

**ANNEX 8 – TOGO**

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## 1 ECONOMIC ENVIRONMENT

### 1.1 Main features

1.1. Togo is a least developed country (LDC), with an area of about 56,785 km<sup>2</sup> and a population of about 7 million in 2016 (Table 1.1). The Togolese population is relatively young, with 75% aged under 35 years, and 41% under 15.<sup>1</sup> The unemployment rate is estimated to have dropped from 6.5% of the economically active population in 2011 to 3.4% in 2015, although it is higher among 15-24 year olds.<sup>2</sup>

1.2. Togo shares borders with Burkina Faso and Benin, both members of WAEMU, and also with Ghana (an ECOWAS member). It is organized administratively in five regions, from south to north as follows: Maritime, Plateaux, Centrale, Kara and Savannah.

1.3. Togo has several development advantages, particularly in the domains of agriculture, mining and transport. It enjoys a favourable climate for agricultural development, and has large phosphate and limestone deposits. Its port (the only natural deep-water port on the West African coast) gives it advantages as a trade and transit hub in the subregion. In this connection, Togo serves as a transit route for the countries of the hinterland (Burkina Faso, Mali and Niger) as well as for its neighbours (Benin and Ghana).

1.4. During the period under review, the Togolese economy grew vigorously, thereby improving the population's living standards. Its nominal gross domestic product (GDP) was estimated at €4 billion in 2015, equivalent to €568 per capita (compared to €404 per in 2009). Progress has been made towards the Millennium Development Goals (MDGs), particularly in the areas of hunger eradication, primary schooling, child mortality and HIV/AIDS<sup>3</sup> control. Although poverty continues to afflict a majority of the population, its incidence declined from 61.7% in 2006 to 55.1% in 2015.<sup>4</sup> Nonetheless, the country is still far from attaining the MDG target of 30.9%. Togo's human development as measured by the United Nations Development Programme (UNDP) Human Development Index (HDI) improved from 0.459 in 2010 to 0.484 in 2015<sup>5</sup>; but the country remains in the "low human development" category, and was ranked 162<sup>nd</sup> (out of 188 countries) in the 2015 HDI.<sup>6</sup>

1.5. Togo has improved its governance, according to the latest report of the Ibrahim Index of Governance in Africa (IIAG).<sup>7</sup> The Global Governance Measurement Index has risen each year to reach a level of 48.5 (out of 100) in 2015, ranking it 33<sup>rd</sup> among 54 African countries.

1.6. The Togolese economy remains heavily dependent on agriculture (including livestock and fisheries), which employs 54.1% of the economically active population.<sup>8</sup> The sector's contribution to GDP fell between 2009 and 2013, before rising again to 30.8% in 2016. The GDP share of the livestock/hunting sector increased from 2.8 % in 2009 to 7.7% in 2016. The contribution of extractive activities to GDP fluctuated around 3%, while the manufacturing share dropped from 9.2% in 2009 to 4.7% in 2016. The services sector expanded between 2009 and 2013, driven in part by transportation, warehousing and repair services, and business services. Its share in GDP then declined to 45.1% in 2016.

<sup>1</sup> National Institute of Statistics and Economic and Demographic Studies (INSEED) (2015), *Perspectives démographiques*. Viewed at: <http://www.stat-togo.org/contenu/pdf/Perspectives-demographiques-final-2016-05.pdf>.

<sup>2</sup> INSEED (2015), *Questionnaire unifié des indicateurs de base du bien-être, 2015*. April 2015. Viewed at: <http://www.stat-togo.org/contenu/pdf/pb/pb-rap-final-QUIBB-tg-2015.pdf>.

<sup>3</sup> République du Togo (2014), *Quatrième rapport de suivi des OMD*. February 2014.

<sup>4</sup> INSEED (2016), *Togo – Profil de pauvreté 2006-2011-2015*. National Institute of Statistics and Economic and Demographic Studies, April 2016. Viewed at: <http://www.stat-togo.org/contenu/pdf/pb/pb-rap-profil-pauvrete-tg-2015.pdf>.

<sup>5</sup> UNDP (2016), *Regional Human Development Report 2016: Africa*. Available at: <http://hdr.undp.org/en/content/regional-human-development-report-2016-africa>.

<sup>6</sup> In 2009, Togo ranked 159<sup>th</sup> out of 182 countries, according to the Human Development Index.

<sup>7</sup> The IIAG is measured as a composite of indicators in the following four categories: safety and rule of law; participation and human rights; sustainable economic opportunity; and human development.

<sup>8</sup> INSEED (2015), *Questionnaire unifié des indicateurs de base du bien-être, 2015*. April 2015. Viewed at: <http://www.stat-togo.org/contenu/pdf/pb/pb-rap-final-QUIBB-tg-2015.pdf>.

Table 1.1 Main macroeconomic indicators, 2009-2016

	2009	2010	2011	2012	2013	2014	2015	2016
GDP at current prices (US\$ million)	3,366	3,426	3,867	3,874	4,320	4,483	4,088	4,400
GDP at current prices (€ million) <sup>a</sup>	2,423	2,587	2,782	3,015	3,254	3,379	3,686	3,978
Nominal GDP per capita (US\$)	561.0	561.7	623.8	605.2	664.7	669.1	601.1	628.6
Nominal GDP per capita (€)	403.8	424.1	448.7	471.1	500.6	504.3	542.0	568.3
Population (million)	6.0	6.1	6.2	6.4	6.5	6.7	6.8	7.0
Rural population (% of total population)	62.9	62.3	62.3	61.7	61.1	60.5	59.9	59.2
Unemployment (% of total EAP)	n.a.	n.a.	6.5	n.a.	n.a.	n.a.	3.4	n.a.
Inflation (CPI, % change)	3.3	1.8	3.6	2.6	1.8	0.2	1.8	0.9
<b>GDP by type of expenditure, at constant prices (% change)</b>								
GDP	5.5	6.1	6.4	6.5	6.1	5.9	5.3	5.0
Final consumption expenditure	2.8	6.9	8.2	0.8	5.5	3.0	6.0	1.9
Private consumption	3.2	4.0	2.5	1.5	5.5	4.3	4.4	4.2
Public consumption	0.2	25.4	39.2	-2.0	5.7	-4.3	-4.6	-9.9
Gross fixed capital formation (GFCF)	16.5	9.7	35.1	-0.5	13.4	7.5	17.6	-6.4
Exports of goods and services	10.7	9.9	21.3	9.7	7.5	7.2	8.9	-0.7
Imports of goods and services	6.5	10.4	26.5	-3.6	18.1	17.3	13.1	-3.0
<b>Distribution of GDP at current basic prices (% GDP)</b>								
Agriculture, livestock, forestry and fishing	36.2	34.5	31.8	32.1	30.4	41.9	40.7	41.3
Agriculture	30.0	28.2	25.6	25.6	23.8	32.5	30.8	30.8
Livestock, hunting	2.8	3.1	3.0	3.5	3.6	6.4	7.0	7.7
Fishing and forestry	3.4	3.2	3.2	3.1	3.0	3.0	2.9	2.8
Mining and quarrying	2.8	2.5	2.5	3.7	3.3	2.9	3.8	3.3
Manufacturing	9.2	8.6	8.1	7.2	9.0	5.7	4.9	4.7
Electricity, gas and water	1.4	1.7	2.4	2.4	2.7	3.0	2.9	2.8
Construction	3.4	3.6	5.3	4.9	4.3	5.7	6.1	6.2
Services	49.0	51.4	52.9	53.0	53.5	43.5	44.6	45.1
Commerce	10.5	11.1	10.6	9.9	10.1	7.4	7.2	7.2
Hotel and restaurant activities	1.2	0.8	0.7	0.8	1.1	n.a.	n.a.	n.a.
Transport, warehousing and repair services	4.2	3.9	5.5	5.5	5.7	n.a.	n.a.	n.a.
Post and telecommunications	7.6	9.2	6.7	6.6	6.6	n.a.	n.a.	n.a.
Financial activities	3.4	3.1	3.9	3.8	3.7	n.a.	n.a.	n.a.
Real estate services	6.9	6.6	6.5	6.3	6.0	n.a.	n.a.	n.a.
Business services	1.7	1.5	1.9	3.6	3.1	n.a.	n.a.	n.a.
Public administration	6.0	6.7	8.3	8.5	8.8	n.a.	n.a.	n.a.
Education	4.4	5.6	5.2	4.5	4.7	n.a.	n.a.	n.a.
Health and social work	1.2	1.1	0.9	0.8	0.8	n.a.	n.a.	n.a.
Collective and personal services	1.9	1.9	2.5	2.7	2.9	n.a.	n.a.	n.a.
Financial intermediation services indirectly measured (FISIM)	-2.1	-2.3	-2.9	-3.2	-3.3	-2.7	-3.0	-3.4
<b>External sector</b>								
Current account (% GDP at current prices)	-5.2	-5.8	-7.8	-7.6	-13.2	-10.2	-11.3	-9.8
Merchandise trade balance (% GDP at current prices)	-12.2	-13.1	-21.7	-14.4	-20.1	-19.8	-25.3	-23.1
Services balance (% GDP at current prices)	-2.4	-2.4	0.9	0.4	0.3	1.4	2.8	2.7
Overall balance (% GDP at current prices)	-0.3	-1.4	13.9	7.7	-4.7	6.8	2.2	2.5
Total reserves, excluding gold (US\$ million)	94.2	101.7	92.6	94.5	96.2	89.6	73.9	47.7
CFAF/US\$ (annual average)	472.2	495.3	471.9	510.5	494.0	494.4	591.4	593.0
Nominal effective exchange rate (variation %)	0.5	-4.5	1.6	-3.0	3.7	3.9	-6.2	2.9
Real effective exchange rate (variation %)	1.6	-6.1	0.7	-3.9	2.2	1.2	-7.1	0.9
Concessional external debt (US\$ million)	1,280	993	286	381	462	591	700	n.a.
External debt, total (US\$ million)	1,730	1,278	622	747	896	987	1,056	n.a.
Concessional debt/total debt (%)	74.0	77.7	46.0	51.0	51.6	59.9	66.3	n.a.
<b>Public finance (% GDP at current prices)</b>								
Total income and grants	20.0	21.2	22.0	21.2	24.5	25.4	26.0	26.6
Current income ( <i>total income excluding grants</i> )	15.9	17.5	17.3	18.8	21.1	23.3	23.6	23.7
Tax revenue	14.4	14.5	16.0	16.6	18.9	20.7	21.3	21.8
Grants	4.1	3.7	4.6	2.4	3.4	2.1	2.4	2.9

	2009	2010	2011	2012	2013	2014	2015	2016
Total expenditure and net borrowing	20.5	20.9	23.1	27.1	29.1	28.7	32.5	36.6
Current expenditure	14.7	13.6	15.1	18.2	21.5	19.4	21.0	22.4
Capital expenditure	5.8	7.3	7.9	8.9	7.6	9.4	11.5	14.2
Net borrowing	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0
Current balance	1.2	3.9	2.2	0.6	-0.4	3.9	2.6	1.3
Overall balance excluding grants	-4.7	-3.4	-5.7	-8.3	-8.0	-5.4	-3.2	-7.3
Overall balance	-0.6	0.3	-1.1	-5.8	-4.6	-3.4	-0.8	-4.4
Variation in arrears	-0.7	-2.7	-0.1	-0.6	-0.7	-1.1	1.2	0.5
Overall balance on a cash basis	-5.4	-2.4	-1.2	-6.4	-8.7	-6.6	-7.8	-12.3
Financing needs:								
External financing	3.9	1.9	1.5	2.1	5.0	4.3	5.2	5.3
Domestic financing	1.5	0.5	-0.3	4.3	3.7	2.2	2.6	7.0
External public debt (start of period)	48.5	15.3	13.3	14.1	16.7	21.2	22.1	20.2

n.a. Not available.

a The CFA franc, which is the common currency of the WAEMU countries, is pegged to the euro at a rate of: €1 = CFAF 655.957.

b Estimates based on data obtained from the Core Welfare Indicators Questionnaire Surveys (CWIQ).

Source: Online information from IMF eLibrary-Data; online information from INSEED-Togo; Central Bank of West African States (BCEAO), *Annuaire statistique 2016*; and Togolese authorities.

1.7. Togo is a member of the West African Economic and Monetary Union (WAEMU) and of the Economic Community of West African States (ECOWAS). Its monetary and foreign-exchange policies are the responsibility of the Central Bank of West African States (BCEAO). The common currency of the WAEMU countries is the West African Financial Community franc (CFAF), which is pegged to the euro at a fixed rate of CFAF 655.957 per euro (common report, section 1.1). In the context of their multilateral surveillance, the WAEMU countries have established several convergence criteria as discussed in section 1 of the common report.

## 1.2 Recent economic developments

1.8. After years of weak growth in the throes of a socio-political crisis<sup>9</sup>, the Togolese economy performed strongly between 2009 and 2016, supported by an improvement in agricultural productivity (section 4.1.2), a revival of phosphate production (section 4.2), and public investment, particularly in transport (section 4.4). Thus, despite an international context beset by economic crisis, real GDP growth was 5.5% in 2009, driven by a strong performance in the agriculture sector. Growth remained above 6% in 2010 and 2011, driven by the extractive industries sector (notably clinker). Robust expansion in the cotton and phosphate sectors enabled growth to remain at 6.5% in 2012. Phosphate and cotton production increased by 28.4% and 49.4%, respectively, as a result of the reforms introduced in these sectors.<sup>10</sup> While sustained, real GDP growth then eased gradually to 5% in 2016, driven by the continuation of public investment programmes (rehabilitation of road infrastructure, extension of Lomé International Airport, and port works, among others).

1.9. Inflation remained generally subdued during the period under review, except in 2011, when it breached the community convergence threshold of 3%, reflecting the impact of international oil prices on petrol prices at the pump. In addition to the community monetary policy, price stability also reflects the positive performance of the agricultural sector and, in recent years, lower international oil prices. Inflation in 2016 came in at 0.9%.

1.10. As a result of the implementation of the reforms contained in its first Comprehensive Poverty Reduction Strategy Paper 2009-2011<sup>11</sup>, Togo launched an Accelerated Growth and Employment Promotion Strategy (SCAPE) in August 2013, with the aim of joining the group of emerging countries within a period of 15 to 20 years. Implementation of the SCAPE has helped to sustain the strong growth recorded in recent years. It has also contributed to raising the overall

<sup>9</sup> WTO (2006), *Trade Policy Review: Togo – Secretariat Report*. WTO document WT/TPR/S/166, 29 May 2006.

<sup>10</sup> AfDB, OECD, UNDP, and UNECA (2013), *African Economic Outlook – Structural transformation and Natural Resources*. Viewed at: <http://dx.doi.org/10.1787/aeo-2013-en>.

<sup>11</sup> République togolaise (2009), *DSRP-C Document complet de stratégie de réduction de la pauvreté, 2009-2011*, June 2009.

investment rate to 25.9% of GDP in 2015 (compared to a target of 20.7%) and to reducing poverty.

1.11. Reforms have been introduced in public finance management. In order to improve tax collection, the two main financial authorities (taxes and customs) were merged into the Togo Revenue Authority, an institution with administrative and financial autonomy.<sup>12</sup> However, as expenditure growth has far outpaced revenue, the overall structural balance excluding grants posted a deficit of 9% of GDP in 2015 (compared to 4.7% in 2009). Fuelled by tax revenues, current income grew from 15.9% of GDP in 2009 to 23.6% in 2015; but total expenditure and net lending reached 32.5% of GDP in 2015 compared to 20.5% six years earlier. Capital spending relative to GDP doubled to 11.5% in 2015 on the back of infrastructure investments. In contrast, grants dwindled from 4.1% of GDP in 2009 to 2.4% in 2015.

1.12. Togo's balance of payments is characterized by a structural current account deficit (Table 1.2); but, after consecutive years of overall surpluses (2009 to 2011), the overall balance of payments posted deficits in 2012 and 2014. Thus, in WAEMU common currency terms, a surplus of CFAF 115 billion in 2015 followed a deficit of CFAF 76.5 billion in the previous year, owing to a narrowing of the current account deficit, among other factors. The rapid pace of public investment partly explains the worsening structural deficit in the current account.

1.13. From a level of €127.1 million in 2009, the current account deficit grew to a peak of €427.9 million in 2013, driven by imports of intermediate goods and petroleum products related to transport infrastructure works (Table 1.2).<sup>13</sup> In 2014, current transactions generated a deficit of €345.1 million, an improvement of nearly €83 million on the 2013 figure. The deficit then grew by €70 million, to €415.5 million in 2015. This was due to a deterioration in the trade balance (caused by import growth), which was offset by an improvement in the balances of services trade and of primary and secondary incomes.

**Table 1.2 Balance of payments, 2009-2016**

(€ million)

	2009	2010	2011	2012	2013	2014	2015	2016
<b>Current account balance</b>	<b>-127.1</b>	<b>-150.8</b>	<b>-216.9</b>	<b>-229.0</b>	<b>-427.9</b>	<b>-345.1</b>	<b>-415.5</b>	<b>-388.3</b>
Goods and services (net)	-355.1	-401.7	-579.6	-422.1	-644.6	-620.9	-827.8	-810.4
Goods (net)	-296.7	-338.4	-604.9	-434.3	-655.5	-668.3	-931.2	-918.4
Exports (f.o.b.)	650.0	737.1	847.9	1,022.5	1,146.3	999.3	911.2	931.5
Imports (f.o.b.)	946.7	1,075.5	1,453.0	1,456.7	1,801.9	1,667.6	1,842.3	1,849.8
Services (net)	-58.4	-63.3	25.5	12.2	11.0	47.4	103.4	107.9
Credit	211.3	241.8	366.0	356.3	366.0	368.5	439.6	445.3
Transport	65.4	98.5	171.2	161.1	174.8	167.6	183.7	n.a.
Travel	49.2	49.5	70.3	86.6	94.5	94.4	102.4	104.7
Debit	269.7	305.1	340.6	344.1	355.1	321.1	336.2	337.4
Transport	167.9	186.0	203.0	236.9	258.6	224.7	239.6	n.a.
Travel	33.8	34.7	41.3	26.1	34.0	30.8	33.6	n.a.
Primary income	-13.7	-17.7	168.0	4.7	19.1	34.8	126.8	128.5
Debt interest	-10.8	-7.6	-3.0	-8.8	-10.2	-13.4	21.61	-26.8
Secondary income	241.6	268.6	194.7	188.4	197.6	241.2	285.5	293.8
Public administration	58.4	75.9	62.7	64.9	64.8	63.9	68.1	70.6
Other sectors	183.2	192.7	132.0	123.5	132.8	177.3	217.4	223.2
Migrant remittances	215.9	227.3	188.6	132.0	148.3	185.2	224.2	230.0
<b>Capital account</b>	<b>97.3</b>	<b>1,048.1</b>	<b>198.9</b>	<b>222.9</b>	<b>237.2</b>	<b>240.1</b>	<b>243.0</b>	<b>245.3</b>

<sup>12</sup> Law No. 2012-016 establishing the Togo Revenue Authority.

<sup>13</sup> IMF (2015) *Togo: 2015 Article IV Consultation*. Country Report No. 15/309. Viewed at: <https://www.imf.org/external/French/pubs/ft/scr/.../cr15309f.pdf>.



	2009	2010	2011	2012	2013	2014	2015	2016
<b>Financial account</b>	<b>-33.5</b>	<b>849.9</b>	<b>-72.1</b>	<b>24.7</b>	<b>-250.3</b>	<b>14.9</b>	<b>-343.7</b>	<b>-268.8</b>
Direct investment	-7.9	-36.7	385.7	232.6	-153.8	229.6	81.8	97.6
Portfolio investment	25.0	5.8	26.2	-0.2	59.9	104.3	-115.1	-117.4
Other investment	-50.6	880.7	-483.9	-207.8	-156.4	-318.8	-310.5	-248.9
<b>Errors and omissions (net)</b>	<b>4.0</b>	<b>8.2</b>	<b>-2.9</b>	<b>4.4</b>	<b>3.8</b>	<b>3.4</b>	<b>4.1</b>	<b>0.0</b>
<b>Overall balance</b>	<b>7.6</b>	<b>55.6</b>	<b>51.1</b>	<b>-26.4</b>	<b>63.4</b>	<b>-116.6</b>	<b>175.3</b>	<b>125.8</b>

n.a. Not available.

Source: Central Bank of West African States (BCEAO).

1.14. Togo attained the completion point of the Heavily Indebted Poor Countries (HIPC) Initiative in December 2010, which contributed to the decision to reduce its external debt by 80%. Outstanding external debt thus fell from US\$1.7 billion in 2009 to US\$622 million in 2011. Under the pressure of massive borrowing to finance the SCAPE, the balance then climbed back to US\$1.1 billion in 2015. This represents a debt ratio of 75.4% of GDP, well above the limit of 70% of GDP set under the WAEMU multilateral surveillance system. Nonetheless, the IMF considers that the risk of external public debt distress remains moderate.<sup>14</sup>

1.15. Despite an anticipated slowdown in infrastructure investment, the Togolese economy is expected to grow by 5% in 2016, driven by productivity gains achieved through investments in the agriculture and infrastructure sectors. Growth is expected to be buoyant in the medium term, but this will be conditional on keeping the public debt at a sustainable level. In the medium term, a national development plan should replace the SCAPE as a reference framework for development actions in the period 2018-2022.

### 1.3 Trade performance

1.16. Togo's exports (including re-exports) followed two contrasting trends during the period under review. In a first stage they almost doubled to €863.5 million in 2013, driven largely by re-exports of machinery and transport equipment, consisting mainly of drilling platforms used in oil exploration work (Table A1.1). They then fell back to reach €646.3 million in 2016.

1.17. The export basket became more diversified during the period under review, with a relative decline in traditional products such as cements and phosphates, and a larger share for cotton and gold (Chart 1.1). The share of agricultural products increased, while exports of manufactures and mining products declined relatively. However, the trend is not homogeneous within these product groups. Thus, the share of hydraulic cements in total exports shrank from 23.7% in 2009 to 7.3% in 2016, while that of consumer goods increased from 12.8% to 19.5%.

1.18. WAEMU and ECOWAS countries remain the main outlets for Togolese exports, despite a discernible diversification into other markets, especially those in Asia. Between 2009 and 2016, the share of exports to WAEMU countries grew (from 42.7% to 55.5%), while the share of exports to other African countries (mainly ECOWAS members Nigeria and Ghana) declined (Chart 1.2). Exports to India fell from 14.2% in 2009 to 7.7% in 2016, while the share of total exports sent to the European Union (EU-28) increased from 6.6% in 2009 to 19.9% in 2012, before dropping back to 6.4% in 2016 (Table A1.3).

1.19. Togo's imports fluctuated between €843 million and €1.6 billion during the period under review (Table A1.2). The import basket has remained relatively stable, with roughly two thirds represented by manufactured goods and one third commodities (Chart 1.1). Togo's imports in 2016 consisted mainly of machinery (18.5%), chemicals (18%) and agricultural products (14.3%). During the period under review, Asia became Togo's main supplier, as its share of total imports increased from 29.1% in 2009 to 40.5% in 2016 (Table A1.4). This growth is mainly attributable to China, whose share of the total rose from 15.2% in 2009 to 28.7% in 2016. In contrast, Europe's share of Togo's total imports shrank from 42.4% in 2009 to 29.1% in 2016. Imports from France, the second largest supplier country, accounted for 8.9% of the total in 2016 (compared to 11.7% in 2009). Imports from WAEMU countries (mainly Côte d'Ivoire) fluctuated around 5% of the total during the review period.

<sup>14</sup> IMF (2015) *Togo: 2015 Article IV Consultation*. Country Report No. 15/309. Viewed at: <https://www.imf.org/external/French/pubs/ft/scr/.../cr15309f.pdf>.

1.20. Starting from a deficit in 2009, trade in services improved steadily to record a surplus of €103.4 million in 2015 (Table 1.2), mainly thanks to stronger exports of air transport services in the first part of the period and to a reduction in imports of transport services in the last few years. In 2011, exports of services increased by almost 74% before stabilizing at €171.2 million, reflecting increased air transport services related to the activities of ASKY Airlines.<sup>15</sup> Service exports remained relatively stable between 2011 and 2014, but grew to €183.7 million in 2015, in line with the growth in business services, in particular technical services and other services related to international trade. Imported services, dominated by transport, grew gradually to €258.6 million in 2013 before easing slightly in 2014 and then rising again to €239.6 million in 2015, in the wake of increased demand for freight services.

#### 1.4 Foreign direct investment

1.21. During the period under review, foreign direct investment (FDI) flows entering Togo displayed episodes of acceleration and slowdown. Starting from a modest level in 2009, FDI inflows peaked at €511.5 million in 2011, before falling to €47.5 million in 2015 (Table 1.3). The stock of FDI stood at €1.2 billion in 2015 (compared to €371.7 million in 2009).

**Table 1.3 Foreign direct investment, 2009-2015**

(€ million)

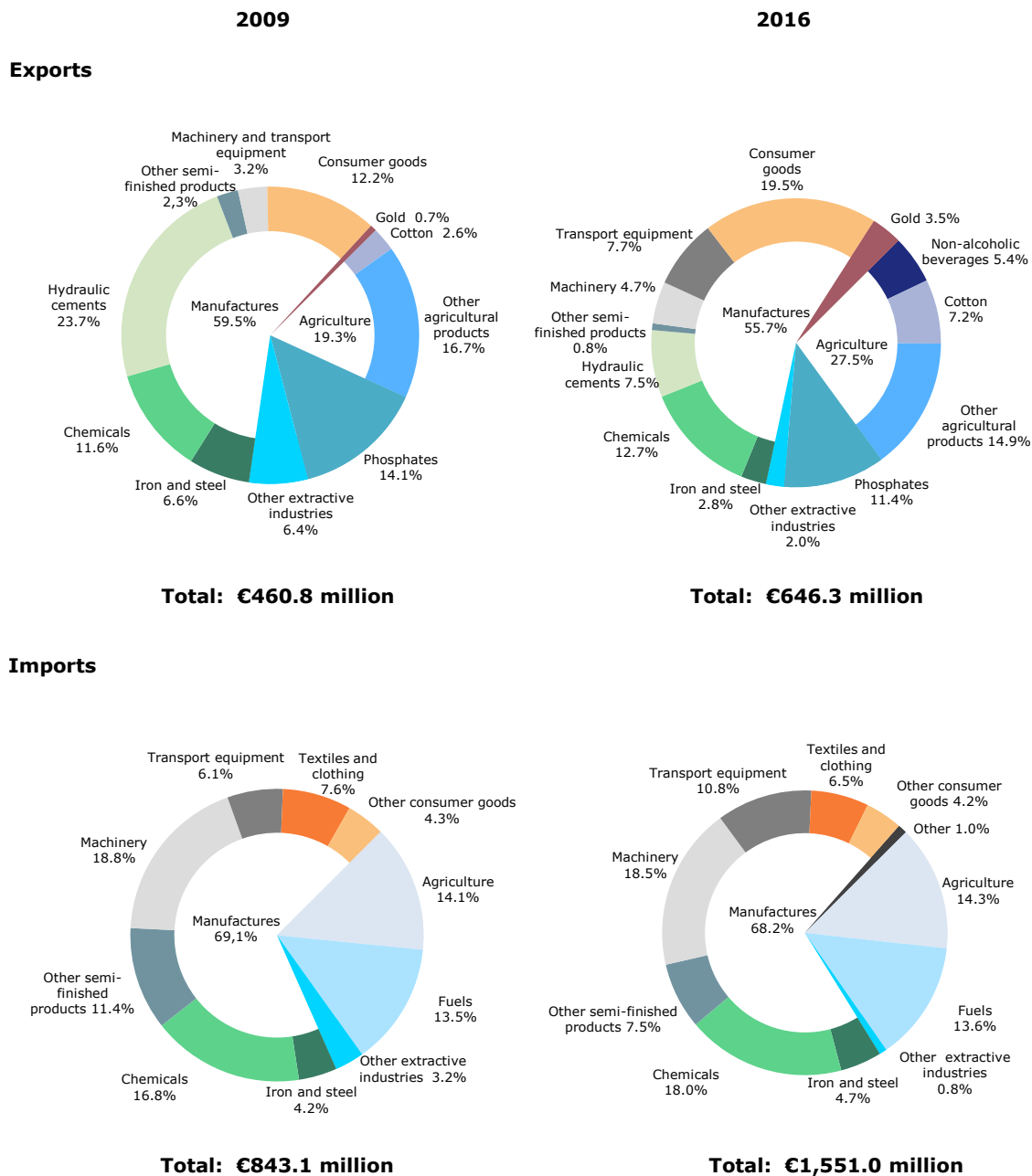
	2009	2010	2011	2012	2013	2014	2015
Inflows	34.9	64.8	511.5	94.6	138.2	40.7	47.5
Outflows	26.9	28.1	762.4	327.1	-15.6	270.2	178.9
Inward stock	371.7	427.0	870.0	1,057.0	1,212.7	1,105.6	1,232.6
Outward stock	68.5	95.0	797.2	1,215.4	1,213.2	1,316.2	1,587.4

Source: Online information from UNCTADSTAT, viewed at: <http://unctadstat.unctad.org>; and information provided by the Togolese authorities.

1.22. The main beneficiary sectors of FDI are the manufacturing and extractive industries, commerce, telecommunications, and the financial sector. The investment projects included the construction of a third quay, a container terminal and a new sheltered dock in the Autonomous Port of Lomé; the construction of a 100 MW capacity power plant; expansion of the Lomé International Airport; and the renovation of several hotels (Hôtel du 2 Février and Sarakawa Hotel in particular). France, the United States and China are the main sources of FDI in Togo.

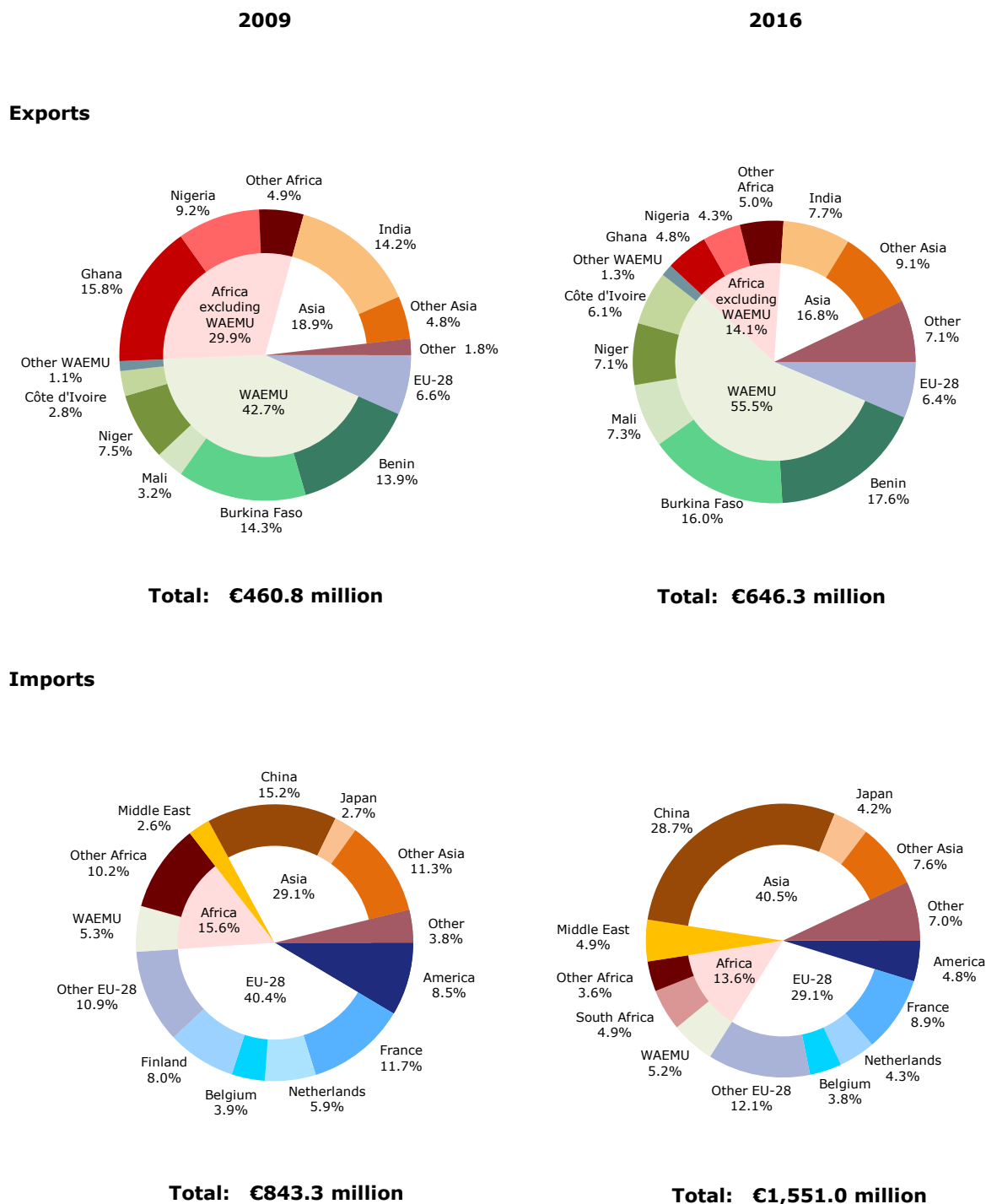
<sup>15</sup> Founded in 2007, the private regional carrier, ASKY Airlines, set up its headquarters in Togo and started operations in 2010.

**Chart 1.1 Structure of merchandise trade, 2009 and 2016**



Source: WTO Secretariat calculations based on UNSD, Comtrade database (SITC Rev.3).

**Chart 1.2 Direction of merchandise trade, 2009 and 2016**



Source: WTO Secretariat calculations based on UNSD, Comtrade database (SITC Rev.3).

## 2 TRADE AND INVESTMENT REGIMES

### 2.1 Overview

2.1. Togo's current Constitution was adopted by referendum in 1992 and last revised in 2007.<sup>1</sup> Under the Constitution, the Republic of Togo is organized into decentralized local authorities, comprising communes, prefectures and regions, which are in principle endowed with legal personality and financial autonomy, and freely administered.<sup>2</sup> The decentralized authorities are not yet operational. A local authority support fund was set up in 2011<sup>3</sup> but has not yet come on stream. The most recent local elections date back to 1987, and the next are set for 2018, according to a roadmap for decentralization and local elections adopted in 2016.

2.2. Executive power is vested in the President of the Republic. He is elected by direct and secret universal suffrage under a first-past-the-post system, for a renewable five-year term.<sup>4</sup> The latest presidential elections took place in April 2015. The President of the Republic appoints the Prime Minister and, at the latter's proposal, the other members of the Government.

2.3. Under the Constitution, legislative power is exercised by a bicameral parliament comprising the National Assembly and the Senate. The Senate is not yet in place, however. Deputies are elected by direct universal suffrage for five-year terms of office. The parliamentary elections of July 2013 brought the number of sitting deputies in the National Assembly to 91 (as against 81 previously). The power to initiate proposals and draft laws rests with the deputies and the Government. No measures are implemented by ordinance.

2.4. Once passed by the Parliament, laws take effect upon promulgation by the President of the Republic and publication in the Official Journal. In principle, all acts (laws, ordinances, decrees, orders, decisions, and land title registration applications) must be published in the Official Journal.<sup>5</sup>

2.5. The Supreme Court is the highest jurisdiction in judicial and administrative proceedings. It comprises the judicial chamber and the administrative chamber. The judicial system also includes two courts of appeal and 30 courts of first instance. Togo does not have any courts dedicated to commercial disputes, which are heard by the commercial chambers of the various jurisdictions. The Constitutional Court is the highest jurisdiction in constitutional matters. It is the authority that regulates the functioning of governmental institutions and activities. Its decisions are final.

2.6. The Court of Arbitration of Togo (CATO) was set up in November 2011. It is dedicated to commercial arbitration, mediation and conciliation. In 2014 the Court of Lomé and the Bar Association signed a protocol designed to regulate procedures for disputes brought before the Court's commercial chambers, in particular by reducing time-frames and limiting the number of referrals possible. The average time-frame for the handling of disputes has thus been reduced from 300 to 90 days.

2.7. The implementation, between 2014 and 2016, of a project to strengthen the capacities of commercial chambers has helped to improve the conditions for the settlement of commercial disputes in Lomé.<sup>6</sup> The project has made it possible to operationalize the three chambers that deal exclusively with commercial disputes, thus significantly reducing the waiting time for hearings. According to the authorities, the average has been reduced from 300 to about 100 days.

2.8. The Constitution takes precedence over all domestic legislation. Next in the hierarchy are laws, decrees, orders, legal precedent, circulars and custom. International treaties and agreements are negotiated and ratified by the President of the Republic. Trade agreements and those relating, among other things, to international organizations can only be ratified by law. Once ratified or adopted and published, international agreements and treaties take precedence over

<sup>1</sup> Law No. 2007-008 of 7 February 2007 amending Article 52(1) of the Constitution.

<sup>2</sup> Law No. 2007-011 of 13 March 2007 on decentralization and local freedoms.

<sup>3</sup> Decree No. 2011-179/PR of 14 November 2011 setting out the procedures for the organization and functioning of the support fund for local authorities.

<sup>4</sup> The President of the Republic is elected by a majority vote in a single round of balloting.

<sup>5</sup> The archives of the Official Journal are available online. Viewed at: <http://www.legitogo.gouv.tg>.

<sup>6</sup> Project to strengthen the capacity of the commercial chambers of the Court of First Instance and the Court of Appeal of Lomé (PRCTPICA).

domestic laws (provided that they are implemented by the other parties). Provisions of the WTO Agreements can therefore be cited directly before national courts.

2.9. In addition to community texts (common report, section 2.2), during the period under review Togo adopted or amended several of its laws on trade and/or investment, in particular the Water Code (2010); the Customs Code (2014); the Investment Code (2012); and legislation on government procurement (2009), the banking sector (2009), the withdrawal of the State from State-owned enterprises (2010), industrial free zones (2011) and electronic communications (2013).

## 2.2 Trade policy objectives and formulation

2.10. The design, evaluation and implementation of trade policy falls mainly within the remit of the Ministry of Trade and Private Sector Promotion.<sup>7</sup> The Ministries responsible, among other things, for the economy, finance, agriculture and transport also play a significant role through their respective areas of competence. The Ministry responsible for trade is also supported by a number of structures, in particular the Company Formalities Centre (CFE); the Togolese Center for Exhibitions and Fairs (CETEF); Togo's single window for foreign trade (SEGUCE Togo); the Committee for Monitoring Price Trends in Petroleum Products (CSFPP) and the Coordinating Committee for the Coffee and Cocoa Subsectors (CCFCC). The Chamber of Commerce and Industry of Togo (CCIT) is the main company support structure.

2.11. A National Committee for International Trade Negotiations (CNCI) that includes private sector and civil society representatives was set up in 2009.<sup>8</sup> Among other things, its mission is to help set negotiating objectives, formulate national positions and periodically assess the application of agreements and their impacts on the economy. The Committee is organized into subcommittees responsible for different specific areas (agricultural products and animal resources; non-agricultural products; services; trade-related aspects of intellectual property rights; EPAs, the AGOA and aid for trade).

2.12. Togo's trade policy falls into the framework of regional economic integration within the WAEMU and ECOWAS (common report, section 2). It is in line with the Government's vision of making Togo an emerging country by 2030. Against this backdrop, it aims to position the country as a trade and transit platform in the subregion. This policy is based on the following pillars: promotion of domestic trade and monitoring of compliance with the rules of competition; promotion of Togolese exports; strengthening of supply channels to the Togolese economy; promotion of entrepreneurship in the trade sector; and adding value to goods and services of Togolese origin.

2.13. The Government means to set up an efficient legal and institutional framework to enable distribution, import and export activities to meet the needs of consumers and enhance the competitiveness of enterprises.<sup>9</sup> The specific objectives are to: (a) ensure regular supplies of mass consumption goods to the domestic market and the maintenance of healthy competition; (b) diversify exports through a strategy of product-market pairing, and enhance existing export sectors; (c) optimize supplies to the economy and boost the competitiveness of enterprises; (d) promote commercial sector enterprises by endowing them with modern international trade tools and technologies; (e) support other sectors of the economy by contributing added value to them through the marketing of their products and services; and (f) provide a framework for Government and private sector exchange and involvement, making it possible to take account of the concerns of the private sector and effect reforms to improve the business climate, among other things.

2.14. There are some Government/private sector coordination mechanisms in Togo, though most of them are facing operational difficulties. Studies are under way with a view to giving fresh impetus to the Government-Private Sector Coordination Unit set up in 2001. The customs/employers and taxation/employers mixed commissions operated for a time and are to be

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<sup>7</sup> The industry and tourism portfolios were attached to the Ministry in 2015 and again separated from it in March 2017.

<sup>8</sup> Decree No. 2009-063/PR establishing the National Committee for International Trade Negotiations.

<sup>9</sup> Republic of Togo (2013), *Strategy for Accelerated Growth and Employment Promotion, 2013-2017*.

merged with the setting up of the Togo Revenue Authority (OTR). Other bodies include the National Council for Social Dialogue and the OHADA National Commission.

## 2.3 Trade agreements and arrangements

### 2.3.1 Relations with the World Trade Organization

2.15. Having been a GATT Contracting Party since 1964, Togo became a WTO Member on 31 May 1995. It is classified as a least developed country (LDC) in the WTO and is therefore eligible under the Enhanced Integrated Framework (EIF). Togo is not a member of any of the plurilateral agreements concluded under WTO auspices. It accords at least MFN treatment to all its trading partners. Togo has never been a participant in or third party to any trade dispute.

2.16. Togo is fairly active as regards WTO notifications, and submitted almost 50 notifications during the period under review (Table 2.1).

**Table 2.1 Recent notifications to the WTO, by field, 2009-2016**

Agreement/field (number of notifications)	Most recent notification	Year
Agreement on Agriculture (8)	Export subsidies (G/AG/N/TGO/7)	2016
	Domestic support (G/AG/N/TGO/8)	2016
Anti-Dumping Agreement (1)	Article 18.5 – Laws and regulations (G/ADP/N/1/TGO/1)	2012
General Agreement on Trade in Services (17)	Contact and enquiry points (S/ENQ/78/Rev.15)	2015
	Article III:3 (S/C/N/731)	2014
	Article VII:4 (S/C/N/672)	2012
Article XVII of the GATT 1994 – State trading (4)	Article XVII:4(a) and paragraph 1 of the Understanding on the interpretation of Article XVII – New and full notification G/STR/N/1/TGO, G/STR/N/4/TGO, G/STR/N/7/TGO, G/STR/N/10/TGO, G/STR/N/11/TGO, G/STR/N/12/TGO	2014
Agreement on Preshipment Inspection (1)	Article 5 (G/PSI/N/1/Add.16)	2012
Agreement on Subsidies and Countervailing Measures (3)	Article 32.6 – Laws and regulations (G/SCM/N/1/TGO/1)	2011
	Article XVI:1 of the GATT and Article 25 of the Agreement – New and full notification (G/SCM/N/220/TGO, G/SCM/N/253/TGO)	2013
	Article 32:6 of the Agreement – Notification of laws and regulations (G/SCM/N/1/TGO/1)	2011
Agreement on Trade-Related Investment Measures (1)	Article 6.2 – Publications in which TRIMs may be found	2013
Agreement on the Application of Sanitary and Phytosanitary Measures (7)	Animal food products and food products of animal origin (G/SPS/N/TGO/6, G/SPS/N/TGO/7)	2016
	Live animals (G/SPS/N/TGO/2)	2015
	Establishments that process and package fishery products (G/SPS/N/TGO/3)	2015
	Technical requirements applicable to fishing vessels other than artisanal fishing vessels (G/SPS/N/TGO/4)	2015
	Food additives, other than colouring matter and sweeteners (G/SPS/N/TGO/5)	2015
	Refined oils and wheat flour (G/SPS/N/TGO/1)	2015
Agreement on Technical Barriers to Trade (2)	Plastic bags and packaging (G/TBT/N/TGO/2)	2012
	Reinforcing bars (G/TBT/N/TGO/1)	2011
Agreement on Import Licensing Procedures (3)	Articles 1:4(a) and/or 8:2(b) (G/LIC/N/1/TGO/3)	2013
	Article 7.3 (G/LIC/N/3/TGO/2)	2011
TRIPS Agreement (1)	Article 69 of the TRIPS Agreement – Contact points (IP/N/3/TGO/1)	2012
Agreement on Rules of Origin (1)	Article 5 and paragraph 4 of Annex II of the Agreement on Rules of Origin (G/RO/N/70)	2011
Agreement on Safeguards (1)	Laws, regulations and administrative procedures (G/SG/N/1/TGO/1)	2012
Goods schedules (1)	Schedule CXXV – Invocation of paragraph 5 of Article XXVIII (G/MA/308)	2014

Source: WTO online documents. Viewed at: <https://docsonline.wto.org>.

2.17. Togo's participation in technical assistance activities increased considerably during the period under review, moving from seven activities in 2009 to over 100 in 2016.<sup>10</sup> Activities have covered cross-cutting aspects of international trade (32.1% of activities) as well as specific areas such as market access for non-agricultural products (9.4%); trade-related aspects of intellectual property rights (9.1%); and agriculture (4.3%). A new WTO Reference Centre was set up in the Ministry responsible for trade in May 2012.

2.18. Togo joined the Enhanced Integrated Framework in 2006. The findings of the 2010 Diagnostic Trade Integration Study (DTIS) were incorporated into the Second Policy Reduction Strategy Paper (PRSP II). A paper on national commercial development was also adopted in October 2011.

2.19. Under the DTIS Action Matrix, the soybean value chain has been assigned priority. Implementing the project in the sector has helped to boost soybean output as well as the quality of soybean intended for export, and allowed for producers to become organized into the Interprofessional committee of grain farmers (CIC). For EIF phase 2, Togo is continuing along the same line of action with the May 2015 launch of a project for the strengthening of productive and commercial capacity in the soybean sector.<sup>11</sup>

### 2.3.2 Regional and preferential agreements

2.20. Togo is a member of several regional trade groupings, including the West African Economic and Monetary Union (WAEMU), the African Union and the Economic Community of West African States (common report, section 2). Togo is also granted trade preferences by the European Union and the United States (common report, section 2).

## 2.4 Investment regime

### 2.4.1 Overview

2.21. Business law in Togo is governed mainly by supranational provisions, in particular those of OHADA, WAEMU and ECOWAS, as well as the international agreements to which Togo is party<sup>12</sup> (common report, section 2.4). During the period under review Togo undertook numerous reforms, more specifically the adoption of a new investment code and the amendment of the law on free zones. These measures helped to improve the business climate, thereby positioning the country in 150<sup>th</sup> place (compared to 166<sup>th</sup> in 2008) in the World Bank's Ease of Doing Business Rankings.<sup>13</sup>

2.22. Togo is a party to the United Nations Convention against Corruption (ratified in 2005); the African Union Convention on Preventing and Combating Corruption (ratified in 2009); and the ECOWAS protocol on corruption (ratified in 2009). A High Authority on Preventing and Combating Corruption and related offences (HALCIA) was created in 2015<sup>14</sup> and began operating in January 2017.

2.23. The main formalities relating to business start-ups and the associated fees are laid out in Table 2.2. In 2014, the authorities took steps to facilitate the business creation process. Those actions include recognizing the Internet site of the Company Formalities Centre (CFE) as a medium for legal notices; abolishing the economic operator card; and transferring the formalities for the registration of articles of incorporation to the CFE, which now operates as a single window for all business start-up formalities.

<sup>10</sup> Global Trade-Related Technical Assistance Database (GTAD). Viewed at: <http://gtad.wto.org/index.aspx?lg=fr>.

<sup>11</sup> Project for the strengthening of the productive and commercial capacity of the soybean value chain in Togo.

<sup>12</sup> The main ones are: the Multilateral Investment Guarantee Agency (MIGA) and the International Centre for Settlement of Investment Disputes (ICSID) convention.

<sup>13</sup> Online information from the World Bank, viewed at: <http://www.doingbusiness.org>.

<sup>14</sup> Law No. 2015-006 establishing the High Authority on Preventing and Combating Corruption and related offences.



**Table 2.2 Business start-up formalities and fees**

Formality	Responsible administration	Fee
Search for previous registrations/protection of the trade name	National Institute for Industrial Property and Technology	CFAF 5,000
Enrolment in the Trade and Personal Property Credit Register/publication in the Official Journal	Registry of the Court of First Instance of Lomé	CFAF 8,250 (CFAF 5,400 for natural persons)
Publication	Business Formalities Centre	CFAF 5,000
Declaration of establishment	Togo Revenue Authority	CFAF 24,600 (non-ECOWAS: CFAF 31,400)
Registration	National Social Security Fund/ Inspectorate of Work and Social Legislation	Free of cost

Source: Information provided by the Togolese authorities.

2.24. Upon completion of the formalities, the CFE issues a single business start-up card containing the company registration number in the Trade and Personal Property Credit Register and the national social security registration number. In addition to the fees of the various bodies involved in the process, the CFE fee is CFAF 25,000 (CFAF 20,000 for ECOWAS citizens). The single business start-up card is valid for five years and renewable upon payment of a fee of CFAF 15,000 (CFAF 10,000 for ECOWAS citizens).

2.25. Corporate taxation is regulated by the General Tax Code, as amended or supplemented annually by the finance laws. Depending on their turnover, size and legal form, enterprises may be subject to one of the three following fiscal regimes: the single business tax regime (TPU) for craftspeople and informal sector enterprises with a turnover of less than CFAF 10 million (CFAF 30 million for supply or production companies); the simplified tax regime for enterprises with an annual turnover falling between CFAF 30 million and CFAF 100 million; and the *régime réel normal* (standard tax regime, based on actual income), for companies with a turnover in excess of CFAF 100 million.

2.26. Under the standard tax regime, companies are subject to corporation tax at a rate of 37% (Table 2.3). For companies under the flat-rate regime, the TPU frees them from other types of taxes such as personal income tax (IRPP), the business tax, the employer's share of the payroll tax, and VAT.

**Table 2.3 Main taxes and charges applicable to economic operators, 2016**

Levy	Tax base and rate	Types of economic operator or activity
<b>Direct taxation</b>		
Personal income tax (IRPP)	Progressive rate structure, ranging from 4% (minimum income) to 45% (maximum income) Total net personal income:	Natural persons
Corporation tax (IS)	37% of turnover (30% of turnover for industrial companies)	Enterprises subject to the standard tax regime
Single business tax (TPU)	Activities based on permanent premises: <ul style="list-style-type: none"> <li>• 2.5% of turnover for production and/or commercial activities</li> <li>• 8.5% of turnover for services provided</li> </ul> Itinerant activities: specific rate depending on the mode of transport	Enterprises under the flat-rate regime (which releases them from other taxes: IRPP, IS, employer's payroll tax share)
Minimum flat-rate tax (IMF)	Depending on turnover, between CFAF 50,000 and CFAF 200 million	Operators subject to corporation tax (IS) or personal income tax (IRPP)
Tax on investment income (IRCM)	Gross amount of distributed income: <ul style="list-style-type: none"> <li>• Natural persons: 10%</li> <li>• Legal persons: 15%</li> </ul>	Payment of dividends, attendance fees, and other income from stocks, shares and bonds

Levy	Tax base and rate	Types of economic operator or activity
Payroll tax	7% of the payroll (employer's share)	All operators, except for those subject to the TPU
Supplementary payroll tax (TCS)	25% of the IRPP (minimum of CFAF 6,000 and maximum of CFAF 200,000)	Taxpayers subject to IRPP
Business tax ( <i>patente</i> )	<ul style="list-style-type: none"> <li>• 0.2% to 1% of turnover (or of product value) depending on the branch of activity</li> <li>• 2% to 6% of the rental value of premises, land and depots</li> </ul>	Self-employed natural or legal persons
Tax on road hauliers' income (IRTR)	Assessed upon registration of any motorized vehicle intended for the commercial transport of persons or goods	Operators with a turnover of less than CFAF 30 million, that do not keep regular accounts
Property tax	<ul style="list-style-type: none"> <li>• 12.5% of the rental value, for developed properties</li> <li>• 2% of the market value, for undeveloped properties</li> </ul>	Properties leased for professional use
<b>Indirect taxation</b>		
Value added tax (section 3.1.5)	Single rate of 18% of the pre-tax value of the good or service provided	Delivery of goods and services
Excise duty (section 3.1.5)	1% to 15% of the ex-factory price excluding VAT or of the c.i.f. value (specific rates for petroleum products)	Delivery or import of taxable products
Tax on financial activities	10% of gross profits on financial and banking operations	Banking or financial activities, trade in securities and money
Tax on insurance agreements	Varying according to premium and type of insurance	Signing of an insurance agreement
<b>Other indirect duties and taxes</b>		
Tax on proceeds from gaming	5% of turnover or of gross receipts from all games	20% allocated to local authorities
Tax on shows and automatic devices	Shows in the commune of Lomé: 20% of turnover (10% for the other communes)	Transferred to local authorities
Registration fees and stamp duty	Fixed, proportional or progressive depending on the nature of the documents and transfers or the formalities	Documents, transfers, papers that will become part of civil records and court documents

Source: Information provided by the Togolese authorities.

2.27. Under certain conditions, companies set up in Togo may be approved under the Investment Code or the free zone regime. They can then obtain tax and customs advantages.

2.28. Togo has bilateral investment agreements with Germany and Switzerland. Agreements have been signed with Tunisia (in 1987) and the Belgium-Luxembourg Economic Union (2009) but are not in effect.<sup>15</sup> Togo has double-taxation agreements with France and Tunisia.

#### 2.4.2 Investment Code

2.29. Togo adopted a new Investment Code in 2012, but it has not yet entered into force.<sup>16</sup> Among other things, the Code aims to: encourage the creation of skilled employment and high value added activities; foment the use of local natural resources and raw materials; develop the intangible economy; develop exports; and promote decentralized economic activity. With the 2012 revision, the scope of the Code was extended to encompass services provided in sectors such as health, education and training, assembly and maintenance of industrial equipment, and information and communication technologies. The Code does not apply to transport, construction and public works or to free zone enterprises.

<sup>15</sup> Online information from UNCTAD, viewed at: <http://investmentpolicyhub.unctad.org/IIA/CountryBits/209#iiaInnerMenu>.

<sup>16</sup> Law No. 2012-001 establishing the Investment Code in the Republic of Togo.

2.30. The Code guarantees equal treatment of and non-discrimination between domestic and foreign investors. It also guarantees access to rights pertaining to ownership, concessions and administrative approvals and participation in government procurement. The freedom to transfer capital and remuneration is guaranteed, subject to the foreign exchange regulations in force.

2.31. The Investment Code is administered by the National Agency for the Promotion of Investment and the Free Zone (API-ZF), which is empowered to issue the requisite approval (or register the declaration). The benefits accorded under the Investment Code are reserved for investments of at least CFAF 50 million. Besides, the investor must undertake to reserve most of the permanent jobs, as a matter of priority, for Togolese nationals.

2.32. Companies approved under the Investment Code are eligible for numerous tax and customs advantages (Table 2.4). Accordingly, the Code distinguishes between the declaration regime applicable to investments of CFAF 600 million or less, and the approval regime, for investments higher than CFAF 600 million. Depending on the case, all eligible investors must make a declaration or submit an application for approval to the API-ZF. The Agency issues certification containing, in particular, the list of advantages accorded and the agreed launch dates for the start-up and operational periods. At all events, the start-up period may not exceed 24 months for enterprises approved under the declaration regime, and 36 months for enterprises under the approval regime.

**Table 2.4 Overview of concessions under the Investment Code**

	<b>Concession</b>	<b>Some conditions and restrictions</b>
Customs duties	Total exemption for new materials and equipment, and partial exemption (single 5% rate) for used materials	<ul style="list-style-type: none"> <li>• During the start-up phase only</li> <li>• Subject to a cap of 10% of the c.i.f. value of the equipment (15% for the approval regime)</li> </ul>
VAT and advance corporate and income tax payments	Total exemption for imports of materials and equipment	<ul style="list-style-type: none"> <li>• During the start-up phase only</li> <li>• Subject to a cap of 10% of the c.i.f. value of the equipment (15% for the approval regime)</li> </ul>
Corporation tax	Total exemption Deduction of 40 to 50% of capital expenditure from the IS tax base A 2% to 5% IS reduction A 5% IS reduction	Start-up phase For the first five years of the operational phase  At least 20 employees At least 25% of turnover comes from exports
Minimum flat-rate tax (IMF)	Total exemption from the IMF 30% reduction of the IMF	Start-up phase Operational phase
Property tax	Total exemption Reduction of 30%	Start-up phase Operational phase
Business tax	Total exemption Reduction of 30% for three to nine years Reduction of 5% for five years	Start-up phase Depending on the investment zone or use of local raw materials (at least 80%) Use of intellectual property
Payroll tax	Reduced 2% rate on wages of new jobs	
Residence permits	A 50% reduction in the costs of obtaining residence permits for foreign salaried employees	Training/recruitment/promotion of an equal number of Togolese nationals within a four-year period

Source: Law No. 2012-001 establishing the Investment Code in the Republic of Togo.

#### 2.4.3 Free zone regime

2.33. As at 31 December 2015, the Togolese free zone comprised 63 active companies (Table 2.6). Despite the grant of new approvals, the turnover of companies operating in free zones did not show any particular pattern of increase during the period of this review. Between 2009 and 2015, the total value of imports by companies set up in free zones increased from CFAF 70.2 million to CFAF 168.1 million. Local purchases virtually stagnated and have remained below the CFAF 23 million mark. Most of the free zone companies are in the clothing and textiles, plastics and agro-industry sectors; the free zones are mainly concentrated in the port area.

**Table 2.5 Activities of free zone companies, 2009-2015**

	2009	2010	2011	2012	2013	2014	2015
	(Number)						
New approvals	12	8	12	15	12	6	7
Active companies	57	62	64	62	66	63	63
Local jobs created	9,087	10,516	11,116	12,987	13,511	15,116	14,498
	(CFAF billion)						
Cumulative investment	126.4	145.9	161.3	187.4	255.1	191.7	210.9
Imports	70.2	102.3	132	160.1	139.3	148.7	168.1
Local purchases	15.3	14.1	22.0	22.5	18.3	18.9	16.3
Turnover	171.1	191.8	243.6	250.1	235.2	215.1	235.1
Added value	47.9	53.8	65.4	60.4	n.a.	n.a.	23.9
Exports	158.2	174.0	221.9	223.7	211.9	189.6	210.5
Local sales	12.9	17.8	21.8	26.4	23.4	25.5	24.5

n.a. Not available.

Source: Information provided by the Free Zone Authority (SAZOF).

2.34. Togo's free zone policy aims, among other things, to stimulate economic and industrial development; promote exports and create jobs; encourage the use of local raw materials; improve the business climate; and promote Togo as an investment destination. In 2011, Togo amended its legislation, *inter alia*, so as to shorten the duration of the tax breaks.<sup>17</sup>

2.35. The free zone regime is reserved mainly for enterprises that employ a high proportion of Togolese workers; enterprises geared towards the use of local raw materials, those using cutting-edge technology; those engaging in international subcontracting; service provision enterprises; and export-oriented technopoles focused on research and technological innovation.<sup>18</sup> To qualify, an enterprise must specifically guarantee that it will export its entire output, and must reserve permanent jobs for Togolese nationals as a matter of priority. In practice, it may sell up to 30% of its output on the domestic market. A company established in the national customs territory may obtain approval under the free zone regime if at least 65% of its sales have been exported during the two years immediately preceding the grant of approval.

2.36. A developer wishing to set up business in a free zone must obtain approval from the API-ZF before embarking on any business start-up formalities. Provisional approval is granted within one month upon payment of a CFAF 500,000 fee. After studying the application for approval, the API-ZF may issue the enterprise with an Exporting Enterprise Certificate. Free zone developers are subject to the same regime as free zone enterprises.

2.37. Enterprises admitted to the free zone regime are subject to a set annual fee of 0.1% of the value of goods and services exported or sold on the domestic market. They must also pay a monthly contribution of CFAF 50,000 intended for the customs administration.

2.38. Free zone companies enjoy exemptions or reduced rates in respect of customs duty and certain taxes (Table 2.7). Incentives are also available to encourage the creation of free zones outside the maritime region. Hence, companies located in a free zone in the Plateaux Region enjoy ten years' full exemption from corporation tax (or from the minimum flat-rate tax), and are assessed payroll tax at a reduced rate of 1% for the first seven years of operation. For enterprises in free zones set up in the other regions<sup>19</sup>, the duration of total exemption from corporation tax is 15 years, while that of the reduced payroll tax rate is ten years. Beyond these time-frames, the general advantages apply.

<sup>17</sup> Law No. 89-14 of 18 September 1989, as revised by Law No. 2011-018 of 24 June 2011 on industrial free zone status.

<sup>18</sup> Enterprises engaged in mining, cotton ginning, international trading and brokerage as well as telecommunications are not eligible for free zone status.

<sup>19</sup> These are the Plateaux Region, Kara Region and Savannah Region.

**Table 2.6 Incentives for companies accorded free zone status**

Type of duty or tax	Nature of the concession
Customs duty	Total exemption on the equipment and products needed for the enterprise to function, and a reduced rate on commercial vehicles
Corporation tax/IMF	Total exemption for the first five years and a reduced rate thereafter
IRCM	Total exemption for the first five years and 50% of the amount payable from the 6 <sup>th</sup> to the 10 <sup>th</sup> year
Payroll tax	Rate reduced to 1% or 2% of the payroll according to region, for the life of the enterprise, depending on location
Business tax and property tax	Total exemption for the first five years and a reduced rate thereafter
Value added tax	Total exemption for works and services performed on behalf of the enterprise

Source: Law No. 2011-018 of 24 June 2011 on industrial free zone status.

2.39. Free zone enterprises are free to produce power for their own consumption and to acquire their own telecommunications network. They enjoy preferential tariffs on port services as well as telecommunication, electricity and water supply services and may import petroleum products for their own use entirely free of duty and taxes. They may sell up to 30% of their output on the domestic market, subject to the payment of the applicable duty and taxes. Sales to other countries in the subregion are subject to the payment of the duty and taxes applicable to third-country goods entering the community.

### 3 TRADE POLICIES AND PRACTICES BY MEASURE

#### 3.1 Measures directly affecting imports

##### 3.1.1 Customs procedures, valuation and requirements

3.1. The Togo Revenue Authority (OTR) has been in charge of collecting taxes, levies and customs duties since 2014. The Authority was created by the merger of two different financial authorities, namely, the former Directorate-General of Customs and Government Affairs and Directorate-General of Taxation. Under the supervision of the OTR's Commissioner-General, the Customs and Indirect Taxation Commission (CDDI) has responsibility, *inter alia*, for implementing customs legislation, regulations and procedures. The other major institutions present at the border are: the phytosanitary services, the plant protection services, the health services, the narcotics services, the police, the gendarmerie and the army.

3.2. In addition to the formalities for setting up businesses (section 2.4.2), acting as an importer or exporter for commercial purposes requires an importers'/exporters' and shippers' card, issued by the Foreign Trade Directorate (Ministry responsible for trade) and valid for one year. The fees for obtaining the card or for its annual renewal are CFAF 38,500 (with a reduced rate of CFAF 15,000 for Togolese nationals or ECOWAS citizens).

3.3. The following documents are required for customs clearance of goods: the invoice; the packing list; the bill of lading; the electronic cargo tracking note (BESC); and the verification certificate issued by the company responsible for inspecting the goods at destination (section 3.1.2). Other documents such as a certificate of origin or a sanitary or phytosanitary certificate may be required when necessary.

3.4. The customs completed the transfer of its computer system to ASYCUDA World in 2014 and by the end of December 2016 all offices involved in customs clearance had been computerized. The customs computer system is also connected to the single window for foreign trade and to the key actors involved in the customs clearance of goods. All customs clearance procedures have therefore been computerized (from customs declarations up to release) and transmission of documents can be paperless.

3.5. Risk management is carried out through an automatic selection mechanism for declarations comprising four channels: green (good for release); blue (deferred inspection after release of the goods); yellow (inspection of documents); and red (inspection of documents and physical inspection of the goods). The main selectivity criteria concern the origin of the goods, the customs procedure, the tariff heading, the reputation of the importer and the mode of transport used. On average, around 70% of freight goes through the red channel. In addition to the selectivity criteria, consignments of goods destined for release for consumption usually have to be scanned; scanning fees are CFAF 10,000 for vehicles and CFAF 50,000 for containers.

3.6. During the review period, Togo reformed its customs administration, resulting, *inter alia*, in the adoption of a new Customs Code in 2014.<sup>1</sup> Among other things, the new Code confirms Togo's adoption of the ECOWAS common external tariff; computerization of customs clearance procedure; the possibility of advance clearance; counterfeiting or piracy violations become a customs offence; the introduction of channels for appeals if there is a dispute with the customs; and the inclusion of offences under the foreign currency legislation. Togo acceded to the Revised Kyoto Convention in June 2014.

3.7. Togo ratified the WTO Agreement on Trade Facilitation (ATF) in 2015, but has not yet notified its category A measures. The measures were categorized in 2014 but are being updated. A National Trade Facilitation Committee (CNFE) started to operate in December 2016.<sup>2</sup>

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<sup>1</sup> Law No. 2014-003 of 28 April 2014 containing the Customs Code. Viewed at: <https://www.otr.tg/index.php/fr/documentation/sur-la-douane-togolaise/42-nouveau-code-des-douanes-edition-2014/file.html>.

<sup>2</sup> Decree No. 2016-101 of 20 October 2016 on the creation, role, composition and functioning of the National Trade Facilitation Committee (CNFE).

3.8. A single window for foreign trade (GUCE) has been operating since June 2014. This is a paperless platform linking all the institutions involved in foreign trade transactions, through which users can complete import, export, transit or transshipment formalities for their goods. A consortium (BIVAC Veritas Bureau and SOGET) set up the GUCE and operates it on the basis of a ten-year concession contract. Once the goods manifest has been declared at the GUCE, it is automatically forwarded to all the other entities involved in customs clearance using this platform. The cost of the services provided by the various entities is set out in a single fees document (DFU). The cost of GUCE's services is invoiced when each customs declaration (import, export or transit) is processed and amounts to CFAF 10,000, excluding tax, per container or declaration. The total amount of the fees in the DFU varies depending on the services invoiced by the various entities.

3.9. Although long planned in the legislation, the requirement to provide an electronic cargo tracking note (BESC) has only applied to exports since December 2016.<sup>3</sup> The National Shippers' Council of Togo (CNCT) is responsible for the BESC, although the Note is issued and managed by the Groupe Antaser Afrique on the basis of an agency agreement which runs until 2025 and is renewable tacitly.<sup>4</sup> The cost of issuing the BESC depends on the presentation of the cargo (except for vehicles), its origin or destination. For goods in a full container (FCL), the cost per tranche of five containers is €25 for shipping to or from an African or European destination and €100 for other destinations.<sup>5</sup> The cost of the BESC is shared by the agent (48%) and the Government (52%), with the latter transferring 20% to the CNCT for its operations.

3.10. The new Customs Code creates an Administrative Commission as a first channel for the settlement of customs disputes and a National Commission for customs conciliation and assessment to handle appeals. These two Commissions are not yet operating, however, and disputes are dealt with by the OTR's disputes service. For appeals, economic operators may turn to the Arbitration Court of Togo and, as a last resort, to the courts.

3.11. Togo still has an inspection programme at destination for goods for release for consumption, which is managed by the firm COTECNA on the basis of a contract that was renewed for a further year in 2016. Operators have to submit an intention to import to COTECNA before the goods arrive. Inspection focuses in particular on verifying the eligibility to import and the export price, an indication of the customs value and the customs classification, and the electronic tracking of goods (for goods in transit).<sup>6</sup> The lower threshold for triggering inspection is CFAF 1 million for imports by road and CFAF 1.5 million for imports by air or sea. Goods originating from ECOWAS and imports under the transit or temporary admission procedures are exempt from inspection.<sup>7</sup> Inspection fees are paid by the Government using the proceeds of a 0.75% levy on the c.i.f. value of goods paid by importers. The Government pays the company responsible for inspection at destination CFAF 345 million per month out of the revenue collected.

3.12. Togo in principle applies the WTO Customs Valuation Agreement (Customs Code, section 5, Article 19), but is still encountering problems in implementing it. There are minimum values for some staple goods with the aim of keeping their retail price at a reasonable level for consumers. This is the case for edible pasta, vegetable oils, canned tomatoes and detergents. Imported used vehicles are, however, valued according to reference values set by the Togolese Valuation and Control Company (COTEC). This value is determined according to the vehicle's technical specifications and on the basis of data from the main markets for motor vehicles. The customs administration is bound by the value thus determined by COTEC. Vehicles less than five years old are not subject to this valuation.

### 3.1.2 Rules of origin

3.13. Togo applies the WAEMU rules of origin (common report, section 3.2), which are for the most part harmonized with those of ECOWAS. The National Approval Committee is responsible for

<sup>3</sup> Prior to this, the BESC was only required for imports of goods for release for consumption.

<sup>4</sup> Interministerial Order No. 001/MEF/MCPSP/MTPT/DC.

<sup>5</sup> Online information from the National Shippers' Council of Togo, viewed at: [www.cnct-togo.com/communiqué-tarifs-besc](http://www.cnct-togo.com/communiqué-tarifs-besc).

<sup>6</sup> Online information from COTECNA, viewed at: <http://www.cotecna.com/COM/Images/Togo-FactSheet-2011.pdf>.

<sup>7</sup> For the full list of goods exempt from the inspection at destination programme, see: <http://www.cotecna.com/en/Tools/~media/Documents/Datasheets%20-%20Factsheets/Togo/Togo-DataSheet-2011.ashx>.

the procedures for approval under the two communities' preferential schemes. For exports going to the ECOWAS area, certificates of origin are issued by the Directorate of Industry, and for exports outside this area, by the Foreign Trade Directorate. In 2015, 51 Togolese companies and 439 Togolese products had been approved for the preferential intra-community trade regime, compared to 37 companies and 229 products in 2009 (common report, Table 3.5).

### 3.1.3 Customs duties

3.14. Customs revenue remains an important source of government income. In 2013, it was estimated at CFAF 232.5 billion (compared to CFAF 123.3 billion in 2009)<sup>8</sup>, most of which was collected at the Autonomous Port of Lomé and the refinery.

3.15. Togo has applied the ECOWAS common external tariff (CET) since January 2015, as well as other community duties and taxes (common report, sections 3.1.4 and 3.1.5). It does not apply the import adjustment tax, the supplementary protection tax or the special import tax. In addition to these community levies, imports under the common regime for release for consumption are subject to: the fee to finance the programme for inspection of goods at destination (0.75% of the c.i.f. value of the imports); the infrastructure protection and maintenance tax (CFAF 2,000/tonne of goods); and the customs data-processing fee (CFAF 5,000 per customs declaration filed). For imports from outside ECOWAS, these levies and taxes add at least 3.25% of the c.i.f. value for charges in addition to customs duty.

3.16. Goods imported under the suspensive procedure are liable for customs stamp duty at a rate of 4% of the amount which should normally be imposed for the statistical tax and the infrastructure protection tax (TPI).

3.17. Togo grants import duty and tax preferences for goods originating from WAEMU and ECOWAS under the preferential tariff schemes of each of these two communities (common report, section 3.1.4.2).

3.18. During the Uruguay Round, Togo bound its customs duty on 845 tariff lines (mostly agricultural products) at a uniform rate of 80%. Bindings cover around 15% of tariff lines and fewer than 1% of non-agricultural products. Togo also bound other duties and charges for three specific levies in effect at the time: the statistical tax (bound at 3%); the maritime freight toll tax bound at CFAF 200 per indivisible tonne); and the customs stamp (4%).

### 3.1.4 Other taxes

#### 3.1.4.1 Value added tax

3.19. Like other WAEMU countries, Togo applies value added tax (VAT) on the delivery of goods and the supply of services at a rate of 18%, in conformity with the community regime (common report, section 3.1.5.2.1). A reduced rate of 10% was introduced in 2017 for some goods and services, notably<sup>9</sup>: khaki fabrics; printed fabrics; edible oils; sugar; cereal flour (corn, wheat, fonio, millet, sorghum, rice); edible pasta; processed milk; cattle and poultry feed; one-day-old chicks; and agricultural equipment. The reduced rate of VAT also applies to: rental and repair of agricultural equipment; accommodation and catering services provided by hotels, restaurants and similar approved establishments; and services provided by organizers of approved tourist routes.

#### 3.1.4.2 Excise duty

3.20. Togo imposes excise duty on a certain number of products in accordance with community provisions (common report, section 3.1.5.2.2). With the exception of tobacco and alcoholic beverages, the rates of excise duty did not change during the period under review: non-alcoholic beverages except for water (2%); alcoholic beverages (45%, 15% for beer); tobacco and cigarettes (45%); wheat flour (1%); edible fats and oils (1%); perfumery and cosmetic

<sup>8</sup> Online information from the Togo Revenue Authority, viewed at: [http://www.otr.tg/images/documents/douanes/Taux\\_de\\_realisation\\_des\\_recettes\\_de\\_2002\\_a\\_2013.pdf](http://www.otr.tg/images/documents/douanes/Taux_de_realisation_des_recettes_de_2002_a_2013.pdf).

<sup>9</sup> Law No. 2017-002 of 17 January 2017 containing the Finance Law for 2017.



products (15%); coffee (10%); tea (5%); biodegradable plastic bags (5%); and passenger vehicles of 13 HP or more (5%).

3.21. Excise duty on petroleum products (DAPP) applies to imports (usually first consignments) at the following rates: CFAF 57.76/litre of unleaded petrol; CFAF 48.06/litre of diesel fuel; CFAF 59.99/litre of petroleum, aviation and jet fuel; CFAF 15/litre of fuel oil, domestic fuel, light and heavy fuel oil; CFAF 50/litre lubricating oil; and CFAF 60/kg of grease. The rate is zero for kerosene for domestic use and liquefied petroleum gas. Some of this tax is transferred to a fund intended for road maintenance.

### 3.1.4.3 Other taxes

3.22. A special tax on the manufacture and sale of beverages is levied at rates ranging from CFAF 5 to CFAF 100 depending on the type of beverage, the quantity and whether it is imported or manufactured locally (Table 3.1).<sup>10</sup> This tax does not apply to traditional beverages or those intended for export. The tax is paid by the importer or by the seller in the case of locally manufactured beverages. The application of low rates on locally manufactured beverages (compared to the rates applicable to imported beverages) raises a problem insofar as compliance with the WTO principle of national treatment is concerned. On the domestic market, this tax is only paid by the Brasserie BB Lomé, which is the sole producer of beverages in the local formal sector. Half of the revenue from this tax is transferred to local authorities, one-third to the Government's budget and the remainder to the authority responsible for collection.

**Table 3.1 Rate of the special tax on the manufacture and sale of beverages**

Product	Quantity	Rate (CFAF/quantity)	
		Locally manufactured	Imported
Non-alcoholic beverages (except water)	60 cl or less	5	15
	Over 60 cl	10	25
Non-distilled fermented beverages	60 cl or less	5	20
	Over 60 cl	10	25
Other alcoholic beverages	100 cl or less	50	50
	Over 100 cl	100	100

Source: Finance Law for 2017.

3.23. Pursuant to community regulations, a standing advance on industrial and commercial profits is levied at a rate of 1% of the c.i.f. value of imports.

3.24. Since 2012, used vehicles imported with a view to their resale (or in transit) have been subject to a minimum flat rate levied as an advance on the IRPP or the IS. The rate depends on the c.i.f. value of the vehicle and ranges from CFAF 15,000 (vehicles of CFAF 3 million or less) to CFAF 500,000 (vehicles of over CFAF 100 million).<sup>11</sup>

### 3.1.5 Import prohibitions and restrictions and import licensing

3.25. Pursuant to the Customs Code, Togo may impose import prohibitions and restrictions for the following reasons in particular: security or public morals; protection of health or the life of persons or animals; environmental conservation; protection of national treasures; protection of intellectual property; and protection of consumers. In this connection, the authorities have indicated that there is a ban on the import of turkey rumps for public health reasons; and on frozen beef in order to protect the population against mad cow disease, as Togo does not have any laboratories to carry out the necessary analyses.

3.26. Bans or restrictions may also be imposed pursuant to community regulations or international conventions to which Togo is party (common report, section 3.1.6). In its notification to the WTO, Togo indicated that import licensing had been eliminated in 1995.<sup>12</sup>

<sup>10</sup> General Tax Code, 2016 edition. Viewed at: <http://www.otr.tg/index.php/fr/impots/reglementations-fiscales/code-general-des-impots/55-code-general-des-impots-final-aout-2016/file.html>.

<sup>11</sup> Law No. 2011-035 containing the Finance Law for 2012.

<sup>12</sup> WTO document G/LIC/N/1/TGO/3 of 30 September 2013.

3.27. The import, export or transit of plastic bags and wrapping requires approval by the Ministry responsible for trade.<sup>13</sup> A biodegradability certificate is required for bags or wrapping to be sold on the domestic market.

### **3.1.6 Contingency measures**

3.28. According to the authorities, Togo has never taken any anti-dumping, countervailing or safeguard measures. It has notified the Committee on Anti-Dumping Practices that it does not have any legislation relevant to the Agreement.<sup>14</sup> The pertinent WAEMU provisions (common report, section 3.1.7) apply at the national level.

### **3.1.7 Other measures**

3.29. Togo applies the trade sanctions adopted by the United Nations or regional organizations to which it belongs. It does not participate in countertrade and has not signed any agreement with governments or foreign firms with a view to influencing the quantity or value of goods or services exported to its market.

3.30. The authorities have indicated that there are no provisions on local content requirements and no benefits are made subject to compliance with such criteria. There are buffer stocks for certain food products (section 4.1.2) and petroleum products (section 4.2.2).

## **3.2 Measures directly affecting exports**

### **3.2.1 Customs procedures and requirements**

3.31. The procedures to be followed in order to act as an exporter for commercial purposes are identical to those applicable to importers (section 3.1.1). All exports must be the subject of a detailed declaration using the ASYCUDA system. It is not compulsory to use the services of a customs broker. Depending on the nature of the exports, the documents required may include permission to export, a phytosanitary certificate and a certificate of origin.

3.32. Since 1 July 2016, it has been mandatory to weigh containers for export prior to shipment.<sup>15</sup> This measure is intended to prevent overloading of vessels. The weighing fees are CFAF 7,500 for 20-foot containers and CFAF 9,000 for 40-foot containers.

### **3.2.2 Taxes, duties and levies**

3.33. "Export fees" are payable on exports of precious and semi-precious mineral substances. The amount is 4.5% of the corresponding reference value. Currently, this measure applies to gold mined on a small scale, for which the reference value is CFAF 45,000/kg.

3.34. Exports of agricultural, livestock and fishery products are subject to a levy as an advance on corporation tax or income tax (for operators whose profits are classed as agricultural profits). This levy is collected at the customs frontier in the amount of 1% of the f.o.b. value of the exports, plus customs duties and taxes. Following the 2016 Finance Law, this levy has no longer applied to wholesale transactions.

3.35. The re-export of goods stored in warehouses and intended for countries outside WAEMU remains subject to the special re-export tax of 1%; goods in transit are exempt.

3.36. A zero rate of VAT applies to exports of goods or services and gives the right to a VAT refund.

3.37. Goods in transit are not subject to entry duties and taxes. Pursuant to the provisions of the ECOWAS Convention relating to Inter-State Road Transit, however, a guarantee against any

<sup>13</sup> Order No. 017/MCPSP/DCIC determining the criteria for granting approval for the import, sale, export or transit of plastic bags and wrapping in Togo, whether or not biodegradable.

<sup>14</sup> WTO document G/ADP/N/1/TGO/1 of 16 March 2012.

<sup>15</sup> Order No. 021/MIT/CAB/SG/DGT/DAM on verification of the gross weight of containers upon export.

potential loss of income by the Togolese authorities as a result of fake transit has to be provided. A non-refundable levy of 0.25% of the c.i.f. value of the goods is therefore payable to finance a guarantee fund. The guarantee only covers the section of transit within Togo. In the case of fake transit, the CCIT launches proceedings against the operator and/or forwarding agent who declared the transit operation.

3.38. A system for electronic tracking of goods in transit has been in operation since January 2012. This system was set up and is managed by the firm Cotecna on the basis of a five-year contract and tracks goods electronically in the major transit corridors. The service forms part of the inspection at destination contract and does not involve additional costs. The goods are monitored by means of tracking devices affixed to the cargo.

3.39. Goods in transit also have to pay the infrastructure protection tax at a rate of CFAF 200/tonne; the customs data-processing fee at a rate of CFAF 5,000 per customs declaration; and the customs stamp duty at a rate of 4% of the taxes paid.

3.40. As part of the WAEMU programme to facilitate inter-State road transit, the customs post at Cinkassé on the border with Burkina Faso was chosen as a pilot for the building of an adjoining control post. The building and management of this post were entrusted to Scanning Système, a private operator, on the basis of a 20-year concession contract. In principle, it levies a fee ranging from CFAF 2,000 for a vehicle with less than five seats to CFAF 50,000 for a goods lorry. The authorities have indicated that the Togolese customs have not been present in the adjoining control post for a year, although the fee continues to be levied.

### 3.2.3 Export prohibitions and restrictions and export licensing

3.41. Togo imposes prohibitions and restrictions on exports for a number of reasons. It bans the export of wood logs, firewood and charcoal to protect the environment. The export authorization and licence regime mostly applies to food products (Table 3.2).

**Table 3.2 List of goods subject to export authorization or licensing**

Product	Document required	Competent authority
Plants, plant products and phytopharmaceuticals	Phytosanitary certificate	Plant Protection Directorate
Wild animals, hunting trophies and protected species of animals	Export certificate	Wildlife and Hunting Directorate
Cereals	Export authorization	National Food Security Agency
Animals and foodstuffs of animal origin	Sanitary certificate	Livestock Directorate
Foodstuffs of plant origin	Quality certificate	Plant Protection Directorate
Foodstuffs of animal origin	Results of microbiological and physicochemical analyses	National Hygiene Institute/Togolese Agronomic Research Institute/Livestock Directorate

Source: Ministry of Trade, Industry, Private Sector Promotion and Tourism (MCIPSPT) (2014), *Élaboration du manuel de l'exportateur du Togo, version finale*. Viewed at: [http://commerce.gouv.tg/sites/default/files/documents/manuel\\_de\\_l'exportateur\\_version\\_finale.pdf](http://commerce.gouv.tg/sites/default/files/documents/manuel_de_l'exportateur_version_finale.pdf).

3.42. Any export (or commercial sale) of precious mineral substances requires an authorization from the Ministry responsible for mining. The economic operator must provide a bank guarantee of CFAF 20 million.<sup>16</sup> The export of rough diamonds is subject to the Kimberley Process certification scheme.

3.43. The export of some food products is regulated for food security reasons. For example, the export of cereals requires permission to export given by the Togo National Food Security Agency (ANSAT). The exporter must provide the Plant Protection Directorate with a sample of the product for phytosanitary control. The control fees depend on the nature of the product inspected and the volume intended for export. For maize, they amount to CFAF 1,000/tonne.

<sup>16</sup> Interministerial Order No. 020/MME/MEF/MCPSP/2010 of 24 November 2010.

### 3.2.4 Export support and promotion

3.44. Togo does not have any laws or regulations relevant to the Agreement on Subsidies and Countervailing Measures.<sup>17</sup> It has notified that it does not grant any subsidy (including any form of income or price support) which would directly or indirectly affect exports.<sup>18</sup>

3.45. The Foreign Trade Directorate is responsible for designing and implementing measures to promote exports, notably by organizing trade fairs and events; collecting, processing and disseminating foreign trade-related information and market access opportunities. An exporters' guide was published in 2014.<sup>19</sup> It provides exporters with regulatory and technical information, *inter alia*, and identifies potential markets for local products.

3.46. The Free Zone Law gives incentives for export-oriented enterprises, meaning enterprises which export at least 70% of their output (section 2.4.4).

## 3.3 Measures affecting production and trade

### 3.3.1 Incentives

3.47. Togo grants certain concessions, particularly tax concessions, under the Investment Code and the free zone regime (section 2.4), the Mining Code and the Hydrocarbons Code (section 4.2), and in connection with the Government's withdrawal from State-owned enterprises (section 3.3.3). Various support measures, including subsidized fertilizer and seed prices, are also available to agricultural producers under the rural development and food security policy (section 4.2).

### 3.3.2 Standards and other technical regulations

3.48. Togo has not submitted any notification to the Committee on Technical Barriers to Trade (TBT) concerning its standardization regime or accreditation procedures. The Foreign Trade Directorate is the enquiry point for the purposes of the TBT Agreement.

3.49. Standardization is governed by Framework Law No. 2009-016<sup>20</sup>, which transposed the relevant community provisions. The legislation provides for the creation of the Togolese Standardization Agency<sup>21</sup>; the Togolese Approval Committee; the Togolese Metrology Agency; the Togolese Quality Promotion Agency; and the High Authority for Quality and the Environment.<sup>22</sup> These institutions have not yet been set up. Standardization is the responsibility of the Directorate of Standardization, Industrial Metrology and Quality Promotion.

3.50. Any interested person residing in Togo may propose a standard. In principle, standards are drawn up by technical committees, although these are not yet operating. Togo does not have any national standards and utilizes the international standards adopted by ISO and the Codex Alimentarius. In general, the Ministries concerned adopt the relevant technical regulations without any coordination at the national level. Consequently, no detailed information on all the technical regulations in effect is available. The National Standardization Directorate is aware of technical regulations on reinforcing steel, enriched flour, enriched oil and iodized salt. In principle, importers of reinforcing steel must have it controlled by the National Building and Public Works Laboratory at their own expense. Likewise, oil and flour must be enriched before they are imported. In practice, there is no mechanism for systematic control of these products.

3.51. Togo has not signed any mutual recognition agreements and does not have any environmental standards in force.

<sup>17</sup> WTO document G/SCM/N/1/TGO/1 of 26 May 2011.

<sup>18</sup> WTO documents G/SCM/N/220/TGO and G/SCM/N/253/TGO of 10 October 2013.

<sup>19</sup> Ministry of Trade and Private Sector Promotion (MCPSP) (2014), *Élaboration du manuel de l'exportateur du Togo*, January 2014. Viewed at: [http://commerce.gouv.tg/sites/default/files/documents/manuel\\_de\\_lexportateur\\_version\\_finale.pdf](http://commerce.gouv.tg/sites/default/files/documents/manuel_de_lexportateur_version_finale.pdf).

<sup>20</sup> Framework Law No. 2009-016 on organization of the national scheme for the harmonization of standardization, approval, certification, accreditation, metrology, the environment and quality promotion.

<sup>21</sup> Decree on the role, organization and functioning of the Togolese Standardization Agency.

<sup>22</sup> Decree No. 2015-125/PR on the role, organization and functioning of the High Authority for Quality and the Environment.

3.52. During the review period, Togo reinforced its labelling and packaging requirements for tobacco products and by-products.<sup>23</sup> If they are intended for sale in Togo, they must be in packets indicating "Only authorized for sale in Togo". Packets containing tobacco and its by-products must bear health warnings in French and in éwé (and if possible in kabyè) on 65% of the back and front of the packet. They must also provide information on the composition and toxic emissions of the packaged product. No other quantitative or qualitative information is permitted. Packets for consumption must contain 20 cigarettes or a minimum of 10 grams of finely shredded tobacco. Their presentation and labelling must not contain any information likely to encourage the consumption of tobacco. For example, they may not contain words such as "low tar content", "light", "ultra-light" or "smooth".

3.53. Standards are in place for the packaging and labelling of exports of coffee, cocoa and seed cotton. Coffee and cocoa must be packed in jute sacks of 60 kg and 70 kg respectively. The sacks must indicate in French the type of product, its Togolese origin, its quality or grade, the identification number of the exporter and the loading port. For coffee, the International Coffee Organization identification number is also required. Certification is based on the standards of the French Standards Agency with certificates being issued by the metrology service.

3.54. Other labelling regulations apply to reinforcing steel (mark identifying the factory where it was manufactured) and cotton.

### 3.3.3 Sanitary and phytosanitary measures

3.55. Sanitary and phytosanitary measures are governed by the national and community provisions and Togo's international commitments.<sup>24</sup> There was no major change to the legislative framework for these measures during the review period. The texts adopted refer, in particular, to the approval of pesticides and the creation of a phytopharmaceuticals committee. Most of the legislative texts were notified to the WTO between 2015 and 2016.<sup>25</sup>

3.56. The Ministry of Agriculture, Livestock and Water Resources (MAEH) is the leading competent authority for animal health, phytosanitary protection and the quality of agricultural products and products of animal origin. The Ministry responsible for health is in charge of sanitary protection, hygiene and basic sanitation. The Foreign Trade Directorate in the Ministry responsible for trade is the enquiry point and is responsible for notifications for the purposes of the SPS Agreement.

3.57. A prior authorization (permit) and a phytosanitary certificate have to be obtained from the Ministry responsible for agriculture in order to import or export plants, seeds and plant material. The import of phytosanitary products and related equipment requires an authorization from the Ministry responsible for agriculture. Furthermore, any import of food products requires a permit, issued by the Ministry responsible for trade, which gives the operator six months in which to import the products. Microbiological and physicochemical analyses are carried out when the goods arrive. Their sale is only authorized if the results of the analysis show that the products comply with food safety standards.

3.58. Approval from the Phytopharmaceuticals Committee (CPP) is required to manufacture, import and package phytopharmaceuticals with a view to selling them on the domestic market. The CPP keeps and updates the list of phytopharmaceuticals approved for import. Importers must also have professional approval from the CPP.

3.59. The marketing of foodstuffs of animal or fisheries origin requires approval from the Ministry responsible for agriculture, which is valid for one year. Prior authorization from the Ministry is required before any live animals or foodstuffs of animal origin can be imported.<sup>26</sup> In particular, any import of animals or animal products for the livestock breeding sector requires prior authorization

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<sup>23</sup> Decree No. 2012-047/PR of 11 July 2012 implementing the standards for packaging and labelling of tobacco products and by-products.

<sup>24</sup> Togo has signed the following conventions: Codex Alimentarius; World Organisation for Animal Health (OIE); International Plant Protection Convention (FAO); Inter-African Phytosanitary Convention (AU); and the International Code of Conduct on the Distribution and Use of Pesticides (FAO).

<sup>25</sup> WTO, online documents viewed at: <https://docsonline.wto.org>.

<sup>26</sup> Order No. 69/MAEP/SG/CAB/DEP of 12 December 2006.

from the national veterinary authority<sup>27</sup> and must be accompanied by a veterinary certificate issued by an official veterinarian in the exporting country.

3.60. In 2012, Togo set up a National SPS Committee<sup>28</sup> to be responsible, *inter alia*, for informing the Government of the effect of SPS measures and coordinating its participation in the activities of international bodies such as the OIE, the Codex Alimentarius and the International Plant Protection Convention. The SPS Committee is divided into sub-committees, each responsible for the following areas: animal health; sanitary food safety; and plant protection. A national strategy to build sanitary and phytosanitary capacity was endorsed in October 2016.<sup>29</sup>

3.61. The import of products containing genetically modified organisms (GMOs) is banned.<sup>30</sup> It is also prohibited to handle GMOs. A committee to be responsible for GMO-related matters was set up in 2016, but is not yet operating. The legislation on biosafety is currently being revised.

### 3.3.4 Competition and price control policy

3.62. Togo's competition policy is governed by the community provisions (common report, section 3.3.4) and Law No. 99-011 of 28 December 1999 on the organization of competition. The legislation establishes a National Competition and Consumption Commission (CNCC), which has been operating since 2006. The CNCC is an advisory body which may be consulted on matters relating to competition and anti-competitive practices. The legislation on competition is currently being revised in order to take into account the community provisions on competition.

3.63. In principle, there is free pricing throughout Togo. The State does, however, intervene to determine the price of certain products and services by setting a minimum or maximum price or profit margins. The products and services whose prices are regulated include: cement, petroleum products<sup>31</sup>, products of the Benin Brewery, sand, water, electricity, and urban transport services. For producers, the purchase price of seed cotton is determined according to a mechanism based on a profitability threshold (section 4.1).

3.64. Subject to authorization by the Council of Ministers, the Ministry responsible for trade may take exceptional and temporary measures, including fixing prices, if there is a crisis or supply shortage in the domestic market. Togo did not apply this provision during the review period.

3.65. Prior control of conformity is required for products and services that are the subject of commercial advertising.<sup>32</sup> The Ministry responsible for trade carries out the control, which is intended to certify that the product's quality conforms to that announced in the advertisement. The documents required for control include a description of the product or service, import documents (where applicable), a health certificate attesting to the quality of the product or service, and a receipt for CFAF 15,000 for each product or service.

### 3.3.5 State trading, State-owned enterprises and privatization

3.66. Togo has notified the WTO that it does not have any State-trading enterprises.<sup>33</sup> State-owned enterprises nevertheless play a key role in several sectors of the economy, particularly agriculture and the agri-food industry, mining, transport, and the hotel industry.<sup>34</sup> During the review period, the State's withdrawal from government-owned companies mostly concerned the sale of shares in the following companies: Togogaz/Air Liquide; Nouvelle société

<sup>27</sup> Law No. 99-002 of 12 February 1999 on the sanitary police for animals.

<sup>28</sup> Decree No. 2012-031/PR on the creation, role and functioning of the National Committee for Sanitary and Phytosanitary Measures.

<sup>29</sup> The Strategy was drawn up with support from the Standards and Trade Development Facility (STDF).

<sup>30</sup> Law No. 2009-001 on prevention of biotechnological risks.

<sup>31</sup> The selling price of petroleum products is reviewed regularly by the Committee for monitoring fluctuations in the price of petroleum products. In the provinces, the selling price may be increased by a maximum of CFAF 20/litre.

<sup>32</sup> Order No. 012/MDPRCPSP/DCIC on control of products and services that are the subject of commercial advertising in Togo.

<sup>33</sup> WTO documents G/STR/N/1/TGO, G/STR/N/4/TGO, G/STR/N/7/TGO, G/STR/N/10/TGO, G/STR/N/11/TGO, G/STR/N/12/TGO of 6 October 2014.

<sup>34</sup> WTO (2012), *Trade Policy Review – Côte d'Ivoire, Guinea-Bissau and Togo, 2012*. Geneva, October 2012.

togolaise de marbrerie et de matériaux; Banque togolaise de développement; Banque internationale pour l'Afrique; Banque populaire pour l'épargne et le crédit/Caisse d'épargne du Togo; and Groupement togolais d'assurance.

3.67. The acquisition of State-owned companies by the Government is still governed by Law No. 90-26 of 4 December 1990 reforming the institutional and legal framework for State-owned companies. Law No. 2010-012 defines the terms for the State's withdrawal from these companies.<sup>35</sup> Pursuant to the legislation, withdrawal may take the form of: sale of shares and securities; merger; increase of capital with the State waiving its preferential subscription right; concession; management lease; rental of assets; or any other type of withdrawal, including dissolution of the company.

3.68. As a general rule, the Government's withdrawal from a State-owned enterprise must take place through an invitation to tender. The same applies to concession contracts. Exceptionally, direct sale may be authorized after consulting the privatization commission. A privatization commission, under the supervision of the Ministry responsible for finance, implements and follows up the withdrawal. The commission has been suspended since January 2017 and will be reinstated on an ad hoc basis whenever needed.

3.69. Tax benefits may be granted as part of the Government's withdrawal from State-owned enterprises. For example, investment made in order to purchase securities of companies subject to such a procedure may be deducted from the tax base for the IS and IRPP. The tax on investment income applies at a standard rate of 10% for investment income earned from shares in these companies (instead of the usual rate of 15%). Moreover, the capital gains earned from selling these shares may be exempt from the IRPP. The same applies to the price difference when shares are sold to company employees at preferential prices. Customs benefits may also be granted for a maximum period of two years. Transactions relating to State withdrawal are exempt from stamp or registration duty.

3.70. The revenue earned from privatization is included in the finance law and transferred to the State's overall budget.

### 3.3.6 Government procurement

3.71. In 2015, the total amount of government procurement contracts approved in Togo was estimated to be CFAF 225.9 billion, corresponding to 9.3% of the GDP (Table 3.3).

**Table 3.3 Government procurement in Togo, 2012-2015**

	2012	2013	2014	2015
Number of contracts approved	828	846	909	841
Total amount (CFAF billion)	148.5	363.7	233.7	225.9
Number of appeals lodged	47	64	53	56
Number of decisions taken	70	101	81	101

Source: Information provided by the Government Procurement Regulatory Authority.

3.72. Togo is neither a signatory nor an observer to the WTO Plurilateral Agreement on Government Procurement. It has notified its government procurement legislation to the WTO.

3.73. The legislative framework for government procurement in Togo includes Law No. 2009-013 of 30 June 2009 on government procurement and public service concessions, and the Government Procurement Code.<sup>36</sup> This legislation has been drawn up according to the relevant community directives (common report, section 3.3.5). The Government Procurement Code applies to contracts awarded by the State, government institutions, local authorities, national companies with a majority government shareholding and associations involving at least one legal person under

<sup>35</sup> Law No. 2010-012 on withdrawal from State-owned enterprises by the State and other legal persons under public law.

<sup>36</sup> Decree No. 2009-277 containing the Government Procurement and Public Service Concession Code.

public law. Pursuant to the legislation, a special commission administers contracts concerning defence or national security.

3.74. The Law establishes the separation of the award of a contract, the control and the regulation of government procurement. Control of the procedure for awarding contracts is the responsibility of the National Directorate of Government Procurement Control (DNCMP).<sup>37</sup> The Government Procurement Regulatory Authority (ARMP) is in charge of regulating the system for awarding government procurement contracts and delegation of public service agreements. It is financed, *inter alia*, through a special account funded by State subsidies, a parafiscal tax of 1.5% of the amount of government procurement excluding tax (or a percentage of the fee paid for public service concession contracts), and proceeds from fines and penalties imposed as a result of breach of the rules.<sup>38</sup> The trust fund has been operating since 2012. If they exceed a certain threshold, government procurement contracts awarded by the central administration must be approved by the Minister responsible for finance: CFAF 15 million for supplies and works and CFAF 25 million for intellectual services. Below these thresholds, the Directorate of Financial Control is responsible for approval.

3.75. The legislation defines two principal methods of awarding contracts: invitation to tender (open or in two stages) and direct agreement. An open invitation to tender is the rule and use of the two-stage or direct agreement method has to be justified by the contracting authority and authorized by the DNCMP. The law identifies the threshold above which use of one of these methods is mandatory. The thresholds depend on the nature of the work and the type of contracting authority (Table 3.4). Below these thresholds, the contracting authority may call for quotations from a minimum of five suppliers or service providers. A request for prices and a purchase invoice are authorized for procurement of less than CFAF 3 million; this threshold is lowered to CFAF 1.5 million if the contracting authority is a commune or section of a commune.

**Table 3.4 Thresholds for awarding government procurement contracts (invitation to tender)**

(CFAF million)

Contracting authority	Type of procurement		
	Works	Supplies and services	Intellectual services
Central administration and departmental authorities	15	15	25
State-owned enterprises	25	50	25
Other communes and sections of communes	15	15	15

Source: Decree No. 2011-059/PR defining the thresholds for awarding contracts, publication, control and approval of government procurement.

3.76. Government procurement may be subject to *a posteriori* control; *a priori* control is mandatory for procurement above certain thresholds and depending on the nature of the contracting authority. For example, any procurement exceeding CFAF 50 million must undergo *a priori* control if the contracting authority is a State-owned enterprise. For other structures, the threshold is CFAF 50 million for contracts for works, CFAF 25 million for supplying services and CFAF 30 million for supplying intellectual services.

3.77. Depending on the amount, procurement must be published at the community level in addition to publication at the national level. The thresholds are CFAF 1 billion for contracts for works; CFAF 500 million for supplies and services and CFAF 150 million for supplying intellectual services, although these provisions are not applied.

3.78. Preference margins may be granted to community enterprises under certain conditions. The eligibility criteria for preferences concern in particular the use of local products, the employment of nationals and the company's capital structure. The margin is 7% for contracts for works and 10%

<sup>37</sup> Decree No. 2009-295/PR on the role, responsibilities, organization and functioning of the National Directorate of Government Procurement Control.

<sup>38</sup> Decree No. 2011-054/PR determining the operating procedures of the trust fund for the regulation of government procurement and public service concession contracts.



for supplies and services. In practice, these margins are not applied because of the difficulty of verifying the eligibility criteria.

3.79. Partnership contracts, public service concessions, nationalization and privatization are governed by Law No. 2014-014 on modernization of State action in favour of the economy. They may be granted for a maximum term of 40 years and usually have to be the subject of an invitation to tender.

### 3.3.7 Intellectual property rights

3.80. Togo is a member of the World Intellectual Property Organization (WIPO) and has acceded to numerous WIPO-administered treaties.<sup>39</sup> During the review period, it ratified a certain number of multilateral intellectual property treaties.<sup>40</sup> Other treaties are awaiting ratification.<sup>41</sup> Togo is a member of the African Intellectual Property Organization (OAPI) created by the Bangui Agreement (common report, section 3.3.3). The Bangui Agreement was revised once again in December 2015. Togo has signed but not yet ratified it.

3.81. Intellectual property rights (IPRs) are administered by the National Institute for Industrial Property and Technology (INPIT) as regards industrial property and the Togolese Copyright Bureau (BUTODRA) for copyright matters. INPIT's role is, *inter alia*, to centralize applications for the protection of industrial property rights and forward them to OAPI. It also acts as the national liaison structure with OAPI. The institutional framework includes the National Intellectual Property Council, an advisory body that supports the activities of INPIT and BUTODRA.

3.82. Togo accepted the Protocol amending the TRIPS Agreement in March 2012. In order to implement the Agreement, its priority needs in terms of technical and financial assistance concern notably technical support for industries and structures in charge of administering IPRs; heightening awareness among economic operators, researchers and artists; promoting innovation and the optimization of inventions; and capacity building to combat infringements of intellectual property rights.<sup>42</sup> These measures have not yet been implemented owing to lack of financing.

3.83. In 2012, a Centre for Technology and Innovation Support (CATI) was set up within INPIT with the aim of developing local know-how, promoting transfer of technology and helping local users to manage their intellectual property rights, but is not yet operating. A plan to develop the intellectual property system was also drawn up in 2011.

3.84. The Investment Code provides benefits for using national inventions recognized by the WIPO and OAPI conventions in Togo. The measure is intended to encourage companies to innovate and protect their intellectual property rights. Companies approved under the Investment Code, for example, may receive a 5% reduction of the business tax during the first five years of exploitation of these rights in Togo.

3.85. Management of copyright and related rights is the responsibility of BUTODRA. Law No. 91-12 of 10 June 1991 is the principal regulatory framework. Togo's copyright legislation usually gives terms of protection shorter than those under the revised Bangui Agreement, although in practice Togo applies the provisions of the revised Bangui Agreement.

3.86. Intellectual works intended for sale on the Togolese market must bear an identification hologram, which may be obtained from BUTODRA at a cost of CFAF 150. BUTODRA receives an annual subsidy of CFAF 10 million from the Togolese State to cover certain operating costs. For the

<sup>39</sup> Online information from the World Intellectual Property Organization, viewed at: <http://www.wipo.int/wipolex/en/profile.jsp?code=TG#a6>.

<sup>40</sup> These were (year of entry into force in brackets): Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization to the Convention on Biological Diversity (2016); Convention on the Protection of the Underwater Cultural Heritage (2013); Convention on the Rights of Persons with Disabilities (2011); Optional Protocol to the Convention on the Rights of Persons with Disabilities (2011); and the Protocol to the Agreement on the Importation of Educational, Scientific and Cultural Materials (2010).

<sup>41</sup> These are: Beijing Treaty on Audiovisual Performances (signed in 2012); Marrakesh Treaty (2013); Singapore Treaty (2006); Patent Law Treaty (2010); and Trademark Law Treaty (1994).

<sup>42</sup> WTO document IP/C/W/597 of 9 October 2013.

2015 financial year, the revenue collected by BUTODRA amounted to close to CFAF 114 million. Almost half of this amount came from radio, television and multimedia rights, while the income from selling holograms is falling.<sup>43</sup> Part of these earnings is transferred to the Cultural Promotion Fund. BUTODRA has 15 partner associations. It is also a partner of the Society of Authors, Composers and Music Publishers (SACEM) and consequently with the latter's partners.

3.87. A Cultural Promotion Fund is supposed to be financed by 15% of the earnings from performances in theatres managed by the Ministry of Culture; 15% of resale rights; and 3% of BUTODRA's earnings. This Fund has so far only been financed from BUTODRA's earnings.

3.88. Infringement is punished by imprisonment of three months to two years and/or a fine of CFAF 500,000 to CFAF 1 million. The Criminal Code provides for heavier penalties: a term of imprisonment of one to three years and a fine of CFAF 1 to CFAF 3 million. In practice, the provisions of the Criminal Code are applied. Action against infringement of copyright, including the seizure of counterfeit works, requires a prior order from the courts. The customs administration may act (*ex officio*) if it is suspected that goods are infringing an IPR. The authorities have confirmed that such action has taken place in the past.

3.89. The main infringements in Togo concern the counterfeiting of agri-food products, pharmaceuticals and clothing, and the piracy of musical works, films and books.

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<sup>43</sup> BUTODRA (2016), *Rapport d'activités, exercice 2015*. Togolese Copyright Bureau, January.

## 4 TRADE POLICIES BY SECTOR

### 4.1 Agriculture

#### 4.1.1 Overview

4.1. The Togolese economy is highly dependent on the agricultural sector, in terms of both employment and value added. Although on a downward trend, the agricultural sector's contribution to GDP was 30.4% in 2013 (Table 1.1). Around one million people are engaged in agricultural activities. The sown area is estimated at half a hectare per inhabitant (for an available cultivable area of nearly four hectares per inhabitant).

4.2. The principal food crops are tubers (cassava, yams), cereals (maize, sorghum and paddy rice) and legumes (beans, fresh vegetables). In general, production of the principal agricultural products increased during the review period (Table 4.1). This performance was linked with the implementation of the Government's food security policy, but was also due to favourable weather conditions.

**Table 4.1 Principal agricultural products: production and yield, 2005, 2009-2014**

	2005	2009	2010	2011	2012	2013	2014
<b>Production (thousands of tonnes)</b>							
Cassava	678.2	895.7	908.8	998.5	959.9	902.9	1,153.1
Maize	509.5	651.7	638.1	650.8	825.7	692.6	833
Yams	585.4	704.4	710.5	727.7	864.4	661.2	786.4
Sorghum	206	237.7	244.7	243.3	250.9	285.3	307.6
Dried beans	67.4	72.4	76.2	76.5	132.6	104.9	167.5
Paddy rice	72.9	121.3	110.1	112.2	160.9	260.4	147.9
Palm oil, kernels	115	138	146.5	146	150	147	144.7
Fresh vegetables, n.e.s.	135	136.5	137	135	145	141.2	136.3
Cotton seeds	65.4	27.9	43	83.6	80.7	77.9	106
<b>Yield (tonnes per hectare)</b>							
Cassava	6.0	6.2	6.2	6.6	4.1	3.5	4.1
Maize	1.2	1.3	1.2	1.2	1.2	0.9	1.2
Yams	10.2	10.2	9.9	10.2	8.1	9.8	7.8
Sorghum	1.0	1.1	1.1	1.1	0.9	0.9	1.0
Dried beans	0.4	0.4	0.4	0.4	0.5	0.3	0.5
Paddy rice	2.2	2.7	2.3	2.5	1.7	2.8	1.8
Palm oil, kernels	8.5	8.5	8.5	8.6	8.6	8.6	8.7
Fresh vegetables, n.e.s.	5.1	5.0	4.9	5.0	5.3	5.1	5.1
Cotton seeds	0.5	0.7	0.7	0.8	0.7	0.7	0.8

Source: FAOSTAT. Viewed at: <http://faostat3.fao.org/download/Q/QC/F>.

4.3. The Ministry of Agriculture, Livestock and Water Resources (MAEH) is responsible, among other things, for implementing the Government's agricultural policy. It also relies on institutions and bodies such as the Togolese Agricultural Research Institute (ITRA), the Advisory and Technical Support Institute (ICAT), the Togo National Food Security Agency (ANSAT), and the Agricultural Input Supply and Management Pool (CAGIA).

4.4. In application of the community provisions, a National Board for Seed and Seedlings has been operational since 2014.<sup>1</sup> Its mission is to support the MAEH in implementing the regulations governing the quality control, certification and marketing of seed and seedlings. The Board is served by a technical committee responsible for the approval of species and varieties; this committee is authorized to rule on varieties that are candidates for enrolment in the official catalogue of plant species and varieties. The approval process has not yet begun.

4.5. The land tenure regime is governed by the 1906 Decree on Land Tenure. A new land tenure code is still in process of being adopted. At present, only WAEMU nationals, as well as local

<sup>1</sup> Decree No. 2014-121/PR of 28 May 2014 on the establishment, functions, composition and operating procedures of the Togo National Board for Seed and Seedlings.

communities owning land, have the unqualified right to obtain title deeds. Land can be obtained for commercial exploitation purposes under a rental or loan agreement. The maximum term for contracts of this kind is 99 years.

#### 4.1.2 General agricultural policy

4.6. During the review period, agricultural policy was mainly characterized by the implementation of the Agricultural Production Revival Strategy (SRPA) over the period 2008-2010 and the National Agricultural Investment and Food Security Programme (PNIASA).

4.7. The PNIASA, the national version of the West African Regional Agricultural Policy (ECOWAP), constituted the principal framework for government intervention in the agricultural sector during the period 2010-2015. With an overall cost of CFAF 569 billion, the PNIASA aims to increase farmers' incomes and improve the balance of trade in agricultural products by, in particular: developing rural infrastructure; intensifying food production; diversifying and promoting export crops; improving traditional livestock farming and promoting livestock SMEs; intensifying fish-breeding production; and supporting freshwater and sea fishing. According to the authorities, the PNIASA has, in fact, helped to improve food security, as confirmed by the agricultural surpluses recorded<sup>2</sup>, as well as helping to improve farmers' living standards and create jobs.

4.8. CAGIA is the body responsible for managing fertilizer, seed and phytosanitary products. It is charged with implementing the chapter of the PNIASA concerned with agricultural inputs. Under this programme, the State grants input subsidies to producers identified as being vulnerable. The beneficiaries are selected on the basis of, in particular, criteria relating to residence and the type of crop grown (maize, rice, sorghum or millet). Moreover, the applicant must have received the endorsement of the village or cantonal supervisory committee and have a sown area of from 0.5 to one hectare. Where fertilizer is concerned, the subsidies granted by the State for the 2015-2016 agricultural season were estimated at CFAF 3.2 billion, which amounts to 32.4% of the cost price (Table 4.2).

**Table 4.2 State subsidies for fertilizer, 2009-2015**

	2009	2010	2011	2012	2013	2014	2015
Quantity imported (tonnes)	25,000	30,000	35,000	30,000	40,000	45,000	30,000
Cost price (CFAF/tonne)	462,634	234,551	324,719	376,070	326,022	270,767	325,440
<b>Subsidies</b>							
- Rate (% of cost price)	52.4	14.7	32.2	41.5	32.5	18.7	32.4
- Amount (CFAF billion)	6.1	1.0	3.7	4.7	4.2	2.3	3.2

Note: The year corresponds to the agricultural season of the year n/n+1.

Source: Information provided by the Togolese authorities.

4.9. CAGIA also supplies the producers with seed. It collects certified commercial seed from breeders and stores it for eventual sale. Likewise, CAGIA distributes cocoa pods and rooted coffee bush cuttings at prices which are generally less than half the cost of production.

4.10. Within the framework of the agricultural mechanization component of the PNIASA, the Government supplied farmers with 357 tractors on credit through a credit facility with the Export-Import Bank of India. The tractors were supplied at cost price net of tax. The repayment conditions were determined with account for the farmers' financial circumstances and the crops grown.

4.11. ANSAT's goal is to facilitate access by urban and rural populations to basic food products. It monitors prices on markets and facilitates exchanges between zones where there are surpluses or shortfalls. In order to maintain profitable prices for producers, ANSAT buys from farmers for cash and builds up buffer stocks (mainly of rice and maize) when supplies are abundant. Its purchases are distributed by region. Within a given region, the producers organize themselves to share out the quota requested by ANSAT. ANSAT triggers the sale of its stocks when it detects a shortage,

<sup>2</sup> During the 2015-2016 season, the surpluses for cereals, tubers and legumes amounted, respectively, to 8.8%, 38.3% and 62.2% of the net production of these products.

that is, when consumer prices exceed well identified thresholds. ANSAT also pre-finances the agricultural season for some producers. In this case the accounts are settled when the products are sold.

4.12. Sales of unprocessed agricultural, livestock and fisheries products by WAEMU small-scale farmers, livestock breeders and fishermen are exempt from VAT. However, the authorities have pointed out that, apart from the informal sector, the agri-food processing sector is generally subject to VAT, which applies equally to domestic production and imports. Agricultural cooperatives and associations and mutual agricultural credit funds are exempt from income and corporation tax.

4.13. The share of the budget allocated to the agricultural sector was around 8% in 2015. A financing fund backed by the Kuwait Fund provides financing for certain agricultural projects. The Ministry responsible for agriculture is tasked with examining the technical aspects of applications for financing. Loans are granted at an annual interest rate of 8% and the term depends on the nature of the project. Within the framework of the National Project for the Promotion of Rural Entrepreneurship, financing is granted to Togolese technicians and engineers to encourage them to set up in rural areas.

4.14. The new agricultural policy for 2030 is based on the following four pillars: the sustainable growth of production and the enhancement of its value; improved access to the factors of production and modernization of the infrastructure; promotion of technological innovation and vocational training; and improvements in governance and the institutional framework.<sup>3</sup>

#### **4.1.3 Policies by subsector**

##### **4.1.3.1 Plant production**

###### **4.1.3.1.1 Cotton**

4.15. Cotton remains Togo's primary cash crop. The subsector is continuing to recover from the crisis it underwent during the 2000s, which saw seed cotton production fall to a historic low of 16,900 tonnes in 2009-2010.<sup>4</sup> Since then, its contribution to total exports has risen again, from 2.6% in 2009 to 8.9% in 2015 (Chart 1.1). Around 300,000 families are engaged in growing cotton.<sup>5</sup> During the review period, the yield (per hectare) of seed cotton, though fluctuating with the weather conditions, maintained an upward trend.

4.16. The Togolese Government has continued its efforts to revitalize cotton growing with the long-term goal of arriving at a subsector consisting of a private cotton company with minority State participation.<sup>6</sup> These efforts led, in particular, to the abolition, in 2009, of the monopoly enjoyed by the State-owned Togolese Cotton Company on the purchase of cotton from the producers, its liquidation, and the establishment of the New Cotton Company of Togo (NSCT). The latter is a semi-public company, 60%-owned by the State and 40%-owned by the National Federation of Cotton Producers' Associations (FNGPC). The Government has also cleared the arrears of the producers and established a regulatory framework that specifies the roles and responsibilities of each of the actors in the subsector.

4.17. The NSCT has a ginning mill with an annual capacity of 100,000 tonnes. The producers are grouped within the FNGPC. The NSCT pre-finances the ordering of inputs and is reimbursed when the seed cotton is sold. The seed cotton is transported to the ginning mills by the NSCT and private carriers. All of the lint is exported, whereas the export of seed cotton is prohibited.

4.18. A new mechanism for setting producer prices was introduced during the 2009-2010 season.

<sup>3</sup> MAEH (2015), *Document de politique agricole pour la période 2016-2030*. December 2015.

<sup>4</sup> Online information from FAOSTAT, viewed at: <http://faostat3.fao.org/download/Q/QC/E>.

<sup>5</sup> Online information from the New Cotton Company of Togo, viewed at: <http://nsct.tg/nsct/service/la-presentation-de-la-nsct>.

<sup>6</sup> Republic of Togo (2013), *SCAPE 2013-2017*.

#### 4.1.3.1.2 Coffee and cocoa

4.19. Together with cotton, coffee and cocoa make up Togo's principal cash crops. The coffee-cocoa subsector faces numerous difficulties associated, in particular, with the aging of the plantations and the lack of inputs; these difficulties have been exacerbated by the decline in world prices. Thus, cocoa bean production fell from a peak of 142,500 tonnes in 2011 to 15,000 tonnes in 2013, before recovering to 30,516 tonnes in 2014.<sup>7</sup> Raw coffee production has fluctuated with the weather conditions, amounting to 15,500 tonnes in 2014.

4.20. The Government's objective under the Accelerated Growth and Employment Promotion Strategy (SCAPE) is to boost coffee production to 21,676 tonnes in 2017 and cocoa production to 26,725 tonnes (as compared with 14,220 tonnes in 2012). To achieve this goal, the Government is annually distributing coffee bush cuttings and cocoa pods among the producers. In 2015, some 70,000 cocoa pods and 445,000 cuttings were distributed in this way.<sup>8</sup>

4.21. The marketing and export of coffee and cocoa are reserved for approved operators. To be approved, an operator must, in particular: be a natural person of Togolese nationality or a legal person under Togolese law with its principal place of business in Togo; provide evidence of a bank guarantee for at least 20% of the f.o.b. value of the anticipated exports; and have facilities available for storing and preserving the products. Approval is granted by the Coordinating Committee for the Coffee and Cocoa Subsectors (CCFCC) and is valid for one agricultural season subject to payment of the sum of CFAF 2 million. The charges on exports include a CFAF 500 tax per 80-kg bag, levied by the prefectures. The CCFCC takes CFAF 8 per kg of product exported for its own financing. In 2017, there were 15 operators approved for exporting coffee and cocoa.

4.22. Most producers have joined together in the Federation of Unions of Togolese Coffee and Cocoa Producers' Associations (FUPROCAT). A Coffee and Cocoa Interprofessional Board (CICC) was set up in September 2014. The CICC is attached to ITRA.

#### 4.1.3.2 Fisheries production

4.23. Togo's coastline extends for 56 km and the country has an exclusive economic zone of around 15,375 km<sup>2</sup>. During the review period, the contribution of the fisheries sector to Togo's GDP declined (Table 1.1). The sector employs around 22,000 people, more than half of whom are involved in processing and distribution activities. Small-scale sea fishing is the sector's dominant activity, accounting for nearly 80% of fisheries production. Industrial fishing makes only a marginal contribution. Togo exports much of its production raw or processed and to a large extent depends on imports for its domestic consumption (annual requirements estimated at around 70,000 tonnes).

4.24. Where fishing is concerned, the PNIASA aimed to achieve an annual production of 35,400 tonnes as from 2015, by developing inland fisheries and freshwater aquaculture.

4.25. In 2012, the Togolese Government produced a sectoral policy paper on fishing and aquaculture. The implementation of this policy contributed to the reform of the regulatory framework, in particular through the adoption of a new law on fishing and aquaculture and a new code for the merchant marine.<sup>9</sup> The new law also represents a national transposition of the community directives relating to trade in fisheries products (common report, section 4.1.2). It envisages the establishment of a Fisheries Development Fund. Work is in progress on the construction of a new fishing port some 30 km from Lomé.

4.26. Fishing licences are granted for a period of one year. With a view to combating illegal, unreported and unregulated (IUU) fishing, the authorities have suspended the registration of fishing vessels and the issuing of fishing licences to foreign vessels and struck off fishing vessels suspected of illegal activities.

<sup>7</sup> Online information from FAOSTAT, viewed at: <http://faostat3.fao.org/download/Q/QC/F>.

<sup>8</sup> Online information viewed at: <http://news.icilome.com/?idnews=799524>.

<sup>9</sup> Law No. 2016-028 of 11 October 2016 containing the Merchant Marine Code.

4.27. In February 2017, Togo deposited its instruments of acceptance of the Convention of 10 March 1988 for the suppression of unlawful acts against the safety of maritime navigation and of the Protocol of 2005 for the suppression of unlawful acts against the safety of fixed platforms located on the continental shelf.<sup>10</sup> These two treaties should enter into force for Togo in May 2017.

4.28. Fisheries sector operators are exempt from duties and taxes on the purchase of materials and equipment necessary for them to engage in their activity.<sup>11</sup> The Government also supplies small-scale fishermen with fishing nets.

#### 4.1.3.3 Forestry and wood products

4.29. The forestry sector is mainly governed by the 2008 Forestry Code<sup>12</sup> and Decree No. 84-No. 86 of 17 April 1984 regulating forestry. The Ministry of the Environment and Forest Resources (MERF) is responsible for implementing the regulations. Only operators approved by the MERF may engage in forestry activities. Approval is granted for a period of one year with the possibility of renewal.

4.30. In 2011, the authorities took measures to regulate trade in forest species.<sup>13</sup> Under the legislation, the export, re-export and transit of forest resources are subject to the procurement of an authorization issued by the line ministry. The export of forest-species logs more than 20 cm in diameter is prohibited without prior processing. Operators are required to pay a fee earmarked for reforestation. In the case of a 20-foot type container, the fee is CFAF 50,000 for processed teak wood; CFAF 500,000 for teak logs and roundwood; CFAF 100,000 for other forest species; and CFAF 100,000 for species in transit.<sup>14</sup>

4.31. A ten-year moratorium on the cutting, marketing, import and re-export of *Pterocarpus erinaceus* ("false teak") timber was imposed in 2016 to protect the environment.<sup>15</sup> This moratorium followed on from a measure provisionally suspending the cutting and marketing of the wood, adopted in May 2016, and a measure temporarily suspending the re-exporting of the wood, adopted in May 2015.

## 4.2 Mining, energy and water

4.32. In Togo, mineral ores, hydrocarbons, mineral waters and geothermal sources are owned by the State and separate from ownership of the land. The State may allow them to be explored or exploited by means of authorizations or permits generally granted by decree. To be eligible, foreign companies must show that they are established in Togolese territory by setting up a company incorporated under Togolese law or a branch.

### 4.2.1 Mining products

4.33. Togo has major reserves of iron, chromite, manganese, bauxite, phosphates and limestone. In 2013, the mining sector contributed 3.8% of GDP, 5% of State revenue, and 18.5% of exports.<sup>16</sup> Clinker, phosphate and gold (from artisanal mining) are the principal mining exports.<sup>17</sup>

4.34. The mining sector is powered mainly by five large companies: the New Phosphates Company of Togo (SNPT); West Africa Cement (WACEM) and SCANTOGO Mines, which quarry limestone for making clinker; MM Mining, which mines iron ore for export; and POMAR, which

<sup>10</sup> Online information from the International Maritime Organization, viewed at: <http://www.imo.org/fr/About/Conventions/StatusOfConventions/Pages/Default.aspx>.

<sup>11</sup> Law No. 64-16 of 11 July 1964 on exemption from duties and taxes on the purchase of materials, supplies, equipment, gear and fuel for fishermen.

<sup>12</sup> Law No. 2008-09 of 19 June 2008 containing the Forestry Code.

<sup>13</sup> Order No. 011/MERF/CAB regulating the export and re-export of teak wood and other forest resources.

<sup>14</sup> *Idem*.

<sup>15</sup> Decree of 22 June 2016 imposing a ten-year moratorium on trade in "false teak".

<sup>16</sup> EITI Togo (2013), *Rapport de conciliation des paiements et des recettes du secteur extractif au titre de l'année 2013*, July 2013. Viewed at: <http://itietogo.org/index/wp-content/uploads/2015/08/Rapport-Conciliation-ITIE-Togo-2013-Final.pdf>.

<sup>17</sup> Togo does not produce large amounts of gold and its gold exports mainly consist of re-exports of products coming from bordering countries.

quarries marble for the domestic and foreign markets. Some 30 companies are engaged in producing sand and aggregates for the building and public works sector. The SNPT is wholly owned by the State, which also holds 10% of the shares in each of the other four big companies.

4.35. Between 2009 and 2016, the Togolese Government awarded five exploration permits for manganese and related metals; two hydrocarbon exploration and exploitation permits; one exploration permit for diamonds and associated minerals; one permit for the large-scale exploitation of a marble and ornamental stone deposit; and one permit for the exploitation of building materials.<sup>18</sup>

4.36. The aim of Togo's mining policy is to make the mining industry a force for development and poverty reduction. The Ministry of Mining and Energy is responsible for formulating and implementing national mining policy.

4.37. The mining sector is governed by the 1996 Mining Code<sup>19</sup> and Law No. 2011-008 on the contribution of mining enterprises to local and regional development. The authorities have indicated that the Mining Code will be revised to supplement the community code once the revision of the latter is complete. To engage in a mining activity it is first necessary to obtain an authorization or a permit issued by the Director-General of Mines and Geology. The legislation distinguishes between four types of mining titles: prospection authorization; exploration permit; operating permit; and artisanal mining authorization (Table 4.3).

**Table 4.3 Types of mining titles in Togo, 2017**

Mining title	Rights conferred	Duration and renewal
Prospection authorization	Non-exclusive right to prospect for minerals within a maximum area of 1,000 km <sup>2</sup>	2 years, twice renewable for periods of 1 year
Exploration permit	Exclusive right to prospect and explore for minerals within a maximum area of 200 km <sup>2</sup>	3 years, twice renewable for periods of 2 years
Operating permit for building materials	Right to mine for building materials	5 years, renewable several times for periods of 3 years
Small-scale operating permit	Reserved for investments of less than CFAF 300 million	5 years, renewable several times for periods of 3 years
Large-scale operating permit	Reserved for investments of CFAF 300 million or more	20 years, renewable several times for periods of 10 years
Artisanal mining authorization	Right to engage in artisanal mining activities within an area	1 year, renewable several times for periods of 1 year

Source: Mining Code and information provided by the Togolese authorities.

4.38. The Mining Code offers customs and tax benefits for enterprises operating in the sector. These include, in particular, temporary admission for machinery and equipment and exemption from the following taxes: VAT, payroll tax, business tax and property tax, and corporation tax. Enterprises are granted these concessions up until their first year of commercial production.

4.39. Togo joined the Extractive Industries Transparency Initiative (EITI) in 2009 and obtained "compliant country" status in May 2013. It has published reports covering the years 2010 to 2013. With the exception of 2010, the discrepancies revealed by reconciling the mining companies' payments with the revenue declared by the State are generally less than 1% and below the acceptable limit established by the EITI Committee.

4.40. In order to implement the recommendations stemming from the EITI reports, the Togolese Government has launched a mining development and governance project with a view to strengthening the institutional capacities and systems of governance of the principal institutions involved in the management of Togo's mining sector. The project effectively started up in 2016.

4.41. Under the legislation, the Togolese State is entitled to a free 10% stake in mining companies holding a small- or large-scale operating permit. The State may also acquire an additional 20% holding for which it must pay. Companies that exploit building materials and

<sup>18</sup> Online information viewed at: [http://www.legitogo.gouv.tg/lois/recherche\\_mot\\_cle.php](http://www.legitogo.gouv.tg/lois/recherche_mot_cle.php).

<sup>19</sup> Law No. 96-004/PR of 26 February 1996 containing the Mining Code of the Togolese Republic, as amended by Law No. 2003-012 of 4 October 2003.



artisanal activities are not affected by these participation provisions. State participation in mining companies is managed by the Ministry responsible for finance.

4.42. Every operator engaged in exploiting mining resources is required to contribute to the local development of the region concerned.<sup>20</sup> This contribution takes the form of an annual financial participation amounting to 0.75% of the turnover. However, these provisions are not being applied and some companies are paying lump sums determined at the time of conclusion of the exploitation agreement.

4.43. Togo is one of the main producers of phosphates in sub-Saharan Africa. The phosphate subsector remains one of the pillars of the Togolese economy, despite difficulties associated, in particular, with the fall in world demand and hence in the price, the renewal of the mining and transport equipment, disputes over land, and access to energy. Created in 2007 to replace the Togolese Phosphates Office, the SNPT continues to face the same difficulties. In 2010, the Government launched a three-phase strategic revival plan involving: the upgrading of the production apparatus, the expansion of the subsector by exploiting carbonated phosphate<sup>21</sup>, and the construction of a phosphoric acid plant. In 2015, a consortium formed by the companies Elenilto and Wenfu won an international tender for the construction of the phosphoric acid and fertilizer production plant. Eventually, the plant should have an annual output of 3 million tonnes of concentrated rock phosphate, 1.3 million tonnes of fertilizer, and 0.5 million tonnes of phosphoric acid. The negotiations are still in progress.

4.44. Mining products are subject to an annual royalty levied at the rate of 10% of the market value, for clinker, and 5% of the turnover of the SNPT, for phosphate.

#### **4.2.2 Hydrocarbons**

4.45. There are no petroleum or natural gas deposits being exploited in Togo. In 2010, the Government signed a contract with the company ENI for hydrocarbon exploration and production in two offshore blocks (Oti 1 and Kara 1). The exploration work confirmed the presence of petroleum, but the deposit was not judged to be economically exploitable. There is no ongoing exploration work at the moment.

4.46. The hydrocarbons legislation<sup>22</sup> envisages three types of petroleum titles: the prospection authorization, granted for a maximum period of two years; the exploration permit, granted for a period of not more than three years; and the operating concession, granted for a maximum period of 30 years.

4.47. The holders of petroleum titles and their subcontractors are required to give priority to the employment of Togolese nationals and to extend preferential treatment to Togolese businesses when awarding construction, supply and services contracts (on equivalent terms). The specific incentives for holders of petroleum titles are negotiated with the Government and recorded in the petroleum contracts. The Law containing the Hydrocarbons Code provides for the granting of production-sharing contracts.

4.48. Togo depends on imports to meet its hydrocarbon requirements. Imports of petroleum products are subject to an authorization issued by the Minister responsible for trade. The Hydrocarbons Directorate controls quality, the conformity of the infrastructure and safety measures. Petroleum products are imported, stored and distributed by two companies: the Togolese Warehouse Company (STE), which deals only with local distribution, and the Togolese Storage Company of Lomé (STSL), which stores products for re-export as well as for domestic consumption. Products are imported on the basis of a bidding procedure organized by a Petroleum Product Management Committee.

4.49. The prices of petroleum and gas products at the pump are determined monthly by the Government, by means of an automatic adjustment mechanism based on international prices and intended to absorb marked fluctuations over time. In practice, prices are calculated each month

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<sup>20</sup> Law No. 2011-008 on the contribution of mining enterprises to local and regional development.

<sup>21</sup> Togo appears to exploit mainly tricalcium phosphate, the carbonated phosphate deposits not yet having been opened up.

<sup>22</sup> Law No. 99-003 of 18 February 1999 containing the Hydrocarbons Code of the Togolese Republic.

and compared with the prices for the previous month. Fluctuations in a 5% band around the current price are fully reflected in the prices at the pump for the following month. When the fluctuations exceed the 5% margin, a 5% variation is reflected in the prices and the difference is gradually passed on in the course of subsequent adjustments. In no case may the annual increase in prices at the pump reach 30%.

4.50. In addition to border levies (common report, sections 3.1.4 and 4.2.1), petroleum products are subject to a tax earmarked for financing the Road Fund.

### 4.2.3 Electricity

4.51. The rate of access to electricity in Togo rose from 20% in 2010 to 33% in 2015. This performance is linked, in particular, with the implementation of the rural electrification programme, which has made it possible to supply electricity to nearly 300 new localities. However, this rate is still far below the ECOWAS target of 66% by 2015.

4.52. The country depends on imports for a large proportion of its power consumption. In 2013, imports accounted for 85.5% of the 2.3 GWh supplied to the grid.<sup>23</sup> Nigeria and Ghana provided 60% and 20.9% of this energy, respectively.

4.53. The national energy policy is aimed at ensuring that, by 2030, the entire population has access to clean, high-quality and competitive energy that preserves the environment, while doing everything possible to develop an efficient and sustainable energy supply system based on public and private, individual and collective initiatives capable of promoting Togo's economic and social development. In 2010, the country's generating capacity was 161 MW. The Government's objective is to achieve a production capacity of 300 MW as from 2015 and 500 MW in 2020.

4.54. There are three main operators in Togo's electricity sector: the Benin Electricity Community (CEB), with a total installed capacity of 105 MW (including 85 MW installed in Togo and 25 MW in Benin); the Togo Electricity Company (CEET), with a total installed capacity of 43.7 MW; and the company ContourGlobal Togo SA, a newly established independent producer with a total installed capacity of around 100 MW. The CEET provides the national public service for the distribution and sale of electricity. It relies mainly on supplies from the CEB and imports from neighbouring countries. It is linked with ContourGlobal Togo SA by a 25-year contract of sale. Up until 2015, the CEB had an exclusive monopoly on transport and imports and was the only buyer in Togo (and in Benin). It then resold electricity to the CEET, which has a monopoly on distribution. The CEB's purchasing monopoly was abolished in September 2015, thus enabling the CEET to obtain supplies from any other provider. However, the CEB retains its monopoly on the importing and transport of electricity.

4.55. The sector is mainly governed by the International Agreement on the Benin-Togo Electricity Code, Law No. 2000-012 on the Electricity Sector, and the various amendments. Under the legislation, the production, transport, distribution, import and export of electricity are deemed to be a public service mission and placed under the exclusive responsibility of the State. The State can delegate these activities by concluding concession agreements.

4.56. The legislation provides for two operating regimes within the sector: the authorization regime and the declaration regime. The declaration regime covers installations intended to meet the needs of a community or production unit with an installed capacity of not more than 500 kVA. The authorization regime applies to installations whose installed capacity exceeds that threshold, together with those that deliver part of their output to the public. The declaration and the request for authorization must be lodged with the Regulatory Authority for the Electricity Sector (ARSE).

4.57. Electricity prices are set by the State, at the proposal of the CEET and following a technical opinion from the Regulatory Authority. Generally, the CEET proposes a change when it anticipates that the income would not cover the costs. Electricity pricing depends on several criteria, in particular, the voltage category, the contract power level, the type of customer, the time of day, and the consumption bracket. To this should be added the various types of charges. A power

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<sup>23</sup> Regulatory Authority for the Electricity Sector (ARSE) (2014), *Rapport d'activités 2013*. Viewed at: <http://www.arse.tg/wp-content/uploads/2015/01/Rapport-annuel-2013.pdf>.

charge of CFAF 2,500/kVA per month is made per connection. A public lighting charge is levied at the rate of CFAF 1/kWh for low-voltage customers and 2 CFAF/kWh for "medium-voltage" customers. In 2015, the average selling price for electricity distributed by the CEET was estimated at CFAF 122/kWh for a cost price of CFAF 125/kWh.<sup>24</sup> This selling price, though lower than the cost of production, is understood to be higher than the price of imported electricity. Prices are kept low thanks to State subsidies.

#### 4.2.4 Water

4.58. During the review period, the Togolese Government continued its efforts to bring about the institutional reform of the water and sanitation sector<sup>25</sup>, in particular, by adopting the Water Code<sup>26</sup> in 2010 and the Law organizing public water and sanitation services.<sup>27</sup> The institutional framework was strengthened by designating the Regulatory Authority for the Electricity Sector as the water regulator.

4.59. Public drinking water and collective treatment services are the exclusive responsibility of the State, which may delegate them by concluding concession, affermage or cost-plus contracts.<sup>28</sup> The public service may not be delegated for more than 30 years for a concession, 15 years for an affermage contract or five years for a cost-plus contract. The delegatee may be a private or a public company, or in the case of rural centres, a community organization. In 2014, the Togolese State signed two delegation contracts: an affermage contract entrusting the provision of public urban drinking water and collective treatment services to the Togolese Water Company (TdE) and a concession contract to the Urban Water Resources and Sanitation Company (*SP-Eau*) for infrastructure management. In rural areas, the water sector is organized by the Village Water Supply Directorate, which drills wells and entrusts their management to the regional and local authorities.

4.60. Where taxation is concerned, the delegates of public drinking water and collective treatment services are generally governed by ordinary law (section 2.4.1). However, they benefit from exemption from property tax (CFPB) with respect to the infrastructure and works placed at their disposal by the State. Water prices are determined by the State. The authorities have indicated that the prices charged are lower than the costs of production; the operators are subsidized by the State.

4.61. The Water Code defines the public domain for water as comprising, among other things: watercourses; natural and artificial lakes; underground waters; atmospheric water; and dykes, dams, causeways, locks and irrigation canals for public use. Water may be used freely for domestic purposes. Otherwise it must come under one of the following regimes: the declaration regime, applicable to the construction of traditional sumps and wells used for domestic purposes, as well as to groundwater abstraction; the authorization regime, applicable to groundwater exploration activities and the construction of permanent works for groundwater abstraction; and the concession regime, applicable, *inter alia*, to the development and exploitation of mineral and thermal springs.

4.62. The exploitation of aquifers is governed by the Mining Code. Companies that exploit aquifers are subject to a water abstraction tax. The tax is levied at the rate of CFAF 100 per cubic metre of water extracted and collected by the TdE.

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<sup>24</sup> Ntagungira, Carpophore (2015), *Problématique de l'accès à l'électricité au Togo*. AfDB, Afrique de l'Ouest Policy Note 03, September. Viewed at: [https://www.afdb.org/fileadmin/uploads/afdb/Documents/Knowledge/Afrique\\_de\\_l\\_ouest\\_Policy\\_Note\\_03\\_-\\_septembre\\_2015.pdf](https://www.afdb.org/fileadmin/uploads/afdb/Documents/Knowledge/Afrique_de_l_ouest_Policy_Note_03_-_septembre_2015.pdf).

<sup>25</sup> The first wave of reforms involved, in particular, the conversion of the Togo National Water Board into the Togolese Water Company (TdE); the contractualization of the relations between the State and the TdE through the signing of an exploitation contract in 2004; and the establishment of a Development Fund for the Urban Drinking Water and Sanitation Sector in Togo.

<sup>26</sup> Law No. 2010-004 of 14 June 2010 containing the Water Code.

<sup>27</sup> Law No. 2010-006 of 18 June 2010 organizing public drinking water and collective domestic wastewater treatment services (as amended by Law No. 2011-024 of 4 July 2011).

<sup>28</sup> These public services include the abstraction, production, transport and distribution of drinking water, as well as the collective treatment of the corresponding domestic wastewater.

### 4.3 Manufacturing sector

4.63. During the review period the contribution of the manufacturing sector to Togo's GDP fluctuated between 7% and 9% (Table 1.1). The sector is dominated by the food, beverages and tobacco branch, which generates more than half its value added. The other main branches include the textile industry, non-metallic mineral products, and the wood-processing and chemical industries. The industrial fabric is concentrated in the coastal region, mainly in the port area.

4.64. The manufacturing sector continues to face numerous problems, in particular, a low level of competitiveness due to the high cost of the factors of production (water, electricity, telephone); weak investment linked to the difficulties in obtaining access to credit and the high cost of the latter; and poor integration of the sector into the rest of the economy, associated mainly with gaps in the local supply chain.

4.65. The Ministry responsible for industry is in charge of implementing government industrial development policy. The Ministry also relies on the National Agency for the Promotion of Investment and the Free Zone (API-ZF). The Togolese authorities are moving towards establishing special economic zones in the five regions of the country in order to decentralize the industrial fabric. Sites have been acquired at Kpomé (to relieve congestion in the port area) and at Adétipoké (for the establishment of a free zone).

4.66. The Investment Code (section 2.4.2) and the Free Zone Law (section 2.4.3) provide, among other things, the general framework for investment in the sector. Businesses operating under the Investment Code or the free zone regime benefit from numerous incentives, which are intended to make them more competitive.

4.67. Togo depends on the WAEMU and ECOWAS regional markets for a large proportion of its exports of industrial products. On these markets, the exports of companies located in Togolese free zones are subject to import duties. Under the trade liberalization scheme, companies set up on customs territory are guaranteed access free of the majority of import duties and taxes when they export to the regional markets. However, these companies and their products must be approved for the community scheme. In 2015, there were 51 Togolese enterprises and 439 products approved for the preferential intra-community trade regime (common report, Table 3.3).

4.68. In 2015, Togo adopted an industrial policy aimed at building a "modern, dynamic, competitive economy highly integrated into the regional economy".<sup>29</sup> This is an offshoot of the WAEMU Common Industrial Policy (common report, section 4.3). It is built on three main pillars: institutional capacity building for the industrial sector; quality assurance and competitiveness for industrial products; and the development of industry and the promotion of agro-business through the establishment of agro-industrial estates.

4.69. Industrial enterprises benefit from a number of concessions designed to encourage their development, in particular a corporation tax rate of 30% (as compared with 37% for commercial companies), and a concessionary rate of business tax (0.5%, 0.75% or 1% depending on the activity).

4.70. Togo has participated in the Pilot Regional Industrial Restructuring and Upgrading Programme (PRMN) for WAEMU member States. This programme is a component of the WAEMU Common Industrial Policy and aims to promote competitiveness. In Togo, eight enterprises have been selected, including four for restructuring and four for upgrading. The pilot phase of the programme has made it possible to establish an institutional system and to restructure some 15 agro-industrial enterprises.<sup>30</sup> Tangible investment under the various company restructuring and upgrading plans is estimated at CFAF 1.1 billion, but the implementation rate is 48.5%. The figure for intangible investment is CFAF 230.3 million, with an implementation rate of 41%. The intangible assistance has mainly involved training, the preparation of procedural manuals, the

<sup>29</sup> Togolese Republic (2015), *Politique industrielle du Togo*. Ministry responsible for industry, October.

<sup>30</sup> Online information from the Togo Restructuring and Upgrading Office, viewed at: <http://www.brmntogo.com/les-partenaires>.

setting up of an accounting or management system, and the re-organization of services. The intangible investment is mainly provided under the PRMN.<sup>31</sup>

4.71. Moreover, in some areas, in particular agro-business and agro-industry, Togo benefits from the technical support of UNIDO.

#### 4.4 Services

4.72. The contribution of the services sector to Togo's GDP formation has continued to rise since the last TPR, from 49% in 2009 to 53.5% in 2013 (Table 1.1). This progression is mainly attributable to the development of commercial activities and transport (including maritime) and related services and advances in business services.

4.73. Within the framework of the Uruguay Round, Togo made commitments under the General Agreement on Trade in Services (GATS) in the areas of tourism, recreational, cultural and sporting services, and construction and related engineering services.<sup>32</sup> Togo has notified the Directorate of Foreign Trade as its enquiry and contact point under the GATS.

##### 4.4.1 Principal subsectors

###### 4.4.1.1 Telecommunications and postal services

###### 4.4.1.1.1 Telecommunication services

4.74. Togo's telecommunication sector has four principal operators: Togo Telecom, the fixed network operator and Internet services provider; Togo Cellulaire, the mobile subsidiary of Togo Telecom; Atlantique Telecom Togo (MooV), the second mobile operator; and CAFE Informatique et Télécommunications, Internet services provider.

4.75. Togo Telecom, a State-owned enterprise, has a monopoly on fixed telephony. It has five international accesses to the Internet available via the WACS submarine cable landing station, which enables it also to provide Internet services. At 31 December 2015, it had 247,368 fixed telephony subscribers and 63,108 subscribers to its Internet services (Table 4.4). Togo Cellulaire and MooV share the mobile telephony market with market shares of 54% and 46%, respectively.

**Table 4.4 Basic indicators for telecommunication services, 2009-2015**

	2009	2010	2011	2012	2013	2014	2015
<b>Fixed telephony</b>							
Number of subscribers	200,119	234,250	233,443	263,442	364,223	350,716	247,368
Teledensity (lines per 100 inhabitants)	3.48	3.78	3.68	4.06	5.48	5.15	3.59
<b>Mobile telephony</b>							
Number of subscribers (thousand)	1,796.9	2,044.3	2,524.2	3,112.4	3,713.9	4,218.7	4,657.3
- Togo Cellulaire	1,216.2	1,217.8	1,314.7	1,261.3	2,026.8	2,398.4	2,516.6
- Atlantique Telecom Togo (MooV)	580.8	826.6	1,209.5	1,551.1	1,687.1	1,920.3	2,140.8
Teledensity (lines per 100 inhabitants)	31.27	33.02	39.83	47.95	55.87	61.96	66.78
<b>Internet</b>							
Number of subscribers	46,521	107,204	181,350	248,813	348,192	609,095	902,748

Source: Information provided by the Togolese authorities.

<sup>31</sup> WAEMU (2014), *Étude relative à l'évaluation de la phase pilote du programme de restructuration et de mise à niveau de l'industrie des États membres de l'UEMOA*. Final report, January 2014. Viewed at: [https://www.unido.org/fileadmin/user\\_media\\_upgrade/Resources/Evaluation/RAF\\_TERAF07001-PRMN-UEMOA\\_2013.pdf](https://www.unido.org/fileadmin/user_media_upgrade/Resources/Evaluation/RAF_TERAF07001-PRMN-UEMOA_2013.pdf).

<sup>32</sup> WTO document GATS/SC/106 of 30 August 1995.

4.76. The regulatory framework for telecommunication services underwent major changes during the review period. These changes involved, in particular, the adoption of Law No. 2012-018 on Electronic Communications (LCE) and a number of implementing decrees.<sup>33</sup> The Law provides for four operating regimes: the individual licence regime applicable to the establishment and operation of electronic communications networks open to the public, together with the supply of a public telephone service; the authorization regime, for the installation and operation of independent networks; the declaration regime (for value added and other services); and the free establishment regime (for internal networks and other radio services).

4.77. The conditions for obtaining licences and authorizations are defined by Decree No. 2014-088 on the legal regimes applicable to electronic communications activities. Individual licences are allocated by means of a licence application process or an invitation to tender, if there is only a limited number of licences available.

4.78. The sector is regulated by the Post and Telecommunications Regulatory Authority (ART&P), which is in process of being replaced by the Regulatory Authority for Electronic Communications and Postal Services (ARCEP). The High Authority for Communications (HAC) is responsible for regulating audiovisual content.

4.79. All operators are required to contribute to the Universal Service Fund (FSU) by paying an annual fee of 2% of the taxable turnover. In 2008, the Government opted for a strategy that involves annually defining a universal service programme and concluding implementation agreements with interested operators. In this way, the operators may deduct the investment costs from their contribution to the FSU.

4.80. Fixed and mobile telephony tariffs are set freely by the operators but subject to the regulator's approval. The legislation requires the operators to interconnect with each other. The interconnection tariffs are determined by the regulatory authority. The operators are free to conclude international agreements. Operators deemed to have a significant position in a market may be subject to additional requirements in terms of tariffs and access.

4.81. The ART&P may warn or sanction an operator if it fails to fulfil its obligations. Sanctions may consist of a fine that may amount to 2% of the turnover, a restriction on the scope and/or duration of the licence, or its suspension or withdrawal.

4.82. Coordination of the State spectrum and management of radio frequencies are the responsibility of the National Agency for the Radio Frequency Spectrum (ANSR).<sup>34</sup> Specifically, it must determine the procedures for allocating and withdrawing radio frequencies and monitoring their use and the related fees. Its resources come, in particular, from the fees charged, State subsidies and the remuneration for services rendered. The ANSR is not yet operational.

4.83. In April 2016, the Government took measures to abolish the customs duties and VAT on imported terminals and computer equipment for household consumption, with the aim of further facilitating access to telecommunication services. The measure becomes effective with the Finance Law for 2017. The approval of the ART&P is required to import telecommunication equipment.

4.84. Disputes can be brought before the regulatory authority, which must rule within three to six months, depending on the complexity of the case. The ART&P's decision may form the subject of an application to the courts to have it set aside.

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<sup>33</sup> The decrees in question include the following: Decree No. 2016-161/PR on the organization and functioning of the National Agency for the Radio Frequency Spectrum (ANSR); Decree No. 2016-103/PR relating to the procedures for the administrative, technical and commercial management of the national Internet domain name ".tg"; Decree No. 2015-091/PR concerning the organization and functioning of the Regulatory Authority for Electronic Communications and Postal Services; Decree No. 2014-112/PR on the interconnection of and access to electronic communications networks; Decree No. 2014-088/PR on the legal regimes applicable to electronic communications activities; and Decree No. 2011-120/PR on the systematic and compulsory identification of subscribers to telecommunication services.

<sup>34</sup> Decree No. 2016-161/PR on the organization and functioning of the National Agency for the Radio Frequency Spectrum (ANSR).

#### 4.4.1.1.2 Postal services

4.85. At the end of 2015, Togo's postal services market consisted of the Togo Post Office (SPT), the public operator, and six private operators: DHL International Togo (DHL), Pako Fedex, Afrique Express Holding Company, SDV Service Express (formerly Universal Express), Top Chrono, and GETMA Togo.<sup>35</sup> The SPT and DHL International Togo dominate the market with 91 and 96 postal outlets, respectively; the other operators have some 30 outlets. In 2015, the sector recorded a turnover of CFAF 2.7 billion, with the SPT accounting for 75% of the total. Regular postal services are provided almost exclusively by the SPT.

4.86. No changes were made to the regulatory framework for postal services during the review period. The sector is governed by Law No. 99-004/PR of 15 March 1999 on postal services, as amended by Law No. 2002-023/PR. Under the law, the commercial transport of letters (weighing 2 kg or less), including registered letters, packages (3 kg or less) and parcels (20 kg or less) is subject to authorization granted by the ministry responsible for the postal sector after obtaining the opinion of the regulatory authority. The provision of postal order and post office cheque services and other financial services governed by the Acts of the Universal Postal Union, the printing of stamps and the installation of post boxes are activities reserved for the SPT. Authorizations are granted for five years.

4.87. When an authorization is granted or renewed, operators must pay an authorization fee at a rate established, in proportion to the estimated (or actual) turnover accumulated over a period of three years, as follows: 3% with a minimum charge of CFAF 4 million for operators with a turnover of less than CFAF 500 million; 2% for operators with a turnover of between CFAF 500 million and CFAF 2 billion; and 1.5% for operators with a turnover of more than CFAF 2 billion. Operators are also required to pay an annual operating fee at the rate of 4% of turnover.

4.88. The legislation prohibits the abuse of a dominant position. Each year, the regulatory authority publishes a list of the enterprises it considers to be occupying a dominant position. The prices of postal services are set by the Post Office after obtaining the opinion of the ART&P. The prices of the financial services provided by the SPT are subject to the banking legislation. With a view to diversifying its activities, the SPT is forming partnerships with other operators to set up postal outlets and provide bill payment, bank account opening and money transfer services.

#### 4.4.1.2 Transport

4.89. The Government's objectives in the transport sector include, in particular, improving the maintenance of the road infrastructure and the competitiveness of the Togolese corridor for transporting goods to the landlocked countries of the hinterland. The Ministry responsible for transport is tasked with the preparation and implementation of the relevant government policy.

4.90. A national transport development strategy was approved in 2014, with the aim of raising the transport sector's contribution to 14% of GDP by 2030 (as compared with 7% in 2014). It only began to be implemented in 2017.

4.91. Freight sharing for goods in transit to the hinterland countries is governed by the relevant bilateral agreements. In general, a third of the transit traffic is handled by Togolese operators.

##### 4.4.1.2.1 Port services and maritime and river/lagoon transport

4.92. Maritime transport plays a key part in Togo's economy. The Autonomous Port of Lomé (PAL) provides the majority of the port services linked with Togo's international maritime activity. During the review period, global traffic at the PAL began by gradually increasing, from 6.5 million tonnes in 2009 to 9.3 million tonnes in 2014 (Table 4.5). It then rose to 15.4 million tonnes in 2015, propelled by a boom in transshipment activities. The volume of container traffic practically tripled to reach 11.1 million tonnes in 2015. The volume of traffic linked with imports increased, whereas that linked with exports shrank, mainly because of transit traffic. According to the authorities, this

<sup>35</sup> ART&P (2016). *Évolution des communications électroniques et du secteur postal, année 2015*. Viewed at: [http://www.artp.tg/News\\_attach/Rapport\\_Evolution\\_2015\\_des\\_secteurs\\_regules.pdf](http://www.artp.tg/News_attach/Rapport_Evolution_2015_des_secteurs_regules.pdf).

decline is partly attributable to Togo's application of the axle load measures for which it is a pilot country. These measures are believed to have led some operators to divert away from the PAL.

**Table 4.5 Traffic at the Autonomous Port of Lomé, 2009-2015**

(Million tonnes, unless otherwise indicated)

	2009	2010	2011	2012	2013	2014	2015
Global traffic	6.5	8.0	8.2	7.8	8.7	9.3	15.4
- Import	4.7	5.5	5.9	6.3	6.6	6.6	6.3
- Export	1.7	1.7	1.7	1.1	1.5	1.0	1.0
- Transshipment	0.9	0.8	0.6	0.3	0.6	1.7	8.1
Container traffic	3.5	3.8	4.3	3.3	3.8	4.7	11.1
Transit traffic	1.8	2.4	2.8	2.9	2.3	2.9	2.6
Maritime services (number)	1,092	1,166	1,175	1,063	989	1,119	1,399

Source: Information provided by the authorities of the Autonomous Port of Lomé.

4.93. The development of the maritime infrastructure occupies a central place in the Government's strategy, which aims to make the country a platform for transit traffic in the subregion. The government has implemented a series of measures with a view to positioning the PAL as a leader in port handling. These measures include: the construction of a third wharf; the construction of a basin; the establishment of a single window for foreign trade; and the provision of a parking area for trucks waiting to be loaded.

4.94. The principal responsibilities of the National Shippers' Council of Togo (CNCT) are to assist importers and exporters with transport operations, to manage the National Transport Observatory, and to update export and import statistics. It is financed by means of levies on import and export flows, notably for the electronic cargo tracking note (BESC) managed by the Antaser group. Since 2016, the BESC has been compulsory for any cargo destined for or leaving Togo. The charge for the BESC is €25 for cargo from African or European countries and €100 for cargo from other countries. Vehicles are subject to a single charge of €25. The issuing charges increased considerably in September 2015 before being brought back to their previous level.

4.95. The preshipment weighing of containers has been compulsory since 1 July 2016.<sup>36</sup>

#### 4.4.1.2.2 Air transport

4.96. Togo has two international airports (Gnassingbé Eyadéma International Airport (AIGE) and Niamtougou); five domestic airfields, and four landing strips. The international airports are operated and managed by the Lomé Tokoin Airport Company (SALT). The AIGE is the main airport for passenger and freight traffic. Ground handling is provided by the Togo Handling Company SA and Aéro-transport SA-CA (both private companies) under a concession contract with the SALT. Catering services are provided by Lomé Catering SA.

4.97. Togo is served by seven international airlines: Air France, Royal Air Maroc, Asky Airlines, Ethiopian Airlines, Brussels Airlines, Air Côte d'Ivoire, and SEIBA Intercontinental. There is no company currently serving destinations inside the country. The AIGE handles an average of 123 scheduled flights per week.<sup>37</sup>

4.98. Air transport is regulated by the National Civil Aviation Authority (ANAC-Togo), under the supervision of the Ministry responsible for civil aviation. Air transport is governed by the 2007 Civil Aviation Code<sup>38</sup>, which stipulates that approval is required to engage in any air transport- or aviation-related activity. Any enterprise wishing to engage in public air transport must also obtain an operating licence. Togo has designated Asky Airlines and Comfort Jet as its national airlines.

<sup>36</sup> Order No. 021/MIT/CAB/SG/DGT/DAM concerning the verification of the gross weight of containers at export.

<sup>37</sup> Online information from the Lomé Tokoin Airport Company, viewed at: <http://aeroportdelome.com/la-salt/presentation>.

<sup>38</sup> Law No. 2007-007 of 22 January 2007 containing the Togo Civil Aviation Code.



4.99. Foreign presence and traffic rights granted to foreign companies serving Togo are in principle governed by WAEMU provisions in the case of other member States, by the provisions in the Yamoussoukro Decision for companies from other African countries, and by bilateral agreements with other countries, which usually cover third and fourth freedom rights. Cabotage by a foreign company is not authorized. In its bilateral air services agreements Togo gives preference to the third, fourth and fifth freedoms. In April 2016, Togo signed an open-skies agreement with the United States.

4.100. During the review period, the Government invested in projects which made it possible to provide the AIGE with a new terminal. Costing around US\$150 million, the works have increased annual capacity to 2 million passengers and 50,000 tonnes of freight (as compared with an initial level of 600,000 passengers and 15,000 tonnes of freight). The new terminal has been operational since 2016.

#### 4.4.1.2.3 Land transport

4.101. With a density of 20.6 km per 100 km<sup>2</sup>, the Togolese road network comprises 1,724 km of surfaced highways, 1,355 km of unsurfaced highways, 1,783 km of urban roads, and 6,802 km of rural tracks. Three main corridors provide for most of the transit traffic to bordering countries: national highway RN1 (or WAEMU community highway CU9) leading to Burkina Faso, the Lomé-Hillacondji and Lomé Afloa highway leading to Benin and Ghana (a section of community highway CU1), and community highway CU19 leading to Benin.

4.102. In 2012, the Togolese Government established the Autonomous Road Maintenance Financing Company (SAFER), to replace the Road Maintenance Fund and the Autonomous Road Tolls and Maintenance Company.<sup>39</sup> SAFER's objectives are to mobilize funding for road maintenance and to build and manage toll booths. It is financed by the excise duties and taxes levied on petroleum products, plus the revenue from the toll booths.

4.103. Access to the profession of carrier is reserved for ECOWAS nationals and enterprises. ECOWAS nationals are not allowed to engage in cabotage. Passenger road transport tariffs are regulated. A bilateral freight sharing agreement links Togo to Burkina Faso, Mali and Niger.

4.104. Togo has a rail network nearly 500 km long comprised of the following lines: Lomé-Blitta (281 km), Togblécopé-Tabligbo (52 km), Lomé-Aného (45 km) and Lomé-Kpalimé (117 km).<sup>40</sup> A new 8-km stretch linking Lomé with a cement works in Ghana has been operational since 2014. Rail transport is used for cement, iron ore, and phosphates. In 2008, a concession to operate the Lomé-Tabligbo line was granted to the company Togo Rail (a subsidiary of West Africa Cement), while MM Mining was granted a concession for the Lomé-Blitta and Lomé-Kpalimé lines. Moreover, the New Phosphates Company of Togo has a 37 km-long private line, which it uses to transport its phosphates production from Hahotoé to the port of Kpémé.

#### 4.4.1.3 Tourism

4.105. According to the latest report of the World Travel & Tourism Council (WTTC), the direct contribution made to Togolese GDP by the travel and tourism sector in 2016 can be estimated at 4.1%.<sup>41</sup> The sector directly supports 36,000 jobs or 3.3% of total employment. During the review period the number of arrivals was on an upward trend, even though it fell back in 2014, in particular because of the appearance of Ebola virus disease in the subregion.

4.106. The Ministry responsible for tourism is charged with implementing government policy in the sector. Under the legislation, the construction, conversion and equipping of a tourism establishment require the approval of the supervisory ministry.

<sup>39</sup> Decree No. 2012-013/PR of 26 March 2012.

<sup>40</sup> Online information from the Ministry of Infrastructure and Transport of Togo, viewed at: <http://infrastructure.gouv.tg/fr/content/presentation-du-secteur-des-transport-au-toqomissions-et-impact-socio-economique>.

<sup>41</sup> WTTC (2013), *Travel & Tourism Economic Impact 2016 – Togo*. Viewed at: <https://www.wttc.org/-/media/files/reports/economic-impact-research/countries-2016/togo2016.pdf>.

4.107. Establishments are classified by the National Commission for the Approval and Classification of Tourism Establishments, operational since 2012. Hotels, inns and motels, and restaurants are classified in five, three and four categories, respectively.<sup>42</sup> Classification is based on criteria relating, in particular, to the equipment proposed; the quality of the customer service; accessibility; and the efforts made to ensure sustainable development. Establishments are classified at their request and the classification is valid for five years. All classified establishments are required to display a sign indicating the classification awarded.

4.108. Adopted in 2011, the national tourism policy consists of three main programmes: institutional and managerial capacity building in the sector; the development of tourism sites and the bringing of hotel and tourism establishments up to international standards; and the promotion and marketing of Togo as a destination on foreign tourist markets. The implementation of this policy is reflected in the extension of Lomé International Airport and the renovation of certain State-owned hotel establishments. Thus, in 2016 the Hôtel du 2 Février was renovated to become a five-star hotel and is being operated under the label "Radisson Blu" by the Kalyan Hospitality Development group. Although the hotel remains in State ownership, the operator, in consideration for the investment made, holds a 25-year operating concession. Profit sharing between the State and the operator should begin at the end of the first two years of operation.

4.109. Since 2017, tourism operations have been subject to VAT at the reduced rate of 10%.

4.110. The profession of tourist guide is regulated by Decree No. 89-138 of 23 August 1989 regulating the profession of tourist guide.<sup>43</sup> The sector is open to community nationals.

#### 4.4.1.4 Financial services

##### 4.4.1.4.1 Banking services

4.111. At the end of December 2015, the Togolese banking system consisted of 13 banks and two financial institutions of a banking nature (Table 4.6). The changes that occurred during the review period include the market entry of a branch of the *Société générale Bénin*; the acquisition of the *Banque togolaise de développement* (BTD) by Orabank Togo; the expiration of the approval of *Cauris Investissement*, an investment fund; and withdrawal of the approval granted to the *Banque régionale de solidarité* (BRS).<sup>44</sup> The banking system is highly concentrated, with three banks holding almost two thirds of the system's assets.

4.112. The pursuit of the State disengagement programme led to the privatization of the BTD and the *Banque Internationale pour l'Afrique au Togo* (BIAT). In the same context, the BIAT was acquired by Attijariwafa Bank, which now holds 55% of its shares. However, the State remains the majority shareholder in two of the seven banks in which it holds shares.

**Table 4.6 Situation with regard to approved credit institutions as of 31 December 2015**

Description	Approval (year)	Capital (CFAF billion)	State holding	Balance sheet (CFAF billion)
<b>Banks</b>				
Société générale Bénin, Togo branch	2014	n.a.	n.a.	29.8
Bank of Africa – Togo	2013	10.0	0.0%	86.9
Coris Bank International – Togo	2013	5.5	0.0%	36.7
Diamond Bank, Togo branch	2010	n.a.	n.a.	196.6
Banque populaire pour l'épargne et le crédit	2007	6.5	14.9%	54.8
Banque Atlantique – Togo	2005	10.1	0.0%	162.2
Banque sahélo-saharienne pour l'investissement et le commerce – Togo	2005	8.1	0.0%	59.0
Orabank-Togo	2004	10.0	2.0%	479.1

<sup>42</sup> Decree No. 89-137 of 23 August 1989 regulating and classifying tourism establishments.

<sup>43</sup> The legislation has been notified to the WTO (WTO document S/C/N/584 of 27 May 2011).

<sup>44</sup> BRS Togo was initially acquired by BRS Côte d'Ivoire to give rise to Orabank Côte d'Ivoire, before then being sold to Orabank Togo in 2015.

Description	Approval (year)	Capital (CFAF billion)	State holding	Balance sheet (CFAF billion)
Ecobank-Togo	1998	5.0	5.3%	345.5
Union togolaise de banque (UTB)	1977	10.0	100.0%	236.2
Société interafricaine de banque	1977	6.6	5.9%	10.8
Banque togolaise pour le commerce et l'industrie	1974	7.0	91.5%	132.6
Banque internationale pour l'Afrique au Togo	1965	8.8	22.0%	94.2
<b>Financial institutions</b>				
Caisse régionale de refinancement hypothécaire de l'UEMOA	2011	5.8	0.0%	103.3
Fonds de garantie des investissements privés en Afrique de l'Ouest	1995	13.0	0.0%	31.5

n.a. Not available.

Source: WAMU Banking Commission (2016), *Rapport annuel 2015*. Viewed at: [http://www.bceao.int/IMG/pdf/rapport\\_annuel\\_de\\_la\\_commission\\_bancaire\\_2015.pdf](http://www.bceao.int/IMG/pdf/rapport_annuel_de_la_commission_bancaire_2015.pdf).

4.113. The banks and financial institutions are subject to the community banking regulations and are supervised by the WAMU Banking Commission (common report, section 4.4.4). Applications for approval are lodged with the Ministry responsible for finance, which verifies their conformity with the banking regulations and transmits them to the Banking Commission for approval.

#### 4.4.1.4.2 Microfinance

4.114. As of 31 December 2015, Togo had 183 micro-finance and micro-credit institutions (decentralized financing schemes (SFDs)). The sector has remained dynamic and characterized by increases in the number of customers, deposits and loans (Table 4.7). In fact, the number of beneficiaries of financial services provided by SFDs more than doubled between 2010 and 2015 to reach 1.8 million. During this period, deposits and lending grew at an annual rate of 11% to reach CFAF 144.5 billion and CFAF 118.9 billion, respectively.

**Table 4.7 Basic data on decentralized financing schemes, 2010-2015**

	2010	2011	2012	2013	2014	2015
Number of SFDs	198	196	196	196	181	183
Number of beneficiaries (thousand)	871.8	1,035.2	1,246.6	1,652.3	1,495.2	1,790
- of which legal persons	63.3	77.3	91.4	46.6	155.6	202.3
Deposits	84.6	102.6	117	130.2	136.6	144.5
Loans	70.3	89.5	101.9	109.5	111.5	118.9
Total assets	106.7	137.7	148.2	165.6	178.3	n.a.

n.a. Not available.

Source: Online information from the Ministry of Finance, viewed at: [http://finances.gouv.tg/sites/default/files/documents/historique\\_de\\_la\\_microfinance1\\_.pdf](http://finances.gouv.tg/sites/default/files/documents/historique_de_la_microfinance1_.pdf).

4.115. The micro-finance entities are supervised by the Ministry responsible for the economy, via the Unit for the support and monitoring of mutual or cooperative savings and loan institutions (CAS-IMEC). This Unit examines requests from these institutions for authorization to engage in activities, controls their activities and determines penalties in the event of infringements. Institutions considered to be large in size are supervised jointly with the BCEAO.<sup>45</sup>

4.116. The micro-finance sector is governed by Law No. 2011-009 of 12 May 2011 regulating decentralized financial schemes. In 2014, the Government set up a National Inclusive Finance Fund (FNFI), with the aim of offering loans to those excluded from the traditional financial system. Between 2014 and 2016, around CFAF 25 billion was lent to nearly 700,000 people. The Fund is financed by contributions from the State and various donors and development partners.

<sup>45</sup> These are institutions with deposits or loans outstanding amounting to at least CFAF 2 billion in the course of two consecutive years.

4.117. The sector's professionals are grouped in the Togo Association of Micro-Finance Professionals (APIM-Togo).

#### 4.4.1.4.3 Insurance services

4.118. Togo's insurance sector is governed by the Insurance Code of the Inter-African Conference on Insurance Markets (common report, section 4.4.3).

4.119. The Togolese insurance services market is comprised of 12 direct insurance companies, of which five offer life insurance<sup>46</sup> and seven non-life insurance<sup>47</sup>, and two reinsurance companies.<sup>48</sup> A request for approval to establish an additional life insurance company is apparently in process of being examined. The number of approved brokers increased from 19 in 2009 to 22 at the end of 2015. According to the authorities, between 2009 and 2015, premiums issued net of cancellations (life and non-life) rose from CFAF 29.2 billion to CFAF 48.2 billion. The State's presence in the sector is marginal: it only holds 0.57% of the capital of GTA-C2A-IARDT.

4.120. In principle, there are two types of mandatory insurance in Togo: third-party motor vehicle insurance and import cargo insurance.<sup>49</sup> In practice, the obligation to insure imports appears not to be being observed. The Ministry of Finance determines the tariffs for third-party motor vehicle insurance.

4.121. The operators are grouped within the Togo Insurers Committee (CAT), which defends their interests in dealings with the authorities. A professional code of ethics was adopted in February 2015. The Professional Association of Insurance Consultants (APAC) also protects the interests of the insurers. A Motor Vehicle Guarantee Fund is in process of being established.

4.122. Insurance products are subject to the tax on insurance contracts at the following rates<sup>50</sup>: 5% for insurance against all forms of sea, river or air transport risks; 25% for fire insurance; 3% for life insurance; 0.20% for export credit insurance; and 6% for all other types of insurance.

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<sup>46</sup> Beneficial Life Assurance SA; GTA C2A Vie; Mutuelle d'assurance de la faitière des unités coopératives d'épargne et de crédit du Togo (MAFUCECTO); NSIA VIE Togo; and SUNU Assurances Vie Togo.

<sup>47</sup> Allianz Togo Assurance; OGAR Togo (formerly FEDAS Assurance SA); FIDELIA Assurances; GTA C2A Incendie, Accidents, Risques Divers et Transport (IARDT); NSIA Togo; Saham Assurance Togo; and Sunu Assurances IARDT Togo.

<sup>48</sup> Namely, Joint Reinsurance Company of Member States of CIMA's Compagnie commune de réassurance des états membres de la CIMA (CICA RE) and Saham-RE, a subsidiary of the SAHAM group.

<sup>49</sup> Law No. 87-07 establishing the mandatory nature and domiciliation of goods insurance.

<sup>50</sup> General Tax Code, Article 865.

## 5 APPENDIX TABLES

Table A1. 1 Structure of exports, 2009-2016

	2009	2010	2011	2012	2013	2014	2015	2016
World (US\$ million)	640.2	648.3	852.3	960.9	1,146.5	803.8	710.0	714.9
World (€ million)	460.8	489.5	613.1	747.8	863.5	605.9	640.2	646.3
	(Percentage share)							
Total primary products	39.8	33.0	37.8	42.2	39.5	44.4	47.8	40.8
Agriculture	19.3	19.0	20.6	21.4	20.7	25.9	31.9	27.5
Food	16.1	15.8	14.3	14.1	15.1	18.1	22.3	19.7
1110 - Non-alcoholic beverages, n.e.s.	1.7	1.9	1.7	1.6	2.8	1.4	2.4	5.4
0222 - Milk and cream, concentrated or sweetened	0.7	0.8	1.3	1.6	1.6	3.8	3.3	2.4
4222 - Palm oil and its fractions	0.3	0.0	0.0	1.7	3.8	2.2	3.8	2.3
0721 - Cocoa beans, whole or broken, raw or roasted	5.3	5.5	4.0	1.0	1.3	3.6	3.5	1.6
1123 - Beer made from malt (including ale, stout and porter)	0.5	0.6	0.5	0.4	0.4	0.5	0.8	1.1
Agricultural raw materials	3.2	3.2	6.3	7.3	5.6	7.8	9.6	7.8
2631 - Cotton (other than linters), not carded or combed	2.6	2.8	5.9	7.0	5.2	7.2	8.9	7.1
Mining	20.5	14.0	17.2	20.8	18.8	18.5	15.9	13.4
Ores and other minerals	19.8	13.5	13.3	13.8	13.6	17.0	14.5	11.7
2723 - Natural calcium phosphates, natural aluminium calcium phosphates and phosphatic chalk	14.1	10.5	11.3	13.2	12.0	16.5	14.1	11.4
Non-ferrous metals	0.5	0.3	0.3	0.2	0.0	0.0	0.0	0.1
Fuels	0.1	0.1	3.5	6.8	5.2	1.5	1.4	1.6
Manufactures	59.5	63.7	58.3	54.1	56.7	50.4	48.4	55.7
Iron and steel	6.6	7.4	5.1	3.7	6.8	3.6	3.2	2.8
6741 - Flat-rolled products of iron or non-alloy steel, plated or coated with zinc	1.7	2.3	1.2	1.4	0.8	1.3	1.6	1.3
Chemicals	11.6	12.2	12.5	8.8	8.3	8.6	11.9	12.7
5532 - Beauty or make-up preparations for the care of the skin (other than medicaments), including sunscreen or suntan preparations; manicure or pedicure preparations	4.2	4.2	4.0	3.6	3.9	4.9	6.1	6.5
5629 - Fertilizers, n.e.s.	3.8	4.6	5.4	2.3	0.8	0.5	0.9	1.6
5822 - Other plates, sheets, film, foil and strip, of plastics, non-cellular and not reinforced, laminated, supported or similarly combined with other materials	1.0	1.2	1.3	1.3	1.0	1.2	1.4	1.3
Other semi-manufactures	26.0	24.8	23.7	18.0	15.9	13.5	7.9	8.2
6612 - Portland cement, aluminous cement, slag cement, supersulphate cement and similar hydraulic cements, whether or not coloured or in the form of clinkers	23.7	22.8	21.4	16.1	14.4	12.2	6.9	7.5
Machinery and transport equipment	3.2	5.0	3.1	10.8	13.1	5.7	5.9	12.4
Power-generating machinery	0.1	0.8	0.1	0.0	0.5	0.3	0.5	0.4
Other non-electrical machinery	1.3	1.6	1.6	2.3	4.5	3.0	2.3	3.7
Agricultural machinery and tractors	0.0	0.2	0.0	0.0	0.0	0.1	0.0	0.0
Office machines and telecommunications equipment	0.2	0.2	0.1	0.0	0.0	0.4	0.1	0.4
Other electrical machinery	0.0	0.2	0.0	0.1	0.0	0.0	0.1	0.2

	2009	2010	2011	2012	2013	2014	2015	2016
Automotive products	0.7	1.7	0.9	1.2	1.2	1.1	1.5	2.4
7821 - Motor vehicles for the transport of goods	0.1	0.8	0.4	0.6	0.7	0.7	0.9	1.4
Other transport equipment	0.9	0.5	0.3	7.0	7.0	0.9	1.4	5.3
7851 - Motor cycles (including mopeds) and cycles fitted with an auxiliary motor, with or without side-cars; side-cars	0.3	0.2	0.1	0.3	0.0	0.1	0.5	3.6
Textiles	1.5	2.3	3.1	2.4	2.8	3.4	2.8	2.7
6581 - Sacks and bags, of textile materials, of a kind used for the packing of goods	0.0	1.1	1.3	1.3	1.7	2.1	1.2	1.1
Articles of apparel and clothing accessories	1.2	3.2	0.5	0.3	0.1	0.1	0.1	0.1
Other consumer goods	9.4	8.8	10.4	10.3	9.7	15.5	16.5	16.6
8931 - Articles for the conveyance or packing of goods, of plastics; stoppers, lids, caps and other closures, of plastics	5.2	4.7	5.6	5.7	4.6	7.9	9.3	9.9
8999 - Miscellaneous manufactured articles, n.e.s.	1.7	1.3	1.4	1.9	2.2	3.5	3.2	3.0
8997 - Basketware, wickerwork and other articles of plaiting materials, n.e.s.; brooms, brushes, paint rollers, squeegees and mops	1.8	1.9	2.1	1.8	1.5	2.4	2.2	1.7
Other	0.7	3.3	3.9	3.7	3.8	5.2	3.8	3.5
9710 - Gold, non-monetary (excluding gold ores and concentrates)	0.7	3.3	3.9	3.7	3.8	5.2	3.7	3.5

Source: WTO Secretariat calculations based on data from the UNSD Comtrade database (SITC Rev. 3).

**Table A1. 2 Structure of imports, 2009-2016**

	2009	2010	2011	2012	2013	2014	2015	2016
World (US\$ million)	1,171.2	1,204.8	1,755.9	1,662.0	1,967.3	1,753.2	1,730.9	1,715.6
World (€ million)	843.1	909.7	1,263.1	1,293.5	1,481.7	1,321.5	1,560.7	1,551.0
	(Percentage share)							
Total primary products	30.9	34.0	33.3	39.3	38.0	34.4	31.8	28.7
Agriculture	14.1	15.0	14.1	16.3	15.3	15.4	16.4	14.3
Food	12.6	13.4	12.9	15.0	14.2	14.0	15.3	13.1
0412 - Other wheat (including spelt) and meslin, unmilled	1.7	1.2	0.2	0.0	0.2	0.0	1.2	1.5
0342 - Fish, frozen (excluding fillets and minced fish)	0.6	1.8	1.6	1.7	1.4	1.5	2.0	1.4
4222 - Palm oil and its fractions	0.3	0.3	0.5	0.4	1.6	0.6	2.4	1.1
0423 - Rice, semi-milled or wholly milled, whether or not polished, glazed, parboiled or converted (including broken rice)	0.7	0.4	0.4	0.5	0.6	0.7	0.9	1.0
Agricultural raw materials	1.5	1.6	1.3	1.2	1.1	1.3	1.2	1.2
2690 - Worn clothing and other worn textile articles; rags	0.9	0.9	0.8	0.8	0.8	0.9	0.9	1.0
Mining	16.8	19.0	19.1	23.0	22.7	19.0	15.3	14.4
Ores and other minerals	3.0	3.1	2.2	0.9	0.4	0.3	0.3	0.5
Non-ferrous metals	0.2	0.4	0.3	0.4	0.3	0.2	0.9	0.4
Fuels	13.5	15.5	16.7	21.7	22.1	18.5	14.2	13.6
334 - Petroleum oils (other than crude)	13.1	12.8	12.4	16.1	17.3	15.1	10.9	11.5
Manufactures	69.1	66.0	66.7	60.7	62.0	65.6	68.2	70.3
Iron and steel	4.2	4.3	4.3	4.2	6.7	4.2	4.2	4.7
6761 - Bars and rods, hot-rolled, in irregularly wound coils, of iron or steel	1.5	1.9	2.2	1.4	1.1	1.3	1.2	1.1
Chemicals	16.8	16.7	15.4	16.0	16.7	15.4	18.6	18.0
5429 - Medicaments, n.e.s.	3.5	5.8	2.8	4.0	4.0	3.7	4.9	4.7
5711 - Polyethylene	2.3	2.4	2.7	3.2	3.2	3.3	3.6	3.1
5629 - Fertilizers, n.e.s.	2.3	1.0	1.4	1.2	0.6	0.3	0.4	2.9
5751 - Polymers of propylene or of other olefins	1.1	1.3	1.3	1.5	1.5	1.4	1.6	1.2
Other semi-manufactures	11.4	12.9	10.2	9.4	9.7	10.5	10.9	7.5
6612 - Portland cement, aluminous cement, slag cement, supersulphate cement and similar hydraulic cements, whether or not coloured or in the form of clinkers	7.0	7.3	5.1	5.5	4.4	4.6	2.3	1.4
Machinery and transport equipment	24.9	19.1	26.6	20.6	19.9	24.1	24.0	29.3
Power-generating machinery	0.6	1.0	0.5	0.3	0.8	1.2	0.8	0.5
Other non-electrical machinery	8.5	4.5	6.4	4.9	7.7	9.5	8.5	10.5
7443 - Ships' derricks; cranes (including cable cranes); mobile lifting frames, straddle carriers and works trucks fitted with a crane	0.0	0.1	0.1	0.1	0.5	1.4	0.9	5.3
Agricultural machinery and tractors	0.4	0.2	0.4	0.3	0.3	0.4	0.3	0.1
Office machines and telecommunications equipment	3.8	4.0	2.9	1.9	1.4	2.0	3.3	3.1
Other electrical machinery	5.8	3.0	1.5	1.2	2.0	3.3	3.5	4.5
7782 - Electric filament or discharge lamps (including sealed-beam lamp units and ultraviolet or infrared lamps); arc lamps; parts thereof	0.1	0.0	0.1	0.0	0.0	0.1	0.1	1.7
Automotive products	4.6	5.0	4.9	4.4	4.6	6.4	5.7	6.5
7812 - Motor vehicles for the transport of persons, n.e.s.	2.7	2.8	2.6	2.2	1.8	2.8	2.8	3.3
7821 - Motor vehicles for the transport of goods	0.9	1.3	1.4	1.1	1.8	2.4	1.4	1.4

	2009	2010	2011	2012	2013	2014	2015	2016
Other transport equipment	1.5	1.6	10.6	8.0	3.4	1.7	2.2	4.3
7851 - Motor cycles (including mopeds) and cycles fitted with an auxiliary motor, with or without side-cars; side-cars	1.0	1.1	1.2	1.0	0.8	0.9	1.4	2.1
7937 - Tugs and pusher craft	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
Textiles	5.5	5.1	5.3	5.4	4.8	6.2	5.2	5.6
6523 - Other woven fabrics, containing 85% or more by weight of cotton, bleached, dyed, printed or otherwise finished, weighing not more than 200 g/m <sup>2</sup>	1.5	1.3	1.4	2.0	2.0	2.4	1.9	2.0
6518 - Yarn (other than sewing thread) of staple fibres; synthetic monofilament, n.e.s.; strip and the like of synthetic textile materials of an apparent width not exceeding 5 mm	1.0	1.2	1.3	1.6	1.5	1.6	1.8	2.0
Articles of apparel and clothing accessories	2.1	1.0	1.1	1.1	1.0	0.9	0.5	0.9
Other consumer goods	4.3	6.8	3.7	4.0	3.1	4.2	4.7	4.2
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0

Source: WTO Secretariat calculations based on data from the UNSD Comtrade database (SITC Rev. 3).



**Table A1. 3 Destination of exports, 2009-2016**

	2009	2010	2011	2012	2013	2014	2015	2016
World (US\$ million)	640.2	648.3	852.3	960.9	1,146.5	803.8	710.0	714.9
World (€ million)	460.8	489.5	613.1	747.8	863.5	605.9	640.2	646.3
	(Percentage share)							
America	0.1	3.4	1.8	0.3	3.0	1.0	3.8	3.2
USA	0.1	1.8	0.3	0.3	0.5	0.4	0.6	0.7
Other America	0.0	1.6	1.5	0.1	2.5	0.6	3.2	2.6
Canada	0.0	0.0	0.1	0.1	0.1	0.0	2.2	2.6
Europe	7.5	19.1	10.7	23.1	14.2	12.0	9.7	6.7
EU-28	6.6	18.1	7.2	19.9	11.8	8.7	8.7	6.4
Belgium	1.8	2.2	1.0	2.3	0.6	1.4	3.0	1.4
France	0.7	4.4	1.1	0.5	4.1	1.4	1.4	1.2
Netherlands	1.6	3.3	0.5	0.6	0.8	3.5	1.6	1.0
EFTA	0.7	0.3	3.5	2.8	2.5	2.0	0.8	0.3
Other Europe	0.1	0.6	0.0	0.4	0.0	1.3	0.2	0.0
Commonwealth of Independent States (CIS)	0.0	0.7	0.0	0.0	0.0	0.0	0.0	0.0
Africa	72.6	28.7	70.2	67.4	68.1	60.0	62.3	69.6
Benin	13.9	4.0	13.0	11.5	10.5	11.3	14.1	17.6
Burkina Faso	14.3	4.9	14.8	16.9	16.6	10.1	15.3	16.0
Mali	3.2	1.1	3.2	2.5	2.1	3.9	5.2	7.3
Niger	7.5	5.7	10.5	9.2	9.4	13.2	9.2	7.1
Côte d'Ivoire	2.8	0.5	4.1	3.3	1.9	2.4	3.7	6.1
Ghana	15.8	5.2	9.2	4.4	10.0	8.5	3.6	4.8
Nigeria	9.2	0.6	9.3	9.7	9.3	6.0	4.9	4.3
Senegal	1.1	0.5	0.9	0.8	0.9	0.6	0.8	1.2
Congo	0.4	0.1	0.3	0.5	0.3	0.4	0.5	1.2
Middle East	0.2	0.3	1.0	0.8	0.9	3.2	3.4	3.6
United Arab Emirates	0.0	0.2	0.2	0.1	0.0	1.3	2.2	2.5
Lebanese Republic	0.1	0.1	0.9	0.7	0.9	1.9	1.1	1.1
Asia	18.9	9.9	14.7	7.9	13.7	23.8	20.8	16.8
China	0.5	1.9	0.7	1.9	1.7	2.7	1.1	1.3
Japan	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Other Asia	18.4	7.9	14.0	6.0	12.0	21.1	19.7	15.5
India	14.2	4.0	6.4	1.6	7.0	13.5	9.3	7.7
Malaysia	0.3	0.2	2.1	1.1	0.2	1.0	2.4	2.4
Bangladesh	0.0	0.5	0.2	0.0	0.7	1.4	0.7	1.1
Indonesia	0.8	0.8	1.0	1.4	1.2	1.4	2.3	0.9
Australia	0.0	0.0	0.0	0.0	0.0	0.0	1.4	0.9
Other	0.7	38.0	1.5	0.5	0.0	0.0	0.0	0.0
<b>Memorandum:</b>								
West African Economic and Monetary Union (WAEMU)	42.7	16.8	46.5	44.2	41.3	41.6	48.5	55.5
Benin	13.9	4.0	13.0	11.5	10.5	11.3	14.1	17.6
Burkina Faso	14.3	4.9	14.8	16.9	16.6	10.1	15.3	16.0
Mali	3.2	1.1	3.2	2.5	2.1	3.9	5.2	7.3
Niger	7.5	5.7	10.5	9.2	9.4	13.2	9.2	7.1
Côte d'Ivoire	2.8	0.5	4.1	3.3	1.9	2.4	3.7	6.1
Senegal	1.1	0.5	0.9	0.8	0.9	0.6	0.8	1.2
Guinea-Bissau	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.1

Source: WTO Secretariat calculations based on data from the UNSD Comtrade database.

**Table A1. 4 Origin of imports, 2009-2016**

	2009	2010	2011	2012	2013	2014	2015	2016
World (US\$ million)	1,171.2	1,204.8	1,755.9	1,662.0	1,967.3	1,753.2	1,730.9	1,715.6
World (€ million)	843.1	909.7	1,263.1	1,293.5	1,481.7	1,321.5	1,560.7	1,551.0
	(Percentage share)							
America	8.5	6.5	7.8	11.8	11.4	5.7	5.1	4.8
USA	1.8	2.7	1.8	8.1	5.2	3.0	2.5	1.8
Other America	6.8	3.8	6.0	3.7	6.3	2.7	2.6	3.0
Europe	42.4	37.1	40.1	35.6	35.8	40.4	34.3	31.9
EU-28	40.4	34.7	29.2	33.7	33.3	38.6	32.6	29.1
France	11.7	13.6	9.5	9.4	7.8	9.4	9.4	8.9
Netherlands	5.9	3.6	3.4	3.4	7.5	4.8	2.0	4.3
Belgium	3.9	6.1	4.3	6.7	4.0	5.2	3.8	3.8
Germany	3.3	2.7	2.9	1.8	2.5	3.8	3.7	2.9
Spain	1.5	1.1	2.5	2.7	4.5	4.7	3.9	1.8
Poland	0.1	0.2	0.3	0.8	0.3	0.4	0.6	1.2
Italy	1.4	2.2	1.3	1.6	1.5	1.9	1.5	1.1
EFTA	1.1	1.1	9.7	0.3	0.7	0.4	0.4	1.3
Switzerland	0.2	0.3	0.2	0.2	0.3	0.4	0.3	1.3
Other Europe	0.9	1.3	1.2	1.6	1.8	1.4	1.3	1.5
Turkey	0.9	1.3	1.2	1.6	1.8	1.4	1.3	1.5
Commonwealth of Independent States (CIS)	0.4	0.8	3.1	2.2	3.9	4.6	2.6	4.2
Russian Federation	0.3	0.0	1.6	1.3	3.0	4.1	2.3	2.8
Ukraine	0.1	0.8	1.4	0.9	0.6	0.2	0.3	1.4
Africa	15.6	17.1	14.3	14.8	13.7	12.7	17.7	13.6
Ghana	3.3	2.8	2.5	4.3	4.8	3.6	3.4	3.5
Côte d'Ivoire	3.6	4.3	3.4	3.0	2.6	2.4	2.3	3.0
Nigeria	2.4	1.0	1.1	1.0	0.8	0.7	0.8	1.7
Morocco	0.8	1.0	0.6	1.0	1.1	1.0	2.3	1.0
South Africa	2.5	2.1	2.6	2.1	1.0	1.7	4.9	1.0
Middle East	2.6	3.5	5.0	4.9	3.9	4.7	5.2	4.9
Saudi Arabia, Kingdom of	0.6	1.0	1.1	1.0	1.5	2.3	2.4	2.4
United Arab Emirates	0.8	1.4	2.1	0.8	0.8	0.9	1.5	1.6
Asia	29.1	34.2	28.4	29.1	31.3	31.8	35.1	40.5
China	15.2	15.1	14.9	13.7	16.0	17.7	20.1	28.7
Japan	2.7	3.0	2.6	3.0	3.6	3.8	4.1	4.2
Other Asia	11.3	16.1	10.9	12.3	11.7	10.3	11.0	7.6
India	2.2	4.0	2.8	3.2	2.9	3.2	3.8	2.8
Korea, Republic of	1.0	1.3	1.3	2.2	1.2	1.4	1.1	1.2
Other	1.4	0.8	1.4	1.6	0.0	0.0	0.0	0.0
<b>Memorandum:</b>								
West African Economic and Monetary Union (WAEMU)	5.3	7.3	5.2	4.7	4.7	4.7	4.7	5.2
Côte d'Ivoire	3.6	4.3	3.4	3.0	2.6	2.4	2.3	3.0
Senegal	0.7	0.9	0.6	0.8	0.6	0.7	0.7	0.8
Benin	0.4	0.5	0.4	0.4	0.6	0.8	0.5	0.8
Burkina Faso	0.1	0.2	0.1	0.1	0.0	0.1	0.3	0.2
Guinea-Bissau	0.2	1.2	0.5	0.3	0.8	0.8	0.8	0.2
Mali	0.1	0.0	0.0	0.0	0.1	0.0	0.1	0.0
Niger	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0
Togo	0.3	0.2	0.1	0.1	0.0	0.0	0.0	0.0

Source: WTO Secretariat calculations based on data from the UNSD Comtrade database.