

# FDI

## Magazine

WWW.FDIINTELLIGENCE.COM

SPECIAL REPORT

# Togo's ready to go

A WEST AFRICAN COUNTRY'S  
BOLD BLUEPRINT TO  
TRANSFORM ITS ECONOMY



SPONSORED BY



RÉPUBLIQUE TOGOLAISE

# CONTENTS

Published by The Financial Times Ltd,  
Bracken House, 1 Friday Street,  
London EC4M 9BT,  
UK Tel: +44 (0)20 7873 3000.  
Editorial fax: +44 (0)1858 461873.

Staff members can be contacted by  
dialing +44 (0)20 7775 followed by  
their extension number

**Acting Editor**

Jacopo Dettoni 4339  
jacopo.dettoni@ft.com

**Global Markets Editor**

Sebastian Shehadi 3186  
sebastian.shehadi@ft.com

**Global Investment Reporter**

Alex Irwin-Hunt 6437  
alex.irwinhunt@ft.com

**Production Manager**

Richard Gardham 6367  
richard.gardham@ft.com

**Deputy Production Editor**

Andrew Petrie 6230  
andrew.petrie@ft.com

**Executive Editor**

Brian Caplen 6364  
brian.caplen@ft.com

**Art Director**

Paramjit Virdee 6535  
paramjit.virdee@ft.com

**Advertisement Executive**

Sophie Horton 4830  
sophie.horton@ft.com

**Global Business Director**

Adrian Northey 6333  
adrian.northey@ft.com

**Associate Publisher**

Charlotte Lloyd +34 (0)682736571  
charlotte.lloyd@ft.com

**Associate Publisher**

Luke McGreevy +971 (0)4 391 4398  
luke.mcgreevy@ft.com

**Publishing Director**

Angus Cushley 6354  
angus.cushley@ft.com

**B2B Marketing Manager**

Lauren Drew 4462  
lauren.drew@ft.com

**Senior Marketing Executive**

Jay Seenundun 6896  
jay.seenundun@ft.com

**Magazine customer services**

CDS Global, Tower House, Lathkill  
Street, Sovereign Park, Market  
Harborough, Leics, UK. LE16 9EF  
ft@subscription.co.uk  
tel: 0845 456 1516 (customer  
services) 01858 438417 (overseas),  
fax: +44 (0)1858 461 873

The Financial Times adheres to a self-regulation  
regime under the FT Editorial Code of Practice:  
www.ft.com/editorialcode

Printed by Walsstead Group in the UK

Registered Number: 227590 (England and Wales) ISSN:  
1476-301X © Financial Times Ltd 2020. FDI is a trade-  
mark of Financial Times Ltd 2020. "Financial Times"  
and "FT" are registered trademarks and service marks  
of the Financial Times Ltd. All rights reserved. No part  
of this publication may be reproduced or used in any  
form of advertising without prior permission in writing  
from the editor. No responsibility for loss occasioned  
to any person acting or refraining from acting as a  
result of material in this publication can be accepted.  
On any specific matter, reference should be made to  
an appropriate adviser. Registered Office: Bracken  
House, 1 Friday Street, London EC4M 9BT, UK

Reprints are available of any FDI Magazine article, with  
your company logo and contact details inserted if  
required (minimum order 100 copies).  
For details telephone 0207 873 4816.  
For one-off copyright/licences for reproduction of  
FDI magazine articles telephone 0207 873 4871.  
Alternatively, for both services  
e-mail synd.admin@ft.com



## TOGO'S TRANSFORMATION

04 Business reforms have piqued foreign investor interest.

## Q&A: FAURE GNASSINGBÉ

06 The president tells **fdi** about his fourth term objectives and dealing with coronavirus.

## AGRARIAN ADVANCES

07 Togo is developing its agriculture processing and mining interests.

## A DIGITAL DRIVE

08 Togo aims to drive development through electrification and digitalisation.

## LOMÉ'S LOGISTICAL ALLURE

10 Togo hopes to leverage its favourable position in Africa to become a regional trading hub.

Sponsored by



RÉPUBLIQUE TOGOLAISE

# Togo's transformation

**TOGO'S BUSINESS REFORMS  
HAVE PIQUED FOREIGN  
INVESTOR INTEREST.  
ALEX IRWIN-HUNT REPORTS**

**T**ogo enjoyed a notable achievement in 2019. The west African country of 8 million people recorded the highest growth in greenfield project announcements across the whole of Africa, according to investment monitor **fDi Markets**.

Togo has also worked hard to boost its investment attractiveness through its significant efforts with regards to business reform. It jumped the highest number of places of any country globally in the World Bank's 2020 Doing Business report, climbing to 97th out of 190 countries. Since 2010, it has risen 68 places.

"The good economic achievements that we have observed in recent years are the result of a government that has been reform-oriented," says the World Bank.

### **Three-pillar plan**

This focus on reform by the government of president Faure Gnassingbé is evident in Togo's ambitious national development plan (PND) 2018-22. With ambitious targets aligned to the UN's Sustainable Development Goals, including the creation of 500,000 jobs, the PND is a blueprint for Togo's future. It aims to structurally transform the Togolese economy to promote inclusive and sustainable growth.

"The PND's objective is to create jobs and generate revenue [on a huge scale], which will in turn allow the government to increase its support to the most vulnerable segments of the population," says Sandra Alabama Johnson, delegate minister in Togo's presidential unit dedicated to improving the country's business climate.

Focusing across three strategic pillars, the PND is estimated to cost about \$8bn, of which the government hopes up to 65% will be funded by the private sector. The first pillar aims to expand business and logistics infrastructure around the capital, Lomé, which has an international airport and west Africa's only natural deep-water seaport (see page 10).

The PND's second pillar outlines a roadmap for the industrialisation of Togo's economy. With a focus on the agricultural sector, it lays out plans to set up Togo's first industrial park and 10 agricultural growth poles, or agropoles, across the country (see page 7).

The third pillar underpins Togo's ambitions to promote social and economic inclu-

sion throughout the country. Critical to this is the government's drive to digitalise the economy and electrify rural areas through renewable energy projects (see page 8).

Progress has been made since launch, with investment coming in across the PND's strategic axes. Togo still has some way to go, however. Despite improving its human development index value by 26.6% between 1990 and 2018, it is still rated as a low-income country.

### **FDI boost**

"Whether in agriculture, infrastructure or digital technology, the role of FDI is crucial and Togo is determined to make every effort to attract it," says Shegun Adjadi Bakari, senior adviser to Mr Gnassingbé.

Compared with just two project announcements in 2018, 11 greenfield FDI projects were announced in Togo in 2019, according to **fDi Markets**.

Notably, in November 2019, Nigerian conglomerate Dangote Group announced plans to invest \$2bn to establish a new phosphate fertiliser-processing facility in Togo. The mega-project was the second largest greenfield investment announced in Africa in 2019 and is expected to create at least 500 jobs.

Dangote Group hopes to tap into Togo's significant phosphate reserves, which are estimated to be 60 metric tonnes, and position itself as west Africa's main supplier of fertiliser. "Within the context of Dangote Group's investment in the phosphate industry, Togo's ultimate goal is to improve farmers' incomes by providing them with sufficient quantities of fertiliser at a lower cost; 50% of the cost of fertilisers in west Africa is linked to logistics," says Mr Adjadi Bakari.

### **Building success**

Dangote, which has business interests ranging from sugar to oil and gas, also announced plans to set up a cement facility in Lomé. The building materials sector has been the second most popular sector for foreign investors in Togo, with seven projects announced since 2012, according to **fDi Markets**.

Most greenfield FDI has been in the financial services sector, with eight projects announced in Togo since 2013. Several banks are headquartered in Lomé, including the West African Development Bank, pan-African

Ecobank, and EBID, the multilateral bank of the Economic Community of West African States (a trading bloc of which Togo is a part).

Togo was awarded a B rating with a 'stable' outlook for the first time in June 2019 by S&P. The country's debt-to-GDP ratio has fallen since its 81.4% peak in 2016, but remained high in 2019 at 72.6%.

Togo's headline FDI inflows, which include both greenfield investment and crossborder M&A, have been volatile over recent years, however. Despite rising since recording FDI inflows of \$46m in 2016, to \$88m in 2017 and \$102m in 2018, Togo has not come close to the record \$711m of FDI inflows garnered in 2011.

### Better for business

Nonetheless, Togo has made significant reform efforts in the areas of starting a business, registering property and getting credit, according to the World Bank. Compared with a decade ago, when it took 84 days, starting a business in Togo now takes roughly two days, while the costs of getting a building permit or electricity connection are now one-third of what they once were.

"Togo has one of the most efficient and fastest systems in Africa to start a company with a paper-based system," says the World Bank.

Policies such as extending the hours of the business registry to run non-stop from 7:30am to 6pm have also made starting a business easier. "That's the type of organisation that made it more efficient – entrepreneurs submit their application in the morning and receive all their approved documents in the afternoon," says the World Bank.

Some 11,482 new businesses were registered in Togo in 2019, an increase of 9% compared with 2018, according to Togo's Centre for Business Formalities. Female entrepreneurs have also taken advantage of the friendly regulatory climate, making up about 26% of new business owners, compared with 13% in 2015.

Despite an efficient paper-based system, there are several areas of the investment climate in Togo that could go online, such as paying taxes, according to the World Bank. "Most companies do it on paper, and if there were a very efficient system to file your taxes and pay your taxes, it would save time for entrepreneurs," it says.

While business reforms have boosted Togo's attractiveness, the rankings should be taken lightly, since countries can easily influence certain components to improve their score. "The Doing Business ranking does not adequately capture the implementation and effect of policy and regulation changes," says Oliver Morrissey, professor of development economics at the UK's University of Nottingham.

### Reality check?

Protests swept across Togo in 2017 and 2018, as its citizens called for a two-term limit for presidents and reform of the national electoral commission. In 2005, Mr Gnassingbé suc-



Capital investment: Lomé has become one of west Africa's boom cities

ceeded his father, who had previously ruled the country for 38 years.

His fourth consecutive electoral victory in February 2020 – which the opposition contested after raising claims of fraud – is likely to mean a continuation of Togo's coordinated reform agenda and perhaps further concomitant FDI attraction.

Political and reform continuity will be under pressure to deliver on promises to improve the lives of the Togolese, however. Despite recent achievements, more than half of the population still lives in extreme poverty (defined by the World Bank as living on less than \$1.90 a day); for the country's rural majority, the proportion rises to 69% (as of 2015). Overall, Togo is the 12th poorest country in the world, according to the IMF.

Before the outbreak of the coronavirus, foreign investors were showing continued interest in Togo. In January and February 2020, an additional four greenfield FDI projects were announced in the west African country, according to preliminary figures from FDI Markets.

However, as international commerce has stalled following the global pandemic, the country's plans to become a regional transport hub are likely to be temporarily shelved. Mr Gnassingbé announced a three-month national state of emergency on April 1, which included an imposed curfew between 7pm and 6am, promises of free water and electricity for three months and a CFA Fr400bn (\$658.6m) business solidarity fund (see page 6). On April 3, the IMF announced the disbursement of \$131.3m to assist Togo during the crisis. ■

**Q&A: FAURE GNASSINGBE**

# Going fourth

TOGO'S PRESIDENT TELLS **FDI** ABOUT HIS FOURTH TERM OBJECTIVES AND DEALING WITH CORONAVIRUS

**Q** What was the catalyst behind Togo's improvement in business climate and FDI attraction?

**A** Political commitment, pragmatism and leadership from the top authorities in the country are the catalysts for these reforms. Our country is resolutely committed to enacting a series of reforms. The objective is to make the business environment more attractive, mobilise more investment and achieve strong economic growth over the medium term.

**Q** What are the main objectives for your fourth consecutive term?

**A** We approach this mandate with great [feeling of opportunity], humility and a sense of responsibility. This new term is about consolidating our accomplishments. First, to ensure peace and security: our region is experiencing a particularly volatile and sensitive security situation. We have a responsibility to protect the population. The emergence of the coronavirus health crisis is yet another reminder of our obligation to be constantly vigilant and combine preventive and defensive measures.

Second, we are going to implement a more open and inclusive governance structure. It requires [that we] set up mechanisms that facilitate the greater involvement of everyone in the decision-making [process]. This, I am convinced, will strengthen accountability and empower the population to follow up on the decisions that are taken.

The third objective is to maintain wealth production by speeding up the development of high-potential sectors aligned with the national development plan 2018-2022. This includes the continuation of major infrastructure projects such as modernising our port and building a trunk highway between the north and south of the country.

We will also enhance access to basic social services for our population, especially the most vulnerable.

Consequently, we will continue to implement our strategy of universal access to energy and set up specific strategies for universal access to water and sanitation.

Last, we will bring public services closer to the people through digital technology and facilitating access to several administrative processes. For example, completely free registration fees for examinations and free birth certificates relying on our biometric identity system for the entire population.

We must ensure high-quality health and education for all. This last objective is essential to me because human capital is our country's most valuable asset.

**Q** What else has been implemented to attract further investment to Togo?

**A** Our country recently adopted a new investment code that offers significant advantages to economic operators, guaranteeing, for example, exemptions from duties, taxes and indirect taxes. We are firmly resolved to make the private sector the key player and the driving force of our economy through [paying it close attention] and [demonstrating] agility in managing our partnerships.

Still, it has to be noted that our country is not in competition with its neighbours, but would rather work closely with them to make the west African region a dynamic and vibrant place to invest and do business. Togo remains dedicated to the rapid integration of Africa into a robust and vibrant continental economy.

**Q** How have you responded to the Covid-19 pandemic?

**A** The first case in Togo was recorded on March 6. Since then, the number of cases, despite our efforts, has been increasing each day. We have taken measures to restrict access to our country to travellers from high-risk areas and have implemented measures to manage



**CURRICULUM VITAE**

**FAURE GNASSINGBÉ**

2005

**Togo**

President

**Previously**

Minister of equipment, mines, post and telecommunications

potential cases of illness. All medical services have been mobilised to monitor and isolate people who have had contact with positive cases for the purpose of slowing down the spread of the virus.

In addition to these [and other] measures, we are rolling out a cash transfer scheme called 'Novissi' [which translates as 'solidarity' in the local dialect] to provide financial aid to informal workers whose daily revenues have been seriously disrupted or lost due to the emergency measures we have taken to stop the spread of the virus.

All of these actions are accompanied by public education campaigns that are [educating] the populace on appropriate sanitary guidelines to follow to protect themselves and families from Covid-19.

Collaboration is key to us successfully fighting Covid-19. My government is in frequent contact with neighbouring countries to share information on any detected cases that involve their citizens. We have, as a people and as a country, to show great unity and solidarity to rise to the challenge of safeguarding our future. ■

# Agrarian advances

**TOGO IS DEVELOPING ITS AGRICULTURE PROCESSING AND MINING INTERESTS. ALEX IRWIN-HUNT REPORTS**

**T**he Togolese economy is still largely agrarian. Agricultural land makes up more than 70% of Togo's land area, while the agricultural sector accounted for 23% of GDP in 2018, according to World Bank data. The sector is also key to many citizens' livelihoods, with more than 60% of the population employed in small-scale farming.

Larger farming operations are also key to the Togolese economy. Cash crops such as coffee, cocoa and cotton make up about 20% of the country's export earnings, and growth in the agricultural sector's output rose from 3.95% in 2010 to 7.7% in 2017, according to its Ministry of Agriculture.

To bolster such growth and improve social inclusion, agricultural transformation from production to processing is a central tenet of Togo's national development plan (PND) 2018-22. It is hoped that the successful development of the agricultural sector will reduce Togo's significant regional disparities and boost food security.

Poverty incidence is above 90% in Togo's bottom three prefectures, which are all located in rural areas, according to the World Bank. This compares with 15% poverty in its top three prefectures, located in its southern Maritime region. "The agricultural sector represents the greatest potential in terms of business opportunities and rapid job and wealth creation, particularly for young people and women," says Togo's agricultural minister, Noël Koutera Bataka.

## Agropole pilots

With a hope to foster its agro-processing industry, Togo has a pilot agropole [agricultural growth pole] project in Kara, its second northernmost region. The government has mobilised CFA Fr38bn (\$62.5m) for the Kara project, and hopes to develop 10 such agropoles by 2030, including the launch of two further



Lion's share: more than 70% of Togo's land area is given over to agriculture

projects in the next three years.

"The [central] Plateaux region is one of the most interesting for agriculture, particularly given the help from the government's agricultural risk-sharing initiative," says Kanka-Malik Natchaba, the head of Togo's presidential unit for delivering strategic projects.

A mechanism promoting agricultural financing was recently launched in Togo to help both small-scale farmers and larger investors in the agricultural sector. Through the facilitation of agricultural financing, the mechanism aims to share the risk of agricultural operations across Togo.

Despite the agricultural sector having ample potential due to its favourable climate, "Togo, like its neighbours, is also vulnerable to the vagaries of nature, with specific regards to drought", says Sandra Johnson, delegate minister in Togo's coordinator-business climate unit.

Togo is at a high risk of wildfire across all five regions, for example. It is at medium risk of water scarcity across four of its regions, according to natural disaster risk tool ThinkHazard!, while the northernmost Savanes region, which borders Burkina Faso, is at high risk of water scarcity.

Development organisations such

as the World Bank and the German corporation for international cooperation, known as GiZ, have long provided support for Togo's agriculture to boost resilience to such natural shocks.

## Phosphate prowess

Beyond agropoles, the PND outlines plans to develop manufacturing and mining poles. Togo has some 60 million metric tonnes of phosphate reserves, which the government hopes to leverage to provide cost-effective fertilisers for its agricultural transformation.

The government's plans are bearing fruit. Nigeria-based conglomerate Dangote Group announced an investment of \$2bn to develop a phosphate processing plant in November 2019, according to greenfield investment monitor fDi Markets. Dangote also joined other investors, including Germany-based HeidelbergCement and Burkina Faso-based CimMetal Group, in opening a new cement manufacturing facility.

Meanwhile, Canada-based Logistik Unicorp, a producer of corporate and government uniforms, announced plans to open a new manufacturing facility in April 2019. It was Togo's first foreign investment project in textiles and is expected to create 500 new jobs. ■



Pioneer spirit: AMEA Power has begun work on Togo's first utility scale renewable energy project by an independent power producer

# A digital drive

**TOGO AIMS TO DRIVE DEVELOPMENT THROUGH ELECTRIFICATION AND DIGITALISATION. ALEX IRWIN-HUNT REPORTS**

**T**ogo is a country with significant regional disparities. In 2016, some 92% of citizens in the capital, Lomé, had access to electricity. Despite improvements made, however, the electrification rate in rural areas was just 6%.

Social development and inclusion is a priority within the government's national development plan (PND) 2018-2022, which aims to spark regional development through both electrification and digitalisation of the economy. The establishment of the governmental rural electrification and renewable energy agency has solidified these efforts. There are ambitions to increase access to affordable, reliable and modern electricity in rural areas to 20% by 2022, and have universal access by 2030.

## **Making progress**

Significant progress has been made so far. United Arab Emirates-based AMEA Power announced plans in 2019 to construct Togo's first utility scale renewable energy project by an independent power producer. The Blitta 50-megawatt photovoltaic power plant, located in the Centrale region, is a stepping stone towards the country's electrification goals.

"The government had a great understanding of the importance of energy in order to drive development in the country," says Basma Bentaher, director of project development at AMEA Power, pointing to the clear legal framework, tax exemptions and incentives for renewable energy projects.

Togo's favourable climate and geography provides significant potential for further solar power projects, while the EU has identified some suitable hydropower sites across the country.

"As per in any country, there are some challenges to overcome. However, the business and invest-

ment climate is continuously being shaped to promote and drive private sector investment into the country. AMEA Power will be more than happy to further invest in Togo," adds Ms Bentaher.

## **Clean energy**

The Togolese government is also investing \$1.7bn in solar electricity projects around the country. A presidential electrification initiative launched in 2017, and supported by \$975,000 of support from the African Development Bank, hopes to progress matters further.

Alongside UK-based solar systems provider BBOXX, the Cizo (meaning "light up" in the local Mina language) programme aims to provide off-grid solutions to Togo's rural areas. One successful project in 2019 led to the provision of clean electricity to 4000 people living in the rural village of Sikpé Afidégnon.

The Affordability Accelerator Fund (AAF) was jointly developed by BBOXX and the Togolese government to accelerate efforts through the transformation of subsidies into

# THE GOVERNMENT HAD A GREAT UNDERSTANDING OF THE IMPORTANCE OF ENERGY IN ORDER TO DRIVE DEVELOPMENT IN THE COUNTRY

an investment class. “[The AAF] helps the operator increase the size of its market, decrease credit risk and ultimately generate value for its shareholders,” says Mansoor Hamayun, chief executive and co-founder of BBOXX.

“The sector needs funding now more than ever and we encourage the development community and others to join us,” he adds.

## Digital development

With electrification efforts ramping up across Togo, the government hopes to digitally transform the economy. Togo’s reforms have gone beyond the business and investment climate to include “fiscal and institutional frameworks [and the] increasing digitalisation of processes”, says Mawuli Clément Ahiale, president of Togo’s association of large enterprises, AGET.

For many Togolese, basic access to public, private and social services is a challenge. The government is hoping one solution could be its ambitious E-ID Togo biometric identification programme. “E-ID Togo is a crucial foundation upon which other national projects will be developed. It will facilitate access to credit and health services, reduce fraud in the banking sector, ensure the targeted distribution of aid in the social sector, and improve educational and administrative follow-up for citizens,” says Cina Lawson, Togo’s minister of posts, digital economy and tech innovation.

In February 2019, Fitch Solutions ranked Togo as the second least attractive market in sub-Saharan Africa for the telecoms industry in terms of opportunities

and risks. However, significant measures have since been implemented to drive private sector development, such as the landmark sale in November 2019 of a 51% stake in formerly state-owned telecoms holding company Togocom to Madagascar-based Axian Group and Emerging Capital Partners.

The World Bank says: “Togocom’s privatisation is driven by a desire to improve the quality and costs of services for consumers as Togo aspires to become a digital hub in the region.” And Paulin Alazard, chief executive of the privatised Togocom, says the PND has made an essential blueprint to achieve this goal through its facilitation of “a strong and continuous development of the telecoms sector and digital services”.

## New entities

Two new internet service providers (ISPs), Teolis and Vivendi Group Africa, were also granted licences in Togo in 2017. This new competition has driven down prices to as low as \$20 per month for connection speed of at least 12 megabits per second, according to Togo’s Ministry for Posts, Digital Economy and Tech Innovation.

Since then the number of internet users in the country has climbed by 210.9% to 1.71 million people, according to comparisons of DataReportal annual reports. Despite this rise, internet penetration still stood at just 21% of the population in January 2020.

A new data centre being constructed by French engineering firm CFAO Technologies in Lomé’s Carrier Hotel could bolster efforts to boost

internet penetration, however. On completion of the project, which is under the West African Regional Communications Infrastructure Programme and supported by the World Bank, it will host an internet eXchange Point. This should enable operators and ISPs to cut costs and offer lower tariffs to Togolese customers, says Ms Lawson.

## Covid-19 curtailment

The outbreak of Covid-19 is likely to hamper Togo’s digitalisation efforts. While Togocom’s investments to upgrade its network infrastructure have not been affected, plans are likely to stall. “Implementation is likely to be delayed due to operational constraints in the field [such as] limited circulation, and due to some of our suppliers, [such as] equipment suppliers and external stakeholders that had to go back to their country,” says Mr Alazard.

The government’s response to Covid-19 gives evidence of its commitment to digital services, however. To support vulnerable households across the country, it is rolling out a digital cash transfer scheme, Novissi – ‘solidarity’ in the local dialect – which will put funds equivalent to at least 30% of minimum wages into their mobile money accounts every two weeks.

Additionally the government has developed a centralised point to gather data on suspected coronavirus cases, to assist frontline health workers and enable a speedy response to the crisis. “We are resolute in our objective to harness digital solutions to improve all aspects of Togolese society and the economy,” says Ms Lawson. ■



# Lomé's logistical allure

**TOGO HOPES TO LEVERAGE ITS FAVOURABLE POSITION IN AFRICA TO BECOME A REGIONAL TRADING HUB. ALEX IRWIN-HUNT REPORTS**

**T**ogo enjoys an enviable strategic position. Nestled between Ghana and Benin on the Gulf of Guinea, and bordered by Burkina Faso to the north, it is centrally located in west Africa.

The country's government hopes to utilise this locational advantage to become a leading logistics and transshipment hub. From the capital Lomé, which possesses west Africa's only natural deep-water port, Togo plans to develop its road, rail and port infrastructure to bolster trade with fellow members of Ecowas, west Africa's largest trading bloc, and beyond.

## Development plan

The initiatives in Togo's national development plan (PND) 2018-2022 to transform the agricultural sector and set up manufacturing and extractive industries will rely on logistics, so transport infrastructure will be key to achieving these ambitions. "Infrastructure is very important to be able to both transport agricultural goods from rural communities to the ports, and provide a maritime connection to the hinterland countries," says Yves Badohu, vice-president of Togo's national council of employers, Patronat.

Both private sector and government infrastructure investments have enabled the port of Lomé to accommodate the largest container ships in west Africa. From 2014 to 2018, the number of standard containers (TEUs) handled at the port rose by 267%, according to the port authority. It is currently both the most connected liner and largest container port in west Africa.

The government hopes that further investment will boost growing activity at the port. In 2019, global shipping company MSC announced plans, alongside a number of development institutions, to invest €500m into Lomé's container terminal.

Investment in the energy and transportation infrastructure spurred Togo's investment rate to rise from 12% of GDP to 26% between 2012 and 2015, according to the African Development Bank. The Togolese government has earmarked a site for public-partnership development of a multi-service logistics platform around the port of Lomé, to bolster its capabilities.

## Business airport

Togo's has two international airports, its main Lomé-Tokoin airport in the capital and another in its Kara region. Lomé's airport, which opened a new terminal building in 2016, is home to the national carrier ASKY, and it is the west African hub of Ethiopian Airlines. With non-stop flights to 19 destinations across 17 countries, including Houston and New York in the US, Togo's main airport is beginning to widen its international reach. However, it still only offers one direct European flight, to Paris.

Logistics company Time:matters, a subsidiary of Germany's main airline Lufthansa, opened a delivery hub in Lomé in 2019, one of 16 hubs the company opened across Africa last year. The Togolese government hopes to leverage such investments to make Lomé an important node for international travel and trade across the region.

Togo's PND also aims to create a business hub in and around Lomé, to build on incumbent foreign financial and business services firms, such as Majorel (a subsidiary of Germany-based Bertelsmann), which announced plans to open a contact call centre in Lomé in July 2019.

## Road revival

Another key PND project is the Transport Corridor, which lays out plans for public-private partnerships to construct rail infrastructure and improve road and telecommunications infrastructure. The national road network stood at 11,777 kilometres in 2016, of which 40% was deemed to be in a 'bad' condition.

Renovation and construction of these roads, particularly to hinterland countries, will be key to Togo's logistical ambitions. A \$325m infra-



Rare find: Lomé has west Africa's only natural deep-water port

structure project, which was 70% financed by the African Development Fund, is currently under way to renovate 150 kilometres of roads in Togo and a further 153 kilometres in Burkina Faso. The national highway project, which involves the construction of a road from Lomé to Cinkasse in northern Togo, aims to improve hinterland connection further.

The Togolese government has also unveiled plans for a public-private partnership to improve the rail network. It proposes a main line stretching 760 kilometres from Lomé to Cinkassa's planned dry port, to transport phosphate. "The objective is to put some infrastructure in place all around the country and alongside these highways," says Kanka-Malik Natchaba, the head of Togo's presidential unit for implementing strategic projects.

"We think Togo is on the move. Our PND gives a good platform to all investors who can both make a return and help us develop our country," he adds. ■