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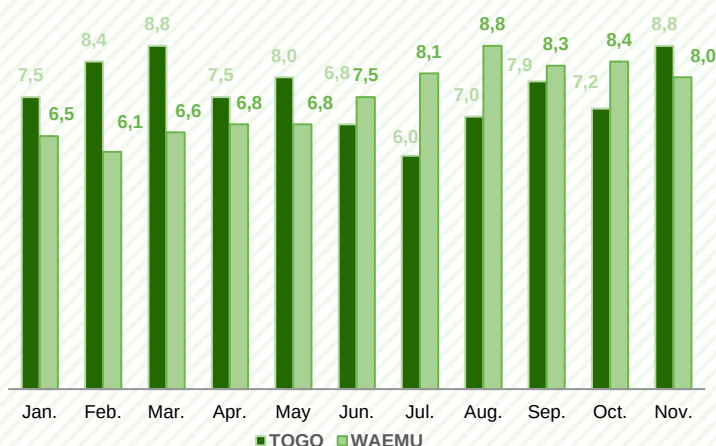
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Economic activity (1/2)

Togo shows resilience in the face of crises

Inflation in Togo is lower than in the WAEMU

Year-on-Year inflation rate in 2022 (%)



Source: BCEAO

The price increase is mainly due to food inflation (imported inflation)

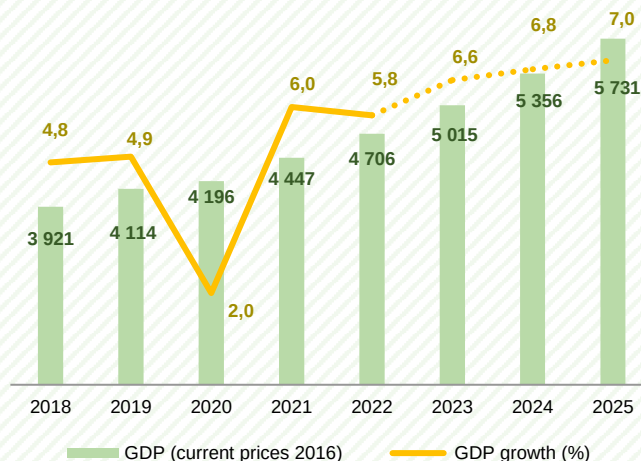
	Sep-22	Oct-22	Nov-22
Food and non-alcoholic beverages	134.6	131.2	134.4
Tobacco and narcotics	119.6	116.8	116.9
Clothing and footwear	115.1	115.7	116.6
Housing, water, gas, electricity and other fuels	111.1	111.8	114.3
Furniture, household goods and routine household maintenance	120.3	121	121.3
Health	104.2	104.2	104
Transportation	111.7	112.1	112.1
Communication	101.6	101.7	101.6
Leisure and culture	113.5	113.6	113.7
Education	109.8	111.2	111.1
Restaurants and hotels	122.2	122.2	124
Miscellaneous goods and services	113.2	114.3	114.4
Global	120.6	119.7	121.3

Base 100 in December 2016, last GDP rebasing

Source: public authorities

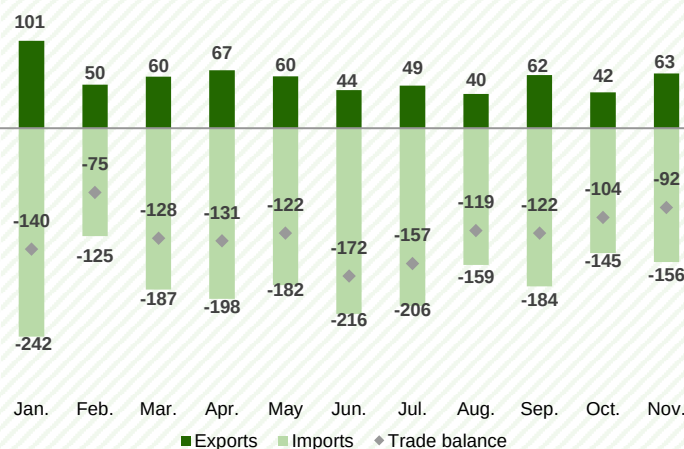
Real GDP growth is expected to reach 7.0% in 2025

Nominal GDP (billions FCFA) and real growth (%)



Source: public authorities

The trade balance has rebounded since June as imports have fallen (FCFA billion)



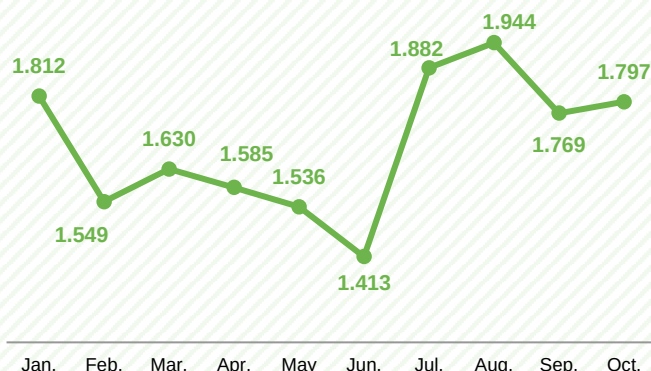
Source: public authorities

Economic activity (2/2)

Major infrastructure projects are booming

The port of Lomé, a growth lever for the country and the sub-region

Port traffic in 2022 (goods in MT)



Since 2021, the Port of Lomé is the **4th largest African port in terms of containers volume** (traffic of 2 million containers in 2021).

The port continues to expand with an average annual growth rate of **11%** for the overall traffic and **13.8%** for the container traffic between 2015 and 2020

Source: public authorities

Sector focus - Adétikopé Industrial Platform (PIA)

The PIA reflects Togo's objective to **promote local processing of Togolese production** (soy, cashew, sesame, cotton, shea) and thus move up the international value chain.

The dry port is in full operation: in 2022, 7,339 containers and 6,364 trucks were received, and 6,607 containers and 5,058 trucks left through the dry port.

To date, 3 companies (TOGO SOJA, TOGO WOOD, M. Auto) **and 1 training center dedicated to the garment industry jobs** (Garment Training Center) **have already started their activities**. Approximately 800 people are being trained in the said center.

In the 4th quarter of 2022, **1 project (NUTRISOURCE TOGO SARLU)** has been approved for a planned investment amounting to **FCFA 4.9 billion** in the agri-food/ agro-industry.

New projects are announced for a quick start, including :

- **SEQUOI TRANSFORMATION** (plant development through an outsourced nursery) ;
- **AFRICA ALLOYS** (recycling and recovery of metals, recovery of metal scrap for recycling purposes, recycling of raw materials and other related activities).

Togo on the international and regional scene

Togo strengthens its regional and international influence

Togo and Ghana strengthen their cooperation in the fields of fishing and cross-border trade

On the 17th of November 2022, the ministers in charge of the sector, Edem Tengué in Togo and Hawa Koomson in Ghana, met to strengthen the fight against illegal, unreported and unregulated (IUU) fishing, piracy and the implementation of a regional observer program.

Discussions also focused on the establishment of a sub-regional biological rest period for fish and scientific research in this field.

As a reminder, **fishing represents 4.5% of Togo's national GDP.**

With regard to cross-border trade, a technical meeting between the Togolese and Ghanaian delegations organised by the Secretary of the African Continental Free Trade Area (AfCFTA), in collaboration with TradeMark East Africa (TMEA), was held from the 17th to 21th of October 2022 in Lomé, Togo, as part of the operationalisation of the juxtaposed Noépé-Akanu control post.



Togo has joined the Islamic military coalition to fight terrorism

At the end of November 2022, Togo appointed the delegated officers to sit on the **Military Islamic Coalition to Combat Terrorism (CIMCT)**.

This military cooperation alliance, created in 2015, aims to "*coordinate, unify and support the intellectual, media and military efforts of its members to combat terrorism*" and its means of action.

Togo on the international and regional scene

Togo's key role on the regional diplomatic scene

European Union and Germany announce additional funding for Togo

The European Union (EU) and Germany announced in November 2022, an Additional financial allocation for Togo in support of the **Emergency Programme for the Savannah Region (PURS)**.

The EU's commitment to Togo is EUR 5 million in the form of grants mobilised under the crisis response component of the new "Global Europe " instrument. More broadly, the **EU's financial support to Togo under the NDICI will amount to EUR 145 million** over the 2021-2024 period.

Germany is planning a EUR 6.5 million increase in bilateral funds for its ProEnergie project. The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH will be in charge of implementation of the activities.

"This new support from Team Europe in Togo aims to extend access to basic social services, including electricity, to the most vulnerable populations in this region facing the threat of violent extremism," states the press release.



Togo's mediation role in the region led to the release of 49 Ivorian soldiers by Mali

President Faure Gnassingbé is imposing himself as a mediator in the West African region.

Indeed, as soon as ECOWAS imposed sanctions on Mali in January 2022, Togo worked to maintain the link between the two parties in order to obtain a compromise. **This led to the suppression of the sanctions in July 2022.**

In its conflict with Ivory Coast, **Mali has once again called on Togo to restore dialogue.** The 49 Ivorian soldiers detained in Mali since July 2022 on suspicion of being "mercenaries" by Bamako were sentenced to 20 years' imprisonment in December.

However, on the 6th of January, Bamako announced the release of the Ivorian soldiers. **This is a diplomatic success for Togo and its Foreign Minister, Robert Dussey.**

Historically known as the "Little Switzerland of Africa", **Togo is known for its culture of dialogue,** nurtured by great diplomats in the post of Minister of Foreign Affairs, such as Koffi Panou (1947 - 2003).



Togo on the international and regional scene

Togo, a financial hub in West Africa

Lomé hosted the second edition of the Africa Financial Industry Summit (AFIS) in late November 2022

AFIS, co-organised by the International Finance Corporation (IFC), was held for the first time in person in November 2022. **The second edition of this Summit brought together in Lomé more than 600 leaders of continental finance, bringing together political and financial leaders, in order to develop solutions to face the crises.**

The President of the Togolese Republic, Faure Gnassingbé, opened the event by recalling the "financial, security, climatic, inflationary and logistical" upheavals. He ended his speech with the confidence and optimism that will return for the advent of a new market balance. He also insisted on his country's will to **promote an attractive business environment and innovation.**

As a reminder, **the Togolese capital is home to the headquarters of major pan-African financial groups and multilateral institutions.**



ECOWAS Bank for
Investment and
Development (EBID)



West African
Development Bank

Pan-African banking group Ecobank to strengthen its support to Togo

During a meeting with the Head of State, Faure Gnassingbé at the end of November 2022, the Chairman of the Board of Directors of Ecobank, Alain Nkontchou announced *"We have a continuous, fluid and important relationship with Togo which houses the headquarters of Ecobank and the bulk of our management. We would like, more than ever, to play a role in providing capital and support to the Togolese economy, which is doing well in view of everything that is happening in the region ».*

For example, **Ecobank Togo has negotiated two guarantee portfolios of EUR 2 million each with Proparco**, a French development finance institution, to strengthen its support to Togolese SMEs.

These guaranteed loan offers aim to support national SMEs, especially those owned by women.

In total, 14 banks and 3 financial institutions are present in Togo.

Reforms and attractiveness

The Investment Scoreboard

Approved projects

In the fourth quarter of 2022, among the **13** projects reviewed by the Accreditation Committee :

- **4** have been approved under the investment code (IC) for a total amount of **FCFA 19 billion – 98% of which is FDI of Lebanese origin** 
- **8** with free zone (FTZ) status for an amount of **FCFA 24 billion**
- Generally speaking, investments are distributed primarily in the following sectors: **textiles, wood and construction, agri-food, mechanics and services.**

Foreign Direct Investments (FDI)

Out of the **12** approved projects, **10** projects are FDI for a total amount of **FCFA 43 billion**, i.e. **99%** of the total amount of approved projects during the fourth quarter of 2022, including :

-  **India:** FCFA 11 billion (4 projects)
-  **Singapore:** FCFA 11 billion (2 projects)
-  **Lebanon:** FCFA 1.7 billion (1 project)
-  **China:** FCFA 172 million (1 project)

National Direct Investment (NDI)

The NDI, carried by **2** projects, amount to **331 million FCFA**, i.e. **1%** of the total amount of projects approved in the fourth quarter of 2022.

Reforms and attractiveness

Togo's attractiveness is growing and sustainable

Togo to operate the largest solar photovoltaic plant in West Africa

UAE IPP Amea Power has announced **the expansion of the Sheikh Mohamed Bin Zayed solar power plant, located in Blitta, in the centre of the country.** The 50 MW plant will be expanded to 70 MW and will be equipped with a 4 MWh battery storage system to meet the electricity demand at night.

This third phase of the project will benefit from debt financing of USD 25 million delivered by the Abu Dhabi Export Office (ADEX), created by the Abu Dhabi Fund for Development (ADFD).

The loan will finance the expansion of the complex and the addition of battery storage. Construction will be carried out by Amea Technical Services, a subsidiary of Amea Power.

The solar project is the subject of a 25-year power purchase agreement (PPA) with the Compagnie Energie Electrique du Togo (CEET). **It is part of Togo's National Development Plan, which aims to achieve universal access to electricity by 2030** - up from around 48% today, of which 87% is in urban areas and only 24% in rural areas, according to figures from the DHS Program in 2017.

Adoption of the law on free zone status in the textile and clothing sector.

The textile and clothing industry is a sector with high potential for job creation and added value.

Through the law adopted on 30 November 2022, Togo intends to create an attractive legal framework for the textile and clothing industries in order to encourage the transformation of cotton produced locally and in the sub-region and to create wealth and massive employment for Togo's youth.

The law provides **tax and customs benefits to investors for the duration of the licence.**

Reforms and attractiveness

A new legal framework for the transport sector

The transport sector is one of the Government's priorities as set out in the Government's Roadmap 20-25. The ambition is to make this sector more competitive in order to meet the needs of users in the most advantageous and rational conditions of security, safety and facilitation for the community. To this end, major investments have been made to strengthen and develop port, airport and road infrastructures.

With regard to **port infrastructure**, the Autonomous Port of Lomé has been equipped with new terminals, notably the LCT and Togo-Terminal container terminals, which have made it possible to increase the nominal container capacity and the capacity to receive the latest generation of ships.

In terms of **air transport**, the Government has also extended and rehabilitated the Gnassingbé Eyadéma International Airport by equipping it with a modern terminal, thus enabling direct air routes to be established to several cities in the world, the most recent of which was the direct Lomé-Washington route.

The **road infrastructure** is not left out. The main roads have been rehabilitated and reconstructed, including the crossroads, to facilitate internal mobility.

The modernization of these various infrastructures according to the technological, environmental and safety standards in force has favored the development of the carried-out activities as well as of the new professions linked to transport activities, making it essential to strengthen the general orientation and development framework of the sector in which any action program, profession or activity should be included.

The adoption of the new transport orientation law by the National Assembly on the 22nd of December 2022 has provided a legal framework of orientation in which all projects, programs and actions should be included in order to contribute to the realization of the Government's ambition to make the country a logistics and services hub.

In terms of innovations, this law :

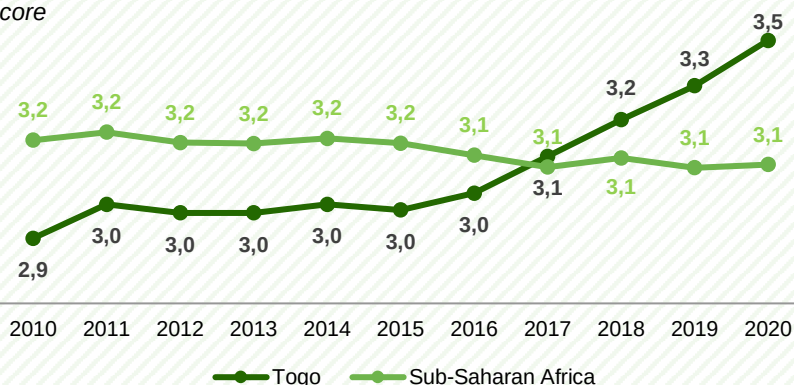
- clearly defines the goals that transport policy should help to achieve
- takes into account environmental and safety issues
- defines more clearly the roles of the state, local authorities and other actors
- takes into account the issue of public-private partnerships in the financing, construction, operation and maintenance of public transport infrastructure and facilities
- regulates the access to and exercise of the transport and intermediation professions
- provides for special measures in favor of people with reduced mobility and disadvantaged social categories
- recommends complementarity and cooperation between means of transportation and businesses, through the development of intermodal and multimodal transport
- defines measures related to safety and working conditions.

Reforms and attractiveness

The improvement in the business climate is bearing fruit

The improvement in the quality of Togo's policies is therefore reflected in the benchmark rankings

World Bank Country Policy and Institutional Assessment (CPIA), overall score



New MCC programme



According to the 2023 scorecard, Togo **outperforms the average WAEMU countries on 8 indicators. It validates a total of 14 out of 20 indicators.**

In December 2022, the US government's Millennium Challenge Corporation (MCC) announced that it had **selected Togo as one of the seven countries eligible for a Compact program for the year 2023.**

As a reminder, Togo is currently benefiting from the Threshold program (2018-2023).

Examples of reforms to improve the Togolese business climate over the last 3 years

Indicator	Examples of reforms adopted	Benefits
 Investments	 - Recasting of the investment code in 2019 - Creation of an agency for the promotion of investments and free zones (APIZF) in 2021	 1st for FDI performance relative to country size in the Greenfield Performance Index 2020
 Connecting to electricity	 50% reduction in MV grid connection costs - Exemption from the cost of grid connections between 120 and 150 KVA for SMEs and SMIs - Automated medium voltage connection request process	 Cost reduction and connection time
 Payment of taxes	 - Effectiveness of the e-tax - Simplification of taxes (abolition of about ten taxes)	 Simplifying procedures and increasing tax revenues
 Access to credit	 - Dematerialisation of the system of securities for the benefit of banks - Operationalisation of the Credit Information Bureau	 Better risk assessment