



TOGO

Central Gateway to West Africa

Flagship Investment Projects

CONTENTS

1

COUNTRY CONTEXT

2

INVESTMENT OPPORTUNITIES

3

SHARED COMMITMENTS TO PROMOTE INVESTMENT

4

CONTACTS



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

- Political stability with a presidential system and regular elections
- Healthy, established political dialogue
- 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)

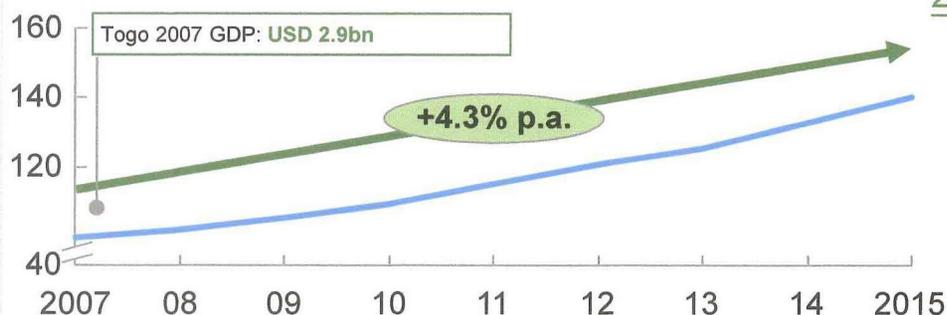
...WITH SOLID FUNDAMENTALS...

- 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 IS SHOWING SIGNS OF ACCELERATING

Real GDP of Togo, 2007-2015

At constant 2010 prices, 2007 base = 100



CGAR (%)
2007-13

3.9

CGAR (%)
2013-15

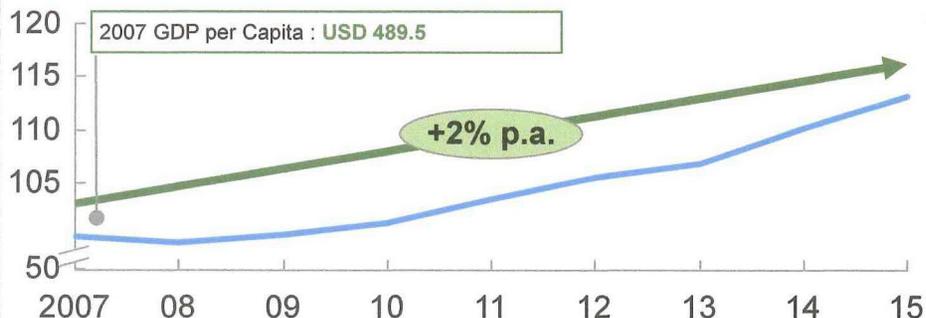
5.6

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.
- This robust growth has increased the real wealth of the Togolese by an annual average of 2%
- More recent growth, between 2013 and 2015, has even shown signs of acceleration. Real GDP growth/capita also tripled over that period compared to six years prior.

Real GDP per Capita, 2007-2015

At constant 2010 prices, 2007 base = 100



CAGR (%)
2007-13

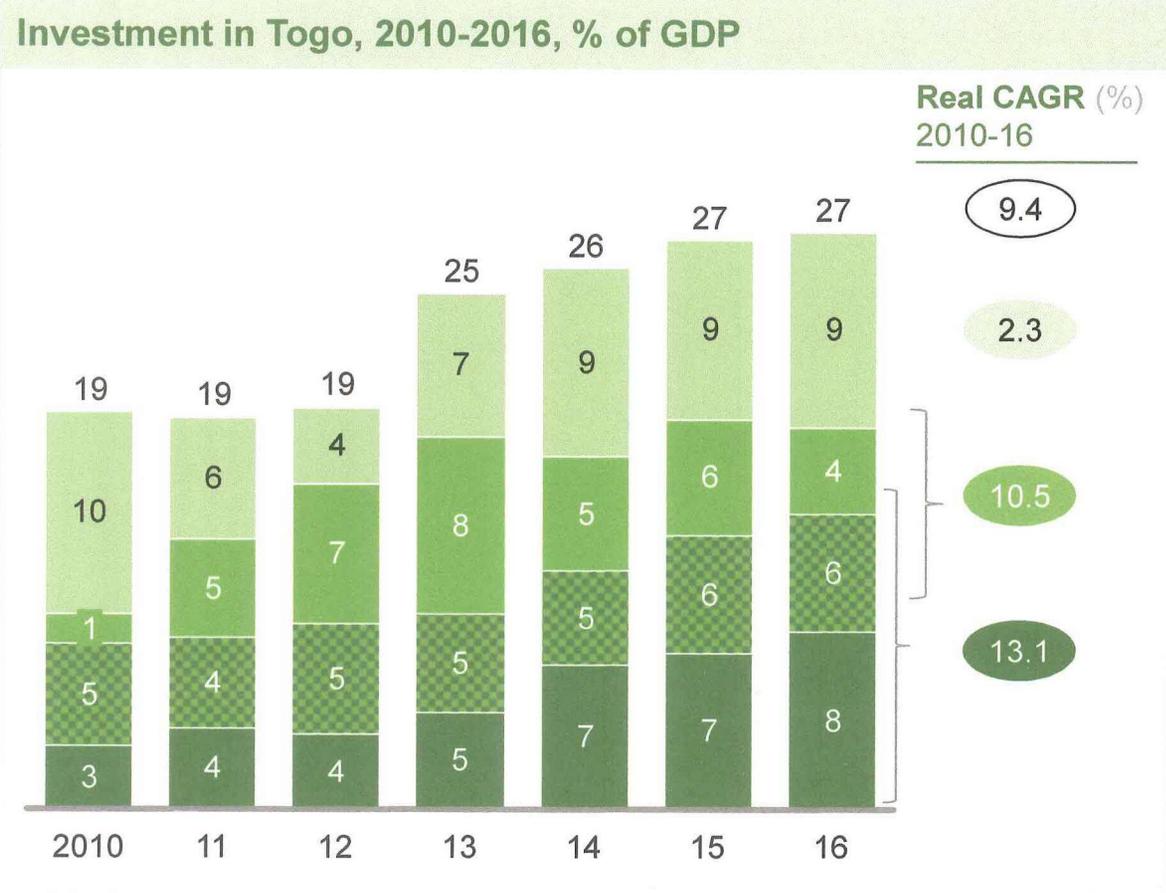
1.1

CGAR (%)
2013-15

2.9

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



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)



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

Business



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



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

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)



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

Agriculture



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

Mines



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



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



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**

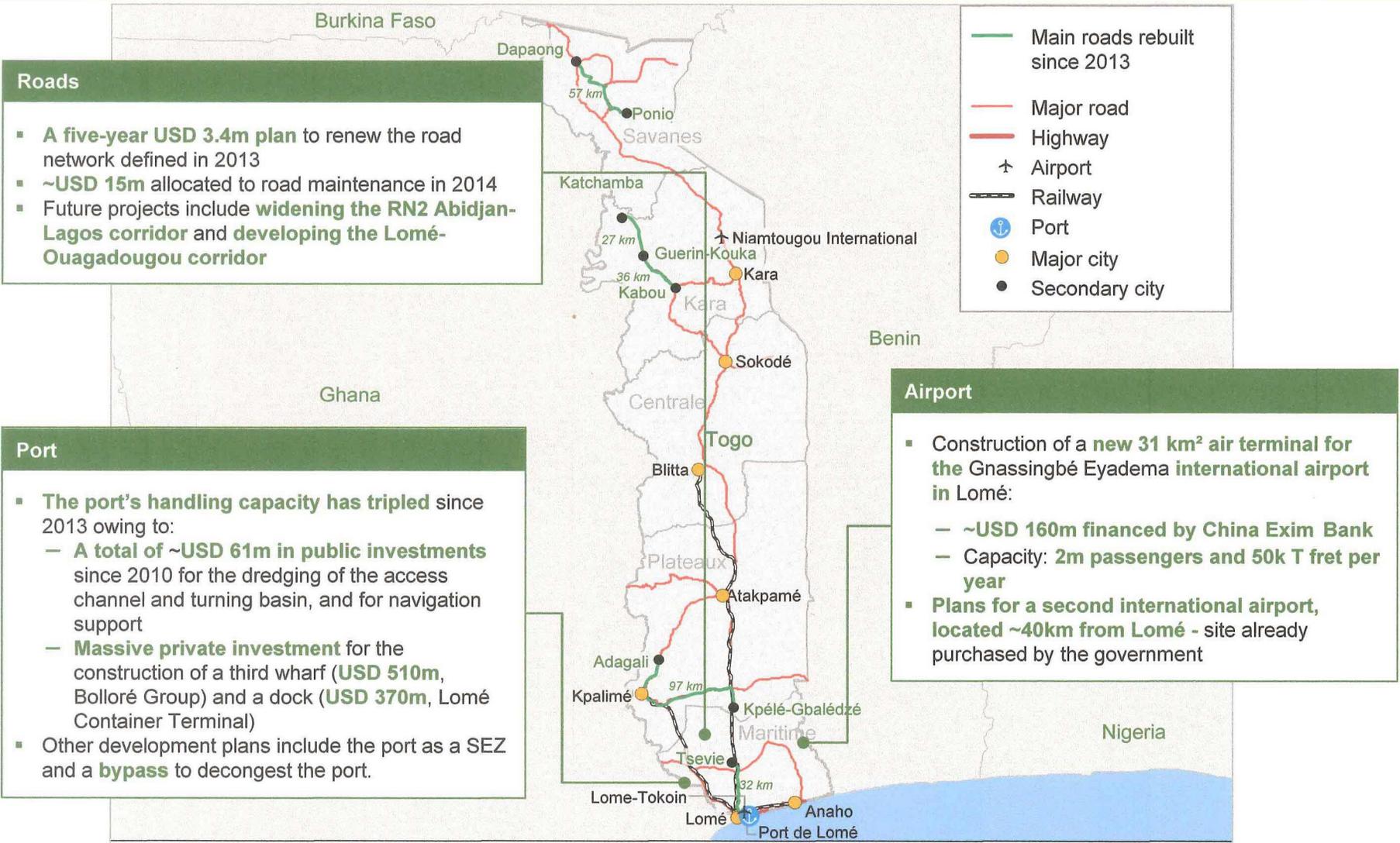


the CI-ZO solar kit rural electrification project underway. Target: 300,000 households electrified by 2022

Energy



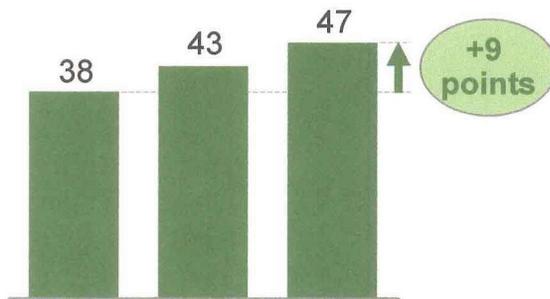
3 ...WITH A FOCUS ON FINANCING MODERN TRANSPORTATION INFRASTRUCTURE TO SUPPORT TOGO'S POSITION AS A REGIONAL HUB



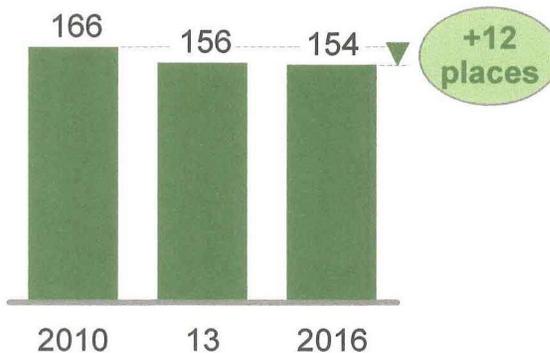
4 TOGO'S BUSINESS CLIMATE HAS IMPROVED SIGNIFICANTLY OVER THE LAST SIX YEARS

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

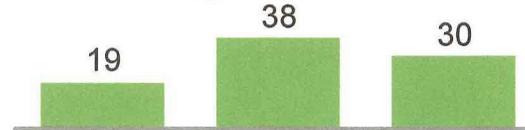
Business start-up costs (% income per capita)



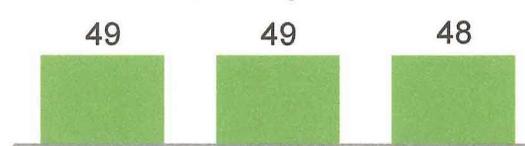
Time required to register property (average number of days)



Ease of securing a loan¹



Ease of contract compliance¹

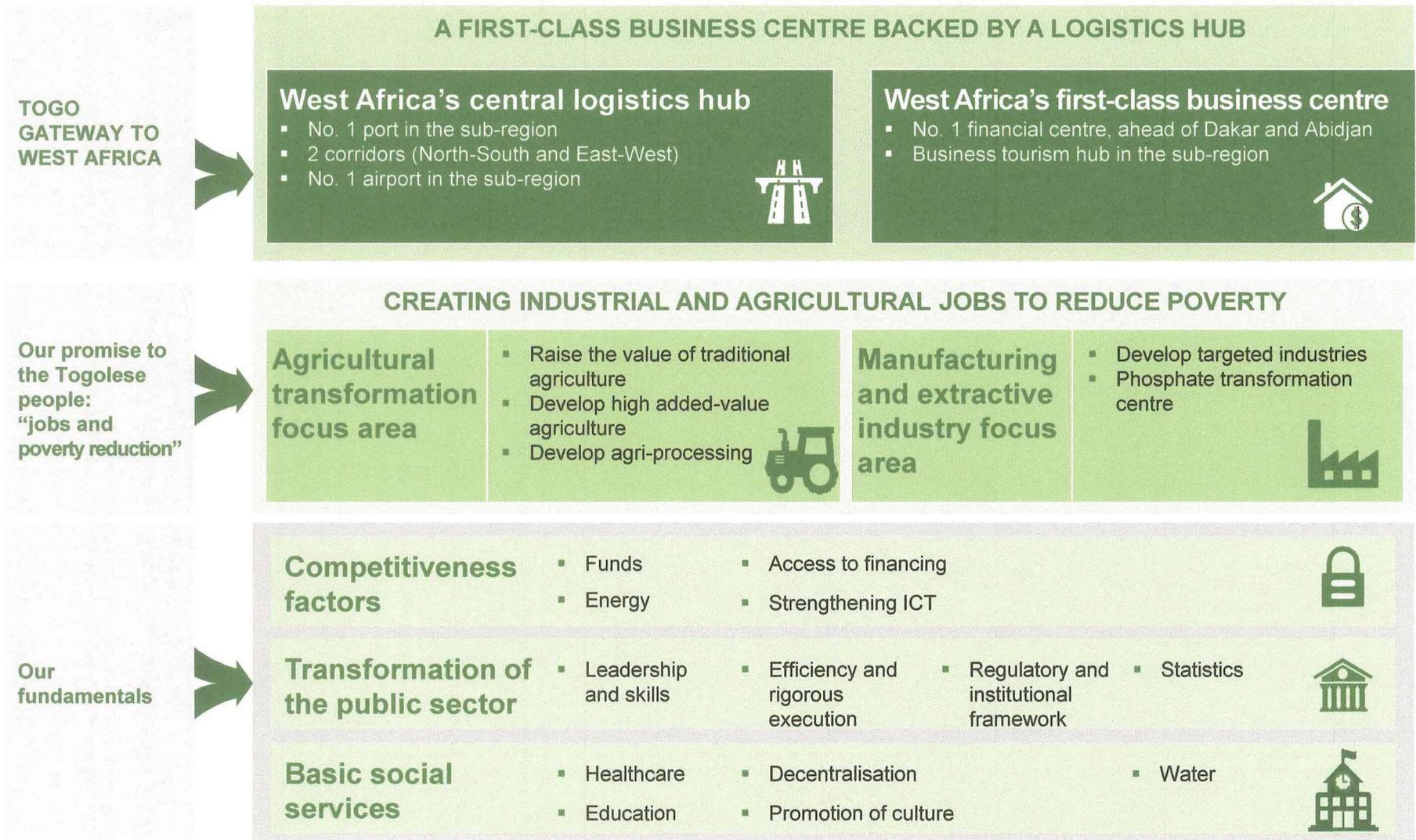


- Togo has taken great strides to improve business start-up costs, the time required to register property, and the ease of securing a loan
- While some obstacles remain - particularly around contract compliance - recent progress will support private investment and growth

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

Three projects comprising the PAL transformation



A
Optimise port area operations

- A1** Dry port at Cinkassé
- A2** Truck fleet linked to the PAL
- A3** Freeing up the inner harbour



B
Improve connections

- B1** East-West corridor linking the Ghana and Benin borders
- B2** North-South corridor linking Lomé and Cinkassé

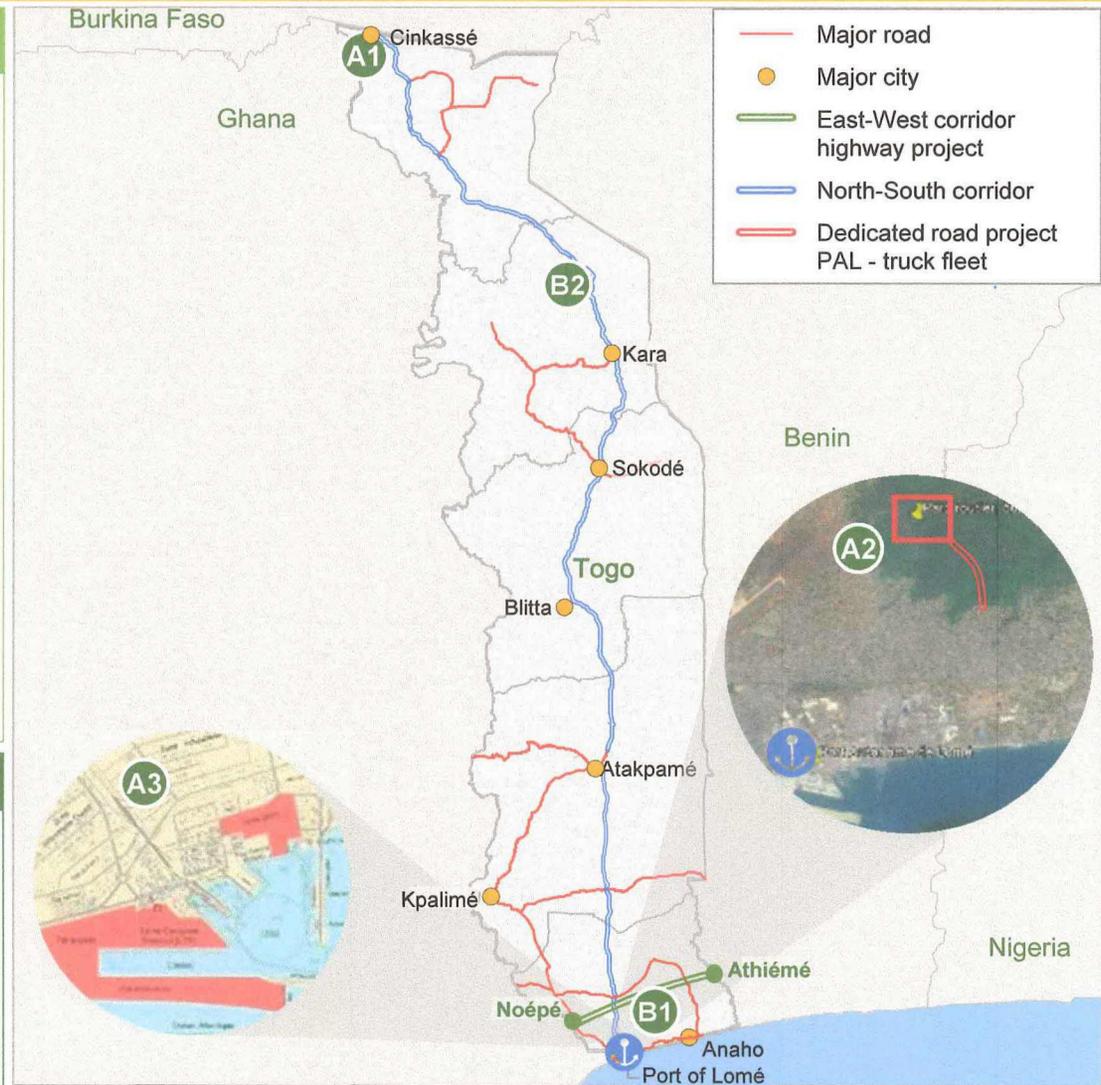


C
Step up management

- C1** Strengthen the port's trade activities
- C2** Strengthen the PAL's authority

Transformation key figures:

Investment cost (USD m)	ΔTax revenue (USD m/yr, 2030)	ΔPAL traffic (m T/yr, 2030)	Recurring employment (thousands at project end)
~170	~+70	+10	~+4



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



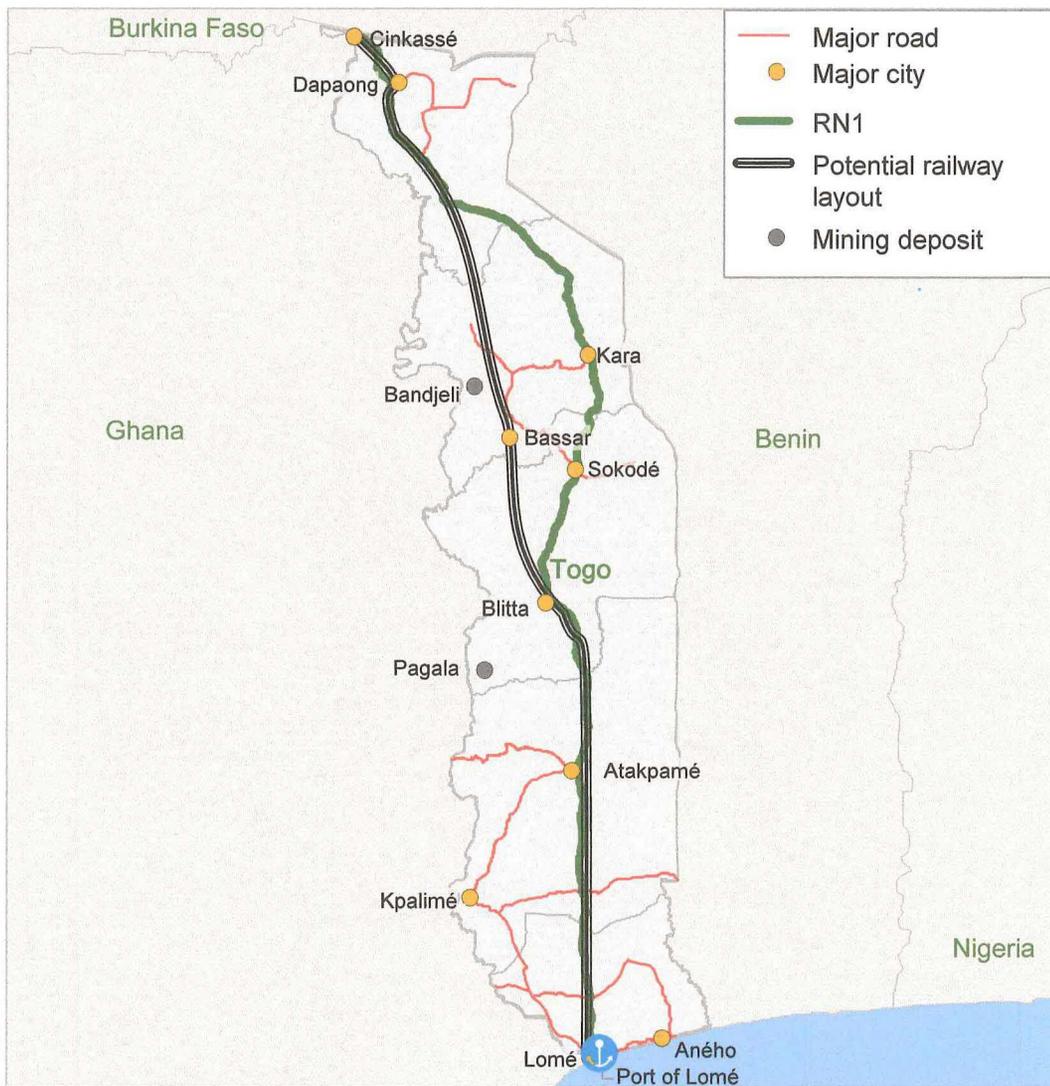
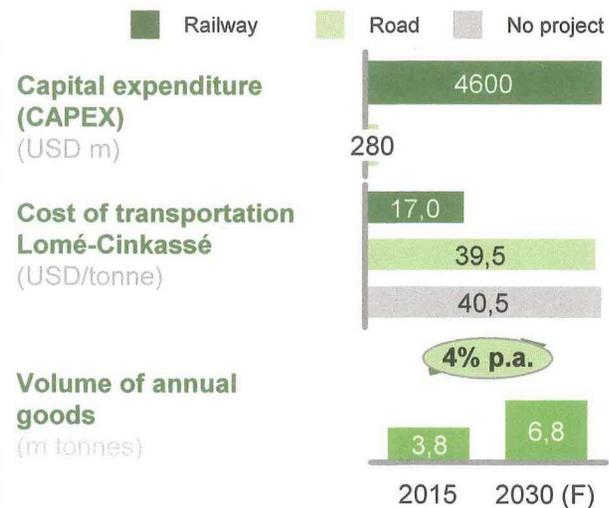
OR

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



Project key figures:

Estimated capital expenditure per agropole (USD m)

43

Productivity increase

+300%

Job creation per agropole

2,5k



Kara agropole plan

Champs ZAAP



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



TOGO AS AN ENERGY CENTRE, AIMING FOR ENERGY INDEPENDENCE

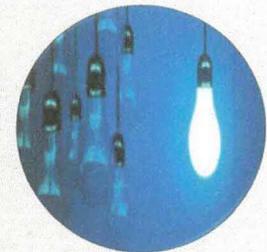
x2

Double energy generation from 100 MW to +200 MW installed power by 2020



50%

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

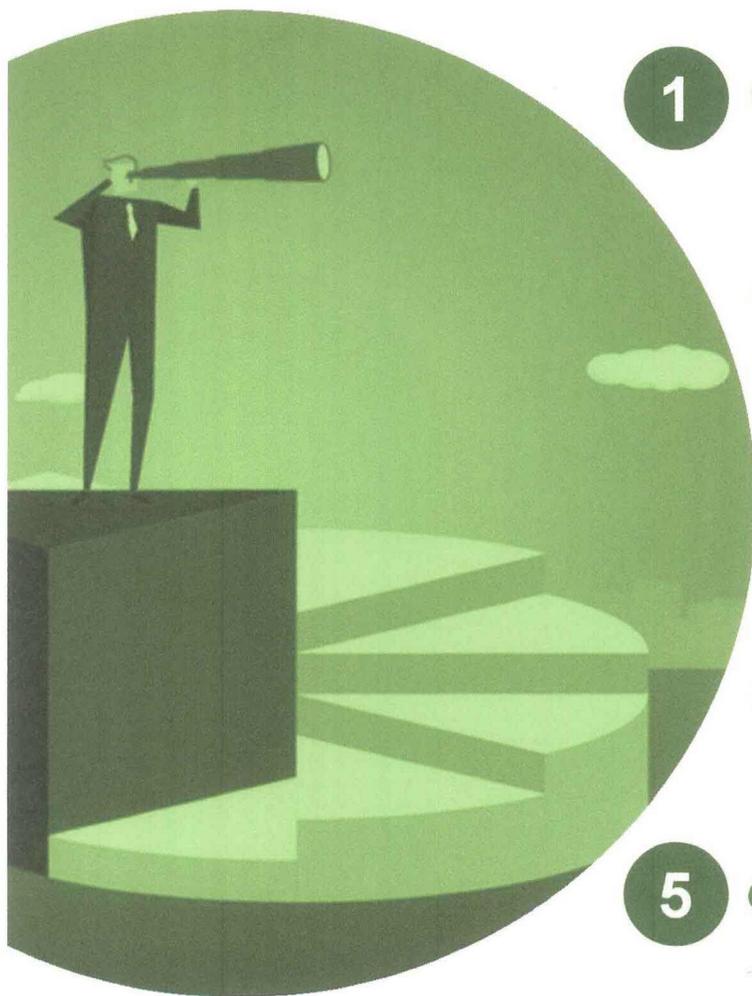


100%

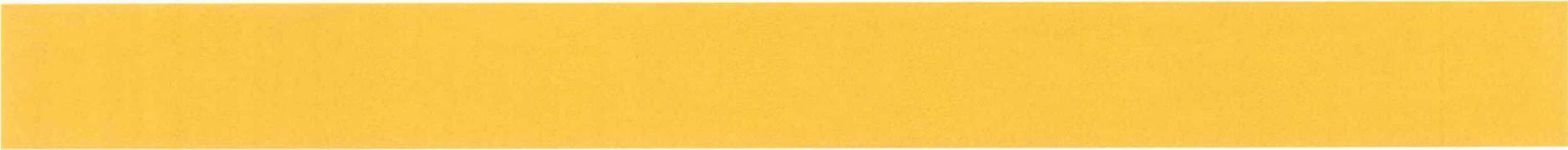
Guarantee access to electricity for all schools and healthcare centres in rural areas



THE MAIN CHALLENGES AHEAD



- 1** Ongoing 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

- **Reduction of public debt** and the budget deficit in the interest of **debt sustainability and external stability**

- Creation of a Debt Directorate in line with international standards

- Establishment and implementation of a new **sector strategy** to achieve 100% electrification by 2030.

- Improvement of the **sector's sustainability in order to support of private investment.**

- Regulatory enhancement of the telecoms sector



- **Fight against corruption**

- Coming into effect of the High Authority for the Fight against Corruption

- Stepping up the inspection units

- Creation and implementation of a **new incentivising investment code** aimed at preserving the capacity to mobilise internal revenue.

- Coming into effect of the **Investment Promotion Agency.**

Strengthening the **competitiveness of the Agriculture and Agropole Promotion sector** with a special focus on the agribusiness

USEFUL CONTACT

Country

Ministry of Finance

secretariat.ministre@economie.gouv.tg

AHARH KPESSOU Mongo
aharhkpeoum@gmail.com

ADJADI BAKARI Shegun
shegun.bakari@presidence.gouv.tg

Togo Invest Corporation

Patrick TEVI-BENISSAN

patrick.tevi@presidencegouv.tg

Cynthia GNASSINGBE

cynthia.gnassingbe@togoinvest.com

Embassy of Togo

Kwadzo Amélia

kwadzomelia@gmail.com