



## **Doing Business in Madagascar: 2014 Country Commercial Guide for U.S.**

### **Companies**

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## Chapter 1: Doing Business in Madagascar

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### Market Overview

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- Political situation: Madagascar is emerging from a political crisis occasioned by a 2009 coup d'état. Internationally observed elections led to the inauguration in January 2014 of President Hery Rajaonarimampianina. The new president has emphasized battling poverty, improving good governance and rule of law, and promoting a better investment climate as his new government's priorities. The U.S. government lifted all coup-related restrictions on aid to Madagascar on May 27, 2014.
  - U.S. exports to Madagascar (2013): USD 122.7 million. The United States is the seventh-largest supplier of exports to Madagascar after the United Arab Emirates, China, the European Union, France, India and South Africa, supplying only 3.8% of total imports.
  - U.S. imports from Madagascar (2013): USD 145.0 million. The United States is the second-largest destination for imports from Madagascar, after France, representing 7.5% of Madagascar's total exports. At the height of Madagascar's eligibility for the African Growth and Eligibility Act (AGOA), 35% of Malagasy exports went to the United States.
  - Stock of US FDI in Madagascar (2012): USD 185.9 million (3.1% of total FDI)
  - Population and poverty: an island in the Western Indian Ocean with a population of approximately 22 million, Madagascar ranks among the poorest countries in the world. Almost 70% of the population lives in poverty and 90% live under 2 USD per day (PPP), according to the World Bank.
  - Economic performance: Poverty sharply increased during the 2009-2013 political crisis. Madagascar's 2013 inflation rate was 5.8%, and its growth rate that year was 2.4%. Despite the political crisis, Rio Tinto continued to export ilmenite in 2013, and Ambatovy (a Canadian, South Korean, Japanese joint venture) started exporting nickel on November 8, 2012.
- 
- Overview

USD in thousands

	<b>2013</b>
Total Market Size	11.45
Total Local Production (GDP)	10.11
Total Exports	1.83
Total Imports	3.17
Imports from the United States	0.17
Exchange Rate: 1 USD	2,318.19

Source: Malagasy Customs

Source of exchange rate: Central Bank (average for 2014 January-June)

- AGOA: Madagascar's eligibility for trade benefits under the African Growth and Opportunity Act (AGOA) was suspended in 2009, following a coup d'état, as the country no longer met the criteria regarding political pluralism and rule of law. Recognizing Madagascar's return to political pluralism after internationally observed elections in late 2013, the United States announced Madagascar's re-eligibility for AGOA on June 27, 2014.
- State companies: state divestiture from public enterprises has been a cornerstone of government policy for the last two decades, although the water and energy utility company, two large insurance companies, and the national airline still belong to the Malagasy state. Fight against corruption: Since coming to power, President Rajaonarimampianina has emphasized his government's determination to improve rule of law and combat corruption. In early June 2014, the Malagasy Government announced that Magistrate Jean Louis Andriamifidy—a judge with more than 25 years of experience—had been appointed Director General of the Independent Anti-Corruption Office (BIANCO).
- Oil Exploration: Now that a democratically elected government is in place, Madagascar's petroleum regulatory agency, the Office of National Mines and Strategic Industries (OMNIS), will likely open a new bid round for the country's 225 upstream exploration blocks, both onshore and offshore. In total, at least fourteen companies already hold production-sharing contracts (PSC) with OMNIS.

## Market Challenges

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- The country's limited infrastructure pose some obstacles to market entry: major improvements to roads, ports, and other facilities would facilitate American investment outside Antananarivo. Following the 2013 elections, the Malagasy Government, World Bank, EU, and African Development Bank are all undertaking infrastructure projects, including improving the country's ailing roads.

- The country's state-owned electricity and water utility—a monopoly—provides irregular power supply in many regions, particularly in remote coastal provinces.
- Supply chains need to be strengthened and professionalized in many sectors, particularly in agribusiness.
- Madagascar has a French legal system, which may complicate contracts for U.S. operators. The lack of transparency in regulatory decisions may continue to make doing business in Madagascar difficult, though the new government has committed to work with the private sector to make improvements.
- The Embassy encourages U.S. operators to market to local distributors and agents and to contact the American Chamber of Commerce through the Political-Economic section at the U.S. Embassy.

## Market Opportunities

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- The best prospects for future U.S. private sector investment lie in the extractive industries, in construction, and in vegetable oils. Other industries with potential include tourism, banking, alternative energies, technology, and textiles. There are also under-exploited opportunities in consulting and engineering.
- The country has commercially significant reserves of several minerals, including rare earths, uranium, coal, chromite, graphite, and mica. Gold and significant quantities of various precious and semi-precious stones—ruby, sapphire, and emerald—are also found in the country.
- Madagascar's rich biodiversity and high level of endemic plants and animals are the basis for eco-tourism development and might attract foreign investors, along with potential for the development of beach resorts.
- Despite Madagascar's poverty, the island's unique natural environment, its wide variety of resources, its competitive labor force, and its location on the crossroads between Asia and Africa offer potential long-term investment opportunities. While continued challenges exist for good governance, the prospects for political stability appear more positive after the 2013 elections and the formation of a new government.

## Market Entry Strategy

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- The use of distributors, particularly with prior experience in distributing U.S. exported goods, is highly recommended. Local agents have contacts to develop a customer base and can

easily communicate in Malagasy and/or in French. Partners can be found by obtaining a **list of importers from the Embassy Political-Economic Section** or by contacting business groups and market survey firms (see at Chapter 9).

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## **Chapter 2: Political and Economic Environment**

For background information on the political and economic environment of the country, please click on the links below to the U.S. Department of State Background Notes and to the U.S Embassy website.

<http://www.state.gov/r/pa/ei/bgn/5460.htm>

<http://www.antenarivo.usembassy.gov>

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## Chapter 3: Selling U.S. Products and Services

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### Using an Agent or Distributor

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For new American operators, the use of agents and distributors, particularly those with prior experience in distributing imported products is highly recommended. Local agents have contacts to develop a customer base and can easily communicate in Malagasy and/or French. The Embassy recommends that U.S. firms visit Madagascar and negotiate a distribution contract face-to-face in order to develop the personal relationships that facilitate doing business in the country.

### Establishing an Office

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In May 2006, the Government of Madagascar (GOM) established an investment promotion office: the Economic Development Board of Madagascar (EDBM). It is a one-stop shop for investment and business development to facilitate company registration procedures and to assist local and foreign investors. Now it takes as little as a week to register a company, whereas in the past it took at least one month.

Office space can be found through a handful of real estate agents, advertisements in local papers, or word of mouth. Landlords will rent to new companies even if they have not obtained all their operating permits. Office furniture can be obtained locally at reasonable prices and telephone services—fixed or mobile—are available in the main towns. There are increasing numbers of multilingual, qualified secretaries and administrative assistants interested in working with foreign businesses.

### Franchising

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A number of Malagasy businesspersons have expressed interest in establishing franchises of U.S. businesses in Madagascar, but have been unsuccessful due to the high fees and the lack of local consumer purchasing power. A number of leading U.S. products and services are sold through distributorships, including automotive and machinery (Caterpillar, Ford, General Motors);

communications and information technology (Apple, AT&T, Cisco, Compaq, Dell, HP, Motorola, NCR, Oracle, Packard Bell, and Sun Microsystems); Coca-Cola, and Kodak films.

### **Direct Marketing**

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Although there are exceptions, direct marketing for U.S.-made products is difficult. Therefore, the Embassy encourages U.S. businesspersons to negotiate with local distributors and agents.

### **Joint Ventures/Licensing**

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Joint ventures with local companies are not required, but are generally recommended. The benefit of joint ventures is that the local partners have knowledge and experience in the country and can navigate complex bureaucratic administrative procedures. The drawback is that a local partner will likely be a minority shareholder in capital terms and must be carefully screened through independent references and past business history.

In the domain of oil exploration, companies must negotiate production sharing contracts with the government's Office of National Mines and Strategic Industries (OMNIS): <http://omnis.mg/>.

There are only a few U.S. licensing ventures in Madagascar.

### **Selling to Government**

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As part of its liberalization strategy, the GOM frequently advertises calls for international bids to supply government-funded projects in official and local newspapers. These bids are opened publicly and tend not to be contested. The most frequent opportunities are in road construction, supply of computers, consulting, engineering, etc.

### **Distribution and Sales Channels**

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Imported goods can enter Madagascar via air at Ivato international airport in Antananarivo or via sea at the ports of Toamasina, Majunga, Antsiranana, Toliara and Fort Dauphin. Some 90 percent of containerized imports and exports transit the country's largest port, at Toamasina. Products are then distributed by road, sea or rail throughout the country. Distribution is usually handled by the importing company or by wholesalers and retailers. Roads are poor in much of the country; some areas cannot be accessed by road during the rainy season (December-March).

### **Selling Factors/Techniques**

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The purchasing power of the average Malagasy is very low, so most Malagasy can only afford immediate necessities. When selling, there is no legal requirement to translate labels into Malagasy. Retailers and sales clerks respond to customers' needs and process sales, but there is only a dawning awareness of service or sales techniques common in the United States or Europe.

### **Electronic Commerce**

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E-commerce is beginning to be used in the country, but it is not as developed as in the United States. Payment by credit cards (generally limited to Visa) is accepted in large supermarkets and hotels. For e-commerce, global selling activities, without logistic means of transportation by air,

some local companies have started to run in joint ventures with foreign companies like DHL. No e-commerce companies provide services by selling local products outside the capital.

Each gas distributor has its own payment card. Several department stores began accepting payment through mobile phones in 2010. Mobile banking, such as the payment of air ticket through mobile phone, is widely used.

## **Trade Promotion and Advertising**

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Marketing is a relatively new industry to Madagascar. Avenues of advertising include billboards, posters, newspapers, radio, and television. Prominent campaigns have European influence and often link the product with leisure activities or personal enjoyment. The quality of advertising campaigns varies and appears to depend on the budget of the advertiser. It is possible to pay a newspaper for a full-page article/advertisement, or television stations to broadcast an info/ad program.

### **Local fair authorities/organizations**

Premiere Ligne

13, rue Ratsimilaho, Antaninarenina

Antananarivo 101 – Madagascar

Tel: (261 20) 22 212 40

Fax: (261 20) 22 212 41

Website: [www.siiit-technopole.mg](http://www.siiit-technopole.mg) or [www.foire-de-madagascar.mg](http://www.foire-de-madagascar.mg)

E-mail: [siiit-technopole@moov.mg](mailto:siiit-technopole@moov.mg) or [f-i-m@moov.mg](mailto:f-i-m@moov.mg)

Contact: Mr. Michel Raharimanana

Madavision

Lot VP pres 27 A Bis, Ambohimandra

Antananarivo 101 – Madagascar

Tel: (261 20) 22 564 41

E-mail: [contact@grandebraderie.com](mailto:contact@grandebraderie.com)

Contact: Mrs. Harilala Ramanantsoa

Synergie Communication

43 rue de Russie Isoraka

Antananarivo 101 – Madagascar

Tel: (261 20) 22 618 97

E-mail: [synergy@moov.mg](mailto:synergy@moov.mg)

### **Daily newspapers:**

L' Express de Madagascar

P.O. Box 171

Antananarivo 101 – Madagascar

Tel: (261 20) 22 203 10

Fax: (261 20) 22 213 83

Website: [www.lexpressmada.com](http://www.lexpressmada.com)

E-mail: [lexpress@malagasy.com](mailto:lexpress@malagasy.com)

Midi Madagasikara

P.O. Box 1414  
Antananarivo 101 – Madagascar  
Tel: (261 20) 22 300 38  
Fax: (261 20) 22 273 51  
Website: [www.mid-madagasikara.mg](http://www.mid-madagasikara.mg)  
E-mail: [midi@moov.mg](mailto:midi@moov.mg)

Madagascar Tribune  
P.O. Box 659  
Antananarivo 101 – Madagascar  
Tel: (261 20) 22 226 35  
Fax: (261 20) 22 2222 54  
Website: [www.madagascar-tribune.com](http://www.madagascar-tribune.com)  
E-mail: [tribune@moov.mg](mailto:tribune@moov.mg)

La Gazette de la Grande Ile  
P.O. Box 8678  
Antananarivo 101 – Madagascar  
Tel: (261 20) 22 613 77  
Fax; (261 20) 22 651 88  
Website: [www.lagazette-dgi.com](http://www.lagazette-dgi.com)  
E-mail: [administration@lagazette-dgi.com](mailto:administration@lagazette-dgi.com)

Les Nouvelles  
P.O. Box 194  
Antananarivo 101 – Madagascar  
Tel: (261 20) 22 354 33  
Website: [www.les-nouvelles.com](http://www.les-nouvelles.com)  
E-mail: [redaction@les-nouvelles.com](mailto:redaction@les-nouvelles.com)

Le Courrier  
Immeuble SME, Ankorondrano  
Antananarivo 101 – Madagascar  
Tel: (261 20) 22 378 95  
Website: [www.courriermada.com](http://www.courriermada.com)  
E-mail: [dirpublic@blueline.mg](mailto:dirpublic@blueline.mg)

Madagascar Matin  
P.O. Box 194  
Antananarivo 101 – Madagascar  
Tel: (261 20) 26 295 21  
E-mail: [madagascarmatin@gmail.com](mailto:madagascarmatin@gmail.com)

L'Observateur  
Lot II M 85 bis Antsakaviro  
Antananarivo 101 – Madagascar  
Tel: (261 20) 22 216 69  
E-mail: [lobservateur@gmail.com](mailto:lobservateur@gmail.com)

**Business Journals:**

Revue de l'Océan Indien (ROI)  
P.O. Box 46  
Antananarivo 101 – Madagascar  
Tel: (261 20) 22 225 36  
Fax: (261 20) 22 345 34  
E-mail: [roi@moov.mg](mailto:roi@moov.mg)

**Television Stations:**

Television Malagasy (TVM) (state)  
Anosy  
Antananarivo 101 – Madagascar  
Tel: (261 20) 22 208 97  
Fax: (261 20) 22 344 21

RTA  
P.O. Box 7547  
Antananarivo 101 – Madagascar  
Tel: (261 20) 22 627 76  
Fax: (261 20) 22 558 80  
Website: [www.rta.mg](http://www.rta.mg)  
E-mail: [flash@rts.mg](mailto:flash@rts.mg)

TVPLUS  
Anosizato  
Antananarivo 101 – Madagascar  
Tel/Fax: (261 20) 22 676 73

MATV  
B.P.: 1414. Ankorondrano, Antananarivo, Madagasikara  
Tel: (261 20) 22 364 69/70  
Fax: (261 20) 22 671 27  
<http://www.matvonline.tv>

TELERECORD  
P.O. Box 7522  
Antananarivo 101 – Madagascar  
Tel: (261 20) 22 295 32  
Fax: (261 20) 22 664 68  
Website: [www.rtv-record.com](http://www.rtv-record.com)  
E-mail: [rtv.record@iris.mg](mailto:rtv.record@iris.mg)

VIVA Television  
Tana Water Front, Ambodivona  
Antananarivo 101 – Madagascar  
Tel: (261 20) 22 567 88  
Fax: (261 20) 22 684 95

KOLO TV  
Route Digue, Ex-Somagel

Antananarivo 101 – Madagascar  
Tel: (261) 34 07 888 22  
E-mail: [info@kolo.mg](mailto:info@kolo.mg)

## **Pricing**

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Pricing of imported products depends on import duties, which generally range from 0 to 20 percent. Since 2008, a value added tax (VAT) of 20 percent has been added onto the retail price of all goods and services, and profit margins on products tend to be around 7 to 10 percent.

Unlike in the United States, all taxes are included in the price displayed to the consumer. The current administration requires that VAT amounts be clearly indicated on all invoices.

The price of fuel is currently regulated, and oil companies receive subsidies from the government. The IMF is pushing for the government to eliminate these subsidies, which the government has agreed to do gradually from 2014-2015, which is likely to increase consumer prices. For other items, pricing is generally unregulated, though sometimes competition is uneven.

## **Sales Service/Customer Support**

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The concept of sales service and customer support is relatively new to Madagascar and is limited primarily to distributors of vehicles, computers and electronic equipment. Retailers of most consumer goods rarely accept returns of defective products. Some electronic vendors offer very limited warranties (up to one week), and other well-known brands such as LG, Samsung, Philips, and Sharp, have recently opened their own stores and are able to give extended warranties, but with a significantly higher price.

## **Protecting Your Intellectual Property**

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See Chapter 6: Investment Climate

Contacts for local IPR registration and enforcement:

- OMAPI, *Office Malgache de la Propriété Industrielle* (Malagasy Office for Industrial Property); e-mail: [omapi@moov.mg](mailto:omapi@moov.mg)
- OMDA, *Office Malgache des Dorits d'Auteurs* (Malagasy Office for Copyrights); e-mail: [omda@moov.mg](mailto:omda@moov.mg)

### **Protecting Your Intellectual Property in Madagascar:**

Several general principles are important for effective management of intellectual property (“IP”) rights in Madagascar. First, it is important to have an overall strategy to protect your IP. Second, IP is protected differently in Madagascar than in the United States. Third, IP rights must be registered and enforced in Madagascar, under local laws. Your U.S. trademark and patent registrations will not protect you in Madagascar. There is no such thing as an “international copyright” that will automatically protect an author’s writings throughout the entire world. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.

Registration of patents and trademarks is on a first-in-time, first-in-right basis, so you should consider applying for trademark and patent protection even before selling your products or services in the Malagasy market. It is vital that companies understand that intellectual property is primarily a private right and that the U.S. Government generally cannot enforce rights for private individuals in Madagascar. It is the responsibility of the rights holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Malagasy law. The U.S. Embassy's Political-Economic Section, a Partner Post of the Commerce Department, can provide a list of local lawyers upon request.

While the U.S. Government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the U.S. Government can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. Government advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in Madagascar require constant attention. Work with legal counsel familiar with Malagasy laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both Madagascar or U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

## **IP Resources**

A wealth of information on protecting IP is freely available to U.S. rights' holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues—including enforcement issues in the US and other countries—call the STOP! Hotline: **1-866-999-HALT** or register at [www.StopFakes.gov](http://www.StopFakes.gov).
- For more information about registering trademarks and patents (both in the United States as well as in foreign countries), contact the U.S. Patent and Trademark Office (USPTO) at: **1-800-786-9199**.
- For more information about registering for copyright protection in the United States, contact the U.S. Copyright Office at: **1-202-707-5959**.
- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at [www.stopfakes.gov](http://www.stopfakes.gov).
- For U.S. small and medium-size companies, the Department of Commerce offers an "International Intellectual Property Rights (IPR) Advisory Program" available through the American Bar Association that provides a free, one-hour consultation with a volunteer attorney knowledgeable in both industry IPR issues and a particular country. Expertise is now available for Angola, Argentina, Brazil, China, Colombia, Egypt, Ghana, India, Indonesia, Kenya, Mexico, Mozambique, Nigeria, Russia, Saudi Arabia, Senegal, South Africa, Thailand, Turkey, and Vietnam. For details and to register, visit: <http://www.stopfakes.gov/business-tools/international-ip-advisory-program> or [http://www.abanet.org/intlaw/intlproj/iprprogram\\_consultation.html](http://www.abanet.org/intlaw/intlproj/iprprogram_consultation.html)
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: [www.StopFakes.gov](http://www.StopFakes.gov) This site is linked to the USPTO website for registering trademarks and patents (both in the United States as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IP-infringing products), and allows you to register for Webinars on protecting IP.
- The U.S. Department of Commerce has positioned IP attachés in key markets around the world.

#### Due Diligence

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Accountants commonly perform due diligence in Madagascar, usually in areas of investment, joint venture/partnership, and loans.

#### Local Professional Services

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#### Web Resources

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### Chapter 4: Leading Sectors for U.S. Export and Investment

**Overview:**

Unit: Thousands of USD

	2012	2013	2014 (Jan-June)
Total Market Size	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a
Total Exports	384,792	413,722	215,962
Total Imports	94,153	105,245	45,401
Imports from the United States	1,992	2,226	1,155
Exchange Rate: 1 USD	2,194.96	2,206.91	2,308.32

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production: N/A

Total Exports: Malagasy Customs (FOB)

Total Imports: Malagasy Customs (CAF)

Imports from the United States: Malagasy Customs (CAF)

Products covered are within Harmonized Tariff Schedule (HTS) Chapters 60, 61, 62 and 63, covering all textile items from new to second hand clothes and comprised of all types of fabrics.

**Sub-Sector Best Prospects and opportunities**[Return to top](#)

Madagascar's re-eligibility for duty free exports to the United States under AGOA, announced on June 27, 2014, is expected to boost investment in the textile sector. Despite the drop in exports to the U.S. occasioned by the loss of AGOA benefits in 2009, the sector has remained vibrant, receiving the second-largest share of FDI in the country after the mining sector. In 2008, while still eligible for AGOA, Madagascar exported more than USD 576.3 million, most of which went to the United States. This figure dropped severely in the following years after suspension of AGOA. However, some companies maintained exports to Europe and South Africa, profiting from the competitiveness of the local labor market. A limited number of firms even continued textile exports to the United States, despite the return of tariffs.

Under the laws governing Export Processing Zones (EPZ), companies are required to export 95 percent of their production.

There are still no official sellers representing U.S. luxury brands in Madagascar, but there is a demand for such products from the middle class, which is currently met mostly by Chinese and European products. Approximately 30,000-100,000 skilled factory employees who were laid off when AGOA benefits were eliminated in 2009 remain on the labor market. If interested in receiving a list of local companies that could produce U.S. brands, please contact the Commercial Department or the U.S. Embassy's Political-Economic Section.

## Resources

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For additional information on investment opportunities in the textile sector, potential investors can contact the EDBM, the Ministry of Commerce, the Ministry of Industry, and the American Chamber of Commerce, see Chapter 9. Please also contact the U.S. Embassy's Political-Economic Section for further information about the textile sector.

## Textile Machinery and Equipment Merchant Wholesalers (NAICS 423830)

### Overview

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Unit: Thousands of USD

	2012	2013	2014 (Jan - June)
Total Market Size	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a
Total Exports	415	3,204	73
Total Imports	9,216	5,488	5,656
Imports from the United States	49	16	13
Exchange Rate: 1 USD	2,194.96	2,206.91	2,308.32

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production:

Total Exports: Malagasy Customs (FOB)

Total Imports: Malagasy Customs (CAF)

Imports from the United Malagasy Customs (CAF)

Products covered are within HTS Chapters 844511, 844512, 844519, 844530, 844540, 844590, 844621, 844630, 844712, 844720, 844790, 844811, 844819, 844820, 844831, 844832, 844833, 844839, 844842, 844849, 844851, 844859, 844900, 845129, 845130, 845140, 845150, 845180, 845190, 845221, 845229, 845230, 845290 related to textile machinery and excluding machines typically made for household use only.

### Sub-Sector Best Prospects and opportunities

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Madagascar imported USD 5.5 million worth of machinery for its vibrant textile industry in 2013. This figure represents a downward trend compared to the level of imports in 2012. However, re-eligibility for AGOA as of June 26, 2014, is expected to prompt renewed growth in the textile sector, which should in turn spur increased demand for new equipment. Imports in this sector are expected to rise. Currently, U.S. manufacturers have a very low share of this market, having lost their lead to Chinese and European firms.

## Resources

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Potential American producers or exporters can contact the Political-Economic of the Embassy for business opportunities in this sector or contact the business associations listed at Chapter 9 directly.

## Extractive Sector, Power, and Utility Construction

### 212299 All Other Metal Ore Mining

#### Overview:

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Unit: Thousands of USD

	2012	2013	2014 (Jan-June)
Total Market Size	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a
Total Exports	137,873	117,084	55,343
Total Imports	4	154	19
Imports from the United States	0	0	0
Exchange Rate: 1 USD	2,194.96	2,206.91	2,308.32

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production: N/A

Total Exports: Malagasy Customs (FOB)

Total Imports: Malagasy Customs (CAF)

Imports from the United Malagasy Customs (CAF)

Products covered are within HTS Chapters 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2614, 2615 and 2617 that are chromium, titanium, iron, manganese, nickel, cobalt, aluminum, lead, zinc, tin, tungsten, uranium, thorium, niobium, tantalum, vanadium, zirconium ores and their relative concentrates. Madagascar has rich deposits of a wide array of precious and semi-precious stones and metals. Exports are heavily underestimated and illegal exports of gold, and precious stones and metals are often reported in the media.

## Sub-Sector Best Prospects and opportunities

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Madagascar has significant potential for further exploration and exploitation in the mining sector from western investors. Exports from Madagascar of titanium ores began in 2009 and accounted for USD 75 million in 2013. That same year, chromium ores represented the second largest exports in the mining sector at a value of USD 20.4 million. The latter is produced by a public mining company called KRAOMITA in the east-central Madagascar, which has been exporting primarily to Canada and China.

U.S. firms have to date not been involved in investment or exploration in this sector. The dominant player in this industry—and also the largest FDI in Madagascar—is Ambatovy, a USD 8 billion dollar mining enterprise producing primarily laterite nickel and cobalt, in addition to ammonium sulphate. The project is a joint Canadian, Japanese and South Korean venture. Rio Tinto/QMM, a USD 1 billion dollar project of ilmenite and related products in southern Ft. Dauphin, in the second largest project. Under the de facto government, mining companies found it difficult to obtain new permits, particular those for exploration. The new government has promised to amend the permitting process, though has not yet made changes.

## Resources

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For additional information on investment opportunities in the metal ores mining sector, potential investors can contact the Ministry of Strategic Resources, OMNIS, or EDBM, (see Chapter 9). Please also contact the U.S. Embassy's Political-Economic Section for further information about the mining sector.

## Iron and Steel Products

### Overview

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Unit: Thousands of USD

	2012	2013	2014 (Jan-June)
Total Market Size	n/a	n/a	n/a
Total Local Production (GDP)	n/a	n/a	n/a
Total Exports	19,040	3,301	1,131
Total Imports	146,938	115,296	64,411
Imports from the United States	8,996	3,557	1,198
Exchange Rate: 1 USD	2,194.96	2,206.91	2,308.32

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production: N/A

Total Exports: Malagasy Customs (FOB)

Total Imports: Malagasy Customs (CAF)

Imports from the United Malagasy Customs (CAF)

Products covered are within HTS Chapter 72 “Iron and Steel Products” (such as stainless steel, bars, rods, wire of alloy steel) and HTS Chapter 73 “Articles of Iron or Steel” (such as wires, ropes, cables, tubes and pipes).

### Sub-Sector Best Prospects and Opportunities

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Given Madagascar’s total imports in this sector of USD 115.3 million in 2013 (CAF) and considering the low U.S. market share, U.S. exporters can increase their sales in this sector through the establishment of a sales agent or by negotiating with a well-known importer or distributor. Turkey, India, China, and South Africa are currently the top exporters in this sector.

Madagascar possesses several iron ore deposits: Concessions to the Soalala deposits (the most significant), estimated at 360 million tons at a grade of 35% iron, have been granted to China’s Wuhan Iron and Steel Company (WISCO). Two important deposits remain to be exploited: the Betioky deposit, estimated to contain 30 million tons of ore at 24% iron and 130 million tons of ore at between 10% and 14% iron; and the Bekisopa deposit, estimated at around 10 million tons of ore at a grade of 60% iron and 140 million tons at a grade of 10% to 14% iron. Smaller iron deposits also exist throughout the country. Should the Ministry of Strategic Resources conduct a new international solicitation for licenses on these iron deposits, the Political-Economic section will notify the Department of Commerce and potential U.S. investors.

### Resources

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For additional information on investment opportunities in the mining sector, potential investors can contact the EDBM, the Ministry of Mining, or the Mining Chamber (see Chapter 9).

## 333120 Rock Drills, Construction and Surface Mining-Type, Manufacturing

### Overview:

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Unit: Thousands of USD

	2012	2013	2014 (Jan-June)
Total Market Size	n/a	n/a	n/a
Total Local Production (GDP)	n/a	n/a	n/a
Total Exports	2,651	472	1,304
Total Imports	17,930	25,129	6,703
Imports from the United States	2,644	2,749	1,612
Exchange Rate: 1 USD	2,194.96	2,206.91	2,308.32

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production: N/A  
Total Exports: Malagasy Customs (FOB)  
Total Imports: Malagasy Customs (CAF)  
Imports from the United Malagasy Customs (CAF)

Products covered are within HTS Chapters 842831, 842832, 842833, 842839, 842840, 842890, 842911, 842919, 842920, 842930, 842940, 842951, 842952, 842959, 843010, 843031, 843039, 843041, 843049, 843050, 843061, 843069, 843131, 843139, 843141, 843142 and 843143 which are backhoes manufacturing, buckets and excavating machines etc.

### **Sub-Sector Best Prospects and opportunities**

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With continuously increasing investment inflows and stocks in the mining sector, imports of heavy machines and special vehicles related to extraction activities are on a significant rise. However, despite the clear upward trend, U.S. market share of these imports are down from 14.9% in 2012, to 10.9% in 2013.

Nevertheless, U.S. exporters dominate in the overall HTS 84 category, including boilers and other machinery, with 23.3% of the market share. The main competitors for U.S. exports come from China, France and Germany.

### **Resources**

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For additional information on investment opportunities in the metal ores mining sector, potential investors can contact the Ministry of Strategic Resources, OMNIS, or EDBM (see Chapter 9). Please also contact the U.S. Embassy's Political-Economic Section for further information about the mining sector.

## **211111 Petroleum, Crude, Production (i.e., Extraction)**

### **Overview:**

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With the recent discovery of large natural gas deposits off the coast of Mozambique, Madagascar, just across the Mozambique Channel, has received much interest in the last few years as a potential source of natural gas and petroleum. Madagascar Oil, an AIM listed company, has been exploring since 2004 in the Tsimiroro Region, in northwest Madagascar. In May 2014, the company declared commercial profitability for its oil field and has since started test sales to the domestic market, with a view toward converting its Production Sharing Contract (PSC) from the exploration to the exploitation phase. The company projects to produce an average of 100,000 barrels per day in the next 25 years, with its principal customer during the test period being the state owned water and electric utility. Other international oil companies have been operating in Madagascar, the largest being ExxonMobil, but all are currently still in the exploration phase.

### **Sub-Sector Best Prospects and opportunities**

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ExxonMobil resumed its exploration activities off the northwest coast of Madagascar in late 2013, after a four year hiatus following the 2009 coup d'état. As of yet, no commercial prospects have been announced, but there is much interest in this sector given the large deposits discovered just across the Mozambique Channel. There are currently fourteen companies holding PSCs with the Government of Madagascar. Apart from Madagascar Oil, all are currently in the exploration

phase (Madagascar Oil, which is currently producing limited amounts of heavy oil, is still currently in the exploration phase, having received special dispensation from the government for a temporary period of pilot sales).

Now that an internationally recognized government is in place, Madagascar’s petroleum regulatory agency, OMNIS, will likely open a new bid round for the country’s 225 upstream exploration blocks, both onshore and offshore. Potential profit yields are years away; however, other American firms may have interest in bidding on these blocks.

**Resources**

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For additional information on investment opportunities in the metal ores mining sector, potential investors can contact the Ministry of Strategic Resources, OMNIS, or EDBM (see Chapter 9). Please also contact the U.S. Embassy’s Political-Economic Section for further information about the mining sector.

**486110 Petroleum Pipelines, Crude**

**Overview:**

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Unit: Thousands of USD

	2012	2013	2014 (Jan-June)
Total Market Size	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a
Total Exports	10	60	18
Total Imports	2,553	1,638	2,348
Imports from the United States	714	38	0
Exchange Rate: 1 USD	2,194.96	2,206.91	2,308.32

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

- Total Local Production: N/A
- Total Exports: Malagasy Customs (FOB)
- Total Imports: Malagasy Customs (CAF)
- Imports from the United Malagasy Customs (CAF)

Products covered are within HTS Chapters 730411, 730419, 730422, 730423,730424, 730429, 730511,730512, 730519,730611, 730619, 730621, 730629 which are pipes used for transporting gas and for extracting fuel.

**Sub-Sector Best Prospects and opportunities**

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Given that Madagascar is projected to become an oil producer in the medium to long term, U.S. businesses have an opportunity for entering the market in the petroleum pipe supply chain. Currently, France dominates this nascent market, despite the fact that the major operating companies are neither French nor Malagasy.

The U.S. represented 28% of overall imports in this sector in 2012, at a value of approximately USD 714,000, but has been losing market share since 2013, despite a clear and significant demand in 2014. In the current year, imports have already reached USD 2.3 million in the first semester, already close to the 2012 figure.

#### **Resources**

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For additional information on investment opportunities in the metal ores mining sector, potential investors can contact the Ministry of Strategic Resources, OMNIS, or EDBM (see Chapter 9). Please also contact the U.S. Embassy's Political-Economic Section for further information about the mining sector.

### **213112 Support Activities for Oil and Gas Operations**

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This industry comprises enterprises primarily engaged in performing support activities on a contract or fee basis for oil and gas operations (except site preparation and related construction activities). Services include exploration (except geophysical surveying and mapping); excavating slush pits and cellars, well surveying; running, cutting, and pulling casings, tubes, and rods; cementing wells, shooting wells; perforating well casings; acidizing and chemically treating wells; and cleaning out, bailing, and swabbing wells.

#### **Sub-Sector Best Prospects and opportunities**

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Given the increased exploration activities of international oil companies in Madagascar in recent years, support activities for oil and gas operations would be much needed both for on-shore or off-shore oil exploration, and in the medium to long term, for exploitation as well.

#### **Resources**

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For additional information on investment opportunities in the metal ores mining sector, potential investors can contact the Ministry of Strategic Resources, OMNIS, or EDBM (see Chapter 9). Please also contact the U.S. Embassy's Political-Economic Section for further information about the mining sector.

### **237130 Power and Communication Line and Related Structures Construction** [Return to top](#)

This industry is comprised of enterprises primarily engaged in the construction of power lines and towers, power plants and alternative energies, especially solar. The construction work performed may include new construction, reconstruction, rehabilitation, and repairs. Specialty trade contractors are included in this group when they are engaged in construction activities primarily related to power and communication lines and related structures. All structures (including

buildings) that are integral parts of power and communication networks (e.g., transmitting towers, substations, and power plants) are included.

The IMF and World Bank have pushed for reforms to the publicly owned water and utility company, JIRAMA, which is virtually bankrupt, with significant unpaid debts. In the medium run, in order to increase production, the company may offer an international tender to build new hydroelectric power plants.

### **Sub-Sector Best Prospects and opportunities**

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Opportunities for U.S. companies in this scenario would include dam construction or providing power lines and towers for power extension. In alternative energy, there is potential for exploiting wind energy in the extreme north and solar energy in the south. The prospects for either project are good, since power in those regions is currently produced only by fuel inefficient thermic power plants, which JIRAMA has announced that it plans to scale back.

### **Resources**

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For additional information on investment opportunities in the metal ores mining sector, potential investors can contact the Ministry of Energy, JIRAMA, World Bank, or EDBM (see Chapter 9). Please also contact the U.S. Embassy's Political-Economic Section for further information about the mining sector.

## **Services**

### **Eco-Tourism**

Products covered are within HTS Chapters 561520 for Tour Operators (i.e., Arranging and Assembling Tours).

### **Overview**

With more than 5,000 km of coastline, Madagascar presents excellent opportunities for tourism. However, this sector lags far behind in comparison to neighboring Mauritius and Kenya, each of which receives millions of tourists every year. Expensive air fares, poor infrastructure, and unreliable community services may continue to impede the development of this sector for years to come. Nevertheless, the government has publicly committed to development of the tourism sector, and has announced targets to increase the number of tourists from 200,000 in 2013, to 500,000 by mid-2015. If rumored reforms of Air Madagascar (the other main state-owned enterprise) are carried out and aviation is fully liberalized, the government's goal might be possible. This scenario would present opportunities for U.S. investment in tourist infrastructure, which is currently inadequate to meet the government's targets.

### **Sub-Sector Best Prospects and opportunities**

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U.S. companies could either establish new tour operators or associate with already existing local ones --- tourism operators, including airline companies, hotels, donors, and wildlife conservation groups have created an association called TOP and are in partnership with the Ministry of Tourism.

The country’s protected areas are organized into the Madagascar National Parks (MNP) system, a public-private partnership managed by government officials and national and international non-governmental organizations (NGOs). Each park is public-owned, albeit financially independent, receiving funds from donors such as the World Bank, the World Wildlife Fund, international NGOs, in addition to admission fees. MNP recently announced a tender for companies to manage several of the parks, with the possibility of building neighboring hotels and contributing MNP’s monitoring the protected areas. Many of the national parks contain flora and fauna, including lemurs, which are endemic to Madagascar.

**Resources**

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For additional information on investment opportunities in the tourism sector, potential investors can contact the EDBM, the Ministry of Tourism and the Madagascar National Parks (MNP) (see Chapter 9). Please also contact the U.S. Embassy’s Political-Economic Section for further information about the tourist industry.

**Agricultural Sectors**

**Vegetable Oil**

**Overview:**

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Unit: Thousands of USD

	2012	2013	2014 (Jan-June)
Total Market Size	n/a	n/a	n/a
Total Local Production (GDP)	n/a	n/a	n/a
Total Exports	1,039	764	911
Total Imports	57,267	59,349	27,830
Imports from the United States	3,011	3,877	0
Exchange Rate: 1 USD	2,194.96	2,206.91	2,308.32

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

- Total Local Production: N/A
- Total Exports: Malagasy Customs (FOB)
- Total Imports: Malagasy Customs (CAF)
- Imports from the United Malagasy Customs (CAF)

Products covered are within HTS Chapter 15 named “Fat and animal and vegetable oils” and HTS 4 digit code 1507, 1508, 1509, 1510, 1511 and 1512 which are refined palm oil, sunflower oil, olive oil, peanut oil, soybean oil and not genetically modified.

## Sub-Sector Best Prospects and opportunities

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Madagascar has relied mainly on imports of vegetable oil after the destruction of the only company engaged in domestic manufacturing of this product, belonging to ousted president Marc Ravalomanana, following the 2009 coup d'état. Since then, the value of imports has risen tenfold. Domestic production is now limited to small artisanal units that process oil from peanuts, with poor or second-hand packaging. Data on market size and production are not available.

Considering that the U.S. market share accounts for 5.9% of the entire oil market, there is still room for U.S. exporters to increase their sales in this sector through the establishment of a sales agent or by negotiating with a well-known importer or distributor. The United States is the fifth-largest source of imports in this sector after Indonesia (38.3%), Argentina (27.2%), Malaysia (11.0%) and Egypt (9.8%).

## Resources

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For additional information on investment opportunities in the vegetable oil sector, potential investors can contact the EDBM and the Ministry of Commerce (see Chapter 9). Please also contact the U.S. Embassy's Political-Economic Section for further information.

## Specialty Rice

### Overview

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Unit: Thousands of USD

	2012	2013	2014 (Jan-June)
Total Market Size	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a
Total Exports	852	50	5
Total Imports	95,503	192,372	119,375
Imports from the United States	5,401	1,687	0
Exchange Rate: 1 USD	2,194.96	2,206.91	2,308.32

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production: N/A

Total Exports: Malagasy Customs (FOB)

Total Imports: Malagasy Customs (CAF)

Imports from the United Malagasy Customs (CAF)

Products covered are within HTS Chapter 1006 Rice, which covers subsections 100610, 100620, 100630 and 100640.

### Sub-Sector Best Prospects and opportunities

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Rice is considered by far the main staple food for many households in Madagascar. Large areas of the northwest and center east of the country are dedicated solely to production of this crop, yet this is still insufficient to satisfy local demand. An estimated 200,000 tons of rice are imported to Madagascar every year. The government also restricts the export of domestically produced rice, authorizing only a very limited amount of exports, requiring a special license.

Rice imports have always benefited from duty free treatment from successive Malagasy Governments due to its importance to the national diet, despite the urgings of the IMF and other international donors. Currently, many investors assert that some importers mislabel wheat flour and other products as rice in order to benefit from the duty free treatment.

Principal competition for U.S. exporters in the rice sector may come from India, Pakistan and Vietnam. Over 425,000 tons of rice were imported in 2013, largely exceeding the estimated needs of the population.

### Resources

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For additional information on opportunities in the rice sector, potential investors can contact the EDBM, the Ministry of Commerce, or the Ministry of Agriculture (see Chapter 9). Please also contact the U.S. Embassy's Political-Economic Section for further information.

## Essential Oils

### Overview

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Unit: Thousands of USD

	2012	2013	2014 (Jan-June)
Total Market Size	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a
Total Exports	22,682	38,066	18,466
Total Imports	49	49	13
Imports from the United States	4	0	0
Exchange Rate: 1 USD	2,194.96	2,206.91	2,308.32

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production: N/A

Total Exports: Malagasy Customs (FOB)

Total Imports: Malagasy Customs (CAF)  
Imports from the United Malagasy Customs (CAF)

Products covered are within HTS Chapters 3301 “Essential Oil” which covers sub-sections 330112, 330113, 330119, 330124, 330125, 330129, 330130 and 330190. Almost all exports in 2013 came from 330129 (other essential oils rather than citrus-extract)

### Sub-Sector Best Prospects and opportunities

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Madagascar is well known for its biodiversity in fauna and flora, and the latter are used as inputs for the production of essential oils.

U.S. investors may be interested in finding local partnerships to exploit opportunities by selling essential oils overseas, as the market for this product is becoming more diverse, especially with continued growth in the emerging markets.

### Resources

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For additional information on investment opportunities in essential oils, potential investors can contact the EDBM, the Ministry of Commerce, or the Ministry of Agriculture (see Chapter 9). Please also contact the U.S. Embassy’s Political-Economic Section for further information.

## Other items

## Shoes

### Overview

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Unit: Thousands of USD

	2011	2012	2013
Total Market Size	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a
Total Exports	69,957	75,663	87,880
Total Imports	5,109,571	4,541,430	4,103,192
Imports from the United States	2,354	8,238	6,181
Exchange Rate: 1 USD	2,194.96	2,206.91	2,308.32

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production:

Total Exports: Malagasy Customs (FOB)

Total Imports: Malagasy Customs (CAF)

Imports from the United Malagasy Customs (CAF)

Products covered are within HTS Chapter 64 except for 640610, 640620, 640690 and 640699 which are parts of shoes (fabrics, sole, etc.)

Madagascar has only one company that manufacturing shoes, primarily for the domestic market.

### Sub-Sector Best Prospects and Opportunities

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U.S. brands of athletic shoes are well-known in Madagascar, but mostly through pirated imports from Asia. There are opportunities for U.S. firms to export dress and casual shoes to Madagascar, since U.S. brands in this market are virtually absent. Given that Italian and French brands are deemed expensive, and Asian brands seen as unreliable, there is room for U.S. products to expand into the market. While Malagasy often buy second-hand clothes imported from the United States or Asian brands, more upscale brands of shoes are in demand among the small middle and upper classes in Antananarivo and other cities.

### Resources

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For additional information on investment opportunities in shoes, potential investors can contact the EDBM, the Ministry of Commerce (see Chapter 9), the American Chamber of Commerce or the U.S. Embassy's Political-Economic Section for further information.

## Vehicles Operating with Gasoline, Excluding Trucks and Specific Cars

### Overview

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Unit: Thousands of USD

	2011	2012	2013
Total Market Size	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a
Total Exports	146,701	178,188	303,932
Total Imports	27,100,345	33,237,008	27,189,404
Imports from the United States	2,552,828	4,219,275	1,908,175
Exchange Rate: 1 USD	2,194.96	2,206.91	2,308.32

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production:

Total Exports: Malagasy Customs (FOB)

Total Imports: Malagasy Customs (CAF)

Imports from the United Malagasy Customs (CAF)

Products covered are within HTS Chapter 87 including all categories between 870321 and 870324. Cars running with diesel are not included, since they are not produced on a large-scale in the United States, nor deemed to suit the Malagasy market.

Madagascar has a single publicly owned car company, but it produces very few vehicles, and these do not meet international export-standards.

### Sub-Sector Best Prospects and Opportunities

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U.S. brand cars are popular in Madagascar, especially the hatchback and sedan models produced by Ford. Some U.S. brands, notably Chevrolet, have traditionally been seen as fuel inefficient and incompatible with Madagascar's high fuel costs. However, more recent American models have been deemed more economic and perfectly in line with the Malagasy consumer's requirements. Small and less expensive cars fit the average Malagasy family's needs, whereas pickup trucks and utility vehicles fit those of internationally-owned extractive firms operating in the country. Ford's Escape and Explorer models with EcoBoost options are very competitive compared to other new 4WD cars model running with gasoline (unleaded).

## Resources

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For additional information on investment opportunities in shoes, potential investors can contact the EDBM, the Ministry of Commerce (see Chapter 9), the American Chamber of Commerce or the U.S. Embassy's Political-Economic Section for further information.

## Plastics and Articles Thereof

### Overview

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Unit: Thousands of USD

	2012	2013	2014 (Jan - Apr)
Total Market Size	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a
Total Exports	4,558	5,466	1,470
Total Imports	92,789	99,979	26,608
Imports from the United States	2,787	2,826	679
Exchange Rate: 1 USD	2,194.96	2,206.91	2,308.32

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production:

Total Exports: Malagasy Customs (FOB)

Total Imports: Malagasy Customs (CAF)

Imports from the United Malagasy Customs (CAF)

Products covered are within HTS Chapter 39: plastics and articles thereof including articles of polymers and resins; tubes, pipes and hoses of plastics; cellulose and its chemical derivatives in primary forms.

Madagascar has approximately 10 companies processing plastic products, such as tubes, pipes, plates, buckets and bags. The raw materials are mainly imported from South Africa, China, Mauritius, Thailand, France, Korea and India.

### Sub-Sector Best Prospects and Opportunities

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Considering the significant needs of the Malagasy market in plastic products, with total imports reaching USD 92.8 million from January to November 2013 (CAF), there is ample opportunity

for the U.S. plastics industry in Madagascar. To enter this market, U.S. products must be very competitive, because South African and Asian suppliers have good trade links and usually sell at low prices. The best way to enter the market would be through an agent distributor or a well-known importer who has good distribution nationwide.

## Resources

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For additional information on investment opportunities in shoes, potential investors can contact the EDBM, the Ministry of Commerce (see Chapter 9), the American Chamber of Commerce or the U.S. Embassy's Political-Economic Section for further information.

## Cosmetics and Make-Up

### Overview

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Unit: Thousands of USD

	2012	2013	2014 (Jan-June)
Total Market Size	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a
Total Exports	133	216	92
Total Imports	1,912	1,921	920
Imports from the United States	70	45	8
Exchange Rate: 1 USD	2,194.96	2,206.91	2318.19

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production: N/A

Total Exports: Malagasy Customs (FOB)

Total Imports: Malagasy Customs (CAF)

Imports from the United States: Malagasy Customs (CAF)

Products covered are within HTS Chapter 3304 – Cosmetics and prepared make up, skin products.

Madagascar imports very few cosmetic products from the United States, despite the fact that U.S. products tend to be cheaper than those from Europe. There are no large domestic producers of cosmetic products in Madagascar, but the country is a major source of the essential oils used as a raw input in their production. The value of cosmetic product imports has remained steady at around USD 1.9 million per year, but with expectations of a growing middle class in the next two years, an increase in demand is projected.

## **Sub-Sector Best Prospects and Opportunities**

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In 2013, the value of imported cosmetic products to Madagascar (HTS 3304) totaled USD 1.9 million, of which USD 45,000 came from the United States. With projected growth in urbanization, the demand for these products is expected to grow. The main competitors for U.S. imports in this sector are from China and France, with the former exporting cheaper products and the latter exporting high quality products, leaving a market segment in the middle ripe for exploitation by U.S. firms. The best way to enter the market would be through an agent distributor or by contacting business associations (see Chapter 9).

## **Resources**

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For additional information on investment opportunities in shoes, potential investors can contact the EDBM, the Ministry of Commerce (see Chapter 9), the American Chamber of Commerce or the U.S. Embassy's Political-Economic Section for further information.

## Chapter 5: Trade Regulations, Customs and Standards

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### Import Tariffs

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Custom duties range from 5% to 20%. Based on the 2013 budget law, ovens, lamps and calculators using solar energy are exempt from customs duties. Likewise, prepared animal fodder and residues and waste from the food industries are exempt both from VAT and custom duties. Custom duties for plates, sheets, film, foil and strip have been reduced from 10 to 5 percent. Custom duties for paper, paperboard, and articles of paper have been reduced from 10 percent to 5 percent.

In compliance with the “UNESCO Florence Agreement on the Importation of Educational, Scientific and Cultural Materials,” printed books, brochures, newspapers, journals and periodicals are exempted from custom duties and VAT.

VAT is fixed at 20% for all goods except rice, agricultural equipment, agricultural inputs (seeds, fertilizers, animal food and vitamins), newspapers, magazines, and sports equipment, which are all exempt.

### Trade Barriers

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Like many developing countries, Madagascar collects a significant share of government revenue through customs duties, import taxes and VAT on imports. Although they have been lowered recently, tax and customs duty rates are still relatively high. Madagascar does not have significant formal non-tariff barriers to trade.

### Import Requirements and Documentation

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The following documents are required for imports:

- BSC (*Bordereau de Suivi des Cargaisons*, cargo follow-up document)
- Commercial invoice
- Bill of lading or Air Way Bill
- Packing list
- Import declaration
- Certificate of origin

Most exports from Madagascar have been liberalized. However, since 2010, a special export permit is required for rice, due to the shortage of local production.

In addition, the Convention on International Trade in Endangered Species (CITES), of which Madagascar and the United States are members, prohibits or restricts international trade in some protected plant and animal species. This convention impacts the pet trade, the furniture and handicrafts trade, the gardening industry, and numerous other potential business enterprises involving Madagascar.

**The CITES Appendix I** lists species that are the most endangered among CITES-listed animals and plants. They are threatened with extinction, and CITES prohibits international trade in specimens of these species except when the purpose of the import is not commercial.

For Madagascar, Appendix I includes:

- **Lemurs:** All categories of lemurs are protected under this appendix.
- **Tortoise:** Radiated Tortoise, Ploughshare Tortoise (also called the Madagascar Angulated tortoise), Flat-tailed Tortoise, Spider tortoise, and some species of marine turtles.
- The Malagasy tree boa.
- The Antsingy leaf chameleon.

**Appendix II** lists species that are not necessarily now threatened with extinction, but that may become so unless trade is closely controlled. It also includes so-called "look-alike species", i.e., species of which the specimens in trade look like those of species listed for conservation reasons. International trade in specimens of Appendix-II species may be authorized by the granting of an export permit or re-export certificate. No import permit is necessary for these species under CITES (although a permit is needed in some countries that have taken stricter measures than CITES requires).

For Madagascar, the following species are protected under Appendix II:

- **Rosewood and ebony:** Logs, sawn wood and veneer sheets, for which no permits are issued by the government.
- **Palms:** The Giant Windowpane Palm, Lemurophoenix halleuxii, Marojejya darianii, the Triangle palm, Majesty Palm, Ravenea louvellii, the Forest Coconut, and the Satranala decussilva.
- **Tortoise:** the Malagasy big-headed tortoise and the Malagasy big-headed turtle.
- All **Orchids** in the Family Orchidacea;

- **Chameleons:** All Chameleons in the Genera Archaius, (only three types of chameleons are not included under any of the CITES appendices).
- **Crocodiles:** The Malagasy population of Nile crocodile.

These lists are not intended to be inclusive of all species on the list of CITES protected animals and plants in Madagascar. To verify whether you need a permit according to the CITES accord to export a plant or animal from Madagascar, please first check the following website.

<http://www.cites.org/eng/app/appendices.php>

Exporters are obliged to repatriate their foreign exchange earnings within 180 days following shipment.

Additionally, the following documents are required for exports:

- Commercial invoice
- Bill of lading or Air Way Bill
- Certificate of origin (under GSP regime, JADE Act)
- Phytosanitary certificate, if required
- Packing list
- Export declaration
- Customs declaration
- Quality certificate, if required

## U.S. Export Control

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There is no U.S. export control specifically related to Madagascar. However, companies should ensure that imports of flora or fauna from Madagascar to the United States adhere to the provisions of the Lacey Act, which does not allow the import, export, transport, sale, receipt or purchase of plant materials taken, possessed, transported, or sold in violation of U.S. or foreign laws. American law enforcement officials took action in 2010 against companies that imported rosewood that had been illegally felled in Madagascar.

## Temporary Entry

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Personal effects of diplomatic corps and international organizations are not subject to import taxes upon entry, but if personnel sell their effects before leaving the country, they must pay the import duties. Madagascar has a temporary admission regime under which certain items may enter duty free for up to 12 months. These items include imported goods that are expected to be re-exported (as is or after transformation); goods subject to experiment, repairs, and testing; goods exhibited during an international trade fair; and equipment used in public works.

## Labeling and Marking Requirements

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For each certified product, labeling and marking are required on the packaging of the product before sale or export. All perishable foods must bear a label, in French or English, indicating the origin, the sell-by or use-by date, the ingredients, the method of storage, the manufacturer's name and registration number where appropriate, and the intended use. Use of the metric system is compulsory in Madagascar.

For further information, the point of contact is:  
Bureau National des Normes (BNM)  
P.O. Box 1316  
Antananarivo 101 – Madagascar  
Tel: (261 20) 22 279 70  
E-mail: [bnm@moov.mg](mailto:bnm@moov.mg)

### **Prohibited and Restricted Imports**

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Imports into Madagascar are liberalized and do not require an import license, except for a few categories of items which are considered strategic by the Malagasy Government and which are specially regulated. The importations of radioactive waste from nuclear power stations, pornographic materials, counterfeit branded products, pirated goods and goods bearing false indications of origin are prohibited. The imports of products such as arms, explosives, and narcotic drugs are subject to prior authorization. The same applies to imports of diamonds, gemstones, gold and platinum jewelry, and vanilla. Madagascar also maintains a special regime for imports of leaf tobacco. An import license is required for lubricants. In addition, Madagascar applies prohibitions and licenses under multilateral environmental agreements to which it is party.

### **Customs Regulations and Contact Information**

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Madagascar is a member of the World Customs Organization (WCO). Since November 2000, the Malagasy customs authorities have implemented the "transactional value" definition of the WCO. Customs duties are valued based on Cargo, Insurance and Freight (CIF).

Customs contact information:  
Mr. RAMINOMANANA Hajarizaka  
General Manager of Customs  
Ministry of Finance, Budget and Economy  
Antaninarenina, Antananarivo 101  
Madagascar  
Tel: (261 20) 22 229 16  
Fax: (261 20) 22 646 80

## Standards

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## Overview

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Madagascar's Standards Office (*Le Bureau de Normes de Madagascar*, BNM), is the official body in charge of standards and conformity assessment in Madagascar. BNM's objective is to draft and publish national standards, manage national trademark conformity, and apply national standards. BNM also represents Madagascar at regional and international standards organizations such as the ISO (International Organization for Standardization), the CEI (Cycle Engineers' Institute), the OIML (International Organization of Legal Metrology), and the Codex Alimentarius. When developing standards, BNM follows international standards, mainly those established by ISO.

PRONABIO (*Produits Naturels et Biologiques*), a local organization, has developed its own standards, called "NATIORA" to certify its natural goods such as vegetables, spices, and essential oils.

## Standards Organizations

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The main national testing laboratories are:

- The National Laboratory of Public Works and Building (*Laboratoire National des Travaux Publics et du Batiment*, LNTPB), which develops standards in construction and engineering materials.
- The National Institute and Laboratory of Nuclear Sciences and Technology (*Laboratoire de l'Institut National des Sciences et Techniques Nucléaires*, LINSTN). Other national laboratories test for conformity with international standards, as highlighted in the next section.

### **NIST Notify U.S. Service**

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. **Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at: <http://www.nist.gov/notifyus/>

## Conformity Assessment

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The BNM and the following testing laboratories ensure conformity assessment in Madagascar.

- National Laboratory of Public Works and Building (*Laboratoire National des Travaux Publics et du Bâtiment*, LNTPB): certification of construction materials (cement, iron, etc); study of road materials; study of soil in view of construction stability assessment; control of construction; description of maintenance works; training of engineers.
- Antananarivo Laboratory of Chemistry and Microbiology (*Laboratoire de Chimie et de Microbiologie d'Antananarivo*, LCMA): quality control of food and agricultural goods, classification and conformity assessment. Standards used are AFNOR, ISO, and the Codex Alimentarius.
- Chemistry Laboratory of Tamatave (*Laboratoire de Chimie de Tamatave*, LCT): quality control of agricultural goods such as coffee, vanilla, cloves, litchi, pepper, and essential oils; classification and conformity assessment. Standards used are AFNOR and ISO.
- Laboratory of Legal Metrology (*Laboratoire de Métrologie Légale*, LML): control and standardization of measuring equipment in the commercial and industrial sector. LML reports to the Ministry of Commerce.
- Laboratory of the National Center of Research for the Environment (*Laboratoire du Centre National de Recherche pour l'Environnement*, LCNRE): analysis of environmental samples; monitoring of impacts of industrial activities of environment; scientific support to the industrial sector; control and analysis in the nutritional and food sector; scientific support to the private sector in product quality (shrimp, lobster, agricultural goods, etc).
- Laboratory of Biochemical Nutrition for the Department of Zootechnics and Veterinary Research (*Laboratoire de Biochimie Nutrition du Département de Recherche Zootechniques et Vétérinaires*, LBN): chemical and microbiological analysis of raw materials for animal food.
- Laboratory of the National Center of Industrial and Technological Research (*Laboratoire du Centre National de Recherches Industrielles et Technologiques*, CNRIT): conformity assessment in the following sectors: water, various chemical products, construction materials, civil engineering, and electronics. Technical support to enterprises.
- Laboratory for the Control of Pesticides (*Laboratoire de Contrôle des Pesticides*, LCP): control of agro-pharmaceutical products and pesticides (local or imported).
- Laboratory of Microbiology, Water, and Consumables (*Laboratoire de Microbiologie, des Eaux et des Denrées Alimentaires de l'Institut Pasteur de Madagascar*): bacteriological analysis of food, water, and medicines.
- National Laboratory of the Minister of Mines (*Laboratoire National des Mines du Ministère de Mines*, LNM): certification of jewelry and precious stones for exports; LNM belongs to the Ministry of Mines.

- National Laboratory of Research in Telecommunications (*Laboratoire National de Recherches en Télécommunications*, LNRT): verification, inspection and certification of telecommunications equipment.
- National Institute and Laboratory of Nuclear Sciences and Technogy (*Laboratoire de l'Institut National des Sciences et Techniques Nucléaires*, LINSTN): standardization of ionizing radiation detection apparatus; radioactivity control of food and metallic waste; analysis of geological samples; detection of heavy metal; control of heavy metal in seafood and meat; quantitative/qualitative analysis of atomic elements in powder, solid, and liquid samples.

## Product Certification

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Vanilla, coffee, meat, cloves, seafood, and mining products should be certified before export. A few forestry products (under CITES regulations) should be certified before export (see Chapter 5 for further details). There are no mutual recognition agreements (MRAs) with U.S. organizations.

## Accreditation

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Accreditation body and contact information:

BNM

P.O. Box 1316

Antananarivo 101 – Madagascar

Tel: (261 20) 22 279 70

E-mail: [bnm@moov.mg](mailto:bnm@moov.mg)

Accreditation is primarily required in the construction sector. American companies should work with Malagasy importers to accredit all imported materials in the construction sector (such as cement, iron, etc) in order to avoid potential penalties.

The National Laboratory of Public Works and Building (*Laboratoire National des Travaux Publics et du Batiment*, LNTPB) provides accreditation of these materials.

## Publication of Technical Regulations

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Technical regulations and standards developed by the different laboratories are published in the National Gazette of the Republic of Madagascar, if required by law. U.S. or foreign entities can approach the different laboratories or related departments to comment on final regulations.

## Labeling and Marking

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For each certified product, labeling and marking are required on the packaging of the product before sale or export. All perishable foods must bear a label, in French or English, indicating the origin, the sell-by or use-by date, the ingredients, the method of storage, the name of the manufacturer together with his registration number where appropriate, and the intended use. Use of the metric system is compulsory in Madagascar.

## Contacts

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For any information about standards or certification, BNM is the key contact (see address above)

## Trade Agreements

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Madagascar is a signatory to the following regional and international agreements:

- 1964: United Nations Convention on Trade and Development (UNCTAD)
- 1992: Indian Ocean Commission (COI). Since 1998, elimination of tariffs on goods originating from the COI countries.
- 1993: Common Market for East and Southern Africa (COMESA). Free Trade Area since 2000
- 1995: World Trade Organization (WTO)
- 2000: Cotonou Agreement <http://ec.europa.eu/europeaid/where/acp/overview/cotonou-agreement/>
- 2005: Southern African Development Community (SADC). Free Trade Area since 2008
- 2009: Interim Economic Partnership Agreement with the European Union.

## Web Resources

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See Web resources in Chapter 9

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## **Openness To, and Restrictions Upon, Foreign Investment**

Madagascar's investment climate shifted significantly in the first half of 2014, and further improvements appear likely if favorable political changes continue. The country held internationally recognized presidential and legislative elections in December 2013, inaugurating a new President on January 25, 2014. The President appointed a new Prime Minister on April 16 and a new Cabinet April 18. These democratic changes put an end to the five-year rule of a de facto government that had taken power in a March 2009 coup d'état.

Under the coup regime's rule, the economy stagnated, poverty increased, and social outcomes worsened. Most recent figures show estimated inflation at 5.8%. In mid-February 2014, the International Monetary Fund (IMF) estimated that Madagascar's economy experienced 2.4 percent real GDP growth in 2013. Almost all of that growth was driven by the international mining sector, which grew by an estimated 110% in 2013; most of the population therefore became much poorer despite the slight increase in growth.

Since January 2010, the loss of duty free exports to the United States under the African Growth and Opportunity Act (AGOA) led to the closure of at least 40 apparel and textile firms, the unemployment of an estimated 100,000 workers, and the loss of millions of USD in export revenues and in foreign investment. The closures impacted around 50,000 additional workers. Before 2009, the garment sector was Madagascar's top export industry, with 45% of the export market. In 2014, it had dropped to 25% of exports.

Following the coup, the USG terminated the Millennium Challenge Account (MCA) program and AGOA eligibility, as the country no longer met the criteria regarding rule of law, good governance, and political pluralism. The World Bank recharacterized its operations in Madagascar under Operation Policy OP 7.30 for dealing with de facto governments, and stopped processing fund withdrawal requests except those dealing with nutrition, HIV/AIDS, food security, and environmental protection. In five years, effective disbursed external aid dropped by half, from USD 758.5 million in 2007 to USD 387.8 million in 2012. Despite attempts by the de facto administration to attract investment, few foreign investors showed interest as of 2013, according to the Economic Development Board of Madagascar (EDBM).

Now, with the establishment of a credibly-elected government, the Malagasy private sector and potential foreign investors expect the investment climate to improve. The new situation offers an opportunity for Madagascar to strengthen democratic institutions, improve respect for human rights, combat corruption, and rebuild its economy. Indeed, these and other commitments – to include improving fiscal transparency, and fostering a climate conducive to business and investment – were clearly listed as policy priorities in the new government's General Policy, released on May 10, 2014.

The World Bank has since regularized its operations in Madagascar, and on June 18, 2014, the International Monetary Fund announced its approval of a USD 47 million Rapid Credit Facility for Madagascar, in support of economic and structural policies and measures to restore macroeconomic stability, provide a favorable environment in support of inclusive growth and poverty reduction, and to strengthen the capacity of the Malagasy government. Additionally, on June 26, 2014, the United States announced Madagascar's re-eligibility for trade benefits under AGOA, effective immediately. Re-eligibility for AGOA is projected to reignite growth in the textile industry and increase exports to the United States.

Despite the current optimism and interest, however, numerous troubling issues remain. Weakness in the judicial system and the banking sector, the high cost and low quality of electric power, corruption, lack of transparency in decision-making, limited road, rail and port infrastructure, and the high cost of air transport make investing in Madagascar a challenge. Presently, growth is driven mostly by the mining sector, which is projected to grow at 74.5% in 2014. Madagascar was accepted as an Extractive Industries Transparency Initiative (EITI) candidate country in February 2008, but was suspended following the coup. However, it continued to issue reconciliation reports during the political crisis, and was reinstated as an EITI candidate on June 6, 2014.

The country has no law or regulation authorizing private firms to adopt articles of incorporation or association that limit or prohibit foreign investment, participation or control. Furthermore, there is no official or private practice to restrict foreign investment, participation, or control of domestic enterprises. There is no mandatory screening of foreign investment, and there is no discrimination against foreign investors at the time of the initial investment or after the investment is made, such as through special tax treatment, access to licenses, approvals, or procurement. There are no sectors/matters in which foreign investors are denied national treatment. There is no legal requirement that nationals own shares of foreign investment. Finally, there is no direct quantitative capital control (inflows and outflows), but the Government of Madagascar (GOM) has a unit called SAMIFIN tasked with investigating money laundering and other financial crimes.

<b>Measure</b>	<b>Year</b>	<b>Index/Ranking</b>
TI Corruption Index	2013	28/100 score 127 out of 177 countries
Heritage Economic Freedom	2014	79 out of 186 countries
World Bank Doing Business	2014	148 out of 185 countries
World Bank GNI per capita	2013	440

The Millennium Challenge Corporation, a U.S. Government entity charged with delivering development grants to countries that have demonstrated a commitment to reform, produced scorecards for countries with a 2012 per capita gross national income (GNI) or \$4,085 or less. A list of countries/economies with MCC scorecards and links to those scorecards is available here: <http://www.mcc.gov/pages/selection/scorecards>. Details on each of the MCC's indicators and a guide to reading the scorecards, are available here: <http://www.mcc.gov/documents/reports/reference-2013001142401-fy14-guide-to-the-indicators.pdf>

### **Conversion and Transfer Policies**

In 1998, the GOM lifted all restrictions on current payment and transfers and accepted the obligations of Article VIII of the IMF articles of Agreement, which provides for the complete elimination of exchange controls. There are no restrictions on converting or transferring funds associated with foreign investment, including remittances of investment capital, earnings, loan repayments, lease payments into a freely usable currency and at a legal market clearing rate. There are no plans to change remittance policies that have tightened or relaxed access to foreign exchange for investment remittances. When delays occur in conversion or funds transfer, they are due to temporary shortages of foreign currency on hand. There is no limitation on the inflow or outflow of funds for remittances of profits, debt service, capital, and returns on intellectual property or imported inputs. There are no surrender requirements for profits earned overseas.

Exporters and foreign investors may maintain bank accounts in foreign currencies. Madagascar uses exchange rate policy to counter underlying currency market pressures and keep commodity prices stable. The average daily exchange rate in 2013 was 2,206 Ariary per one USD.

### **Expropriation and Compensation**

There are no recent cases of expropriation actions by the GOM. There are no laws that force local ownership.

### **Dispute Settlement**

Madagascar's legal system is based on French civil law, and its provisions contain adequate protections for private property rights. Malagasy commercial law consists largely of the Code of Commerce and annexed laws, which are reportedly applied in a non-discriminatory manner. Madagascar has a written bankruptcy law, created in 1996 and currently included in the Code of Commerce. The Malagasy judicial system is slow and complex and has a reputation for opacity and corruption. In the past, U.S. assistance has supported the development of alternative dispute resolution systems to provide more rapid, more transparent, and less costly resolution of commercial disputes.

Under the privatization law, the GOM accepts binding international arbitration of investment disputes between foreign investors and the state. The courts, in theory, recognize and enforce foreign arbitral awards, and international arbitration is accepted as a means for settling investment disputes between private parties. The Malagasy Arbitration and Mediation Center (known by its French acronym, CAMM) was created in 2000 as a private organization to promote and facilitate the use of arbitration to resolve commercial disputes and to lessen reliance on a court system that is, at a minimum, overburdened. As a result, many private contracts now include arbitration clauses.

Madagascar is a signatory to the International Center for the Settlement of Investment Disputes (ICSID) Convention, as well as the New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards. Madagascar has been a member of the Multilateral Investment Guarantee Agency (MIGA) since 1989.

### **Performance Requirements/Incentives**

As a signatory of the WTO Agreement, Madagascar is bound by the WTO TRIMS (Trade Related Investment Measures). Performance requirements are not imposed as conditions for establishing or maintaining investments, except in the Export Processing Zones (EPZ) regime. To qualify for EPZ investment incentives, firms must export 95 percent of their output. Foreign or local investors can benefit from EPZ tax exemptions, provided their projects fall into the following categories: (1) investment in export-oriented manufacturing industries; (2) development or management of industrial free zones; or (3) provision of services to EPZ companies. The EDBM is in charge of companies' approval for EPZ status, and it has to deliver an eligibility certificate within 20 days of deposit of file.

The EPZ law, approved in December 2007, granted the following advantages and tax incentives to EPZ companies: (1) 15 years tax exemption; (2) no VAT or customs duties on imports of raw materials; (3) no registration taxes; (4) no customs tax on exported goods; (5) income tax on expatriation not exceeding 30 percent of the taxable basis; and (6) free access to foreign currency deposited in the company's foreign currency bank account.

There is no requirement restricting the mobility of foreign investors. The regime for visas, residence, and work permits is neither discriminatory nor excessively onerous. Since the creation of the EDBM, processing of residence and work permits has been streamlined.

There is no requirement that investors purchase from local sources, or export a certain percentage of output (except for EPZ companies), or only have access to foreign exchange in relation to their exports. There is no requirement that nationals own shares of foreign companies, that the share of foreign equity is reduced over time, or that technology is transferred on certain terms. Although investors must apply for permission to invest, there are no government-imposed conditions (such as location in a specific geographical area, specific percentage of local content or local equity, substitution for imports, export requirements or targets, employment of host country nationals, or technology transfer) to receive such permission. Investors are not required to disclose proprietary information to the government as part of the regulatory approval process. U.S. and other foreign firms are eligible to participate in government-financed and/or subsidized research and development programs according to Malagasy law. There are officially no discriminatory or preferential export or import policies that would affect foreign investors, nor discriminatory tariff or non-tariff barriers.

In April 2011 and again in January 2013, the coup regime rejected market-based economic principles by imposing a fixed retail price on fuel distributors. Incoming president Hery Rajaonarimampianina has committed publicly to address the issue of fuel price subsidies over time as part of a commitment in exchange for medium-term aid from the International Monetary Fund.

### **Right to Private Ownership and Establishment**

Foreign and domestic private entities may establish and own business enterprises and engage in all forms of remunerative activity. They may freely establish, acquire, and dispose of interests in business enterprises. The government remains a minority shareholder in some privatized companies, such as in the Malagasy Telecommunications Company (Telma), and continues to own Air Madagascar, but competitive equality is the official standard applied to all private enterprises with respect to access to markets, credit, and other business operations such as licenses and supplies.

### **Protection of Property Rights**

Secured interests in property are recognized, but not entirely enforced in the country. Banks and insurance companies use mortgages on commercial property to guarantee loans.

A prohibition on land ownership by foreigners impedes access to real property, and the entire issue remains highly controversial and problematic on a cultural level despite legal advances. A system of long-term leases—up to 99 years—was established in 2008 following the adoption of investment law 2007-036 to address the issue, but there have been long delays and few successes so far in the approval of land leases for foreigners. The new investment law grants land and

property to certain companies registered in Madagascar; EDBM fixes the conditions for these grants, and issues authorization documents. In addition, the Millennium Challenge Account improved the land rights process, prior to early termination of the program in late 2009 due to the political crisis.

Madagascar is a member of the World Intellectual Property Organization (WIPO) and is a signatory to the WTO TRIPS agreement on trade related aspects of intellectual property. Two government offices share responsibility for the protection of intellectual property rights: the Malagasy Office for Industrial Property (OMAPI) and the Malagasy Copyright Office (OMDA). Protection of intellectual property rights is uneven. Officially, authorities protect against infringement, but in reality, enforcement capacity is quite limited due to resource constraints, absence of political will, and weakness of the judicial system. Major brands are generally respected, but pirated copies of movie DVDs, music CDs and tapes, electronic equipment and spare parts are sold openly. Some television stations regularly show pirated copies of first-run U.S. and European movies. Madagascar has not yet signed the WIPO Internet treaties.

### **Transparency of the Regulatory System**

Excessive complexities and inconsistently applied regulations impede investment and can be a breeding ground for corrupt practices. Investors complain of a lack of transparency in government regulatory decisions. Although regulation can impede start-up in particular industries, the normal business registration process has been streamlined by EDBM and generally takes less than two weeks.

Some investors, especially in the mining and petroleum sectors, encountered difficulty and/or delays in obtaining necessary operating permits under the former coup regime, as a result of irregularities in the regulatory system. Ambatovy, a USD 7 billion laterite nickel mining project that represents the largest foreign direct investment in Madagascar, faced significant obstacles and political interference before obtaining an operating permit from the de facto government in 2013. The new government has not yet had time to develop a track record on this issue.

Tax, labor, environment, health, and safety standards are generally not used to impede foreign investment. Bureaucratic procedures and red tape are often sources of corruption. There are no informal regulatory processes managed by non-governmental organizations or private sector associations. Proposed laws and regulations are not published in draft form for public comment. The only opportunity for comment on proposed laws and regulations is at the parliamentary level.

Accounting systems are transparent and consistent with international norms, and there are no private sector and/or government/authority efforts to restrict foreign participation in industry standard-setting consortia or organizations.

### **Efficient Capital Markets and Portfolio Investment**

In spite of the general underdevelopment of the banking system, banks are free to support the flow of resources in the product and factors markets. The assets of the country's largest bank total an estimated USD 400 million. Credit is usually allocated on market terms, and the private sector/foreign investors can obtain credit on the local market. However, many EPZ companies use the services of banks in neighboring Mauritius, where the sector is more developed.

Malagasy law establishes an effective regulatory system to encourage and facilitate portfolio investment. There are no cross-shareholding arrangements used by private firms to restrict foreign investment through mergers and acquisitions. There are no visible private sector and/or government efforts to restrict foreign participation in industry or foreign control of domestic enterprises.

### **Competition from State-Owned Enterprises (SOEs)**

Private enterprises are allowed to compete with public enterprises under the same terms and conditions with respect to access to markets, credit, and other business operations, such as licenses and supplies. The main SOEs are the National Malagasy Air Transport Company (Air Madagascar) and the Malagasy Water and Energy Company (Jiro Sy Rano Malagasy, or JIRAMA). SOEs have boards of directors for which seats are specifically allocated to senior government officials, private operators, or politically affiliated individuals.

No sovereign wealth fund (SWF) or asset management bureau (AMB) exists in the country.

The law requires SOEs to publish annual reports and to submit their books to independent audit.

### **Corporate Social Responsibility (CSR)**

There is a lack of general awareness of corporate social responsibility (CSR) among producers and consumers, but CSR principles are applied by several large, formal-sector companies. Although those companies do not follow the OECD Guidelines for Multinational Enterprises, public opinion is favorable regarding those firms who pursue CSR.

### **Political Violence**

Minor and isolated incidents of political violence occurred in 2013, but no major civil unrest (though some had predicted it connection with the elections). Street demonstrations were forbidden by the de facto regime, but opposition political gatherings were permitted indoors. Cattle rustlers attacked some polling stations on election day, stealing voting materials and causing the death of at least one person. At various times during the year, small improvised explosive devices detonated in the capital, but caused only superficial damage. However, on January 25, 2014, date of the Presidential swearing-in ceremony, a grenade blast killed 3 people and injured around 40 persons.

Public safety remains fairly adequate, although petty crimes increased during the economic and political crisis beginning in 2009. Standard warnings to guard against street crime and theft from vehicles and to minimize or avoid nighttime road travel apply, particularly in rural areas.

Madagascar, being an island, has no belligerent neighbors.

### **Corruption**

In 2013, Transparency International ranked Madagascar 127th out of 177 countries surveyed, with a score of 28/100 on the Corruption Perception Index (CPI)—indicating a severe corruption problem. While giving or accepting a bribe is a criminal act and is subject to trial by court, complicated administrative procedures introduce delays and uncertainties, increasing possibilities for corruption. High levels of corruption exist in nearly all sectors. The change of government in

2014 is not expected to alleviate this problem without targeted, across-the-board action by the new administration; it is too early to know whether the government will take the necessary steps, and whether they will be effective. Corruption is most pervasive in the following areas: judiciary, police, tax, customs, land, trade, mining, industry, environment, education, and health.

The Independent Anti-Corruption Bureau (BIANCO) is the agency formally responsible for combating corruption. Madagascar also created a Financial Intelligence Unit (SAMIFIN) in mid-2008 to carry out research and financial analysis related to money laundering. In 2013, SAMIFIN, received 137 suspicious transaction reports and referred 44 to public prosecutors. Transparency International has an office in the country and has operated here since 2002.

Madagascar signed and ratified the UN Anticorruption Convention and the African Union Convention against Corruption. It has not yet signed the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

Many members of the de facto government were allegedly involved in smuggling of precious stones, hardwood, and animals, a practice that increasingly drains Madagascar's natural resources and breeds criminality. In April 2010, the former de facto regime adopted a decree to prohibit all exports of rosewood and precious timber, and in September 2011, the former de facto regime decided to include rosewood in Annex III of the Convention on International Trade in Endangered Species (CITES). Despite these restrictions, rosewood logs have continued to leave the country on a daily basis.

There is no requirement for companies to establish internal codes of conduct that, inter alia, prohibit bribery of public officials. However, some foreign companies have begun to orient their internal controls and ethics and compliance programs to prevent bribery.

### **Bilateral Investment Agreements**

According to the International Center for the Settlement of Investment Disputes (ICSID) and the U.N. Conference on Trade and Development (UNCTAD), Madagascar has concluded bilateral investment agreements with Belgium, Canada, China, France, Germany, Mauritius, Norway, Sweden, Switzerland, and Thailand. Madagascar has also signed double taxation treaties with France and Mauritius. The Malagasy government previously expressed interest in negotiating a bilateral investment treaty with the United States. Initial discussions began in late 2008, but stalled due to the unconstitutional change of government in March 2009.

### **OPIC and Other Investment Insurance Programs**

On March 31, 1998, OPIC and Madagascar signed a bilateral Investment Incentive Agreement, which updated the previous agreement signed in 1963. Madagascar has been a member of the Multilateral Investment Guarantee Agency (MIGA) since 1989.

### **Labor**

Madagascar has a significant pool of available labor, due to the combined impacts of unemployment and underemployment. Private sector wages have been relatively stable and are below those in most competitor countries; indeed, this fact, combined with the high quality of much Malagasy labor, may constitute the country's strongest attraction for foreign investors. The

minimum wage for the non-agricultural private sector in 2013 was approximately 45 USD per month (100,000 Ariary).

The Constitution and Labor Code grant workers in the private and public sectors the right to establish and join labor unions and to bargain collectively. The National Labor Code and implementing legislation prescribe working conditions, wages, and standards for worksite safety. Madagascar is a member of the International Labor Organization (ILO) and adheres to the ILO convention protecting workers rights.

### Foreign Trade Zones/Free Ports

The incentives available in the EPZ are described in "Performance Requirements/Incentives." There is no distinction between foreign and domestically owned firms in terms of eligibility for EPZ treatment, which has been granted by the EDBM since December 2007.

### Foreign Direct Investment Statistics

During 2013, Ambatovy continued exploiting and exporting nickel and cobalt. QMM/Rio Tinto temporarily closed its ilmenite mining operation due to security and economic concerns, but reopened after four months. As the two companies are the largest contributors of foreign direct investment in the country, and with the Ambatovy project's investment phase coming to an end in 2012, foreign exchange inflows in the mining sector fell in 2012 as compared to 2011. (2013 statistics have not yet been released.)

FDI increased overall in 2012, however. According to the Central Bank of Madagascar, FDI inflows for 2011 amounted to USD 809 million, and to USD 894 million in 2012. This came primarily because banks increased their capital holdings and had to borrow money from overseas parent companies or from foreign banks, and because telecommunication companies took out major loans from abroad.

### Key Macroeconomic Data, U.S. FDI in Host Country/Economy

	Host Country Statistical source*		USG or international statistical source		USG or international Source of data
	INSTAT/Madagascar				World Bank
<b>Economic Data</b>	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) (Millions U.S. Dollars)	2013	10,004	2013	9,880.7	<a href="http://www.worldbank.org/en/country">http://www.worldbank.org/en/country</a>

Foreign Direct Investment	Host Country Statistical source*		USG or international statistical source		USG or international Source of data:
		N/A			
U.S. FDI in partner country (Millions U.S. Dollars, stock positions)	2012	N/A	2012	47	<a href="#">(BEA)_click selections to reach.</a> <ul style="list-style-type: none"> <li>• Bureau of Economic Analysis</li> <li>• Balance of Payments and Direct Investment Position Data</li> <li>• U.S. Direct Investment Position Abroad on a Historical-Cost Basis</li> <li>• By Country only (all countries) (Millions of Dollars)</li> </ul>
Host country's FDI in the United States (Millions U.S. Dollars, stock positions)	2012	N/A	2012	-1	<a href="#">(BEA)_click selections to reach</a> <ul style="list-style-type: none"> <li>• Balance of Payments and Direct Investment Position Data</li> <li>• Foreign Direct Investment Position in the United States on a Historical-Cost Basis</li> <li>• By Country only (all countries) (Millions of Dollars)</li> </ul>

#### FDI inflows and stocks during the past three years (in billions of USD)

	2009	2010	2011	2012	2013 (1st semester)
FDI inflows	1.3	0.8	0.8	0.9	0.3
FDI stock	3.9	4.5	5.5	5.9	n.a.

Source: Central Bank of Madagascar/INSTAT

#### FDI inflows and stocks by sector (in billions of USD)

	2009	2010	2011	2012
Agriculture	0.017	0.015	0.014	0.018
Fishing and Fish farming	0.021	0.036	0.041	0.057
Manufacture	0.141	0.152	0.225	0.250
Gas, electricity, water production and distribution	0.001	0.001	0.003	0.003
Construction and Public Work	0.171	0.185	0.220	0.203
Commerce and Car Repairs	0.071	0.075	0.094	0.109

Hotels and Restaurants	0.108	0.118	0.123	0.116
Transportation	0.011	0.012	0.014	0.027
Finance	0.140	0.158	0.289	0.592
Real Estate and services to enterprises	0.019	0.023	0.058	0.068
Oil distribution	0.093	0.115	0.123	0.120
Telecommunication	0.188	0.184	0.226	0.310
Others	0.000	0.000	0.000	0.000
<b>Subtotal</b>	<b>0.980</b>	<b>1.074</b>	<b>1.430</b>	1.872
Mining	2.965	3.425	4.024	4.055
<b>Total</b>	<b>3.945</b>	<b>4.499</b>	<b>5.454</b>	5.927

**Contact Point at Post for Public Inquiries:**

Salvador Molina  
Political/Economic Section  
Lot 207A, Point Liberty  
Andranoro, Antehiroka  
105 Antananarivo, Madagascar

+261 33 443 2158  
molinas2@state.gov

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## Chapter 7: Trade and Project Financing

- [How Do I Get Paid \(Methods of Payment\)](#)
- [How Does the Banking System Operate](#)
- [Foreign-Exchange Controls](#)
- [U.S. Banks and Local Correspondent Banks](#)
- [Project Financing](#)
- [Web Resources](#)

### How Do I Get Paid (Methods of Payment)

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Methods of payment are usually through banks by open account, letter of credit, cash in advance, or by documentary collection. Madagascar relies on a cash economy, with little financial depth compared to neighboring African countries. In fact, in 2011, there were only 44.3 bank accounts for every 1000 adults (World Bank).

Madagascar's financial sector is small, with 11 banks, 6 finance establishments and 31 microfinance institutions. Deposits account only for 16.6 of the GDP. Foreign ownership controls most of the eleven banks, divided between French, Mauritian, Chinese, Gabonese, and Belgium.

### How Does the Banking System Operate?

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Madagascar has relatively rudimentary financial markets and a very low rate of bank penetration. High interest rates, stringent requirements for collateral and guarantees, limited competition among banks, and reluctance to finance foreign trade or working capital even when secured by letters of credit make financing very expensive and difficult to access. The difficulty of increasing working capital through bank borrowing is a severe constraint on local firms' ability to expand. Banks maintain that many prospective borrowers lack reliable and transparent balance sheets and that long-term financing is difficult because they lack a long-term deposit policy.

Only well-known and significant operators can get credit in Madagascar. The credit granted is mainly for the purchase of traditional agricultural products such as vanilla, coffee, and cloves. In case of pre-financing by foreign importers, local exporters still have to pay high interest rates to their banks. Generally speaking, the financing possibilities that are available to local firms are quite limited.

### Foreign-Exchange Controls

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Since May 1994, an inter-bank foreign exchange market (MID) has set daily the rate of the Malagasy currency (MGA). At the end of July 2005, the organization and the operation of the inter-bank foreign exchange market were improved by the adoption of a continuous system of quotation of the two main currencies of reference, the U.S. dollar and the Euro. Since 1996, the GOM has lifted all restrictions on current payment and transfers and has accepted the obligations of Article VII of the IMF Articles of Agreement to abolish exchange controls. However, on July 11, 2004, following a significant depreciation of the Malagasy currency, the GOM adopted a law stating that residents are not authorized to transfer foreign currency to another foreign currency

bank account except within the MID. Between EPZ companies, foreign currency transfers are allowed.

## **U.S. Banks and Local Correspondent Banks**

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BMOI:

- BNP Paribas/New York

BNI-CA:

- Deutsche Bank Trust Company America/New York
- JPMorgan Chase/New York

BTM-BOA:

- Citibank/New York
- Deutsche Bank Trust Company America/New York

UCB: Citibank/New York

BFV-SG:

- Société Générale/New York

SBM:

- Citibank/New York

## **Project Financing**

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The GOM supports the establishment of credit unions and other suitable credit facilities and encourages creditors and donors to harmonize their efforts in this field. The World Bank, the European Union, the U.S. Trade and Development Agency (USTDA), and the African Development Bank have funded many infrastructure and other development projects.

## **Web Resources**

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Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: [http://www.exim.gov/tools/country/country\\_limits.html](http://www.exim.gov/tools/country/country_limits.html)

OPIC: <http://www.opic.gov>

U.S. Trade and Development Agency: <http://www.ustda.gov/>

SBA's Office of International Trade: <http://www.sba.gov/oit/>

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/default.htm>

U.S. Agency for International Development: <http://www.usaid.gov>

**Multilateral Development Banks web resources:**

World Bank: <http://www.worldbank.org/madagascar>

IFAD (agribusiness promotion): <http://www.ifad.org/french/operations/pf/mdg/index.htm>

UNIDO (industry): <http://www.unido.org/office/madagascar>

African Development Bank: <http://afdb.org/en/countries/southern-africa/madagascar>

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## Chapter 8: Business Travel

- [Business Customs](#)
- [Travel Advisory](#)
- [Visa Requirements](#)
- [Telecommunications](#)
- [Transportation](#)
- [Language](#)
- [Health](#)
- [Local Time, Business Hours and Holidays](#)
- [Temporary Entry of Materials and Personal Belongings](#)
- [Web Resources](#)

### Business Customs

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Laws and common business practices are based on the European, particularly French, business style.

### Travel Advisory

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For further information about visa requirements and travel information, the following State Department web site is available: <http://travel.state.gov>

### Visa Requirements

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A visa is required for entry into Madagascar and can be obtained at the airport for stays of less than 30 days. See U.S. Department of State and GOM's websites for visa information.

U.S. companies that require travel of foreign businesspersons to the United States should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following links.

Department of State Visa website: <http://travel.state.gov/visa/>

U.S. Embassy Antananarivo Visa website: [http://www.antananarivo.usembassy.gov/non-immigrant\\_visas.html](http://www.antananarivo.usembassy.gov/non-immigrant_visas.html)

### Telecommunications

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Internet is accessible in hotels and at cyber cafes of major towns. There are three cellular phone companies: Airtel, Orange and Telma, which use the GSM system.

### Transportation

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Air transportation is the best way to get to the country. Maritime transport is mainly used for local transportation around the island, and to the Indian Ocean Islands (Mauritius, Seychelles, Comoros, and Reunion). Visitors to the capital city of Antananarivo or other cities can easily find taxis. Taxi fares are relatively low, but taxis typically do not meet U.S. safety standards.

Railway transport is available, but with limited connections.

Rental cars are available but can be quite expensive depending on the vehicle type, and non-residents are usually required to hire a chauffeur.

Commercial air service is available to major cities and resorts in the country. Private air charters can be arranged to various destinations.

International express delivery is now available from FedEx, UPS, DHL, and TNT.

## **Language**

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Malagasy is the official language, along with French. English is not widely spoken. French is the common language of private and public business whereas Malagasy language is the mostly used for advertisement. In rural and remote areas, one may not expect either ordinary or local officials speaking French.

## **Health**

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Visitors to Madagascar are advised to obtain vaccinations against polio, hepatitis A and B, tetanus, diphtheria, typhoid, and those who will be working in the rural areas, rabies. Malaria medication is not necessary in Antananarivo but should be taken if traveling to other (lower elevation) areas of the island. Visitors are strongly urged to purchase medevac insurance prior to arrival. Local hospitals do not conform to U.S. standards, especially for emergency care, and evacuation to South Africa or Mauritius is expensive. In the event of a medical emergency, visitors should ask to be taken to the Polyclinique Ilafy and should notify the Embassy Consular Section at: <http://www.antananarivo.usembassy.gov>.

## **Local Time, Business Hours, and Holidays**

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The Malagasy Time Zone is Greenwich plus three. When it is noon EST in Washington, it is 8 p.m. in Madagascar. The typical hours of business are from 8:30 a.m. to 5 p.m., with a lunch break between noon and 1 p.m.

2014 Holiday schedule:

- Monday April 21                      Easter Monday
- Thursday May 1                        Labor Day
- Thursday May 29                       Ascension Day
- Monday June 09                        Pentecost Monday
- Thursday June 26                       Independence Day
- Friday August 15                       Assumption Day
- Thursday December 25                Christmas Day

Note: The GOM sometimes declares an additional “bridge” holiday on the Friday following a Thursday holiday. Though it has not applied this rule since May 2014.

## **Temporary Entry of Materials and Personal Belongings**

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When not imported for sale, goods may be admitted into the country without the payment of duty.

**Web Resources**

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See Chapter 9

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## Chapter 9: Contacts, Market Research and Trade Events

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- [Market Research](#)
- [Trade Events](#)

### Contacts

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#### Government Agencies

EDBM (Economic Development Board of Madagascar)  
Immeuble EDBM, Antaninarenina  
Antananarivo 101 – Madagascar  
Tel: (261 20) 22 670 40  
Fax: (261 20) 22 661 05  
Website: [www.edbm.gov.mg](http://www.edbm.gov.mg)  
E-mail: [edbm@edbm.mg](mailto:edbm@edbm.mg)

Presidency's Office  
P.O. Box 955, Ambohitsirohitra  
Antananarivo 101 – Madagascar  
Tel: (261 20) 22 547 03  
Fax: (261 20) 22 562 52  
Website: [www.presidence.gov.mg](http://www.presidence.gov.mg)

Prime Minister's Office  
P.O. Box 248  
Antananarivo 101 – Madagascar  
Tel: (261 20) 22 246 04  
Fax: (261 20) 22 548 40  
Website: [www.madagascar.gov.mg](http://www.madagascar.gov.mg) or [www.primature.gov.mg](http://www.primature.gov.mg)

State Minister of infrastructure, Equipment and Planning  
P.O. Box 3378  
Bâtiment du Ministère de la Réforme Foncière, des Domaines et de l'Aménagement du Territoire  
Antananarivo 101 – Madagascar  
Tel: (261 20) 22 356 17  
Fax:  
Website: <http://www.aménagement-du-territoire.gov.mg/>

Ministry of Finance and Budget  
P.O. Box 61  
Antananarivo 101 – Madagascar  
Tel: (261 20) 22 336 30  
Fax: (261 20) 22 345 30  
Website: [www.mefb.gov.mg](http://www.mefb.gov.mg)

Ministry of Economy and Planning  
P.O. Box 527  
Antananarivo 101 – Madagascar  
Tel: (261 20) 22 291 28  
Website: [www.mei.gov.mg](http://www.mei.gov.mg)

Ministry of Energy  
P.O. Box 257  
Antananarivo 101 – Madagascar  
Tel: (261 20) 34 83 701 79  
Websites: [www.energy.gov.mg](http://www.energy.gov.mg)

Ministry of Strategic Resources (linked to the Presidency)  
Ampandrianomby  
Antananarivo 101 – Madagascar  
Tel: (261 20) 32 03 110 20  
Website: [www.mines.gov.mg](http://www.mines.gov.mg)

Ministry of Agriculture and Rural Development  
P.O. Box 842  
Antananarivo 101 – Madagascar  
Tel: (261 20) 22 247 10  
Fax: (261 20) 22 265 61  
Website: [www.maep.gov.mg](http://www.maep.gov.mg)

Ministry of Transportation and Meteorology  
P.O. Box 4139  
Antananarivo 101 – Madagascar  
Tel: (261 20) 22 246 04  
Fax: (261 20) 22 356 26  
Website: [www.mtpm.gov.mg](http://www.mtpm.gov.mg); [www.transport.gov.mg](http://www.transport.gov.mg)

Ministry of Public Works  
P.O. Box 295  
Antananarivo 101 – Madagascar  
Tel: (261 20) 22 232 15  
Fax: (261 20) 22 208 90  
Website: [www.mtpm.gov.mg](http://www.mtpm.gov.mg)

Ministry of Post, Telecommunications and New Technology  
Antaninarenina  
Antananarivo 101 – Madagascar  
Tel: (261 20) 22 232 67  
Fax: (261 20) 358 94  
Website: [www.mtpc.gov.mg](http://www.mtpc.gov.mg)

Ministry of Environment, Ecology and Forestry  
Antsahavola  
Antananarivo 101 – Madagascar  
Tel: (261 20) 22 668 05

Fax: (261 20) 22 345 10  
Website: [www.meeft.mg](http://www.meeft.mg)

Ministry of Tourism  
Tsimbazaza  
Antananarivo 101 – Madagascar  
Tel: (261 20) 22 668 05  
Fax: (261 20) 22 354 10  
Website: [www.mtoura.gov.mg](http://www.mtoura.gov.mg)

Central Bank of Madagascar  
P.O. Box 550  
Antananarivo 101 – Madagascar  
Tel: (261 20) 22 217 51  
Fax: (261 20) 22 345 32  
Website: [www.banque-centrale.mg](http://www.banque-centrale.mg)

Madagascar Embassy in the United States of America  
2374 Massachusetts Avenue  
Washington D.C 20008  
USA  
Tel: 202 265 55 25  
Fax: 202 265 30 34  
E-mail: [Malagasy@embassy.org](mailto:Malagasy@embassy.org)

Malagasy National Parks  
Immeuble Madagascar National Parks  
Ambatobe - BP 1424  
101 Antananarivo  
Phone: +261 (20) 22 415 38 / 418 83  
Email: [contact@madagascar.national.parks.mg](mailto:contact@madagascar.national.parks.mg)  
Website: [www.parcs-madagascar.com/](http://www.parcs-madagascar.com/)

## **COUNTRY BUSINESS ASOCIATIONS**

American Chamber of Commerce in Madagascar (AmCham)  
Bâtiment C1  
Village des Jeux, Ankorondrano  
Antananarivo 101 – Madagascar  
E-mail: [executivesecretary@amcham-mada.mg](mailto:executivesecretary@amcham-mada.mg)  
Website: <http://www.amcham-mada.mg>  
Tel: (261 20) 32 02 814 39

Chambre de Commerce, d'Industrie d'Antananarivo  
P.O. Box 166  
Antananarivo 101 – Madagascar  
Tel: (261 20) 22 202 11  
Fax: (261 20) 22 202 13  
Website: [www.cci.mg](http://www.cci.mg)

FIVMPAMA (Association of Malagasy Businessmen)

12, rue Rainizanabolona, Antanimena  
Antananarivo 101 – Madagascar  
Tel: (261 20) 22 690 78  
Fax: (261 20) 22 320 56  
E-mail: [fivmpama@moov.mg](mailto:fivmpama@moov.mg)

GEM (Group of Enterprises of Madagascar)  
P.O. Box 1695  
Antananarivo 101 – Madagascar  
Tel: (261 20) 22 238 41  
Fax: (261 20) 22 219 65  
Website: [www.gem-madagascar.com](http://www.gem-madagascar.com)  
E-mail: [gem@iris.mg](mailto:gem@iris.mg)

SIM (Union of Industries of Madagascar)  
Immeuble Holcim, Tsaralalana  
Antananarivo 101 – Madagascar  
Tel: (261 20) 240 07  
Fax: (261 20) 22 225 18  
Website: [www.sindusmad.com](http://www.sindusmad.com)  
E-mail: [syndusmad@sim.mg](mailto:syndusmad@sim.mg) or [de@sym.mg](mailto:de@sym.mg)

GEFP (Group of Export Processing Zone companies)  
Village E2 – Village des Jeux  
Ankorondrano  
Antananarivo 101 – Madagascar  
Tel: (261 20) 22 380 50  
Fax: (261 20) 22 403 73  
Website: [www.gefpmg.com](http://www.gefpmg.com)  
E-mail: [gefpmg@blueline.mg](mailto:gefpmg@blueline.mg)

Chambre des Mines de Madagascar (Mining Chamber)  
QMM Rio Tinto, Villa 3H, Lot IJ 169, Ivandry, Antananarivo  
Madagascar  
Tel: (261 20) 32 07 632 21  
Contact: Mr. Willy Ranjatoelina, Executive Secretary  
E-mail: [rwr@blueline.mg](mailto:rwr@blueline.mg)  
<http://chambreminesdemadagascar.com/en/content/home>

## **COUNTRY MARKET RESEARCH FIRMS**

GAMA Consult  
Immeuble ARO  
Antsahavola  
Antananarivo 101 – Madagascar  
Tel: (261 20) 22 238 52  
Fax: (261 20) 22 238 88  
Website: [www.gamaconsult.com](http://www.gamaconsult.com)  
E-mail: [gamaconsult@moov.mg](mailto:gamaconsult@moov.mg)

FTHM Conseils  
Immeuble ARO  
Antsahavola  
Antananarivo 101 – Madagascar  
Tel: (261 20) 22 631 87  
Fax: (261 20) 22 337 20  
E-mail: [fthm@moov.mg](mailto:fthm@moov.mg)

ATW Consultants de Madagascar  
Lot II Y 9F, Antanimora  
Antananarivo 101 – Madagascar  
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E-mail: [atw@moov.mg](mailto:atw@moov.mg)

R Conseil  
P.O. Box 8301  
Antananarivo 101 – Madagascar  
Tel: (261 20) 22 432 79  
Fax: (261 20) 289 97  
E-mail: [rconseil@moov.mg](mailto:rconseil@moov.mg)

## Web Resources

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### USEFUL WEBSITES

Presidency: <http://www.presidence.gov.mg/> Government: [www.madagascar.gov.mg](http://www.madagascar.gov.mg)  
Data bank: [www.instat.mg](http://www.instat.mg)  
Tourism: [www.tourisme-madagascar.com](http://www.tourisme-madagascar.com)  
Investment: [www.edbm.gov.mg](http://www.edbm.gov.mg)  
General/Economy: [www.madagascar-contacts.com](http://www.madagascar-contacts.com)  
General information: [www.sobika.com](http://www.sobika.com) or [www.madagate.com](http://www.madagate.com) or [www.moov.mg](http://www.moov.mg)

OMNIS is a good source for potential investors in the oil, coal and uranium sectors:  
[www.omnis.mg](http://www.omnis.mg)

## Market Research

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To view market research reports produced by the U.S. Commercial Service, please go to the following website: <http://www.export.gov/mrktresearch/index.asp> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, and is free.

## Trade Events

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Please click on the link below for information on upcoming trade events.

<http://www.export.gov/tradeevents/index.asp>

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## Chapter 10: Guide to Our Services

The President's National Export Initiative aims to double exports over five years by marshaling Federal agencies to **prepare U.S. companies to export successfully, connect them with trade opportunities** and **support them once they do have exporting opportunities**.

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government's trade promotion resources for new and experienced exporters, please click on the following link: [www.export.gov](http://www.export.gov)

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link: <http://www.buyusa.gov>

The Political-Economic Section of the U.S. Embassy of Antananarivo is working closely with Johannesburg Foreign Commercial Service (FCS) to conduct the following services:

- Gold Key
- IPS (International Partner Search)
- ICP (International Company Profile)
- Advocacy
- Market surveys

For additional information, please click on the links below:

<http://www.export.gov/africa/>

<http://www.buyusa.gov/southafrica/>

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRAD(E)**.

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