



AGRF 2020

Togo Deal Room

September 9th, 2020, 12:30-13:30 (Central African Time)

1. The agribusiness sector in Togo

2. Investment opportunities in export
3. Presentation of 5 Togolese SMEs with high potential
4. Questions & key contacts
5. Appendix

Togo is an ideal gateway for West African markets



Country description

- ~57 000 km²
- ~7 millions habitants
- Capital city : Lomé
- Official language: French
- Currency: **CFA Franc** (1 EUR = 655,957)

Government of Togo is highly committed to eradicating poverty: poverty rate fell from 61.7% to 53.5% between 2006 and 2017

Governance and diplomacy



- Presidential and multiparty regime
- Stable political climate
- Member State of La Francophonie
- Commonwealth member state

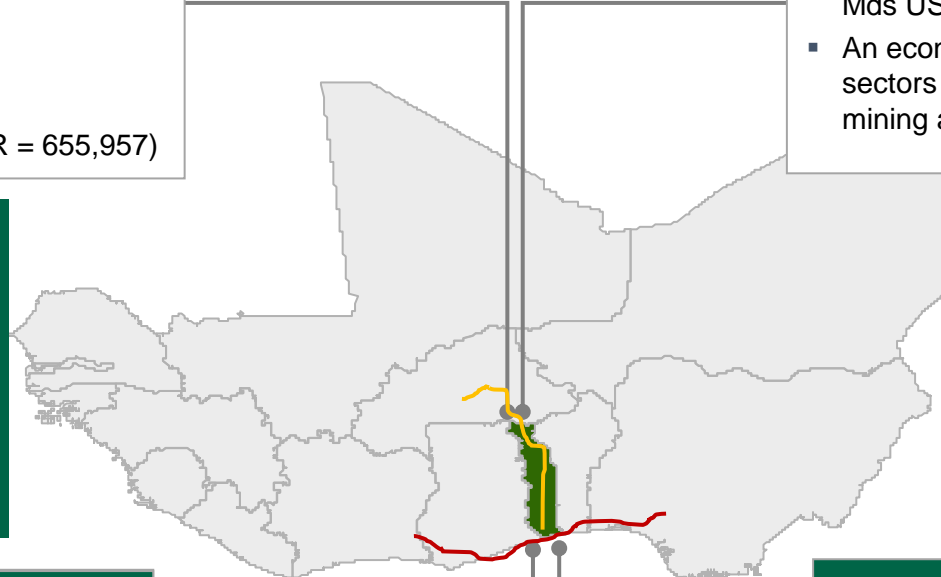
Economic indicators

- Nominal GDP : ~2 900 Mds FCFA (~5 Mds USD)
- An economy essentially based on the sectors of agriculture (40% of GDP), mining and trade)

Special attention paid to the private sector: the country attracted more than USD 2 billion in FDI in 2019, moving up to 1st place ahead of Rwanda in the ranking of countries that attracted the most "greenfield investment" in 2019

Competitive advantage

- **1st ECOWAS exporter of organic products to the EU**
- **3rd global reformer and 1st African in the Doing Business 2020 ranking**
- An exceptional port with a depth of 16.60 meters, the **Port of Lomé** is the only deep-water port on the West African coast 
- A world-class airport : presence of the **Asky airline hub** in Togo 

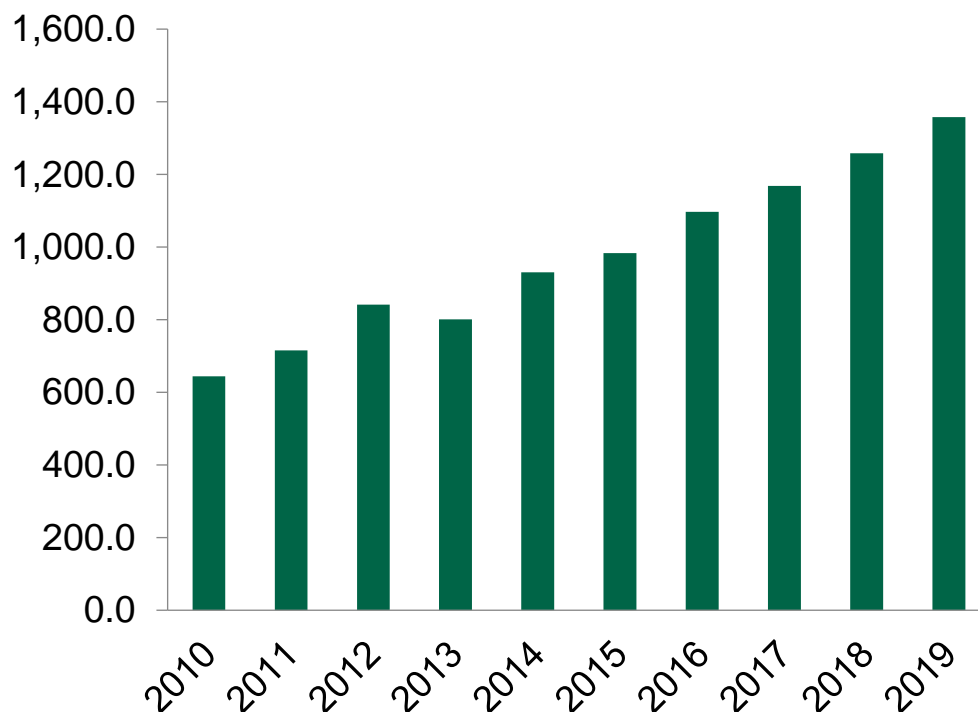


- Nationale N1 (National road)
- Abidjan-Lagos logistics corridor

An agricultural sector with great potential and in full acceleration

GDP generated by agriculture in Togo

In billions
of CFA
francs



The sector's potential

- **High availability of arable land** (38% arable land)
- **Tropical climate conducive to crops** with rainfall of 1000-1500 mm / year in 3 regions of the country (Kara, Plateaux, Centrale)
- **Rich soils predisposed to crops** (e.g. humus, iron)
- **Hydroelectric dam: 172 Gwh per year**
- **Teledensity: 83%**

Large public investment projects are supporting this acceleration



OFFENSIVE 500 000 HA

- Development of 500,000 hectares of agricultural land
- Development of value chains
- Creation of 150,000 direct jobs and 240,000 indirect jobs

AGRICULTURAL, INDUSTRIAL AND MANUFACTURING PROCESSING CLUSTERS

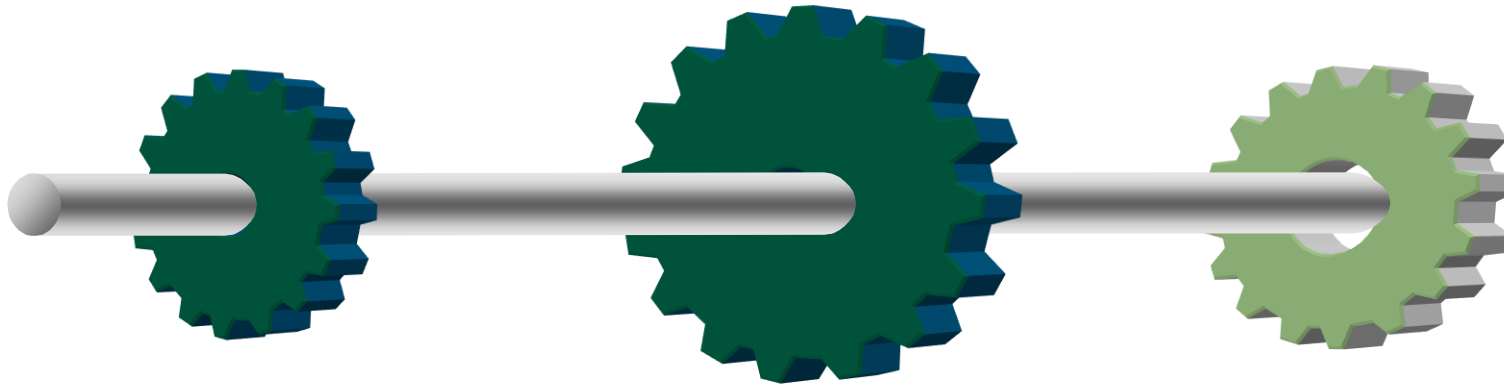
- Develop Togolese agriculture by increasing its yield through the establishment of 10 agropoles, bringing together several agricultural and processing activities around highly competitive sectors
- Develop agro-food processing by setting up the Adéticopé industrial park, which now offers an opportunity for setting up and developing companies in the food industry

MECANISME INCITATIF DE FINANCEMENT AGRICOLE – MIFA

- With a capital of 20 million dollars, the mechanism intervenes in the structuring of value chains and financial intermediation (more than 1.1 billion FCFA in credits granted via partner institutions)
- MIFA facilitates the activities of aggregators by helping them identify and organize producers

- International reference quality laboratory is in the process of being set up and will allow rapid processing of analyzes carried out in Lomé

A conducive business climate



- 1st reformer in Africa

- 3rd world reformer

- +40 places in the world ranking

6 key indicators that allowed Togo to join the top 5 of the best Doing Business reformers in the world:

1. Ease of starting a business
2. Cost and delay of transfer of ownership
3. Obtaining a building permit
4. Connection to electricity
5. Payment of taxes
6. Execution of contracts

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Attractive agricultural sectors for private investments (1/2)



Sector	General informations	Opportunities for investors
Cereals and legumes	<ul style="list-style-type: none">• Cereals: surpluses of +200,000 tonnes overall in 2019, including:<ul style="list-style-type: none">➢ structural rice deficit of 18,540 tonnes➢ corn surplus of 131,780 tonnes➢ fonio production with high development potential related to the dietary qualities of the product• Legumes: surplus of 118,264 tonnes in beans and 26,885 tonnes in groundnuts• Structuring investments in hydro-agricultural development and infrastructure• Pesticides and other chemical inputs are used in very small proportion	<ul style="list-style-type: none">• Installation of processing plants• Organic productions• Possibility of investing in the wholesale market and large seedlings
Cash crops	<ul style="list-style-type: none">• 137,000 t of cotton production in 2018 with a current average yield of less than one tonne for a potential of 2.5 t / ha• Average growth of 11% for cash crops• Emerging crops with high growth potential: shea, soybeans, cashew nuts, sesame, oil palm, coconut	<ul style="list-style-type: none">• Integration of the cotton sector: textile and clothing factories• Establishment of processing units: oil mills / feed mills• Organic production and obtaining eco-responsible labels

Attractive agricultural sectors for private investments (2/2)



Sectors	General informations	Opportunities for investors
Roots and tubers	<ul style="list-style-type: none">• Surpluses: cassava (442,000 T), yam (231,000 T)• Availability of sweet potato and potato	<ul style="list-style-type: none">• Starch and bread flour production units
Fruits and vegetables	<ul style="list-style-type: none">• Chili: 4,358 T• Tomato: 13,348 T• Onion: 4,577 T• Okra: 1,616 T• High potential in production of mango, pineapple, papaya, etc	<ul style="list-style-type: none">• Juice and jam production units• Product processing / packaging / distribution platforms
Animals and fish	<ul style="list-style-type: none">• 33,843,347 heads of animals (77.7% poultry, 17.73% small ruminants, 3.22% pigs, 1.35% cattle)• Coverage of meat products needs at 58% and 29% for fishery products• Control of the main epizootics• Import ban on tilapia	<ul style="list-style-type: none">• Old ranches that can be rehabilitated• Possibility of operating slaughterhouses



Invest in the Mango sector in Togo



Produced in all regions at an annual volume of nearly 5,000 T, the mango export sector has several varieties (including Keitt and Kent) and a structured inter-branch. These conditions favor the development of promising projects

Supply of fresh mangoes



- **PEELCO Ltd, HPW Ag and HUG's companies (German, Swiss and French respectively) source mangoes from producers in Togo**, which mangoes are processed in their factories in Ghana and Togo
- A guarantee of the availability of the raw material favored by a producer organization, technical and financial support to producers are conditions put in place to allow processing companies to obtain supplies

Installation of a packaging plant



- The installation of a packaging unit will be an asset to increase the export volume **because the conservation needs of fresh mangoes are very important**

Installation of a processing plant



- **A company that operates in the processing of mangoes will be able to set up its processing plant in Togo**
- **The State will guarantee land tenure security and support the company in the process of contracting with producers**



Invest in the Cashew sector in Togo



Togo meets the necessary conditions to support an investor to install a cashew processing unit with an annual capacity of up to 10,000 T



A guarantee of constant supply of raw materials

- Togo recorded a production volume of 22,000 T of cashew in 2019, with a yield of 400 kg / Ha
- The Togolese government has secured 20,000 hectares of agricultural land in the Kara region for the production of cashew nuts by smallholders
- Région de la Kara is ideal for cashew production with soils of 5 to 6.5 pH and a dry season alternating with a wet season (rainfall of 1,400 mm per year)
- Producers do not use chemical inputs thus offering an opportunity for the development of organic cashew nuts
- **Thanks to the soils, rainfall and altitude, eastern and northern Togo provide ideal conditions for high-yielding cashew production**

A tax regime favorable to local processing



- The Togolese government introduced in October 2018 a **tax of 40 FCFA (0.060 Euros / kg)** on cashew nut exports

International agreements favoring exports



- **Thanks to the AGOA and “Everything But Arms” (EBA) agreements as well as the trade liberalization program in ECOWAS, Togo can export cashew nuts duty-free and quota-free to the United States, the Union European Union and ECOWAS**



Invest in organic soybeans in Togo



Togo is today the best investment destination for organic soybean processing and exporting companies

- **1st exporter of organic soybeans to Europe ahead of China and India**
- **5th exporter in Africa**



- **“Glyphosate free”**: The Government of Togo has phased out the use of glyphosate in agriculture



- Institutional support for producers:
 - **MIFA** (organization and fundraising)
 - **YOLIM** (granting of credit for the purchase of inputs)



- Measures to strengthen the sector:
 - Issuance of approvals for the regulation of purchases and exports
 - One-stop-shop for export levies at the Port of Lomé



- **Organized producers**: organic soybeans are one of the sectors in which there are no unorganized producers. All the players in the sector, from production to export, then import by the customer, are brought together by written contracts



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Note to readers

5 high potential Togolese SMEs have been selected by the Ministry of Agriculture and AGRF and **will be presented live by their CEOs** during the Togo Deal Room

Full deck of slides and financial estimates will be shared ahead of and during the presentation

Summary of SMEs presented & contacts



SMEs presented during the Togo Deal Room

Name	Activities	Email
Africube	Bouillon cubes	ayite.ajavon@africube.tg
COOP-CA-AEH	Honey and wax production	coopcaaeh66@yahoo.com
Fleur des Champs	Processing of smoked chickens	dg@midoum.com
GNSP Bio	Organic soybeans aggregator	gnsproduction64@gmail.com
SE Nutri-Togo	Mushroom drinks	dg@champisotogo.com

SMEs available online through the platform

Name	Activities	Email
3MRG Aromatiques	Aromatic plants & essential oils	agroecolo.3mrg@gmail.com
Bio-Stone	Organic soybeans aggregator	biostonesar1@gmail.com
CAPDDG Kpalimé	Egg production	kobapati@gmail.com
Enfin Savoir AB	Organic soybeans aggregator	omerdedieu@gmail.com
MINAGRO	Processing of tubers into flour	minagrogroup@gmail.com

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Questions & discussions



Contacts

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agriculture and livestock

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**THANKS FOR
YOUR ATTENTION
!**



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Invest in Togo: An attractive investment code



• Exemption on VAT / shipping costs / IS-IRPP

- Materials and equipment required for the investment declared before approval: total exemption from VAT / shipping costs / IS-IRPP
- Corresponding spare parts for material and equipment: maximum 15% of the cost of insurance and freight value (CIF) of materials and equipment

Total exemption for all 05 zones

• Exemption from housing tax

- Approved companies established in zones 2 to 5: total exemption

Total exemption for zones 2 & 5

Duration of exemptions: 05 years from the date of approval of the investment code

- Applicable to companies for which 75% of turnover is generated from export income
- Benefits may depend on the location of the area
- The durations of the special exemptions depend on the perceived benefits
- The exemptions allow companies to benefit from the advantages linked to the free zone

Tax exemptions 1

Tax exemptions 2

Special exemptions

• General tax credit: Two options

- Option 1 : Exemption according to the total amount of investment

Zone 1 : 15% of the total amount of investment

Zones 2 & 3 : 22.5% of the total amount of investment

Zones 4 & 5 : 30% of the total amount of investment

- Option 2 : Exemption according to the number of jobs created) (lump sum per job created in CFA Francs / Euros)

Zone 1 : 240,000 FCFA / €732 per job created

Zones 2 & 3 : 360,000 FCFA / €549 per job created

Zones 4 & 5 : 480,000 FCFA / €366 per job created

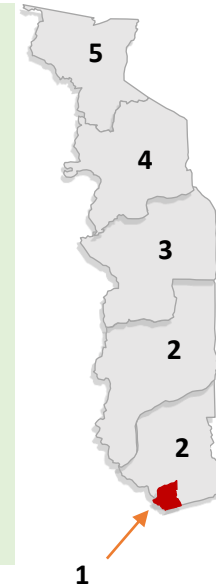
• Employee training tax credit

Zone 1 : 10% of training expenses

Zones 2 & 3 : 15% of training expenses

Zones 4 & 5 : 20% of training expenses

Duration of the exemption: 05 years from the date of approval of the investment code



- **Zone 5**: Région des Savanes
- **Zone 4**: Région de la Kara
- **Zone 3**: Région Centrale
- **Zone 2**: Région des Plateaux and prefectures of région maritime not including zone 1
- **Zone 1**: Région Maritime limited to Lomé and prefectures du Golfe and Agoué Nyivé