TOGO
INVESTMENT CLIMATE STATEMENT
2015
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Executive Summary

Togo is located in West Africa, sharing borders with Ghana, Benin, and Burkina Faso. After years of relative economic underperformance, Togo has recently implemented various reforms to make the country more attractive to foreign investment. Togo’s rankings in the World Bank’s Doing Business report have improved accordingly. In 2015, Togo improved its raw score in seven out of ten indicators, and ranked 149 out of 189 countries, a jump of 15 places from its 2014 ranking. To complement its business reforms, Togo continued in 2014 its ambitious plan of infrastructure modernization to develop and leverage Lomé’s position as a regional trading center and transport hub. Additionally, Togo also completed in 2014 hundreds of kilometers of refurbished roadways, expanded and modernized the Port of Lomé, and made significant progress on a new international airport terminal that should open for business by the fall of 2015. With an improving investment climate and prospects on the infrastructure front, Togo offers opportunities for U.S. firms interested in doing business in Togo and its sub-region.

1. Openness To, and Restrictions Upon, Foreign Investment

Attitude toward Foreign Direct Investment

Togo is recovering from fifteen years of political and economic isolation that began in the early 1990s due to political instability. Togo’s long cycle of economic decline ended in 2007, after the European Union re-established relations with Togo following largely free and fair legislative elections that year. As the political situation has stabilized, international donors and investors such as the World Bank and African Development Bank have returned, and legislative elections in 2013 and presidential elections in 2010 and most recently in 2015 have been recognized by the international community as acceptably free and fair, despite some shortfalls. Foreign investment has continued to increase, signaling rising investor confidence in Togo’s political stability and creditworthiness, and reflecting increasing Chinese engagement in Africa.

Attracting foreign direct investment is a priority for Togo, which continues to seek high-profile fora in which it can promote investment opportunities, particularly in transportation, logistics, agribusiness, and energy and mining. Togo is in the process of privatizing some or all of its finance, mining, and telecommunications sectors, with varying levels of success. Although a steadily improving economic outlook has caused some investors to take a second look at Togo, challenges remain for improving the business climate for the private sector. This is particularly true in such important areas as administrative and judicial transparency and efficacy, property rights, and banking services.

Conscious of its low standing in surveys such as the Doing Business report, which generally provides a neutral assessment of Togo’s place among its global peers, Togo has demonstrated its willingness to enact targeted measures to improve the business climate. In 2015, the World Bank’s Doing Business report ranked Togo at 149 out of 189 countries for ease of doing business. Despite the relatively low ranking, Togo exceeds the Sub-Saharan Africa regional average on indicators, including: such as starting a business, getting electricity, trading across borders, and resolving insolvency. Also, Togo has improved its rank by 15 places from 2014.
In 2012, the Togolese National Assembly adopted the 2012 Investment Code, which meets West African Economic and Monetary Union (WAEMU) standards and prescribes equal treatment for Togolese and foreign businesses and investors; free management and circulation of capital for foreign investors; respect of private property; protection of private investment against expropriation; and investment dispute resolution regulation. The 2012 Investment Code has laid a solid foundation for greater foreign investment going forward.

As a member of WAEMU, Togo participates in zone-wide plans to harmonize and rationalize regulations governing economic activity within the Organization for the Harmonization of Commercial Law in Africa (OHADA), which includes Togo and fifteen other African countries. A common charter on investment is one of the principal goals. Togo directly implements WAEMU and OHADA regulations without requiring internal ratification process by its National Assembly.

Working with the International Monetary Fund (IMF) and the World Bank, Togo has also demonstrated that it can successfully implement commercial and fiscal reforms. In December 2010, Togo reached the completion point for the Heavily Indebted Poor Country (HIPC) Initiative, which resulted in the forgiveness of USD 1.8 billion in debt owed by the Togolese government. The debt relief under HIPC amounted to approximately 82 percent of Togo’s debt owed to international creditors, including Paris Club creditors, the World Bank, and other bilateral and commercial creditors. Since completing HIPC, Togo has shifted its focus to pursuing economic recovery, developing Poverty Reduction Strategy Plans (PRSP), and implementing sound financial management. (Note: The IMF remains engaged with Togo, but no longer has a resident representative in the country.)

Several development programs are underway that should facilitate investment and business development over the next several years. In 2013, the European Union (EU) completed the final year of a six-year, EUR 125 million development program focused on good governance, including judicial and economic reforms, and infrastructure development, that will reduce the cost of transportation. To expand on this program, the EU announced in July 2013 seven-year program that will provide EUR 216 million of additional support from 2014 through 2020, focusing on good governance, strengthened institutions, public infrastructure investments, and urban and rural development.

The Chinese are investing heavily in the development of Togo’s infrastructure, providing grants and concessional loans, equipment, and labor force training. China has been a major financer of the Port of Lomé’s expansion, the building of a new airport terminal in Lomé, and, most recently, a USD 25 million e-government project designed to connect on a single network government offices and public schools in Lomé.

In 2014, U.S. assistance to Togo focused primarily on public health, education, agriculture, and military and security training and assistance. Although Togo remains a very small commercial market, U.S. exports to Togo increased in 2014 to about USD 980 million, making Togo a top African destination for U.S. products last year.
Other Investment Policy Reviews

Togo conducted an investment policy review through the World Trade Organization (WTO) in July 2012. The report can be found at www.wto.org/english/tratop_e/tpr_e/tp366_e.htm.

Laws/Regulations of Foreign Direct Investment

Please see "Attitudes towards Foreign Investment," above.

Industrial Promotion

Please see "Attitudes towards Foreign Investment," above.

Limits on Foreign Control

Please see "Attitudes towards Foreign Investment," above.

Privatization Program

Please see "Attitudes towards Foreign Investment," above.

Screening of FDI

Please see "Attitudes towards Foreign Investment," above.

Competition Law

Please see "Attitudes towards Foreign Investment," above.

Investment Trends

Please see "Attitudes towards Foreign Investment," above.

Table 1

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<th>Website Address</th>
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</table>
**Millennium Challenge Corporation Country Scorecard**

The Millennium Challenge Corporation, a U.S. Government entity charged with delivering development grants to countries that have demonstrated a commitment to reform, produced scorecards for countries with a per capita gross national income (GNI) of USD 4,125 or less. A list of countries/economies with MCC scorecards and links to those scorecards is available here: http://www.mcc.gov/pages/selection/scorecards. Details on each of the MCC’s indicators and a guide to reading the scorecards are available here: http://www.mcc.gov/pages/docs/doc/report-guide-to-the-indicators-and-the-selection-process-fy-2015.

2. **Conversion and Transfer Policies**

**Foreign Exchange**

Togo uses the CFA franc (FCFA), which is the common currency of most Francophone countries in West Africa. The currency is fixed to the Euro at a rate of FCFA 656 to EUR 1, and the exchange system is free of restrictions for payments and transfers for international transactions. Togo’s 2012 Investment Code provides for the free transfer of revenues derived from investments, including the liquidation of investments, by non-residents. There are no restrictions on the transfer of funds to other FCFA-zone countries or to France. The transfer of more than FCFA 500,000 (about USD 1,000) outside the FCFA-zone requires Ministry of Finance and Economy approval, which is routinely granted for foreign companies and individuals. However, delays in the approval process are common despite the law’s stipulation that the process should be completed in two days. Some American investors in Togo have reported long delays of 30-40 days in transferring funds from U.S. banks to banks located in Togo. This is reportedly because banks in Togo have limited contacts with U.S. banks to facilitate funds transfers.

Togolese companies and citizens who reside in Togo are not generally allowed to hold bank accounts outside of the FCFA zone. Togo continues to examine the possibility of removing remaining restrictions on capital transfers so that it will be in compliance with WAEMU and Economic Community of West African States (ECOWAS) harmonization requirements. Financial transactions within the FCFA zone can be more complicated than might be expected due to country-specific administrative obstacles to inter-country banking activities.

Togo’s porous borders, susceptibility to corruption, and large informal sector make it vulnerable to drug and wildlife trafficking transshipments and small-scale money laundering. Most narcotics passing through Togo are destined for European markets, whereas Asia is the primary wildlife trafficking destination. The country’s small financial infrastructure, dominated by regional and pan-African banks, makes it a relatively unattractive venue for money laundering through financial institutions.

Togo is a member of the Inter-Governmental Action Group against Money Laundering in West Africa, a Financial Action Task Force-style regional body. Its most recent mutual evaluation can be found here: http://www.giaba.org/reports/mutual-evaluation/Togo.html.

Togo is implementing a national plan to fight drug trafficking, wildlife trafficking, and money laundering, and has received increasing support for its efforts from foreign donors. Togo’s
financial intelligence unit, the National Financial Information Processing Center (CENTIF), acts as the chief administrator of the country’s anti-money laundering and counterterrorism financing laws. CENTIF analyzes suspicious transaction reports and reports of attempts to transport across borders money in excess of the amounts allowed by law.

Remittance Policies

Please see "Foreign Exchange," above.

3. Expropriation and Compensation

There have been only two major expropriations of property in Togo’s recent history. The first was the February 1974 nationalization of formerly French-owned phosphate mines. The second was the November 2014 nationalization of the Hôtel du 2 Février (The Hotel of February Second) which was ironically named for the date that former President Eyadema nationalized the phosphate mines. Shortly after the nationalization of the hotel, Togo announced that it was establishing a commission to determine the amount owed as compensation to the hotel’s Libyan owners and investors. Togo's 2012 Investment Code is designed to protect against government expropriations, and aside from the Hôtel du 2 Février example, there is limited evidence to suggest a trend towards expropriation or creeping expropriation.

4. Dispute Settlement

Legal System, Specialized Courts, Judicial Independence, Judgments of Foreign Courts

In 2015, the World Bank’s Doing Business report ranked Togo at 134 out of 189 countries on the “Enforcing Contracts” indicator, just below the sub-Saharan Africa regional average. Togo has implemented certain reforms to accelerate the resolution of business disputes and enhance confidence in the enforceability of contracts. In November 2011, Togo created the Court of Arbitration and Mediation, which offers companies a forum to more rapidly resolve their disputes through agreed mechanisms for alternative dispute resolution. Additionally, Togo adopted legislation in 2013 that created a new forum for enforcing contracts and resolving business disputes and designated three dedicated commercial chambers whose specialized magistrates have exclusive trial court-level jurisdiction over contract enforcement and business disputes. There are no current bilateral trade policy disputes between Togo and the United States.

Bankruptcy

In 2015, the World Bank’s Doing Business report ranked Togo at 93 out of 189 countries for the “Resolving Insolvency” indicator, well above the sub-Saharan Africa regional average. According to Doing Business data, insolvency proceedings take an average of three years and cost approximately 15 percent of the debtor’s estate, with the most likely outcome being that the company will be sold as piecemeal sale. The average recovery rate is 27.9 cents on the dollar.
Investment Disputes

Togo's 2012 Investment Code allows the resolution of investment disputes involving foreigners through (a) bilateral agreements between Togo and the investor's government; (b) arbitration procedures agreed to between the interested parties; or (c) the offices of the Convention on the Settlement of Investment Disputes between States and Nationals of Other States. As noted in section 1, Togo is also a member of OHADA, which provides a forum and process for resolving legal disputes in 16 African countries.

International Arbitration

Togo accepts international arbitration of investment disputes, although it is not a party to the New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards. However, Togo is a member of the International Center for Settlement of Investment Disputes (ICSID), the convention of which it ratified in 1967.

ICSID Convention and New York Convention

See above

Duration of Dispute Resolution

Enforcement of contracts can be slow and expensive because of Togo’s overburdened and inefficient legal system. With assistance from the European Union, Togo continues to implement a justice modernization project to improve transparency and efficiency. Lack of transparency and predictability of the judiciary is an obstacle to enforcing property and judgment rights, and similar difficulties apply to administrative procedures. Despite the overall lack of transparency and predictability, some disputes are litigated more quickly than in the United States.

5. Performance Requirements and Investment Incentives

WTO/TRIMS

Not applicable.

Investment Incentives

Not applicable.

Research and Development

Not applicable.

Performance Requirements

Togo has a competition law that limits price controls and profit margin regulations. Despite the law, the Ministry of Commerce and Ministry of Finance and Economy set the price for products
such as gasoline, electricity, and water. Private competition in telecommunications was introduced in 1999, allowing better market-oriented pricing in that area.

The steps for receiving residence permits are well-defined, but, in practice, foreigners seeking to legalize their status for long-term work and residence purposes have encountered significant administrative obstacles and delays. Issuance of such permits is the responsibility of the national police.

**Data Storage**

Not applicable.

6. **Right to Private Ownership and Establishment**

Both foreign and domestic private entities may establish and own business enterprises and engage in most forms of remunerative activity. Although the government of Togolese government says that it respects the right of private property ownership, only Togolese citizens, French citizens, foreign governments, and those granted citizenship by the judiciary are allowed to possess real property in Togo without first requesting the permission of the Prime Minister.

Togo has significantly reduced the costs and procedures required to establish a business in recent years. In 2013, Togo established a one-stop center for starting new businesses. In 2014, Togo made starting a business even easier by enabling the one-stop shop to publish notices of incorporation, as well as eliminating the requirement to obtain an economic operator card. In 2015, the World Bank’s Doing Business report ranked Togo at 134 out of 189 countries – a jump of 45 places – for its “Ease of Starting a Business” indicator.

Togo has enacted similar reforms vis-à-vis the process for obtaining construction permits. First, Togo removed a cumbersome and costly bureaucratic hurdle by eliminating the requirement of providing a certificate of registration from the National Association of Architects as a condition precedent to receiving a construction permit. Second, Togo has streamlined the entire procedure by establishing one-stop windows where applicants may drop off their applications and retrieve their permits, thus eliminating the need to visit multiple administrative offices to process paperwork. Despite these efforts, the World Bank’s 2015 Doing Business report ranked Togo at 170 out of 189 countries, well below the Sub-Saharan Africa regional average.

7. **Protection of Property Rights**

**Real Property**

Enforcement of real property rights is frequently contentious in Togo, as inheritance laws are a poorly-defined mixture of civil code and traditional laws, resulting in inheritances that are frequently challenged. Property disputes are further complicated by judicial opacity, which may favor national over foreign entities.
Intellectual Property Rights

Togo is a member of the World Intellectual Property Organization and the Cameroon-based African Intellectual Property Organization. The sale of pirated intellectual property is illegal in Togo, but, prosecutions of alleged offenders are quite rare. However, Togo has occasionally demonstrated both the will and ability to crack down on counterfeit medical products and other goods. Togo is not listed in the U.S. Trade Representative’s Special 301 report.

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO’s country profiles at http://www.wipo.int/directory/en.

Resources for Rights Holders

Contact at Post:

David T. Newton
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U.S. Embassy - Lomé
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B.P. 852, Lomé, Togo
Telephone: +228 2261 5470, x4466
Email: TogoCommercial@State.gov

Country/Economy resources: For Post’s current list of local lawyers, please see http://togo.usembassy.gov/legal_assistance2.html.

8. Transparency of the Regulatory System

While membership in OHADA has reduced judicial uncertainty in Togo, lack of judicial and bureaucratic capacity and the corresponding dearth of regulatory transparency can be significant obstacles to business development. Togo, with assistance from its development partners, has been working to overhaul its legal and regulatory framework in order to address these shortcomings. For example, in December 2012, following a model successfully implemented in other African countries, the Togolese National Assembly passed legislation to combine the Tax General Directorate (DGI) and the Customs General Directorate (DGD) into a single institution, the Togolese Revenue Authority (OTR). The OTR is intended to streamline the revenue collection system, reduce administrative costs, and increase revenues through improved efficiency. The OTR also is designed to broaden the tax base and bring parts of the country’s informal economy into the tax system. The IMF supports the establishment of the OTR, which became functional in early 2014, and has agreed to provide technical assistance to Togo in conjunction with its implementation.

Additionally, Togo continues to make progress with its plans to rationalize the tax system and its administration, bringing about both simplification and revenue enhancement. The value-added tax has been unified at 18 percent (as opposed to the previous two-rate structure of 7 percent and 18 percent). Togo’s published corporate tax rate is 29 percent or one percent of turnover.
minimum tax. According to the World Bank, the effective corporate tax rate is now 9.96 percent.

Hoping to replicate the success of the one-stop business formation center, Togo established in 2014 a similar center for customs procedures. The new one-stop customs center appears to have improved and streamlined import and export procedures and allowed for greater transparency. While a formal evaluation is not available, the IMF and private operators have stated that the new customs processes at the port and borders compare favorably to those in other West African nations.

Togo is a member of the UN Conference on Trade and Development’s international network of transparent investment procedures: http://togo.eregulations.org/. Foreign and domestic investors can find detailed information on administrative procedures applicable to investment and income-generating operations, including the number of steps, name and contact details of the entities and persons in charge of procedures, required documents and conditions, costs, processing time, and legal bases justifying the procedures.

9. Efficient Capital Markets and Portfolio Investment

The government and the banking sector have worked to restore Togo’s reputation as a regional banking center, which was weakened by political upheavals from 1991 to 2005. Several regional and sub-regional banks now operate in Togo, including Orabank, Banque Atlantique (Atlantic Bank), Bank of Africa, and Coris Bank. Additionally, Togo is home to the headquarters of the ECOWAS Development Bank, the West African Development Bank (BOAD), and Ecobank Transnational, Inc. (ETI), the largest independent regional banking group in West Africa and Central Africa, with operations in 36 countries in Sub-Saharan Africa.

Togo relies on the WAEMU Regional Stock Exchange in Abidjan, Cote D'Ivoire, to trade equities for Togolese public companies. Togo and the other WAEMU member countries are working toward greater regional integration with unified external tariffs. WAEMU has established a common accounting system, periodic reviews of member countries' macroeconomic policies based on convergence criteria, a regional stock exchange, and the legal and regulatory framework for a regional banking system. Togo's monetary policy is managed by the Central Bank of West African States (BCEAO).

Money and Banking System, Hostile Takeovers

Please see above.

10. Competition from State-Owned Enterprises

State-owned enterprises control or compete in the cotton, telecommunications, banking, utilities, phosphate, and grain-purchasing markets. Togo has recently privatized the cement and clinker sectors and intends to move in the same direction with the carbonated phosphate sector in the near future. Togo is working to modernize the mining code and is reportedly investigating the possibility of awarding a massive carbonated phosphate contract to a private consortium, thus
potentially divesting itself of a significant interest in a sector it presently monopolizes via the state-owned New Phosphate Company of Togo (SNPT).

Domestically-produced cotton is bought and sold by the state-controlled (60 percent government-owned) New Cotton Company of Togo (SNCT), which was organized in 2009 following the bankruptcy and dissolution of the 100 percent state-owned Togolese Cotton Company (SOTOCO). Togo’s cotton production fell dramatically—from 325,000 bales in 2003 to 60,000 in 2009—following the failure of SOTOCO. Cotton production has rebounded under the NSCT, reaching 200,000 bales in 2012, 150,000 bales in 2013, and 175,000 bales in 2014. Togo is reportedly investigating the possibility of privatizing the SNCT.

In September 2012, Togo sold the formerly state-owned Togolese Development Bank to Orabank Group. Likewise, in March 2013, Togo sold the formerly state-owned Banque Internationale pour l’Afrique au Togo (International Bank for Africa in Togo) to the Attijariwafa Bank Group of Morocco. Following these sales, Union Togolaise de Banque (Togolese Union Bank, or UTB) and Banque Togolaise pour le Commerce et l’Industrie (Togolese Bank for Trade and Industry, or BTCI) are now the only two state-owned banks, and Togo is working in consultation with the IMF to privatize them as part of HIPC. Togo’s first call for tenders for these two banks, completed in 2011, was unsuccessful, and Togolese authorities are preparing to issue a new call for tenders. These state-owned banks continue to hold weak loan portfolios characterized by high exposure to the government (about one-third of total bank credit), as well as the cotton and phosphate industries.

In the telecommunications sector, the state-owned entities Togo Telecom and TogoCel compete with a private cell phone company, Moov Togo, which is owned and controlled by Atlantique Telecom, a subsidiary of Emirates Telecommunications Corporation (Etisalat). Private company CAFÉ Informatique also offers satellite-based internet access and other services, mainly to the business sector. The Ministry of the Digital Economy, which oversees the two state-owned telecommunications firms, recently announced plans for an overhaul of Togo Telecom.

Public utilities such as the Post Office, Lomé Port Authority, Togo Water, and the Togolese Electric Energy Company (CEET) hold monopolies in their sectors. The Port of Lomé is Togo’s major source of revenue, and inaugurated in 2014 two major expansion projects in 2014 financed by Bolloré and Mediterranean Shipping Company’s affiliate, Lomé Container Terminal, respectively. The two port projects should increase Togo’s container-handling capacity from approximately 400,000 containers per year to 2.2 million containers per year, potentially making the Port of Lomé the highest-capacity seaport in Sub-Saharan Africa.

The National Agency for Food Security (ANSAT) is a government agency that purchases cereals on the market during the harvest for storage. When cereal prices increase during the dry season, it is ANSAT’s task to release cereals into the markets to maintain affordable cereal prices. When supplies permit, ANSAT also sells cereals to international markets, including Ghana, Niger, and Gabon.

**OECD Guidelines on Corporate Governance of SOEs**

Not applicable.
Sovereign Wealth Funds

Not applicable.

11. Corporate Social Responsibility

Corporate social responsibility is not generally addressed in Togo, other than as it relates to corruption and criminal activity. The awareness of corporate social responsibility is starting to improve with Togo’s administrative reforms. In accordance with a law passed in March 2011, new construction projects must now address environmental and social impacts.

The American-owned ContourGlobal Togo follows standard U.S. corporate social responsibility practices, including outreach programs to local villages where it supplies including: water, electricity, and flood abatement resources, among other things. Additionally, American-owned skin care products manufacturer Alaffia conducts community outreach activities throughout Togo, such as maternal health programs and donating bikes to school children.

OECD Guidelines for Multinational Enterprises

Not applicable.

12. Political Violence

The last major episodes of political violence occurred around the 2005 presidential elections. Since then the political environment has stabilized, and Togo has experienced largely peaceful elections in 2007, 2010, and 2013. The next presidential election is scheduled to take place in April 2016. Despite a contentious political dynamic, the run-up to the 2016 presidential election has been peaceful.

Like many African countries, political parties, students, and unions organize periodic protests that are usually peaceful, but have rarely resulted in damage to government buildings and cars. Americans are not specific targets of violence.

13. Corruption

In 2011, Togo effectively implemented procurement reforms to increase transparency and reduce corruption. New government procurements are now announced in a weekly government publication. Once contracts are awarded, all bids and the winner are published in the weekly government procurement publication. Other measurable steps toward controlling corruption include joining the Extractive Industries Transparency Initiative (EITI) and establishing public finance control structures and a National Financial Information Processing Unit. Additionally, Togo has established three important institutions in the past two years designed in part to reduce corruption by eliminating opportunities for bribery and fraud: the Togolese Revenue Authority, the one-stop shop to create new businesses, and the single window for import/export formalities.

In spite of these efforts, corruption remains a common problem in Togo, especially for businesses. Often, bribes result in shorter delays for obtaining registrations, permits, and
licenses, thus resulting in a competitive advantage for companies that are willing and able to engage in such practices. Although Togo has government bodies charged with combating corruption (e.g., the police, gendarmes, courts, and a National Commission for the Fight against Corruption and Economic Sabotage), corruption-related charges are rarely brought or prosecuted, and cases appear to involve only minor Togolese officials who have in some way lost official favor.

*UN Anticorruption Convention, OECD Convention on Combating Bribery*

Togo signed the UN Anticorruption Convention in 2003 and ratified it on July 6, 2005.

*Resources to Report Corruption*

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**14. Bilateral Investment Agreements**

The United States and Togo signed the U.S. – Togo Treaty of Amity and Economic Relations in 1966, which entered into force in 1967. This Treaty provides for protections of U.S. and Togolese investors. On April 7, 2015, Togo and the United States signed an Open Skies Agreement, liberalizing civil aviation relations between the United States and Togo, and providing the bilateral basis for code-share services, open routes, liberal charter rules, and expanded rights vis-à-vis air cargo.

Togo has signed many economic, commercial, cooperation, and cultural agreements with its foreign aid donor countries, including Belgium, Canada, France, Germany, Japan, the Netherlands, and Switzerland, and more recently with China, India, Iran, and Saudi Arabia.

**Bilateral Taxation Treaties**

Togo does not have a bilateral taxation treaty with the United States.
15. OPIC and Other Investment Insurance Programs

OPIC provides political risk insurance and financing for ContourGlobal’s 100-megawatt electrical power plant in Togo, which began operation in the fall of 2010. OPIC also provides insurance for the West African Gas Pipeline Company Limited through the Steadfast Insurance Company. The French government agency Compagnie Française d'Assurance pour le Commerce Extérieur (French Insurance Company for Foreign Trade, or COFACE) provides investment insurance in Togo under programs similar to those offered by OPIC. Investment insurance through the Multilateral Investment Guarantee Agency (MIGA) may also be available in some cases.

16. Labor

The Ministry of Labor, Employment, and Social Security sets workplace health and safety standards and is responsible for enforcement of all labor laws. In December 2006, Togo adopted a revised labor code that provides for improved treatment of workers. The code also forbids the worst forms of child labor and prohibits discrimination against women, disabled persons, and those with HIV/AIDS. A Child Code was passed in July 2007 which further protects the rights of children. In 2011, Togo instituted health insurance for public workers and is willing to extend it to all workers, including farmers, within the coming months or years.

Togo law provides workers, except security forces (including firefighters and police), the right to form and join unions and bargain collectively. Supporting regulations exist that allow workers to form and join unions of their choosing. Workers have the right to strike, although striking healthcare workers may be ordered back to work as necessary for the security and well-being of the population. While no provisions in the law protect strikers against employer retaliation, the law requires employers to get a judgment from the labor inspectorate before it may fire workers. If workers are fired illegally, including for union activity, they must be reinstated and compensated for lost salary. The law creating the Export Processing Zone (EPZ) exempts companies within the EPZ from providing workers with many legal protections, including protection against anti-union discrimination with regard to hiring and firing.

The law recognizes the right to collective bargaining; representatives of the government, labor unions, and employers negotiate and endorse a nationwide agreement that sets nationwide wage standards for all formal sector workers. For sectors where the government is not an employer, the government participates in this process as a labor-management mediator. For sectors with a large government presence, including state-owned companies, the government acts solely as an employer and does not mediate.

Following a period of vigorous organized labor activity in the early 1990s, labor union activity has been relatively muted. Recent examples of union activity include actual or threatened strikes by Togo Telecom employees in October 2012, public workers generally in January 2013, and public school teachers and electric company workers in the months preceding the 2015 presidential election.

The agribusiness sector is the largest employer in Togo. Generally, unemployment and underemployment are high, and young Togolese trying to enter the formal sector have difficulty
finding work. The adult literacy rate is about 60 percent. Most Togolese speak French (the official language). Few people speak fluent English, though many have a rudimentary knowledge.

Togo has an increasing pool of qualified university graduates, many of whom cannot find employment in their field, and a sizeable population of unskilled workers. There are shortages of workers with intermediate technical skills and practical experience. To help bridge this gap, Togo has established programs such as the Programme de Promotion du Volontariat National au Togo (Promotion Programme of the National Volunteer in Togo, or PROVONAT), which arranges volunteer opportunities for young people in order to provide them with their first professional experiences, thus facilitating their later integration into the labor market.

Nonetheless, child labor remains widespread. Approximately 35 percent of children in Togo are engaged in child labor, including in agriculture (70 percent) and in the worst forms of child labor in domestic service.

The minimum wage is FCFA 35,000 per month (approximately USD 70) for unskilled laborers. Non-wage costs (e.g., social security and medical costs) run about an additional 40 percent on top of wages. Togo was unique among the FCFA countries in not introducing a general wage increase after the FCFA devaluation in 1994, thus keeping labor costs comparatively low.

17. Foreign Trade Zones/Free Ports/Trade Facilitation

Togo’s deep-water port serves as a customs-free transshipment facility for goods passing through the Port of Lomé to other ECOWAS countries. The Port is an instrument of regional integration and trade development for Togo and neighboring countries, especially Sahelian nations such as Burkina Faso, Mali, and Niger.

In 1989, the Togolese government approved a free-trade zone, locally known as La Société d’Administration des Zones Franches (The Directors’ Society of Free Zones, or SAZOF). Advantages of the free-trade zone include a less restrictive labor code and the authorization to hold foreign currency-denominated accounts. The law requires free-trade zone firms to employ Togolese on a priority basis, and after five years foreign workers cannot account for more than 20 percent of the total workforce or of any professional category. Free-trade zone firms may, with government permission, sell up to 20 percent of their production in Togo. Not all enterprises are located in the zone itself; some are authorized to operate outside the physical zone, but under the same legal regime and free-trade zone status.

As of December 2013, approximately 65 firms were operating in the EPZ in the services and manufacturing sectors, with more than 13,000 employees and more than FCFA 250 billion (USD 500 million) of commercial activity. Togolese authorities forecast sustained growth over the next three years, expanding to 80 firms and 15,000 direct-hire employees by the end of 2015.
## 18. Foreign Direct Investment and Foreign Portfolio Investment Statistics

*Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy*

<table>
<thead>
<tr>
<th>Economic Data</th>
<th>Host Country Statistical source*</th>
<th>USG or international statistical source</th>
<th>USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Host Country</strong>&lt;br&gt;Gross Domestic Product (GDP)&lt;br&gt;($M USD)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year</td>
<td>Amount</td>
<td>Year</td>
<td>Amount</td>
</tr>
<tr>
<td><strong>Foreign Direct Investment</strong></td>
<td>Host Country Statistical source*</td>
<td>USG or international statistical source</td>
<td>USG or International Source of data: BEA; IMF; Eurostat; UNCTAD, Other</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>U.S. FDI in partner country</strong>&lt;br&gt;($M USD, stock positions)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year</td>
<td>Amount</td>
<td>Year</td>
<td>Amount</td>
</tr>
<tr>
<td>2013</td>
<td>N/A</td>
<td>2013</td>
<td>0</td>
</tr>
<tr>
<td><strong>Host country’s FDI in the United States</strong>&lt;br&gt;($M USD, stock positions)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year</td>
<td>Amount</td>
<td>Year</td>
<td>Amount</td>
</tr>
<tr>
<td><strong>Total inbound stock of FDI as % host GDP</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year</td>
<td>Amount</td>
<td>Year</td>
<td>Amount</td>
</tr>
<tr>
<td>2013</td>
<td>N/A</td>
<td>2013</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Ministry of Planning
Table 3: Sources and Destination of FDI

Companies from more than a dozen countries (including China, France, Germany, India, Italy, Lebanon, and the United States) invest in Togo. According to the World Bank, net Foreign Direct Investment (FDI) in-flows appear to be levelling off after a two-year period beginning in 2009 that saw FDI net in-flows increase from about USD 46 million in 2009 to USD 171 million in 2011. In 2013, Togo received about USD 84 million in FDI net in-flows.

Direct Investment from/in Counterpart Economy Data

From Top Five Sources/To Top Five Destinations (US Dollars, Millions)

<table>
<thead>
<tr>
<th>Inward Direct Investment</th>
<th>Outward Direct Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Inward</td>
<td>458</td>
</tr>
<tr>
<td>Cote d'Ivoire</td>
<td>75</td>
</tr>
<tr>
<td>Gibraltar</td>
<td>64</td>
</tr>
<tr>
<td>Benin</td>
<td>52</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>51</td>
</tr>
<tr>
<td>United States</td>
<td>33</td>
</tr>
</tbody>
</table>

"0" reflects amounts rounded to +/- USD 500,000.

Source: IMF Coordinated Direct Investment Survey

Table 4: Sources of Portfolio Investment

IMF Coordinated Portfolio Investment Survey (CPIS) data are not available for Togo.

19. Contact for More Information

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