

Togo

Despite a difficult international environment, Togo remained on the road to recovery in 2010.

Authorities intend to pursue reforms to consolidate recent progress, accelerate growth to help the population and restore the solidity of public finances.

Togo is counting on support from foreign partners to achieve its development objectives and China is among the leaders in financing development.

Despite a difficult international environment, Togo maintained growth at 3.4%, which though not very strong, allowed the country to achieve the Heavily Indebted Poor Countries (HIPC) Initiative completion point. Growth is projected to continue at a slightly higher rate in 2011 and 2012, at 3.7% and 4%, respectively. The inflation rate has been estimated at 5.3% for 2010 versus 2.9% in 2009, and is projected at 2.4% for 2011.

The primary sector, on which the Togolese economy relies, was negatively affected by bad rainfall in 2010. Nonetheless, thanks to support from the public authorities, its share of contribution to growth amounted to 1.3%. The good performance of the mining industries, with in particular a 14.3% increase in the production of clinker mining, also supported growth in 2010. On the other hand, renovation of the production facilities of the national phosphate company SNPT had no major effects in 2010.

Driven by the Port of Lomé, the tertiary sector reinforced its position as second most important contributor to growth. The authorities decided in 2010 to institute a one-stop window at the port in order to promote its competitiveness. The country's absorption capacity improved, as well as the rate of budget execution for public investments, which rose to 6.7% in 2010 versus 5.6% in 2009.

In 2010, the authorities continued to implement the economic and financial programme with support from the Extended Credit Facility (ECF). Thanks to the satisfactory performance of public finances and to compliance with economic and financial programme criteria, Togo was able to achieve the HIPC Initiative completion point in December 2010. Indebtedness will therefore decline and comply with the community standard of outstanding public debt lower than 70% of GDP. Togo's external debt could be brought down to 12.3% of GDP in current value. Combined with an internal debt at 17.9% of GDP, this would bring total public debt in current value within the limits of 30% of GDP.

Togo, which is a low-revenue country, counts on support from its technical and financial partners to achieve its development goals. Emerging partners such as China and India play an important role in the country's development-financing strategy.

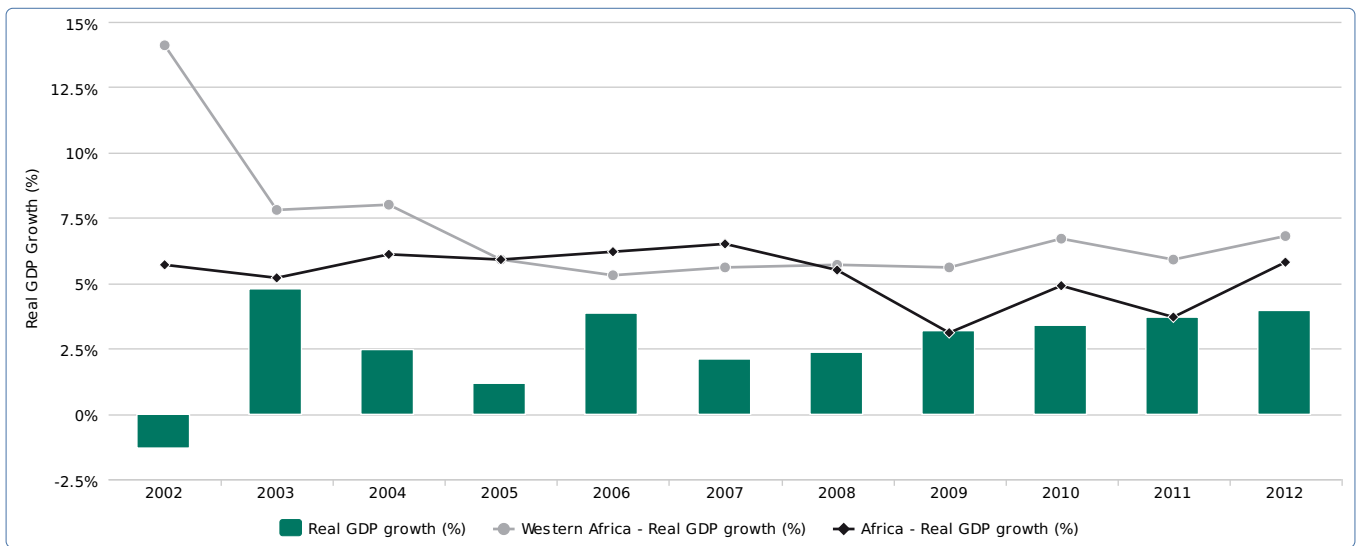
Table 1: Macroeconomic indicators

	2009	2010	2011	2012
Real GDP growth	3.2	3.4	3.7	4
CPI inflation	2.9	5.3	2.4	2.3
Budget balance % GDP	-5.5	-5.8	-5.6	-5.2
Current account % GDP	-6.6	-6.8	-5.5	-5

Source: National authorities' data; estimates and projections based on authors' calculations.

Figures for 2010 are estimates; for 2011 and later are projections.

Figure 1: Real GDP growth (W)



Source: IMF and local authorities' data; estimates and projections based on authors' calculations.

Figures for 2010 are estimates; for 2011 and later are projections.