

TOGO

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In 2000, the real GDP of Togo decreased by 0.5%, the third consecutive year of low or negative growth. Agriculture was adversely affected by late and irregular rainfall and also by the decline in producer prices for cotton seed, the production of which fell by 18%. Phosphate production declined further while other industries and the port of Lomé increased their activity significantly.

The suspension of much external assistance has also contributed to economic hardship. It has been applied more or less continuously and rigorously since 1993 by most international organisations and individual countries, following acts of violence which accompanied the first steps of the democratisation process. The latter stalled after a controversial presidential election in 1998 and the subsequent boycott of general elections by the main opposition parties. In July 1999, in an agreement brokered by EU facilitators, President Eyadema promised not to run for a new term in 2003 and to proceed in 2000 with new legislative elections. But it was only in January 2001 that the National independent Electoral Commission (which includes representatives of the President's and opposition parties), decided that such elections will take place on October 14 and 28, 2001. The European Commission announced that it is willing to help in the organisation and financing of the popular vote, thus paving the way to the subsequent resumption of external aid which in the recent years has represented only 5% of GDP (US\$71 million in 1999) against 15% in 1990. The renewal of business confidence and development of private investment is also dependent upon a favourable resolution of Togo's political difficulties. In 2001, real GDP is expected to recover by 3.6% mostly on account of agriculture.

To date, phosphate is the only mineral resource mined in Togo. In recent years, it represented up to 10% of GDP and over 40% of export revenues, and Togo was the world's fifth largest producer. It possesses reserves estimated at 260 Mt of top-grade ore, and more than 1,000 Mt of lower grade carbonate phosphate. The marketing of Togo ore may be hampered by a high cadmium content which may deny it access to countries which have strict environmental legislation in this regard.

Phosphate is mined and marketed by the Office Togolais des Phosphates (OTP), a parastatal company currently undergoing privatisation. In recent years, OTP's operational and financial capabilities have been badly affected by the country's political and social disturbances, and production has declined continuously, from 2.5 Mt in 1997 to only 1.4 Mt in 2000 (-22% from 1999). Nevertheless, OTP's management announced recently that some US\$11 million was being invested to revamp and expand output. In 2000, the planned transfer to the private sector of a 40% stake in OTP did not progress since apparently no credible offer was received by the government.

For years, in order to reduce its dependence on phosphate, the Togolese Government has undertaken a policy of development and diversification of mineral resources. This has been implemented in two ways. First, a new Mining Code was enacted in 1996. It includes all the rules and guarantees normally expected by mineral investors, as well as a tax package which may be considered as attractive on the West African scene. Second, since 1986, the Mines Department has continuously conducted, with technical and financial assistance from France, and lately from the EU, programmes of systematic geological, geochemical and pan-sampling

reconnaissance, and follow-up, over a total area of some 45,000 km².

Such work has led to significant mineral discoveries hosted chiefly by sediments, volcano-sediments, and intrusives of the 600 million year-old (Panafrican age) Atacora belt which runs SSW-NNE into Benin. Associated with a number of gossans (150 occurrences over a north-south extent of 270 km in Atacora volcanosediments), zinc anomalies have been explored in detail in the Pagala area, where France's BRGM encountered ore intersections in 1991. In the same general area as above, several thousand gem quality diamonds have been found since 1991 by local diggers in streams running over Atacora terrains.

Over both the Atacora Belt and reworked Archaean terrains to the east, several significant gold occurrences and anomalies are still being followed up by the Togo/UNDP programme, as well as extensive copper-nickel geochemical anomalies over the Haito ophiolitic complex.

Finally, other potentially interesting mineral occurrences known in Togo concern rutile, iron ore and phosphate in metamorphic formations, and marble, bentonite and attapulgite.

Exploration

Over the Pagala area, in the central part of the country, where a 4.5 m intersection averaging 14.5% Zn had been obtained by drilling through Atacora Panafrican formations in a Sedex-type environment, London-based Coronation International Mining Corp. (CIMC) was granted an exploration licence in 1998. After having completed geological mapping and soil geochemical sampling over some 80 km², the company entered into a joint venture agreement with Anglo-American Prospecting Services (AAPS) in April 2000. Since then, AAPS has flown the same area on a 100 m line spacing to acquire airborne magnetic,

electromagnetic and radiometric data and also completed a gravity survey. In the meantime, 17 diamond drill holes totalling 1,948 m were completed. Several holes intersected zinc mineralisation, the best intersection yielding 28% zinc over one metre.

In the Kamina area, contiguous to Pagala in the south, BHP has confirmed the main Zn-Pb-Cu-Ba-Cd, and Zn-Pb-Ba-Ni-Co and gold anomalies. However, BHP carried out no further significant exploration work over this licence zone which lapsed in 2000.

Within the Haito ophiolitic formations, in the southern part of the country, geochemical exploration work (conducted with UNDP assistance) has outlined copper and nickel anomalies. Copper soil anomalies are between 200 ppm and 1,600 ppm, and two rock samples yielded respectively 5% Cu with 130 ppb Au and 30 g/t Ag, and 1% Cu with 1 g/t Au. Nickel soil anomalies range from 1% to 2% Ni. A sample of peridotite yielded a value of 2.47% Ni.

Hydrocarbons

The Togolese petroleum law, elaborated with the assistance of international experts, was promulgated in February 1999. This law covers all petroleum operations, from exploration to exploitation and transportation, and economic and tax provisions. The same year, Petroleum GeoServices (PGS) a Norwegian company, concluded the interpretation of the 3D geophysics carried out on an offshore area of 3,100 km².

In May 2001, Togo signed a production-sharing agreement with a wholly owned subsidiary of Hunt Oil Co. of Dallas, for the exclusive right to carry out petroleum exploration and production in an area encompassing the entire offshore area of Togo (which comprises approximately 4,067 km²).