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INVEST

FOREIGN DIRECT INVESTMENT

According to UNCTAD's [World Investment Report 2023](#), FDI flows to Togo were negative by USD 227 million in 2022, marking the third year in a row with negative inflows. At the end of the same period, the total stock of FDI was estimated at USD 1.33 billion, around 16.3% of the country's GDP. In the second half of 2022, Togo attracted foreign investments (mainly Indian, Singaporean, and Chinese) worth around XOF 150 billion, mainly in the sectors of textiles, wood, construction, agri-food, mechanics, and services (Togo First). The swiftly evolving Adetikiopé Industrial Platform (PIA) has played a pivotal role in drawing substantial fresh investments in light industry, capitalizing on Togo's abundant natural resources and skilled workforce. In 2022, it secured USD 25 million in new investments. In 2023, Togo mobilized a total of XOF 27.5 billion in private investments, according to figures shared by the Ministry of Investment Promotion, of which about 80% comprised FDI, amounting to a total of XOF 21.9 billion. The sectors that traditionally attract the most foreign investment are phosphates, cotton, infrastructure, coffee, and cocoa. South Africa, Qatar, the Netherlands, France, and Germany are the main investors (IMF).

The Lomé Port is a major asset for Togo. It is one of the largest ports in the region, turning the country into a trade hub. Togo has implemented a strategy to digitize and automate tax payment and business creation procedures. Recent reforms also include the implementation of a single window for investment, reduction of the minimum capital for the creation of a company as well as the reduction of the costs of obtaining a building permit. Foreign and domestic private entities have the right to establish and own business enterprises and participate in all forms of lucrative activities. Foreign investors also have the option to establish wholly-owned subsidiaries without the requirement to partner with a local investor. The country has improved the monitoring and regulation of power outages by recording data on the annual Average System Outage Duration Index (SAIDI) and the System Average Interruption Frequency Index (SAIFI). However, efforts are still needed in terms of protection of minority investors, execution of contracts, resolution of problems related to insolvency, and simplification of the system of payment of taxes. Corruption, lack of skilled workforce, threat to maritime trade by Gulf of Guinea piracy, and exposure to terrorist activity in the Sahel region are potential barriers to investments. Overall, Togo ranks 114th among the 132 economies on the [Global Innovation Index 2023](#) and 139th out of 184 countries on the latest [Index of Economic Freedom](#).

Foreign Direct Investment	2020	2021	2022
FDI Inward Flow <i>(million USD)</i>	-59	-136	-227
FDI Stock <i>(million USD)</i>	1,937	1,658	1,331
Number of Greenfield Investments*	6	7	1
Value of Greenfield Investments (million USD)	164	367	181

Source: UNCTAD - Latest available data.

Note: * Greenfield Investments are a form of Foreign Direct Investment where a parent company starts a new venture in a foreign country by constructing new operational facilities from the ground up.

Country Comparison For the Protection of Investors	Togo	Sub-Saharan Africa	United States	Germany
Index of Transaction Transparency*	7.0	5.5	7.0	5.0
Index of Manager's Responsibility**	1.0	3.5	9.0	5.0
Index of Shareholders' Power***	5.0	5.5	9.0	5.0

Source: Doing Business - Latest available data.

Note: *The Greater the Index, the More Transparent the Conditions of Transactions. **The Greater the Index, the More the Manager is Personally Responsible. *** The Greater the Index, the Easier it Will Be For Shareholders to Take Legal Action.

WHAT TO CONSIDER IF YOU INVEST IN TOGO

Strong Points

Togo has several assets that could make it an attractive destination for FDIs:

- Mineral (phosphate, limestone and clay transformed into clinker) and agricultural (coffee, cocoa, cotton) resources
- A strategic location for trade with the rest of Africa, Europe and the North and with the potential to become a regional hub (the port of Lomé being the only deep-water port in West Africa)
- A relatively modern transportation infrastructure, with public and private investment in the sector
- Structural reforms underway (public finances, banking system, phosphate and cotton sectors)
- Member of regional organisations such as WAEMU and ECOWAS
- Presence of Export Free Zone (EFZ) which provide incentives to new companies
- Currency stability (CFA franc is pegged to the Euro)
- Nationwide availability of fibre to connect businesses locally and internationally

Weak Points

Several factors still hinder FDI inflows to Togo:

- High levels of poverty (46.2% in 2020 - World Bank) and unemployment
- Inadequate education and public health infrastructure
- A weak and opaque legal system, with a lack of clear land titles and government interference in various sectors
- A difficult business climate and high risks of corruption
- Frequent socio-political tensions
- Lack of agricultural infrastructure (in terms of storage, processing or irrigation)

Government Measures to Motivate or Restrict FDI

The government of Togo has highlighted the need for the country to boost its business climate in order to attract more FDIs. To this extent, foreign investors are granted the same rights as local ones. Indeed, in 2019, the Investment Code was adopted. The latter stipulates equal treatment between Togolese and foreign companies

and investors, free management and free movement of capital for foreign investors and respect for private property.

The majority of incentives are given to the companies in the export free zones, including a tax exemption for the first 10 years (and a rate of 15% from the eleventh year); exemption from all duties and taxes when exporting products imported or manufactured in the free zone, and on import of raw materials as well as machinery and plant equipment; preferential tariffs on utility services (electricity, water, telephone); free transfer of capital; tax exemption on dividends during the first ten years for non-Togolese shareholders; protection against nationalisation of the property of foreign investors; etc.

The Togolese government created the Business Climate Unit (CCA) in 2017. It aims to coordinate economic reforms and play a key role in improving the business climate for the private sector.

INVESTMENT OPPORTUNITIES

Tenders, Projects and Public Procurement

[Global Tenders Togo](#),
[Tenders Info Togo](#)
[Africa Gateway Togo](#)
[Dg Market Togo](#)

Finding Assistance For Further Information

Investment Aid Agency

[Togo Invest](#)
[Chamber of Commerce and Industry of Togo \(in French\)](#)

Other Useful Resources

[Togo e-Regulations - Online Entrepreneurs and Investors Guide](#)

Doing Business Guides

[Doing Business Report - World Bank](#)
[Togo Investment Climate Statement - U.S. Department of State](#)