

Commonwealth Chamber of Commerce

Togo Member Countries - Commonwealth Chamber of Commerce

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Togo is a Western African country located on the Gulf of Guinea. Togo also shares its border, in this case, the entire length of its western border, with a fellow Commonwealth nation, Ghana. It shares its entire eastern border with Benin and its northern border with Burkina Faso.

Togo is one of the smallest countries in West Africa with a land area is approximately 56,785 km² divided into 6 distinct regions. The capital of Lomé is located on the western edge of the narrow coastal region in the south; sandy, low-lying beaches overlook the Gulf of Guinea and scattered tidal flats and lagoons are seen along the coastline of which Lake Togo is the largest lagoon flowing inland. The southern-central region comprises a tableland called the Outachi Plateau; this plateau and the sediment surrounding Lake Togo are known for the laterite soil and deep reddish colour also known as terre de barre, due to its iron density. Upwards from the plateau in the northeast direction is another tableland though much higher in altitude reaching up to 460 metres in height. The plateau is drained by the Mono River and its tributaries. Towards the northwest direction upwards from the Outachi Plateau, the land rises steeply toward the Togo-Atakora Mountains which stretch across the northeastern region of Togo into the eastern borders of Ghana and end in the western region of Benin. The Baumann Peak, also known as Mount Agou, is the tallest mountain in the range, rising to about 986 metres. The region north of the Togo Mountains consists of a sandstone plateau on top of which is a beautiful expanse of savanna drained by the Oti River which is one of the main tributaries of the Volta River. Found in the eastern part of this region is a cultural landscape; the Koutammakou, the Land of the Tammari people, is an area which feature's this tribe's famous two-storey mud houses which to this day remain a preferred structure of living, and in 2004, this territory was designated as a UNESCO World Heritage Site. The northern-most region is comprised of granite and gneiss and the cliffs of Dapaong lie in this area.

Demographics

Togo's population is approximately 8,492,333, as of June 2022 estimates. In Togo, there are 37 different ethnic groups of which the predominant are the Éwé people including the Aja and Mina speaking people making up 42.4% of the total population. The Kabye and Tem people account for 26%, the Gourma and Akan people account for 17.1%, the Kebu-speaking Akposso account for 4.1%, and the Ana-Ife account for 3.2% with the remaining population consisting of non-locals. 42.3% of the population are Christians (all denominations included), 36.9% practice folk/indigenous religions, 14% practice Islam and the remaining practice Buddhism, Hinduism, Judaism and atheism.

French is the official language; about 30%-37% of the population speaks French fluently. Ewe and Mina are the major African languages spoken nationwide; Kabye and Dagomba are also prevalent languages for a portion of the society. Togo has a vibrant youthful population with approximately 60% of the population being under the age of 25. 45% of Togolese citizens reside in urban areas.

History

Before German missionaries established trade posts in the Ewe territory in 1847, the region south and east of the Volta River, present day Togo was regarded as a makeshift buffer zone (with ambiguous borders) between the west Africa kingdoms of the Asante and Dahomey. In 1884, German government official, Gustav Nachtigal, persuaded coastal chieftains to accept German protection. The year after, the German protectorate was officially established with its coastal frontiers demarcated according to multiple treaties signed with France and Great Britain between 1888 and 1897. Under these treaties, the town of Lomé at the western coast overlooking the Gulf of Guinea, was chosen as the administrative colonial capital in 1897. In the following years the town underwent industrialisation; a jetty was built in 1904 and subsequently three railways were constructed. Both the government and private German companies developed plantations, the maintenance and development of which was largely left to the local Togolese who were trained by agriculturists at a college established in Notsé, a town in the Plateaux Region of present day Togo. The plantations were thriving, largely focussing on the production of palm products, cotton, cocoa and rubber.

With the start of the First World War in July 1914, the Committee of Imperial Defence suggested Togoland to be the first offensive with troops to be deployed from the Gold Coast and Sierra Leone. The purpose of this first attack was to disable the wireless stations at Kamina, which were critical communication links between Berlin and its African colonies as well as to the shipment operatives in the South Atlantic and South America. The operations, which began on 6 August 1914, were relatively swift and the capital of Lomé and the southern section of Togoland falling under the Allies' control without any fighting by 8 August. With the British advancing from the west and the French advancing from the north, most of the territory fell under their administration and the Germans surrendered by 26 August. The territory was subsequently divided into eastern and western sections to be administered by Britain and France, respectively. The whole coastline and the entire railway system was given to France under the Anglo-French agreement ratified on 10 July 1919. Once Germany had renounced all sovereignty over Africa, the League of Nations officially issued mandates in 1922 to Britain and France regarding the administration of Togoland. Under the mandates, Britain was to overlook the northern region of Togoland along with the Northern Territories of the Gold Coast and the southern part of the Gold Coast Colony. The French sphere included most of the western region and the bulk of the external railway systems. It remained as a separate unit of its own up until 1934 after which for 2 years it was integrated into an economic union with Dahomey before it was assimilated into French West Africa in 1936.

A decade later, the British and French sphere of Togoland were placed under the United Nations trusteeship. The year after, the Ewe people dispatched representatives to the Trusteeship Council, demanding a common administration for the whole of Togoland, in an effort to work towards self-administration. This was a complex challenge given the fact that the Ewe people also resided in the southeastern parts of the Gold Coast Colony but were not a majority in the southern region of Togoland. Eventually, a plebiscite was held on 9 May 1956 and on 13 December of the same year, the British sphere of Togoland was fused into the Gold Coast. In the next year, on 6 March 1957 the territories were renamed Ghana and the newly made nation became an independent country.

The French sphere of Togoland remained within the French Union but became a self-governing republic on 30 August, 1956. The first election based on self-administration took place in April 1958 whereby Nicolas Grunitzky of the Togolese Progress Party, who was appointed as premier under the October 1956 plebiscite confirming the status of self-governance, was rejected in favour of the Togolese National Unity Party leader, Sylvanus Olympio. Following his victory, Togo became an independent nation on 27 April, 1960. When the presidential government format was officially established following the elections of 1961, Olympio was instated as the first president of Togo. Under his leadership, Togo maintained a strong economic partnership with France and joined the African Union (then known as the Organisation of African Unity) and the Joint African and Malagasy Organisation in 1963 and 1965, respectively.

Key Dates

1400-1600s Ewe clans from Nigeria and the Ane from Ghana and Ivory Coast settle in the region

1700s Coastal area occupied by Danish forces

1884 German protectorate of Togoland established

1914 British and French take over Togoland; Germany surrenders.

1922 League of Nations mandates given to Britain to administer the western part and to France to administer the eastern areas of Togoland territory

1956 British-ruled western territory incorporated into the Gold Coast, later renamed Ghana which becomes an independent nation

1960 Independence gained on 27 April

1961 Sylvanus Olympio elected as first president

1974 The phosphate industry nationalised

1992 New constitution approved

Legal System and Government

Togo is a presidential republic with the president acting as the Chief of State and the Prime Minister as the head of government with the latter appointed by the former. For Togo's Executive branch, the President is also elected on the basis of a simple majority vote without term limits, however, the term lasts for 5 years rather than 7, and the President is the one directly appointing the Cabinet of Ministers on the advice of the Prime Minister. Togo's Legislative branch, in comparison, includes a unicameral legislature which is the National Assembly. It comprises 91 seats for a term of 5 years as well though in Togo's case members are directly elected in multi-seat constituencies via closed voting and representation is proportional to the size of the political parties' list. The Togolese legal system is based on a customary law system and the judicial system comprises of the Supreme Court, two Courts of Appeal and Tribunals of First Instance. Local legal disputes and cases are handled by the village chiefs and councils of elders though the cases are usually limited to minor criminal or civil cases.

Economy

Togo is currently a low-income country and is classified under the Least Developed Country (LDC) category by the United Nations, ranking it 38th out of Africa's 54 countries in terms of nominal GDP. The nation has one of the largest phosphate reserves and is the 6th largest exporter of calcium phosphates across the globe; despite this comparative advantage, however, 2019 estimates show that the mining sector comprises only 3.7% of GDP and 22% of exports largely due to the lack of infrastructural development and technology which hinders productive capacity. The nation is also a key producer of coffee, cocoa, yams, cassava, sorghum, maize and cotton on the continent and due to its historically robust agricultural and agribusiness sector it employs about 66% of the nation's workforce and, as of 2021, generates 19.3% of GDP. Although the raw agricultural materials only make up about 8.6% of the country's exports because they are mainly consumed domestically. Togo's manufacturing sector, which contributed 14% of the GDP in 2020, generates a fair share of revenue from the processing of the aforementioned agricultural products and equally from the manufacturing of textiles, tires, salt and consumer goods including footwear and confectionery items. Togo's nominal GDP at the end of the 2021 financial year was US\$8.41 billion and the GDP per capita (also nominal) was US\$644.07, a value that has been steadily increasing since 2012 when it was pegged at US\$519.3; despite the increase. Even so, this value is equivalent to only 5.25 per cent of the global average (US\$12,262) according to World Bank data and ranks it as the 5th lowest across the African continent. Low economic rankings notwithstanding, Togo has seen robust annual growth in GDP; since 2009, it has consistently recorded a growth of 5% and above. This period of renewed growth is to be attributed predominantly to the swift increase in public expenditure and its vastly improved reallocation and most importantly the increase in the public investment ratio from 3.6% to 5.5% as well as the inflation rate dropping from 8.69% to 0.69% in 2019.

The effects of the pandemic were particularly harsh on the enterprises of agricultural and agribusiness, tourism, manufacturing, and the transport and logistics sectors that experienced a 41%, 33%, 36% and 35% decline in sales, respectively and due to the increased spending in response to the crisis, the budget deficit increased to 6.12%. Fortunately, post-pandemic recovery has been reassuring. GDP growth bounced back close to pre-pandemic values at an estimated 4.8% owing greatly to the increase in productivity of the mining sector including an 87% increase in phosphate extraction in 2020 along with the revival of final consumption expenditure that reverted to pre-pandemic levels to contribute 80% of GDP in value. Agricultural production is also expected to boomerang with the support of the National Agricultural Investment and Food and Nutritional Security Programme (PNIASAN). The services sector, which contributes 49.3% of GDP in value, will also recover as container traffic in the port of Lomé bounces back to pre-COVID levels.

Trade

In 2021, Togo recorded a GDP of US\$8.4 billion. The main exports for the year include salt, sulphur, earths and stone; plastering materials, lime and cement (19.2%) plastic and articles thereof (11.6%), vehicles other than tramway/railway rolling stock (8.8%) and cotton (8.5%). These exports were largely destined for Burkina Faso (14.3%), Mali (11.1%), Benin (10.9%) and Ghana (8.8%). In terms of imports for 2021, Togo largely imported vehicles other than tramway/railway rolling stock (14.2%), mineral fuels, oils and products of their distillation (7.9%), machinery, mechanical appliances, nuclear reactors and boilers (7.7%) and plastics and articles there of (7.4%). These imports were primarily sourced from China (22.3%), France (8.7%), India (7.0%) and Japan (4.4%).

Togo is a member of the African Union, the Organisation of Islamic Cooperation, South Atlantic Peace and Cooperation Zone, Organisation internationale de la Francophonie and is a signatory of the African Continental free Trade Area (AfCFTA), Economic Community of West African States (ECOWAS) and the West African Economic and Monetary Union (WAEMU).

Investment Opportunities

With the port of Lomé being the only deep-water port in West Africa, and with its abundance of natural resources, gas, electricity, stable currency (CFA Franc) and both skilled and semi-skilled labour, Togo has the potential to become a dynamic regional hub for West Africa. Several reforms are underway to upgrade the nation's transportation and communications infrastructure. The US\$7.8 billion National Development Plan (2018-2022) is also increasing public investment into the development of infrastructure of and around the port of Lomé in efforts to make the sole deepwater port of West Africa a regional hub and game changer for Togo's annual foreign direct investment levels. Aside from investment in infrastructure, Togo has several focal sectors for which the government is encouraging foreign investment. These include agriculture wherein food processings and agritech will be a priority; for tourism, investment specifically in the construction of 5-star hotels and holiday villages is a priority; HealthTech and the setting up of specialised clinics is also a priority; and, for the mining and energy sectors, sustainable mining and electricity production is highlighted as a key area of development.

This will be compounded by the Adetikiopé industrial platform (PIA) the mission of which is to enhance the value-added processing and export of natural resources which officially commenced in June 2021 and is hoped to potentially attract more private investment. The PIA is a Special Economic Zone (SEZ) established to provide a Single Window Centre that facilitates and expedites procedures and approvals for businesses to set up, an industrial zone, warehouses, storage, textile parks, industrial parks and processing zones with top quality facilities for businesses and their employees to ensure the SEZ is a one-stop-shop. The SEZ has implemented several attractive incentives including exemption from all customs duties and taxes on equipment and materials import, total exemption of value-added taxes on services, a reduced rate of 2% on payroll tax for the lifetime of the company as well as exemptions on any specified or unspecified capital tax.

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