

TOGO

Togo, a long, narrow territory, lies in West Africa on the Gulf of Guinea. Area: 56,600 km². Population (January 1968 estimate): 1,746,000. Formerly a trusteeship territory under French administration, it became independent on 27 April 1960. Coffee, cocoa and oil-palm products are the main export earners, and the country has considerable mineral resources (iron and phosphates).

THE BANKING SYSTEM

Togo is one of the seven African countries which belong to the West African Monetary Union and have a joint Central Bank¹; the other six members are Dahomey, the Ivory Coast, Mauritania, Niger, Senegal and Upper Volta.

The banking law, Law. No. 65-14 of 21 July 1965, is in line with those of the Union's other members.

At the apex of the banking system, the *Banque Centrale des Etats de l'Afrique de l'Ouest* is flanked by the National Monetary Commission and the National Credit Commission. The latter's chairman is the Minister of Finance and its rather numerous members include the head of the Lomé branch of the Central Bank,

¹ See under the heading NIGER.

the Planning Commissioner, the chairman of the Banking and Finance Commission, and other members representing the President of the Republic, the National Assembly and the Chamber of Commerce. The National Credit Commission shares with the Central Bank responsibility for decisions on local credit distribution.

Responsibility for bank organization, law enforcement and banking regulations rests with the Banking and Finance Commission, composed of a judge nominated by the Minister of Justice, the head of the Lomé branch of the Central Bank and three other members representing, respectively, the finance department, the economic affairs department and the planning department.

The rest of the banking system comprises four commercial banks, two development banks and a financial institute. Of the four commercial banks, two are French, one Ghanaian and one incorporated in Togo.

The *Banque Internationale pour l'Afrique Occidentale* is a private French bank (for details see under the heading NIGER). It has two branches in Togo, one at Lomé and one at Atakpamé.

The other French bank, the *Banque Nationale de Paris*, is not private but nationalized. It has two branches in Togo, one in the capital and one at Palimé.

Not much can be said about the Ghana Commercial Bank, because it was only recently, on 2 May 1969, that it received from the government of Togo authorization to open an agency at Lomé. It is unique in the West African Monetary Union, in that it is the only non-French bank not locally incorporated which operates in any of the Union's countries, all French-speaking.

The fourth commercial bank, *Union Togolaise de Banque*, is a joint stock company incorporated in Togo, which in 1964 took over from the Togo branch of the nationalized French *Crédit Lyonnais*. Its capital of 130 million CFA francs is divided be-

tween the Republic of Togo (35 per cent), the parent bank *Crédit Lyonnais* (35 per cent), the *Deutsche Bank* (18 per cent) and the *Banca Commerciale Italiana* (12 per cent). This pattern of mixed domestic and foreign shareholders is common to all the former branches of the *Crédit Lyonnais* in the countries of French-speaking Africa. The *Union Togolaise de Banque* has three permanent branches (at Lomé, Atakpamé and Palimé) and one non-permanent branch (at Lomé-Port).

In terms of the volume of business, the largest banks are the *Banque Internationale pour l'Afrique Occidentale* and the *Union Togolaise de Banque*, both with a balance-sheet total of 2,500 million CFA francs on 30 September 1968, followed by the *Banque Nationale de Paris*, with 1,700 million.

The *Banque Togolaise de Développement* was set up on 24 May 1967 as the direct successor of the *Crédit du Togo*, which for ten years had successfully contributed to the country's economic and social development in many fields. In 1967 it was decided not only to alter the name of that bank, but to introduce some changes in its manner of operating. The new *Banque Togolaise de Développement* accordingly took over not only the former activities of the *Crédit du Togo*, but was given the additional function of handling operations on behalf of the government and local authorities.

Its capital of 300 million CFA francs is owned by the Republic of Togo (60 per cent), the *Caisse Centrale de Coopération Economique* (20 per cent), the Central Bank of the West African Monetary Union (10 per cent) and the Togo Compensation Fund for Family Allowances and Accidents at Work (5 per cent), with the remaining 5 per cent in the hands of Togo commercial banks. The *Banque Togolaise de Développement* has five permanent branches and one non-permanent branch.

The government attached much importance to the creation and development of this bank, which, in accordance with the new political orientation, is to be integrated with the Togolese economy in three respects. (1) It is to be the executive body in charge of implementing the five-year development plan, more particularly by means of investment feasibility studies, mobilization of domestic and foreign financial resources and the provision of finance for priority projects; (2) it is to be the government's adviser on investment; and (3) it is to disseminate information on national and regional plans throughout all sectors of the economy.

In accordance with these functions assigned to it, the *Banque Togolaise de Développement* will broaden its activities to cover agriculture (in collaboration with the Agricultural Credit Fund), industry, import trade and building. It is mainly in the latter field that it is carrying on the work of the previous *Crédit du Togo*.

The *Crédit du Togo* did much to develop mutual credit societies and the more advanced forms of multipurpose village co-operatives, which not only provide their members with working capital credits but also take care of the marketing of the produce.

Of more recent date even than the *Banque Togolaise de Développement* is the *Caisse Nationale de Crédit Agricole*, which was founded in 1968 to take over other parts of the activities of the *Crédit du Togo*. It is a public agency endowed with administrative and financial autonomy, and is classified as a development bank. Its initial endowment fund is 173 million CFA francs.

Clearly, the banking system of Togo is in a phase of development, especially in the public sector. Credit institutes are seen as an adjunct to economic planning, with the important function of raising the necessary funds and channelling them into productive purposes.

The only financial institute, *Société Togolaise de Crédit Automobile*, is a joint stock company under Togo law and finances hire-purchase sales of motor vehicles, like similar companies linked with the Renault group in other countries of the West African Monetary Union. It was set up on 8 November 1962 with a capital of 15 million CFA francs. The shares are owned by a large number of private shareholders, including licensed car dealers.

Togo's Post Office Savings Fund has no independent legal status of its own, but is run by the Ministry of Posts and Telecommunications.

