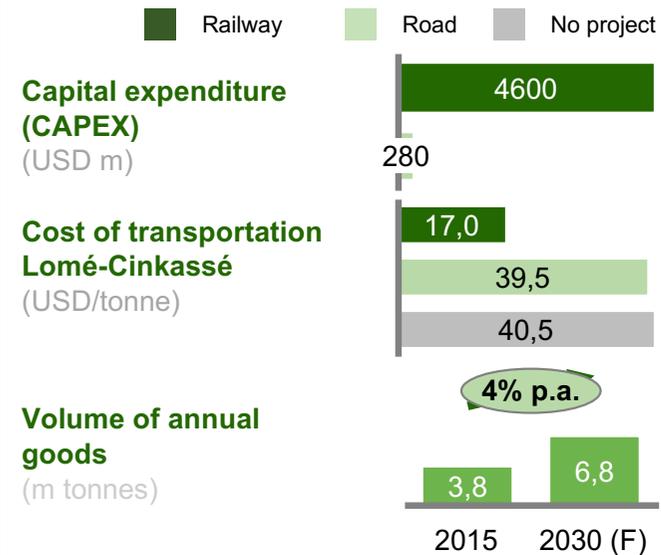
OR

Option B

Dual carriageway construction for the RN1 from Lomé to Cinkassé



Project key figures:



AGRICULTURAL TRANSFORMATION: “AGROPOLES”



A two-phase development project

Construction of an agropole (pilot programme)



Construction of five additional agropoles



Kara agropole plan



Project key figures:

Estimated capital expenditure per agropole (USD m)

43

Productivity increase

+300%

Job creation per agropole

2,5k

MANUFACTURING FOCUS AREA: INDUSTRIAL PARKS



Three projects for each of the two industrial parks

Develop a park concept in line with investor expectations



Identify sites that could serve as industrial parks



Secure the site (acquisition, ownership and development)



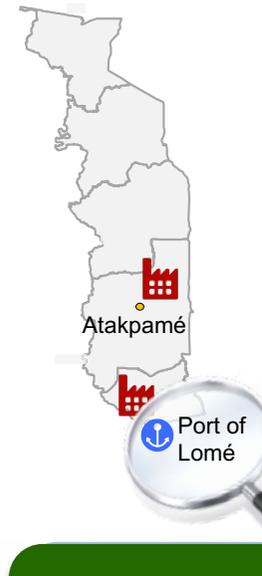
BY PARK

Core ambitions of the project:

USD 250m Estimated capital expenditure per park

50k Long- and short-term job creation per park

USD 2m Recurring tax revenue generated by an industrial park



 Industrial park accessible by road from the Port of Lomé in less than two hours

Atakpamé industrial park in 2022



ENERGY SECTOR : INCREASE GENERATION (WITH BALANCED ENERGY MIX) AND IMPROVE ACCESS TO ELECTRICITY

x3

Significantly increase energy generation from 100MW to +300MW installed power by 2020 with 50% of renewables (solar and hydro) in the energy mix (from 5% currently)



50%

Increase rural household access to electricity from 7% to 50% by 2022 by investing off the grid



100%

Guarantee access to electricity for all schools and healthcare centres in rural areas



THE MAIN CHALLENGES AHEAD

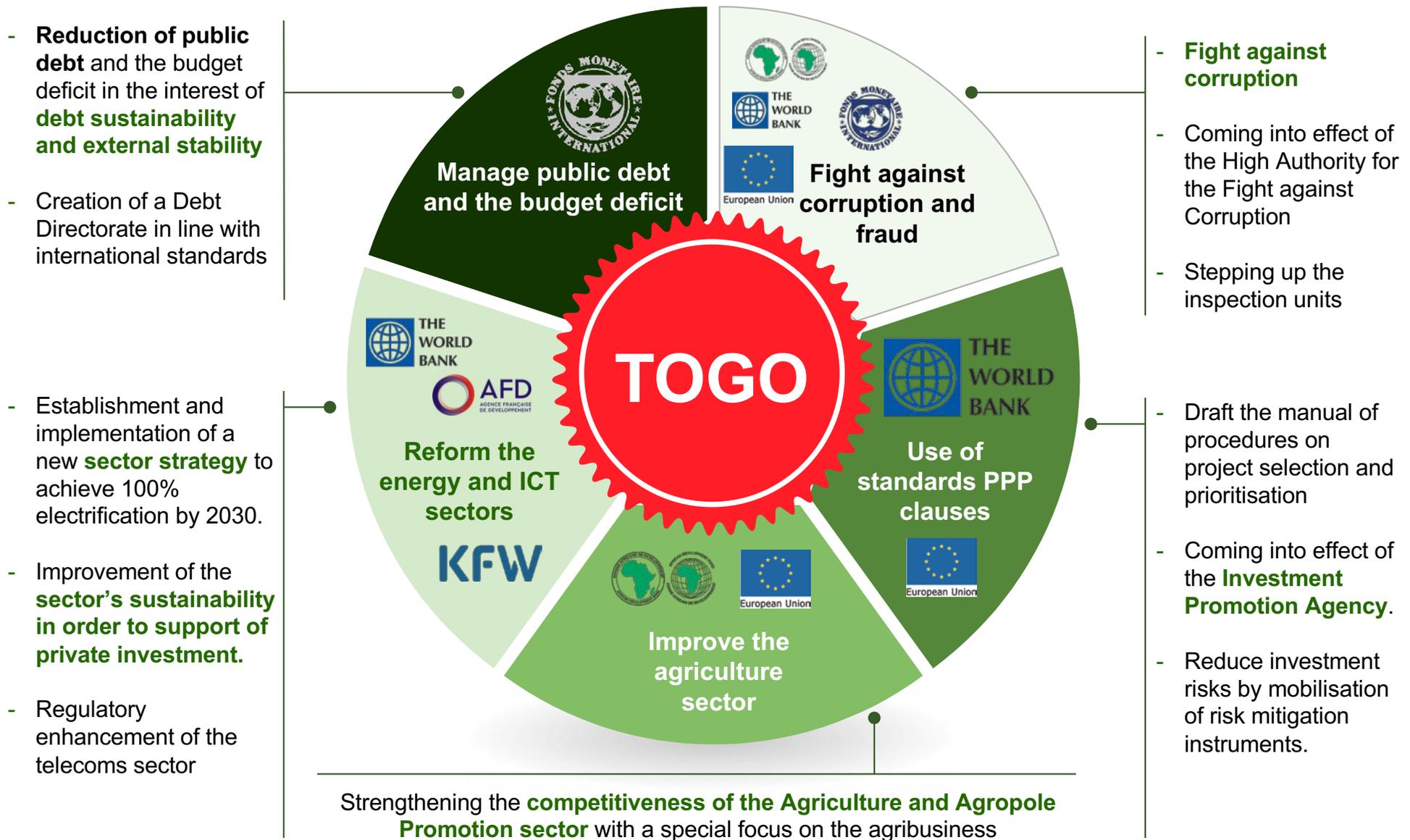


- 1 Pursuing improvement of the business climate**
- 2 Cost competitiveness of production factors, particularly in energy and ICT**
- 3 Good mobilization of internal resources**
- 4 Transparency and good governance**
- 5 Continued political stability**



SHARED COMMITMENTS TO PROMOTE INVESTMENT

MAIN REFORMS ENVISAGED WITH OUR PARTNERS' SUPPORT



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