

Overseas Market Information



**Flash Note on Togo**

**Basic data**

- Land Area : 56,785 sq km
- Population : 4.7 million (mid-2001 Unestimated)
- Main towns : Lome (capital)  
Sokode  
Kpalime
- Climate : Tropical, drier in the north
- Weather : Average temperature 27°C; average monthly Rainfall 65 mm
- Languages : French, Ewe, Kabiye and others
- Measures : Metric system
- Currency : US\$ 1 = CFA 549.31 (as per January 2004 rate)
- Time : GMT
- Borders : Ghana, Benin, Burkina Faso, Atlantic Ocean.

**Political background**

Togo's political life has been dominated since 1967 by President Gnassingbe Eyadema, now Africa's longest-serving Head of State. The regime's record on human and civil rights is poor. One consequence of Togo's poor democratic record is that there has been little bilateral or multilateral aid since 1993, which has had a disastrous impact on the country's infrastructure and public services.

**International relations and defence**

Since independence, Togo has maintained close links with France. French technical cooperation is maintained and France is the second most important source of imports for Togo. The lack of

democracy has led to Togo's international isolation. Togo's relations with other member of the international community have been strained since the beginning of political crisis in the early 1990's.

**Resource and the environment**

Togo's topography is varied and embraces an equatorial climate. 63% of Togolese have access to safe water, and there is good potential for hydropower. The southern maritime and Plateaux regions have two rainy seasons : the main one runs from April to July and there are short rains in September and October. Most of the country's coffee and cocoa is grown on low mountains along the border with Ghana. In Plateaux region, Cotton is also cultivated in this region. In the northern and central region of central, Kara and Savanes, there is only one rainy season. The phosphate-bearing plains of maritime, to the north-east of Lake Togo contain most of the country's mining resources and other proven reserves include marble, iron and limestone.

**Population**

Togo's total population is around 5 million. Assuming the population continues to grow by 2.6% a year, the population will to double in 25 years time. As in most other Africa countries, Togo's age structure is that of a young country, with half of the population aged under 14 years and an average life expectancy of 49 years. According to the World Bank's African Development Indicators, the total labour force was estimated at 1.78 million in 1997, of which 40% were female.

**Education and Health Care**

Over the last decade, Togo's education and health system has deteriorated, as a result of the government's financial

difficulties and the freeze of external assistance since the early 1990s. Despite budgetary constraints, the government has committed itself to increased allocation for healthcare and education. The social sectors continue to benefit from some small-scale earmarked development projects. However, it will take time for the social sector to recover from a decade of under-investment; Togo's social indicators will continue to be unsatisfactory in the coming years, undermining economic growth.

– **Higher Education**

The Adult literacy rate is about 58%, compared with an average of 61% for Sub-Saharan Africa. 83% of children of primary school age and 59% of children of secondary school age attend school. As in other African countries, the education system as a whole shows serious gender imbalance : for example in higher education men outnumber women by five to one. Togo's one university, the University of Benin, was established in 1970 to accommodate around 6,000 students. Once the country's pride, the university is now struggling to cater for around 17,000 students. The discontent of student and teachers with poor facilities, and the government's frequent failure to pay salaries and grant on time, has often produced campus demonstrations. The government passed a decree in January 1999 to establish a second university, at Kara, but the project seems to be at a standstill pending a resumption of international development assistance.

– **Health Facilities**

The main health problem in Togo include malaria, tuberculosis and,



increasingly, HIV/AIDS. The HIV/AIDS epidemic has reached alarming proportions though it is less severe than in Southern Africa. In 1999 6% of the populations of Togo were living with HIV/AIDS and 14,000 people died of AIDS. There is no study of the economic impact of HIV/AIDS in Togo, but the spread of the disease will have serious consequences, especially for labour productivity, absenteeism and healthcare costs.

## Infrastructure

### *Transport and Communication*

Commerce and transport account for about 35% of Togo's GDP. With a deep water port and a relatively good transport links to neighbouring countries Togo has traditionally played an important role in the sub-regional economy. However, the lack of government investment in infrastructure and the freeze in donor support have hampered the modernization of the system.

### *Roads*

Togo's road network totals about 10,000 km, of which 3,000 km is classified and 1,500 km tarred. About 50% of road traffic is concentrated on the 600-km National 1, which links Lome and Dapaong on the border with Burkina Faso.

### *Railway*

In contrast with the road network, the railway system is limited and in great need of modernization. It consists of a 276-km track running from Lome to Kpalime; and a 44 km track from Lome to Aneho, east of the capital.

### *Airport*

There are two international Airports, Niamatongon, (located in the Kara region) and Lome Tokoin which links the Togolese capital with most neighbouring countries. Lome-Tokoin airport has the capacity of

700,000 passengers. The present freight activity is about 5,400 tonnes, compared with total of capacity 10,000 tonnes.

### *Telecommunications*

Fixed and mobile telecommunications are growing fast in Togo.

### *Economy*

Togo's economy is dependent on agricultural production and is also dominated by phosphate, 80% of the population source their income from agriculture. Food crops make up 65% of the total agricultural output and comprise a wide variety of staples including maize, millet, rice, beans, groundnuts, yams, cassava and sweet potatoes. Major export crops—mostly cotton and to lesser extent coffee and cocoa contribute roughly 20% of agricultural outputs annually. While the fishing and forestry sector account for the remaining 15%. Other industrial activities are concentrated on agro-processing, construction and energy. Togo adopted a comprehensive reform programme in 1994, with devaluation of the CFA Franc, in order to restore economic growth, reduce inflation and poverty reduction. This, coupled with the large financial assistance from France helped the real GDP to grow by 16.5% in and then contracted by 2.2% in 1998. However, subsequently, the real GDP has been growing steadily.

### *International Trade*

#### *Major trading partners (% of total)*

<i>Import from :</i>		<i>Export to :</i>	
Ghana	25	Benin	10
France	12	Nigeria	8
China	7	Canada	6
Cote d' Ivoire	6.7	Taiwan	5
Hong Kong	4.2	Belgium	4

### *Electricity*

Despite some oil deposits and hydroelectric potential, Togo energy supply

heavily dependent on imports Electricity is mainly imported from Ghana's highly unreliable Akosombo dam under joint arrangements with the Communauté Electrique du Benin (CEB). Since 1987 Togo and Benin have jointly operated a 65-mw hydroelectric station at Nangbeto on the mono river, which supplies about 25% of the two countries annual electricity consumption. Electricity is locally generated from three thermal station (Lome Siege, Lome and Kara) and one micro-hydroelectric station at Kpime in Plateaux region. The electricity consumption of Togo is dependent on electricity imports and there are plans to build another dam at Adjarala, on the mono river and connect Togo's electricity network with the proposed West Africa Power Pool. Togo signed agreements with Nigeria, Ghana and Benin in August 1999, which offers a solution to Togo's chronic energy supply problems. The 1,000 km pipeline being laid down to deliver Nigerian natural gas to Power station and Industrial site in the recipient Countries, and was expected to be in operation by mid-2002, delivering an initial capacity supply of 120 m cu ft/day. However, delays have taken place in finalizing investment and other plans, the project is now nearing completion.

### *Manufacturing*

#### *A small manufacturing sector*

Manufacturing accounts for 9% of GDP. Apart from the cement manufacturers viz. Cimtogo and Wacem and the Brewery Brasseries du Benin, the sector is mainly dominated by small or medium-sized enterprises specialized in a wide range of activities, from the processing of agricultural commodities for export (palm oil milling, coffee roasting, cotton ginning) to import substitution of consumer goods (textiles, footwear, beverages, confectionery, plastics). After an initial boost following the devaluation of the CFA Franc in 1994, the accumulation of public debt arrears and the energy crisis in 1998 severely hit manufacturing activity in the



late 1990s. However, this sector has been showing signs of improvement over the last 4 years - but not up to the designed level.

**Export-processing zone**

In 1989 the whole territory of Togo was declared a duty-free export processing zone (EPZ). The zone suffered a significant setback from political instability in the early 1990s, but the number of companies registered for the EPZ significantly increased in the aftermath of the CFA Fran devaluation in 1994. Advantageous terms are offered to foreign investors, provided that they guarantee the export of at least 80% of their production, give priority to Togolese national in recruitment, and promote technological transfer. At present, the zone comprised about 55 industrial units, dominated by foreign companies, accounting for 8,000 jobs.

**Business Opportunities for Indian Engineering Exporters**

**1. Mining Equipment**

Togo is the third largest producer of phosphate in Sub-Saharan Africa, with the total reserves estimated at 260 million tonnes of first class phosphate and up to 1 billion tonnes of carbonate phosphates. However, over the years, there has been a decline in the production of this sector which was due to the obsolescence of the equipment compounded by the need to dig increasingly deeper to find high quality phosphate. Chronic electricity shortage has also disrupted the production. The government of Togo has started initiating various steps to revive the situation including privatisation of this sector by end of 2004. The production is projected to reach almost full capacity, 3.3 million tonnes by 2005 against the present production of 1.4 million tonnes. It is certain that the forthcoming plans by the government and

the privatisation process will facilitate increased demand for the mining equipments.

**Phosphate production and export prices**

Phosphate (in tones) 1.4  
Price (CFA per tone) 20,061

**2. Cotton Processing Equipment**

Cotton is the main cash crop and accounts for about 20% of Togo's exports earnings. However, the cotton production fell by 20% in 99-2000 and further by 15% in 2000-01, the reasons could be attributed to adverse weather conditions, delay in payment and weak technical support to producers, lower international price etc. Most of the machinery in this sector are needed by those in the cotton textile ginning manufacturing or garment making. Togo's government with her privatization plan to revive this sector and the provision for more planting area to increase cultivation of cotton will generate considerable interest for making cotton textile for exports to other countries in 2004. Hence, cotton processing machinery, textile machinery, sewing machines and parts are likely to enjoy considerable demand in this year and in the future. Therefore, this sector assumes greater significance.

**Cotton production and price**

Production (tones) 110 million  
Price (CFAfr/kg) 200

**3. Agriculture and Food Processing Machinery**

Agriculture is the backbone of Togo's economy, accounting for about 42% of the GDP and employing an estimated 80% of the labour force. The principal food crops are maize, millet, rice, beans, groundnuts, yams, cassava and sweet potatoes. The potential

opportunities in the agriculture and processing sector are the result of the Togo's government's privatisation of this sector. Most of the daily consumable food products are currently imported. The government of Togo came out with the promotion of small scale sector by granting benefits and incentives to industrialists, who are interested to set up local industry for agriculture and food processing a packaging of tropical fruits, in order to put an end to the importation of food product in Togo. Thus it could be seen that lent of rooms exists for more units to enter the field, which would obviously generate increased demand for agricultural machinery, and processing technology.

**Food Crop Production in 1999-2000**

	(000 tonnes)
Yam	717
Cassava	596
Maize	452
Millet & Sorghum	183

**Indian Mission**

India maintains steady and cordial diplomatic, commercial and bilateral relations with Togo. The High Commissioner of India to Ghana, stationed in Accra, is also accredited to Togo. The contact details of Indian High Commission in Accra is given below :

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