



2015 Minerals Yearbook

TOGO [ADVANCE RELEASE]

THE MINERAL INDUSTRY OF TOGO

By James J. Barry

Togo's mineral sector primarily consisted of cement, iron ore, limestone, and phosphate rock production. Additionally, artisanal mining of gold and diamond has been reported in recent years. In 2015, the real gross domestic product (GDP) increased by 5.3%—the fourth consecutive year in which real GDP increased by more than 5%. Historically, mining has had an insignificant role in the economy; however, in recent years, it had become more prominent. In 2015, mining and quarrying contributed 3.5% to the GDP and increased by 16.1%. Revenue from mining royalties was reported to have increased by more than fourfold from 2014 to 2015. The large increase was attributed to increased taxes collected from phosphate rock production, despite only a modest increase in the tonnage of production. In 2015, Togo's exports of phosphate rock and cement accounted for 2.7% and 0.4% of the total value of exports, respectively. Undeveloped mineral resources included bauxite, gypsum, ilmenite, rutile, and zinc. Law No. 96–004/PR of February 26, 1996, as amended by Act No. 2003–012, provided the legal framework for the mineral sector. Law No. 99–003 of February 18, 1999, established the hydrocarbon code (Mieu, 2015; Norton Rose Fulbright, 2015; African Development Bank Group, 2016, p. 330, 331; International Monetary Fund, 2016, p. 174).

In November 2008, the Government of Togo entered the International Monetary Fund's and the World Bank's jointly funded Heavily Indebted Poor Countries (HIPC) program. As part of the HIPC program, from 2012 through 2013, the Government began to privatize state-owned enterprises and, in 2014, launched an effort, aided by the World Bank, to modernize the mining code using international standards in an effort to attract private investment. In January, the Government circulated a draft mining bill to industry stakeholders. Provisions of the draft mining bill addressed environmental regulations and criteria of mining titles and contracts, including investment thresholds, and maintained state participation at 10% free-carried interest with the possibility for up to 20% interest. As of yearend, the new law, or any of the provisions, had yet to be enacted. In November, however, the World Bank approved a \$15 million project to assist the Government in effectively managing its mineral industry (Bureau of Economic and Business Affairs, 2014; International Monetary Fund, 2014, p. 1; World Bank, The, 2015).

In 2014, a third shipping platform at the Port Autonome de Lomé was completed by yearend. The development of the platform was part of the "Development Corridor," an economic expansion initiative aimed at capitalizing on Togo's position in the West African subregion. The initiative was expected to modernize railway and road networks between the Port Autonome de Lomé and adjacent countries for the transportation of minerals and hydrocarbons. The port was the only deepwater port in the subregion used to export phosphates and mineral ores to global markets. The deepwater platform was expected to triple the port's capacity (Agbossou, 2012; International Monetary Fund, 2014, p. 55; VINCI Construction UK Ltd., 2015, p. 61).

Production

In 2015, production of most mineral commodities decreased compared with that in 2014. Hydraulic cement production decreased by 13%, gold production decreased by an estimated 24%, and iron ore production decreased by an estimated 19%. The country also produced an estimated 1.8 million metric tons (Mt) of limestone, which was used locally in the production of cement. Gold production reported by the Government was based on exports, and was mostly artisanal mine production transiting Togo from neighboring countries and, to a lesser extent, domestic artisanal mine production. Reported gold production, however, may include gold from other than artisanal sources. Data on mineral production are in table 1.

Structure of the Mineral Industry

Most of the mines and plants in Togo were privately owned. The Government, however, has complete ownership of the country's sole phosphate rock producer, Société Nouvelle des Phosphates du Togo (SNPT). Table 2 is a list of major mineral industry facilities.

Commodity Review

Metals

Manganese.—In 2015, Keras Resources Plc (formerly Ferrex plc) of Australia continued the development of the Nayega manganese deposit, which is located about 600 kilometers (km) north of the capital city of Lomé. The company owned an 85% interest in the project through indirect ownership of Société Générale des Mines SARL of Togo. Based on a definitive feasibility study completed in 2015, progress was made toward developing an open pit mine with the capacity to produce 250,000 metric tons per year (t/yr) of 38% manganese contained in concentrate. The Nayega project had Joint Ore Reserves Committee (JORC)-compliant resources of 14 Mt containing 12.4% manganese and reserves of 8.48 Mt containing 14% manganese (Keras Resources Plc, 2016, p. 8–9).

Industrial Minerals

Cement.—In March, HeidelbergCement AG of Germany officially opened the Scantogo clinker plant in Tabligbo, 80 km northeast of Lomé. The plant had a production capacity of 1.5 million metric tons per year (Mt/yr) of clinker and commenced production in late 2014. Heidelberg began constructing a 250,000-t/yr grinding facility in northern Togo. The company expected the facility to be operational in early 2017 (HeidelbergCement AG, 2016, p. 74).

Phosphate Rock.—Société Nouvelle des Phosphates du Togo (SNPT), a Government-owned company, was the country's sole producer of phosphate rock. In 2015, the company produced

1.15 Mt of phosphate rock compared with about 1.1 Mt in 2014. Production was lower than expected owing to a labor strike over working conditions, which halted production for the first half of the year. In 2014, SNPT invested \$62 million to upgrade and replace excavation equipment, replacing multiple power substations and a 4.8-km ore conveyor. The investments were part of a longer term plan to increase the country's phosphate output. SNPT planned to increase its production capacity to between 2.5 and 3 Mt/yr of phosphate rock in the long term (Mieu, 2015; République Togolaise, 2015; Schneider Electric Industries SAS, undated).

In September, the Elenilto Group of the United Kingdom was awarded the tender to develop the Kpeme project, which consisted of development of a phosphate rock mine and the construction of a fertilizer plant. The deposit was estimated to have reserves of 2 billion metric tons of phosphate rock. Projected annual production from the project would include 3 Mt/yr of phosphate rock, 500,000 t/yr of phosphoric acid, and 1.3 Mt/yr of fertilizer products. The project, located near Lome, would benefit from being only 30 km from the Port of Lome, minimizing transportation costs and increasing the project's international competitiveness. Elenilto put the project on an expedited timeline, projecting first shipments of concentrates in 3 years (Business Wire, 2015; Diallo and Ballong, 2016; Elenilto Group, undated).

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TABLE 1
TOGO: PRODUCTION OF MINERAL COMMODITIES¹

(Metric tons unless otherwise specified)

Commodity ²	2011	2012	2013	2014	2015	
Cement:						
Clinker	thousand metric tons	1,201	897	866	838 ^r	904
Hydraulic ³	do.	1,160	1,605	1,795	1,677	1,462
Diamond ⁴	carats	71	456	68	23	--
Gold ⁵	kilograms	16,469	18,551	21,086	20,583	15,568
Gravel ⁶	thousand metric tons	442	342	443	440 ^e	440 ^e
Iron ore:						
Gross weight		40,912	52,706	79,869	88,575	72,000 ^e
Fe content (30%)		12,300	15,800	24,000	26,600	21,600 ^e
Limestone ⁶	thousand metric tons	1,923	1,919	1,608	1,808	1,800 ^e
Phosphate rock: ³						
Gross weight	do.	866	1,159	1,214	1,098 ^r	1,150
P ₂ O ₅ content	do.	310	400 ^r	441 ^r	395 ^r	417 ^e

^eEstimated; estimated data are rounded to no more than three significant digits. ^rRevised. do. Ditto. -- Zero.

¹Table includes data available through July 29, 2016.

²In addition to the commodities listed, clay and marble were also produced, but available information was inadequate to make reliable estimates of output.

³Reported by Banque Centrale des Etats de l'Afrique de l'Ouest [Central Bank of the States of West Africa].

⁴Reported by the Kimberley Process Certification Scheme.

⁵Data reported by the Government of Togo as gold exports that predominantly include artisanal gold mine production transiting Togo from neighboring countries and, to a lesser extent, domestic artisanal mine production. Data may include gold from other than artisanal sources.

⁶Reported by the Extractive Industries Transparency Initiative.

TABLE 2
TOGO: STRUCTURE OF THE MINERAL INDUSTRY IN 2015

(Metric tons)

Commodity	Major operating companies and major equity owners	Location of main facilities	Annual capacity
Cement	Société de Ciments du Togo S.A. (CIMTOGO) (HeidelbergCement AG, 100%)	Grinding plant in Lome	700,000 cement.
Do.	Scantogo Mines SA (HeidelbergCement AG, 100%)	Near Tabligbo, 80 kilometers northeast of Lome	1,500,000 clinker.
Do.	West African Cement S.A. (WACEM), 100%	Tabligbo, 60 kilometers northeast of Lome	400,000 cement; 1,200,000 clinker.
Do.	Fortia Cement SA (Diamond Cement) [HeidelbergCement AG, 50%, and West African Cement S.A. (WACEM), 50%]	do.	600,000 cement.
Diamond	Artisanal miners	Various locations	NA.
Gravel	Etoile du Golfe (Togolese private interests)	Lome, Maritime region	140,000.
Do.	Les Aigles (Togolese private interests)	do.	100,000.
Do.	Togo carriere (Libanaise private interests)	do.	220,000.
Gold	Artisanal miners	Various locations	NA.
Iron ore	MM Mining S.A. (Togolese private interests)	Bassar, Kara region	85,000.
Limestone	West African Cement S.A. (WACEM), 100%	Bangeli, Kara region	2,400,000.
Marble	Pomar Togo S.A. (Groupe Dennis, 100%)	Processing plant in Lome	NA.
Do.	do.	Quarry in Pagala, Center region	1,000,000.
Phosphate rock	Société Nouvelle des Phosphates du Togo (SNPT) (Government, 100%)	Mines at Akoumape and Hahotue, Maritime region	2,000,000.
Do.	do.	Plant at Kpeme, 33 kilometers east of Lome	3,400,000.

Do., do. Ditto. NA Not available.