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BUSINESS ENVIRONMENT

THE CONSUMER

Consumer Profile

Togo has a population of around 8.49 million people, with a GDP per capita (PPP) estimated at USD 2,260 by the IMF (2021), one of the lowest in the world. The country is classified as low-income by the World Bank, with 46.2% of the population below the poverty line (with a higher rate in rural households) (World Bank, 2020). Income inequalities are evident, and men generally earn higher wages and business profits than women.

The Togolese consumers are relatively young: according to data by the CIA, the proportion of children below the age of 14 is 39.73%, 19.03% of the population is between 15 and 24, 33.26% between 25 and 54, while only 7.99% are 55 or older; and it is equally split between men and women (2020 est.).

Togo is one of the more densely populated African nations. With most of the population residing in rural communities, density is highest near the Atlantic coast. The urban population is 42.8% of the total (CIA World Factbook - 2020). Around 63.7% of the population aged 15 and over can read and write (World Bank, latest data available).

Consumer Behaviour

Due to the limited budget, price is the main purchasing driver for Togolese consumers. The vast majority of households' baskets is composed of essential products (such as foodstuff, for the part that cannot be produced through subsistence farming). In fact, many Togolese cultivate the food they eat, or else buy from local markets, making availability and proximity two important purchasing factors. However, the process of urbanization and the birth of a middle class is gradually shifting buying habits towards industrial (and imported) products. Advertising is carried on mainly through radio, television and newspaper, which allow reaching a bigger audience. Online advertising is not very common, as the internet penetration rate is still low. Consumer credit is still not developed.

Consumers Associations

[Togolese Consumer Association \(Association Togolaise des Consommateurs - ATC\)](#)

IMPORTING & DISTRIBUTING

Import Procedures

Typical documents required to import goods in Togo include:

- Pro Forma Invoice

- Importation Intention Slip (DPI)
- Freight Invoice
- Statistics Records Slips
- License
- Certificate of Movement or Free Practice
- Bills of Lading (B/L)
- Inspection Certificates from Bureau Veritas — BIVAC (all goods are subject to BIVAC inspection before embarking)
- Authorization of Temporary Admission
- Certificate of Origin
- Exit Justification
- Certificate of Quality or Packaging Control
- Sanitary or Phytosanitary Certificate, if required
- Requisite licenses, if needed

For further information, consult the website of the [Guichet Unique](#).

Distribution market players

The following supermarket chains are active in Togo:

- Agroboss
- Assan's
- Champion
- CitiMart
- Cora
- De La Paix
- Eco Shop
- Global Mart
- King Cash
- Leader Price
- Ramco

OPERATING A BUSINESS

Type of companies

Limited Liability Company (LLC/SARL)

Number of partners: minimum one shareholder and one director, which may be of any nationality and not be resident in the country

Capital (max/min): XOF 1 million

Shareholders and liability: liability is limited to the shares

Public Limited Company (PLC)

Number of partners: minimum one shareholder and one director, of any nationality. If the company has more than three shareholders, a board of directors must be appointed (with minimum three directors)

Capital (max/min): XOF 10 million

Shareholders and liability: liability is limited to the extent of the shareholders contributions

Limited Partnership (Société en Commandite Simple - SCS)

Number of partners: minimum one with limited liability and one with unlimited liability

Capital (max/min): no minimum capital required

Shareholders and liability: limited partners who do not participate in management have limited liability. However, general partners or managing partners have joint and unlimited liability

General Partnership (SNC)

Number of partners: minimum two

Capital (max/min): no minimum capital required

Shareholders and liability: partners have joint and unlimited liability

Setting Up a Company	Togo	Sub-Saharan Africa
Procedures (number)	3.0	7.5
Time (days)	2.5	21.3

Source: Doing Business - Latest available data.

Cost of Labour

Minimum Wage

In 2019, the minimum wage was 35,000 XOF according to the ILO (latest data available).

Average Wage

Salaries in Togo differ drastically between different jobs. Visit [VotreSalaire.org](https://votresalaire.org) to consult the average wages for the type of profession (in French).

Social Contributions

Social Security Contributions Paid By Employers: 17.5%

Social Security Contributions Paid By Employees: 4%

Intellectual Property

National Organisations

Find the contact information of the National Institute of Industrial Property and Technology (INPIT) [on this page](#).

Regional Organisations

Togo is a member of [WIPO](#) and of the African Intellectual Property Organization (OAPI)

TAX RATES

Consumption Taxes

Nature of the Tax

Value Added Tax (VAT) - [Taxe sur la Valeur Ajoutée](#) (Local name)

Tax Rate

18% (standard rate)

Reduced Tax Rate

Financial, insurance, medical and transport services are exempt from VAT. Additional categories of exempt supplies include agriculture, fishing and livestock, and supplies relating to the importation, production and sale of products and equipment used in the fight against the COVID-19 pandemic.

A 10% reduced rate applies on accommodation, catering and other services provided by hotels, restaurants and related registered organisations, as well as on services performed by licensed tour operators.

Other Consumption Taxes

Excise duties are levied on tobacco (50%), coffee and tea (10%), soft drinks (5%, excluding water), wheat flour (1%), oils and fats (1%), perfumery and cosmetic products (15%), beer (18%) and other spirits (50%).

A tax on fuel consumption is levied at rates ranging from XOF 0 to XOF 60 per litre, depending on the type of fuel.

Corporate Taxes

Company Tax

27%

Capital Gains Taxation

There is no specific tax on capital gains in Togo, as capital gains realised by corporations on the sale of assets or real estate are treated as taxable income (some exemptions and reliefs may apply). Both residents and non-residents are subject to capital gains tax on direct or indirect transfers of real property, gains from the transfer of share and mining permits, and licenses issued by the government. The tax rates are 7% for gains from the transfer of property or property rights and share transfers and 15% for mining permits or license transfers.

Main Allowable Deductions and Tax Credits

In general, expenses and costs incurred for the purpose of operating the business are tax-deductible, including rents, personnel and labour costs, direct and indirect remuneration paid in respect of work, interest paid to shareholders, technical assistance fees and costs of research paid by a Togolese company or a permanent establishment of a foreign company in Togo, royalties, management fees. Depreciation and amortisation deductions are available, calculated on the basis of the normal wear and tear of the assets used in business activities.

Technical assistance fees deduction is limited to 20% of the taxable profit for the current fiscal year.

Losses incurred during a financial year are deductible up to 50% of the taxable profit of a subsequent year, the remaining part can be carried forward indefinitely. The carryback of losses is not allowed.

Other Corporate Taxes

Other taxes for companies include: a 3% payroll tax on gross salaries, social security contributions (17.5% of the employee's salary is paid by the employer, 4% is paid by the employee), a 15% property tax on the rental value of the real estate, stamp duties, a registration duty of 2% per contribution of capital, a XOF 35,000 registration duty on the transfer of immovable property.

Other Domestic Resources

[Consult Doing Business Website](#), to obtain a summary of the taxes and mandatory contributions.

Double Taxation Treaties

Countries With Whom a Double Taxation Treaty Have Been Signed

[Double taxation agreement between Togo and France](#)

Withholding Taxes

Dividends: 0 (paid by a resident subsidiary to its resident parent company)/7% (if the payer company is a listed company within the WAEMU)/13%; Interests: 0% (long-term government bonds)/3% (medium-term government bonds)/6% (standard rate for companies)/13% (individuals); Royalties: 5% (resident with tax number)/10% (resident without tax number)/20% (non-resident).

