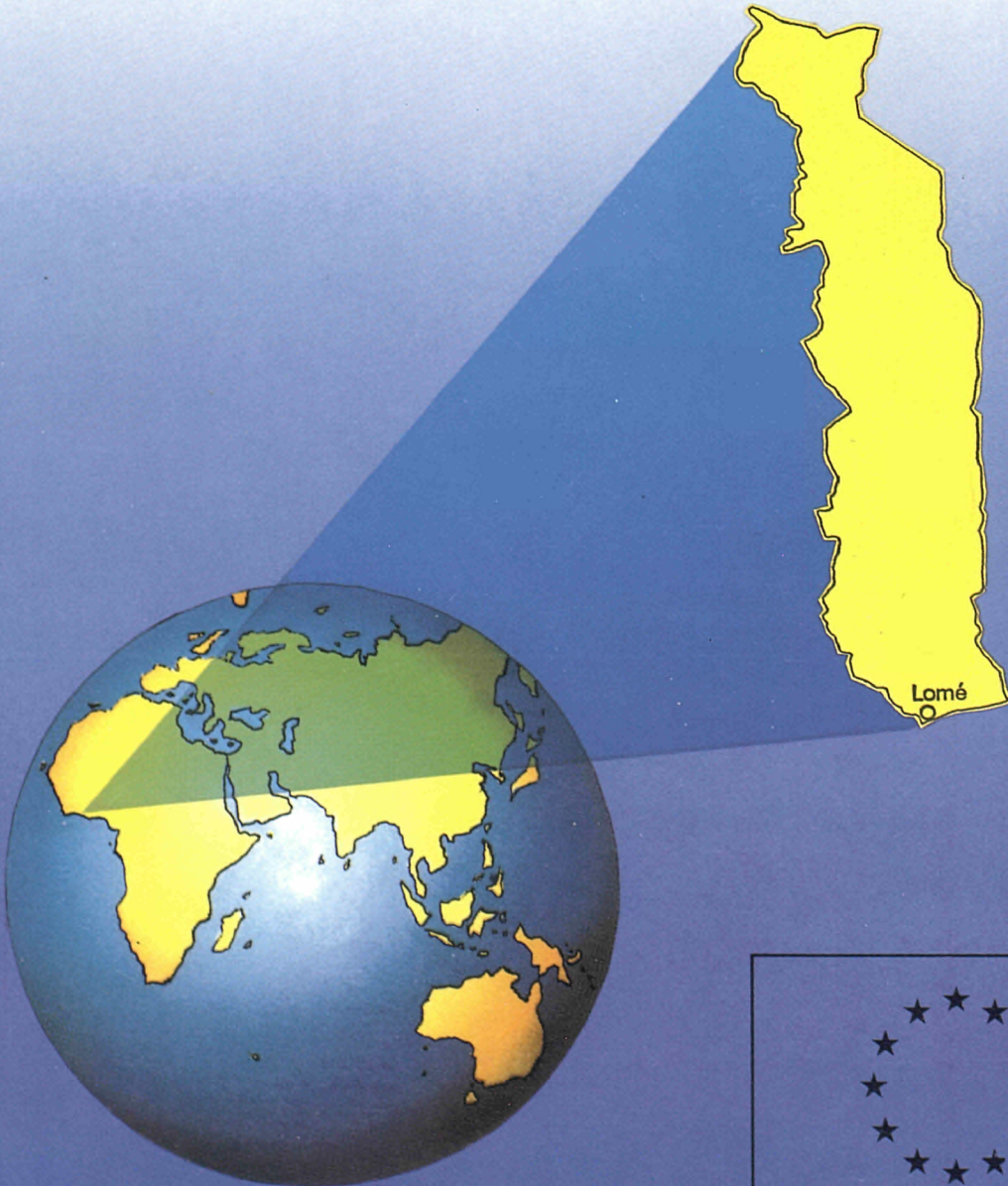


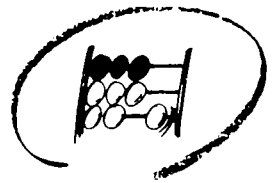
Country profile

Togo 1991



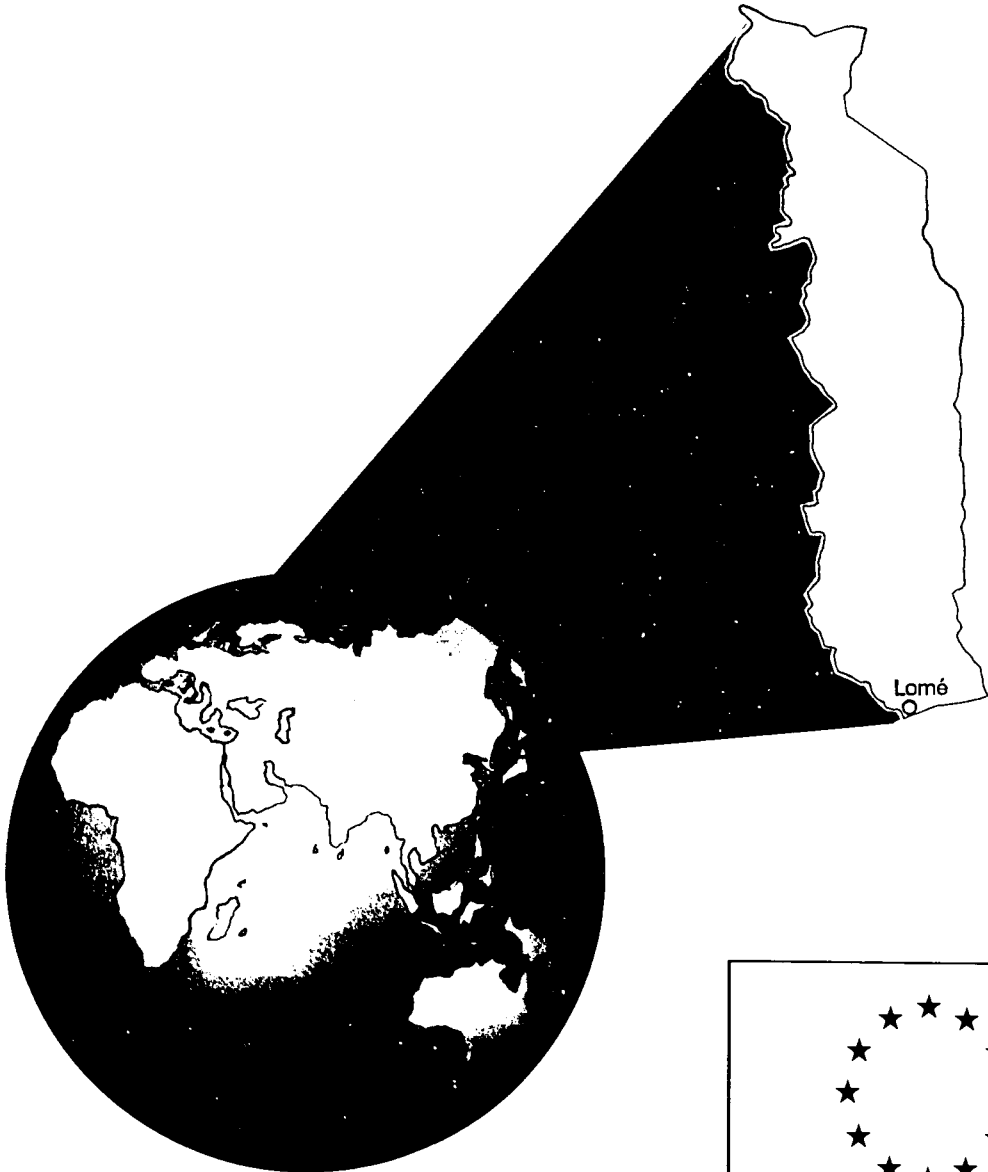


Country profile



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Togo 1991



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EXPLANATION OF SYMBOLS

- 0 = Less than half of 1 at the last occupied digit,
but more than nil
- = Magnitude zero
- | = General break in the series affecting comparison
over time
- . = Figure unknown
- x = Available information is not meaningful

GENERAL ABBREVIATIONS*)

<p>g = gram</p> <p>kg = kilogram</p> <p>dt = quintal (100 kg)</p> <p>t = ton (1 000 kg)</p> <p>mm = millimetre</p> <p>cm = centimetre</p> <p>m = metre</p> <p>km = kilometre</p> <p>m² = square metre</p> <p>ha = hectare (10 000 m²)</p> <p>km² = square kilometre</p> <p>l = litre</p> <p>hl = hectolitre (100 l)</p> <p>m³ = cubic metre</p> <p>tkm = tonkilometre</p> <p>GRT = gross registered ton</p> <p>NRT = net registered ton</p> <p>tdw = tons deadweight (t = 1 016.05 kg)</p> <p>CFA fr. = CFA franc</p> <p>US\$ = US dollar</p> <p>ECU = european currency unit¹⁾</p> <p>SDR = special drawing rights</p>	<p>h = hour</p> <p>kW = kilowatt (10³ watt)</p> <p>kWh = kilowatt hour</p> <p>MW = megawatt (10⁶ watt)</p> <p>GW = gigawatt (10⁹ watt)</p> <p>MWh = megawatt hour</p> <p>GWh = gigawatt hour</p> <p>p. = piece</p> <p>P = pair</p> <p>Mill. = million</p> <p>bn. = billion</p> <p>BY = beginning of year</p> <p>MY = mid-year</p> <p>YE = yearend</p> <p>YA = year average</p> <p>Qrt = quarter</p> <p>HY = half-year</p> <p>A = average</p> <p>MA = monthly average</p> <p>cif = Cost, insurance, freight included</p> <p>fob = free on board</p>
--	---

SELECTED INTERNATIONAL WEIGHTS AND MEASURES

1 inch (in) = 2.540 cm	1 imperial gallon (imp. gal.) = 4.546 l
1 foot (ft) = 0.305 m	1 barrel (bl.) = 158.983 l
1 yard (yd) = 0.914 m	1 ounce (oz) = 28.350 g
1 mile (mi) = 1.609 km	1 troy ounce (troy oz) = 31.103 g
1 acre (ac) = 4 047 m ²	1 pound (lb) = 453.592 g
1 cubic foot (ft ³) = 28.317 dm ³	1 short ton (sh t) = 0.907 t
1 gallon (gal.) = 3.785 l	1 long ton (l t) = 1.016 t

*) Special abbreviations are to be found in the respective sections. With only few exceptions, provisional, revised and estimated figures are not marked as such. Individual entries may not add up to total because of rounding.

1) See also page 6 (The ECU and Official Exchange Rates of Important Currencies).

THE ECU AND OFFICIAL EXCHANGE RATES
OF IMPORTANT CURRENCIES *)

Exchange rates for 1 ECU

Year	CFA-Franc	bfr/ lfr	dkr	DM	FF	Dr	IrE	Lit	hfl	Esc	Pta	£	US-\$	SDR
1980	293.4480	40.5980	7.82736	2.52421	5.86896	59.4178	0.675997	1 189.21	2.76027	69.5522	99.7017	0.598488	1.39233	1.06447
1981	301.9965	41.2947	7.92256	2.51390	6.03993	61.6230	0.691021	1 263.18	2.77511	68.4948	102.676	0.553111	1.11645	0.94548
1982	321.5585	44.7116	8.15687	2.37599	6.43117	65.3419	0.689605	1 323.78	2.61391	78.0066	107.558	0.560455	0.97971	0.88448
1983	338.5390	45.4380	8.13189	2.27053	6.77078	78.0884	0.714956	1 349.92	2.53720	98.6886	127.503	0.587014	0.89022	0.83253
1984	343.5830	45.4421	8.14648	2.23811	6.87166	88.4154	0.725942	1 381.38	2.52335	115.680	126.569	0.590626	0.78903	0.76777
1985	339.7515	44.9137	8.01877	2.22632	6.79503	105.739	0.715168	1 447.99	2.51101	130.252	129.135	0.588977	0.76309	0.74904
1986	339.9880	43.7979	7.93565	2.12819	6.79976	137.425	0.733526	1 461.88	2.40090	147.088	137.456	0.671543	0.98417	0.83756
1987	346.4550	43.0410	7.88472	2.07153	6.92910	156.268	0.775448	1 494.91	2.33418	162.616	142.165	0.704571	1.15444	0.89214
1988	351.8220	43.4285	7.95152	2.07440	7.03644	167.576	0.775672	1 537.33	2.33479	170.059	137.601	0.664434	1.18248	0.87988
1989	351.1935	43.3806	8.04929	2.07015	7.02387	178.840	0.776818	1 510.47	2.33526	173.413	130.406	0.673302	1.10175	0.85956
1990 ¹⁾	345.5475	42.4466	7.84132	2.04823	6.91095	197.282	0.767302	1 510.29	2.30674	180.575	129.491	0.724338	1.22087	0.93036
July 1990	346.8820	42.5737	7.87182	2.06814	6.93764	202.535	0.771197	1 515.26	2.33019	181.655	126.813	0.698131	1.26158	0.90702
1990 ²⁾	345.5870	42.4482	7.85703	2.05077	6.91174	198.273	0.768132	1 516.81	2.31080	181.050	129.352	0.718265	1.24288	.
Oct. 1990	344.6270	42.4108	7.86680	2.05889	6.89254	202.776	0.767103	1 541.28	2.32151	183.201	129.009	0.701785	1.31374	.

*) Annual averages of the daily rates.

1) January to July average. - 2) January to October average.

Sources: 1980 - July 1990 : Commission of the European Communities.

Jan. - Oct. 1990 : Commission of the European Communities, Dep. IX.

The conversions in the report from US-\$ into ECU were done by using the rates of exchange published by the Commission of the European Communities.

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FOREWORD

Between 1975 and 1990, four conventions between the European Community and the African, Caribbean and Pacific countries (commonly called the ACP countries) were concluded in Lomé, the capital of Togo. The Lomé Conventions form the cornerstone of the economic relations and cooperation on development between these two groups of countries.

The Statistical Office of the European Communities (Eurostat) in Luxembourg and the German Federal Statistical Office (StBA) in Wiesbaden are attempting to meet the increasing demand for statistics which results from the importance of these ACP/EEC links. The European version of the 1991 Country Profile on Togo is thus the first of a joint series published by StBA-Eurostat on the ACP countries which will appear in English, French and German.

This European dimension will also put the international public better in touch with the publications programme of the Federal Statistical Office, which currently covers 150 countries.

Whereas traditional reports analyse the economic relations between the country concerned and the FRG, the European version includes chapters on foreign trade, public development aid, foreign investment and debt from a Community angle. This European aspect will show the reader or potential investor the possibilities for economic development in the country. It thus provides economists in the industrialized countries with guidelines for their investments in the ACP countries.

Wiesbaden, in June 1991

Luxembourg, in June 1991

**The President of the
Federal Statistical Office**

**The General Director of the
Statistical Office of the European Communities**

Egon Hölder

Yves Franchet

GENERAL PREFACE

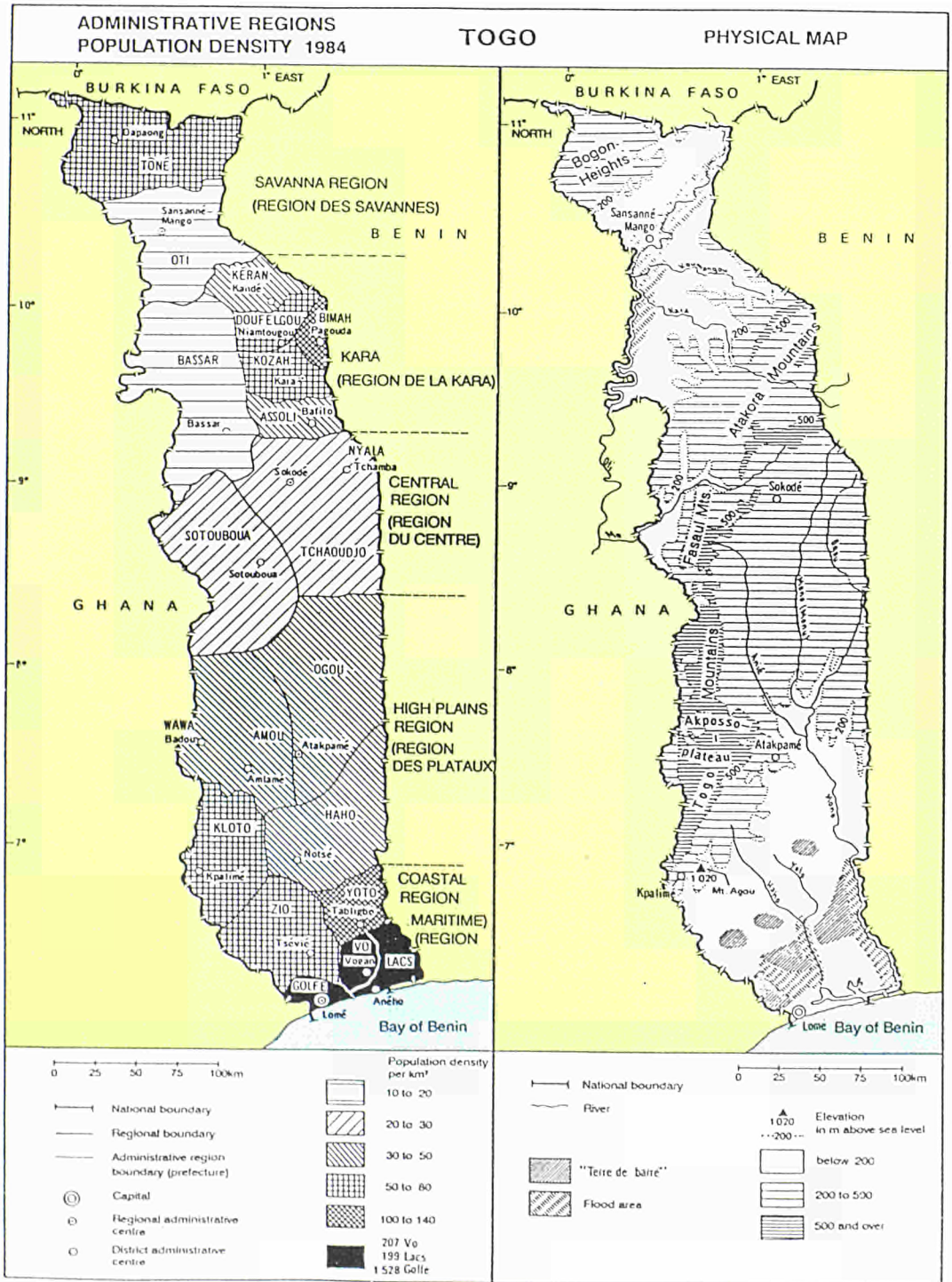
In the 1970s and early 1980s, Togo underwent a difficult phase in its economic development, with a serious structural crisis caused by the downturn in the world economy and over-rapid industrialization. Since the mid-1980s, however, there has been a gradual recovery. Although, like many African countries, Togo suffers the effects of recurrent price fluctuations on the world market for its main export products - phosphate, coffee, cocoa and cotton - it is becoming increasingly important both for the European Community as a trading partner and for neighbouring countries because of its merchanting trade.

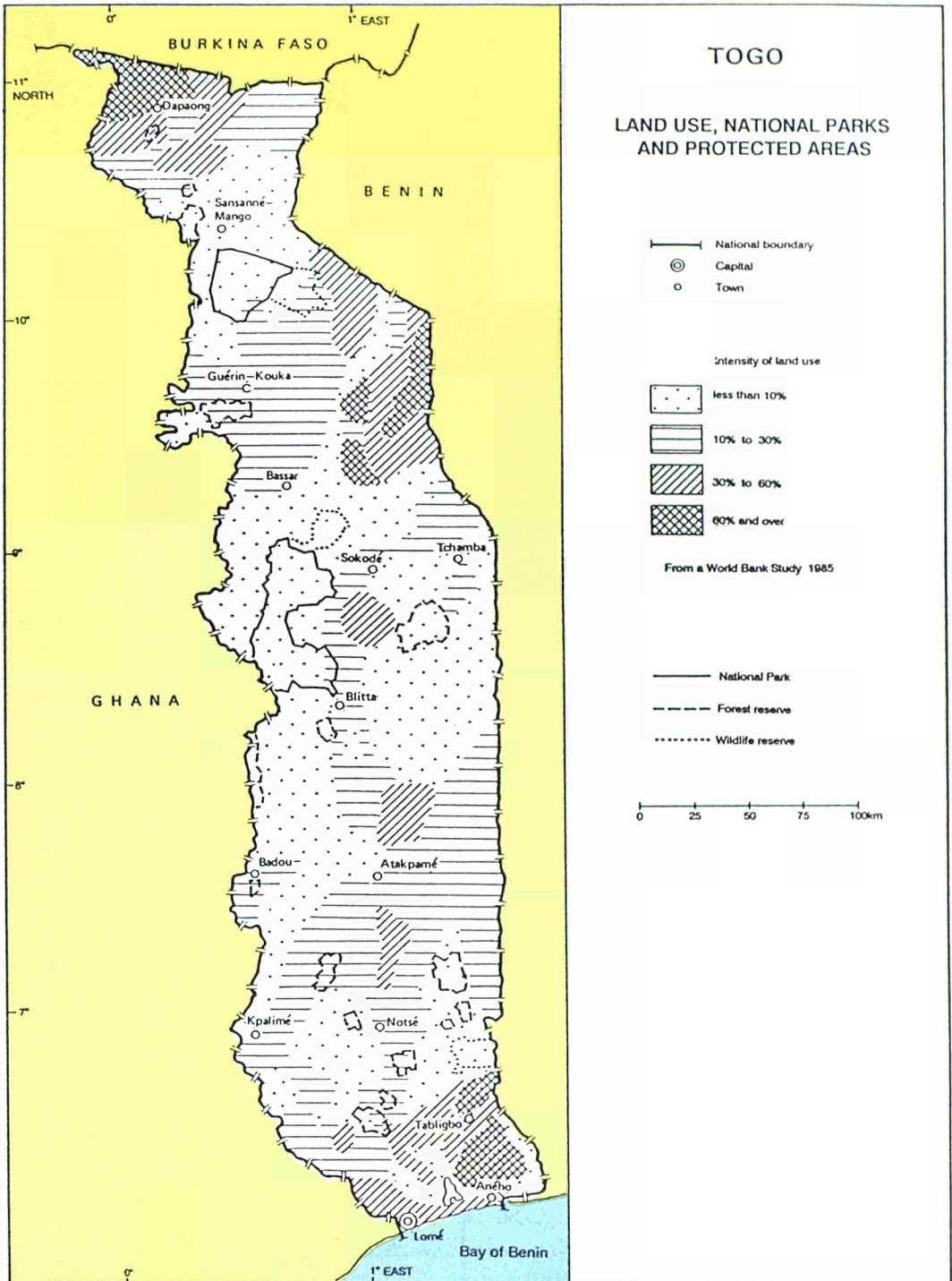
A banking system which works, a properly developed transport infrastructure and a liberal trading system augur well for a further economic upturn centring on agriculture, which provides a livelihood for approximately 70% of the population.

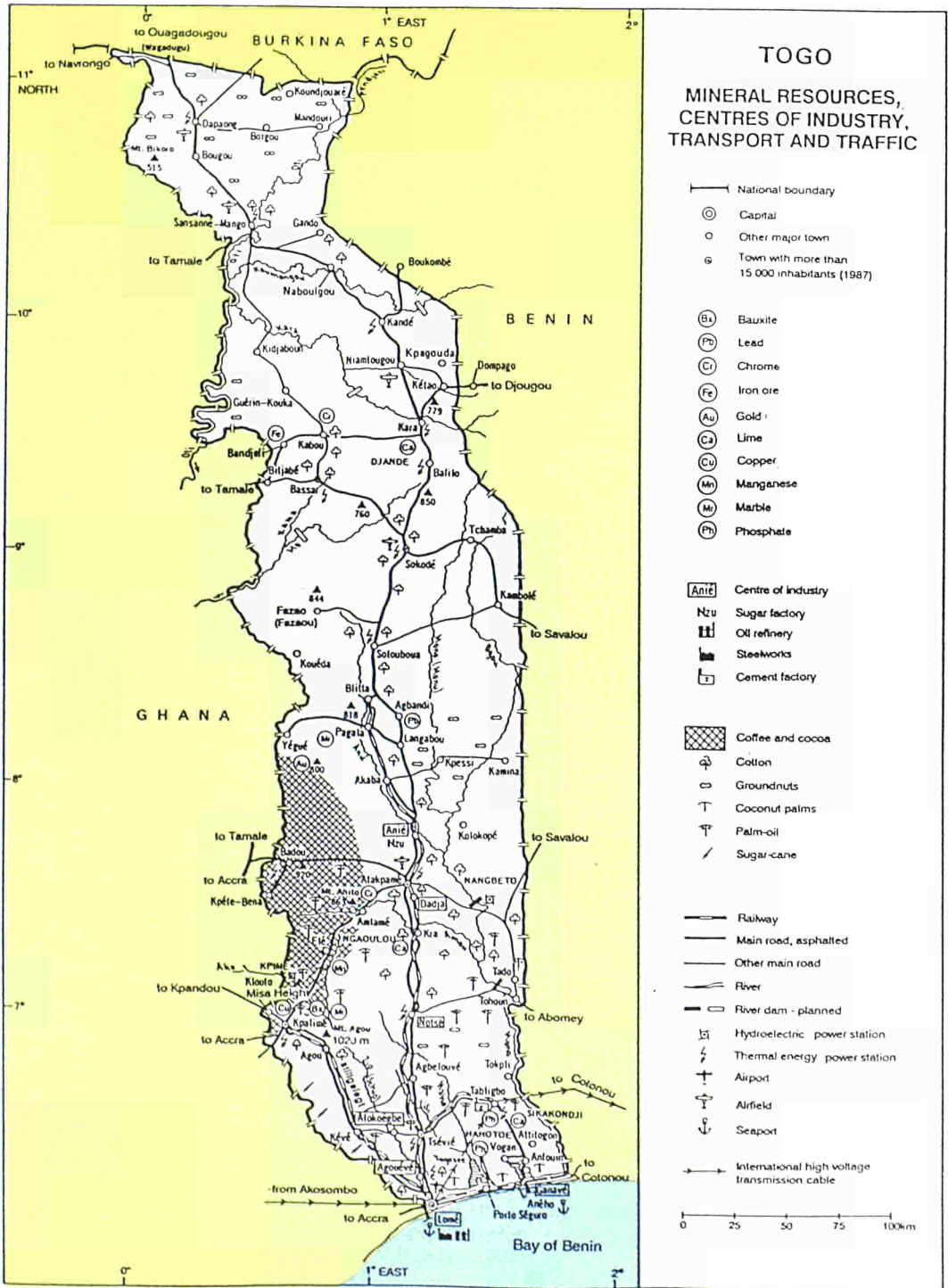
Of particular importance for the most recent economic developments is the structural adjustment programme introduced in 1983, which has led to far-reaching reforms. The privatization of unprofitable state and parastatal undertakings, comprehensive agricultural price reforms, the selective promotion of exports, the adoption of a new law on investments and the setting up of a free-trade area have created a favourable environment for sustained economic growth. As a result of these developments, Togo could further gain in importance as a trading partner for the European Community countries and a pole of attraction for foreign investment.

As well as general national accounts and socio-demographic trends, this country profile supplies detailed information on the extent and direction of trade flows and on economic cooperation between the European Community and Togo. It concentrates on external trade, foreign debt, foreign investments and public development aid, which are dealt with in separate chapters highlighting links with the European Community. These four sections, together with an economic overview, were produced by the Deutsches Institut für Entwicklungspolitik/DIE (Berlin). The chapters on sectoral economic trends, employment, price and wage trends and social affairs are part of the programme of profiles on different countries produced by the general foreign statistics section of the Berlin-Kurfürstenstraße branch of the Statistisches Bundesamt.

This report on Togo is a dependable source of data for Community and non-Community investors and for decision-makers shaping the future of the country's economy. It aims to provide both politicians and economists with some of the information they need to build up a successful economy in Togo.







1 GENERAL DATA

1.1 BASIC DATA

	<u>Unit</u>				
Territory					
Total area	km ²	1990:	56 785		
Usable agricultural area	km ²	1987:	14 310		
Population					
Total population					
Census	1 000	1970:	1 950	1981:	2 705
Mid-year	1 000	1988:	3 248	1990:	3 455
Growth	%	1970-1981:	38.7	1988-1990:	6.4
Density	Inh./km ²	1970:	34.3	1990:	60.8
Births	per 1 000 Inh.	<u>1965/70 A:</u>	44.2	<u>1985/90 A:</u>	44.9
Deaths	per 1 000 Inh.		20.8		14.1
Infant mortality	per 1 000 live births		141.0		94.0
Life expectancy at birth					
Men	years	<u>1965/70 A:</u>	41.4	<u>1985/90 A:</u>	51.3
Women	years		44.6		54.8
Health					
Hospital beds	number	<u>1988:</u>	5 275		
Inhabitants per hospital bed	number		616		
Doctors	number	<u>1980:</u>	137	<u>1988:</u>	278
Inhabitants per doctor	1 000		18.6		11.7
Dentists	number		3	<u>1984:</u>	5
Inhabitants per dentist	1 000		851		575
Education					
Illiterates, aged 15 years and older	%	1970:	84.1	1985:	59.3
Primary school enrolment	1 000	<u>1970/71:</u>	228.5	<u>1986/87:</u>	511.0
Secondary school enrolment	1 000		19.7		92.3
Students	1 000		0.9		4.5
Agriculture, forestry, fisheries					
Yields					
Cassava	1 000 t	<u>1981:</u>	372.0	<u>1989:</u>	403.0
Yams	1 000 t		527.0		400.0
Maize	1 000 t		150.0		254.4
Sheep	1 000	<u>1979/81 A:</u>	592	1988:	1 000
Timber	1 000 m ³		663	<u>1987:</u>	813
Fish	1 000 t	1983:	14.6		15.2
Manufacturing industry					
Installed capacity of power stations	MW	1970:	20	1986:	34
Electricity production and purchases	Mill. kWh	1987:	199.7	1988:	339.5

	<u>Unit</u>				
Foreign trade					
Imports	CFA francs million	<u>1984:</u>	118 460	<u>1989:</u>	150 554
Exports	CFA francs million		83 588		78 188
Transport and communications					
Road lengths	km	1978:	6 905	1987:	8 150
Private cars per 1 000 inh.	number	1975:	6.9	1988:	14.5
Passengers through Tokoin Airport. Lomé	1 000	1980:	239.5	1987:	309.2
Tourism					
Foreign visitors	1 000	<u>1980:</u>	91.9	<u>1987:</u>	98.0
Foreign exchange earned	CFA francs billion		3.9		6.0
Currency and finance					
Calculated comparable value	CFA francs for 1 ECU	YA 1983:	338.54	YA 1989:	351.19
Foreign exchange reserves	US-\$ million	YE 1984:	201.1	YE 1989:	283.3
Public finances					
Central government budget					
Revenue	CFA francs billion	<u>1983:</u>	86.3	<u>1989:</u>	108.3
Expenditure	CFA francs billion		99.2		124.8
Foreign debts (public)	US-\$ million	1980:	1 051	1988:	1 211
Employment					
Economically active population					
Percentage of total population	1 000	<u>1970:</u>	728.3	<u>1990:</u>	1 396.0
	%		373		40.5
Male	1 000		405.3		888.0
Female	1 000		323.0		508.0
Prices					
Consumer price index in Lomé					
African families	1963 = 100	<u>1981:</u>	353	<u>1988:</u>	424
European families	May 1961 = 100		327		435
National accounts					
Gross domestic product at market prices					
at current prices	CFA francs billion	<u>1979:</u>	212.8	<u>1989:</u>	426.5
at 1978 prices	CFA francs billion		206.7		217.5
per capita	CFA francs 1 000		83.0		64.9

1.2 IMPORTANT ECONOMIC AND SOCIAL INDICATORS OF AFRICAN COUNTRIES*)

Country	Nutrition		Health		Education	
	Calorie supply 1) 1986		Life expectancy at birth 1990	Inhabitants per hospital bed 1985	Literates as percentage of total population (aged 15 and over) 1990	Registered pupils as percentage of all children of primary school age 1987 2)
	per inh./day					
	Number	% of needs 3)	Years	Number	%	
Algeria	2 715	112	64	439	58	96
Angola	1 880	82	46	563 (83)	42	93
Benin	2 184	95	48	1 016 (81)	23	63
Botswana	2 201	96	60	383 (80)	74	111
Burkina Faso	2 139	86	49	1 359	18	32
Burundi	2 343	97	48(87)	831 (84)	34(85) ^{a)}	67
Cameroon	2 028	88	52	373	54	109
Cape Verde	2 729 ^{b)}	.	63	512 (80)	50(86)	108
Central African Republic	1 949	86	47	672	38	66
Chad	1 717	69	47	1 278 (78)	30	51
Comoros	2 109 ^{b)}	.	54	528 (80)	48(80)	80
Congo	2 619	117	50	225 (81)	57	156(82)
Côte d'Ivoire 4)....	2 562	110	54	891 (80)	54	70
Djibuti .....	.	.	49	286 (81)	12(85)	45
Egypt	3 342	132	63	788 (86)	48	90
Equatorialguinea ...	.	.	48	170 (80)	50	108
Ethiopia	1 749	71	43	2 787 (80)	66(86)	37
Gabon	2 521	107	53	228	61	126(86)
Gambia	2 365 ^{b)}	99	45	928 (80)	27	62
Ghana	1 759	76	56	584 (81)	60	71
Guinea	1 776	77	44	592 (76)	24	30
Guinea-Bissau .....	.	105	47	529 (81)	37	56
Kenya	2 060	92	60	653	69	96
Lesotho	2 303	101	58	676 (83)	74(85)	113
Liberia	2 381	102	56	654 (81)	39	34
Libya	3 601	153	63	201 (82)	64	127(85)
Madagascar	2 440	106	55	449 (82)	80	94
Malawi	2 310	102	48	592	41(85)	66
Mali	2 073	86	48(87)	1 864 (83)	32	23
Mauritania	2 322	92	48	1 572	34	52
Mauritius	2 748	121	70	357 (83)	83	106
Morocco	2 915	118	63	854	50	71
Mozambique	1 595	69	48	984 (81)	33	83

For footnotes see at the end of the table.

1.2 IMPORTANT ECONOMIC AND SOCIAL INDICATORS OF AFRICAN COUNTRIES ^{*)}

Country	Nutrition		Health		Education	
	Calorie supply 1) 1986		Life expectancy at birth 1990	Inhabitants per hospital bed 1985	Literates as percentage of total population (aged 15 and over) 1990	Registered pupils as percentage of all children of primary school age 1987 2)
	per inh./day					
	Number	% of needs 3)	Years	Number	%	
Namibia	1 824	82	58	97 (73)	72(86)	.
Niger	2 432	98	46	1 389	28	29
Nigeria	2 146	90	52	1 370	51	77
Rwanda	1 830	81	50	633 (82)	50	68
Sao Tomé and Príncipe	2 386 ^{b)}	.	65(88)	120 (78)	93	.
Senegal	2 350	99	47	1 342	58(86)	60
Seychelles	2 269 ^{b)}	.	70(88)	168 (86)	38	103
Sierra Leone	1 854	81	43	892	88(82)	54
Somalia	2 138	90	46	691 (79)	67	15
South Africa	2 924	120	62	179 (80)	27	105(72)
Sudan	2 208	88	51	1 202 (83)	24	49
Swaziland	2 550 ^{b)}	110	57	398	93(86)	104
Tanzania	2 192	96	54	565 (82)	68(87)	67
Togo	2 207	97	55	749	43	101
Tunisia	2 994	123	67	462 (86)	65	117
Uganda	2 344	95	53	702 (81)	48	70
Zaire	2 163	98	54	355 (79)	72	76
Zambia	2 126 ^{b)}	92	55	303	73	97
Zimbabwe	2 132	89	60	755	21	128

*) Data for the country of the report are underlined. Figures in brackets refer to years.

1) 1 calorie = 4.187 joules. - 2) Percentages greater than 100% refer to pupils counted by classes, whereby some of the pupils do not belong to the equivalent groups. - 3) 1984/86 average. - 4) Formerly Ivory Coast.

a) Ten years and over. - b) 1984/86 average.

1.2 IMPORTANT ECONOMIC AND SOCIAL INDICATORS OF AFRICAN COUNTRIES*)

Indicator Country	Agriculture		Energy	Foreign trade	Transport	Communications		National product
	Proportion of agriculture in GDP 1988	Population active in agriculture 1988	Energy consumption per inhabitant 1988	Processed products as percentage of total exports ¹⁾ 1988	Cars 1987	Telephone-connections 1989	Television-sets 1987	GNP at market prices per capita 1988
	%		kg oil equivalent unit 2)	%	Number		US-\$	
Algeria	13	26	1 094	4	31(85)	28	70	2 360
Angola	48(80)	71	202(86)	1(86)	8(84)	7	5	.
Benin	40	63	46	26	3(79)	3	4	390
Botswana	3	65	415	.	15(86)	15	7	1 010
Burkina Faso ..	39	85	18(86)	2	3(83)	1	5	210
Burundi	56	92	20	16	2	1(87)	1	240
Cameroon	26	63	152	12	8(86)	3	12	1 010
Cape Verde ....	.	45	117(84)	33(87)	9(84)	8	.	680
Central African Republic .	44	65	30	40	0(86)	2	2	380
Chad	47	77	18	10(87)	2(81)	1	.	160
Comoros	41(82)	80	27(84)	18(80)	8(86)	5	0	440
Congo	15	60	245	11	19(82)	8	3	910
Côte d'Ivoire 3)	36(87)	58	175(86)	12	19(84)	6	54	770
Djibuti	4(83)	.	181(84)	.	27(82)	12	48	.
Egypt	21	42	607	35	15	26	83	660
Equatorial-guinea .....	.	58	63(84)	.	14(72)	3	6	410
Ethiopia	42	76	20	1	1(88)	2	2	120
Gabon	11	69	1 134	14	14(85)	15	23	2 970
Gambia	33(84)	82	89(84)	14(84)	8(85)	5	.	200
Ghana	49	51	125	3	3(85)	3	13	400
Guinea	30	76	78	2(81)	2(81)	3	2	430
Guinea-Bissau .	.	80	29(84)	8(80)	.	6	.	190
Kenya	31	78	94	17	6(84)	6	6	370
Lesotho	21	81	10(87)	.	4(82)	7	1	420
Liberia	37(86)	71	164	1	4	4	18	450(87)
Libya	2(84)	14	2 719	1(84)	154(81)	65	63	5 420
Madagascar	41	78	39	16	3	2	6	190
Malawi	37	77	42	17	2(85)	3	.	170
Mali	49	82(88)	21	30	3(87)	1(87)	0(87)	230
Mauritania	38	66	111	2	8(85)	2	1	480
Mauritius	13	24	402	62	35(86)	48	188 a)	1 800
Morocco	17	38	239	50	26(86)	12	56 a)	830
Mozambique	62	82	86	1(84)	2(83)	3	1	100

For footnotes see at the end of the table.

1.2 IMPORTANT ECONOMIC AND SOCIAL INDICATORS OF AFRICAN COUNTRIES*)

Indicator	Agriculture		Energy	Foreign trade	Transport	Communications		National product
	Proportion of agriculture in GDP 1988	Population active in agriculture 1988	Energy consumption per inhabitant 1988	Processed products as percentage of total exports ¹⁾ 1988	Cars 1987	Telephone-connections 1989	Television-sets 1987	GNP at market prices per capita 1988
Country	%		kg oil equivalent unit 2)	%	Number		US-\$	
Namibia	<u>8(86)</u>	<u>37</u>	<u>.</u>	<u>.</u>	<u>.</u>	<u>27</u>	<u>11</u>	<u>1 020(86)</u>
Niger	<u>36</u>	<u>88</u>	<u>43</u>	<u>4</u>	<u>6(83)</u>	<u>1</u>	<u>3</u>	<u>300</u>
Nigeria	<u>34</u>	<u>66</u>	<u>150</u>	<u>2</u>	<u>3(81)</u>	<u>2</u>	<u>6</u>	<u>290</u>
Rwanda	<u>38</u>	<u>92</u>	<u>41</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>.</u>	<u>320</u>
Sao Tomé and Príncipe	<u>.</u>	<u>.</u>	<u>128(84)</u>	<u>0(77)</u>	<u>.</u>	<u>18</u>	<u>.</u>	<u>490</u>
Senegal	<u>22</u>	<u>79</u>	<u>155</u>	<u>24</u>	<u>12(85)</u>	<u>4</u>	<u>32</u>	<u>650</u>
Seychelles	<u>8(83)</u>	<u>.</u>	<u>432(84)</u>	<u>7(85)</u>	<u>64(81)</u>	<u>103</u>	<u>43</u>	<u>3 800</u>
Sierra Leone ..	<u>46</u>	<u>64</u>	<u>76</u>	<u>59</u>	<u>5(84)</u>	<u>4</u>	<u>9</u>	<u>300(87)</u>
Somalia	<u>65</u>	<u>72</u>	<u>66</u>	<u>5</u>	<u>1(80)</u>	<u>1</u>	<u>0</u>	<u>170</u>
South Africa ..	<u>6</u>	<u>15</u>	<u>2 439</u>	<u>80 b)</u>	<u>106(88)</u>	<u>84</u>	<u>97</u>	<u>2 290</u>
Sudan	<u>33</u>	<u>63</u>	<u>58</u>	<u>7</u>	<u>5(85)</u>	<u>3</u>	<u>52</u>	<u>480</u>
Swaziland	<u>20(81)</u>	<u>68</u>	<u>.</u>	<u>.</u>	<u>21(84)</u>	<u>14</u>	<u>12</u>	<u>810</u>
Tanzania	<u>66</u>	<u>82</u>	<u>36</u>	<u>18</u>	<u>3</u>	<u>3</u>	<u>1</u>	<u>160</u>
Togo	<u>34</u>	<u>70</u>	<u>54</u>	<u>9</u>	<u>1</u>	<u>3</u>	<u>5</u>	<u>370</u>
Tunisia	<u>14</u>	<u>26</u>	<u>499</u>	<u>64</u>	<u>37(88)</u>	<u>32</u>	<u>68</u>	<u>1 230</u>
Uganda	<u>72</u>	<u>82</u>	<u>25</u>	<u>0</u>	<u>1(86)</u>	<u>2</u>	<u>6</u>	<u>280</u>
Zaire	<u>31</u>	<u>67</u>	<u>74</u>	<u>7</u>	<u>1(86)</u>	<u>1</u>	<u>1</u>	<u>170</u>
Zambia	<u>14</u>	<u>70</u>	<u>376</u>	<u>2</u>	<u>11(83)</u>	<u>8</u>	<u>15</u>	<u>290</u>
Zimbabwe	<u>11</u>	<u>69</u>	<u>527</u>	<u>40</u>	<u>28(86)</u>	<u>13</u>	<u>22</u>	<u>650</u>

*) Data for the country of the report are underlined. Figures in brackets refer to years.

1) SITC headings 5 - 8. - 2) 1 kg oil equivalent unit = 0.043 gigajoule. - 3) Formerly Ivory Coast.

a) Receiving permits. - b) Data for the South African Customs Union (members are South Africa, Namibia, Lesotho, Botswana and Swaziland); without data of mutually trade.

2 GEOGRAPHICAL LOCATION AND CLIMATE

The national territory of Togo is a narrow strip with a coast line of just 53 km on the Bay of Benin and extending some 550 km north between latitude 6° and 11° and east between longitude 0° and 2°. Its surface area is 56,784 km². Togo is bordered by Ghana to the west, Burkina Faso to the north and Benin to the east.

The country can be sub-divided into four geographical areas:

- The heavily washed coast is dominated by a sandy spit scarcely 1 to 2 km wide, behind this a series of lagoons which in western Togo are largely dry with a shallow layer of water in the rainy season.
- Beyond the coastal zone lies the Terre de Barre with its gently undulating surface rising to 150 m and broken up by isolated table mountains. This area extends 50 km inland into eastern Togo and 35 km into western Togo. The red lateritic loamy soil makes it the most fertile region.
- The west of the Terre de Barre area is bordered by the Togo Mountains which rise to nearly 1,000 m in the south (Mount Agou 986 m) and which in its continuation in the north-east, in the Atakora Mountains (known by various local names), becomes a series of individual outcrops. To the east, the Togo Mountains blend into the tableland of the Mono Plain.
- To the north-west of the Atakora Mountains, the tableland meets the Oti Plain, the eastern region of the Volta Basin. Towards the north-west, the Oti Lowland rises to over 500 m (the Bogon Heights) and then drops down to the Dapaong Plain in layered steps of up to 200 m at times. The Oti Lowland is subject to annual extremes of extensive flooding and drought.

Togo has a tropical monsoon climate with two rainy seasons in the south (March to June, and September to October) and one rainy season in the north (April to July). The coastal region is relatively dry (900 mm annual rainfall). There is then a humid region with an annual rainfall of some 1,500 mm and a drier north with an annual rainfall of some 1,200 mm.

The major rivers are the Mono (flowing into the Atlantic Ocean) and the Oti (flowing into the Volta). The landscape is dominated by open savanna, a grass landscape with isolated trees and bushes. There are only occasional woodlands found on mountain slopes and reaches. There are the remains of the tropical rainforest in the south-west of the Togo Mountains.

The time difference between Togo and Central European Time (CET) is -1 hour.

2.1 CLIMATE^{*)}
(Long-term average)

Month	Station Site	Lomé	Klouto	Nuatja
	Sea level	6°N 1°O 20 m	7°N 1°O 576 m	7°N 1°O 150 m

Air temperature (°C), mid-month

Hottest month: March	28.0	25.4	29.5 ^I
Coldest month: August	24.5	21.9	25.4
Year	26.5	23.8	27.4

Air temperature (°C), average daily maxima

Hottest month: March	31.6	31.3	35.9 ^{II}
Coldest month: August	27.1	25.5	29.7
Year	29.9	28.9	33.0

Rainfall (mm)/number of rainy days (min. 0.1 mm)

Driest month: December	2/1	31/2 ^I	22/2
Wettest month: June	188/15	236/15	148/10 ^{V+VI}
Year	919/90	1 710/119	1 115/85

Month	Station Site	Atilakoutsé	Atakpamé	Sokodé
	Sea level	7°N 1°O 900 m	8°N 1°O 402 m	9°N 1°O 403 m

Air temperature (°C), mid-month

Hottest month: March	23.5 ^{II+IV}	28.6	28.7
Coldest month: August	20.1	24.5	24.0
Year	22.1	26.7	26.2

Air temperature (°C), average daily maxima

Hottest month: March	28.7 ^{II+IV}	35.5	35.4
Coldest month: August	22.6	28.6	27.5
Year	26.4	32.3	31.9

Rainfall (mm)/number of rainy days (min. 0.1 mm)

Driest month: December	10/1	20/1	10/1 ^{XII}
Wettest month: June	278/19	203/14 ^{VII}	241/17 ^{VIII+IX}
Year	1 629/127	1 420/95	1 410/103

*) Figures in Roman numerals indicate deviating months.

More detailed climatic data on these and other stations is obtainable from the German Meteorological Service (Deutscher Wetterdienst, Seewetteramt Hamburg, Postfach 180, 2000 Hamburg 4). In general, a fee is charged for providing climatic data.

3 POPULATION

Togo's high population growth rate is one of the main obstacles restraining improvements in the economic and social living conditions of substantial groups of the population. The 1970 census estimated the population at 1.950 million, the most recent census, of 22 November 1981, gave a figure of 2.705 million. The annual rate of increase in population between the two censuses was three percent (38.7% overall). The United Nations' estimate for the 1990 mid-year population is 3.455 million, with an average population density of 60.8 inhabitants per km². In comparison, the average population density for all West African countries was only 32 inhabitants per km² (average for Africa: 21 inhabitants per km²). This makes Togo one of Africa's most densely populated countries.

3.1 POPULATION GROWTH AND DENSITY*)

Category	Unit	1970	1975	1980	1981	1985	1988	1990
Total population ¹⁾ ..	1000	1950 ^{a)}	2252	2554	2705 ^{b)}	2960	3248	3455
male	1000	937	1107	1258	1317	1461	1605	1708
female	1000	1013	1144	1296	1388	1499	1643	1747
Density of population in relation to total land area ²⁾ ..	Inh./km ²	34.3	39.7	45.0	47.6	52.1	57.2	60.8

*) Status: Mid-year.

1) Resident population: more deeply constructed tables are based on partially divergent data. - 2) 56 785 km².

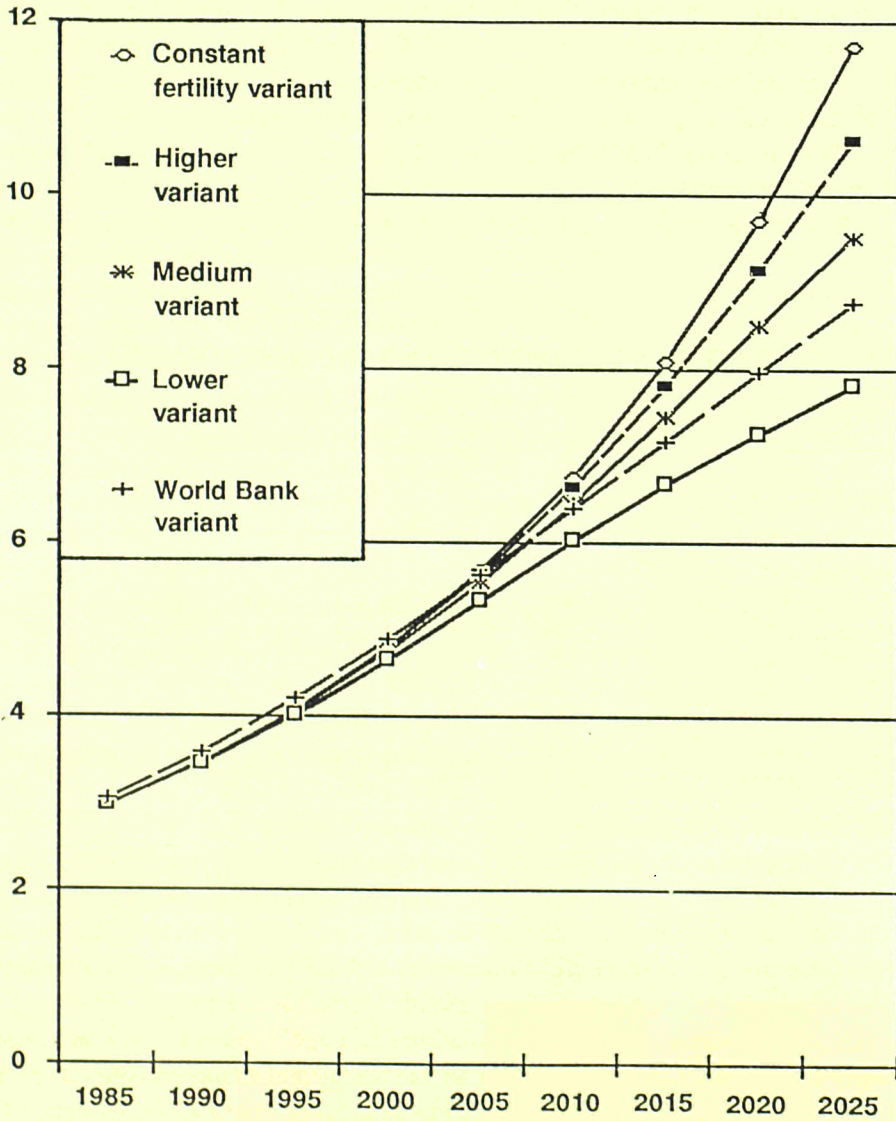
a) Result of census of 1 March to 30 April (population present in region: 1 953 788). -

b) Result of census of 22 November (population present in region: 2 771 523).

United Nations' data suggest that the population growth rate is increasing still further. From a three percent average annual rate of growth over the five year period 1980-85, the rate is estimated to have risen to 3.1% between 1985 and 1990. If this growth rate continues, then the population will double within the next 20 to 25 years. The prospects for a reduction in this high population growth rate in the near future seem dim as there has been no notable drop in the birth rate, whereas the mortality rate is in sharp decline.

3.1 UNITED NATIONS AND WORLD BANK POPULATION PROJECTIONS

in Mill.



Different assumptions concerning the level and trends in birth and death rates have produced a relatively broad spread in the various projections of future population growth. All current projections assume a substantial rise in population over the coming decades, even though they are based on rapid declines in the birth rate. According to the United Nations' medium variant, the population would grow from an assumed 3.455 million in 1990 to 9.500 million by 2025, thus almost trebling in size (average growth rate, 2.9% a year). What is more, this projection is based on the assumption that the average number of children per woman (total fertility rate) will fall from 6.09 in the second half of the 1980s to 3.3 between 2020/25. Even the United Nations' low variant model, which assumes a reduction in the fertility rate between 2020/25 to 2.40 children per woman, forecasts that the population will more than double by 2025 to 7.805 million. The World Bank's 1987/88 projections lie between the United Nations' low and medium variants. Assuming a reduction in the fertility rate to 2.9 children per woman, the World Bank's projections suggest a total population of 8.741 million by the year 2025.

3.2 POPULATION PROJECTIONS BY THE UNITED NATIONS AND THE WORLD BANK*)

1 000

Population projection	1995	2000	2005	2010	2015	2020	2025
United Nations							
Lower variant	3 999	4 629	5 314	6 011	6 655	7 246	7 805
Medium variant	4 038	4 727	5 527	6 432	7 432	8 484	9 500
Higher variant	4 051	4 765	5 618	6 621	7 785	9 119	10 606
Variant based on constant fertility	4 051	4 774	5 658	6 741	8 068	9 697	11 703
World Bank	4 189	4 872	5 611	6 387	7 149	7 941	8 741

*) Status: Mid-year.

As fertility has remained high for several decades, the United Nations' and World Bank's population forecasts can be considered optimistic, especially as there is no national policy on family planning. The early age at which women first marry, the low proportion of single people and the lack of widespread family planning and contraception may be seen as causes of the continuingly high fertility rates. According to the Enquete Démographique et de Santé au Togo (EDS), conducted in 1988 by the Direction de la Statistique and the Direction Générale de la Santé - in which a representative sample of 3,360 women of child-bearing age were questioned - the average age at which women married was found to be 18.4. Over two thirds

of the female population aged between 25 and 29 had already married before the age of 20. By the age of 25, almost all women had entered into a marriage (94.2%). Only about a third (33.8%) of married women of child-bearing age stated that they practised any form of birth control. The overwhelming majority of these relied on traditional methods such as lengthy phases of sexual abstinence and the withdrawal method, as well as religious rites and herbal remedies said to have a contraceptive effect. According to the EDS, a mere 3.1% of married women aged 15 to 49 used modern forms of contraception. About a quarter of these used intra-uterine devices (coils, sponges). About 20% used spermicides. Sterilisation accounted for roughly the same proportion. The pill, condoms and injections were rarely used.

With such limited use of modern forms of contraception, it is hardly likely that fertility will decline rapidly. The low status of women (which is only enhanced by having large numbers of children), poor educational opportunities for the female population, as well as the great importance attached to having one's own children to work the land and look after one in old age, are all factors which impede the reduction in the number of children women wish to have. Under such circumstances, there is more likely to be an even more rapid increase in the population growth rate than the above projections assume. The projected population in the year 2025, estimated on the assumption that people are not more willing to restrict the number of children they have, is highlighted by the UN variant based on a stable birth rate. Unless there is a notable decline in the total fertility rate, the population will rise to 11.7 million by 2025. The average annual growth rate of population would then rise to 3.4% a year between 1990 and 2025.

The effects of a falling death rate coupled with a continuing high birth rate are illustrated in Table 3.3. While the figure for deaths fell by about a third (32.2%) from 20.8 to 14.1 per thousand inhabitants between 1965/70 and 1985/90, the number of births for the same period rose from 44.2 to 44.9 per thousand of the population. This trend has led to a continual increase in natural population growth (the difference between the figures for births and deaths) between 1965/70 (2.34%) and 1985/90 (2.98%). This places Togo amongst that group of countries which find themselves in the early expanding phase on the way to the so-called "demographic transition", that is the transition from high birth and death rates to lower fertility and mortality. During this phase the scissors of demographic growth are open at their widest.

Although the extension of primary health care services has reduced the infant mortality rate from 141 in the period 1965/70 to 94 deaths per thousand live births by 1985/90, the final breakthrough in the fight against infant and child mortality has yet to be seen. This is evident in the comparatively low life expectancy at birth of 51.3 years for men and 54.8 years for women (overall: 53 years) in the second half of the 1980s.

The current growth dynamic of the Togolese population is evident from the so-called "net reproduction rate". The net reproduction rate reflects the willingness of a female cohort to secure the continuation of its own gender. The critical value here is a net reproduction rate of unity which represents the so-called "replacement-fertility-level". The "replacement level" is defined as a generation of women producing enough girl-births surviving to child-bearing age

to exactly "reproduce" itself. The actual Togolese 1985/90 average net reproduction rate of 2.32 can be interpreted as meaning that, under current fertility and mortality conditions, the mother-generation of child-bearing age is leading to more than a doubling of the next generation of young women. A continuing decline in the mortality rate and only a gradual decline in the birth rate make a further growth in successive generations of girls compared with the relevant mother-generations seem likely.

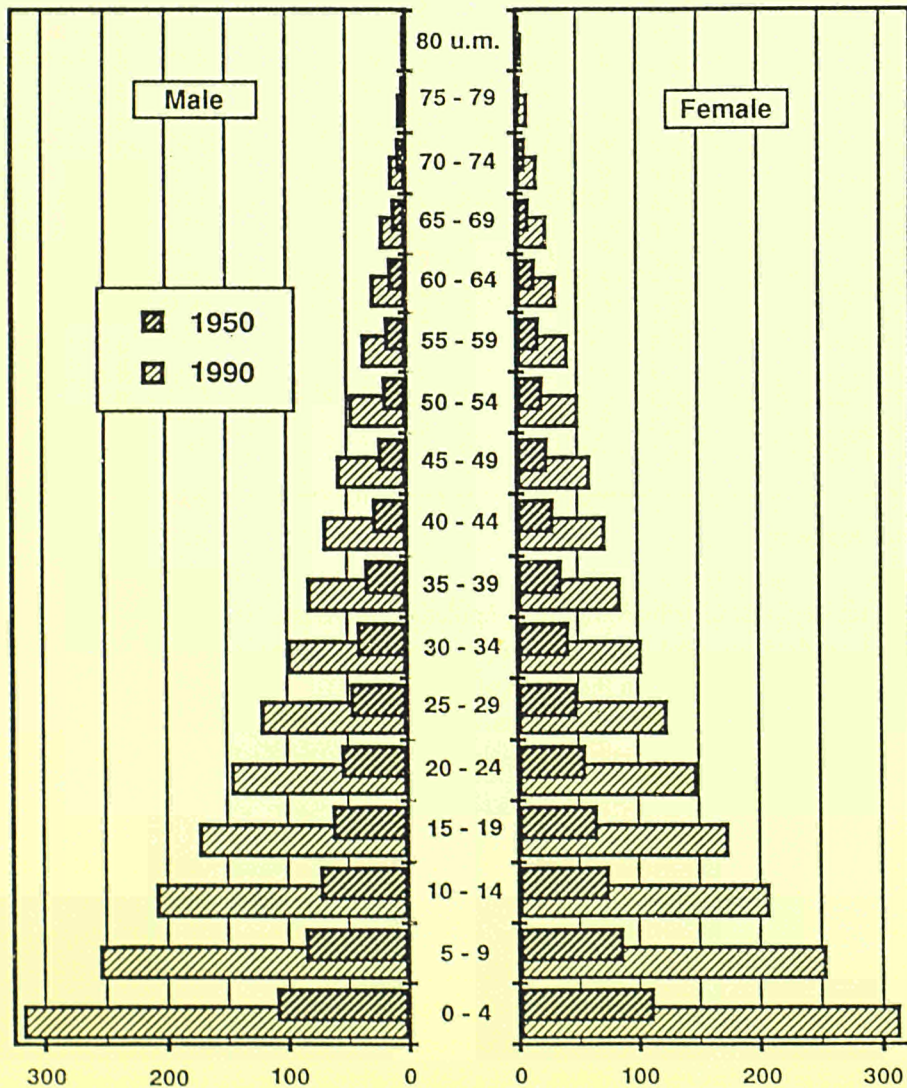
3.3 FERTILITY, MORTALITY AND POPULATION GROWTH

Category	Unit	1965/70A	1970/75A	1975/80A	1980/85A	1985/90A
Births	per 1000 Inh.	44.2	45.6	45.5	45.2	44.9
Deaths	per 1000 Inh.	20.8	20.2	18.6	15.7	14.1
Natural population increase	in %	2.34	2.54	2.69	2.95	2.98
Deaths under 1 year of live age	per 1000 live births	141.0	121.0	111.0	102.0	94.0
Life expectancy						
Total	years	43.0	45.5	48.0	50.5	53.0
Male	years	41.4	43.9	46.4	48.8	51.3
Female	years	44.6	47.1	49.7	52.2	54.8
Total fertility rate	per woman	6.17	6.09	6.09	6.09	6.09
Net reproduction rate	per woman	1.97	2.02	2.09	2.24	2.32

The present generation of children is double that of its parents; this is shown by the age profile for 1990: the "pyramid structure" typical of many Black African countries, characterised by a broad youth base and by rapidly shrinking generations as the age increases. In 1990, more than 45% of the population was under 15 years old. In contrast, the proportion of those over 64 was only 3%. A comparison with the age structure for 1950 shows that the absolute numbers of children and adolescents have approximately trebled over the last 40 years. In relation to the main social sectors, such as education and health, this means that the number of school places and basic health-care facilities have had to increase threefold over the same period merely to maintain the still inadequate standards of schooling and health care applicable in the early 1950s. Such figures illustrate the high costs of unchecked population growth.

United Nations' population forecasts (medium variant) up to 2025 alone suggest an increase in the population of primary school-age children (6-11 year olds) from 577,000 in 1990 to 1.473 million, an absolute rise of 155.3%. How the financial resources to provide school places, teachers and educational materials for such a growing number of primary pupils appears even more of a problem in the face of reductions in expenditure imposed on the government by the structural adjustment programme.

3.2 TOGO: POPULATION BY AGE AND SEX IN 1950 AND 1990 (POPULATION IN 1,000)



3.4 POPULATION BY AGE AND SEX*)

% of total population

Age from ... to below ... years	Total	1950 Male	Female	Total	1990 Male	Female
under 5	16.9	8.4	8.5	18.4	9.2	9.1
5 - 10	13.2	6.5	6.6	14.8	7.4	7.4
10 - 15	11.3	5.6	5.7	12.1	6.1	6.1
15 - 20	9.8	4.8	5.0	10.1	5.0	5.1
20 - 25	8.5	4.2	4.3	8.6	4.3	4.3
25 - 30	7.4	3.6	3.8	7.2	3.5	3.6
30 - 35	6.4	3.2	3.2	5.9	2.9	3.0
35 - 40	5.5	2.7	2.9	5.0	2.4	2.5
40 - 45	4.6	2.2	2.3	4.2	2.0	2.1
45 - 50	3.8	1.8	2.0	3.5	1.7	1.8
50 - 55	3.2	1.5	1.7	2.9	1.4	1.5
55 - 60	2.8	1.4	1.4	2.3	1.1	1.2
60 - 65	2.5	1.2	1.2	1.9	0.9	1.0
65 - 70	1.9	1.0	0.9	1.4	0.6	0.8
70 - 75	1.3	0.7	0.7	0.9	0.4	0.5
75 - 80	0.8	0.4	0.4	0.6	0.2	0.3
80 and over	0.4	0.2	0.2	0.3	0.1	0.2

*) Status: Mid-year.

As regards the regional distribution of the population, there is a clear north-south divide. National statistical data for 1984 show that almost two thirds of the population (62.5% or 1.856 million inhabitants) were living in the south of the country (the coastal and the high plains regions) covering about 41% of the land area. Whereas the average population density in the coastal region was 179.5 inhabitants per km² in 1984, it was 23.6 inhabitants per km² in the central region.

The regional migratory movements of the 1970s and early 1980s contributed to a sharpening of the north-south divide in population distribution. Whilst the most thinly populated central region experienced the highest population growth of 4.3% between 1970 and 1984, this was at the expense of the more northerly regions (Kara, 1.5%, and the savanna region 2.9% a year) from where large sectors of the population migrated to the central region and southern parts of the country. Population growth in the coastal region was higher than average (3.5% a year), whereas in the high plains region it was around the national average of three percent a year. The substantial increase in population in the coastal region resulted in its share of the total population rising from 36.4% to 38.7% between 1970 and 1984. This meant that in 1984, almost two fifths of the total population were living on little more than one tenth of the land area.

3.5 AREA, POPULATION AND POPULATION DENSITY BY REGION AND PREFECTURE*)

Region/ Prefecture	Centre	Area km ²	Population in 1000			Inhabitants/km ²	
			1970 ¹⁾	1981 ¹⁾	1984 ²⁾	1970	1984 ²⁾
Total	Lomé	56 786	1 953.8	2 705.2	2 969.3	34.4	52.3
Coastal region							
(Région Maritime)	Lomé	6 395	710.6	1 029.6	1 147.8	111.1	179.5
Golfe	Lomé	345	230.7	442.0	527.2	668.7	1 528.1
Lacs	Aného	713	120.6	137.2	141.8	169.1	198.9
Yoto	Tabligbo ..	1 250	71.8	100.4	109.6	57.4	87.7
Vo	Vogan	750	131.8	150.3	155.5	175.7	207.3
Zio	Tsévié ...	3 338	155.6	199.7	213.7	46.6	64.0
High plains region							
(Région des Plateaux)	Atakpamé .	16 975	471.0	648.5	708.1	27.7	41.7
Ogou	Atakpamé .	6 145	105.7	165.8	186.7	17.2	30.4
Kloto	Kpalimé ..	2 790	156.8	186.1	195.0	56.2	69.9
Amou	Amlamé ...	4 383	131 9	77.4	87.3	30.1	46.6
Wawa	Badou			108.4	116.8		
Haho	Notsé			110.8	122.3			20.9	33.4
Central region							
(Région du Centre)	Sokodé ...	13 183	173.3	273.1	310.5	13.1	23.6
Tchaoudjo	Sokodé ...	5 693 ^{a)}	106.0	95.6	103.3	18.6	26.6
Nyala	Tchamba ..	-	-	44.9	48.2	-	
Sotouboua	Sotouboua	7 490	67.3	132.6	159.0	9.0		21.2
Kara (Région de la							
Kara)	Kara	11 630	359.7	425.1	444.2	30.9	38.2
Kozah	Kara	1 693	96.3	120.3	127.5	56.9	75.3
Bimah	Pagouda ..	465	44.7	50.1	51.6	96.1	111.0
Doufelgou	Niamtougou	1 120	52.6	59.0	60.3	47.0	53.8
Kéran	Kandé	1 085	42.0	44.6	45.4	38.7	41.8
Assoli	Bafilo ...	938	29.1	32.4	33.4	31.0	35.6
Bassar	Bassar ...	6 330	95.0	118.7	126.0	15.0	19.9
Savanna region							
(Région des Savanes)	Dapaong ..	8 603	239.2	328.9	358.7	27.8	41.7
Oti	Sansanné	4 840	58.3	77.4	83.6	12.0	17.3
	Mango			77.4	83.6		
Tôné	Dapaong ..	3 763	180.9	251.5	275.1	48.1	73.1

*) The announcement of the new administrative structure and centres took place on 4 July 1981.

1) Result of census. - 2) Status: End of year.

a) Incl. Nyala as of 1981.

The government is attempting to use integrated rural development projects (irrigation projects in arid zones) linked with infrastructural projects to provide a stimulus for people to settle in the northern parts of the country, thereby reducing the current imbalance in the regional distribution of the population.

Whilst some three quarters of the population still live in rural areas, there has been a rapid growth in the urban population since the early 1950s, which has increased more than ninefold between 1950 (96,000) and 1990 (889,000). Whereas in 1950, less than a tenth of the population lived in cities (7.2%), the share had increased to 25.7% by 1990. The average annual growth rate of the urban population between 1950 and 1990 was 5.7%. In contrast, the rural population grew by only 1.8% a year. A rapid acceleration in the urban growth rate has been evident since the 1960s. The rate of urban population growth rose from 4.4% a year in the decade 1950/60 to 6.4% a year in the 1980/90 period. If this growth rate were to be maintained, the urban population would almost double by the year 2000.

3.6 URBAN AND RURAL POPULATION*)

Urban/Rural	Unit	1950	1960	1970	1980	1990
Urban areas	1 000	96	148	265	479	889
	%	7.2	9.8	13.1	18.8	25.7
Rural communities ...	1 000	1 233	1 366	1 755	2 075	2 565
	%	92.8	90.2	86.9	81.2	74.3

*) Status: Mid-year.

The most important pole of attraction for rural-urban migration and the most significant urban-industrial centre is the capital, Lomé, whose population in 1987 was judged to be around 500,000. This meant that Lomé's population had more than doubled from 1970 when it was estimated to be about 192,700. Over half of the total urban population currently lives in the capital which is the country's most important market and trading centre. Lomé has a modern deep-sea harbour which is of major importance for the transit trade of the neighbouring countries of Burkina Faso, Niger, and Mali. The three coastal prefectures of Golfe, Vo and Lacs form an almost enclosed urban agglomeration. However, the remaining cities of the country are only of minor importance compared to the capital. The population of the second-largest city, Sokodé, was estimated at 55,000 in 1987, followed by Kara (41,000 inhabitants), Kpalimé (31,000 inhabitants), Atakpamé (30,000 inhabitants) and Tsévie (some 26,000 inhabitants).

3.7 POPULATION BY SELECTED CITIES*)

1 000

City	1970	1977	1979	1980	1981 ¹⁾	1987 ²⁾
Lomé, capital ..	192.7	224.2	234.6	240.0	340.0	500.0 ^{a)}
Sokodé	29.2	32.9	34.1	34.7	48.1	55.0
Kara .....	.	.	.	.	.	41.0
Kpalimé	19.8	24.7	26.1	27.3	31.8	31.0
Atakpamé	16.8	21.0	22.5	23.3	27.1	30.0
Tsévié	13.0	15.5	16.3	16.7	17.0	26.0
Bassar	15.5	17.5	18.1	18.6	21.8	19.0
Aného	10.9	12.9	13.6	14.0	14.0	16.0

*) 1970: Results of census; as of 1977: national estimates to 1 January (based on the census results).

1) Status: Mid-year. - 2) Status: December.

The population of Togo is made up of over 40 ethnic groups, and in the past this ethnic diversity was traditionally a source of internal conflict within the country. The largest group is the "Adja-Ewé-family" (45% of the total population), whose home is in the better developed southern parts of the country. As members of this ethnic group also live across the border in the east of adjacent Ghana, this cross-border divide has proved a source of tension with its neighbour. The second most important ethnic group is the "Kabyè-Tem-family" who live in the north (35% of the total population). Seven percent of the resident population consist of foreigners: the number of non-Africans is judged to be around 4,000.

The ethnic diversity of the country results in about 40 different languages and dialects spoken in Togo. French is the official language, with Ewé and Kabyè being the main indigenous languages, spoken by around 80% of the population. In addition, Kotokoli is widely used as the lingua franca in many parts of central and northern Togo.

Around 60% of the population are still members of traditional religions; about 30% of the population is Christian. Muslims are estimated to account for 10%. Christianity is widespread in the southern parts of the country, while Islam is more strongly prevalent in the north. There is religious freedom in Togo.

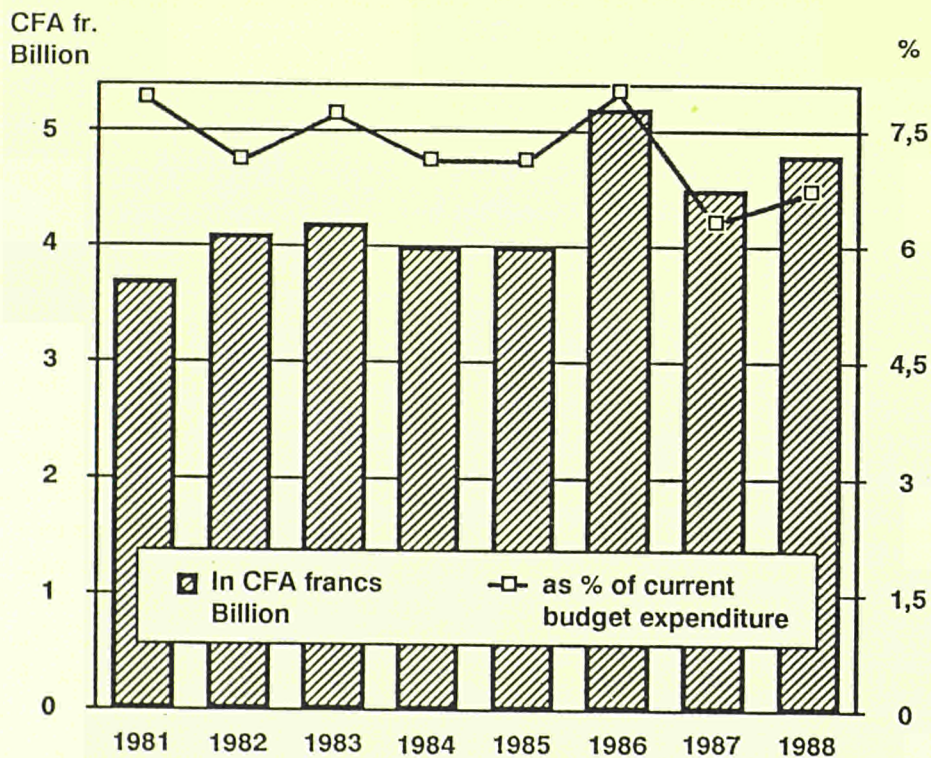
4 HEALTH

The traditional curative approach to national health care which focused on the health-needs of the urban population gave way to a stronger preventive health care policy in the 1970s and 1980s when the development of primary health care services (PHC services) moved increasingly into the centre of the government's health care policy. The prime aim of its preventive health care policy is to incorporate the rural population more fully into national health care services. The World Health Organisation's 1987 "Strategy for Health for all by the Year 2000" programme is a strong influence upon national health policy. In an effort to strengthen the role of preventive health care, the following programmes are underway:

- country-wide vaccination campaigns for infants and pregnant women with the aim of halting such widespread diseases as measles, diphtheria, tetanus, poliomyelitis, tuberculosis and whooping cough;
- the setting up of "mother-child health care" services, especially in rural areas;
- the establishment of programmes to fight malaria and diarrhoea;
- improvements to the drinking water supply and sanitary facilities in rural areas; and,
- extending health education programmes, particularly with regard to hygiene and nutrition.

Some substantial progress in the area of health care has been made in recent decades. For example, vaccination campaigns and intensified attempts to control malaria and diarrhoea have succeeded in reducing significantly infant and child mortality rates: infant mortality went down from 170 in the period 1960/65 to 94 deaths per 1,000 live births by 1985/1990. Child mortality fell from 40 to 12 per 1,000 one to five year-olds between 1960 and 1985. These improvements were achieved not least as a result of increasing the number of doctors per capita, having better qualified medical personnel, expanding the health education programme, and building up the medical infrastructure. Progress has also been made in improving the population's drinking water supply. The percentage of the population with access to clean drinking water rose from 16% in 1973 to 34% in 1987. The "village water supply and drainage programme", sponsored by the European Community (EC), has been of major significance in improving the drinking water supply in rural districts. However, considerable differences still remain between the urban and rural areas: whereas some two-thirds (68%) of the urban population had access to clean drinking water in 1987 (1973: 49%), this was only available to a quarter (26%) of the rural population (1973: 10%).

4.1 CENTRAL GOVERNMENT EXPENDITURE ON HEALTH 1981 - 1988



The central government's budgetary problems are a serious constraint on extending comprehensive health care services to the entire population. The economic crisis of the early 1980s, in particular, led to strict expenditure controls in the health sector. There was only a moderate increase in the health budget from 1981 (CFA francs 3.7 billion) to 1985 (CFA francs 4.0 billion). The percentage of budget expenditure allocated to the health service during that same period fell from 7.9% to 7.1% (see Fig 4.1). Whilst there has been a nominal increase in expenditure on health since 1986, its share of the budget continued to fall in 1987 (6.3%) and in 1988 (6.7%). As a consequence of strict budgetary controls, per capita spending on health has increased only marginally in the 1980s. An average of CFA francs 1,407 per inhabitant were spent in 1981 compared to CFA francs 1,478 in 1988 (5% nominal increase). Because of the high level of inflation, particularly in the first half of the 1980s, there was a fall in real per capita spending on health.

The distribution of spending within the health sector presents a particular problem. The extensive freezing of health service expenditure primarily hit the purchase of medical equipment and appliances as well as medicines and vaccines. In contrast, wages and salary costs continued to rise. This has had negative effects on central elements of the health care service, particularly on the mother-child services, health education programmes, the national immunisation programme and programmes to expand the drinking water supply. Considerable deficits persist in central areas of primary health care. For example, only 15% of infants are cared for by trained personnel in the first few weeks and months of life. Some 40% of the population is still without direct access to local health services. Effective treatment for diarrhoea using oral rehydration therapy (ORT) is limited to less than a quarter of the relevant population grouping.

National morbidity and mortality statistics are far from comprehensive; the most up-to-date data, which give an indication of the spread of individual diseases, are for the year 1988. They show that malaria was by far the most commonly recorded illness: the number of malaria cases in 1988 was some 673,500, which means that some one fifth of the population was affected. An indication of decline in health status is the fact that after the successful fight against malaria in the 1970s a recent increased occurrence of the disease has been detected: the number of recorded cases of malaria doubled between 1980 and 1988. Moreover, illnesses which typically affect infants and young children, such as measles (1988: 16,500 cases) and diarrhoea (1988: 132,400 cases) are of major significance. However, the extensiveness of the vaccination campaigns in the 1980s led to the number of cases of measles being halved. Respiratory disorders continue to be widespread (1988: 215,200 cases) as do heart and circulatory disorders (1988: 45,200 cases). Recorded cases of the latter almost trebled between 1980 and 1988.

4.1 REGISTERED DISEASES

Disease	Unit	1980	1984	1985	1986	1987	1988
Diarrhoe	1 000	133.3	115.9	108.6	123.3	149.1	132.4
Measles	1 000	34.0	25.9	25.7	13.1	10.1	16.5
Tuberculosis	Number	407	343	214	596	452	492
Malaria	1 000	321.3	375.0	466.6	570.0	779.2	673.5
Heart and circulatory diseases	1 000	15.7	.	.	.	64.1	45.2
Respiratory diseases	1 000	208.4	.	.	.	246.8	215.2
Complications in pregnancy and birth	1 000	11.9	.	.	.	6.6	4.2

Although it is difficult to make firm assertions on the acquired immune-deficiency syndrome, AIDS, official figures suggest that at present it is not widespread. The number of AIDS cases reported to the World Health Organisation up to February 1990 was 56 (notification date: 13.12.1989). In the neighbouring country of Ghana, the number of reported cases by the same date had already reached 1,077 (notification date: 31.10.1989). Whereas the incidence of AIDS cases per one million inhabitants in Togo was 16.7, in early 1990 it was 73.8 in Ghana. In

October 1987, Togo joined the EC and ACP States' AIDS Control Programme, coordinated by the World Health Organisation. Central to this programme is the implementation of an AIDS information campaign and the education of the nation's medical staff and of the Togolese Red Cross in prophylactic measures and strategies in the fight against AIDS. To date, the EC has provided ECU 450,000 for this programme.

In spite of the progress made in preventive medicine, the most common causes of death continue to be malaria, diarrhoea, infections, parasites and worms.

The immunization campaign for infants and pregnant women carried out under the auspices of the "primary health care" strategy is showing tangible signs of success. Initially, the immunisation programme was limited to the Savanna Region. In 1980, as part of the enhanced programme on immunization (EPI), it was extended to cover the entire country. Between 1981 and May 1989, the percentage of one-year-olds successfully immunised against tuberculosis rose from 44% to 95%. In 1989, some one quarter of one-year-olds were immunised against measles (1981: 47%). Eighty five percent had been immunised against poliomyelitis (1981: 9%) and 84% had been given a triple vaccination against diphtheria, tetanus and whooping cough (1981: 9%). Following an outbreak of yellow fever in neighbouring countries, a full immunisation programme for the entire population began in 1983.

4.2 VACCINATIONS FOR INFANTS AND PREGNANT WOMAN

% vaccinated

Type of vaccination	1981	1986	1988	1989 ¹⁾
Tuberculosis (B.C.G.)	44	53	95	95
Measles	47	43	74	75
Poliomyelitis	9	35	60	85
Triple vaccination ²⁾	9	23	65	84
Tetanus ³⁾	57	41	72	77

1) Status: 31 May. - 2) Triple vaccination for diphtheria, pertussis (whooping cough) and tetanus. - 3) Tetanus vaccination for pregnant women.

Compared with other Sub-Saharan African countries, Togo is relatively well-resourced with medical facilities. National health care services are based on rural health centres which provide medical advice and out-patient services in rural areas. The health centres also function as dispensaries. There were 348 health centres in 1988. In addition, as part of the PHC strategy, mobile health services for mothers and children have been set up as the lowest tier of the health system. On the next tier come the so-called prefecture hospitals which offer general medical services in the areas of stationary and out-patient treatment. There are 17 prefecture hospitals. Mother-child health care services are attached to these as in the case of the health centres. The next tier consists of the five regional hospitals which are located in the main city of each of the administrative regions; they also provide specialist treatment alongside

general medical care. The highest tier of the health service are provided by the two University Clinics in Lomé which together form the regional hospital for the Coastal region. In addition to the state hospitals, there are also several private clinics in Lomé. There were a total of 28 hospitals in 1988. The number of hospital beds increased by some 53% between 1980 (3,456 units) and 1988 (5,275 units). The number of inhabitants per hospital bed was reduced from 739 in 1980 to 616 by 1988.

4.3 MEDICAL FACILITIES

Facility	1980	1984	1985	1986	1987	1988
Hospitals	26	26	27	27	28	28
Health centres .....	.	309	310	310	317	348
Hospital beds	3 456	3 919	4 039	4 039	4 402	5 275
Inhabitants per hospital bed ¹⁾	739	733	733	756	715	616

1) The number of inhabitants per hospital bed was calculated on the basis of the United Nations' population figures.

In spite of the high population growth rate, it has been possible to provide improved medical care. The average number of doctors per person has increased markedly since 1980: the average number of people served per doctor was reduced from 18,600 to 11,700 between 1980 and 1988. The establishment of a medical faculty at Benin University (1980) has made it possible to train indigenous doctors in the country. Although the number of other medical personnel (medical assistants, nurses) varied during the 1980s, the figures as a whole indicate a trend for the better in terms of personnel in these categories.

4.4 DOCTORS, DENTISTS AND OTHER MEDICAL PERSONNEL

Category	Unit	1980	1984	1985	1986	1987	1988
Doctors	Number	137	232	241	244	234	278
Inhabitants per doctor ¹⁾	1 000	18.6	12.4	12.3	12.5	13.5	11.7
Dentists	Number	3	5	.	.	.	.
Inhabitants per dentist ¹⁾	1 000	851	575	.	.	.	.
Medical assistants	Number	128	159	132	101	125	122
Pharmacists	Number	26	24	26	26	26	25
Nursing staff	Number	1 207	1 261	1 336	1 291	1 232	1 285
Midwives	Number	293	327	340	344	343	348
Assistant midwives	Number	352	359	488	481	500	532

1) The number of inhabitants per doctor or dentist was calculated on the basis of the United Nations' population figures.

In spite of general progress in the health system, there remain major regional disparities in health care provision. The Coastal region enjoys the best medical provision, the Savanna Region is the worst off. This is highlighted by the average number of people per doctor. In 1986, the number of inhabitants per doctor nationally was 13,387. There were, however, on average 46,658 people per doctor in the Savanna Region, whereas in the Coastal region, the figure was only 7,145 people per doctor. In 1986, the number of inhabitants per hospital bed in the Savanna region was 1,524 - and therefore approximately twice as high as the national average of 759 inhabitants per hospital bed. In addition to the Savanna Region's poor resourcing in terms of medical facilities and personnel, inadequate hygienic and sanitary conditions, a deficient drinking water supply, low average incomes, widespread illiteracy and inadequate supplies of medicines all contribute to its high infant mortality rate (1986: 100 per 1,000 live births), and a life expectancy that is 10 years below the national average. Health care provision in the Central region is similarly inadequate. This is most evidently manifest in it having the highest infant mortality rate in the country (1986: 125 deaths per 1,000 live births). The fact that it has the highest percentage of fully immunised young children in the country (Central region: 44.3%) was not sufficient to lower the infant mortality rate as dramatically as in the other regions.

4.5 REGIONAL DISPARITIES IN MEDICAL CARE AND IN THE HEALTH OF THE POPULATION 1986

Category	Coastal region	High Plains region	Central region	Kara	Savanna region	Togo total
Inhabitants per doctor	7 145	28 790	29 618	21 925	46 658	13 387 ^{a)}
Inhabitants per hospital bed	623	760	1 006	735	1 524	759 ^{a)}
Infant mortality	70	100	125	80	100	98
% of children fully immunized ¹⁾ .	27.7	22.5	44.3	38.1	41.1	31.5

1) Figures for 1987. Percentage of one-year-olds fully immunized against measles, tuberculosis, diphtheria, tetanus, whooping cough and poliomyelitis.

a) Variations from the figures for the same years in tables 4.3 and 4.4 arise from the use of a different population base.

5 EDUCATION

The Togolese education system consists of four tiers. There are six years of primary education for children aged between six and eleven where the main languages of instruction are Ewé and Kabyè. Whilst education is in theory compulsory, in many cases this is ignored. Having successfully graduated (Certificat d'Études du Premier Degré"/CEPD there is an opportunity of going on from the sixth grade to higher levels of education. The secondary level and university education are both strongly modelled on the French education system. There are two stages in the secondary level, the so-called Premier Cycle from 12 to 15, and the Second Cycle from 16 to 18. The first stage provides a general education leading to an intermediate exam, the Brevet d'Études du Premier Cycle (BEPC). The Second Cycle ends with the Baccalauréat (A level) and its curriculum is geared towards university study. Vocational schooling ends after a four year course (12-15) with the Certificat d'Aptitude Professionnelle (CAP) in agriculture, technical trades or home economics, with the additional possibility of gaining the qualification of agricultural engineer, state approved nurse or having a technical baccalaureate, after a further three years study to the age of 18.

The government attaches great importance to expanding the country's educational system and to developing its available human resources. Throughout the entire 1970s and in the first half of the 1980s, expenditure on education was the largest budgetary item of the central government's recurrent cost expenditure. In the 1985 financial year, CFA francs 15.2 billion were spent on education, some 27% of the total budget (excluding debt servicing). In previous years, the education sector consistently took up over a quarter of the state's recurrent expenditure. It was not until 1987 and 1988 that the government found itself obliged to cut its spending on education, in the face of mounting budget deficits. In the 1988 financial year, expenditure on education fell back to 20% of the recurrent expenditure at CFA francs 14.4 billion.

High levels of investment in education during the 1970s have led to considerable advances. The number of pupils attending primary school more than doubled between 1970/71 and 1980/81, with percentage enrolments at primary level rising from 40% to 72%. At the higher levels of the education system, too, there was both a quantitative and qualitative expansion in the educational infrastructure and an increase in attendance rates. The economic crisis of the early 1980s had a negative effect on the education system. The net enrolment ratio in the primary sector had fallen to 55% by 1983/84. At 58% in 1986/87, it still lay well below the 1980/81 level. The net enrolment ratio at the first level of the secondary system fell from 23% (1980/81) to 20% (1984/85). The rising level of unemployment amongst school leavers in the first half of the 1980s made the chances of finding a job in the modern sector on the basis of examination success slimmer. This made many parents less willing to give their children the advantage of an education. A second important reason for the decline in enrolment ratios was the worsening of real incomes as a result of the economic crisis. With average incomes of about US\$200 per annum, many families could not afford the high costs of teaching materials, textbooks and examination fees which particularly affect the primary sector (1981: between

US\$14 and US\$57 per student) and found themselves forced to remove their children from school. The absolute drop in the numbers at primary school in the first half of the 1980s is a stark reflection of this fact. (See Table 5.3).

Whilst, unlike the health service, the education system is one of the central government's favoured areas for development, there is nonetheless a disproportion in the allocation of resources between personnel and material expenditure - as also occurs in the health service. In 1985, about 78% of the national education budget was spent on salaries and wages. Imbalances in the primary sector were particularly pronounced with 97.4% of expenditure going on teachers' salaries. Negligible amounts were spent on textbooks, teaching materials etc. This mis-allocation has led to students having to buy their own teaching materials and textbooks. Under such conditions it is far from uncommon for several students to be forced to share one textbook.

There has recently been a shift from the long-sustained practice of favouring higher education, as a greater concentration of funding is now spent on the primary sector. In 1985, 38.5% of state education expenditure went to the primary sector. The share going to middle and higher schools was 25.9%. 2.8% of the education budget went to the vocational sector, 28.1% to the tertiary sector.

Whilst literacy rates significantly improved between 1970 and 1985, the percentage of the population aged over 15 with no reading or writing skills is still high. In 1985, about three fifths (59.3%) of the adult population were classified as illiterate. Gender-specific differences are also marked. Whereas the male illiteracy rate fell from 73.1% to 46.5% between 1970 and 1985, the rate amongst the female population fell only from 92.9% to 72.5%. As a result almost three quarters of the female population aged over 15 did not have basic reading or writing skills in the mid-1980s.

5.1 ILLITERACY

Category	1970	1981	1985	1970	1981	1985
		in 1 000		% of age group		
15 years and over ...	822.0	927.7	982.0	84.1	68.6	59.3
male	319.0	328.5	376.0	73.1	53.3	46.5
female	503.0	599.2	606.0	92.9	81.5	71.5

The expansion of the education system during the 1970s is evident mainly in the increase in the number of primary schools which rose from 916 in 1970/71 to 2,251 in 1981/82, an increase of 145.7%. Expansion has slowed, however, since the early 1980s: by 1986/87, there were 2,362 primary schools, so that compared to 1981/82, the number of primary schools has increased by only five percent. In contrast, the expansion in the educational infrastructure at secondary level continued during the first half of the 1980s. The number of middle and higher schools

rose from 63 (1970/71) to 358 (1983/84), a sixfold increase. The country's sole university, Université du Bénin, is in Lomé. As well as its language and literature courses it also has faculties for economics and administration, law, medicine and "para-medicine".

5.2 SCHOOLS AND OTHER EDUCATIONAL ESTABLISHMENTS

Institution	1970/71	1975/76	1981/82	1983/84	1986/87
Primary schools	916	1 362	2 251	2 317	2 362
Middle and higher schools ...	63	158	248	358	.
Vocational schools	19	19	.	19	.
Teacher training institutions	1	1	22	2	18
Universities ¹⁾	1	1	1	1	1

1) "Université du Bénin" in Lomé.

Trends in the numbers of pupils since 1981/82 reflects the crisis of state education in the 1980s. Having more than doubled (+118.2%) between 1970/71 (228,500) and 1981/82 (498,600), the number of primary school pupils fell to 457,400 (-8.2%) in 1983/84. Since 1986/87, the number of primary school pupils has once again risen to 511,000.

A similar trend can be seen in the secondary sector. Having risen more than sixfold between 1970/71 (19,700) and 1981/82 (122,900), numbers had fallen by almost a quarter by 1986/87 (92,300). There has been a strong increase in numbers attending the University of Benin: between 1970/71 and 1986/87, the number of students increased almost fivefold.

5.3 PUPILS AND STUDENTS

Institution	Unit	1970/71	1975/76	1981/82	1983/84	1986/87
Primary schools	1 000	228.5	362.9	498.6	457.4	511.0
female pupils	1 000	70.9	126.0	196.4	178.8	195.5
Middle and higher schools	1 000	19.7	59.2	122.9	95.9	92.3
female pupils	1 000	4.1	13.8	30.8	23.7	21.6
Vocational schools	Number	2 104	5 118	6 932	5 627	5 688
female pupils	Number	805	1 544	2 154	1 334	1 521
Teacher training institutions	Number	153	124	374	421	.
female students	Number	22	26	120	86	.
Universities ¹⁾	Number	854	2 167	4 008	3 954	4 500
female students	Number	101	308	601	629	.

1) "Université du Bénin" in Lomé.

The total number of teachers throughout the education system has risen sharply. In the primary sector, the number of teachers went up from 3,909 in 1970/71 to 10,158 (+159%) in 1986/87. There was an even greater increase in the number of secondary teachers. Between 1970/71 (663) and 1986/87 (4,098), the number of teachers in middle and higher schools increased sixfold.

5.4 TEACHERS

Institution	1970/71	1975/76	1981/82	1983/84	1986/87
Primary schools	3 909	6 080	9 619	10 145	10 158
female teachers	758	1 224	2 044	2 143	2 057
Middle and higher schools	663	1 358	3 982	4 200	4 098
female teachers	157	204	508	530	487
Vocational schools	201	251	.	.	221
female teachers	59	59	.	.	39
Teacher training					
institutions	16	25	38	30	.
female lecturers	2	5	3	4	.
Universities ¹⁾	48	236	269	266	308
female lecturers	12	39	28	29	.

1) "Université du Bénin" in Lomé.

The sizable increase in the number of teachers has meant that the pupil-teacher ratio has improved since the early 1970s in all sectors, except for vocational training. In the primary sector, the number of pupils per teacher fell from 58 (1970/71) to 50 (1986/87). Yet these represent very large class sizes, which clearly inhibits pupil learning. As far as the staffing situation in the secondary sector is concerned, the situation up to 1986/87, at least in quantitative terms, had become satisfactory. In 1986/87, the average number of pupils per teacher in the secondary sector was 23 (1970/71: 30). The staffing situation at the University of Benin appears comparatively good with an average of 15 students to each lecturer.

The quantitative improvement in staffing to some extent masks considerable lack of qualifications amongst the teachers. In the mid 1980s, 42% of primary school teachers had completed only primary school themselves. 55% had completed the first level of secondary schooling. A mere three percent were educated to A level standard. Additionally, only 10% had any teacher training. There is also evidence of serious under-qualification at secondary level I. In 1985, 47% of teachers did not have A level qualifications, and what is more, compared with the situation prevailing in 1975 (39%), the percentage of teachers without A level qualifications has actually gone up. That there are such large numbers of pupils repeating a year and such a considerable percentage of pupils leaving school without any qualifications are due in no small measure to the poor educational standards of many of the teachers.

5.5 PUPIL-TEACHER RATIOS

Institution	1970/71	1975/76	1981/82	1983/84	1986/87
Primary schools	58	60	52	45	50
Middle and higher schools	30	44	31	23	23
Vocational schools	10	20	.	.	26
Teacher training institutions	10	5	10	14	.
Universities 1)	18	9	15	15	15

1) "Université du Bénin" in Lomé.

Alongside the problems of the internal allocation of financial resources, the key structural problems in the education system are primarily regional and sex-specific disparities. The percentage of girls of compulsory school age actually attending school is significantly lower than that of boys. Whereas in the 1986/87 academic year, 69.2% of 6 to 11 year old boys went to school, only 46.5% of girls the same age did so. In 1986/87 in all parts of the country, enrolment ratios for girls in the primary sector were significantly lower than for boys. Whereas, however, in the Coastal and High Plains regions more than half the school-age girls attended primary school, the numbers dropped to only one seventh in the Savanna region. The dominance of traditional cultural attitudes and the widespread presence of Islam are the main causes of the low enrolment ratios for girls in the Savanna region. In general, though, compared to the early 1970s, there would seem to have been a gradual reduction in sex-specific differences in primary school attendance. Whereas in the 1970/71 academic year, the proportion of girls to the total number of primary pupils was less than a third (31%), the share had risen to 40% by 1986/87.

5.6 REGIONAL AND SEX-SPECIFIC DISPARITIES IN THE EDUCATION SYSTEM 1986/87

Category	Coastal region	High plains region	Central region	Kara	Savanna region	Togo total
Net schooling rate in the primary sector ..	70.9	62.1	51.5	50.0	24.0	57.9
male	85.3	72.3	62.1	57.7	33.5	69.2
female	56.5	51.9	40.9	42.5	14.3	46.5
Percentage of girls in total number of pupils in the primary sector	40	42	40	42	30	40

5.1 NET ENROLMENT RATIO IN THE PRIMARY SECTOR BY REGION, 1980/81 AND 1986/87

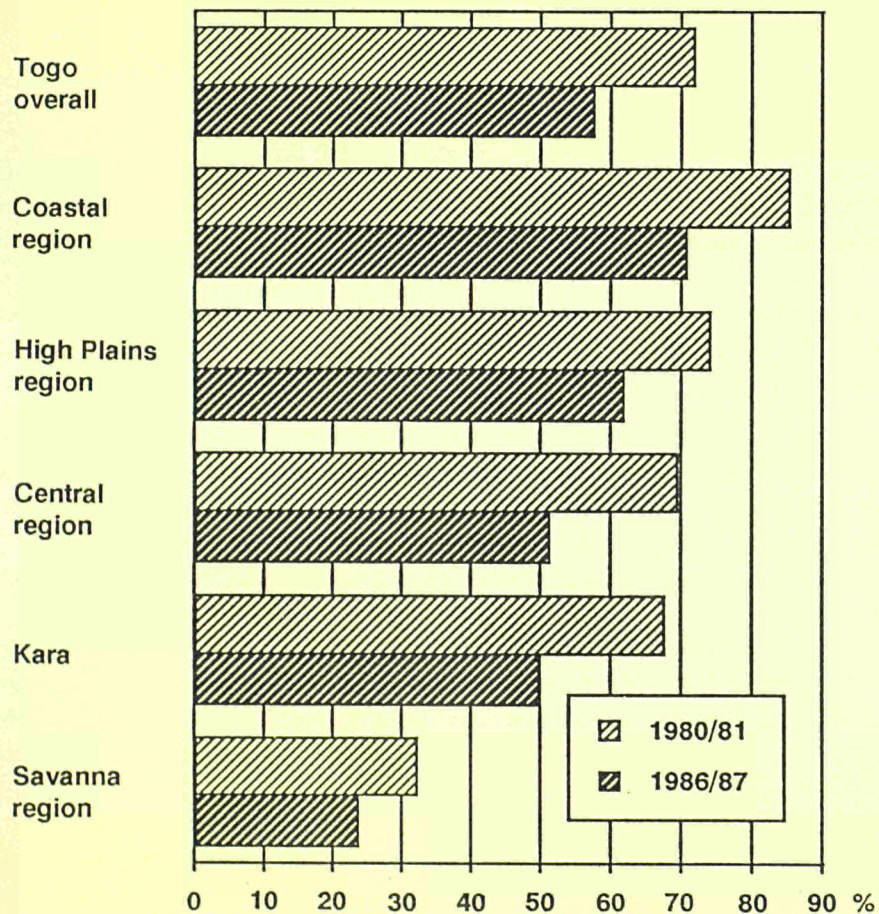


Figure 5.1 gives some indication of the regional differences in primary school attendance. Whilst net enrolment ratios in the primary sector tended to fall in all regions between 1986/87, in the southern parts of the country they are significantly higher than in the northern parts (Savanna region, Kara, Central region). The highest net enrolment ratio in 1986/87 was in the Coastal region: at that time, 70.9% of 6 to 11 year olds attended primary school. In contrast, the average for the country as a whole was only 57.9%. The Savanna region had by

far the lowest enrolment ratio; in 1986/87 only one in four children between the ages of 6 and 11 attended school. Apart from low average incomes, the Savanna region's low enrolment ratio stems primarily from the low population density and the large distances which often have to be travelled to get to the nearest school. Additionally cattle-ranching is widespread in the Savanna region and many children of school age are responsible for looking after the cattle. Enrolment ratios were also below the national average in the Central region (51.5%) and Kara (50%).

The high population growth rate is a major burden on the education system. In spite of a rapidly decreasing fertility rate, it is estimated that there will be a doubling or trebling of the school age population over the coming decades (see Chapter 3). If the central government's budgetary constraints which have recently affected the education sector persist, then educational standards will continue to decline. The result is likely to be rising pupil-teacher ratios, crowded classrooms and ever-decreasing school enrolment ratios. Without external financial support, the difficulties arising for the education sector merely from the population growth rate will be insoluble.

6 ECONOMIC OVERVIEW

Togo is relatively well-endowed with agricultural and mineral resources and has well-developed road networks to the neighbouring countries of Benin, Ghana and Burkina Faso. Some 80% of the 3.5 million inhabitants earn their living from farming the land, either growing food-stuffs or cultivating coffee, cocoa, or cotton for the export market. Agriculture accounts for approximately 30% of Gross Domestic Product (GDP) and provides in years of normal rainfall enough to cover almost all the country's own basic food requirements. Traditional farming methods, generally producing only meagre yields, still predominate. Some 75% of agricultural production is in the hands of small-holders who until recently have mainly been engaged in subsistence farming. Since the mid-1980s, however, they have become increasingly active in growing cotton.

Phosphate mining, carried out by the state-owned company OTP, Office Togolais des Phosphates, provides the country's main foreign exchange. It accounts for six percent of the Gross National Product (GNP), 40-50% of export earnings and 10 - 15% of state revenue. Trade is also of major economic significance, especially transit trade with neighbouring countries. Trade accounts for some 23% of GDP. Togo, with its good transport infrastructure - particularly the well-developed port in Lomé - and its comparatively liberal trading policy, is an important channel for the importation of goods to the region from all over the world.

Togo also possesses an efficient banking system which also supplies banking services to other countries in the region, particularly member states of the West African Monetary Union (UMOA), Union Monétaire Ouest-Africaine. The UMOA's central bank, the BCEAO, has a branch in Lomé.

In spite of these relatively favourable circumstances, Togo is a poor country with a per capita income of only approximately US\$290 (ECU 251) per annum (1987). For a long time now the growth of national income has only rarely exceeded the population growth rate, resulting in stagnating per capita incomes. In the crisis years of the 1970s to the mid 1980s, average per capita income actually fell by about 25% (see Chapter 17).

CAUSES OF THE CRISIS

Togo's economic crisis was brought on by severe economic miscalculations following the substantial increase in world prices for phosphates over a two year period which resulted initially in short-term surpluses in the balance of trade and in the public budget. This period coincided with the nationalisation of OTP in 1974. Expecting phosphate prices to remain high for a protracted period, the Togolese government launched an ambitious public investment programme which, following the drop in phosphate prices, had to be funded largely through foreign loans, generally contracted at commercial credit rates. These loans were used to set up nationalised companies - an oil refinery, a steel works, a cement works, a textiles factory and several up-

market tourist hotels - not one of which subsequently operated profitably. As none of these enterprises was in a position to service the foreign loans, all became a burden on the economy in general and the budget in particular, thus preparing the ground for future debt problems. It was primarily these substantial poor investments, including the cement works (CIMAO) which was built jointly with Ghana and the Côte d'Ivoire and which shut down in 1984, that finally resulted in the serious crisis beginning in the late 1970s. Even today they are still a heavy burden on Togo's economy.

In spite of the numerous recently set-up nationalised companies, the Togolese economy largely retains a market-economy character. Whilst the state does intervene in the agricultural economy by fixing the price of export crops via the national marketing company OPAT, agricultural production is almost exclusively structured around private enterprise. The same is true of the service sector, and for trade and small industry which are largely untouched by direct state intervention.

STRUCTURAL ADJUSTMENT

Togo's economic crisis forced it to ask for the support of the multilateral financial institutions and to approach its international creditors to seek to reschedule its foreign debts. Two successive stabilisation programmes initiated by the International Monetary Fund (IMF) in the early 1980s, however, failed to prevent further declines in national income.

It was only with a rigorous and comprehensive adjustment programme, agreed with the IMF and the World Bank in 1983, that the Togolese government signalled its willingness to embark upon extensive economic reforms targeted in the short-term at stabilising the financial situation and in the medium-term at laying the foundation for a sustainable economic growth.

The comprehensive structural adjustment programme was accompanied by a series of IMF standby credits, World Bank structural adjustment credits, the rescheduling of public loans through the Paris Club (see Chapter 19) and of commercial loans with the London Club. Beyond this, some bilateral creditors made their loans and aid allocations to Togo conditional on the implementation of the structural adjustment programme.

As Togo's membership of the West African Monetary Union, with its fixed parity of the CFA franc to the French franc, precluded any devaluation of the currency, the IMF concentrated its policies on reorganising the country's public finances as a means of restoring both internal and external balance.

In its first two structural adjustment loans of 1983 and 1985, the World Bank essentially focused on two areas:

- a reform of the incentive system for the private sector, particularly farming, and the withdrawal of the state from any direct involvement in production; and,
- a reform of the state sector aimed at a more efficient use of public resources.

The most important instrument for changing the incentive system for the private sector was reform of the agricultural pricing system. Formerly, the government, through its cooperative marketing company OPAT, passed on only an average of about 30% of the export earnings from coffee, cocoa and cotton to the producers. As of 1984, in response to pressure from the World Bank, producer prices for these products were raised year by year and moved closer to world market prices. The purpose was to increase income from farming and provide incentives for increasing productivity. The aim was achieved to some degree, but since 1989 producer prices have had to be reduced again as world market prices have fallen (see Chapters 7 and 16). A complementary measure was the liberalisation of food marketing, particularly through ending the state company TOGOGRAIN's monopoly. This was designed to make it easier to sell food surpluses, both internally and to neighbouring countries.

Reform also involved altering the incentive structures for trade and industry through the adoption of a new legal framework (investment law, taxation law), the abolition of state import monopolies and the total revision and simplification of customs regulations. All these changes had been implemented by the end of the 1980s.

As regards the second area of structural adjustment, reform of the state sector, the World Bank joined the government in imposing a system of rigorous assessment of state investments in particular, in relation to volume, quality, and distribution across the different sectors. A particular problem this raised was that most state investments have been financed by foreign aid donors, making it often more difficult for the government to achieve a harmonised improvement in the quality, monitoring and execution of projects. However, it has been possible to bring about an improvement in state investments by placing emphasis on those the rehabilitation of existing infrastructure and agricultural development projects (see Chapter 20).

One of the most important tasks in terms of reforming the state sector was the restructuring of the approximately 70 state owned enterprises. The Ministry of Industry and State Enterprises, set up in 1984, undertook a thorough inventory of all the companies and on this basis decided to liquidate 11 companies that were beyond reorganisation, to privatise 10-15 companies initially, and to initiate a management reform programme in those companies remaining in the public sector. By the end of the 1980s, 10 companies had been liquidated and 14 companies had been completely or partially privatised, the majority involving foreign capital.

The results of the structural adjustment programmes to date can be summarised as follows:

Since 1988, GNP has grown slightly faster than the population growth rate. The long periods of economic contraction have been halted. That the progress of the balance of payments has not been better is primarily due to poor external conditions, particularly in terms of falling world prices for Togo's exports.

The new agricultural producer price policy has led to agricultural incomes being stabilised or increasing in some regions; however, there has also been a rise in social problems due to unemployment and a fall in income in rural areas not directly benefitting, such as those mainly growing food crops, as well in the cities. The social dimensions of the structural adjustment

programme received greater attention during the life of the World Bank's third structural adjustment loan (1987) and are to be a central feature of the fourth (1990). Within the framework of the SDA-Committee (Social Dimensions of Adjustment), the European Community (EC), in collaboration with the World Bank, is making a substantial contribution towards averting negative social consequences arising from the structural adjustment process.

7 AGRICULTURE, FORESTRY AND FISHERIES

Agriculture is the cornerstone of Togo's economy. Approximately three quarters of the workforce are active in this sector. The total net value added by agriculture (including forestry and fisheries) totalled CFA francs 72.3 billion in 1989 (at 1978 prices), some 33.2% of GDP at market prices. This put agriculture ahead of commerce (including tourism) as the most important sector of the economy. Compared with the 1988 figure, the total net value added by agriculture went up by 3.9% in 1989¹⁾. Its significance for the economy can be seen by the fact that, depending on annual variations of climate, around 25% of the country's total export revenue comes from agricultural products.

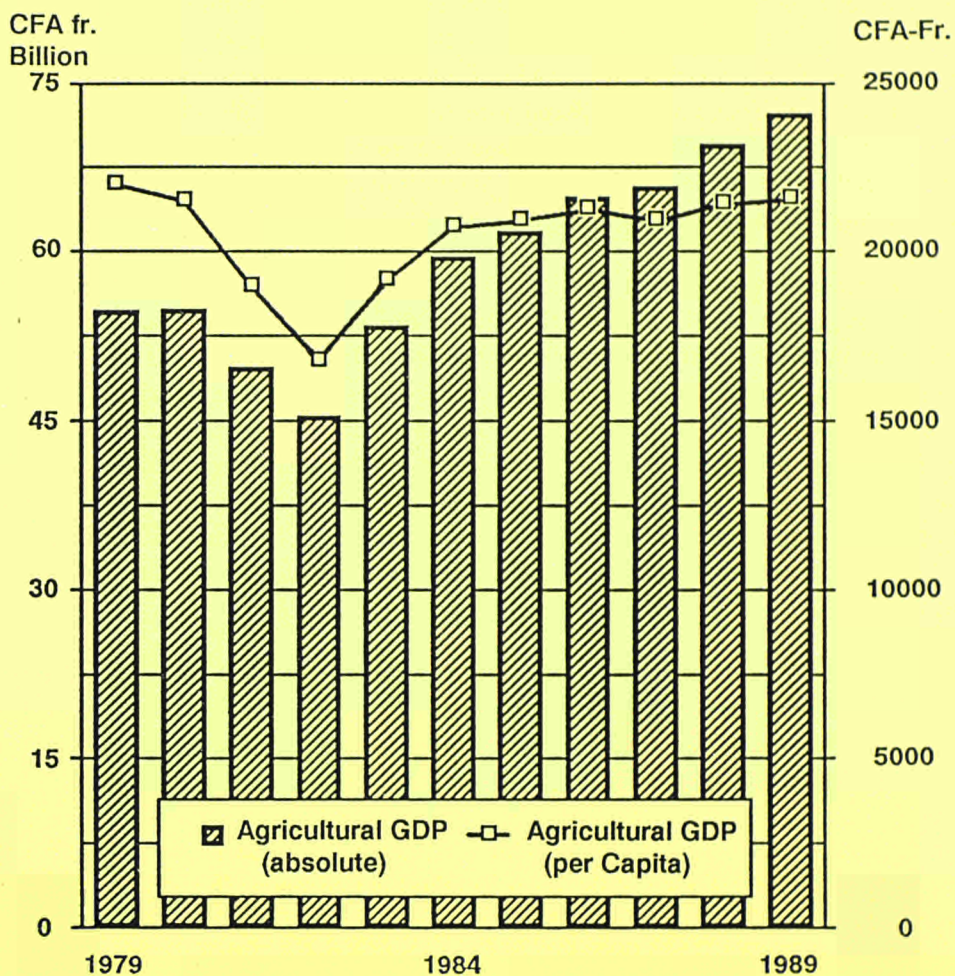
The government has given high priority to agriculture since the late 1970s. The proclamation of the "green revolution" in 1977 set the country the goal of becoming self-sufficient in food production by 1985. Apart from increasing the production of basic foodstuffs such as maize, sorghum/millet, yams and cassava, particular efforts were also made to expand the cultivation of rice and sugar cane by improving the irrigation system so as to reduce dependency on the imports of these products. As part of its efforts to replace agricultural imports, 4,000 hectares of land in the Central region have been set aside for growing sugar cane. The costs of this project, partly financed by the World Bank, are approximately CFA francs 20 billion. It includes the building of a sugar works capable of processing between 30,000 t and 40,000 t of sugar cane a year.

To achieve the "green revolution's" aim of self-sufficiency in basic foodstuffs, farmers were granted tax exemption on agricultural machinery and productive materials as an incentive. Apart from this, other incentives included stepping up agricultural mechanisation, subsidising inputs (artificial fertiliser, pesticide) and expanding the agricultural credit system.

With favourable weather, it is now possible for the country to be almost self-sufficient in its basic food requirements. One of the few exceptions is rice which, in spite of recent increases in production, still has to be imported in large quantities. A rapidly expanding urban population over recent years has led to a sharp increase in the demand for rice. The high variability in rainfall and the lack of available irrigation facilities are a poor starting point for growing rice and make complete self-sufficiency appear unlikely for the foreseeable future. Currently, wheat, sugar, salt, fish, and meat are also being imported. In drought years, it is also necessary to import a limited amount of maize and sorghum/millet to secure food supplies.

1) An updated figure from national statistical sources gives a revised net value added by agriculture of 74,9 billion CFA francs in 1989. This implies that agricultural growth in 1989 was much higher (more than 6%) than the 3.9% listed above.

7.1 TRENDS IN NET VALUE ADDED FROM AGRICULTURE (ABSOLUTE AND PER CAPITA) 1979-89



Whilst it has been the government's declared intention since the late 1970s to achieve total self-sufficiency in its food requirements, state investments in agriculture have continued to centre on export crops such as coffee, cocoa and cotton. Between 1985 and 1988, approximately 40% of agricultural development expenditure went on export crops although they account for only around 10 to 15% of agriculture's net value added (including forestry and fisheries). In spite of the favourable treatment given to the export sector, there have been clear successes in the promotion of basic food production since the late 1970s. Whereas overall agricultural sector growth had averaged about 1.5% a year in the 1970s, it increased to an average of 2.8% a year (at 1978 prices) between 1978 and 1989. This was almost sufficient to keep pace with the growth in population (see Fig 7.1). The increase in agricultural net value added led to a rise in the overall economic importance of agriculture during the 1980s: agriculture's share of GDP (at 1978 prices) rose from 26.5% in 1979 to 33.2% in 1989 (see Chapter 17, Fig 17.2).

It should be noted that the growth of agricultural production in the 1980s was interrupted by the drought of 1981/83. The collapse in production this unleashed led to a decline in growth (see Fig 7.1). In the post-drought period from 1984 to 1989, there was further sustained growth in agricultural production, with the sector growing at an average annual rate of four percent. Per capita value added was at approximately the same level in 1989 as it was in 1979: at about CFA francs 21,582 per inhabitant, compared with CFA francs 21,999 per inhabitant in 1979.

Togo's agriculture is dominated by small-holders. Over two thirds of all agricultural establishments consist of areas of less than two hectares. The percentage of farms with an area of more than 10 hectares is less than one percent. Whilst Togo's agriculture has traditionally been subdivided into a basic food production sector, Cultures Vivrières, and an export sector, Cultures de Rente, this division does not strictly hold in practice. Many smallholders are involved in producing cash crops such as coffee, cocoa and cotton, in addition to growing basic foods. Since the mid-1980s, cotton growing, in particular, has become much more widespread amongst smallholders previously engaged exclusively in subsistence farming.

In 1987, according to figures from the United Nations' Food and Agriculture Organisation (FAO), approximately 1.615 million hectares, some 28.7% of the land, were being used for farming. It was reported that there were 1.326 million hectares of arable land at the time, some 24% of the total land area. About 69,000 hectares were being used for permanent cultivation. The grazing potential was of minimal economic significance using only 200,000 hectares, some 3.5% of the total area. While in 1987 about 1.350 million hectares (23.8% of the country) were recorded as forest area, much of this was only secondary forest or wooded areas which had been heavily degraded by excessive use as a fuel-source or had simply been plundered. The 7,000 hectares of irrigated land accounted for less than one percent of the total arable land used for permanent cultivation. In 1987, the population density of 195 inhabitants per km² was comparatively high in relation to the amount of land used for farming. Compared with 1972 (129 inhabitants per km²), it had increased by more than 50%. This indicates the growing population pressure on scarce land resources which, in the medium to long-term, can only be alleviated by increasing the productivity of the land.

7.1 LAND USE

Land use	1972	1977	1982	1987
Arable land	1 330	1 350	1 358	1 362
Permanent crops	70	65	68	69
Permanent meadows and pastures ¹⁾	200	200	200	200
Forest and woodland	2 100	1 850	1 600	1 350
Other areas	1 979	2 214	2 453	2 698
Irrigated areas	5	6	7	7

1) FAO division; depending on climatic conditions including areas only occasionally usable.

While there was relatively little use of artificial fertiliser in the 1987/88 farming year - averaging 7.5 kg per hectare of arable land and land under permanent cultivation - there was a clear increase in the usage of commercial fertilisers during the 1980s. Compared with the 1982/83 farming year (2.0 kg per hectare), the use of fertiliser had increased almost fourfold by 1987/88 (7.5 kg per hectare). The increased use of commercial fertilisers is mainly the result of the expansion in cotton cultivation since the early 1980s. As sorghum and maize are often planted after the land has been put to cotton, the increased use of fertiliser also had the effect of producing higher yields of these basic foodstuffs.

7.2 USE OF COMMERCIAL FERTILISERS*) tons of pure nutrient

Category	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88
Total commercial fertiliser ..	2 788	3 061	6 900	9 800	11 100	10 700
containing nitrogen	995	1 211	2 600	3 700	4 000	4 900
containing phosphate	918	1 004	2 300	3 400	3 900	3 100
containing potash	875	846	2 000	2 700	3 200	2 700
Consumption per ha of arable land and area under permanent crops in kg ¹⁾	2.0	2.1	4.8	6.8	7.8	7.5

*) Farming year: July/June.

1) Calendar years (1987/88 = 1987).

The most important basic foodstuffs grown in the country are maize, sorghum/millet, cassava and yams. Whereas maize is mainly grown in the southern parts of the country, millet/sorghum is primarily grown in the drier northern areas where the prevailing climatic conditions are more suitable. Rice, beans, groundnuts, sweet potatoes and taro are also of great significance

in feeding the population. Basic foodstuffs are generally grown by smallholders and medium-sized farmers who only market a proportion of their produce. In the past, the central marketing organisation for basic foodstuffs was the para-statal company TOGOGRAIN. As well as fixing purchasing prices, it also had the role of maintaining a grain reserve (maize, millet/sorghum, rice) to ensure price stability. Because of mounting inefficiency in the grain marketing system, TOGOGRAIN underwent reorganisation in 1986. The grain marketing monopoly was abolished and it was decided to privatise trading in basic foodstuffs. TOGOGRAIN is now only responsible for administering the 12,000 t emergency grain reserve. This, however, has proved to be inadequate. In order to guarantee food security in the case of droughts, there would need to be a reserve of 60,000 t. To improve food security and to offer farmers price stability in times of high over-production, the government supports the establishment of village silos whereas the World Bank, as part of the structural adjustment programme, prefers to trust in the balancing effect of liberalised foreign trade in basic foodstuffs.

Following the drought years of 1981/83, there was a marked increase in food production. Between 1983 and 1989, the production of basic foodstuffs increased from 1.386 million t to 1.850 million t (+33.4%). Compared to the previous year (1988: 1.806 million t), food production rose by 2.4% in 1989, due largely to comparatively good rains. Between 1983 and 1989, per capita production rose from 497 kg to 552 kg, that is by some 11%. Whilst there were some fluctuations in food production between 1984 and 1989, the general upward movement of production levels remained unaltered (see Fig 7.2). Annual harvest fluctuations were caused, on the one hand, by falls in production due to drought and, on the other, by reactions to rises or falls in the producer prices for certain agricultural products. Broadly, production of grain crops (maize, sorghum/millet, rice) increased substantially more after the drought years 1981/83 than the production of roots and tubers (cassava, yams). This was the result of increased producer prices for cereals from the mid-1980s onwards. The decline in yam and cassava production is a reflection of changing eating habits, evident in a stronger preference for grain over traditional root crops, a trend found even in peasant households.

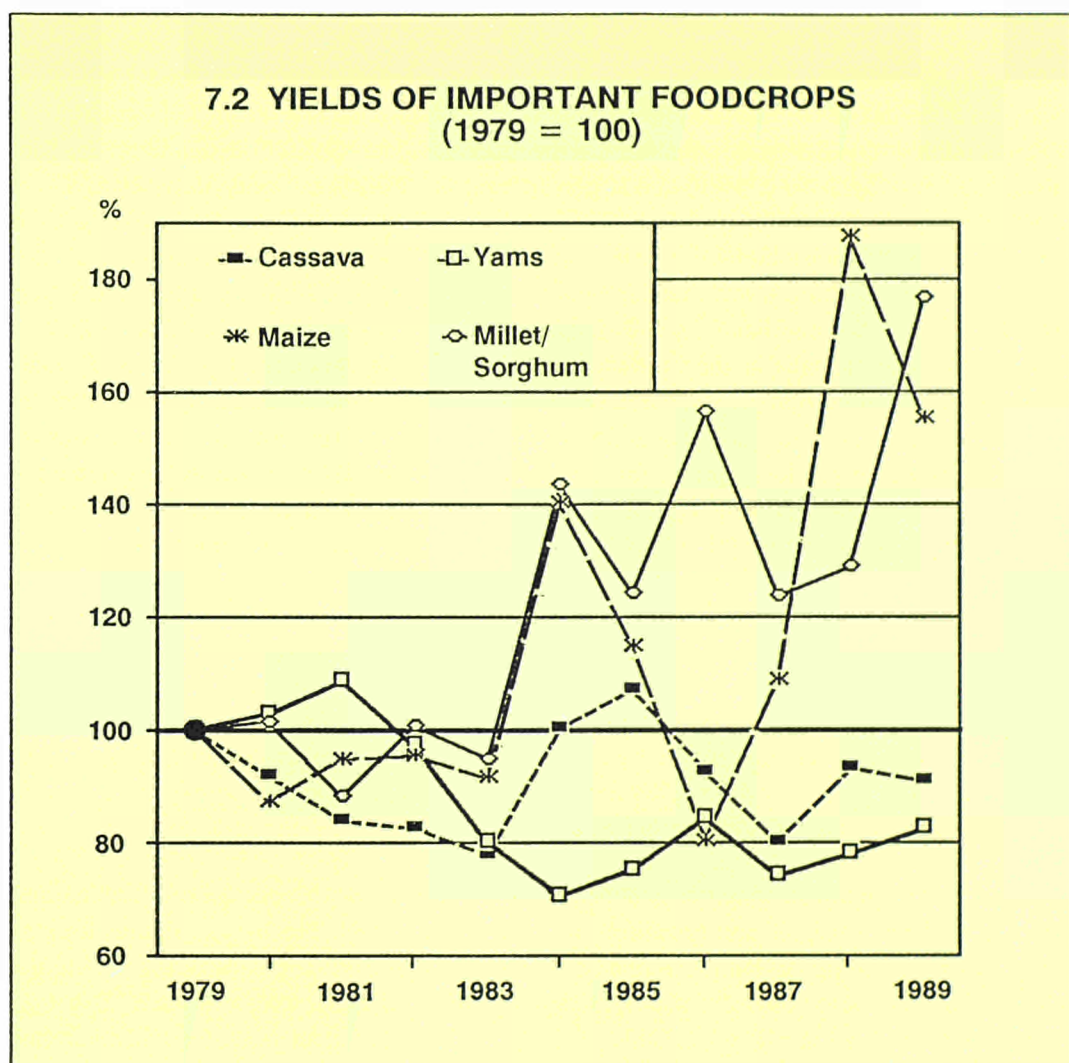
After the 1980/83 drop in production caused by the drought, maize production increased in 1984 to 221,800 t. Compared with the previous year, this was an increase of 53.3%. A further setback in 1986 was followed by three good harvests. In 1988, a new record of 296,300 t was achieved. The year 1989 also saw a good maize harvest, yet at 245,400 t it did not quite match up to the previous year. The upward trend in maize production was encouraged by a sharp rise in producer prices. Between 1984 and 1989, the producer price per kg of maize went up from CFA francs 50 to CFA francs 76 (+52%).

While millet/sorghum production had previously been subject to considerable fluctuations, there is evidence of significant growth in production since 1984. The harvest figures for 1989 suggest a record crop of 240,200 t, almost double the figure for the early 1980s. Compared with the previous year (1988: 175,500 t), millet/sorghum production rose by about 37% in 1989. This expansion in production was achieved in spite of the producer price for millet/sorghum per kg falling in 1989, from CFA francs 89 to CFA francs 74. It should be noted, however, that

in spite of this drop, the producer price for sorghum/millet was still significantly higher than in the 1984/87 period.

Trends in yam production showed a significant reversal during the 1980s. The yield of 527,000 t in 1981 was never matched in successive years. The 1989 figure of 400,000 t was some 24% below the 1981 peak. This level of performance may be the result of smallholders allocating more land previously used for growing yams to cotton production, in the hope of increasing incomes through moving into such a lucrative export crop.

After a short-term recovery in 1984 and 1985, cassava production has also declined. Between 1987 and 1989, production levels were significantly lower than in the late 1970s. Compared with 1985 (474,400 t), cassava production had fallen 15.1% by 1989 (403,000 t).



Although rice production almost doubled between 1981 (14,000 t) and 1989 (26,900 t), domestic production is still not sufficient to cover overall demand. Currently, about 40% to 50% of the rice consumed has to be imported. In 1988, a domestic rice crop of 28,700 t was nearly matched by imports of 20,000 t. Added to this are some tens of thousands of tons of wheat which are also imported: imports of wheat and wheat flour for 1988 totalled 67,100 t. Overall, some 110,000 t of grain (import value: US\$20.7 million) were imported.

The rapid decline in groundnut production since 1986 (34,800 t) was the result of a severe fall in producer prices. Whereas the producer price of groundnuts was CFA francs 105 per kg in 1986, it had fallen to CFA francs 27 by 1988. This fall led to a marked cut-back in production. Annual yields had fallen to less than 20,000 t by 1989. Compared to the record year of 1986, this meant a fall in production of almost 44%. As a result of low producer prices, purchases of groundnuts by the central marketing authority OPAT, Office des Produits Agricoles du Togo, fell to zero in the 1987/88 farming year.

7.3 AGRICULTURAL PRODUCTION AND PRODUCER PRICES FOR SELECTED BASIC FOODCROPS*)

Product	1981	1982	1983	1984	1985	1986	1987	1988	1989 ¹⁾
Agricultural production in 1 000 t									
Total .....	.	.	1386.2	1622.3	1620.6	1633.5	1599.0	1805.6	1849.5
Cassava	372.0	366.0	345.2	444.4	474.4	410.7	355.2	413.1	403.0
Yams	527.0	472.0	388.1	341.9	364.4	409.4	360.4	378.7	400.0
Maize	150.0	151.0	144.7	221.8	181.6	126.9	172.1	296.3	245.4
Sorghum/millet	120.0	137.0	129.0	195.2	168.9	212.7	168.2	175.5	240.2
Rice	14.0	16.0	10.0	17.8	15.2	19.9	23.2	28.7	26.9
Beans, dried ..	19.0	26.0	20.6	33.0	26.6	23.1	36.2	18.0	20.8
Groundnuts in shells	27.0	17.0	15.9	23.1	31.5	34.8	31.7	25.2	19.6
Other .....	.	.	332.7	345.1	358.0	396.0	452.0	470.1	493.6
Producer prices in CFA francs									
Cassava .....	.	.	47.0	20.0	30.0	35.0	36.0	31.0	33.0
Yams .....	.	.	55.0	82.0	63.0	66.0	59.0	57.0	58.0
Maize .....	.	.	88.0	50.0	48.0	73.0	72.0	78.0	76.0
Sorghum/millet ..	.	.	71.0	60.0	64.0	63.0	62.0	89.0	74.0
Rice .....	.	.	91.0	73.0	104.0	107.0	88.0	89.0	92.0
Beans, dried ....	.	.	129.0	132.0	128.0	143.0	115.0	169.0	153.0
Groundnuts in shells .....	.	.	177.0	90.0	105.0	105.0	90.0	27.0	27.0
Other .....	.	.	34.0	34.0	35.0	40.0	43.0	43.0	45.0

*) Farming year: 1 April to 31 March.

1) Estimate.

To be able to feed Togo's rapidly growing population, it will be necessary over the coming decades to maintain growth in agricultural production. In the main, this will have to be achieved by increasing yields from present cropping land rather than through bringing additional land into cultivation. The average yield per hectare for cereals was 0.9 t in 1988, less than the already low average figure for Africa of 1.2 t. The yield per hectare for maize was 1.3 t in 1988, whereas in countries such as Nigeria and Zambia two tons and more are produced. The yields for rice (1988: 1.4 t per hectare) and millet/sorghum (1988: 0.7 t per hectare) are still at a low level. There is, therefore, still great potential for increasing the yield per hectare, and food production as a whole. The critical issue is how quickly the necessary growth in production can be achieved. A population growth rate of three percent per annum requires food production to be doubled in little more than twenty years, and that only to maintain the current per capita level of food supply.

Coffee, cocoa, and cotton are the main export crops. Whereas cotton is grown in all parts of the country, coffee and cocoa production is concentrated in the western areas of the High Plains region. Coffee and cocoa yields are at a low level due to the excessive age of the trees/bushes. To achieve an improvement in yields, between 1987 and 1991, 7,500 hectares of coffee and 4,000 hectares of cocoa fields are being replanted in the western High Plains region with financial support from the World Bank and France, totalling US\$29.8 million. A major problem, however, is that prevailing ownership patterns are impeding the replanting of coffee and cocoa trees. A substantial number of coffee and cocoa producers do not own their land but are share-croppers and thus have minimal interest in any long-term investment for improving the plant stock.

As part of the World Bank and the IMF's structural adjustment programmes, there has been a marked increase in the purchase price for agricultural exports. With the exception of cotton, the Office des Produits Agricoles du Togo (OPAT) is responsible for marketing all agricultural export crops (coffee, cocoa, karité kernels, palm kernels, groundnuts).

To ensure that Togo's exports remain competitive, OPAT was restructured in 1988. The continued expansion of economic activities during the 1970s - which, outside the agricultural sector, included investments in tourism (hotel building) and the transport sector and, inside agriculture, included a growing involvement in cultivating irrigated rice - had led to grave losses as OPAT had almost consistently involved itself in unprofitable activities. The fall in profits, brought about since 1986 by the fall in world prices for coffee and cocoa, worsened OPAT's financial crisis making reorganisation inevitable. In November 1988, as part of the overall restructuring initiative, the number of jobs was cut from 1,188 to 227. The government decided to limit OPAT's activities to the marketing of agricultural exports and announced the sale of unprofitable non-agricultural businesses. For years coffee and cocoa were marketed by OPAT through direct purchases from the producing farmers; since 1988, however, a private tier in the marketing structure has been built into the system: farmers sell to the private sector which on-sells to OPAT. OPAT, however, continues to undertake the shipping of exports from Lomé (so-called "Bulk Exports").

Producer prices for coffee and cocoa were progressively increased up to the 1987/88 season; subsequently, however, as a result of the fall in market prices for both these products, the government found itself forced to revise its producer price policy for agricultural export crops, which it brought in prior to the start of the 1988/89 marketing season. Thereafter a two-tier pricing system operated. Before the start of the 1988/89 marketing period, a floor price was fixed in accordance with the relevant world price level. For the 1988/89 agricultural season, the floor price for coffee was set at CFA francs 350 per kg, 12.5% less than the purchase price for 1987/88 (CFA francs 400). The floor price for 1 kg of cocoa was reduced to 300 CFA francs (-16.7%), while the price for cotton was set at CFA francs 95 (-9.5%).

The second part of the new producer price structure consisted of part of the final selling sale price being passed onto the farmers after deductions for marketing, transport and packaging as a share in the overall profits ("agricultural support pricing"). The remaining part of the sale price is shared between OPAT, the state budget, and private dealers.

The fall in the world price of coffee and cocoa has considerably worsened Togo's economy, and left it more vulnerable. The collapse of the International Coffee Organisation (ICO) in July 1989 and the concomitant abolition of the export quota system of participating states, meant that Togolese coffee had to be sold on the world market, characterised by excess supply (particularly of robusta). In view of the predictions that there will be no return to a quota system before mid-1991, the chances of any short-term improvement in the situation seem remote.

Developments in the international cocoa market have been equally depressing. Growing production levels amongst non-member states of the International Cocoa Organisation (ICCO), particularly Malaysia, the sale of the Côte d'Ivoire's 400,000 t of cocoa stocks in early 1989 as well as half of its 500,000 t harvest in August 1989, have led to an excess of supply on the world market and have played an important part in the fall of the price of cocoa.

As a result of the world market prospects for coffee and cocoa, these crops are likely to be less important for the future than they have been in the past performance of Togo's agricultural sector. The government is attaching increasing significance to expanding cotton production. Between 1984 and 1988, the number of cotton farmers increased from 70,000 to 132,000. This meant that by 1988, about half of the total 262,500 agricultural establishments were planting cotton. In 1988, a total of US\$37.5 million were spent on expanding cotton production. Foreign donors involved included International Development Association (IDA), US\$15.1 million; Caisse Centrale de Coopération Economique (CCCE), US\$11.5 million, and Fonds d'Aide et de Coopération (FAC), US\$3.3 million. The objective is to increase cotton production by 60% between 1988 and 1991, and, what is more, the conditions for expanding cotton cultivation appear favourable. For one thing, it is expected that the world price will continue to rise over the next three years as current demand exceeds yearly production. For another, Togo, as one of West Africa's low-cost cotton producers, enjoys favourable conditions for expanding its share of the world market.

Following the drought-induced depression in the 1983/84 harvest year (3,000 t), coffee production in the following years rose considerably as a result of the significant increases in producer prices. In spite of the fall in the purchase price to CFA francs 350 in the 1988/89 season, coffee production continued to rise and reached its highest level at 14,750 t in that year.

In contrast, there was a marked decline in cocoa production in spite of similar increases in producer prices. Between 1985/86 (14,300 t) and 1988/89 (8,700 t), cocoa production fell by 39%. This was primarily due to deteriorating plant stock and poor climatic conditions for growing cocoa in the 1987/88 season.

With the exception of the 1987/88 harvest year, cotton production has experienced a continuous rise since 1983/84. The fall in production in 1987/88 to 67,000 t was the result of poor harvests in the northern parts of the country and the Central region, following bad weather. A new production record of 86,500 t was achieved in 1988/89: an increase of 29.1% over the previous year. Between 1983/84 and 1988/89, cotton production more than trebled. Alongside rising producer prices, improved planting methods, an expansion in the area cultivated and progress in agricultural research all contributed to production growth. However, the rapid increase in cotton production meant that by 1986 the cotton-ginning plants had reached capacity. The current "Cotton Sector Project", supported financially by the World Bank, should ensure that ginning-capacity is raised so that such bottlenecks do not occur again in the future.

7.4 AGRICULTURAL PRODUCTION AND PRODUCER PRICES FOR SELECTED EXPORT CROPS*)

Product	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89
Agricultural production in 1 000 t							
Coffee	5.9	3.0	10.1	8.6	11.4	11.1	14.7
Cocoa	9.8	16.5	9.8	14.3	12.6	11.1	8.7
Cotton	27.5	24.4	54.7	63.5	79.1	67.0	86.5
Palmkernels	9.1	9.1	11.7	12.1	12.5	13.0	13.5
Other export products	.	13.2	13.7	22.9	14.8	19.7	11.2
Producer prices in CFA francs							
Coffee	235.0	290.0	315.0	365.0	400.0	400.0	350.0
Cocoa	235.0	275.0	300.0	330.0	360.0	360.0	300.0
Cotton	65.0	75.0	90.0	105.0	105.0	105.0	95.0
Palmkernels	55.0	60.0	75.0	75.0	15.0	25.0	25.0
Other export products	.	54.0	60.0	80.0	50.0	35.0	15.0

*) Farming year: 1 October to 30 September.

The Société Togolaise du Coton (SOTOCO) has recently become responsible for exporting the country's cotton. In the past it was only responsible for processing the cotton and for internal marketing, the export market being the responsibility of OPAT. SOTOCO has also been restructured and is about to be privatised; this will involve paying taxes on profits and fees for any state services it uses.

Cattle are mainly kept to cover personal food needs and are therefore of only marginal significance to overall agricultural production. The annual net value added by cattle-farming contributes less than 20% to agricultural GDP. Periodic water shortages in the hinterland and the widespread presence of tsetse fly are major constraints to future expansion. Central Togo and the Savanna region are the regional centres of beef production. Pig rearing is carried out mainly in the south of the country. The government has been trying for some years now to improve cattle-farming by introducing better breeds and encouraging modern breeding methods. As well as aiming for self-sufficiency in basic foodstuffs there is also a medium-term aim of achieving total self-sufficiency in meat and other animal products.

7.5 LIVESTOCK

Type of livestock	Unit	1979/81 A	1986	1987	1988
Horses	1 000	1	1	1	1
Donkeys	1 000	1	3	3	3
Cattle	1 000	229	276	290	290
Dairy cows	1 000	30	36	38	38
Pigs	1 000	231	288	300	300
Sheep	1 000	592	800	900	1 000
Goats	1 000	556	860	880	900
Chickens	Mill.	2	2	2	3

7.6 SLAUGHTERINGS

1 000

Slaughtered animals	1979/81 A	1986	1987	1988
Cattle and calves	33	38	40	40
Pigs	116	144	150	150
Sheep and lambs	130	180	200	220
Goats	139	215	220	225

There has been a significant increase in the numbers of almost all kinds of livestock since the early 1980s. The number of cattle rose from 229,000 in 1979/81 to 290,000 in 1988 (+26.6%). The number of pigs rose from 231,000 to 300,000 (+29.9%) over the same period. By 1988,

the number of sheep had risen to one million, an increase of some 69%. The number of goats went up by about 62% over the same period of time. There were three million chickens in 1988. Going hand in hand with the rise in livestock there was also a significant increase in the number of slaughtering between 1979/81 and 1988 (see Table 7.6).

Meat-production is not adequate to satisfy domestic demand: it accounts for only about 70% of total consumption. Thus some 30% of the meat consumed in the country has to be imported. These imports come largely from the EC, Argentina, New Zealand and the neighbouring states of Burkina Faso, Ghana, and Nigeria. To some extent, domestic cattle and poultry farming have suffered as a result of the dumping of imported fresh and tinned meat from the western industrial nations and Latin America against which domestic produce cannot compete. As a result, the authorities are intending to employ certain protectionist measures. In a first step, in 1989 the import of frozen meat was forbidden. Furthermore, there are plans to introduce fixed import quotas on poultry to keep the internal market buoyant for domestic producers.

7.7 QUANTITIES OF SELECTED ANIMAL PRODUCTS

Item	Unit	1979/81 A	1986	1987	1988
Beef and veal	1 000 t	4	5	5	5
Pork	1 000 t	3	4	4	4
Mutton and lamb	1 000 t	1	2	2	2
Goat	1 000 t	1	2	2	2
Poultry	1 000 t	2	3	3	3
Cow's milk	1 000 t	7	8	9	9
Chickens' eggs	1 000 t	1.7	2.2	2.3	2.4
Cowhides, fresh	t	588	684	720	720
Sheepskins, fresh	t	246	342	380	418
Goatskins, fresh	t	139	215	220	225

The country's forests have been seriously depleted over the last two decades. Between 1972 and 1987, the area covered by forests shrank from 2.1 million to 1.35 million hectares (-35.7%). For the most part this was due to increased felling for firewood and charcoal production. In addition, the expansion in both the area planted to cotton and the transport network have led to the deforestation of linked forest areas and to their successive loss. Today there are only major forests covering the Central region and the High Plains region. The former large forest regions in the south (Coastal region) and the north west (Kozah) have been utterly decimated by predatory exploitation. Firewood needs of the most densely populated southern provinces can scarcely be met by the available forest resources. To improve the firewood supply in the capital, a 3,400 hectare eucalyptus plantation about 35 km outside Lomé was established in 1981 with financial support from the EC and the FAC. The plantation is planned to cover 4,000 hectares, however recent project evaluations show that the production costs for charcoal and firewood are significantly higher than originally projected.

The government is attempting to halt deforestation through a policy of targeted reforestation. Apart from re-planting wooded areas as wind and erosion breaks, reforestation measures include the planting of village wood-lots to improve the local supply of firewood.

Trends in increased felling of deciduous timber are shown in Table 8.8. Between 1979/81 and 1987, the total volume felled rose from 663,000 m³ to 813,000 m³, an increase of some 22.6%. Almost four fifths of the total timber felled in 1987 was for fuel (640,000 m³). 173,000 m³ of commercial timber were felled in 1987. The hardwood required for the building trade and furniture manufacture, however, has to be almost entirely imported.

7.8 FELLED DECIDUOUS TIMBER

1 000 m³

Category	1979/81 A	1983	1984	1985	1986	1987
Total	663	723	744	765	789	813
Commercial timber .	143	155	159	163	168	173
Wood for fuel	520	568	585	602	621	640

For the fishing industry, the period from 1983 and 1987 was largely one of stagnation, as the catch increased only minimally over this period from 14,556 t to 15,176 t (+4.3%). Over three quarters of the 1987 catch came from deep-sea fishing which is still mainly carried out by small-scale canoes. Just under a quarter of the total catch comes from fresh-water and brackish-water fishing. The most important fresh-water fishing areas are the lagoons along the coast and on the Mono and Oti rivers. In 1987, 5.7 t of crustaceans and molluscs were caught.

7.9 QUANTITIES OF FISH CAUGHT

tons

Type of catch	1983	1984	1985	1986	1987
Total	14 556	14 547	15 544	14 838	15 176
Freshwater fish	3 500	3 500	3 500	3 514	3 514
Brackish water fish	8	22	20	36	165
Salt-water fish	11 046	11 022	12 022	11 284	11 492
Crustaceans and molluscs	2	3	2	4	5

The volume of local fish caught is not sufficient to meet domestic demand for fish and fish products. In 1987, 17,843 t of fish had to be imported (including 17,200 t of frozen fish alone). This meant that less than 50% of the country's demand was being met from its own resources. The most important countries of origin for fish imports are the Soviet Union (frozen fish), Mauritania, Senegal and Nigeria.

The development of deep-sea fishing is made difficult by the limited expansion of the fishing grounds. Deep-sea fishing is confined to the coastline which is a mere 53 km long with only a 13 km wide coastal shelf. Further obstacles to any expansion in such fishing are posed by the lack of adequate quays for fishing boats as well as insufficient capacity of the fish-processing industry. The government has taken a series of measures to improve the situation. As well as modernising the fishing fleet, granting tax concessions on the purchase of ships' motors, nets and other fishing equipment, they are focusing prime attention on increasing the recruitment of young people to the fishing industry so as to offset the consequences of what is now an aging fishing population. The state is also supporting the establishment of fish farms and village ponds to strengthen local fish supply in the hinterland.

8 INDUSTRY

The total net value added by industry - energy and water supply, mining, quarrying, manufacturing and construction - was CFA francs 46 billion in 1989 (at 1978 prices). This means that the industrial sector accounted for 21.1% (1979:23.7%) of GDP.

ENERGY AND WATER SUPPLY

In 1989, the energy and water supply sub-sector accounted for 2.3% (1979: 1.6%) of GDP. Between 1979 and 1989, the net value added from this sector rose from CFA francs 3.3 billion to CFA francs 5.1 billion (+ 54.5%). This was primarily due to the completion of the Nangbéto hydro-electric power station, permitting a substantial increase in electrical generating capacity.

The most important sources of energy are firewood and charcoal, accounting for between 60% and 70% of the country's energy requirements. In rural areas, wood and charcoal are the only sources of energy apart from animal and vegetable waste. The high population growth rate of the last few decades has led to a sharp rise in firewood consumption. The recently initiated re-forestation programmes, carried out with bilateral financial aid from France and the Federal Republic of Germany, are insufficient to counteract the effects of deforestation or to cover the country's growing demand for firewood in either the medium or long term.

Commercial sources of energy (electricity, oil/oil products) account for between 30% and 40% of total energy consumption. The largest consumer of commercial energy is industry (58%), followed by transport (38%). Electricity for domestic use is only available in the cities and only then for certain sections of the population.

Togo has no resources of fossil fuels. Due to the absence of any domestic deposits, all oil and oil products have to be imported. Approximately 15% of national energy consumption is covered by crude oil and oil products. They are mainly used as fuel for the transport sector and to produce energy in thermal power stations. The Togo-based subsidiaries of the international oil companies, Mobil, BP, Texaco and Shell, are responsible for the marketing and distribution of imported oil products. In the 1980s, exploration for oil and gas in the coastal shelf was undertaken, but these achieved little. Currently, a Canadian consortium is carrying out test drilling in the coastal shelf as part of a five-year exploratory project. However, there have been no notable deposits discovered as yet. Coal exploration has likewise proved unsuccessful. To date, no viable coal deposits have been found. 15% to 25% of national energy consumption comes from hydro-electric power. Until recently the majority of the country's electricity had to be imported from Ghana.

The aim of the country's national energy policy is to reduce dependency on energy imports (from Ghana) by expanding domestic production of electricity. A first important step on the way to realising this goal was the construction of the Nangbéto hydro-electric power station on

the River Mono as part of a joint project with Benin, which commenced in 1985-87. The total costs of the Nangbéto hydro-electric power station were put at about US\$200 million (ECU 213 million); it was connected to the grid ahead of schedule in October 1987, and has an output of 63 MW. Its average annual capacity is estimated to be about 148 million kWh, and in 1988, total production was 210 million kWh. The estimate for 1989 is approximately 180 million kWh. The completion of this project has meant a sharp reduction in imported electricity from Ghana. Togo and Benin each receive half of the electricity generated. The building of a second joint hydro-electric power station in Adjarala should further reduce the energy sector's dependency on imports. Adjarala is due to join the grid in 1993. When completed, the combined output of both power stations will cover 50% of each of Togo and Benin's electricity requirements. A third step towards meeting reducing imports is the plan to build the Kertou power station.

Between 1970 and 1986, power station production went up from 20 MW to 34 MW. This was almost exclusively from thermal power stations (1986 capacities, 30 MW). Only about an eighth of total output (4 MW) in 1986 came from hydro-electric power stations. When the Nangbéto power station came into service in 1987, output went up to a total of 65.5 MW. At 33.5 MW, the production capacity of the hydro-electric power stations then exceeded that of the thermal power stations for the first time ever.

8.1 INSTALLED CAPACITY OF POWER STATIONS (IN MW)

Type of power station	1970	1975	1980	1985	1986	1987
Total	20	24	35	34	34	65.5
Thermal power stations .	18	22	33	30	30	30
Hydro-electric power stations	2	2	2	4	4	35.5 ^{a)}
Power stations for public supply	12	14	15	17	17	.
Thermal power stations	10	12	13	13	13	.
Hydro-electric power stations	2	2	2	4	4	.

a) Includes 31.5 MW of the total 63 MW installed capacity of the Nangbéto hydro-electric power station available to Togo.

Togo's electricity supply is the responsibility of the Communauté Electrique du Bénin (CEB) and the Compagnie d'Énergie Electrique du Togo (CEET). The CEB is a nationalised industry belonging jointly to Togo and Benin; it holds the monopoly for the importation and export of electricity. It imports electricity from Ghana, produced at the Akosombo Dam by the Volta River Authority (VRA), distributing it to both Togo and Benin. Since October 1987, it has also been responsible for the Nangbéto power station and for the power lines from there to Lomé and Atakpamé. The completion of the Nangbéto Dam has strongly increased the CEB's own capacity to generate electricity.

The CEET, set up in 1963, is state-owned. Its main function is energy distribution. It controls a grid covering a total of 18 cities in Togo, drawing most of its electricity from the CEB's grid. The CEET is also involved in generation. It owns two thermal power stations in Lomé and a further nine in the other urban centres, as well as a small hydro-electric power station (Kpémé). It also makes use of electricity imported by the CEB from Ghana. CEET purchases from the CEB totalled 297.6 MW in 1988. Compared to 1978 (191.2 million kWh), this meant an increase of 55.6%. The CEET's own production (almost exclusively from thermal/diesel power stations) totalled 41.9 million kWh in 1988. Compared with 1978 (8.5 million kWh), this meant that the CEET's own production had increased almost fivefold. Approximately 30% (about 105 million kWh) of the total demand of approximately 339.5 million kWh (electricity production and purchases) was covered by the Nangbéto Dam in 1988. Together with the CEET's own production, the total of domestically generated electricity in 1988 was approximately 147 million kWh, or 43% of the nation's electricity requirements, whereas in previous years only about 10% of total demand was met from domestic production and about 90% had to be imported from Ghana.

8.2 ELECTRICITY PRODUCTION AND IMPORTS

Mill. kWh

Category	1978	1980	1985	1987	1988
Total	199.7	324.4	319.7	323.9	339.5
C.E.E.T. 1)					
in-house production	8.5	12.5	34.0	33.9	41.9
Purchased from the C.E.B. 2)	191.2	311.9	285.7	290.0	297.6

1) "Compagnie d'Énergie Électrique du Togo". - 2) Grid system of the "Communauté Électrique du Bénin" between Benin, Ghana and Togo.

Between 1978 and 1988, electricity consumption increased from 110.5 million kWh to 226.1 million kWh, and so almost doubled. This increase was due primarily to the expansion of the urban electricity supply system during the 1980s.

8.3 ELECTRICITY CONSUMPTION

Mill. kWh

Category	1978	1980	1985	1987	1988
Total	110.5	160.4	202.2	223.7	226.1
Low voltage	56.1	76.0	98.3	107.7	102.4
Medium voltage ...	54.4	84.4	103.9	116.0	123.7

MINING

Mining is Togo's most important foreign currency earner, with phosphate the most important mineral. Depending on world prices, phosphate exports account for between 40% and 50% of annual export earnings. Togo is currently the fifth largest producer of calcium phosphate in the world, with about a five percent share of the world market. With earnings of CFA francs 19 billion (at 1978 prices) in 1989, mining contributed 8.7% to GDP (1979: 9.3%). This meant that within the whole industrial sector, mining recorded the highest sectoral net value added, ahead even of manufacturing.

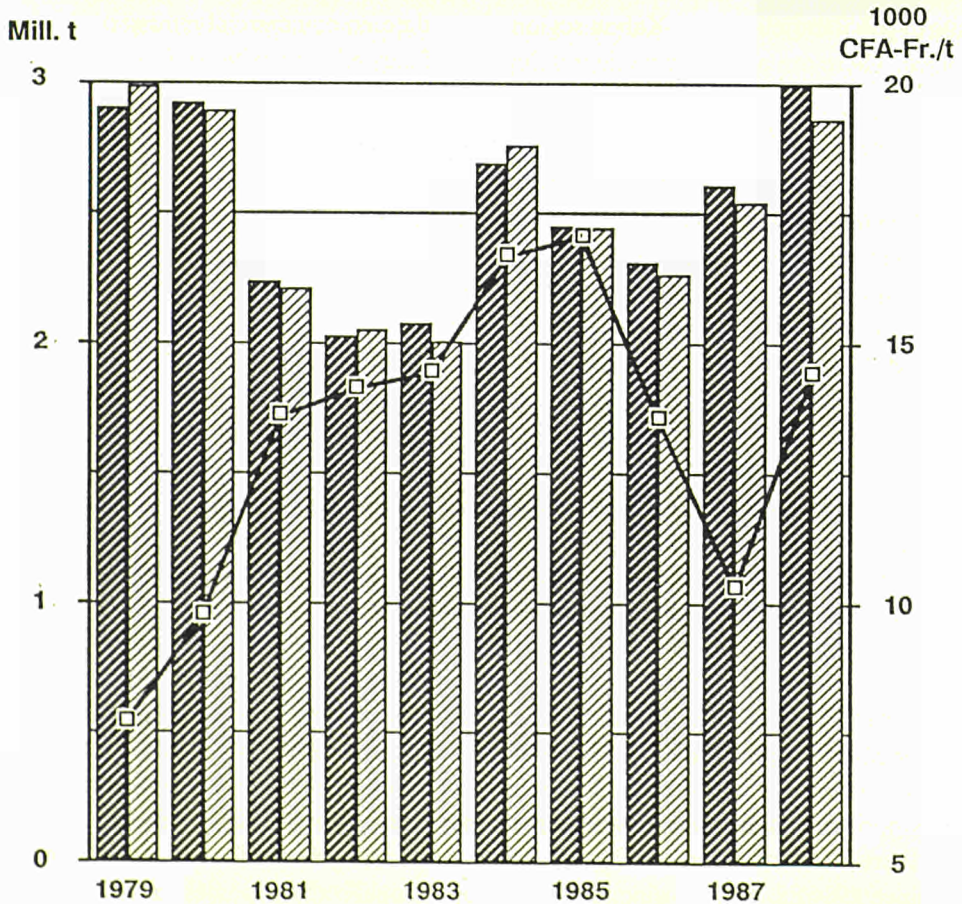
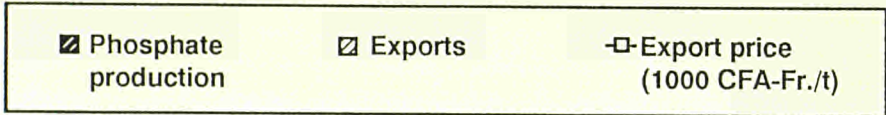
The phosphate reserves located at the Hahotoé deposit, about 30 km east of Lomé, are estimated at approximately 50 million t. The state-owned company Office Togolais des Phosphates (OTP) is responsible for the mining and marketing of phosphate. Togo is one of the few countries able to mine phosphate cheaply, thus making it highly competitive on the world market. Favourable geological conditions, good transport and the proximity of the deposits to the coast make it possible to transport the raw phosphate both quickly and cheaply to Kpémé, where it is processed for export and then shipped.

In spite of its locational advantages, phosphate mining hit a severe crisis after the short-lived oil price boom of 1973 and 1974 caused export prices to rise several times over. In 1975 and 1976, phosphate production dropped well below the 2 million t mark as a result of an almost halving of the export price. In spite of continually low world market prices, phosphate production began to increase significantly towards the end of the 1970s. In both 1979 and 1980, production went up to approximately 2.9 million t (see Fig 8.1). This results from OTP's efforts to make up for the reduction in export earnings due to the fall in the world price by increasing the amount mined. After a further fall in production levels between 1981 and 1983, phosphate production went up again to 2.762 million t as a result of increased export prices in 1984. Between 1985 and 1987, there was a further contraction in production to levels of between two and 2.5 million t. This was not due solely to falling export prices, but was primarily the result of growing difficulties in selling phosphate on the world market, as a result of the fall in demand. An international decline in the use of artificial fertiliser, caused by the increasing shortage of foreign currency in developing countries and eastern Europe, adversely affected international demand for phosphate. In Togo's case there was the added difficulty that EC and north European countries cut back markedly on imports of Togolese phosphate because of its high cadmium content. At 172 ppm/t, the cadmium content is several times higher than the maximum level permitted in the EC. To make up for its export losses, between 1985 and 1990 (Lomé III) Togo was given ECU 15.7 million worth of financial support by the EC as part of the SYSMIN facility, to be spent partly on additional processing of the phosphate with the aim of reducing its cadmium content and partly on new equipment with the aim of reducing producer costs.

In view of declining sales potential in West and North European markets, which had previously bought the major part of Togo's phosphate, the OTP found itself forced to attempt to find new markets. The United States and Exxon Canada became new customers for Togolese phos-

sphate, while exports to East Asia (China, the Philippines) and Australia also increased. It was, however, particularly growing demand from the United States that helped Togo's phosphate production levels to reach an all-time high in 1988 when the production figure of three million t as achieved (1989 Estimate: 3.3 million t). Phosphate exports of roughly 2.9 million t in 1988 matched the 1979 and 1980 levels.

8.1 MAIN DATA ON PHOSPHATE MINING AND EXPORTS



As Fig 8.1 shows, the level of exports and domestic production of phosphate followed almost identical paths between 1979 and 1988. This was due to the limited storage capacity for phosphate: almost the entire amount produced had to be exported immediately after mining, regardless of the export price. There had been no possibility of building up stocks when prices fell and exporting when prices rose again. In the past, large annual fluctuations in foreign currency earnings and severe cutbacks in export earnings were the result.

To counteract this, since 1988 the OTP has been undertaking a three year investment programme with the aim of increasing storage capacity. In addition to extending storage potential, the US\$36.5 million (ECU 30.9 million) project includes the modernising of mining equipment (purchase of new phosphate conveyor belts etc.) and improvements to the electricity supply. The French Caisse Centrale de Coopération Economique has put US\$ 14.5 million (ECU 12.3 million) into the project.

After phosphate, marble is the main material quarried. Annual production ranges from between 5,000 and 6,000 t raw marble. Additionally, there are some relatively large iron ore deposits in the Bandjeli-Bassar-Kabou region but to date no commercial mining of these has taken place. There are also known mineral deposits of chromite, bauxite, and dolomite.

MANUFACTURING

In 1989, manufacturing accounted for 6.9% of GDP and was therefore of relatively minor importance to the overall economy. In spite of some strong financial backing for major industrial projects in the 1970s, the share of manufacturing in the economy has failed to increase. Nonetheless, since the privatisation of many industrial companies in the mid 1980s there is evidence of a growth in production in the sub-sector. Thus in 1989, the net value added of manufacturing (at 1978 prices) rose to CFA francs 14.9 billion, compared with CFA francs 13.5 billion the previous year, an increase of 10.4% (see Chapter 17, Table 17.3).

Manufacturing industry in Togo is based largely on the processing of local basic and raw materials and agricultural produce. Over 50% of total net value added is accounted for by food processing and the drinks industry. The textile and clothing industries are, however, also of importance, as is the processing of non-metallic raw materials (see Table 8.4).

The regional centre for industrial production is the Lomé district; this accounts for more than 80% of total industrial net value added. Kara and Dadja are also important industrial locations where major production complexes for the textile industry are located.

After a period dominated by powerful state interventionism in industry during the 1960s and 1970s, there has been an intensified restructuring and re-privatisation of manufacturing industries since 1984/85. The growing inefficiency of nationalised companies, revealed in mounting losses and falling liquidity, led to the break-up of many large companies or their sale to private interests. A total of 30 state-owned businesses in the manufacturing sector have been selected for privatisation or total closure as a result of their inefficiency. So far nine companies have

closed down, saving the government nine billion CFA francs a year in subsidies. Fourteen companies have been put on the market of which ten have been sold or leased. In addition to the former state-owned steelworks, Société Nationale de Siderurgie (SNS) (now called the Société Togolaise de Siderurgie (STS), a detergent factory, the two textile complexes in Kara and Notsé and a marble quarry, Société Togolaise de Marbrerie (SOTOMA), have all been sold to private investors. In addition, a factory for processing agricultural produce and one producing dairy produce have been leased. The oil refinery leased in 1985 as an oil storage depot to the multinational concern Shell (processing capacity: 250,000 t crude oil a year) is likewise about to be privatised. The newly-established company Compel, in which Shell owns the majority rights, will take over the refinery to expand its trade in petrol and fuels across the whole of West Africa.

In May 1990 after several years of lying idle, one of Togo's largest industrial companies, the clinker factory belonging to CIMAO, Ciments de l'Afrique de l'Ouest, was put up for sale. The plant was built as a joint venture between Togo, Côte d'Ivoire and Ghana at a cost of US\$285 million (ECU 205 million) and started production in 1981. Its annual production capacity was 1.2 million t of clinker, with the possibility of boosting production to 2.4 million t. The project, located in Tabligbo 80 km north east of Lomé with its own railway link (the so-called "clinker line"), drew on the limestone deposits in the immediate vicinity, estimated at 155 million t. In spite of comprehensive technical, mining, and organisational feasibility studies, the company operated at a loss from the very outset. As a result, production was temporarily halted in 1984. When all attempts at restructuring CIMAO failed, the company was finally shut down in August 1989. Technical defects in the furnaces, inefficient management, high production costs, financial problems and finally a production price that was 174% above the world price, were the reasons for the liquidation. Total debts accrued by the joint venture amounted to US\$64 million (ECU 58 million). If these are to be honoured it will mean that each of the three co-operating countries will be repaying debts of roughly US\$5 million (ECU 4.5 million) yearly for the next four years in order to pay off the debt. With the sale of CIMAO, the government's privatisation policy would reach a new height.

The privatisation policy and the liberalisation of the economy are being supported by the structural adjustment programme of the World Bank and the International Monetary Fund. The goal of industrialisation is no longer to aim largely to replace imports of consumer goods (textiles, clothing, drinks, confectionery) and some essential intermediary goods (plastics, metal goods) but to encourage export production. An important step on this road was the declaration of Togo as an industrial-free zone in September 1989; this is aimed at increasing industrial competitiveness at least within the CFA franc zone. The free zone was set up with assistance from the Overseas Private Investment Corporation (OPIC) of the United States and allows private companies, drawing on generous tax concessions, to locate anywhere in the country if they can show that between 80% and 90% of their produce is destined for the export market (see Chapter 21). If this initiative does lead to an expansion of industry, Togo will benefit by the creation of new jobs in industry, although tax revenue will be limited because of the guaranteed tax exemptions for newly established industries.

The government's new industrial policy could show very positive results. The former state-owned steelworks, Société Nationale de Siderurgie (SNS), now the Société Togolaise de Siderurgie (STS), started to make a profit after privatisation. Considerable advances in production have also been made in the food processing industry. In particular, the state-owned Société Générale des Moulins du Togo (SGMT) which manages Togo's grain mills, has significantly increased its flour and bran production since 1985. In 1988, SGMT particularly profited from the increased demand for flour and grain products from countries of the northern Sahel. The SGMT is of major importance to Togo's re-export trade.

After years of relatively poor industrial growth from 1980 to 1984, there has been a significant increase over successive years. The net value added by industry to 1989 rose by CFA francs 36.8 billion (at current prices). Compared with 1988 (CFA francs 31.9 billion), the value of industrial production rose 15.4%: even the high growth rate of the previous year (1988: +12.3%) was surpassed. Over half the net value added in 1989, 18.7 billion CFA francs, came from the food and drinks industry. The mainstays of the food processing industry, apart from the national grain mills (SGMT), are beer production (Brasserie du Bénin), production of carbonated drinks, palm oil production and dairy produce. The food industry, like the mining and quarrying industry, exhibited strong growth over the second half of the 1980s (see Fig 8.2).

The second most important branch of industry is textiles and clothing. In 1989, the value of production of these branches amounted to CFA francs 5.2 billion (at current prices) or some 14% of industrial net value added. The textile industry is primarily based on processing locally-grown cotton. The strong increase in cotton production of recent years is reflected in the fact that there is now an evident upwards trend in the processing sector whereas there had been only a sluggish growth rate up to the mid-1980s.

At CFA francs four billion in 1989, the value added of processing of non-metallic products accounted for about 11% of total net value added. A fall in production in the early 1980s was the product of the severe building slump and low phosphate production. Where the recession in the building sector had a negative effect on cement production (CIMTOGO), low phosphate production levels hit the phosphate processing industry in Kpémé. In addition to these, marble processing, carried out by the Société Togolaise de Marbrerie (SOTOMA), is also a significant manufacturing enterprise.

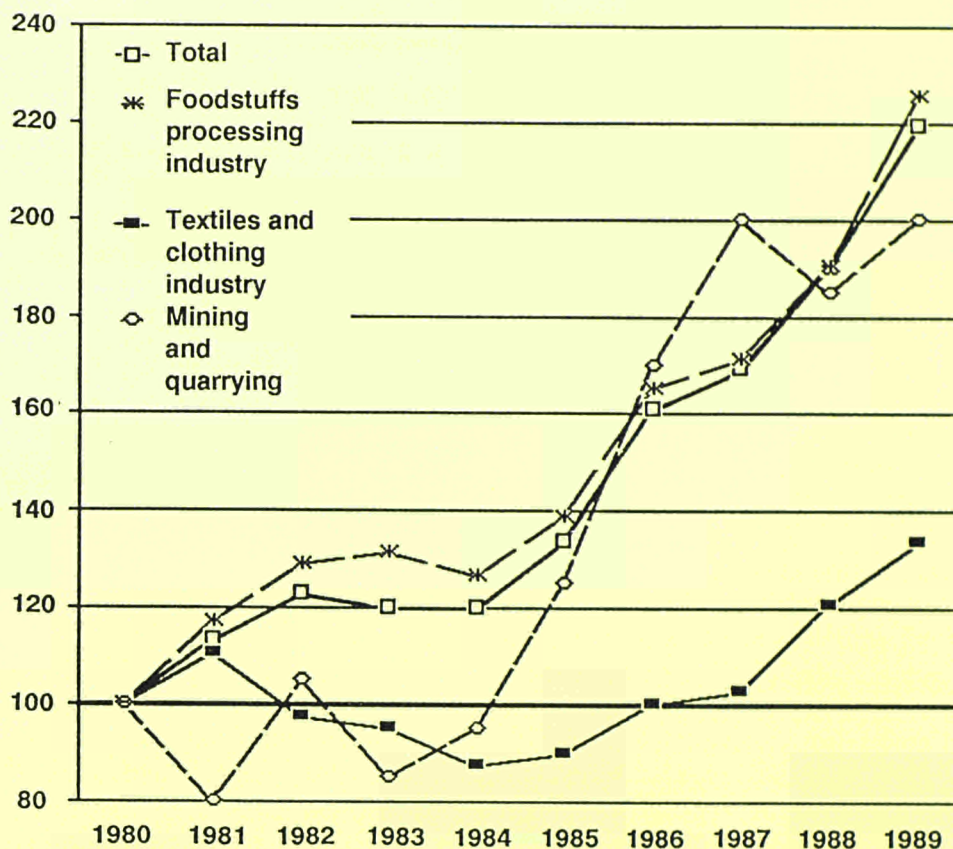
Following contraction from 1981 to 1984, production in the non-metallic processing sector rose sharply over the next few years. The cement industry, in particular, was able to achieve significant expansion in output. This was due to the construction of the Nangbéto Dam and the erection of several large buildings in Lomé. There could be further expansion in the production of processed quarried products in the future if the planned building of a phosphate fertiliser factory in Kpémé goes ahead. The planned factory is intended to produce 165,000 t phosphoric acid, 330,000 t ammonium phosphate, 495,000 t trisuper phosphate and 317,000 t ammonium phosphate a year. However the construction of the plant, estimated to cost US\$580 million (ECU 526 million), has not yet commenced due to initial lack of foreign interest in providing the capital outlay.

8.4 INDUSTRIAL NET VALUE ADDED BY PRODUCTIVE SECTOR

Branch	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
in current prices (CFA francs billion)										
Total	16.8	19.0	20.6	20.1	20.1	22.4	27.0	28.4	31.9	36.8
Foodstuffs, drinks and tobacco	8.3	9.7	10.7	10.9	10.5	11.5	13.7	14.2	15.8	18.7
Textiles and clothing ...	3.9	4.3	3.8	3.7	3.4	3.5	3.9	4.0	4.7	5.2
Wood and wood processing	1.3	1.4	1.4	1.5	1.5	1.6	1.9	2.2	2.2	2.6
Paper and printing	0.3	0.4	0.4	0.3	0.5	0.9	1.0	1.1	1.4	1.4
Chemicals	0.5	1.0	1.5	1.6	1.0	1.1	1.0	0.7	1.9	2.1
Non-metallic processing .	2.0	1.6	2.1	1.7	1.9	2.5	3.4	4.0	3.7	4.0
Steel	0.3	0.1	0.0	0.3	0.7	0.5	0.9	0.8	0.8	0.8
Metal processing	0.2	0.5	0.6	0.0	0.5	0.7	1.0	1.1	1.1	1.6
Other branches	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.3	0.3	0.4
in 1978 prices (CFA francs billion)										
Total	13.6	14.2	14.8	13.7	11.2	12.3	12.8	13.0	13.5	14.9
Foodstuffs, drinks and tobacco .....	.	.	.	.	5.7	6.3	6.5	6.9	7.1	7.7
Textiles and clothing ...	.	.	.	.	2.1	2.2	2.1	2.1	2.2	2.3
Wood and wood processing	.	.	.	.	0.8	0.8	0.9	1.0	0.9	1.1
Paper and printing .....	.	.	.	.	0.2	0.3	0.4	0.4	0.4	0.5
Chemicals .....	.	.	.	.	0.9	0.9	0.9	0.6	0.7	1.0
Non-metallic processing .	.	.	.	.	1.0	1.2	1.4	1.5	1.6	1.7
Steel .....	.	.	.	.	0.2	0.2	0.2	0.2	0.2	0.2
Metal processing .....	.	.	.	.	0.2	0.3	0.3	0.3	0.3	0.3
Other branches .....	.	.	.	.	0.1	0.1	0.1	0.1	0.1	0.1

Apart from these main branches of industry, there was also a marked increase in the nominal net value added by other sectors of industry during the second half of the 1980s. Overall, however, it should be observed that industrial growth in real terms was significantly lower than growth at current prices (see Table 8.4). Only the food processing industry (+ CFA francs 2.0 billion or 35.1%), the processing of quarried goods (+ CFA francs 0.7 billion or 37.5%) and the paper and printing industry (+ CFA francs 0.3 billion or 150%) showed any significant growth in real terms between 1984 and 1989. In the other manufacturing sub-sectors, there was either only weak or zero growth.

8.2 INDEX OF NET VALUE ADDED OF MANUFACTURING (IN CURRENT PRICES) 1980-1989 (1980 = 100)



In spite of its most recent successes, Togo's industrial sector is struggling with serious structural problems. These include:

- the extremely small internal market and the low purchasing-power of wide sections of the population;
- limited opportunities for intra-regional trade due to the neighbouring countries having similar types of production structures and the strong over-valuation of the CFA franc, particularly in relation to the currencies of Ghana and Nigeria;
- the high degree of dependence of Togolese industry on imports of raw materials and intermediate goods;

- the absence of an indigenous industrial entrepreneurial class; and,
- the lack of qualified workers in many branches of industry.

However, Togo has the following locational advantages as an industrial base:

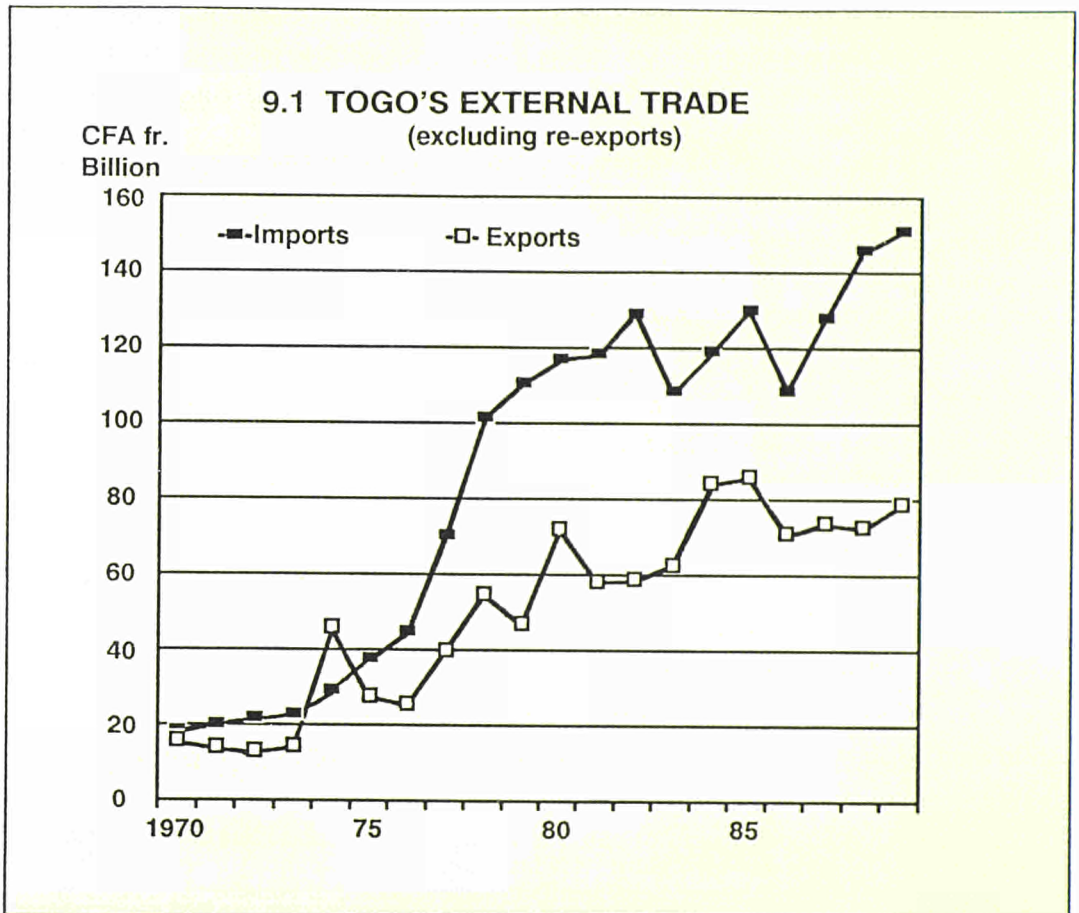
- a well-developed transport and telecommunication network;
- a comparatively good financial infrastructure, together with the convertibility of the CFA franc; and,
- advantageous tax conditions for foreign investors, particularly in the wake of the establishment of the industrial free zone.

CONSTRUCTION

The construction industry's share of GDP in 1989 was 3.2%. Compared with the late 1970s, the industry's share of total net value added has fallen significantly during the 1980s (1979: 7.6%). After the completion of major industrial projects, in the early 1980s the building sector suffered a severe recession. There was a short-lived revival with the construction of the Nangbéto Dam between 1985 and 1987. Yet when this work was completed, together with completion of a series of large buildings in Lomé (banks, hotels) the recession in the construction industry returned. The new thrust in national development planning which emphasizes maintenance of the infrastructure and support for rural development rather than the planning of any new major industrial-urban projects, makes the economic outlook for the construction sector particularly gloomy for the foreseeable future, too.

9 EXTERNAL TRADE

Togo's external trade data as represented in this chapter are based on the specialised trade of the relevant calendar year. This means that the significant levels of transit trade with neighbouring countries are not recorded. According to IMF figures, re-exports have increased in the 1980s and amount to about a third as much again as the export figures reproduced in this chapter. Additionally, extensive informal, and also unrecorded, trade particularly with Nigeria, Benin and Ghana, is not shown in the official statistics. Estimates suggest that this could account for as much as 20-30% of official external trade. These aspects of Togo's external economic relations point to its important role as a West African trading centre, a role that does not receive full recognition in the official trade figures.



The economic significance of external trade for the Togolese economy can be seen in the share of trade, imports plus exports, in GNP. In the 1980s, this consistently amounted to more than 50%, indicating the country's dependence upon external trade. Its economy must always adapt to changes in world markets - especially the raw materials markets. On the other hand, external trade is an important source of employment and income for the Togolese people, not least in the form of transit trade with neighbouring countries.

Togo's balance of trade has been in deficit since the mid 1970s, following the short-lived boom in raw material prices of its major exports. Its exports are hampered by two factors in particular: falling world prices for the country's most important exports, and the upward revaluation of the CFA franc against the US\$ which leads to low returns on exports of raw materials in domestic currency terms. The growing need for food to meet urban demands and demand for capital goods (for example for the Nangbéto Dam) are primarily responsible for the rise in imports.

EXPORTS

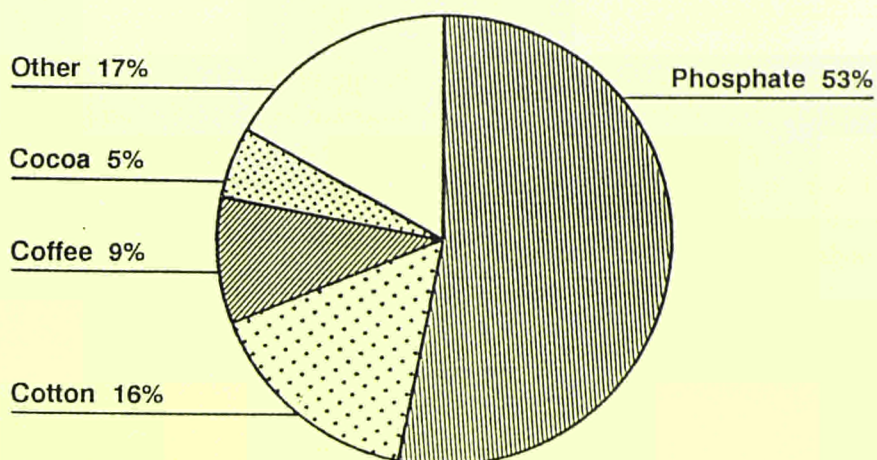
9.1 IMPORTANT EXPORTS AND PRODUCT GROUPS

CFA francs million

Export or product group	1984	1985	1986	1987	1988	1989
a) Cocoa	21 006	5 837	9 496	8 344	6 547	3 934
b) Coffee	3 027	11 891	8 781	9 255	6 665	7 055
c) Phosphates ...	36 360	42 815	34 109	33 554	35 858	41 607
d) Cotton	7 400	11 638	10 356	8 619	12 523	12 328
Total a)-d)	67 793	72 181	62 742	59 772	61 593	64 924
Other exports ... including:	15 795	13 199	7 809	13 440	10 616	13 264
Cement	3 897	1 214	.	.	756	1 631
Wheat flour ...	.	.	.	.	1 861	2 374
Oil fruits	871	3 311	.	.	487	706
TOTAL	83 588	85 380	70 551	73 212	72 209	78 188
Share a)-d) in % ..	81.1	84.5	88.9	81.6	85.3	83.0

Source: Ministère du Plan et des Mines, Direction de la Statistique.

9.2 EXPORTS BY MAIN PRODUCT 1989



Togo's main export products are raw materials: coffee, cocoa, cotton and phosphate. These account for over 80% of export earnings, phosphate alone accounting for about 50% of the total. Other exports include oil fruits (karité) and some processed products which are primarily exported to neighbouring countries. Due to advantageous world conditions for cotton, it can be expected that over the next few years exports of cotton will account for a significantly higher percentage of total exports, taking over from coffee and cocoa as the prime agricultural product (see Chapters 7 and 15).

9.2 VALUE, QUANTITY AND VALUE PER UNIT OF TOGO'S MOST IMPORTANT EXPORTS

	1983	1984	1985	1986	1987	1988
Index of the four most important exports^{a)}						
Value	100,0	170,0	161,8	126,3	115,6	137,3
Quantity	100,0	122,1	128,2	141,4	158,0	173,6
Value per unit	100,0	120,5	126,9	91,8	73,8	78,9

a) Phosphate, cotton, coffee, cocoa weighted according to their proportion of exports in 1983.

Source: BCEAO.

As a result of the decline of world prices for all four of Togo's primary exports in the second half of the 1980s, the country's foreign exchange earnings rose at a rate far lower than the change in the volume of exports: whereas the amount sold rose by 73% between 1983 and 1988, foreign currency earnings for the exports of these products rose by only 37.3%. Further diversification of the export base is therefore urgently required, for in the medium-term there is little likelihood of any substantial increase in world prices of phosphate, cotton, coffee or cocoa.

Traditionally, the most important market for Togo's exports have been the EC countries. Togo's neighbours are primarily important partners in terms of transit trade, which, as noted, is not shown in these statistics. In terms of direct trade, however, they are of only minor importance.

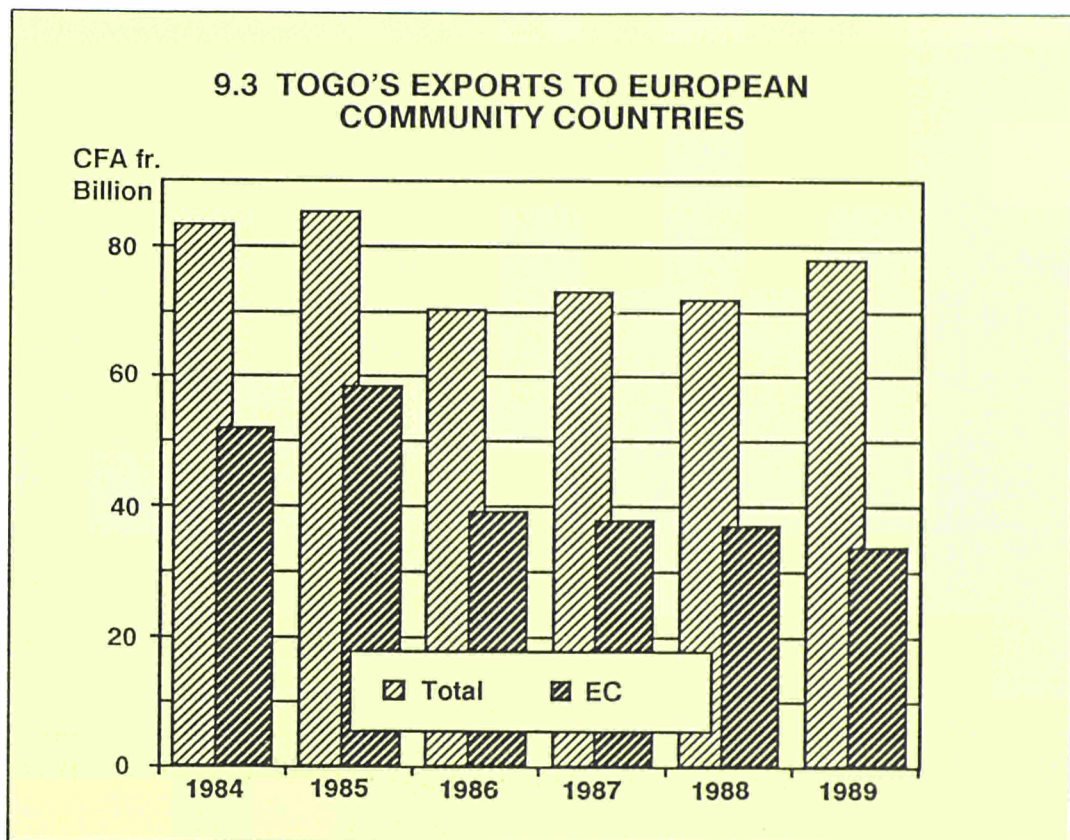
9.3 EXPORTS TO MAIN RECIPIENT COUNTRIES

CFA francs million

Recipient country	1984	1985	1986	1987	1988	1989
<u>European Community</u>						
Belgium	713	1 004	1 108	733	1 403	1 316
Denmark	794	2 495	408	203	337	794
Federal Republic of Germany	5 549	6 851	4 295	2 708	1 786	1 088
France	17 636	19 750	8 300	5 607	5 881	6 779
Greece	1 444	342	1 233	891	738	-
Ireland	-	71	18	10	-	-
Italy	4 071	5 621	4 321	5 114	3 748	5 880
Luxembourg	-	-	-	5	-	-
Netherlands	19 384	18 727	14 470	10 834	8 476	4 888
Portugal	50	1 678	2 793	2 504	5 735	2 917
Spain	1 369	1 234	1 658	5 394	5 270	6 006
United Kingdom ..	1 339	956	931	4 028	3 943	4 271
EC total	52 349	58 729	39 535	38 031	37 317	33 939
<u>Other countries ..</u>	<u>31 239</u>	<u>26 651</u>	<u>31 016</u>	<u>35 181</u>	<u>34 892</u>	<u>44 249</u>
of which:						
Canada .....	.	.	.	4 176	9 201	9 753
Poland	3 872	3 226	.	2 867	3 570	3 434
Benin	679	351	.	1 426	2 545	2 251
USSR	4 935	2 406	.	4 799	2 864	1 557
Nigeria	1 400	372	.	723	.	1 940
TOTAL	83 588	85 380	70 551	73 212	72 209	78 188
EC share in %	62.6	68.8	56.0	51.9	51.7	43.4

Source: Ministère du Plan et des Mines, Direction de la Statistique.

The role of the EC countries as purchasers of Togo's exports has diminished in recent years, however. Exports to France, the Federal Republic of Germany, and the Netherlands have been in sharp decline although Spain, Portugal and the United Kingdom have become more important trading partners. The prime reason for the significant drop in exports to the EC is the problem of marketing phosphates, which some European countries refuse to buy because of its high cadmium content. The EC is seeking to help Togo solve this problem with technical assistance provided under the auspices of the Lomé Convention (see Chapter 22).



IMPORTS

9.4 IMPORTANT IMPORTS AND PRODUCT GROUPS

CFA francs million

Import or product group	1987	1988	1989
Beef	997	796	585
Poultry	1 203	1 867	1 553
Frozen fish	2 068	3 045	3 059
Wheat	2 364	4 537	4 746
Rice	1 834	3 067	3 373
Edible oil except Soya oil	1 213	1 715	1 913
Tinned meat	-	274	153
Sugar	1 248	2 178	2 645
Tomato concentrate	1 111	1 475	1 676
Cigarettes	4 774	5 734	5 655
Clinker	2 194	3 689	3 649
Super petrol	1 569	1 764	2 712
Diesel	1 815	1 729	2 139
Heating oil	2 904	1 543	1 202
Lubricating oil	1 058	986	937
Antibiotics	3 649	4 224	4 235
Natural and artificial fertiliser ..	1 414	1 834	.
Insecticides	1 643	3 085	378
Linen and cotton fabrics	14 057	14 599	15 430
Tyres	875	923	.
Batteries	981	1 373	1 469
Iron and steel sheet .....	.	728	168
Telephone equipment	-	-	749
Transport vehicles (including spare parts).....	10 639	11 412	9 494
Subtotal	59 610	72 577	67 920
Other imports	67 698	72 593	82 634
TOTAL	127 308	145 170	150 554

Source: Ministère du Plan et des Mines, Direction de la Statistique.

Consumer goods account for more than half of Togo's imports, principally foodstuffs, textiles and tobacco. The percentage would be higher still if those subsequently re-exported to neighbouring countries were included in the official figures. Since 1989, other consumer goods previously only imported by the state company SONACOM (Société Nationale de Commerce), have had their import monopoly restriction lifted. It is possible that this measure has contributed to the further rise in imports of consumer goods.

9.5 TOGO'S IMPORTS BY PRODUCT GROUPS

CFA francs million

	1983	1984	1985
<u>Imports, cif</u>	108 141	118 460	129 406
Consumer goods	64 392	64 833	77 361
Foodstuffs	21 816	23 188	21 939
Drinks	3 677	2 719	2 376
Tobacco	6 689	5 902	4 877
Textiles	13 932	11 086	16 757
Other	18 278	21 938	31 412
Intermediary products	20 647	26 211	23 497
Oil products	10 096	13 330	8 893
Other	10 551	12 881	14 604
Capital goods	23 102	27 416	28 548
Machinery and equipment	10 942	13 831	14 347
Transportation	9 105	9 844	9 997
Electronic goods	827	1 053	1 183
Other	2 223	2 688	3 021
<u>per cent</u>			
Consumer goods	59.5	54.7	59.8
Intermediary products	19.1	22.1	18.2
Capital goods	21.4	23.2	22.0

The percentage of oil products imported as a share of intermediate product imports has dropped significantly since the mid-1980s. Energy imports should be further reduced as a result of the Nangbéto Dam, completed in 1987 and jointly financed with Benin.

The majority of imports come from the states of the EC (1989: 61.5%), almost half of these originating in France. Only a small proportion come from African countries (about 12% in 1989) whereas imports from Asian countries (Japan, Hong Kong, Taiwan, South Korea, China and Thailand) are growing rapidly (1989: about 14%).

9.6 IMPORTS BY MAIN COUNTRY OF ORIGIN

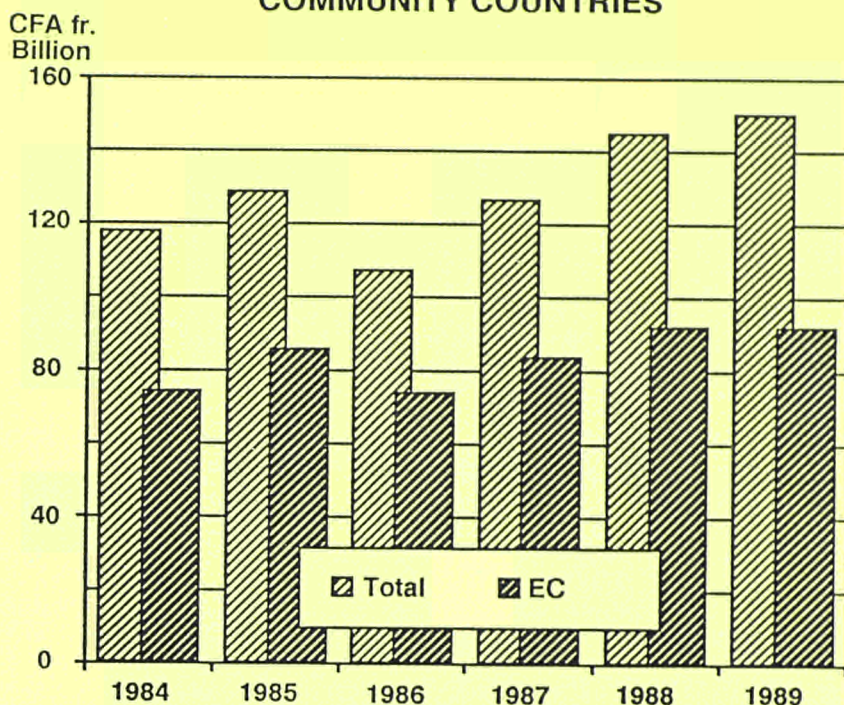
CFA francs million

Country of origin	1984	1985	1986	1987	1988	1989
<u>European Community</u>						
Belgium	2 668	2 975	2 686	2 387	2 582	2 840
Denmark	265	423	449	740	1 670	750
Federal Republic of Germany	8 171	15 345	12 196	11 165	9 487	11 510
France	38 240	41 316	34 502	41 618	44 874	44 449
Greece	219	131	20	914	1 330	-
Ireland	27	45	43	44	93	-
Italy	3 227	2 929	2 537	3 222	3 780	4 581
Luxembourg	-	-	132	15	14	-
Netherlands	12 155	13 155	12 137	11 793	15 407	17 694
Portugal	62	174	179	136	191	-
Spain	3 019	1 693	2 232	3 094	4 004	4 300
United Kingdom ..	6 624	8 148	7 181	9 075	9 078	6 370
EC total	74 677	86 334	74 294	84 203	92 510	92 544
<u>Other countries ..</u>						
of which:	43 783	43 072	33 689	43 105	52 660	58 010
USA	5 105	5 053	.	4 611	8 204	8 512
Japan	6 289	8 522	.	6 325	5 705	6 348
Côte d'Ivoire .	8 403	6 802	.	6 953	3 293	3 869
Nigeria	831	1 007	.	1 042	2 919	2 565
PR China	2 257	3 057	.	2 322	2 717	2 304
TOTAL	118 460	129 406	107 983	127 308	145 170	150 554
EC share in %	63.0	66.7	68.8	66.1	63.7	61.5

Source: Ministère du Plan et des Mines, Direction de la Statistique.

Under the auspices of the Lomé Convention, the EC fosters trade with Togo, as with the other ACP countries, using a variety of instruments. For example, all Togolese products have duty-free access to the EC. On the basis of the principle of non-reciprocity, normal import duties apply to the Togolese imports from the EC. Under the Lomé Convention and other special agreements, as for example the Multi Fibre Agreement, there are import quotas for particular products in EC countries. Togo is, however, unaffected by this.

9.4 TOGO'S IMPORTS FROM EUROPEAN COMMUNITY COUNTRIES



As a further method of promoting sales the EC, regularly finances Togo's participation in certain trade fairs and exhibitions in both Europe and Africa. Further, Togo receives financial assistance from the EC's STABEX Fund to compensate for losses of export income and from the SYSMIN Fund for investments in processing mining products (see Chapter 22).

IMPORT AND EXPORT REGULATIONS

Togo's external trade and foreign currency regulations are, as with most members of the Franc Zone, relatively liberal. As part of the structural adjustment programme, Togo's trade policy has also undergone a fundamental revision since the mid-1980s and has been reformed in the spirit of a general policy of liberalisation and deregulation. From the start of the 1990s, former trade barriers, most notably most import licences, have been abolished in favour of a differentiated but nonetheless simple duty system. There are now import restrictions in terms of quantity on only a few locally produced products (such as cement and construction steel). Above all, an important aim of the tariff reform, apart from to simplify the system, has been the harmonisation of domestic taxes and import duties.

The former **import duty** (droit fiscale), with its multiplicity of rates and its large spread of tariff rates, has been replaced by a four-scale tariff system which is charged on the cif-import value:

- a reduced tariff (droit fiscale au taux réduit) of five percent on investment goods, agricultural inputs, vaccines, spare parts, and raw materials;
- an intermediate tariff (droit fiscale au taux intermédiaire) of 10% on intermediary goods and basic foodstuffs;
- a higher tariff (droit fiscale au taux majoré) of 35% on luxury consumer goods (tinned foods, meat, clothing, glass, furniture etc.); and,
- a normal tariff (droit fiscale au taux ordinaire) of 20% on all other products.

Some products are exempt from import duty entirely: books, newspapers, bitumen, hand guns, removal goods. Finally, there are special import duties, usually related to quantity, on some other products: alcoholic drinks, cigarettes, sugar, rice, livestock, oil derivatives.

There is an additional **value added tax** (taxe générale sur les affaires) on imports charged on the cif-import value; this applies equally to all domestic products. Value added taxes on final goods and services are similar to those applying in Europe. There is a three-scale tariff:

- a reduced tax rate (TGR) of five percent on everyday consumer goods;
- a higher tax rate (TGM) of 30% on luxury goods;
- a normal tax rate (TGO) of 14% on all other goods and services.

Many goods and services are exempt from value added tax. These include oil derivatives, medicines, fertilisers, insecticides, books and state purchases of vehicles and armaments.

In addition to import duty and value added tax, there is, finally, a **statistical tax** (taxe statistique) of three percent charged on the cif-product value of relevant goods.

Having abolished most quantitatively-based import restrictions, the government still wished to have the opportunity to protect domestic products against international competition; it therefore introduced a law in October 1988 allowing for a temporary **protection tax** (taxe temporaire). This protection tax cannot, however, go above 15% and cannot be used for a period of more than three years. Neither can it be applied against goods from countries in the West African Economic Community (CEDEAO).

Export licences (except for grain) were also abolished in the wake of the reform of the external trade system. Following the October 1989 tariff reform law, there are now no charges or duties on export goods. However, Togo's most important exports, phosphate, coffee, cocoa and cotton, are de facto under state control through the nationalised companies OTP, OPAT, and SOTOCO.

10 TRANSPORT AND COMMUNICATIONS

One of the main obstacles restricting the development of Togo's transport network is the disparity between the country's length and width. Whilst the country stretches some 680 km from north to south, it is less than 100 km from east to west. This led to the need for elaborate transport planning and development in the past in order to connect the northern parts of the country with the south. In spite of these problems, Togo is comparatively well developed in terms of its transport. Current projects and plans for the sector are therefore targeted less at extending the existing system than at maintaining and improving it. Togo's communications system is also of great importance to its transit trade with its land-locked neighbours Burkina Faso, Mali and Niger. The port of Lomé acts as the central pivot for transit traffic handling the majority of its northern neighbours' overseas trade. In 1989, the transport and communications sector accounted for six percent of GDP (at 1978 market prices).

The railways are the responsibility of the Chemin de Fer du Togo (CFT). The narrow-gauge railway network, stemming from the days of German colonialism, had 525 km of track in 1988 (including lines for industrial use). The most important lines are the 276 km long Lomé-Blitta link (Ligne du Centre), with a 116 km branch line to Kpalimé (Ligne Frontalière) and the coastal line (Ligne Côtière) between Lomé and Aného (44 km). The so-called 55 km "clinker line" (Ligne Cimentière) connects the industrial centre of Tabligbo with the central line. A branch line connects the phosphate mining area of Hahotoé with the coastal line. Phosphate ore is transported along this branch line to the shipping port of Kpémé (near Aného). Both the rolling stock and the railway lines themselves are in poor condition and in urgent need of repair; indeed the rolling stock is often out of service, adversely affecting passenger transport. The CFT operates at a substantial loss (about CFA francs 400 million a year) which has to be balanced by state transfer payments, a further burden on national finances. In 1987, as a result of the poor condition of the line of rail and the unprofitability of transportation, both the passenger and freight service along the Lomé-Aného line ceased functioning. In the same year, freight transport along the Lomé-Kpalimé branch was also halted.

Table 10.1 shows the decline in passenger and goods transport by rail. By 1987, the number of passengers (806,000) had fallen to about a third of its 1983 level (2.328 million). This trend led to a severe drop in the CFT's income from passenger transport, from CFA francs 413 million in 1983 to CFA francs 227 million in 1987 (-45%). There was a slight increase in passenger transport in 1988 (first to third quarter). As far as goods transportation is concerned, between 1983 (172,000 t) and 1987 (125,000 t) there was a fall of over a quarter (-27.3%). This occurred partly as a consequence of the ending of clinker transportation after the closure of Ciments de l'Afrique de l'Ouest (CIMA) in 1984.

Falling goods transportation cost the CFT a drop in revenue from CFA francs 297 million in 1983 to CFA francs 163 million in 1987 (-CFA francs 134 million). In sum, the 1987 revenue from both passenger and freight transportation was approximately CFA francs 320 million, or 45% less than in 1983.

Given the poor condition of the rail lines and mounting competition from road transport, it remains a question whether a revitalisation will succeed. There is no question that in the northern parts of the country, given the lack of rail lines and the use made of buses and lorries, the railway is unable to compete for transit goods traffic. In order to revitalise railway transport, in addition to an overhaul of the rail lines, it would be necessary to build a north-south link as far as Burkina Faso to do justice to the growing level of transit traffic to the neighbouring countries to the north.

10.1 GOODS AND PASSENGERS CARRIED BY RAIL*)

Category	Unit	1980	1983	1984	1985	1986	1987	1988 ¹⁾
Passengers ...	1 000	1 907	2 328	1 747	1 495	1 157	806	666
Revenue	CFA francs million	-	413	332	312	282	227	189
Freight	1 000 t	166	172	151	151	136	125	129
Revenue	CFA francs million	-	297	194	212	189	163	146

*) Chemin de Fer du Togo/CFT.

1) January to September.

In the previous decade, the mainstay of transportation was the road system. Particular efforts went into the building of an asphalted transit road (650 km) from Lomé via Dapaong to Burkina Faso. Work on this south-north axis was completed in 1980. The aim of road construction in the northern areas, apart from connecting the port of Lomé with the neighbouring states of Burkina Faso, Mali and Niger, is to open up the more remote areas of the country. In 1987, the road network covered 7,870 km, of which 1,570 km were asphalted.

For some years now, the main emphasis has been on maintenance and repair which has often been a high priority. Work has also gone into improving rural tracks and direct routes. The road system in Lomé's inner city is in dire need of improvement. In December 1987, it was announced that a total of US\$310 million (ECU 268 million) were to be spent on a three year development project running from 1988 to 1990 aimed at overhauling and extending the national road network. Investments of US\$217 million (ECU 188 million) are planned to maintain and rehabilitate the road system alone. This accounts for 70% of total allocated expenditure.

In the past, the EC has provided a considerable amount of financial assistance for the expansion of the road system (including bridge building), through the European Development Fund (EDF) and the European Development Bank (see Chapter 22). The EC has provided a total of ECU 50 million since 1970 to finance the development and asphalted of 10 sections of road covering 867 km. ECU 16.5 million were provided as part of EDF 5 for the rehabilitation of the road network. In addition in 1989, an agreement was reached between the EC and the Togolese government on financial aid totalling ECU 23.2 million for the maintenance and repair of two sections of road between Blitta-Skodé and Lomé-Klikamé. With bilateral aid

from France, a mobile road repairs unit is also to be set up. Besides the EC, the International Development Association (IDA) is also heavily involved in financing road building projects in Togo. To speed up crop exports, the OPAT has financed the building of 130 km of asphalted secondary roads in the main cocoa and coffee growing areas.

The national company involved in road transport is the SNTR-Togoroute set up in 1976. It is one of the companies due to be privatised in the wake of the structural adjustment programme.

10.2 ROAD LENGTHS BY TYPE OF ROAD

km

Type of road	1978	1980	1986	1987	1990
Total	6 905	7 257	8 057	8 150	7 870
Asphalt roads	1 230	1 500	1 500	1 500	1 570
Laterite/earth roads ...	1 175	1 257	2 057	2 100	.
Other roads	4 500	4 500	4 500	4 550	.

Expansion in road transport has occurred; this is shown, inter alia, by the increase in the number of vehicles. Between 1975 (15,510) and 1988 (47,083), the number of private cars more than trebled. The density of cars per 1,000 inhabitants went up from 6.9 to 14.5. The growing importance of the road system for the transportation of both people and goods can be seen in the almost trebling of the number of buses and the doubling of the number of lorries between 1975 and 1988.

10.3 NUMBER OF VEHICLES AND CAR DENSITY*)

Type of vehicle	1975	1980	1985	1987	1988
Private cars	15 173	26 714	38 481	44 120	47 083
Private cars per 1 000 inhab.	6.9	10.5	13.0	14.0	14.5
Buses	112	165	271	352	381
Delivery vans	4 978	8 968	13 354	15 380	16 307
Lorries (over 3.5 t)	2 964	4 489	5 351	5 756	5 923
Motor-cycles (over 50 cm ³) ..	4 112	14 718	23 461	27 483	29 179
Traction engines	239	594	867	994	1 048

*) Status: End-of-year.

The free port of Lomé was built with German financial aid. In 1981, it was extended, including the building of new loading and unloading facilities for minerals, fuels and fisheries products. In 1986, work began on building the first West African shipping port for grain. In times of 80 drought this is intended to serve as a transit store and reloading facility for grain supplies to the countries of the northern Sahel.

Between 1983 and 1987, the total freight turnover in the port of Lomé rose from 1.331 million t to 1.749 million t or by 31.4%. From the first to the third quarter of 1988, 1.474 million t were moved. Compared to the same period in the previous year (1.306 million t) this meant a growth of some 12.8%. In recent years, the port of Lomé has become increasingly important for import trade. Whereas in 1983, the 674,800 t of loaded freight easily exceeded the 517,400 t of landed freight, by 1987, the amount of loaded freight had fallen to 195,200 t and thus was only a sixth of the weight of landed freight (1.150 million t). This development has been due primarily to the cessation of clinker exports after 1985, while reduced levels of loaded freight since 1983 probably continued into 1988. That loaded freight went up slightly for the two years following the low point reached in 1983 is the result of the increase in export volumes of agricultural produce (coffee, cocoa, cotton). The rise in landed freight between 1983 and 1987 is due primarily to increased imports of mineral oil products (1983/87: +93.2%) after the end of the second oil crisis, and to the growing demand for imported clinker after domestic production ceased.

The level of transit freight passing through the port of Lomé, both in terms of absolute amounts and of overall shares, has risen considerably. Between 1983 (138,200 t) and 1987 (403,900 t), the volume of transit freight trebled. The percentage of transit goods to the port's total turnover rose from 10.4% (1983) to 23.1% (1987). There appears to have been a further increase in the turnaround of transit goods in 1988. From January to September 1988, the percentage of transit freight in the total turnover of goods was running at 39.2%. At 577,300 t, the amount of transit freight passing through the port of Lomé during the first nine months of 1988 had already exceeded the figure for the whole of 1987. Compared with the first three quarters of 1987 (282,800 t), the volume of transit goods had doubled. This increased levels of transit freight is due primarily to increased imports of mineral oil products and food to the northern neighbouring states of Burkina Faso, Niger and Mali. The importance of transit trade to the port of Lomé can be judged by the fact that of a total of 54,638 m² storage capacity, about 40% is reserved for neighbouring states: Burkina Faso (20%), Niger and Mali (10% each).

In spite of these recent positive developments, Lomé is faced with growing competition from other West African ports, particularly Cotonou, Accra and Abidjan. One of the reasons for this is attributable to the sluggish pace of customs clearance in the port of Lomé. To increase competitiveness there are plans for the building of a repair yard and spares depots with French financial assistance. There are also plans to build refrigeration plants and a fish meal factory with a processing capacity of 20 t a day in the port of Lomé.

10.4 SEA-TRANSPORT DATA FOR THE PORT OF LOMÉ

Category	Unit	1983	1984	1985	1986	1987	Sept. 1987	Sept. 1988
Ships arriving and departing	Number	1023	1004	1108	1130	1195	.	.
Freight	1 000 t	1330.5	1302.5	1356.1	1502.6	1748.9	1306.3	1473.9
Loaded	1 000 t	674.8	271.0	152.9	195.1	195.2	159.7	126.8
Agricultural products	1 000 t	64.9	66.2	83.9	142.1	125.4	107.7	85.8
Landed	1 000 t	517.4	770.0	838.5	995.6	1149.8	863.8	769.7
Petroleum products ..	1 000 t	192.3	200.0	194.2	273.6	371.5	293.8	151.9
Transit	1 000 t	138.2	261.6	364.6	311.9	403.9	282.8	577.3
Petroleum products ..	1 000 t	.	.	31.0	68.4	199.6	139.5	312.5

In terms of air transport, Togo is involved in the joint West African airline Air Afrique, which is undergoing restructuring with French financial support. The volume of traffic on Air Togo (now closed), the national airline, increased considerably between 1975 and 1986. The number of passengers had more than doubled by 1986. Since 1987, however, both the number of passengers and the amount of freight have decreased. The country's main airport is Lomé-Tokoin in the capital Lomé. There is a second international airport in Niamtougou in the north of the country, but it is little used.

10.5 INTERNATIONAL GOODS AND PASSENGERS CARRIED BY AIR TOGO*)

Transport category	Unit	1975	1980	1984	1985	1986	1987	1988
Passengers	1 000	38	65	72	77	78	70	70
Passenger-kilometer	Mill.	108	179	210	233	238	214	209
Ton-kilometer	Mill.	22	35	37	40	38	36	35
Freight	1 000 t	12.0	18.0	17.4	18.4	16.5	16.3	15.9

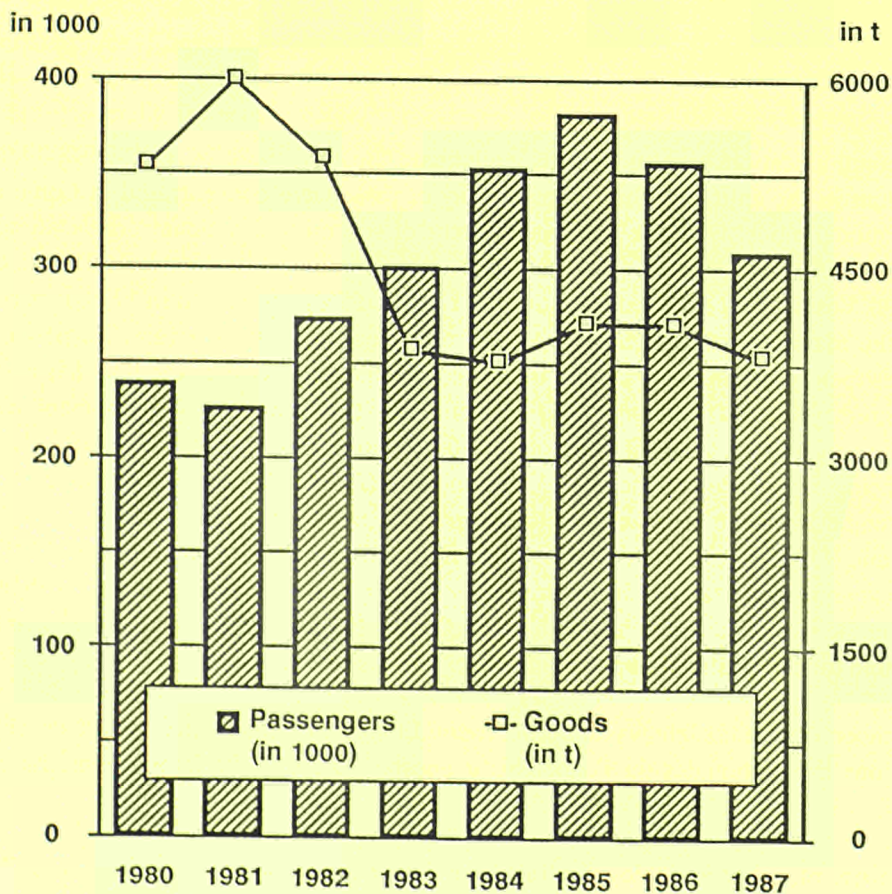
*) Scheduled service (10% share in the transportation services of "Air Afrique").

Besides Air Afrique, Lomé-Tokoin airport is used by Ethiopian Airlines, KLM, Sabena and UTA for twice-weekly intercontinental flights. Air Afrique accounts for about 50% of all passenger and freight transport. The four other airlines share the remaining passenger and freight traffic. Lomé-Tokoin airport is also part of the West African regional network.

Passenger numbers at Lomé-Tokoin airport reached their peak in 1985. Between 1980 and 1985, the number of passengers rose from 239,500 to 382,500 (+63%). The comparatively high proportion of transit passengers (about one third of the total number) indicates the importance of the airport as a hub of West Africa's air network. Since 1985, however, there has been a significant reduction in the number of passengers. By 1987, numbers had fallen to 309,200, a drop of 19.2% from 1985. A major reason for the drop was a fall in tourism in 1986

and 1987, when the number of tourists decreased significantly. Air freight volumes have been contracting for an even longer period due to the poor performance of the economy since the early 1980s (see Fig. 10.1). Following the handling of almost 6,000 t (5,900 t) of freight at Tokoin airport in 1981, by 1984 volumes had plummeted to 3,757 t (-37.3%). In the years that followed, while the contraction halted, there was equally no notable growth in air freight volumes. The poor performance of air-freight was mainly due to the considerable decrease in-bound cargo which, in 1980, had been four times as greater as out-bound freight. Since 1986, the volume of out-bound freight has actually outstripped the volume of in-bound freight in terms of weight. Compared with 1987, the number of passengers using the airport in the first nine months of 1988 rose by 4.5%, freight turnover by 14.1%.

10.1 GOODS AND PASSENGERS THROUGH TOKOIN AIRPORT (LOMÉ), 1980 - 1987



In 1987, work began on expanding Lomé-Tokoin airport. This included the building of a new terminal to increase capacity from 250,000 passengers a year to 750,000. Expansion plans also included increasing the freight turnover capacity to 11,000 t a year.

10.6 AIR TRANSPORT DATA FOR LOMÉ-TOKOIN AIRPORT

Category	Unit	1980	1984	1985	1986	1987	Sept. 1987	Sept. 1988
Take-offs and landings	Number	5 057	6 257	6 358	5 580	4 417	3 362	3 341
Passengers	1 000	239.5	353.7	382.6	356.9	309.2	233.9	244.4
Boarding	1 000	67.4	120.2	127.4	117.6	100.6	76.6	76.4
Leaving	1 000	72.9	118.5	128.4	117.2	106.3	79.7	80.5
Transit	1 000	99.2	115.0	126.8	122.2	102.3	77.6	87.5
Freight	t	5 303	3 757	4 061	4 057	3 796	2 703	3 084
Leaving	t	1 045	1 780	1 983	2 104	1 916	1 323	1 663
Arriving	t	4 258	1 977	2 079	1 953	1 880	1 380	1 421
Post	t	129	166	201	177	194	136	155

Togo's communications system remains inadequate. In 1987, there were only 9,900 telephone connections in the entire country. The majority of these were concentrated in Lomé and the larger regional cities. With the financial support of several international organisations, there are plans for a comprehensive expansion of the telecommunications network. To this end, the Office des Postes et Télécommunications du Togo (OPTT) was set up in 1986. It is responsible for the maintenance and management of the telephone infrastructure. As part of a five year investment programme to extend the telecommunications system, the IDA has made available a credit of US\$15 million (ECU 15.2 million). The European Development Bank has joined the project with a contribution of US\$10.4 million (ECU 10.6 million). OPTT's share of the financing of the project comes to US\$11 million (ECU 11.2 million). Additional financial aid has come from the African Development Bank, from the United Nations Development Programme (UNDP) and from the Canadian International Development Agency (CIDA). As well as expanding the telephone system in Lomé and Kara and the setting up a digital telephone link between the two cities by the end of 1991, the project also includes a maintenance programme for the existing telephone network.

In November 1988, a fax line was set up between Lomé and Paris by the Société des Télécommunications Internationales du Togo. This connected Lomé to the international fax network via Paris.

The numbers of radios and television sets have risen considerably during the 1980s. The number of radios doubled between 1975 (350,000) and 1986 (680,000), the number of televisions increased from 10,000 in 1980 to 23,000 in 1987.

11 TOURISM

Tourism is the third most important source of foreign exchange for Togo, after phosphate and the leading agricultural products (cotton, cocoa and coffee). In recent years, Lomé's role as an international convention centre has proved to be of great significance for the development of tourism. In addition to its conference centre, Togo also has other features essential for the development of holiday tourism. There are attractive areas such as palm tree beaches fringing the Atlantic, some of which remain entirely unspoilt, Lake Togo and the Keran National Park. There are also numerous opportunities for wildlife safaris. A visit to the enchanting markets of the traditional trading centres in the hinterland also offers a unique attraction.

In spite of these advantages, the tourist sector has had to contend with serious problems ever since the mid-1980s. The state hotels have operated at a loss virtually every year since 1982. Even a rationalization of hotel management structures carried out in 1985 only produced a short respite to the problems. The number of people employed in the tourist industry fell from 3,338 in 1982 to 2,113 in 1987 (-36.7%). The World Bank is now considering a restructuring of the tourist sector. There is a particular need to improve access to the highly under-used Atlantic beaches, to restore the inland hotels, and to upgrade the tourist attractions in the hinterland especially in terms of infrastructure: access through the road network, drinking water supply and drainage and restaurants.

After having risen from 91,900 in 1980 to 117,500 in 1982 (+27.9%), the number of foreign visitors fell in 1983 (108, 100). Numbers rose again over successive years reaching the highest level to date in 1985, 119,800 visitors. They declined again in both 1986 and 1987. Compared with 1985, the 1987 figure of 98,000 represented a fall of some 18.2%.

Of the industrial nations, France is the most important country of origin, from where in 1987, over a quarter (25.7%) of all foreign visitors came. West Germans accounted for 5.6%, marking a proportional decline from the early 1980s (1980: 7.2%). Visitors from other non-African countries included the United States (4.9%), Switzerland (2.5%), Italy (2.4%) and the United Kingdom (1.9%). In total, some 55% of all foreign visitors came from Europe and North America. The percentage of Africans was 39.4%. The most significant African countries for visitors to Togo have traditionally been the neighbouring states of Benin (1987: 7.2%), Burkina Faso (7.2%), Niger (1987:5%) and Ghana (1987: 3%). In many cases such travel is to visit relatives. Only a small proportion of African visitors make use of the modern hotel facilities.

11.1 FOREIGN VISITORS BY SELECTED CONTINENTS AND COUNTRIES OF ORIGIN

Continent/ Country of origin	Unit	1980	1983	1985	1986	1987
Total	1 000	91.9	108.1	119.8	114.6	98.0
Europe	%	46.0	52.1	52.2	49.5	49.1
France	%	18.2	25.8	22.3	24.5	25.7
Federal Republic of Germany	%	7.2	7.2	7.5	6.8	5.6
Switzerland	%	7.0	5.4	4.2	3.7	2.5
Italy	%	2.3	2.0	2.9	2.8	2.4
United Kingdom	%	3.0	2.1	3.4	2.5	1.9
North America	%	4.8	5.9	6.3	6.3	6.2
United States	%	3.7	4.7	4.9	5.0	4.9
Africa						
Benin	%	6.5	7.4	6.3	6.1	7.2
Burkina Faso ¹⁾ ...	%	7.7	5.6	5.1	6.1	7.2
Nigeria	%	11.3	11.2	4.8	5.5	5.0
Ghana	%	5.5	4.3	5.3	3.7	3.0

1) Including visitors from Niger.

The total capacity of the country's hotels was considerably increased in the 1970s. Whilst all the larger inland cities do by now have a hotel, the greatest concentration of facilities is found in Lomé. The capital boasts more than twenty hotels, several of which, by international standards, are classified as semi-luxury or luxury (including the Hôtel du 2 Février, Hôtel de la Paix, Hôtel le Bénin, Hôtel Sarakawa). Growth in the hotel industry, however, has stagnated since 1982. The number of hotel rooms has increased only marginally in the course of the 1980s. Between 1979 and 1987, the number of rooms in hotels and boarding houses went up from 2,108 to 2,262 (+7.3%). The number of beds rose from 3,500 to 4,300 (+23.7%). After reaching a record level of 382,100 in 1985, the number of bed-nights fell to 314,300 by 1987, (-17.7%). The average length of hotel stay (indigenous + foreign visitors) fell from 2.8 to 2.6 days. Taking only foreign visitors into account, the average length of stay actually fell from 3.9 days (1985) to 2.7 days (1987). The hotels' capacity rates are comparatively low as, to some extent, they are geared towards conference-tourism. In 1987, the occupancy rate of the hotels was less than one third of available capacity (31%).

11.2 DATA ON THE HOTEL TRADE AND FOREIGN EXCHANGE EARNED

Category	Unit	1980	1983	1985	1986	1987
Rooms	Number	2 108 ^{a)}	2 036	2 030	2 030	2 262
Beds	Number	3 500	4 000	4 060	4 060	4 329

For footnote see at the end of the table.

11.2 DATA ON THE HOTEL TRADE AND FOREIGN EXCHANGE EARNED

Category	Unit	1980	1983	1985	1986	1987
Overnight accommodations 1)	1 000	321.0	326.0	382.1	367.6	314.3
Foreign exchange earned	CFA francs billion	3.9	5.2	6.9	6.5	6.0
Expenditure per foreign visitor .	CFA francs 1 000	42.4	48.1	57.6	56.7	61.2

1) Including overnight stays by Togolese citizens.

a) 1979.

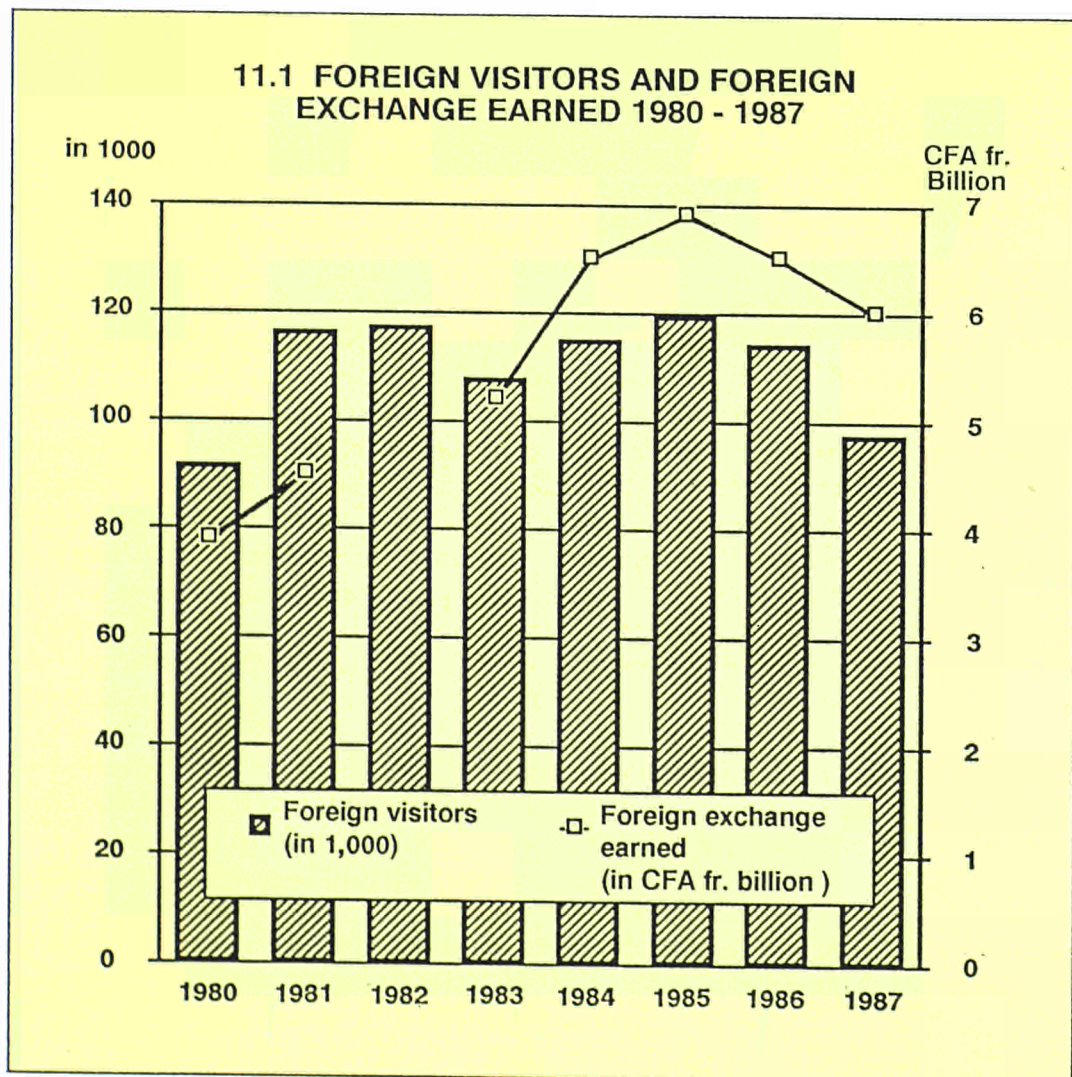


Fig 11.1 charts the development of foreign exchange earned by the tourist sector between 1980 and 1987. It shows a clear direct relation between foreign exchange earnings and foreign tourist numbers. In 1985, the year the highest number of foreign tourists was recorded, foreign exchange earnings reached their peak of CFA francs 6.9 billion. Compared with 1980 (CFA francs 3.9 billion) this meant an increase of almost 77%. In 1986 and 1987, when the number of holiday-makers was falling, there was a noticeable decline in foreign exchange earnings. In 1987, CFA francs 6.0 billion were earned in foreign exchange which was 13% less than in 1985. This occurred in spite of the fact that the amount spent per foreign visitor rose from an average CFA francs 57,600 to CFA francs 61,200 between 1985 and 1987, and that the average length of stay was shorter.

12 MONEY AND FINANCE

Togo is a member of the West African Monetary Union, Union Monétaire Ouest-Africaine (UMOA), established in 1962. The other member states are Benin, Côte d'Ivoire, Niger, Mali, Senegal and Burkina Faso. The joint central bank serving the members of the West African Monetary Union is the Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO), which has its headquarters in Dakar and branches in all member states. Membership of the West African Monetary Union means that Togo cannot alter interest rates independently as the UMOA operates a joint interest system. There are, however, no restrictions on the conduct of financial transactions within the UMOA.

Togo's current financial system has its roots in the national branch of the BCEAO, which functions as the central bank, and thereafter consists of ten other main financial institutions of which three are engaged in development finance operations. These three are the Banque Togolaise de Développement (BTD), the Caisse Nationale de Crédit Agricole (CNCA) and the Société Nationale d'Investissement (SNI). The BTD, which is 40% state-controlled, provides loans for general economic investment projects. The CNCA primarily functions as a provider of agricultural loans. The CNCA is currently being wound up but its final dissolution can only be expected when plans for a successor bank have been firmly drawn up.

There are currently seven commercial banks operating alongside these ones. The largest of is the Union Togolaise de Banques (UTB), which is 35% state-owned, the Banque Togolaise pour le Commerce et l'Industrie (BTCI) (50% state-owned) and the Banque Internationale pour l'Afrique Occidentale-Togo (BIAO-Togo). Also based in the country are the Banque Arabe-Libyenne-Togolaise du Commerce Extérieur (Baltex), the Banque Commerciale du Ghana-Togo (BCGT) and the Banque de Crédit et du Commerce International (BCCI). Since 1988, there has also been a branch of the ECOBANK Transnational Inc. in Lomé. In addition to normal national and international banking operations, ECOBANK's services also include financing new investment projects in the private sector. This particular institution could become of central importance to the country's economic development insofar as private investors, who were previously dependent on their own savings for new investment, now have the opportunity to obtain external finance through ECOBANK.

In September 1988, the funds of the ten banks operating in the country totalled CFA francs 11.79 billion. At this time the banks had 55 branches across the whole country. The banking and finance system is particularly under-developed in rural areas, and one part of rural Togo remains completely cut off from the money economy.

A decree of 8 September 1987 (Decree No. 87-141) obliges the banks to maintain a minimum reserve of CFA francs 500 million, while the development finance institutions are obliged to maintain a minimum reserve of CFA francs 100 million.

The country's currency unit is the CFA franc (Franc de la Communauté Financière Africain). As a member of the West African Central Bank, Togo maintains a fixed exchange rate to the French franc of CFA francs 50 to the French franc. In line with the rate for the French franc, the CFA franc fell considerably in value against the currencies of western industrial nations in the first half of the 1980s. Between 1983 and 1984, the CFA franc fell by 13.1% against the US\$. There was a noticeable upswing between 1985 and 1987. Whereas the US\$ was worth CFA francs 479.60 at the end of 1984, the exchange rate was CFA francs 267.00 to the US\$ at the end of 1987. This was a 79.9% rise in value of the CFA franc against the US\$. In the years that followed, the CFA franc declined in value again. In February 1990, the official exchange rate was CFA francs 286.25 to the US\$. The trend of the CFA franc against the Special Drawing Right (SDR) of the International Monetary Fund approximately reflects the same time movements as with the US\$. In 1990, the official exchange rate was CFA francs 376.94 to the SDR. In January 1990, the average exchange rate was CFA francs 346.20 to the ECU.

12.1 OFFICIAL EXCHANGE RATES*)

Currency	1983	1984	1985	1986	1987	1988	1989	1990 ¹⁾
Calculated comparable value ²⁾ Europ. Currency Unit (ECU) CFA francs for 1 ECU ³⁾	338.54	343.58	339.75	339.99	346.46	351.82	351.19	345.61 ^{a)}
CFA francs for 1 US-\$..	417.38	479.60	378.05	322.75	267.00	302.95	289.40	254.43
Special Drawing-Rights rate (SDR) CFA francs for 1 SDR .	436.97	470.11	415.26	394.78	378.78	407.68	380.32	364.03

*) Status: Year-end.

1) Status: End of October. - 2) Basis: 1 French Franc = CFA francs 50. - 3) Year average.

a) January/October average.

Togo's foreign currency reserves rose from US\$201.1 million to US\$354.5 million (+ 76.3%) between 1984 and 1987. The strong rise in reserves between 1984 and 1987 was due to the devaluation of the US\$ against most of those European currencies in which Togo's actual reserves are held. By the end of 1989, however, its total reserves had fallen to US\$283.3 million. Compared with 1987, this was a fall of about 20%. The reason for this was the revaluation of the US\$ against various European currencies between 1987 and 1989. Whereas Togo's foreign exchange reserves in 1987 were sufficient to cover import requirements for 12 months, the import cover ratio of foreign exchange holdings at the end of 1988 had fallen to eight months. It should, however, be stressed that the data on the foreign exchange reserves underestimate Togo's actual foreign exchange holdings, as part of these are tied up in the West African Monetary Union.

SDR holdings stood at US\$1.7 million at the end of 1989. While this was a considerable increase over previous years, compared to 1984 (US\$2 million) there had been a 15% fall. For years now, gold reserves have remained unchanged at 13,000 fine ounces.

12.2 GOLD AND FOREIGN CURRENCY RESERVES*)

Category	Unit	1984	1985	1986	1987	1988	1989
Gold	1 000 fine troy oz	13	13	13	13	13	13
Foreign exchange	US\$ million	201,1	296,3	331,8	354,5	231,7	283,3
Special Drawing Rights (SDR) ..	US\$ million	2,0	0,1	0,6	0,1	0,1	1,7a)

*) Status: Year-end.

a) February 1990: US\$0.5 million.

In both 1988 and 1989, it proved possible to limit the amount of money in circulation by means of restricting national expenditure. At CFA francs 21.95 billion, the amount of money in circulation up to September 1989 had more than halved in comparison with the end of 1987 (CFA francs 48.27 billion). This reduction, coupled with the high population growth rate, had the effect that between 1985 and September 1989 the total amount of money in circulation per inhabitant fell from CFA francs 13,247 to CFA francs 6,552 (-50.5%). Holdings of deposits, irrespective of maturity held in deposit banks, remained almost unchanged in the 1985/89 period at levels of between CFA francs 40 and 43 billion. In contrast over the same period, the term deposits rose from CFA francs 60.46 to 80.60 billion (+33%). Central Bank loans to the government stagnated between 1985 and 1989. In September 1989, deposit bank loans to the private sector stood at CFA francs 90.29 billion. Compared with the end of 1985 (CFA francs 63.90 billion), the total amount of deposit bank loans to the private sector had risen by 41.3%. The bank rate fell from 10.5% in 1985 to 8.5% the following year, but there was a subsequent rise to 9.5% in 1988. In November 1989, the bank rate stood at 11%.

12.3 DATA ON SELECTED FINANCIAL INDICATORS*)

Category	Unit	1985	1986	1987	1988	1989 ¹⁾
Cash in circulation, notes and coins (excl. bank reserves) .	CFA francs bn.	39.21	46.02	48.27	23.20	21.95
Cash in circulation per capita ²⁾	CFA francs	13 247	15 074	15 329	7 143	6 552

For footnotes see at the end of the table.

12.3 DATA ON SELECTED FINANCIAL INDICATORS*)

Category	Unit	1985	1986	1987	1988	1989 ¹⁾
Government bank deposits						
Central Bank	CFA francs bn.	10.83	2.52	0.50	1.26	1.17
Deposit banks	CFA francs bn.	35.20	32.12	40.81	38.34	46.19
Bank deposits irrespective of maturity						
Deposit banks	CFA francs bn.	42.22	42.81	41.77	40.27	40.74
Term deposits						
Deposit banks	CFA francs bn.	60.46	75.82	72.77	79.93	80.60
Savings deposits	CFA francs bn.	5.51	6.19	.	.	.
Post office deposits	CFA francs bn.	1.26	0.82	1.00	0.89	0.79
Bank loans to the government						
Central Bank	CFA francs bn.	40.72	45.83	42.71	42.47	40.56
Deposit banks	CFA francs bn.	0.75	0.95	0.82	1.16	1.23
Bank loans to the private sector						
Deposit banks	CFA francs bn.	63.90	85.05	92.03	97.31	90.29
Treasury	CFA francs bn.	1.63	2.12	1.58	2.09	1.75
Bank rate	CFA francs bn.	10.50	8.50	8.50	9.50	11.00 ^{a)}

*) Status: Year-end.

1) Status: September. - 2) Population based on the United Nations' population figures (in each case, population as of mid-year).

a) Status: November.

13 PUBLIC FINANCE

Public finances comprise the budgets of the central government, of the decentralised institutions and the regional and local authorities (préfectures and communes). The decentralised institutions whose budgets are integrated in the public finance system are the pension funds (Caisse de Retraite de Togo), the university hospital centre (Centre Hospitalier Universitaire), the university (Université du Bénin) and the state administration school (École Nationale d'Administration). The social security fund, Caisse Nationale de Sécurité Sociale (CNSS), was taken out of the central government's budget in 1986. The reasons were the essential autonomy of the CNSS and the tripartite division of its administration between the government, employers and employees.

Under Togo's legal system, the regional and local authorities define themselves as corporations, and enjoy a certain degree of financial autonomy; for instance, they have their own administrative budgets. In addition to their share of diverse central taxes, their revenues come from the raising of local taxes (such as the land tax, and a refuse collection tax), and from central government subventions and grants.

The national budget has traditionally been in deficit. The short-lived boom of Togo's main exports in the mid-1970s and the favourable affects of this on state revenue led to the commencement of over-ambitious development projects, particularly in the industrial-urban area. An inappropriate increase in state expenditure on development was the consequence. The crisis in Togo's export economy in the second half of the 1970s produced an abrupt caesura which, as a result of falling transfer payments from the state marketing companies, led to a reduction in government revenue. Thereafter, the ambitious development projects were increasingly unable to be financed. It thus became even more necessary for them to depend upon commercial loans from private foreign banks. A rapid accumulation of foreign debts, with rising debt service commitments that burdened the budget, was the outcome. The curtailment of the state's revenue base and a rise in state expenditure to meet mounting debt service obligations unleashed a serious budget crisis in the late 1970s making the acceptance of the World Bank and the IMF's structural adjustment programmes a matter of urgency. In addition to reorganising state finance, the structural adjustment programmes were also aimed at improving the balance of payments.

One important measure taken to reduce the budget deficit was the pronouncement of a wage and salary freeze for public-sector employees in 1983. The same year also saw a freeze in employment in the state sector. Taken together, both measures led to a nominal reduction in salary costs of three percent in 1984 (see Table 13.3). As a result of several debt reschedulings, it was possible to produce a noticeable reduction in debt service payments in the second half of the 1980s (see Chapter 19). A further important measure taken to reduce state expenditure was the reduction of the public sector investment projects, particularly during the fourth deve-

lopment plan. The sale and leasing of unprofitable state-owned companies was aimed at reducing subventions and compensatory payments to state-owned companies operating at a loss which were a burden on the national budget.

Together with these measures, which were aimed at controlling budgetary expenditure, came a series of others intended to increase state revenue. On 1st January 1983, a solidarity tax of five percent of monthly income was introduced for civil servants and those working in the private sector. Although this was planned to run for one year only, it has yet to be rescinded. A reform of the tax system undertaken in late 1983 included, amongst other things, the raising of income tax for private citizens and the introduction of a special income tax for employers, the introduction of a domestic turnover tax and improvements to the tax collection system, particularly of indirect taxes. The new tax system came in to full effect in January 1985.

13.1 CENTRAL GOVERNMENT BUDGET*)

CFA francs billion

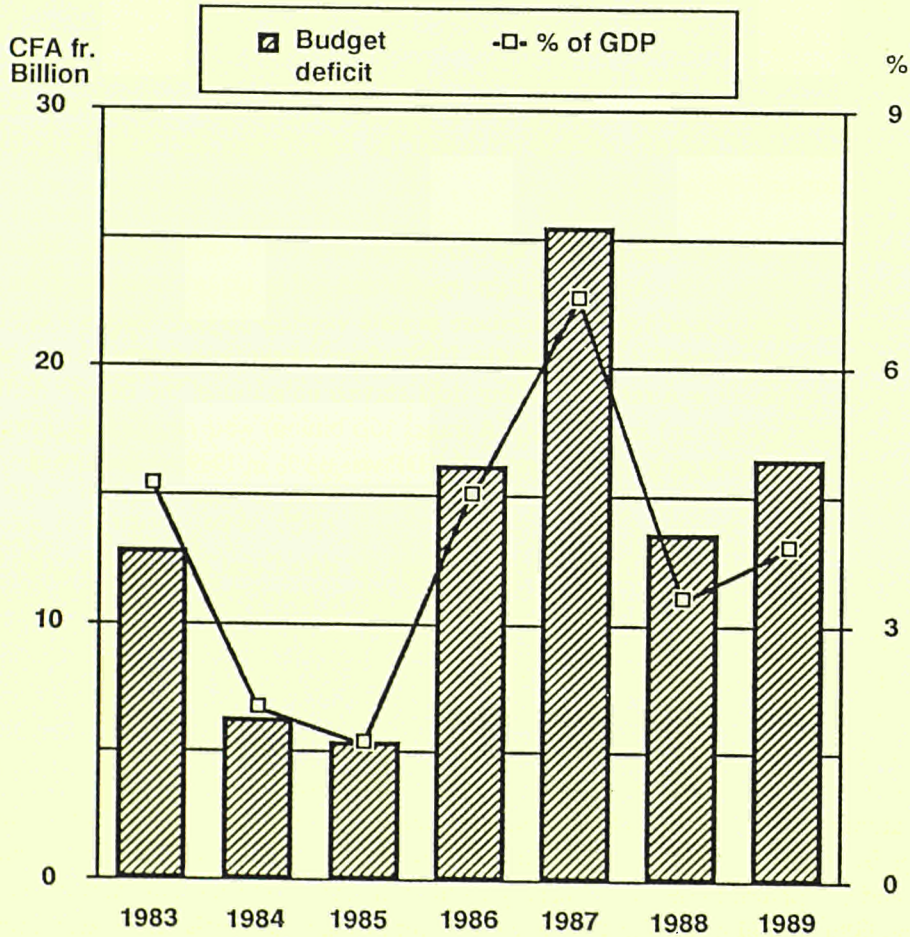
Category	1983	1984	1985	1986	1987	1988	1989
Revenue ¹⁾	86.3	103.6	114.7	120.5	97.4	105.3	108.3
Expenditure	99.2	109.9	120.1	136.7	123.0	118.9	124.8
Deficit	12.9	6.3	5.4	16.2	25.6	13.6	16.5

*) Financial year: calendar year.

1) Including grants.

The measures taken to restructure Togo's state finances brought about some visible improvements. Whereas the budget deficit had been CFA francs 12.9 billion in 1983, it contracted to CFA francs 6.3 billion and CFA francs 5.4 billion in 1984 and 1985 respectively. The ratio of the budget deficit to GDP went down from 4.6% in 1983 to 1.6% in 1985 (see Table 13.1 and Fig 13.1). This development was due principally to a disproportionate increase in state revenue. In 1984, state revenue increased to CFA francs 103.6 billion. Compared with 1983 (CFA francs 86.3 billion) this was a rise of 20%. In addition to the considerable increase in grants, it was mainly due to increased transfer payments from a range of state-owned companies. In contrast, the continued rise in state revenue in 1985 was primarily the result of a significant increase in revenue from indirect taxation (+10.7%), particularly the foreign trade tax (see Table 13.2).

13.1 CENTRAL GOVERNMENT BUDGET DEFICIT (ABSOLUTE AND AS % OF GDP AT CURRENT PRICES)



In 1986, the budget deficit went up again to CFA francs 16.2 billion, 4.5% of GDP. This was due to only a moderate increase in government revenue accompanied by a marked increase in state expenditure (particularly investment spending and material expenditure). The situation worsened further in 1987. Compared with 1986, state revenue fell nominally by CFA francs 23.1 billion or 19.2%. The main cause was the substantial reduction in revenue from the capital gains from selling state-owned companies. Low prices for phosphate in 1987 led to grave losses in export earnings for OPT, and to a fall in transfer payments to state coffers of CFA

francs 13.6 billion (1986) to CFA francs 3.5 billion. At the same time, as a result of the fall in the prices of cocoa and coffee and mounting operating losses, OPAT found itself forced to reduce its payments to the central budget from CFA francs 6.6 billion to CFA francs 2.5 billion. Whilst payments from the other state-owned companies went up from CFA francs 1.7 billion to CFA francs 6.9 billion, this was not enough to offset the shortfalls from OPT and OPAT. Adding to the difficulty was a significant reduction in grants in development aid from CFA francs 15.6 billion to CFA francs 8.2 billion. Whilst state expenditure did fall from CFA francs 136.7 billion to CFA francs 123.0 billion (particularly through a severe reduction in investment spending), it was not possible to prevent the 1987 budget deficit going up to CFA francs 25.6 billion or 6.8% of GDP.

This fresh budget crisis was the impetus for the launch of a third structural adjustment programme by the IMF in 1988. A reformed tax system and rising export revenues from state-owned companies had indeed led to an increase in state earnings to CFA francs 108.3 billion in 1989, but it proved impossible to achieve the 1986 volume of earnings again. As expenditure had stabilized, primarily as a result of falling debt service obligations, the budget deficits in 1988 (CFA francs 13.6 billion) and 1989 (CFA francs 16.5 billion) were significantly lower than in 1987. Even so, the budget deficit as a ratio of GDP was 3.9% in 1989, well above the target figure of 1.7%.

As regards the structure of state revenues, it should be noted that between two thirds and three quarters of total state earnings come from taxes. In 1989, CFA francs 83.8 billion, or 77.4% of the total revenue of CFA francs 108.3 billion, came from taxes. The most important single source of taxation remains taxes on external trade (especially import duties). In 1989, revenue from external trade taxes amounted to CFA francs 33.3 billion, some 40% of total tax revenues. The second most important source of tax revenue is the profit and income transfers from state-owned companies. As a result of annual fluctuations in export earnings of the national marketing company, OPAT, and the phosphate company, OPT, there were significant variations in annual earnings from this sector between 1983 and 1989. Transfer payments of state-owned companies to the state treasury visibly contracted between 1983 and 1989 as a result of the fall in world prices for Togo's main export products (phosphate, coffee, cocoa); yet in 1989, the capital gains and income transfers rose to a total of CFA francs 19.7 billion (+ 36.8%) as a result of an upswing in the price of phosphate. This put the share of these payments in total revenue up by 18.2% (1988: 13.7%). A major element in the increase in profit transfers from state-owned companies to the treasury was the increased transfers from the Petroleum Fund in the wake of lower oil prices, leading to marked increase in its profits, derived from the domestic marketing of oil products. In 1988 alone, the Petroleum Fund transferred approximately CFA francs 7.5 billion to central government. Taxes on local goods and services also increased greatly between 1983 (CFA francs 4.7 billion) and 1989 (CFA francs 10.3 billion) (+ 119.1%). In 1989, their share of state revenue was 9.5%.

The most important sources of non-tax revenue are OPT's investment earnings (extension to phosphate mining) and government revenue from its own commodities and property.

13.2 BUDGET REVENUE OF THE CENTRAL GOVERNMENT*)

CFA francs billion

Type of revenue	1983	1984	1985	1986	1987	1988	1989
Total 1)	86.3	103.6	114.7	120.5	97.4	105.3	108.3
Tax revenue	61.5	67.4	76.1	78.6	73.6	79.6	83.8
Direct taxation	27.3	33.6	35.5	34.1	29.9	31.2	36.8
Tax on income and profits of state-owned companies	19.4	24.7	24.6	21.9	12.9	14.4	19.7
including:							
OTP	10.4	13.0	13.0	13.6	3.5	4.6	7.0
OPAT	5.2	6.6	6.6	6.6	2.5	0.6	1.2
Other state-owned companies	3.8	5.1	5.0	1.7	6.9	9.2	11.5
Other direct taxation	7.9	8.9	10.9	12.2	17.0	16.8	17.1
Indirect taxation	34.2	33.8	40.6	44.5	43.7	48.3	47.0
Tax on local goods and services	4.7	4.6	7.4	7.7	8.3	10.8	10.3
External trade tax	27.5	27.6	32.4	34.1	32.7	34.7	33.3
Import duties .....	.	17.2	25.4	27.5	26.1	26.8	.
Other indirect taxation	2.0	1.6	0.7	2.8	2.8	2.9	3.4
Revenue from sources other than taxation	15.9	21.2	23.2	26.3	15.7	17.7	15.0
including:							
OTP investment payments	4.9	7.0	7.4	6.5	6.5	6.5	6.5
Revenue from commodities and property .....	.	9.3	9.0	9.1	3.8	5.5	.
Other revenue from sources other than taxation .....	.	4.9	6.8	10.6	5.4	5.7	.
Grants	8.9	15.0	15.5	15.6	8.2	8.1	9.5

*) Financial year: calendar year.

1) Including grants.

In order to broaden its income base, the government introduced further tax reforms in late 1988. The most important measures include:

- raising turnover tax, *Taxe Générale sur les Affaires* (TGA) from two to three percent on first purchase; this is raised from the duty paid;
- increasing the statistics tax (*Taxe Statistique*) from two to three percent. The bench-mark here is the cif-value of the relevant imported goods;
- harmonisation of value added tax with the introduction of a unified tax rate of 14% on all transactions; and, finally,
- an increase in specific consumption taxes, such as indirect taxes on rice and sugar.

In terms of budgetary spending, there was a continuous increase in current expenditure between 1983 and 1989 from CFA francs 75.9 billion to CFA francs 92.5 billion (+21.9%). This meant its share of total spending was consistently between 60% and 75%. Whereas there was only a moderate increase in current expenditure between 1983 and 1985, there was a rapid

growth in the following period. The most comprehensive current budget item was wage and salary costs for public-sector employees which accounted for roughly a third of current expenditure. The stringent measures taken to control such spending led to the fixing of this budget item between 1982 and 1986. After a wage freeze lasting several years, wage and salary costs have gone up again in the post-1987 period, following wage rises for public sector employees (see Chapter 15, Table 15.4).

As a result of several debt reschedulings, the government's debt service payments went down between 1983 and 1987 from CFA francs 21.5 billion to CFA francs 14.7 billion (-31.6%). The share of debt service payments in current budget expenditure fell from 28.3% in 1983 to 17% in 1987. Although the debt service payments rose again in 1989 (CFA francs 17.6 billion), their share of current expenditure hardly rose at 18.4%.

13.3 BUDGET EXPENDITURE OF THE CENTRAL GOVERNMENT*)

CFA francs billion

Type of expenditure	1983	1984	1985	1986	1987	1988	1989
Total	99.2	109.9	120.1	136.7	123.0	118.9	124.8
Current expenditure	75.9	76.5	78.0	82.9	86.5	88.5	92.5
by categories:							
Wages and salaries	28.7	27.8	27.8	28.8	34.2	35.4	35.9
Material expenditure	8.1	9.6	13.0	15.7	21.0	17.4	.
Debt service	21.5	20.4	21.8	17.7	14.7	16.5	17.6
Subsidies and current transfers	4.1	3.7	3.5	3.8	3.7	3.7	.
Other current expenditure	13.5	15.0	12.0	16.9	13.1	15.6	.
by sector:							
Health	4.2	4.0	4.0	.	4.5	4.8	.
Education	15.1	15.0	15.2	.	13.1	14.4	.
Social	2.9	3.0	3.0	.	2.1	2.4	.
Agriculture and forestry	2.0	2.1	2.1	.	2.1	2.3	.
Other sectors of the economy ..	2.4	2.8	2.1	.	2.6	2.3	.
General administration	11.2	11.3	13.5	.	14.9	13.8	.
Defence	6.2	6.7	8.3	.	12.8	13.3	.
Other current expenditure 1) ..	10.4	11.2	8.0	.	19.7	18.3	.
Investment	23.6	33.4	42.1	50.4	36.3	30.3	32.3
Net loans	- 0.3	-	-	3.4	0.1	0.1	-

*) Financial year: calendar year.

1) Excluding debt services.

In terms of expenditure items, education traditionally receives the largest sectoral allocation from the national budget. Although spending on education went down in 1987 and 1988 compared to the first half of the 1980s, at CFA francs 14.8 billion its share of the total current expenditure in 1988 was high at 16.3%. Next came spending on general administration at CFA

francs 13.8 billion, 15.6% of current expenditure. Defence spending more than doubled between 1983 (CFA francs 6.2 billion) and 1988 (CFA francs 13.3 billion), claiming the third highest share of current expenditure at 15% in 1988.

After having been severely reduced between 1980 and 1983, investment spending was significantly expanded between 1984 and 1986. Compared to 1983 (CFA francs 23.6 billion), the investment budget more than doubled in 1986 to CFA francs 50.4 billion, accounting for approximately 37% of total spending. Between 1987 and 1989, there was another round of reductions in development spending. At CFA francs 32.3 billion, development investment spending fell to 25.9% of the total in 1989. The reasons for this were: reduced payments of concessionary loans from foreign donors, the lack of financially viable development projects, the low absorption capacity of the Togolese economy and the shift in the thrust of development planning towards the maintenance of the present infrastructure rather than the initiation of any new projects.

14 EMPLOYMENT

The bulk of the data on the development and structure of employment is limited to the results of the 1981 census and is therefore not dated. The prime source of data on employment structure extending beyond 1981 is the International Labour Office (ILO) in Geneva. To a large extent such data are based on estimates. Additional information comes from the Togolese Ministry of Employment, Ministère du Travail et de la Fonction Publique, particularly for employment trends in the civil service, the most important employer within the modern sector.

The most significant areas of gainful employment embrace agriculture, forestry, and fisheries. About three quarters of the labour force works in one of these sub-sectors of the economy. Most are self-employed farmers, assisted by family-members - paid employment in the farming sector is far less common. The "modern" or formal sector is of only limited significance to the national labour market. The percentage of people engaged in the formal sector is estimated to be about six percent for the second half of the 1980s. The main areas of employment in the formal sector are the civil service and para-statal.

Approximately 22% of all labour force work in the so-called "informal" sector or "shadow economy". The most important branch of this is commerce which accounts for about 75% of all those employed in the informal sector. 19% are employed in the crafts and small industry sector. Further branches of the informal employment market include the service sector (4%) and the building trade (2%). The significance of the informal sector to overall employment can be seen in the fact that across the nation as a whole approximately 60% of all households earn part of their income from informal activities.

14.1 ECONOMICALLY ACTIVE POPULATION IN RELATION TO THE TOTAL POPULATION

Category	Unit	1970	1981	1985	1990
Economically active population 1)	1 000	728.3	901.5	1 244.0	1 396.0
male	1 000	405.3	506.3	778.0	888.0
female	1 000	323.0	395.2	466.0	508.0
Percentage of total population ...	%	37.3	33.3	42.0	40.5
male	%	43.3	38.4	53.3	52.1
female	%	31.9	28.5	31.1	29.1

1) 1970 and 1981: Census data (1970: persons aged 12 and over; 1981: persons aged 10 and over); 1985 and 1990: figures from the International Labor Office, Geneva (persons aged 10 and over).

Table 14.1 gives an overview of the growth of the working population between 1970 and 1990. It should be noted that the 1970 census only included people working aged over 12 whereas people between 10 and 12 were also included for the other years. Between 1970 and 1990, the economically active population rose from 728,300 to 1.396 million (+91.7%). The average growth rate was 3.5% a year which meant that the available workforce grew at an even faster rate than the rate of population increase during the 1970s and 1980s. The rise in the number of male employees was significantly higher, at 4.2%, than that for females (+2.4%). In 1990, the estimated ratio of the economically active to the total population was 40.5%. Whereas over half the male population (52.1%) were judged to be "economically active", less than a third of the female population was so categorised (29.1%).

Major differences can be seen in employment patterns in terms of age and sex. According to ILO estimates for 1990, the number of men in the labour market was significantly higher in all age groupings than for women of comparable age. Whereas over a third (37.9%) of all boys in the labour force aged between 10 and 15 were in work, only a quarter of the girls of the same age were (25.9%).

14.2 ECONOMICALLY ACTIVE POPULATION AND ACTIVITY RATE BY AGE GROUPS

Age from ... to under ... years	1981 ¹⁾			1990 ²⁾		
	Total	Male	Female	Total	Male	Female
in 1 000						
10 - 15	40	22	18	134	79	54
15 - 20	97	50	47	192	115	77
20 - 25	115	59	56	201	133	68
25 - 30	143	77	67	178	118	61
30 - 35	} 201	110	91	149	97	52
35 - 40				126	81	45
40 - 45	} 138	81	56	107	68	39
45 - 50				89	57	32
50 - 55	} 75	46	29	71	45	26
55 - 60				56	35	20
60 - 65	} 90	60	30	41	26	15
65 and over				53	34	19
% of relevant age group						
10 - 15	12.7	12.7	12.7	31.9	37.9	25.9
15 - 20	36.2	36.6	35.8	55.1	65.8	44.3
20 - 25	57.0	70.1	47.7	67.7	90.2	45.5
25 - 30	70.9	94.6	55.1	72.3	96.7	48.6
30 - 35	} 75.4	98.4	58.7	73.0	96.9	49.8
35 - 40				73.7	97.2	51.1
40 - 45	} 77.9	97.9	60.2	74.3	96.9	52.8
45 - 50				73.9	96.5	52.4
50 - 55	} 74.6	90.4	58.4	71.6	94.5	50.6
55 - 60				68.7	92.3	47.5
60 - 65	} 59.7	77.8	40.7	64.0	86.1	44.5
65 and over				48.7	70.6	31.0

1) Result of census. - 2) Figures from ILO, Geneva.

Labour force figures were consistently in excess of 90% for men aged between 20 and 60, whereas for women aged between 20 and 60 the figure was only somewhere between 45% and 55%. The low female figures in the middle age groupings are an expression of the partial underestimation of women's work, particularly in agriculture. Many farming activities such as weeding, tending crops or other activities such as collecting firewood or fetching water, which are carried out by women, do not count as work in the narrower sense, but are assessed as part of housework. Accordingly, women engaged in such work are not counted as being part of the labour force.

The large number of over-65 year olds in the labour force is striking. According to ILO figures in 1990, 49% of all those over 65, and as many as 71% of men, were judged to be in or looking for work. Because of the lack of any comprehensive state pension and social security system, many elderly people find themselves forced to work in order to earn a living. The low employment figures for those under 20, as recorded in the 1980 census, are probably due to an underestimation of the work done by children and adolescents at the time of the census. Low net enrolment ratios, in the secondary sector (12 to 18) at least, imply a significantly higher level of people in these age groups available for work than is suggested by the 1981 census data.

The most up-to-date employment figures by economic sector come from the 1981 census. Of the approximately 901,500 economically active people, some 579,400 were located in the agricultural, forestry or fisheries sector of the economy. This accounted for almost two thirds of the economically active population (64.3%). The number of women engaged in farming was 254,491 or 44% of all agricultural workers. Whilst there is no registered unemployment in the farming sector there is a high degree of hidden unemployment in the form of seasonal under-employment, particularly after harvest times. The difficult working conditions and low incomes of many small farmers were the cause of increased migration of agricultural workers into the cities during the 1970s.

The second most important sector of the economy in 1981 was the commercial, hotel and catering sector with 104,842 employees, some 11.6% of the total workforce. The high percentage of women in this sector is striking. In 1981, 83% of all those employed in commerce and the hotel and restaurant business were women. Over half of the female population of Lomé are involved in commerce, the majority of them in the "informal sector" (dealing in food, clothing, jewellery, household goods etc.).

The relatively high capital-intensity of the modern industrial sector is reflected in a comparatively low percentage of the total workforce engaged in this sector. In 1981, 80,595 people, less than nine percent of the total workforce, were employed in the industrial sector. 63,609 people, seven percent of the total workforce, were employed in the community, social and personal services sector.

14.3 ECONOMICALLY ACTIVE POPULATION BY ECONOMIC SECTORS 1981^{*)}

Economic sector	Total		Male Number	Female Number
	Number	Percentage		
Total	901 543	100.0	506 349	395 194
Agriculture, forestry and fisheries	579 361	64.3	324 870	254 491
Industry	80 595	8.9	55 042	25 553
Energy and water supply ..	2 203	0.3	2 107	96
Mining and quarrying	2 872	0.3	2 781	91
Manufacturing	54 372	6.0	29 307	25 065
Construction	21 148	2.3	20 847	301
Commercial, hotel and catering trades	104 842	11.6	17 427	87 415
Banks, insurance	2 063	0.3	1 650	413
Transport and communications	20 866	2.3	20 337	529
Community, social and personal services	63 609	7.0	50 750	12 859
Other sectors not clearly specified	20 953	2.4	14 670	6 346
Unemployed	29 254	3.2	21 666	7 588

*) Persons aged 10 and over; results of census.

Table 14.4 records the considerable cuts in state sector employment since 1983. Whereas the number of those working for the state increased by 4.9% between 1980 and 1982, after 1983 there was a significant reduction in the number of people employed in the public service sector. In 1983, the number of employees fell to 34,026, a drop of about 10.2% compared to the previous year (37,878). This was the consequence of measures taken in 1983 to rationalise the state sector as part of the structural adjustment programme. In order to reduce the burden on the national budget of state employees' salaries, a complete freeze on appointments in the public sector was announced with the closing down of non-profit making nationalised industries together with a cut in public employment programmes. The convention of absorbing the growing numbers of qualified school and university leavers into the public service had to be abandoned in the 1980s under the pressure of growing budgetary constraints. In aggregate, this change in policy led to a contraction in the number of people employed in the public service, down to just 30,806 by the beginning of 1989. Compared with 1981 - the year with the highest level of employment in the public sector - this meant a fall of about one fifth (-20.2%). This was achieved mainly by reducing the number of lower paid government employees, whose number fell by more than a half (-51.4%) between 1981 (14,754 people) and 1989 (7,170 people). In contrast, the number of higher-grade government officials hardly dropped during the 1980s.

14.4 ECONOMICALLY ACTIVE POPULATION IN THE STATE SECTOR^{*)}

Economic sector	1980	1981	1982	1983	1984	1985	1986	1987	1988 ¹⁾	1989 ²⁾
Total	36098	38621	37878	34026	33496	32378	32158	32256	31328	30806
Government officials	17949	20113	21302	20348	20149	19954	20123	20630	20324	20410
Government clerks	14773	14754	13096	10387	10066	9156	8723	8329	7720	7170
Technical personnel	179	179	168	103	109	109	82	93	79	86
Security personnel	674	624	591	577	570	555	523	506	499	490
Contractual employees	66	57	68	43	40	38	32	27	30	30
Managerial personnel	124	114	156	103	124	145	140	143	138	133
Teachers in denominational schools	2333	2780	2497	2465	2438	2421	2535	2528	2538	2487

*) Excluding military personnel. Status: End-of-year.

1) Status: October. - 2) Status: January.

The fall in employment in the formal sector, particularly in government service, meant that job opportunities for well-qualified school-leavers worsened to a considerable degree. The number of unemployed secondary school-leavers was estimated at between 10,000 and 15,000 in 1988. The level of unemployment for the Lomé area (Coastal region) - where 85% of the jobs in the "modern" sector are concentrated - was quoted at 20%-25% for the mid-1980s (1980: 4%). As about 80,000 school-leavers entered the job market every year during the 1980s and there is likely to be a further increase of school and university graduates in the 1990s, the unemployment problem is likely to worsen. Many qualified people will have no alternative but to seek employment in the informal sector. At this point in time one can only begin to imagine what the consequences of a burgeoning academic proletariat might turn out to be for the country.

15 WAGES AND SALARIES

All employees are guaranteed a statutory minimum wage. In the agricultural sector, the minimum wage is called the *Salaire Minimum Agricole Garanti (SMAG)*, in all other sectors it is called the *Salaire Minimum Interprofessionnel Garanti (SMIG)*. Throughout the entire 1970s and 1980s, the agricultural workers' minimum wage was lower than that of employees in the commercial sector. Although both rates have been raised in the past, but they were never pegged to the actual cost of living. The last general increase in minimum wage levels took place after a five year wage freeze on 1 January 1987. The SMAG went up from CFA francs 62.40 to CFA francs 65.50 an hour. The SMIG went up from CFA francs 72.00 to CFA francs 75.60 an hour. This was a five percent rise in both cases. Compared with previous increases in the minimum wage, this was only a small increase. On 1 January 1982, for example, they both went up by 10%.

15.1 STATUTORY MINIMUM WAGES OF WORKERS BY ECONOMIC SECTOR*)

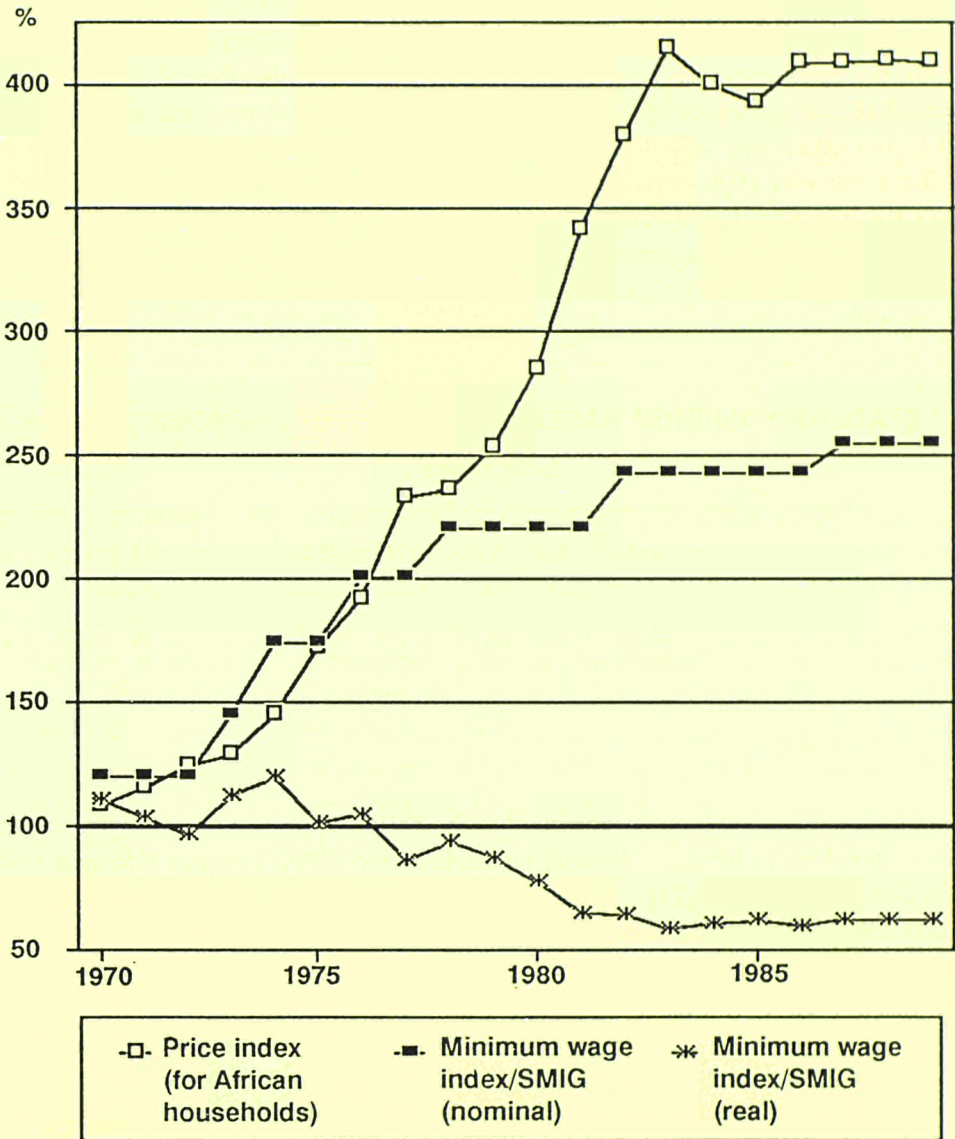
CFA francs

Economic sector	1975	1977	1980	1982	1985	1986	1987	1988	1989
Agriculture (SMAG)	44.85	51.57	56.73	62.40	62.40	62.40	65.50	65.50	65.50
Industry (SMIG)	51.74	59.50	65.45	72.00	72.00	72.00	75.60	75.60	75.60

*) Status: 1 January.

Figure 15.1 shows the long-term development of the SMIG set against trends in the consumer price index for African families. Nominal increases in the SMIG between 1966 and 1974 of 74.2% tied to a relatively small rise in the consumer price index (+ 45.1%) meant there was a real rise in the minimum wage of 20% (2.3% a year). High levels of inflation in the mid 1970s eliminated these real increases. The downward trend in real wages continued throughout the economic crisis from 1978 to 1983. As a result of the general freeze in the SMIG and the strong rise in consumer prices of 50% in real terms (7.7% p.a.), the minimum wage fell between 1974 and 1983. During subsequent years, the rise in agricultural output did lead to falling food prices and a general levelling of consumer prices but as nominal increases in the minimum wage rate were only moderate between 1984/89, there was only a weak rise in the SMIG in real terms.

**15.1 TRENDS IN STATUTORY MINIMUM WAGE
IN INDUSTRY (SMIG), 1970 - 1989**
(1966 = 100)



There are considerable differences in remuneration levels within the formal sector. The gap between rates of pay was greatest in banking (CFA francs 2.456 million): the highest annual salary of CFA francs 2.675 million was approximately thirteen times greater than the lowest annual salary (CFA francs 201,300). The considerable differences between the highest rates of

pay across the various sectors of the economy are also striking. In 1988, the highest salary in banking was more than double the highest salary in the construction industry (CFA francs 1.1857 million) or transport sector (CFA francs 1.3174 million).

15.2 OFFICIAL ANNUAL SALARIES OF WORKERS IN SELECTED ECONOMIC SECTORS*)

CFA francs 1 000

Sector	1980		1985		1988	
	Lowest wage	Highest wage	Lowest wage	Highest wage	Lowest wage	Highest wage
Manufacturing industry	136.1	547.5	181.6	1 903.6	190.7	1 998.9
Construction (incl. public works)	136.1	404.5	149.8	1 192.2	157.3	1 185.7
Trade	136.1	1 597.0	181.6	1 941.1	190.7	2 038.2
Banks	174.2	2 410.3	191.7	2 530.8	201.3	2 657.4
Transport	136.1	1 140.6	149.7	1 254.7	157.2	1 317.4

*) Based on 2 080 working hours a year. Status: January.

In general, salaries of employees in the formal sector are well above the legally prescribed minimum, while additional special payments and bonuses are common. Salaries in the private sector arise out of joint agreement between the employers' associations, trade unions and government and vary according to occupation and qualifications. Table 15.3 shows that in Lomé's private sector the salaries of even the lowest paid groups are significantly higher than the minimum rate. In 1983, the prevailing hourly wage for railway workers, for example, was CFA francs 101.02. This was about 40% higher than the minimum wage in operation at that time. Qualified workers (car mechanics, mechanical engineers) received three to four times the statutory minimum wage.

Whilst adult wages in Lomé's formal sector are significantly higher than the relevant minimum wage, it should be noted that the high inflation rates in the second half of the 1970s brought about significant cuts in real terms. There are no figures on wage trends for urban workers after 1983. As, however, consumer prices rose only marginally between 1984 and 1989 it can be assumed that there have been moderate increases in salaries in real terms.

**15.3 ACTUAL HOURLY WAGE RATES FOR ADULT EMPLOYEES BY SELECTED
OCCUPATION IN LOMÉ*)**

CFA francs

Sector	1979	1980	1981	1982	1983
Mining and quarrying					
Miners, underground					
Coal-face workers .....	.	.	97.34	153.54	153.54
Loaders, transporters .	.	.	73.47	117.17	117.17
Manufacturing industry					
Textile mills					
Textile spinners	96.84	.	.	117.17	117.17
Weavers	96.84	.	.	117.00	117.17
Loom operators	96.84	.	.	153.54	153.54
Furniture industry					
Carpenters	126.90	139.59	139.59	153.54	153.54
Upholsteres .....	.	110.20	110.20	.	.
Polishers .....	.	110.20	110.20	117.17	117.17
Iron industry					
Smelters	126.90	139.59	139.59	153.54	153.54
Mechanical engineering					
Mechanical engineers and mechanics	126.90	139.59	139.59	153.54	153.54
Mould-makers	126.90	178.16	178.16	202.04	202.04
Model makers	126.90	139.59	139.59	153.54	153.54
Vehicle building (Repair- workshops)					
Car mechanics	126.90	178.16	178.16	305.07	305.07
Construction industry					
Bricklayers .....	.	.	119.38	117.17	117.17
Ironworkers .....	.	119.38	119.38	.	.
Concretesurfacers	126.90	342.25	342.25	.	.
Carpenters	126.90	139.59	139.59	153.54	153.54
Painters	126.90	139.59	139.59	117.17	117.17
Pipe-layers and fitters	126.90	139.59	139.59	153.54	153.54
Electricians	126.90	139.59	139.59	153.54	153.54
Energy					
Electricians on outdoor- service	126.90	139.59	139.59	153.54	153.54
Transport					
Railway					
Railway loaders and unloaders	89.61	.	.	101.02	101.02
Linemen .....	.	.	.	101.02	101.02
Bus					
Drivers .....	.	146.94	146.94	.	.
Road Haulage					
Lorry drivers (lorries under 2 t) ..	.	95.50	95.50	.	.

*) Status: October.

Salary scales for employees in the public sector are based on education, experience and age. There are two independent salary scales for officials and government officers. The last increase in officials' salaries was five percent for all points on the scale in January 1988. The last increase in government officers' salaries (also five percent) was in January 1987. Overall, government officials' salaries went up by 16.1% between 1980 and 1988, those of officers by 15.5% over the same period. As the consumer price index for African families went up by 43.9% between 1980 and 1988, there was a real loss in salaries for employees in the state sector in the 1980s. It should be noted, however, that even the lowest wages of the poorer paid groups in the public service are significantly higher than the minimum wage rate for employees in the commercial sector (SMIG).

15.4 MONTHLY SALARIES IN THE PUBLIC SECTOR*)

CFA francs

Category	1980		1987		1988	
	Lowest wage	Highest wage	Lowest wage	Highest wage	Lowest wage	Highest wage
Officials						
Category A1	88 780	191 219	97 879	210 818	103 032	221 914
Category A2	75 122	143 413	82 821	158 113	87 180	166 435
Category B	51 219	119 511	56 439	131 761	59 441	138 696
Category C	37 561	71 706	41 411	79 057	43 590	83 218
Category D	18 439	45 756	20 329	50 454	21 399	53 101
Government officers						
Category 1	15 056	17 656	17 390	20 393	17 390	20 393
Category 2	17 656	21 346	20 393	24 675	20 393	24 675
Category 3	21 364	24 716	24 675	28 547	24 675	28 547
Category 4	24 176	28 270	28 547	32 652	28 547	32 652
Category 5	28 270	37 808	32 652	43 668	32 652	43 668
Category 6	37 808	52 073	43 668	60 144	43 668	60 144

*) Status: January.

When analyzing trends in wages and salaries, it should be borne in mind that the above data only reflect income trends in the formal sector, thus accounting for only six percent of the total workforce. Up to date figures on income levels in agriculture and the informal sector are not available. Yet some insights into income levels in both agriculture and the informal sector can be gleaned from an ILO estimate of the percentage of the economically active population with incomes below the subsistence level at the height of the economic crisis in 1983. For Lomé, the poverty line was set at an income level of CFA francs 12,500 a month, roughly equivalent to the minimum wage (SMIG) in operation at the time. The poverty line was set at CFA francs 10,000 a month for all other cities, and at CFA francs 7,000 for the rural areas. The analysis re-

vealed that approximately 35% of the economically active population were in receipt of incomes below the poverty line at this time. The large majority of workers with incomes lower than the poverty line lived in the rural areas. Roughly 60% of workers with incomes below the subsistence level (21% of all respondents) were farmers. More than a quarter were employed in the rural informal sector (nine percent of all respondents). Only 15% (five percent of all respondents) worked in the urban informal sector.

The increase in producer prices for export crops such as cocoa, coffee and cotton since the early 1980s has led to a reduction in the percentage of workers with incomes below the poverty line and to a narrowing in the disparities in income between the towns and rural areas (see Chapter 16). The World Bank estimates that between 1982 and 1986, incomes derived from coffee, cocoa and cotton, in which over half of all agricultural establishments are involved, rose nominally by 132% or almost doubled in real terms (+97%). The recent reductions in producer prices for coffee and cocoa, following the collapse in world prices, could lead to another fall in real incomes for agricultural workers.

16 PRICES

For some time, the government's main instruments for influencing consumer prices were regional price adjustments (*péréquation*), subsidies and a system of fixed profit margins on a series of basic goods. Differences in regional prices were balanced out by raising prices in the cities, with income thus generated being used to offset the higher costs of transport to rural areas. In general, subsidies were provided for products aimed at a large consumer base, serving, too, to balance out any sudden price movements. In contrast to many other African countries, however, Togo does not have any explicit pricing subsidy policy. In the past, the most important instrument of government price controls was a system of precisely determined mark-ups for the majority of imported goods, and for a significant number of products produced domestically. Allowable mark-ups (wholesale and retail) ranged from 12% for basic requirements such as flour, rice, salt, sugar and milk, to 40% for imported textiles and 55% on books.

In 1988, as part of the third structural adjustment programme, there was a general liberalisation of prices. The new pricing policy included the abolition of the government price regulations. Prices for almost all products are now left to market forces, with the old system of subsidies and fixed prices only being maintained for certain key products, in particular, sugar, cement and petroleum products. In addition, the tariff system was preserved for water and electricity. Consumer charges for these services are regularly increased: the 17% rise in the water tariff in early 1989 was the most recent increase in charges for public services for some time. Periodic increases in water and electricity prices do not only cover rising production costs but also pay for capital energy and water investment projects, such as the Nangbéto Dam.

The cessation of the national commercial company SONACOM's import monopoly in late 1988 was an important step towards liberalising pricing policy, bringing about reductions in prices for a series of basic goods. Also of central importance is the new system of producer price fixing, introduced in the 1988/89 farming year, which allows in part changes in world prices to be passed on to the producers (see Chapter 7).

Trends in the cost of living are recorded in a consumer price index for urban families which is published by the Direction de la Statistique Générale du Togo. Separate indices are calculated for African and European families on the basis of different patterns of consumption between the two income groups. Both consumer price indices vary in relation to the weightings given to specific items of expenditure. For African families, approximately 48% of total expenditure goes on food, with drinks (10.9%) and household running costs (8.1%) following next. The high share of expenditure given to food items and the fact that the majority of African households buy domestically produced agricultural products mean that the consumer price index for African families strongly reflects fluctuations in domestic agricultural production and the trends in agricultural prices that go with it. It should be noted, however, that the price index for African families is based on an outdated basket of available commodities (base 1963) and thus gives only an indication of consumer price trends in Lomé. However, the weighting is going to be changed on the basis of the results of a Consumer Expenditure Survey financed by the EC.

The cost of living for African families between 1981 and 1983 rose at an average rate of 13.3% a year. This large increase is a reflection of the agricultural recession caused by drought, and successive rises in the retail prices for agricultural produce. Between 1980 and 1983, food prices rose by a total of 58.8% or 16.7% a year. In contrast, the overall cost of living index went up by only 45.5%. The subsequent recovery in agricultural output led to a significant fall in food prices: between 1983 and 1985, the food price index fell by almost 20%. This led to a 3.5% reduction in the cost of living in 1984, and by 1.8% in the following year. The comparatively small increases in food prices between 1986 and 1988, and the moderate price rises for other consumer goods, kept the inflation rate low. In 1988, the cost of living went up by only 0.2%. The good harvests of 1988/89 could lead to a further fall in the cost of living for African families. The only product group for which there has been an above average rate of price increase since 1983 is clothing. Between 1983 and 1988, the price of clothing went up by a total of 36%, or 6.3% a year.

The basket of available commodities for European families is significantly different to that of African families. Less than a third of a European family's expenditure is accounted for by food. 16% of total spending is on drinks, rents account for about 20% of living costs, and approximately 12% of total spending is on transport and insurance. As with African families, the cost of living index for European families is based on an outdated weighting system (base 1961).

16.1 CONSUMER PRICE INDEX FOR AFRICAN FAMILIES IN LOMÉ*)

1963 = 100

Index group	Weighting	1981	1982	1983	1984	1985	1986	1987	1988	2.Q. 1988	2.Q. 1989
Total	100	353	392	429	414	406	423	423	424	434	424
% increase		19.7	11.1	9.4	-3.5	-1.8	4.1	0.0	0.2	1.1	-2.3
Foodstuffs	47.9	400	453	505	453	415	432	428	421	445	414
Drinks	10.9	273	272	297	302	320	330	335	330	326	333
Household goods	8.1	356	404	461	492	515	516	517	515	505	491
Clothing	7.7	395	406	436	449	484	536	537	593	579	648
Home	6.8	283	312	335	338	347	362	360	363	360	372
Services	6.7	300	325	329	336	340	343	343	346	345	350
Other	11.9	279	323	340	374	397	415	427	432	433	427

*) Yearly average.

16.2 CONSUMER PRICE INDEX FOR EUROPEAN FAMILIES IN LOMÉ*)

May 1961 = 100

Index group	Weighting	1981	1982	1983	1984	1985	1986	1987	1988	2.Q. 1988	2.Q. 1989
Total	100	327	353	375	397	413	438	437	435	439	422
% increase		7.5	7.9	6.4	5.8	4.0	6.1	-0.2	-0.5	-0.2	-3.8
Foodstuffs	29.6	353	408	441	461	459	488	456	451	466	397
Drinks	16.0	285	323	342	377	410	439	447	444	448	436
Home	19.9	316	324	350	365	379	379	377	374	374	375
Transport, insurance	11.8	282	312	316	334	350	364	366	368	369	368
Personal hygiene	8.3	285	306	345	380	432	458	455	450	450	459
Clothing	7.2	529	445	444	465	469	568	617	680	664	704
Other	7.2	260	296	313	318	347	357	365	363	364	394

*) Yearly average.

As the basket of available commodities for European families contains a large proportion of imported goods, trends in the cost of living for European households are correlated strongly with trends in import prices, particularly for food, drink and clothing. Compared with African households, the increase in the cost of living for European families in Lomé between 1980 and 1983 was significantly lower. During this period, the consumer price index rose by an average of only seven percent a year, reflecting the lower level of dependency of European consumers on domestically grown foodstuffs which saw significant price rises over this period. The rate of price increase hardly fell at all between 1984 and 1986 as a consequence of movements in import prices, partly caused by the massive devaluation of the CFA franc against the US\$. In 1986, the cost of living for European households went up by 6.1%, almost as much as in 1983. The subsequent revaluation of the CFA franc against the US\$ led to a significant fall in import prices and a reduction in the cost of living for European families in 1987 and 1988. The continued weakness of the US\$ could perpetuate this trend. Compared with the same period in the previous year, there was a 3.8% fall in the cost of living in the second quarter of 1989.

During the first half of the 1970s, the aim of the central marketing company OPAT's pricing policy was to keep producer prices for agricultural produce well below world price levels in order to invest the resulting surpluses in urban-industrial development. In the late 1970s, the policy was altered; OPAT now aimed significantly to increase producer prices of agricultural produce so as to stimulate agricultural export production and so bring about a consolidation of the balance of trade and payments as a result of increased export revenues.

16.1 PRODUCER PRICE INDEX OF THE MOST IMPORTANT AGRICULTURAL EXPORTS (1976/77 = 100)

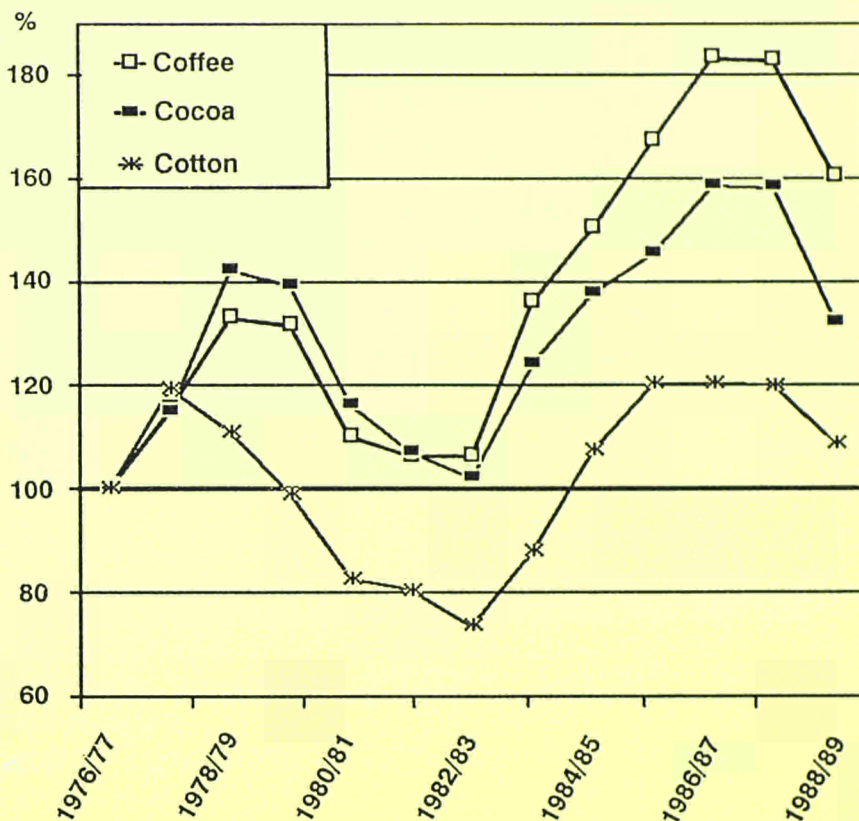


Fig 16.1 shows the marked rise in producer prices for Togo's three most important agricultural exports since the second half of the 1970s. Producer prices for coffee, cocoa and cotton rose significantly faster than the cost of living. In the early 1980s, there was a fall in the real price index for all three exports brought about by high consumer price inflation; however at least the producer prices for coffee and cocoa were still slightly above the 1976/77 level in real terms. Only the producer price index for cotton fell below its 1976/77 real value. Marked nominal increases in producer prices and a low rate of price increases have led to a considerable increase in producer prices in real terms since the 1983/84 agricultural season. Compared with 1976/77, the price index for coffee had risen in real terms by over 80% by 1987/88, for cocoa it had gone up by almost 60%. For cotton, real increases of almost 20% were achieved. This

meant that the so-called "internal terms of trade" had shifted significantly in favour of agricultural export produce, resulting in noticeable improvements in real incomes. There was a nominal reduction in producer prices in 1988/89 following the new producer price policy and arising because of falling world prices; if this continues, it could lead in the next few years to a wiping out of the gains in purchasing power among agricultural export producers which has recently been achieved. Already in 1988/89, there was a significant fall in the real producer price index for coffee, cocoa and cotton. Whilst the producer prices for the 1988/89 season are based on the so-called "floor price" - on top of which a proportion of sales profits are added after the close of the marketing season - these additional amounts are likely to be so small that the fall in the real index of producer prices in 1988/89 will only be slightly alleviated.

Togo's economy is highly dependent on export prices of products such as phosphate, coffee, cocoa and cotton. While there was a marked upward trend in these prices between 1980 and 1985, there was a sharp fall back for all four products in the second half of the 1980s. The 1988 export price for coffee of CFA francs 436 per kg was only about one third of its 1985 level (CFA francs 1,188/kg), while the export price for cocoa went down by over 40% between 1985 and 1988. The export price for phosphate rock (OTP figures) fell by 15% over the same period. Only cotton experienced a significant rise in 1988 after the low prevailing prices of the previous years. Compared with 1985 (CFA francs 584/kg), the export price for cotton went up slightly (2.4%) in 1988.

The fall in export earnings from cocoa and coffee in 1988 was offset, to some extent, by compensatory payments from the European Community's STABEX fund. EC transfer payments for financial losses in relation to coffee exports totalled ECU 1.9 million in 1988. Togo received ECU 5.7 million in payments from STABEX for lost revenue from cocoa exports (see Chapter 22, Table 22.4). Overall between 1975 and 1988, Togo received some ECU 53.6 million in compensatory payments for lost revenue from exports due to harvest or price problems from the EC via STABEX (cocoa, ECU 35.2 million; coffee, ECU 17.7 million; karité kernels, ECU 652,000). As further funding from STABEX was made available in 1989 to offset falling export revenues as a result of the poor prices on the international coffee and cocoa markets.

16.3 EXPORT PRICES FOR SELECTED GOODS*)

Product	Unit	1980	1981	1982	1983	1984	1985	1986	1987	1988
in CFA francs										
Coffee	1 kg	554	537	648	835	1 167	1 188	1 023	751	436
Cocoa	1 kg	565	477	553	603	986	1 017	733	673	605
Cotton	1 kg	326	399	408	553	617	584	337	304	598
Phosphate ..	1 t	9 740	13 592	14 104	14 428	16 661	17 031	13 533	10 286	14 413

For footnotes see at the end of the table.

16.3 EXPORT PRICES FOR SELECTED GOODS*)

Product	Unit	1980	1981	1982	1983	1984	1985	1986	1987	1988
Index of export prices (1980 = 100)										
Coffee		100.0	96.9	117.0	150.7	210.7	214.4	184.7	135.6	78.7
Cocoa		100.0	84.4	97.9	106.7	174.5	180.0	129.7	119.1	107.1
Cotton		100.0	122.4	125.2	169.6	189.3	179.1	103.4	93.3	183.4
Phosphate ..		100.0	139.5	144.8	148.1	171.1	174.9	138.9	105.6	148.0

*) Yearly average.

In 1984 and 1985, export prices rose more than import prices leading to an improvement in the terms of trade. The years between 1986 and 1988 were marked by a fall in both import and export prices. The revaluation of the CFA franc against the US\$ was one of the causes for this fall. The stronger reduction in export prices in comparison with import prices, however, was also the result of falling world prices for Togo's principal exports (coffee, cocoa, cotton and phosphate) in the second half of the 1980s. The result was a noticeable worsening in the terms of trade between 1985 and 1988. The continuing decline in world prices for coffee and cocoa in 1989 will probably have led to this negative trend in the commodity terms of trade for Togo's external trade continuing.

16.4 IMPORT AND EXPORT PRICE INDEX*)

1983 = 100

Index group	1984	1985	1986	1987	1988 ¹⁾
Import prices	111.4	113.9	98.9	97.6	100.4
Export prices	115.4	119.8	98.5	89.9	93.7
Terms of Trade	103.6	105.2	99.5	92.0	93.3

*) Yearly average.

1) Estimate.

17 NATIONAL ACCOUNTS

In general, Togo's economy growth since the late 1970s has been disappointing. Between 1979 and 1989, GDP at market prices (1978 prices) rose from CFA francs 206.7 billion to CFA francs 217.5 billion, a moderate five percent growth. The average annual growth in GDP over this period was 0.5% (see Tables 17.1 and 17.2), insufficient to keep pace with population growth. Between 1979 and 1989, GDP per capita fell from CFA francs 83,000 to CFA francs 64,900 (-21.8%), or 2.4% a year. The main factors behind the sluggish economic growth of the 1980s were the drought-induced slumps in agricultural output between 1980 and 1983, the recession in mining between 1979 and 1986, the crisis in the construction industry that lasted for almost the entire 1980s and contraction in the commercial and tourist sectors.

17.1 TRENDS IN GROSS DOMESTIC PRODUCT AT MARKET PRICES

Year	Gross Domestic Product at market prices				
	in current prices	in 1978 prices		Price component	Inhabitants
		total	per capita ¹⁾		
	CFA francs billion	CFA francs 1 000	1978 = 100		
1979	212.8	206.7	83.0	103	103
1980	238.4	207.4	81.2	115	105
1981	258.0	195.4	74.3	132	108
1982	270.0	188.4	69.5	143	112
1983	281.5	185.8	66.6	152	115
1984	313.8	188.1	65.4	167	118
1985	338.3	192.8	65.5	175	122
1986	362.5	200.5	65.7	181	126
1987	375.0	203.3	64.6	184	130
1988	406.5	212.8	65.5	191	134
1989	426.5	217.5	64.9	196	138
1990 ²⁾	450.7	.	.	.	142

1) Population base 1979 - 1990: taken from the United Nations' medium variant population projections. - 2) Estimate.

GDP rose by 9.4% in 1979, but noticeably weakened in 1980 to 0.3%. From 1981 to 1983, economic growth was markedly negative. The drought-induced slump in agricultural output, a construction industry that had been ailing since the completion of the major projects in the 1970s, the poor world economic situation and falling investment activity were all responsible for the decline in GDP from CFA francs 207.4 billion to CFA francs 185.8 billion (-10.4%) between 1980 and 1983 (at constant 1978 prices). In the same period, GDP per capita went down from CFA francs 81,200 to CFA francs 66,600 (-18%). Net value added from agriculture was judged to be CFA francs 53.4 billion in 1983, a 17.6% growth from the previous year; however, the continuing decline of activity in the construction industry coupled with a grave

slump in the commercial sector produced a negative overall growth rate (-1.4%). Between 1984 and 1989, economic growth rates were positive again. GDP went up from CFA francs 185.8 billion in 1983 to CFA francs 217.5 billion in 1989 (+17.1%). In spite of this upward trend, expansion was not rapid enough to increase the level of GDP per capita (see Table 17.1). During the entire 1980s, only in 1988 was a significant increase in per capita GDP (of 1.4%) achieved (see Fig 17.1). The favourable development in the economy that year was primarily due to the following factors:

- an increased overall level of economic and investment activity with the start of the third structural adjustment programme;
- a significant increase in phosphate production; and,
- a marked increase in basic food and cotton production.

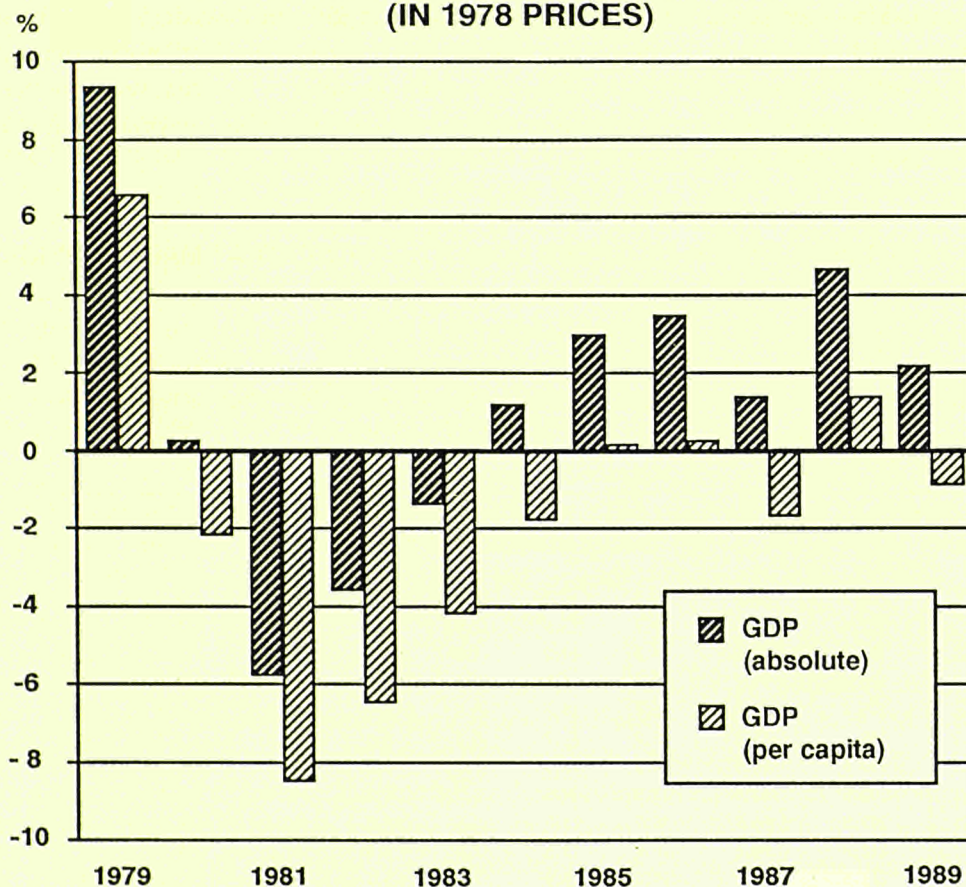
The fall in economic growth to 2.2% in 1989 was primarily the result of a slight recession in phosphate mining and the deceleration in agricultural growth, particularly in terms of basic food production. Further factors for the low growth rate in 1989 were continued recession in the construction industry and a lack-lustre performance of the tertiary sector (particularly the public service, commerce and transport).

17.2 ANNUAL CHANGES IN GROSS DOMESTIC PRODUCT AT MARKET PRICES

Year	Changes in relation to the previous year and average annual rates of increase in %		
	Gross Domestic Product at market prices		Gross Domestic Product per capita
	in current prices	in 1978 prices	
1979	+ 12.6	+ 9.4	+ 6.7
1980	+ 12.0	+ 0.3	- 2.2
1981	+ 8.2	- 5.8	- 8.5
1982	+ 4.7	- 3.6	- 6.5
1983	+ 4.3	- 1.4	- 4.2
1984	+ 11.5	+ 1.2	- 1.8
1985	+ 7.8	+ 3.0	+ 0.2
1986	+ 7.2	+ 3.5	+ 0.3
1987	+ 3.4	+ 1.4	- 1.7
1988	+ 8.4	+ 4.7	+ 1.4
1989	+ 4.9	+ 2.2	- 0.9
1990 ¹⁾	+ 5.7	.	.
1979/89 A ...	+ 7.2	+ 0.5	- 2.4

1) Estimate.

17.1 GROWTH OF GROSS DOMESTIC PRODUCT AT MARKET PRICES, 1979 - 1989 (IN 1978 PRICES)



As far as the growth of different sub-sectors of the economy is concerned, there is evidence of marked differences in performance. Between 1979 and 1989, the net value added from agriculture was 2.8% a year, from manufacturing industry, 3.4% a year, from the energy and water supply sector, 4.4%, from transport and 0.6% from communications 0.6%. Other branches of the economy, however, recorded negative growth rates.

After the drought-induced slumps in agriculture at the start of the 1980s, sustained expansion in agricultural output in subsequent years was achieved from 1983 to 1989. In 1982, an absolute low of CFA francs 45.4 billion in agricultural value added was recorded; but the value rose steadily to reach CFA francs 72.3 billion by 1989, a rise of almost 60% (6.8% a year) by 1989. The strong increase in producer prices and favourable climatic conditions - with the exception of 1987 - lie behind this marked growth in agricultural output.

Developments in the processing industry were also favourable. Following a fall in net value added of 18.2% as a result of the stoppage of clinker production in 1984, it proved possible to achieve considerable expansion in output in subsequent years. Between 1984 and 1989, the net value added from the processing industry rose by a total of 33%. In 1989, the industrial growth rate was 10.4%. This made the processing industry the branch of production with the highest rate of growth. The greatest sub-sectoral growth within the industry in recent years has been in the food processing (including the drinks and tobacco) industry and in the processing of non-metallic raw materials (see Chapter 8).

17.3 SECTORAL ORIGIN OF GROSS DOMESTIC PRODUCT AT MARKET PRICES

Year	Gross Domestic Product at market prices	Agriculture, forestry and fishery	Mining	Manufacturing	Construction	Energy and water	Commerce, tourism	Transport and communication	Public sector	Other sectors
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in 1978 prices (CFA francs billion)

1979 ...	206.7	54.8	19.2	10.7	15.7	3.3	55.2	12.4	22.5	12.9
1980 ...	207.4	54.9	17.7	13.6	12.9	3.7	56.3	12.8	22.6	12.9
1981 ...	195.4	49.8	14.4	14.2	8.8	4.0	55.9	12.9	22.1	13.3
1982 ...	188.4	45.4	15.8	14.8	7.5	4.5	53.2	14.1	20.5	12.6
1983 ...	185.8	53.4	15.4	13.7	5.9	4.9	47.6	11.3	20.7	13.0
1984 ...	188.1	59.6	15.2	11.2	5.3	4.4	48.4	11.7	20.0	12.3
1985 ...	193.8	61.9	14.3	12.3	7.3	4.6	48.5	12.3	20.0	12.6
1986 ...	200.5	64.9	13.5	12.8	8.3	4.8	49.6	12.8	20.8	13.0
1987 ...	203.3	65.9	15.2	13.0	8.1	4.9	50.3	12.9	19.9	13.2
1988 ...	212.8	69.6	19.4	13.5	7.4	4.9	51.0	12.9	20.2	13.8
1989 ...	217.5	72.3	19.0	14.9	7.0	5.1	51.9	13.1	20.2	14.1

Changes in relation to the previous year and average annual rates of increase in %

1980 ...	+ 0.3	+ 0.2	- 7.8	+ 27.1	- 17.8	+ 12.1	+ 2.0	+ 3.2	+ 0.4	± 0.0
1981 ...	- 5.8	- 9.3	- 18.6	+ 4.4	- 31.8	+ 8.1	- 0.7	+ 0.8	- 2.2	+ 3.1
1982 ...	- 3.6	- 8.8	+ 9.7	+ 4.2	- 14.8	+ 12.5	- 4.8	+ 9.3	- 7.2	- 5.3
1983 ...	- 1.4	+ 17.6	- 2.5	- 7.4	- 21.3	+ 8.9	- 10.5	- 19.9	+ 1.0	+ 3.2
1984 ...	+ 1.2	+ 11.6	- 1.3	- 18.2	- 10.2	- 10.2	+ 1.7	+ 3.5	- 3.4	- 5.4
1985 ...	+ 3.0	+ 3.9	- 5.9	+ 9.8	+ 37.7	+ 4.5	+ 0.2	+ 5.1	± 0.0	+ 2.4
1986 ...	+ 3.5	+ 4.8	- 5.6	+ 4.1	+ 13.7	+ 4.3	+ 2.3	+ 4.1	+ 4.0	+ 3.2
1987 ...	+ 1.4	+ 1.5	+ 12.6	+ 1.6	- 2.4	+ 2.1	+ 1.4	+ 0.8	- 4.3	+ 1.5
1988 ...	+ 4.7	+ 5.6	+ 27.6	+ 3.8	- 8.6	± 0.0	+ 1.4	± 0.0	+ 1.5	+ 4.5
1989 ...	+ 2.2	+ 3.9	- 2.1	+ 10.4	- 5.4	+ 4.1	+ 1.8	+ 1.6	± 0.0	+ 2.2
1979/89A	+ 0.5	+ 2.8	- 1.0	+ 3.4	- 7.8	+ 4.4	- 0.6	+ 0.6	- 1.1	+ 0.9

Following the crises of the first half of the 1980s, there has been a significant upward trend in mining, notably since 1987. In 1987 and 1988, mineral production rose by 12.6% and 27.6% respectively, before a minor recession (-2.1%) took place in 1989. In spite of the recent economic recovery, there was a moderate fall in the sectoral net value added from mining between 1979 and 1989 (-1.0% p.a.).

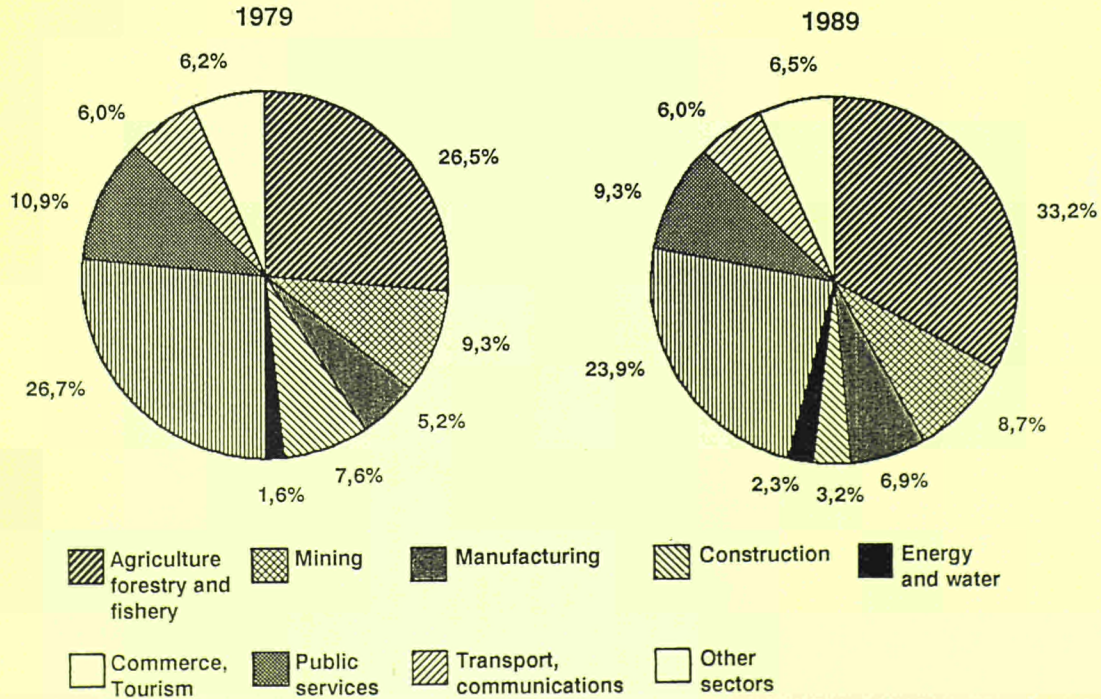
Commerce and tourism, which were the most important sectors of the economy in 1979, experienced serious recession. This was the result of the crisis in the leading productive sectors of the economy, agriculture, mining and construction. Since 1985, however, there has been a gradual stabilising of the commercial sector.

The construction industry has faced the most serious difficulties. Between 1979 and 1989, the net value added of the building sector fell dramatically from CFA francs 15.7 billion to CFA francs 7.0 billion or by 7.8% a year. This contraction was the result of a fall in capital development spending in the early 1980s after the completion of a series of costly major industrial and infrastructural projects, part of the over-ambitious third development plan of the late 1970s (see Chapter 18). There was a short-term boom in 1985 when work started on the building of the Nangbéto hydroelectric power station; this led to a rise of 37.7% in net value added, sustained in part through to 1986 (+13.7%). However decline continued thereafter, once work on the Nangbéto hydroelectric power station was completed. Between 1986 and 1989, the net value added from the construction sector fell by 15.7%.

There have been significant changes over the course of the 1980s in relation to the origin of GDP by sector. High growth rates in agriculture, particularly since 1983, have led to its percentage of GDP going up from 26.5% in 1979 to 33.3% in 1989 (Fig 17.2). This meant that agriculture replaced commerce and tourism as the most important sector of the economy. The contribution of the construction industry went down from 7.6% in 1979 to 3.2% in 1989. The share of the processing industry went up from 5.2% to 6.9%; even so, it remains small overall. Mining managed to retain its share at about the nine percent level. The same is true of the transport and telecommunications sector (6%). The share of GDP contributed by the public service went down during the period from 10.9% to 9.3%.

In summary, whereas there has been a marked advance in the primary sector over the last decade, the overall economic significance of the secondary and tertiary branches of the economy has declined, in some cases considerably so.

17.2 SECTORAL ORIGIN OF GROSS DOMESTIC PRODUCT AT MARKET PRICES, 1979 AND 1989 (IN 1978 PRICES)



18 BALANCE OF PAYMENTS

The health of Togo's balance of payments is crucially dependent on foreign exchange earnings from its four main exports; phosphate, cotton, coffee and cocoa. Unfavourable climatic conditions or low world prices have an immediate impact on the balance of payments. In addition, the balance of payments is dependent to a marked degree on the inflow and outflow of public and private capital. This means that it is subject to exogenous factors, largely beyond the influence of national economic and fiscal policy.

Togo's overall balance of payments, like the national budget, has traditionally been in deficit. The balance of payments deficit came down from CFA francs 14.7 billion in 1983 to CFA francs 1.7 billion in 1985, but it rose again in 1986, to CFA francs 24.1 billion and to CFA francs 21 billion in 1987. Only the structural adjustment measures of 1988 and 1989 coupled with favourable export trends led to a reduction in the balance of payments deficits in more recent years.

In relation to receipts, it should be noted that Togo is involved in an enormous amount of re-exporting: from 1983 and 1985, between 10% and 20% of total exports consisted of re-exports, rising, in the second half of the 1980s, to between 20% and 30%. This reflects Togo's growing importance as a regional trading centre, supported by a well-developed harbour and transport infrastructure.

The invisible balance has been negative throughout the 1980s. Together with the interest payments for foreign loans, freight and insurance costs for imports are the most significant items on the invisible balance. Since the debt rescheduling measures taken in 1985, interest payments have been significantly reduced, and as a result of falling imports in 1986 and 1987, freight and insurance costs have also noticeably declined.

The capital transactions account suffered badly because of the need to repay high-cost foreign loans. Since 1988, however, the burden has been eased in the wake of several debt rescheduling rounds and the cancelling of some debts.

A reduction in the negative balance of the current account between 1983 and 1985 was primarily the result of favourable export trends, although an increase in public transfers (mainly official aid flows) and growing capital inflows helped reduce the balance of payments deficit.

In 1984, exports (including re-exports) rose to CFA francs 127.1 billion, a 22% increase from the previous year (CFA francs 104.2 billion). This powerful growth in exports was brought about by the rise in world prices for phosphate and cocoa, coupled with a strong rise in cocoa exports. At the same time there was only a moderate growth in imports (+3.4%). This resulted in a trade balance surplus of CFA francs 12.1 billion. As transfers also went up significantly, a small surplus on the current account (CFA francs 11.4 billion) was achieved for the first and only time during the decade. The overall balance, however, remained negative (- CFA

francs 6.0 billion) due to a net capital outflow of CFA francs 17.4 billion, resulting from the rise in payments of foreign loans together with a marked outflow of short-term private capital. In 1985, the situation improved further with growing inflows of short and long-term private capital, although there was a trade balance deficit of CFA francs 9.7 billion. This was the result of a large hike in the import bill (+18.7%), sparked off by an increase in imports of consumer goods and growing import demands for capital and intermediary goods (the start of the construction of the Nangbéto Dam). This also brought about an increase in freight and insurance costs amounting to CFA francs 18.3 billion in 1985 (+12.3%).

In 1986, the external financial situation seriously worsened, and the balance of payments deficit rose to CFA francs 24.1 billion. The cause was a significant growth in the trade balance deficit (import surplus 1986: CFA francs 32.3 billion). Falling world prices for phosphate, cocoa and cotton and the revaluation of the CFA franc against the US\$ had led to export earnings falling to CFA francs 93.4 billion (-26.3%). Even increases in cotton and cocoa exports could not make up for this.

A poor export performance combined with a decline in public and private transfers (-22.8%) led the deficit in the balance of the current account to rise to CFA francs 41.5 billion in 1986. Even a positive balance on the capital account of CFA francs 17.4 billion could not prevent a substantial rise in the overall deficit.

Reduced levels of foreign aid, ear-marked for projects in the public sector investment programme, made import contraction inevitable in 1987. In comparison with the previous year, the trade balance deficit was reduced to CFA francs 18.7 billion. The deficit on the current account fell to CFA francs 31.0 billion. At the same time, the surplus on the capital account was reduced to CFA francs 10 billion so that it was not possible to achieve any decisive reduction in the overall deficit (CFA francs 21.0 billion) in 1987.

The situation improved in 1988. A rise in export earnings from phosphate and cotton more than made up for falls in coffee and cocoa exports and brought about an increase in export revenues to CFA francs 96.8 billion (+8.8%). As imports continued to fall, the trade balance deficit was reduced to CFA francs 8.1 billion. Overall this meant that the balance of payments deficit was limited to CFA francs 15.2 billion.

In 1989, the balance of payments deficit again went down to CFA francs 6.3 billion. One reason was a reduction in net imports to CFA francs 3.2 billion, the product of continuing favourable export trends for phosphate and cotton. In addition, a fall in debt servicing payments by about a quarter contributed decisively to the reduction in the balance of payments deficit. Several debt reschedulings and the cancelling of some loans by leading donors such as France and the Federal Republic of Germany brought about a reduction in the debt service ratio to 25% of export earnings (see Chapter 19).

18.1 TRENDS IN THE BALANCE OF PAYMENTS

CFA francs billion

	1983	1984	1985	1986	1987	1988	1989
Balance of trade	- 7.0	12.1	- 9.7	- 32.3	- 18.7	- 8.1	- 3.2
Exports (fob) ¹⁾	104.2	127.1	126.8	93.4	89.0	96.8	106.9
Imports (fob)	-111.2	-115.0	-136.5	-125.7	-107.7	-104.9	-110.1
Invisibles	- 34.4	- 32.6	- 37.2	- 35.9	- 33.2	- 34.5	- 36.1
Freight and insurance ..	- 15.4	- 16.3	- 18.3	- 18.4	- 15.9	- 15.6	- 16.1
Interest	- 21.7	- 20.4	- 23.3	- 17.6	- 16.3	- 16.5	- 17.2
Other invisibles	2.7	4.1	4.4	0.2	- 0.9	- 2.4	- 2.8
Transfers (net)	24.8	31.9	34.6	26.7	20.9	23.1	25.8
Private	- 1.0	- 0.8	3.4	0.1	0.2	1.8	2.8
Public	25.8	32.7	31.2	26.6	20.7	21.3	23.0
Current account balance ...	- 16.6	11.4	- 12.3	- 41.5	- 31.0	- 19.5	- 13.5
Capital account balance ...	1.9	- 17.4	10.6	17.4	10.0	4.3	7.2
Debt redemption payments	- 29.7	- 34.7	- 32.8	- 32.5	- 31.3	- 28.6	- 20.9
Public foreign loans ...	23.8	22.8	16.9	23.0	19.1	28.8	27.0
Other capital flows	6.2	- 3.7	28.8	22.6	11.2	12.0	6.8
Unsettled sums	1.6	- 1.8	- 2.3	4.3	11.0	- 7.9	- 5.7
Balance of payments account	- 14.7	- 6.0	- 1.7	- 24.1	- 21.0	- 15.2	- 6.3

1) Including re-exports.

19 FOREIGN DEBT

Togo's public and publicly-guaranteed external debts have been overseen centrally for some years by an agency within the Société Nationale d'Investissement (SNI). The SNI is responsible for payment to creditors of the debt service on public liabilities. It refinances itself from the central budget or from public companies, which are responsible for about half of all public external debt. There is no comparable coverage system for the private sector's non-publicly guaranteed external debts. These, however, account for only a small proportion of total external debt.

Between 1975 and 1980, Togo's public external debt increased six-fold to over US\$1 billion, tailing off slightly to 1985, but climbing again thereafter. The ratio of external debt to GNP peaked in 1985 at 133% and has been falling ever since. In 1989, approximately a quarter of all external debt was denominated in French francs, three quarters in other currencies, primarily US\$, SDRs (from the multilateral financial institutions) and Swiss francs.

19.1 TOTAL EXTERNAL DEBT 1980-1988

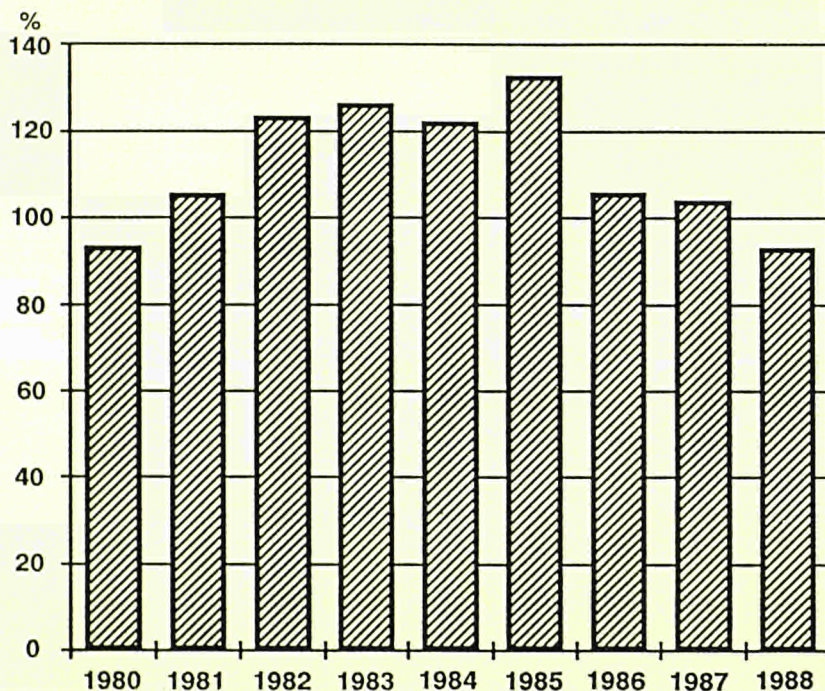
US-\$ million

	1980	1981	1982	1983	1984	1985	1986	1987	1988
Long-term loans ¹⁾	895	816	790	795	681	788	885	1 048	1 067
IMF	33	38	36	54	62	74	90	85	78
Short-term loans ..	113	111	127	65	63	74	89	102	66
TOTAL	1 041	965	953	914	806	936	1 064	1 235	1 211

1) Public and publicly guaranteed loans.

Source: World Debt Tables 1989-90

19.1 RATIO OF FOREIGN DEBT TO GNP



During the period of rapidly growing levels of external debt in the second half of the 1970s, Togo increasingly took out non-concessionary loans with commercial banks, largely in the form of short-term loans. In 1980, these accounted for about half of the total debt; the more stringent conditions attached to them made debt servicing considerably more difficult. Since then, Togo has practically only taken loans from bilateral and multilateral donors and, as a result, has been able substantially to improve its debt structure. Some bilateral donors, including the Federal Republic of Germany, no longer give loans to Togo but provide only grants.

By the end of the 1980s, over 90% of the country's external debts were owed to public creditors. The percentage originating with multilateral creditors has risen steeply since the beginning of the 1980s, rising from 13% in 1980 to 44% in 1989 (long-term debts excluding the IMF) with a tendency for further increases. The largest of these come from the World Bank group, whose International Development Agency (IDA) is now Togo's single largest creditor, accounting for about a third of its long-term debts. The IMF's contribution to total external debt has for a long time now ranged between three (1980) and 8.5% (1986).

19.2 STRUCTURE OF LONG-TERM DEBT

US-\$ million

	1980	1981	1982	1983	1984	1985	1986	1987	1988
Public creditors									
Multilateral	119	126	144	196	232	293	365	429	465
of which: IDA	43	51	61	101	123	161	222	267	306
Bilateral	365	399	394	439	345	409	454	554	548
Sub-total	484	525	538	635	577	702	819	983	1 013
Private creditors ..	411	292	252	160	103	86	67	64	54
TOTAL	895	816	790	795	681	788	885	1 048	1 067

Source: World Debt Tables 1989-90

The debt service burden expanded rapidly from the late 1970s onwards, leading to several reschedulings of debts to public creditors with the Paris Club in 1979, 1981, 1983, 1984 and 1985. Thereafter, the debt service ratio (the ratio of interest and repayment to export earnings) rose once again to over 40%, causing renewed payment arrears. As a result, there were further comprehensive reschedulings by the Paris Club in 1988 and 1989, followed by the announcements of debt forgiveness from some bilateral donors, including France and the Federal Republic of Germany.

19.3 DEBT SERVICE¹⁾ 1980-1988

US-\$ million

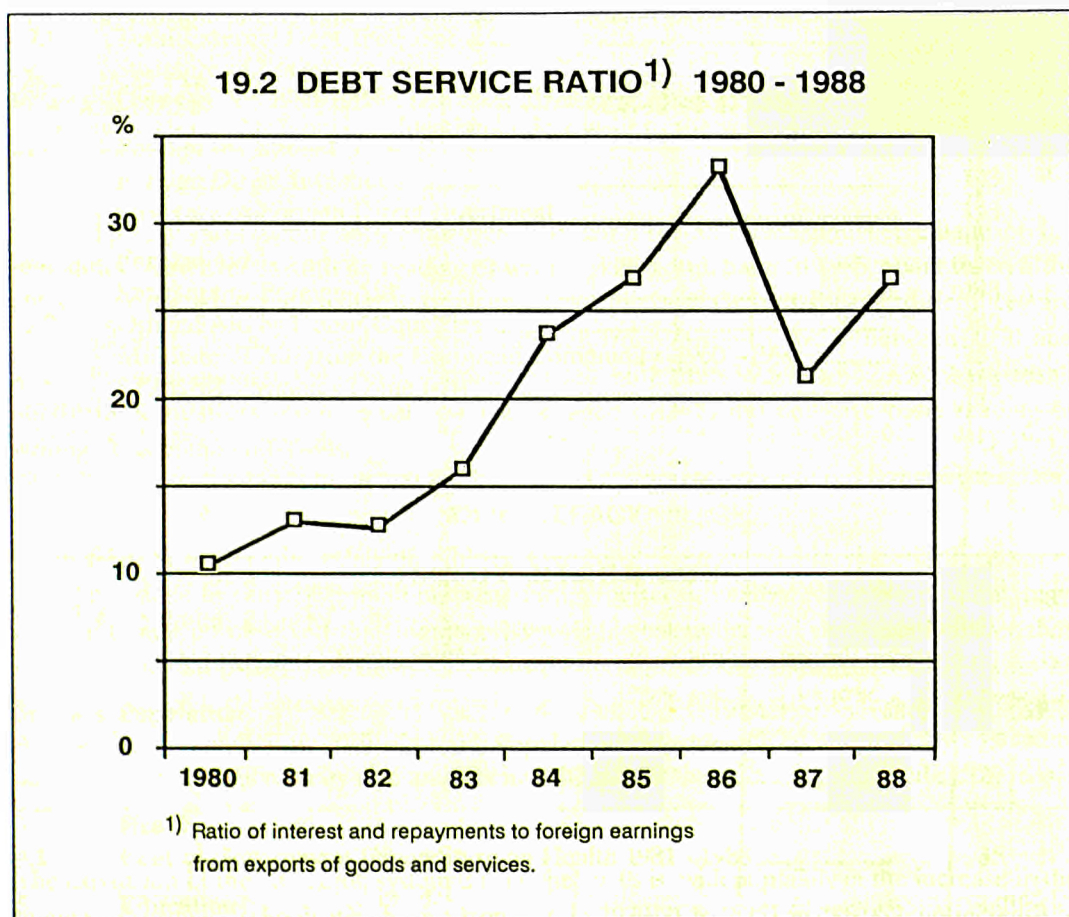
	1980	1981	1982	1983	1984	1985	1986	1987	1988
Public creditors	30	28	24	39	54	69	98	48	85
Multilateral	3	3	5	7	12	14	16	21	24
Bilateral	27	25	19	32	42	55	81	27	61
Private creditors ...	16	18	20	10	22	19	29	12	6
TOTAL	46	46	44	49	76	88	127	60	91

1) Interest and repayments on long-term loans.

Source: World Debt Tables 1989-90

The heaviest debt service burden originates with official bilateral donors (1988: US\$61 million or ECU 52 million). Whereas multilateral donors now have an equal share of the total debt owed, repayment obligations to them are lower. This, however, does not take account of the most recent debt relief granted by bilateral donors nor the fact that some bilateral donors now provide aid exclusively as grants rather than as loans, for these are not recorded in the World Bank's debt statistics.

After the most recent rescheduling and debt forgiveness initiatives in 1989 and 1990, the debt service ratio has been reduced to about 25%. In general, therefore, the country's debt structure and with it the debt service burden have largely been normalised since the grave problems experienced during the second half of the 1970s.

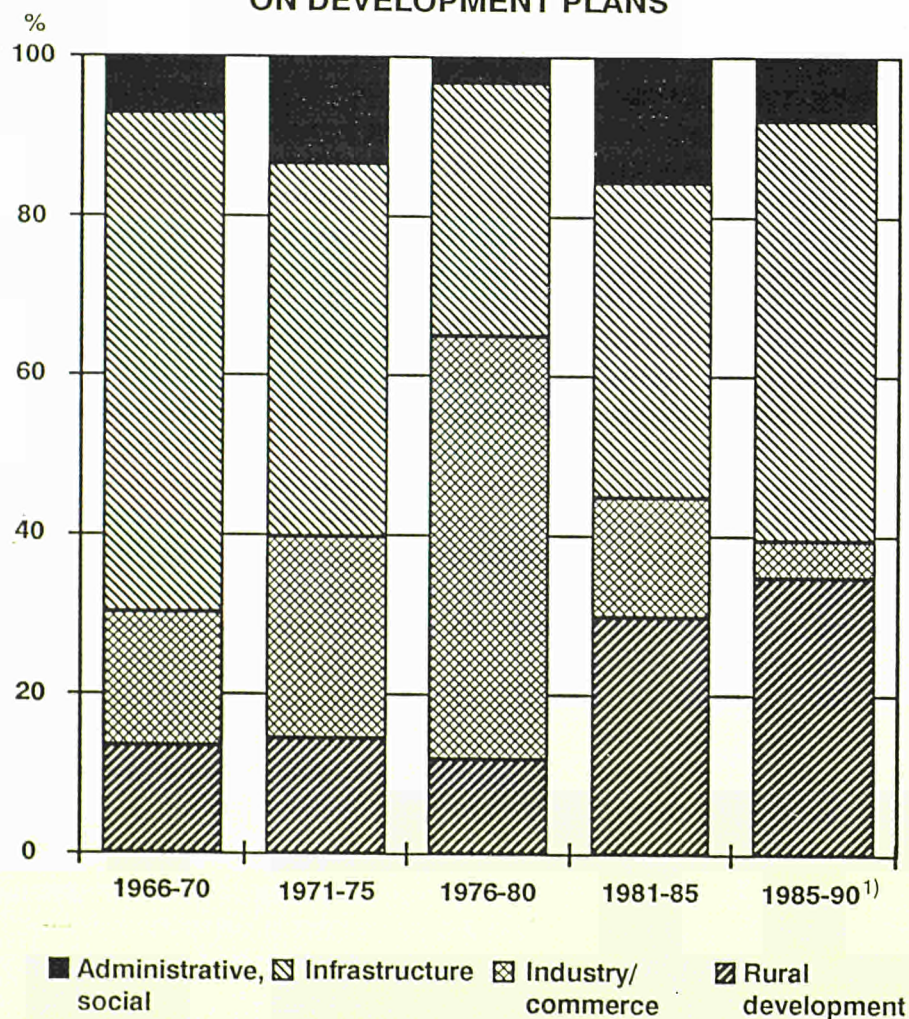


20 DEVELOPMENT PLANNING

The country's first five year economic and social development plan was set to run from 1966 to 1970, envisaging total investments of approximately CFA francs 40 billion. In practice, however, only about CFA francs 33.0 billion, 82.5% of the planned resources, were raised. 62.7% of the total expenditure (CFA francs 20.7 billion), was ear-marked for infrastructural expansion in the first development plan (Fig 20.1). The main highlights from the second development plan, set to run from 1971 to 1975, were to increase GDP at the rate of 7.7% a year, to reduce regional economic imbalances, and to create new jobs. The second development plan envisaged investments of CFA francs 135 billion. In practice, public investment over this period only came to CFA francs 86.5 billion, 63.9% of the planned target. The central focus was again the infrastructure on which almost half the development investments were spent (CFA francs 40.5 billion). The aims of this plan were not achieved in practice: annual growth in GDP reached only five percent. Targeted production levels in the farming sector fell well short of expectations, not least because of inadequate resources allocated to the rural development sector which, at about CFA francs 12.5 billion, accounted for only 14.5% of total expenditure.

Development policy for the second half of the 1970s envisaged a sustained increase in government investment in development. The main target of the third development plan was the industrial sector (including mining, craft and trade) which alone received CFA francs 110 billion or 53.2% of the total expenditure on development of CFA francs 207 billion. In the context of a forced pace of industrialisation, GDP was planned to rise by 8.1% a year. Amongst the major industrial projects begun between 1976 and 1980 were the oil refinery and steel mill in Lomé, the clinker factory run by Ciment de l'Afrique d l'Ouest (CIMAO), a joint venture between Togo, Ghana and the Côte d'Ivoire. These proved to be over-ambitious: the high level of investment required led to a considerable increase in foreign debt and to the government's temporary insolvency. Most of the major industrial projects achieved only low capacity rates and proved uneconomic. The result was the closure or sale of industrial concerns to private investors. The urban-industrial bias of the third development plan is evident from the fact that the investment targets on industrial projects were exceeded by 45%, whereas only 31% of investments planned for the agricultural sector were spent. Overall, the project implementation rate of the third development plan was 73.2%.

20.1 SECTORAL DISTRIBUTION OF EXPENDITURE ON DEVELOPMENT PLANS



1) Figures for the 1985-1990 development plan are based on planned expenditure.

The fourth development plan, for the period 1981 to 1985, envisaged the continuation of high levels of nominal expenditure on development. Allowing for inflation, however, planned investments totalled only CFA francs 250.9 billion, implying a 25% reduction in real terms compared to the third development plan. The main targets for investment were to be the infrastructure and the trade and industrial sectors. However, the project implementation rate in both sectors fell significantly below target levels in 1981/82. This setback coincided with the

consolidation of the fiscal and budgetary policies in the wake of the structural adjustment measures taken in 1979. Although in comparison with 1981/83, development spending did rise sharply in 1984 and 1985 - as a result of increased income from taxation and growing export earnings - nonetheless, only CFA francs 159.2 billion were spent instead of the planned investments of CFA francs 250.9 billion. This meant that compared with the other development plans, the project implementation rate on the fourth was the lowest of all at 63.5%.

During the course of the fourth development plan, there was a reorientation of investment spending to the infrastructural and rural development project areas, whilst expenditure on the industrial sector was reduced (Fig 20.1). It was originally planned that CFA francs 73.2 billion, or 29.2% of total expenditure, would be spent on industry; yet actual expenditure was reduced to CFA francs 23.8 billion. This meant that industry received only about 15% of total investment spending. Rural development projects were originally to receive 26.5% of the total spending; in practice they were allocated 30% (CFA francs 47.5 billion). Whilst absolute spending on infrastructure was significantly below planned levels, the proportion spent was higher than planned. Thus, instead of 34.8% almost 40% of actual total spending went on infrastructural projects. In 1984 and 1985, particularly, there was a significant increase in spending on infrastructure, amounting to over 50% of the total invested. This was accounted for primarily by the initial building work on the Nangbéto dam, aimed at increasing the supply of electricity. Within the infrastructural sector there was a move away from targeted expansion in the administrative and tourist sectors to the transport and energy supply sectors during the course of the fourth development plan. In regard to financing the plan, there was a marked increase in external capital sources: whereas in the third development plan, about 38% of total investment came from domestic sources, during the fourth the proportion coming from indigenous sources sank to less than a quarter at CFA francs 39.4 billion. More than three quarters of the total spending (CFA francs 119.8 billion) came from foreign funding.

The fifth development plan was to run from 1985 to 1990; but as part of the austerity programme and the 1984 debt refunding rounds, there followed the establishment of interim plans each running for three years ("Rolling Three-Year Public Investment Programs"/PIPs). Development planning has evidently been more realistic since 1985. These plans are more firmly rooted in the macro-economic targets than ever before. Moreover, the PIPs are evaluated in terms of their importance to sectoral economic development and the growth of GDP. Imports required for development projects are also taken more firmly into account than before in terms of their effect on the balance of payments. Other central criteria in the approval of projects are the effects of foreign debt and debt services on both development finance and on anticipated projects costs.

The core of development planning since 1985 was less the execution of new projects than the completion, rehabilitation and maintenance of projects begun under the earlier plans. Also, it was intended to increase the efficiency of and revenue from ongoing productive investments and to establish greater economic independence. The fifth plan set an annual average GDP target growth rate of 3.5%, and aimed to achieve a fundamental restructuring of nationalised industries, the removal of trade barriers and industrial protectionism in order to attract more

foreign investors, as well as a more efficient use of available energy resources to avert desertification and reduce the need to import fuels. The latter target was to be achieved through the use of the hydro-electrical power of the Nangbéto dam, being built as part of a joint project with Benin. Almost all major industrial projects were abandoned in the course of the fifth five year development plan. Whilst the construction of a phosphoric acid factory was not included in the 1985/90 development plan, the appropriate state authorities have sought out potential foreigners who, together with the World Bank, might be interested in financing this project.

In aggregate, total spending of CFA francs 360.8 billion was planned over the course of the fifth development plan. Particular emphasis was placed on the infrastructure (CFA francs 189.6 billion, or 52.6% of total investment), and on agricultural and rural development (CFA francs 125.6 billion, or 34.8% of spending). Only CFA francs 16.9 billion, or 4.7% of total spending, were targeted for projects in trade and industry. CFA francs 28.7 billion (8%) were ear-marked for administrative and social allocations. In addition to project spending, a further CFA francs 88 billion was to be provided in order to support national finances and the balance of payments, with a further CFA francs 19.2 billion for local projects. It was hoped that a total of CFA francs 420.5 billion of foreign-sourced funds considered necessary to implement the fifth development plan could be raised. But this proved over-ambitious. Whereas in 1986 and 1987, spending on development remained within the framework of the targets specified, actual spending on projects in 1988 fell well short of these.

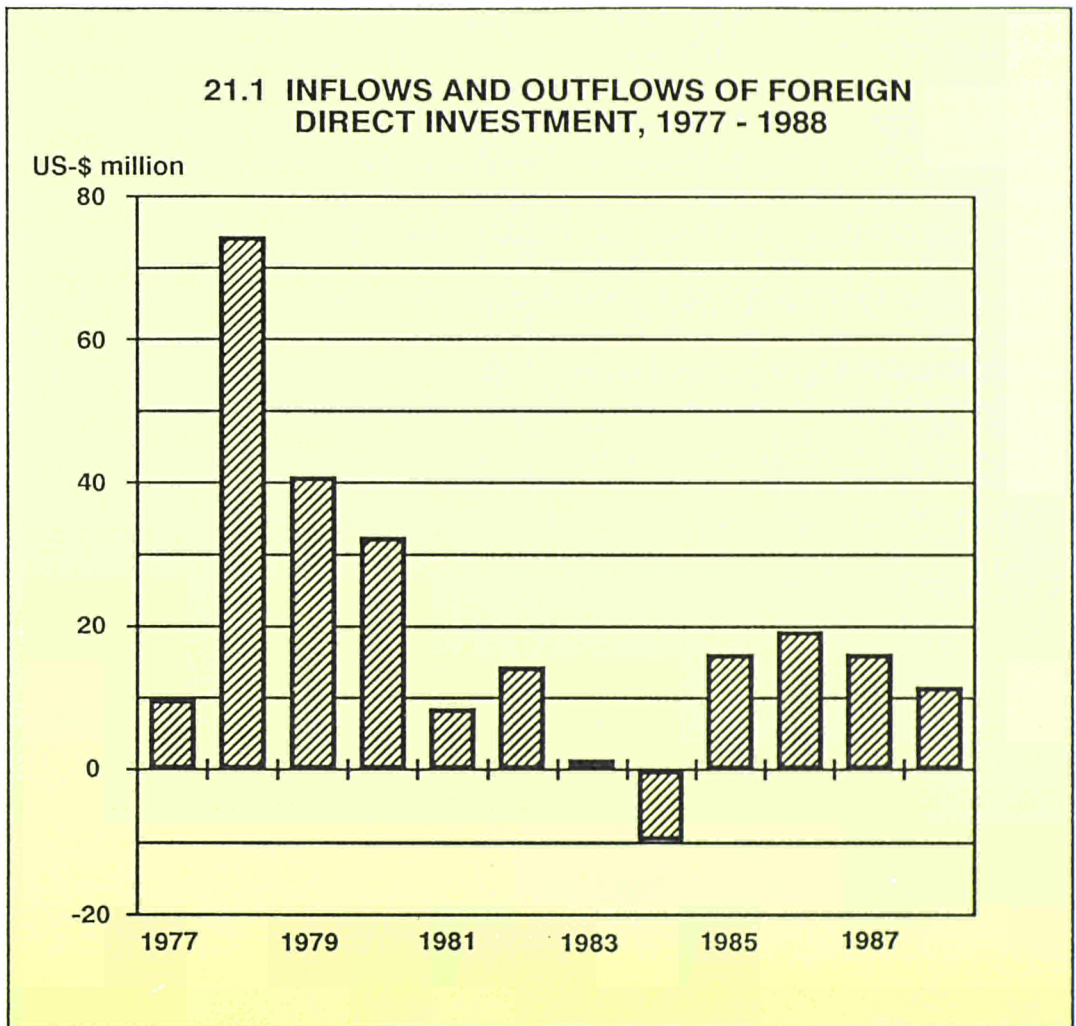
Fiscal problems and the continuing debt crisis have meant that, in practice, the fifth development plan has been eclipsed by the World Bank's structural adjustment programme. The third structural adjustment programme, financed with IDA resources of US\$45 million (ECU 38 million), was agreed in 1988 and encompasses the following targets:

- an annual four percent growth in GDP to be achieved in the course of 1989/91;
- the inflation rate to be reduced to three percent; and,
- the current account deficit to be reduced to 7.7% of GDP by 1991.

The IMF has allocated SDR 46.1 million (ECU 52.4 million) in financial aid to this three-year reform programme in the form of an Enhanced Structural Adjustment Facility (ESAF). To accompany this, the three-year public investment programme for 1989/91 envisages total investments of CFA francs 171 billion. Project emphasis continues to be on the infrastructure (44% of total spending) and rural development (26% of total spending). About three quarters of the investment finance required is to be raised from foreign sources. As far as the PIP 1989/91 is concerned, it has been agreed that the government would not be allowed to implement any projects beyond those targeted without the agreement of the World Bank and the IMF. To improve the coordination of development planning, special commissions have been set up in the relevant ministries which, together with the ministry of planning, will oversee the scheduled implementation of development measures and projects within their brief.

21 FOREIGN INVESTMENT

The following figures on foreign direct investment in Togo are based on balance of payments data from the West African Central Bank (BCEAO) and the IMF which give an approximate picture of the scale and trends in the inflow and outflow of foreign direct investments. It must, however, be noted that only a small proportion of the recorded capital transfers relates to investments in the equity of Togolese companies. Included are also long-term external loans to companies and profit transfers to equity holders abroad (as well as reinvested profits). Insofar as this concerns debtor-creditor relations between foreign parent companies and Togolese subsidiaries, it is fair to speak of equity-like loans.



Investments by foreign residents in local companies, which are often conducted without any official transfer of currency, are not included in the balance of payments statistics. Smaller-scale investments by foreigners, particularly in trading and other service companies, probably play a not insignificant role here.

21.1 FOREIGN DIRECT INVESTMENT

US-\$ million

1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988 ¹⁾
9.9	74.4	40.9	32.5	8.6	14.6	1.5	-9.8	16.4	19.6	16.3	11.7

1) Estimate.

21.2 STRUCTURE OF FOREIGN DIRECT INVESTMENT

CFA francs billion

	1980	1981	1982	1983	1984	1985	1986	1987 ¹⁾	1988 ¹⁾	1989 ¹⁾
Capital stock	0.7	1.1	0.5	0.3	0.4	0.9	0.8	-	-	-
Reinvested profits	-3.1	-4.9	-1.6	-2.1	-0.2	2.0	1.5	-	-	-
Long-term capital	11.8	6.6	6.4	2.4	-4.5	4.5	-0.1	9.1	8.8	8.4
Total direct investments ²⁾	9,4	2,8	5,3	0,6	-4,3	7,4	2,2	9,1	8,8	8,4

1) Estimate. - 2) The figures do not precisely but in scale equate with the IMF data in table 21.1.

Source: BCEAO

Balance of payments data show that for every year, with the exception of 1984, the inflow of long-term foreign capital to Togolese companies has exceeded the outflow. After large inflows at the end of the 1970s, there was a fall at the start of the 1980s to the middle of the decade. Since 1987, especially, however, significant new inflows have resumed. The positive trend since the mid-1980s may well be linked to the privatisation of several nationalised companies which in some cases were sold to foreign investors. The following list shows some state enterprises which were privatised or leased to private companies:

	Investors country of origin
SOTEXMA (leasing of farm machinery)	
SNS (steel production)	USA/IFC
SOPROLAIT ... (dairy products)	Denmark
STH (refinery/oil-tanks)	Netherlands
ITP (plastic goods)	Denmark/Federal Republic of Germany/Netherlands
SOTOMA (marble processing)	Norway
CIMTOGO (cement)	Norway
NIOTO (edible oil)	France
SOTODAS (detergents)	Denmark
TOGOTEX (textiles)	Hong Kong/IFC

There are no precise details available as regards the foreign investors' capital share or the distribution between equity and long-term loans. The Togolese government attaches great importance to the involvement of at least some Togolese private capital, especially in the case of privatised state-owned companies. In the case of some foreign investments, for example those of Denmark and France listed above, private investors are supported by state investment (for example by the Danish national aid organisation IFU) or by long-term loans (for example NIOTO). The World Bank's International Finance Corporation (IFC) invested US\$1 million in the latest privatisation venture, that of the large textile complex TOGOTEX, in Kara and Dadja.

Other manufacturing companies involving foreign capital are as follows:

- Brasserie BB Lomé SA. Capital: 1.3 billion CFA francs, 51% Gebr. März KG, Rosenheim (FRG); 475 employees.
- Société Togolaise de Boissons. Capital: 264 million CFA francs, 37.5% Brasserie BB, 37.5% BGI (France); 150 employees.
- Société Générale des Moulins du Togo. Capital: 300 million CFA francs, 50% Société Industrielle du Levant; 114 employees.
- Société Sino-Togolaise. Sugar factory with Chinese involvement, 400 employees.
- BENA Développement SARL. Meat products, 100% Gebr. März KG, Rosenheim (FRG).

Total foreign investments (excluding loans) are estimated to be about CFA francs 30-35 billion. In terms of country of origin, the largest proportion comes from France (about CFA francs 19 billion) followed by the Federal Republic of Germany (about CFA francs 10 billion).

The French investments are primarily targeted on the major trading companies that have been active in Togo for some years (CFAO, SGGG, SCOA) (about CFA francs six billion). The assets of these companies are mainly in property. A further area for investment are construction companies (SATOM, CAMPENON, BERNARD) with French capital totalling

about CFA francs three billion. There are also a further four major investments in the industrial sector - NIOTO, DUCROS, Société Togolaise de Boissons, AIR LIQUIDE - with a total investment from France of about CFA francs five billion. Finally, the banking sector is also involved (Crédit Lyonnais, BNP, BIAO), while there are also some smaller investments in the trading and transport sectors. In recent years, however, a marked withdrawal of French investors from some trading companies has occurred, probably a result of the decline in demand for imported goods due to the economic crisis facing West African countries.

INVESTMENT REGULATIONS

In October 1988, with the aim of stimulating further foreign investment in the country, the Togolese government passed a new law regulating investments: *Côte des Investissements*. General guarantees for foreign investors apply as before:

- the right to transfer profits and capital freely;
- the independence of the company's management in all areas of production, marketing etc.;
- the right to have access to international equalisation procedures in cases of conflict (International Centre for Settlement of Investment Disputes/World Bank).

To obtain additional special advantages, foreign investors must fulfil the following criteria:

- they must be involved in a sector "worthy of promotion" - this covers practically all productive activities as well as tourism;
- capital investments must be worth at least CFA francs 25 million, of which at least a quarter must be equity finance; and,
- at least 60% of the wage bill must be paid to Togolese employees.

If these conditions are met then foreign investors can obtain the following advantages:

- companies processing local raw materials or which are based outside the Lomé region are entitled to import materials and investment goods duty free for up to three years;
- duty free import of materials used for export production for three, five or seven years depending on the nature of the business and further tax concessions for export-oriented companies;
- reduction of income tax to two percent for local personnel; reduction on taxable profits by 50% of the local wages bill; and,
- exemption from turnover tax for particular intermediate inputs and reductions on income tax for investments made outside Lomé.

EXPORT FREE ZONES

Following the example of Mauritius, and at a similar time to other African countries, such as Madagascar and Kenya, Togo has created an export free zone which aims to attract investors from all over the world. In contrast to Mauritius, where about half the capital invested in its free zone comes from domestic investors, Togo is relying to a greater extent on foreign capital.

In its efforts, Togo is receiving support from the United States' Overseas Private Investment Corporation (OPIC) in planning the free zone. The initial plan was to limit the free zone to three locations near the port, but it was eventually decided to offer all companies in Togo the opportunity to gain free-zone status. According to the Free Zone Law of September 1989, a distinction is made between businesses with the exclusive status of being a free zone company and businesses which have located themselves in a free zone. Businesses located solely in a free zone are entitled to import and export goods freely, whereas other companies require import licences for certain products. Also, companies in the free zones enjoy greater advantages in terms of currency and employment regulations.

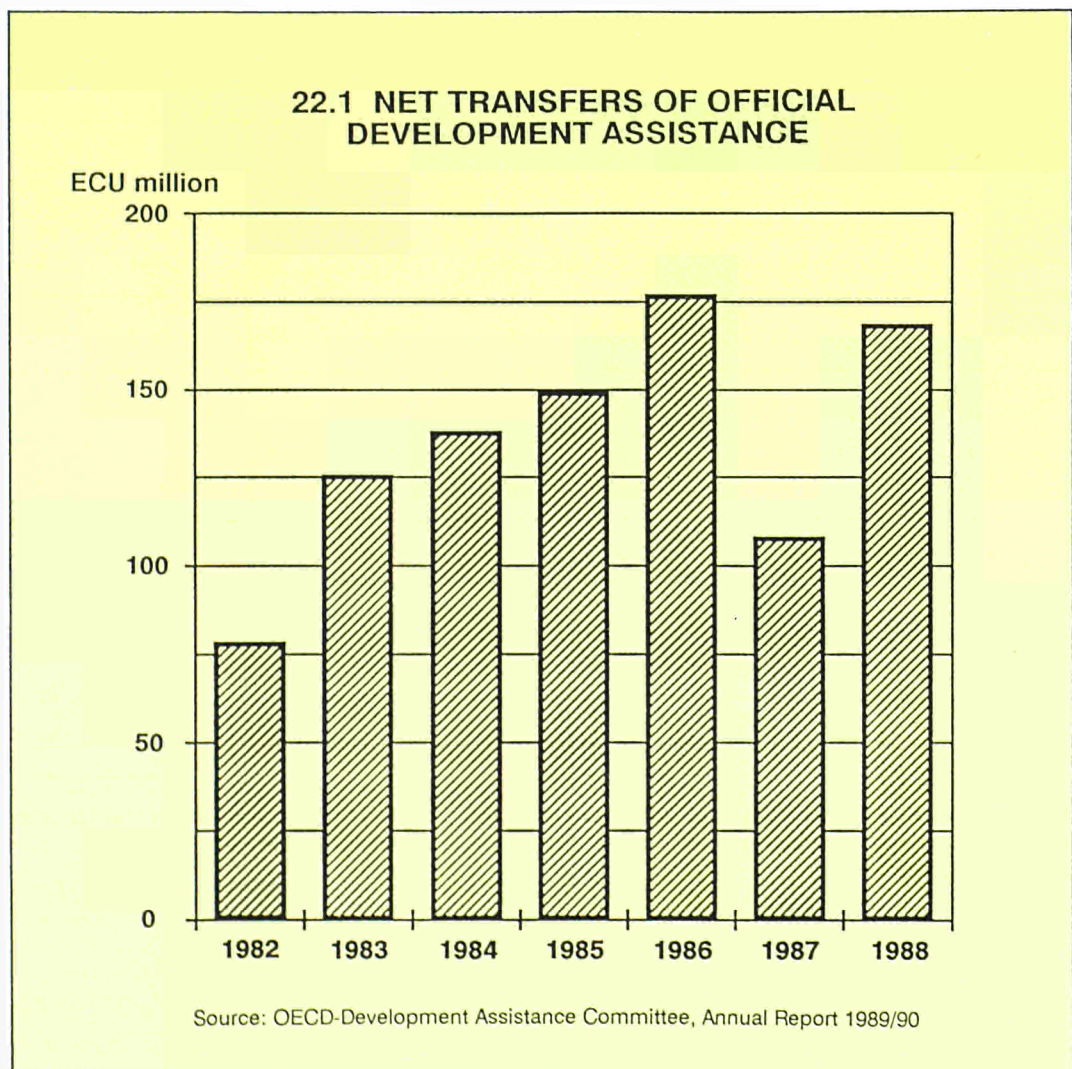
The decisive tax advantage for all free zone enterprises - which have to export at least 80% of their produce and must employ a majority of Togolese employees - apart from exemption from duty is a 10 year exemption from corporation tax. Subsequently the tax is to be set at a rate of 15%. There is also a reduced level of income tax (two percent) in the free zones, the same benefit as granted to other foreign investors. Additionally in the zone, foreign investors' dividends are not eligible for taxation for the first ten years. Finally, free zone enterprises also enjoy reduced tariffs on their utilisation of public services and utilities (energy, post, harbour).

The free zone located near the harbour is near completion: an area of 15 hectares for trading companies, 35 hectares for industrial and service sector companies, and 72 hectares also for industrial companies has been created. There are also plans for the development of a fourth area near the airport.

A special advice office for investors wishing to locate in a free zone or to acquire free zone status has been established, the **Centre de Promotion de la Zone Franche**. General information on investing in Togo is also available from the **Centre Togolais des Investisseurs**.

22 FOREIGN AID

Like other sub-Saharan countries, Togo is highly dependent on foreign aid. Because of its narrow and small economic base, government revenues (in 1988 around 20% of GDP) are only sufficient to cover the current budget, the investment budget being to a large extent financed by foreign aid. This consists partly of soft loans and partly of non-repayable grants. In the 1980s, the ratio of foreign aid (net) to Togo's GNP lay between 15% and 20%. As Figure 22.1 reveals, total net flows of foreign official aid (gross expenditure minus repayments) rose throughout the 1980s. They reached a peak in 1988 when net inflows were valued at almost ECU 170 million (US\$200 million). Compared with other countries of a similar size, this represents a major contribution to the economy by foreign aid donors.



The origin and structure of official aid flows in the 1980s, shown in Table 22.1, reveals not only the sharp rise in foreign aid, but also the marked increases in structural and budgetary aid and in capital loan finance. The most recent increases, in 1987 and 1988, are connected with the third structural adjustment programme agreed by Togo and the World Bank in 1988, which included pledges of US\$45 million (ECU 38 million) from the World Bank as well as co-financing from the African Development Fund worth US\$17.3 million (ECU 14.6 million), and from Japan, valued at US\$20.8 million (ECU 17.6 million), in the form of short-term disbursable import credits. Other bilateral donors also tied increased funding to the implementation of the structural adjustment programme.

22.1 STRUCTURE OF FOREIGN AID¹⁾

US-\$ million

	1983	1984	1985	1986	1987	1988
Capital aid						
Loans	54.1	23.5	27.2	53.7	45.2	87.1
Grants	16.3	13.8	50.3	13.8	17.9	24.5
Material aid	2.4	12.9	11.7	7.2	13.1	0.1
Sub-total	72.8	50.2	89.2	74.7	76.2	111.7
Technical Assistance (TA)						
Project-specific ²⁾ TA	3.8	1.4	1.3	2.6	1.4	5.8
Non-project-specific TA	28.9	35.3	41.2	40.4	40.4	26.9
Sub-total	32.7	36.7	42.5	43.0	41.8	32.7
Structural and budgetary aid	6.0	45.8	45.7	54.1	9.0	80.2
Food aid	0.5	1.9	0.5	0.3	0.2	9.6
TOTAL	112.0	134.6	177.9	172.1	127.2	234.2

1) Gross payments; the total sum therefore does not tally with the other tables which show the net payments (gross payments minus repayments). - 2) TA tied to investment, i.e. capital aid projects.

Source: PNUD, Co-operation Pour le Développement, TOGO, Rapport 1988.

The sizable increase in gross disbursements between 1984-1986 and in 1988 was only possible as a result of the increase in budgetary and structural aid in those years, as these loans were quick disbursing, not project-specific funding. As far as the other forms of aid were

concerned, the vast majority were in the form of project-specific funding which could only be disbursed after, in some cases, lengthy periods of planning and preparation for the particular projects. A short-term increase in these forms of aid would hardly have been helpful given Togo's dire lack of foreign currency in the mid 1980s and could well have strained the Togolese authorities' allocative capacity. According to World Bank figures, project-specific loans that were approved but had yet to be drawn on by Togo totalled some US\$200 million (ECU 169 million) at the end of 1988, to which need also be added the considerable sums available as project-specific grants but which had not yet been drawn down.

The proportion of total aid flows in the form of technical assistance has fallen in the decade: it accounted for almost a third of gross payments in 1983, but in 1988 had fallen to only 14%. In volume, however, there was a slight growth in technical assistance.

An examination of the structure of aid flows by donor shows that the EC and its member countries provide Togo with more than half its total official aid funds. The major individual donors over the second half of the 1980s have been the World Bank, France and the Federal Republic of Germany. Next, with far smaller amounts, come the USA and Japan together with the various United Nations organisations - although the latter tend to be among the most important source of technical assistance.

22.2 OFFICIAL AID BY DONOR COUNTRIES¹⁾

ECU million

	1985	1986	1987	1988
EC multilateral	12.3	15.6	3.0	8.5
EC bilateral				
Belgium	0.5	2.7	1.0	0.5
Denmark	0.9	0.9	5.0	4.1
FR Germany	18.5	16.3	23.2	20.7
France	23.7	32.2	26.9	64.9
Italy	0.4	3.2	2.0	0.4
Netherlands	1.0	0.9	0.8	0.4
United Kingdom	0.3	0.2	0.2	0.4
EC total	57.4	72.0	62.1	99.9
Other multilaterals				
African Development Fund	5.0	0.3	0.2	1.0
IBRD/IDA	40.0	51.1	17.2	41.4
IFAD	0.4	0.6	3.1	0.8
United Nations	8.1	8.4	6.0	8.8
Other multilaterals	1.8	0.8	2.6	1.0

22.2 OFFICIAL AID BY DONOR COUNTRIES¹⁾

ECU million

	1985	1986	1987	1988
Other bilaterals				
Arab countries	11.9	8.0	2.3	-1.3
Canada	11.3	5.3	1.1	1.7
Japan	2.2	19.5	3.3	8.2
Norway	0.3	1.4	0.2	.
Switzerland	0.4	0.4	0.4	0.3
USA	10.5	10.2	10.4	6.8
TOTAL	149.3	177.2	108.5	168.5
EC share in %	38.4	40.6	57.2	59.3

1) Net payments.

Source: OECD Development Assistance Committee.

FROM ROME THROUGH YAOUNDÉ TO LOMÉ

Togo has been associated with the European Community ever since it gained independence in 1960. Togo was one of 18 African countries to draw on the first European Development Fund (EDF) under the auspices of the Treaty of Rome. With each successive convention - Yaoundé (I and II) and Lomé (I - IV) - which all covered a separate five-year period¹⁾, the instruments of cooperation between the EC and the ACP states have been amended and extended. The Lomé Conventions, in particular, provided a whole range of instruments and facilities to encourage trade, investment and development. The Lomé Convention now covers 69 developing countries (including Namibia). Under the current convention, Lomé IV, all financial support, except for the loans provided by the European Investment Bank (EIB), are given exclusively as grants and so do not increase the debts of the associated ACP states. Further innovations under Lomé IV, signed in the Togolese capital in December 1989, include a special structural adjustment facility, that is non-project-specific funding for countries with major adjustment programs (ECU 1.15 billion), a greater emphasis on environmental protection and family planning, and greater cooperation between the partner countries' non-governmental organisations.

1) Lomé IV as a whole covers ten years (1990 - 2000), but the financial provisions of the EDF cover the five-year period to 1995.

THE EUROPEAN COMMUNITY'S AID PROGRAMME

The total amount of money agreed between the EC and ACP member states for the period 1990 to 1995 is ECU 12 billion. This follows the ECU 8.5 billion agreed under Lomé III (1985-90). Of this, Togo is expected to receive about ECU 80 million, following the ECU 68 million provided under Lomé III (excluding STABEX and SYSMIN, and ECU 7 million in special aid to indebted countries). The bulk of this will come from the EDF, a smaller proportion (about 10%) from the European Investment Bank (EIB), with the EIB's almost market interest rates being subsidised by the EDF.

The core of the EC's development aid to Togo is based on project-specific funding through the EDF-National Indicative Program. Under Lomé III, this came to ECU 61.5 million. As can be seen from Table 22.3, most of this was allocated to projects and programmes in two sectors: rural development and infrastructure. The most important projects in this context are three major regional development projects in the Savanna region and the Bassar prefecture. Together with some smaller projects in the agricultural sector, and an import programme for agricultural inputs, these aim to improve living conditions in the rural areas and to assist Togo in achieving its food security goals.

22.3 MULTILATERAL AID FROM THE EUROPEAN COMMUNITY 1960 - 1990

ECU million

	Rome	Yaoundé I	Yaoundé II	Lomé I	Lomé II	Lomé III	Total	
	1960-1963	1964-1968	1969-1974	1975-1980	1980-1985	1985-1990	ECU	%
1. EDF: programme-specific								
Rural development	0.67	7.21	5.40	16.55	13.01	19.50	62.33	31
Infrastructure	8.13	10.81	18.40	12.98	19.37	24.74	94.42	47
Sectoral import programme	--	--	--	--	--	10.00	10.00	5
Other projects	--	--	--	--	--	4.18	4.18	2
Social infrastructure ...	5.79	--	--	--	--	5.79	5.79	3
Small projects	--	--	--	0.28	1.94	--	2.22	1
Training	--	1.28	1.87	5.27	3.15	--	11.56	6
Trade incentives	--	--	--	0.02	0.78	--	0.80	-
Technical Assistances								
study	1.03	0.75	1.36	0.27	3.69	--	3.71	2
Other	--	--	--	0.34	1.07	3.09	4.50	2
Sub-total	15.62	20.04	27.0	35.70	43.00	61.50	202.88	100

22.3 MULTILATERAL AID FROM THE EUROPEAN COMMUNITY 1960 - 1990

ECU million

	Rome	Yaoundé I	Yaoundé II	Lomé I	Lomé II	Lomé III	Total	
	1960-1963	1964-1968	1969-1974	1975-1980	1980-1985	1985-1990	ECU	%
2. EDF: Non-programme-specific								
STABEX	-.-	-.-	-.-	3.63	28.83	21.10	53.56	
Emergency aid	-.-	-.-	-.-	-.-	0.55	-.-	0.55	
Venture capital	-.-	-.-	-.-	3.20	-.-	9.30	12.50	
SYSMIN	-.-	-.-	-.-	-.-	-.-	15.70	15.70	
Interest grants	-.-	-.-	-.-	0.36	1.52	-.-	1.88	
Sub-total	-.-	-.-	-.-	7.19	30.90	46.10	84.19	
3. EC Budget								
EIB-own funds	-.-	-.-	-.-	2.33	4.40	-.-	6.73	
Reafforestation	-.-	-.-	-.-	-.-	-.-	-.-	0.19	
Food aid	-.-	-.-	-.-	-.-	-.-	-.-	3.77	
NGOs	-.-	-.-	-.-	-.-	-.-	-.-	0.24	
Other	-.-	-.-	-.-	-.-	-.-	-.-	4.80	
Sub-total	-.-	-.-	-.-	2.33	4.40	-.-	15.73	
TOTAL							302.80	

Source: The European Commission.

In the area of infrastructure, the primary aim of the EC's assistance is to help open up the interior of the country to the modern transport network, to maintain and improve the north-south link and to improve village water supplies. The EC has paid particular attention to building up local capacities in terms of road maintenance and repair.

In addition to the project-specific financing, where the funding is fixed in advance, Lomé III also provided for three further sources of EC contributions:

- financial transfers under STABEX, totalling ECU 21.2 million, to compensate for losses of export earnings on coffee, cocoa and karité kernels;
- a contribution of ECU 15.7 million to the state owned phosphate company OTP under the EC's SYSMIN fund aimed at improving the productivity of the plant and at solving the problem of the high cadmium content in Togolese phosphate; and,
- a contribution of ECU 9.3 million to modernise and expand Togo's telephone network from the EIB's venture capital funds.

22.4 STABEX PAYMENTS LOMÉ I-III

ECU million

	Year	Product	Amount	Total
Lomé I	1975	Coffee	2.68	3.63
	1978	Coffee	0.95	
Lomé II	1982	Cocoa	7.12	28.83
	1983	Coffee	4.19	
		Cocoa	9.54	
	1984	Coffee	7.98	
Lomé III	1985	Cocoa	9.31	21.10
	1986	Karité	0.65	
	1987	Cocoa	3.56	
	1988	Coffee	1.89	
	1989	Cocoa	5.69	

AID FROM THE FEDERAL REPUBLIC OF GERMANY

Between 1960 and 1989, the Federal Republic of Germany provided official development assistance to Togo totalling ECU 320 million. In 1984, all Togo's official debts owed to the Federal Republic were cancelled (ECU 112 million) and since then only grants have been made. The most important projects in the Financial Cooperation programme are the deep sea harbour in Lomé, the delivery of two merchant vessels, a harbour tug and other material aid (fertilisers, spare parts etc.), water and energy supplies to provincial towns, bridge-assembly equipment, and, since 1985, structural aid (ECU 7 million). The German Technical Cooperation programme is focused on rural development in the Central region, on protection of plant species, on reforestation and the timber industry, and on the health sector, through professional and specialist training and a veterinary programme. About 60 German experts, including some 30 volunteers of the German Development Service, are working in Togo.

In 1988/89, Togo received a total ECU 38.84 million (ECU 24.1 million for the Financial Cooperation programme, ECU 14.7 million for the Technical Cooperation programme) and an additional ECU 6.3 million from the special "tropical forest" programme.

AID FROM FRANCE

French financial aid to Togo, provided by the Caisse Centrale de Cooperation Economique (CCCE) totalled ECU 117.5 million between 1985 and 1989. In 1988, a first-ever structural adjustment loan worth ECU 14.2 million was provided by France. As part of the restructuring of Togo's banking system, the CCCE made available ECU 9.4 million to boost the funds of the Caisse Nationale de Crédit Agricole. Further loans went to the state-owned phosphate company OTP (ECU 13.1 million), to help fund a factory producing edible oil (ECU 4 million), to fund Lomé's water supply, and to a series of agricultural projects (such as cotton farming). Additionally, in 1989, France cancelled some of Togo's debts.

In 1988, under its technical assistance programme, ECU 22.4 million were spent on advisory and training projects. The largest single project was for cotton farming (ECU 2.8 million). 176 French experts were employed in Togo in 1988, in the framework of technical cooperation agreements.

THE WORLD BANK'S CREDIT PROGRAMME

Structural adjustment loans have made up an increasing proportion of the funds for Togo furnished by the World Bank's International Development Agency (IDA) since 1983 (1983, ECU 45 million; 1985, ECU 35.4 million; 1987, ECU 39 million). In addition, the IDA finances projects within the agricultural sector (export and food crops), as well as within the transport sector, water supply, energy, and education. In total, the World Bank had financed projects and programmes in Togo to the value of US\$437 million (ECU 397 million) by the middle of 1989.

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