



Doing Business in MADAGASCAR:

2008 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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An island nation in the Western Indian Ocean with a population of around 18 million, Madagascar ranks among the poorest countries in the world. Over 70 percent of the population lives in poverty.

With the support of the World Bank, the IMF, and other donors, the Government of Madagascar (GOM) is seeking to move towards a market economy conducive to private sector development, openness to foreign investment, and withdrawal of the GOM from productive sectors. The strategy adopted by the GOM is focused on (i) the development of productive sectors such as manufacturing export industry, mining industry, tourism, agriculture in which partners are already active through projects and programs like “Millennium Challenge Account” (MCA) and the “Integrated Growth Pole” (IGP); (ii) the establishment of an incentive and secure framework both for national and foreign private investments, and (iii) the development of human capital by the improvement of the access of the population to education, water, and health services.

Madagascar’s privatization program continues to move forward: banking, fuel distribution, telecommunications, cotton, sugar, railways and airlines are completely or partially under private management.

Upon reaching its decision point under the enhanced framework of the HIPC Initiative in December 2000, Madagascar implemented its full PRSP (Poverty Reduction Strategy Paper) and on October 21, 2004 it reached its completion point resulting in debt relief of USD 1.9 billion. In September 2006, the Madagascar Action Plan (MAP), a five-year strategy paper (2007-2011), replacing the PRSP was adopted. The MAP will guide government strategy in encouraging growth as a market-based economy, in attempting to alleviate poverty and improve social indicators, and in attracting foreign investment. Despite the frequent power cut and the hike in oil prices, the GDP growth rate has reached 6.3% in 2007 with an annual average inflation rate estimated at 8.2%. As a former French colony, France is the main economic and trade partner of Madagascar representing at least one third of foreign trade. In addition, 600 out of 2,500 companies in Madagascar have French capital.

The GOM continues to post a positive record on the rule of law, political pluralism, and the safeguarding of due process rights. Combating corruption is a stated priority of the GOM. In 2003, the President created the Anti-Corruption Council and in September 2004, BIANCO, the independent anti-corruption investigation bureau began operations.

Market Challenges

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In general there are no specific barriers to market entry, but direct marketing for U.S. made products is difficult. The Malagasy consumer is unaccustomed to Western marketing styles. In addition, French language nuances may not be as evident to an American businessperson. The Embassy encourages U.S. operators to direct market to local distributors and agents.

Market Opportunities

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Outside the EPZ (Export Processing Zones) companies, whose focus is primarily on apparel production, the most promising sectors are energy, mining, and tourism. The best prospects for future U.S. sales and investments are in energy, oil exploration, telecommunications, and mining sectors. Tourism, especially eco-tourism, has significant potential as well. There are under-exploited opportunities in consulting and engineering. Thanks to donors' assistance, including MCA's, some investors are now developing projects to encourage value-added processing of agricultural exports such as essential oils.

The country has commercially significant reserves of several minerals including chromites, graphite, nickel, cobalt, mica, uranium and ilmenite. Gold and significant quantities of various precious and semi-precious stones - ruby, sapphire, and emerald - are also found in Madagascar. The discovery of important deposits of sapphires and rubies in some parts of the country has attracted many foreign traders and investors from Thailand, Sri Lanka, Europe, and the U.S. In its efforts to control the exploitation of precious stones, the GOM has approved a new mining law under the guidance of the World Bank and has worked closely with BAMEX (Business and Market Expansion) and USAID to create a one-stop-shop for precious stones and gold.

The ilmenite exploitation by QIT Madagascar Mineral (QMM), the nickel and cobalt exploitation by Sherritt International, the oil exploration by Exxon Mobil/Vanco Energy, and Madagascar Oil, if successful, would boost the economy of the country in the long term. The international group Majescor Resources discovered in 2004 the first signs of kimberlite, a magnetic rock that is associated with diamond deposits and plans to conduct a geophysical survey on the area of discovery.

The Canadian companies Kline Mining Corp and Pan African Mining Corp and the Japanese company Mitsui Matsushima are investing in the uranium exploration.

Since November 2007, the U.S. Company Mayfair Mining and Minerals, Inc. controls 16 sapphire licenses in the Ilakaka sapphire mining district.

Madagascar's rich biodiversity and high level of endemic plants and animals is the basis for eco-tourism development and might attract foreign investors.

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 make it worth considering for long-term investments.

Market Entry Strategy

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The use of distributors, particularly with prior experience in distributing imported 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 lists of importers from the Embassy Commercial Section or by contacting business groups and market survey firms. The Embassy recommends that U.S. firms visit the country and negotiate a distribution contract face to face, in order to develop the personal relationships that facilitate doing business in the country.

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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 link below to the U.S. Department of State Background Notes.

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



U.S. DEPARTMENT *of* STATE

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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. Partners can be found by obtaining lists of importers from the Embassy Commercial Section or by contacting business groups and market survey firms. 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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Since May 2006, the GOM established an investment promotion office, the Economic Development Board of Madagascar (EDBM). It is a one-stop shop for investment and business development, within the Presidency, to facilitate company registration procedures and to assist local and foreign investors. Now it takes less than four days 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 cellular – 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. Sectors of interest cover mainly fast food such as McDonalds and Kentucky Fried Chicken. However they face obstacles in the

high fees and the insufficient local consumer purchasing power. Business associations such as MUSBC (Madagascar-U.S. Business Council) and MWA (Malagasy Winners Association) have lobbied franchising in 2003/2004 but without big success. A number of leading U.S. products or services are sold through distributorships, including UPS, Caterpillar, General Motors, IBM, Dell, Cisco, Sun & Oracle, NCR, Sun Microsystems, Packard Bell, Compaq, Apple, Motorola, Ford, Coca-Cola, Kodak films, AT & T equipment, etc.

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 venture with local companies depends on the types of activities or sectors. For big investments such as in the mining or oil sector, joint venture is not needed. The benefit of joint ventures is that the local partners have knowledge/experience and practice of the country and can adapt to the red tape. The drawback is that a local partner will likely be a minority shareholder in capital terms and needs to be carefully screened through independent references and past business history.

There are few licensing ventures, the most prominent being Coca Cola with Star Brewery.

Selling to the Government

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As part of its liberalization strategy, the GOM frequently advertises in official and local papers requesting international bids to supply government-funded projects. These bids are opened publicly and tend not to be contested. Occasionally, international bids are canceled or postponed without official explanation. 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 to the ports of Tamatave, Majunga, Antsiranana, and Tulear. 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.

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, no need to translate the goods in Malagasy. Retailers and sales clerks respond to customer's need 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 not yet used in the country and this is due to the lack of appropriate technology required in E-Commerce. Payment by credit cards is only used in selected department stores.

Madagascar, through donors' assistance, including USAID would like to pass a comprehensive legislation in 2008 to regulate and facilitate electronic transactions (e-commerce).

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 all the television stations to broadcast an info/ad program.

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
E-Mail address: 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
E-Mail address: midi@moov.mg

Madagascar Tribune
P.O. BOX 659
Antananarivo 101 - Madagascar
Tel: (261 20) 22 226 35
Fax: (261 20) 22 222 54
Website: www.Madagascar-tribune.com
E-mail: tribune@moov.mg

Le Quotidien
P.O Box 11097
Antananarivo 101 – Madagascar
Tel: (261 20)277 17
Fax: (261 20)22 564 47
E-mail: lequotidien@mbs.mg
Website : www.lequotidien.mg

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

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

Business Journals:

DMD(Dans les Media Demain)
58, rue Tsiombikibo - Ambatovinaky
Antananarivo 101 - Madagascar
Tel: (261 20) 22 277 88
Fax: (261 20) 22 359 79
Website: www.dmd.mg

ROI (Revue de l'Océan Indien)
P.O. BOX 46
Antananarivo 101 - Madagascar
Tel: (261 20) 22 225 36
Fax: (261 20) 22 345 34
E-Mail address: roi@moov.mg

Television:

Television Malagasy (state)
Immeuble Solima - Antaninarenina
Antananarivo 101 - Madagascar
Tel: (261 20) 22 231 37
Fax: (261 20) 22 352 59
E-mail: volataz@yahoo.fr

MA TV (private)

P.O. BOX 1414
Antananarivo 101 - Madagascar
Tel: (261 20) 22 208 97
Fax: (261 20) 22 344 21

TVF (private)/provider of TV programs per satellite
41 bis, Rue Andriba - Mahamasina
Antananarivo 101 - Madagascar
Tel: (261 20) 22 207 30
Fax: (261 20) 22 203 02
Website: www.tvf-malagasy.com
E-mail: tvf@iris.mg

RTA (private)
P.O. Box 7547
Antananarivo - Madagascar
Tel: (261 20) 22 627 76
Fax: (261 20) 22 558 80
Website: www.rta.mg
E-mail: flash@rta.mg

TVPLUS
Lot IPA 239 Per
Anosimasina, Itaosy 102
Madagascar
Tel/Fax: (26120) 22 676 73
Website: red@simicro.mg
E-mail: tvplus@simicro.mg

TELERECORD
P.O. Box 7522
Antananarivo 101 – Madagascar
Tel: (26120) 22 295 32
Fax: (26120) 22 664 68
Website: www.rtv-record.com
E-mail: rtv.record@iris.mg

Pricing

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Pricing of imported products depends on import duties, which generally range from 0 to 30 per cent. Since January 2008, A VAT of 20 per cent is added on the retail price and profit margins on products tend to be around 7 to 10 per cent.

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 electronics equipment. Retailers of most consumer goods rarely accept returns of defective products. To

protect consumers' rights, two private consumer organizations were created but their actions have reportedly so far been limited.

Protecting Your Intellectual Property

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Officially, Malagasy law protects against Intellectual Property Rights (IPR) infringement. Madagascar is a member of the World Intellectual Property Organization (WIPO) and has created two offices dedicated to IPR protection: OMAPI, Office Malgache de la Propriété Industrielle (Malagasy Office for Industrial Property) and OMDA, Office Malgache des Droits d'Auteurs (Malagasy Office for Copyrights). IPR enforcement is limited, due to the lack of resources and legal capacity. Pirated audio and video recordings reportedly are the most flagrant violations of property infringement in Madagascar and imported 'fake' consumer goods can be found in local markets such as Cartier bags, Rolex watches, Nike, and Adidas shoes/sportswear. Local industry is not capable of producing imitations. However, On July 17, 2006, an inter-ministerial decree was issued to reinforce measures to fight against counterfeiting literary and artistic works. Upon evidence of law infringement, OMDA and its partners (Police, Customs Officers, Tax Officers, controllers of the ministry of commerce) immediately proceed to the seizure of all illegally reproduced phonograms/video-grams, recorded products be they illegally manufactured or imported and specific materials used for such dealings. Those products should be subject to public destruction in presence of the contravener(s). A control committee will be set up to follow-up the application of such decree. A special anti-counterfeiting brigade will be set up within the National Police/Gendarme. No public shows could take place without OMDA's authorization on the Malagasy territory

Due Diligence

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Performing due diligence is common in the country and it is performed by accountants. Usually, it is requested in areas of investment, joint venture/partnership, and loans.

Local Professional Services

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Commercial Sectors

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Vegetable oil (data in USD)

Overview

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	2005	2006	2007
Total Market Size	N/a	N/a	N/a
Total Local Production	N/a	N/a	N/a
Total Exports	0	0	0
Total Imports	16,900,000	12,500,000	(Jan –Apr) 158,000
Imports from the U.S.	1,760,000	1,854,300	(Jan-Oct) 0

Madagascar imports nearly 100 per cent of its vegetable oil. There are small artisan units that process oil from peanuts but they do not follow the regular standards. Data on market size and local production are not available.

Best Products/Services

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In 2006, Madagascar imported non-refined soybean oil and fixed vegetable fats and oils from the U.S. for a total value of \$1, 854,300. With total imports of \$12 million in 2006, the U.S. still has a significant opportunity in the market. The set-up of an agent distributor would be the best way to develop the market.

Opportunities

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Only one processing unit called TIKO can process crude vegetable oil in the country. Since 1995, imports of soybean were funded by the U.S. project PL 480 managed by USAID or by the U.S. Department of Agriculture. Madagascar imports refined oil from various sources such as Egypt (within COMESA arrangement), France, and Asian countries.

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Wheat

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	2005	2006	2007
Total Market Size	N/a	N/a	N/a
Total Local Production	N/a	N/a	N/a
Total Exports	0	0	0
Total Imports	20,000,000	25,000,000	(Jan-April) 5,500,000
Imports from the U.S.	1,684,200	4,004,000	(Jan-Oct) 3,527,100

Madagascar is producing a very small amount of wheat (production quantity not available) so it imports 100 per cent of its needs mainly from Europe and U.S. (from U.S. Wheat Association and Seaboard)

Best Prospects/Services

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Considering the imports from the U.S. (\$ 4 million in 2006) and the total imports of (\$ 25 million in 2006), U.S. exporters still can increase their exports through the establishment of a permanent sales agent or an office in the country. Since 2006, the American company Seaboard has established a company in the country and the U.S. Wheat Association is very active.

Opportunities

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The growing of wheat in Madagascar would be another opportunity for U.S. investors. In fact, there is no big production of wheat in the Indian Ocean region so production from Madagascar might cover the region and even Sub-Saharan Africa.

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Non Agricultural Products: Pharmaceutical Products

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	2005	2006	2007
Total Market Size	N/a	N/a	N/a
Total Local Production	N/a	N/a	N/a
Total Exports	0	0	0
Total Imports	32,968,900	54,400,000	(Jan-April) 8,300,000
Imports from the U.S.	699,000	2,103,300	(Jan-Oct) 300,000

Madagascar is producing a few generic medicines (quantity not available) and the remaining is imported mainly from Europe and Asian countries (India)

Best Prospects/Services

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Based on the imports data, U.S. laboratories/exporters still can increase their exports by negotiating an agent distributor in the country and by doing special packaging in French to enter the market.

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No specific investment project in the sector.

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Chemical Products

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	2005	2006	2007
Total Market Size	N/a	N/a	N/a
Total Local Production	N/a	N/a	N/a
Total Exports	0	0	0
Total Imports	34,200,000	43,150,000	(Jan-April) 6,400,000
Imports from the U.S.	216,900	68,000	(Jan-Oct) 35,900

Madagascar is a regular importer of chemical products such as insecticides and herbicides. PROCHIMAD is the only unit processing insecticides and few units producing herbicides and animal feed.

Best Prospects/Services

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(With a total import of \$ 43 million in 2006 and considering the U.S. share in the market, it's obvious that U.S. exporters can still increase their shares through the establishment of a sales agent or by negotiating with a well-known importer.

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Sometimes, International organizations such as FAO, place an international tender for the supply of insecticides and it is an opportunity for U.S. companies to compete and enter the market. The Commercial Section, very often informs USDOC in the case of such tenders.

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Plastic Raw Materials

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	2005	2006	2007
Total Market Size	N/a	N/a	N/a
Total Local Production	N/a	N/a	N/a
Total Exports	0	0	0
Total Imports	35,800,000	42,200,000	(Jan-April) 6,400,000
Imports from the U.S.	42,900	118,100	(Jan-Oct) 176,200

Madagascar has around 10 companies processing plastic products such as tubes; pipes, plates, buckets, bags and 100 per cent of the raw materials are imported from various countries such as Europe, Asia, and U.S.A.

Best Prospects/Services

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To enter the market, U.S. products should be very competitive because Asian suppliers have good trade links and usually sell at a very cheap price. The best way to enter the market would be through an agent distributor or a well-known importer.

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No specific investment opportunities

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Import Tariffs

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Since January 2008, the VAT was fixed at 20%. The shares of customs duties to importation are the following: 5% for raw materials; 10% for inputs, capital goods, parts and spare parts; and 20% for consumer goods.

No import duties are levied on inputs used in export processing operations.

Trade Barriers

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Like many developing countries, Madagascar collects a significant share of government revenue through custom duties, import taxes and value added taxes (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 GOM currently requires an inspection certificate from Gasynet before shipment of goods.

Import documentation

The following documents are required for imports:

Commercial invoice

Bill of lading or Air way bill

Insurance certificate

Packing list

Import declaration

Certificate of origin

Pre-shipment inspection certificate

Export requirements and documentation

Most exports have been liberalized. However, export authorization is required for some protected animal and plant species, as requested by the Convention on International Trade in Endangered Species (CITES), of which Madagascar is a member. These include crocodiles and crocodile skin products, live animals, orchids and tropical hardwoods.

The following documents are required for exports:

Commercial invoice

Bill of lading or Airway bill

Certificate of origin (under AGOA, GSP regime)

Insurance certificate

Phytosanitary certificate, if required

Commitment to repatriate foreign exchange earnings

Packing list

Export declaration

Customs declaration

Quality certificate, if required

AGOA textile visa from Malagasy customs, if duty free entry to the U.S. is desired.

U.S. Export Controls

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There are no specific requirements from U.S. exports controls companies when exporting to 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. For warranty and non-warranty items entering the country for repair, the importer should inform the customs office before importing the items.

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. For further information, 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

Contact: Mrs Francoise Ranorvelo, Director

Prohibited and Restricted Imports

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Imports into Madagascar are liberalized and no longer need any import license except for a few categories of items which are considered by the GOM as 'strategic' such as guns, explosives, precious stones and radioactive products. Imports of pornographic material are prohibited.

Customs Regulations and Contact Information

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Imports are valued at C.I.F. Madagascar is member of the World Customs Organization (WCO) and since November 2000, the Malagasy customs implemented the 'transactional value' of the WCO.

Customs contact information:
Mr. Vola Razafindramiandra Ramiandrasoa
Director General of Customs
Ministry of Finance, Budget and Economy
Antaninarenina, Antananarivo 101
Madagascar
Tel: (261 20) 22 229 16
Fax: (261 20) 22 646 80
E-mail: voalazafy@ifrance.com

Standards

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The Bureau de Normes de Madagascar (BNM) (Madagascar's Standards Office) created in November 1998 but operational only on December 3, 2002 is the official body in charge of standards and conformity assessment in Madagascar. BNM's objective is to draft and publish national standards, manage the national trademark conformity, promote and apply standards, manage the laboratories affiliated to BNM, train standards, certification, and quality, represent Madagascar at regional and international standards organizations such as ISO, CEI, OIML, and Codex Alimentarius. When developing standards, BNM has to follow international standards, mainly ISO.

Also, PRONABIO, a local organization has developed its own standards called NATIORA to certify its natural goods such as vegetable, spices and essential oils.

Standards Organizations

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The main national testing laboratories are:

- 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 Codex Alimentarius.
- 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 national, AFNOR and ISO.

- Laboratoire de Métrologie Légale (LML): control and standardization of measuring equipment in the commercial and industrial sector. LML belongs to the ministry of industry and commerce.
- Laboratoire du Centre National de Recherches 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)
- Laboratoire de Biochimie Nutrition du Département de Recherches Zootechniques et Vétérinaires (LBN): chemical and microbiological analysis of raw materials for animal food.
- Laboratoire du Centre National de Recherches Industrielles et Technologiques (CNRIT): conformity assessment in the following sectors: water, various chemical products, construction material, civil engineering, electronics. Technical support to enterprises.
- Laboratoire de Chimie et de Recherches des Fraudes Alimentaires (LCFRA): quality control of all physico-chemical food (whether local or imported) for consumption certification.
- Laboratoire de Contrôle des Pesticides (LCP): control of agro-pharmaceutical products and pesticides (local or imported).
- Laboratoire de Microbiologie, des Eaux et des Denrées Alimentaires de l'Institut Pasteur de Madagascar: bacteriological analysis of food, water, and medicines.
- Laboratoire National des Mines du Ministère de l'Energie et des Mines (LNM): certification of jewelry and precious stones for exports; LNM belongs to the Ministry of Energy and Mining.
- Laboratoire National de Recherches en Télécommunications (LNRT): verification, inspection and certification of telecommunication equipment.
- 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.
- Laboratoire National des Travaux Publics et du Bâtiment (LNTPB) certification of construction material (cement, iron; etc); study of road material; study of soils in view of construction stability assessment; control of constructions; description of maintenance works; development of standards; training of engineers.

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 Internet URL: <http://www.nist.gov/notifyus/>

Conformity Assessment

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The BNM and the testing laboratories stated above are the organizations in charge of conformity assessment in Madagascar.

Product Certification

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- Vanilla, coffee, meat, seafood, and mining products should be certified before export.
- Few forestry products (under CITES regulations) should be certified before exploitation and export.

No mutual recognition agreement (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

Contact: Mrs Françoise Ranorovel, Director

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 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.

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)
- 1990: Lomé IV, between the European Union and ACP countries
- 1992: Indian Ocean Commission
- 1993: Common Market for East and Southern Africa (COMESA)
- 1995: World Trade Organization (WTO)
- 2004: SADC

Web Resources

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Chapter 6: Investment Climate

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- [Conversion and Transfer Policies](#)
- [Expropriation and Compensation](#)
- [Dispute Settlement](#)
- [Performance Requirements and Incentives](#)
- [Right to Private Ownership and Establishment](#)
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Openness to Foreign Investment

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The GOM welcomes foreign investment and the country's regulatory framework is evolving to become more investor friendly. Administrative level implementation, however, often lags official policy. Madagascar has generally not been an easy place to launch and grow a business – for nationals and foreign investors – but the significant stock of foreign investment is evidence of the rewards available and the current government's strong commitment to improving the investment climate makes Madagascar a destination worth exploring.

According to the Malagasy Central Bank, foreign direct investment (FDI) inward flows to Madagascar in 2007 surged to Ariary 1,868 billion (approximately USD 1.3 billion) from Ariary 630 billion (approximately USD 350 million) in 2006. The most active sectors in FDI in 2007 were extractive industries (95 percent), financial activities, telecommunications, and petroleum product distribution.

The Bretton Woods institutions have generally endorsed the government's macro-economic regime. Better governance is a priority, which the government and donors agree must be given special attention, including the improvement of the regulatory system and the fight against corruption. The poor quality and high cost of physical infrastructure (road, electricity, telecommunications, port efficiency, air cargo capacity) and the limited availability of credit and financing instruments constitute investment climate bottlenecks that offset Madagascar's advantage from a low-wage, productive work force. The Malagasy government, in collaboration with donor institutions and countries, is analyzing impediments to investment with a view towards eliminating the most serious drawbacks. In September 2006, the Madagascar Action Plan (MAP), a five-year strategy paper (2007-2011) that will replace the Poverty Reduction Strategy Paper (PRSP), was presented to the public and private sectors, as well as to donors.

The MAP will guide government strategy in encouraging growth as a market-based economy, in attempting to alleviate poverty and improve social indicators, and in attracting foreign investment. The new investment law and the new law on export processing zone regime (EPZ) were adopted by the National Assembly on December 19, 2007. The objective of the new investment law is to create a better environment for local and foreign investment and to improve access to land to foreign investors registered in Madagascar. Since January 2007, the Economic Development Board of Madagascar (EDBM) is operational and its purpose is to facilitate the implementation of new local and foreign companies, to promote Madagascar abroad as a favorable investment destination, to assist investment projects, and to make reforms to improve the business climate. On December 14, 2007, EDBM received a grant of USD 6.2 million from the World Bank to support its investment promotion activities until 2010.

“Doing Business 2008” ranks Madagascar 22/46 among the Sub-Saharan African countries. Overall, the country is ranked 149/178.

The first country to sign a Millennium Challenge Account (MCA) Compact in the amount of USD 110 million in April 2005, Madagascar has begun implementing various activities in the areas of financial services, land tenure, and agribusiness investment.

During the privatization process, public bids have been transparent, and foreign investors were free to participate. There is no law or regulation authorizing private firms to adopt articles of incorporation or association, which limit or prohibit foreign investment, participation or control. Further, there is no official practice to restrict foreign investment, participation in, 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.

To show transparency and good governance in the management of revenues from extractive resources, the GOM and the main operators in the extractive industries such as Exxon Mobil, Rio Tinto, Madagascar Oil, and Sherritt have signed in August 2007 the Extractive Industries Transparency Initiative (EITI).

Conversion and Transfer Policies

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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, and lease payments into a freely usable currency at legal market clearing rate. When delays occur in conversion or funds transfer, they are due to temporary shortages of foreign exchange. By law, foreign investors must make remittances through banks. There is no limitation on the inflow or outflow of funds for remittances of profits, debt service, capital, and returns on intellectual property. Exporters and foreign investors may maintain bank accounts in foreign currencies. Madagascar has a flexible exchange rate policy, allowing underlying exchange market pressures to determine rates and limiting central bank intervention to dampening temporary shocks and achieving its external reserves objectives.

Madagascar, through donors' assistance, including USAID would like to pass a comprehensive legislation in 2008 to regulate and facilitate electronic transactions (e-commerce).

Expropriation and Compensation

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There are no recent cases of expropriation actions by the GOM nor do Government policies suggest that it is likely to take such actions in the near future. Since the country is under a structural adjustment program, there is little risk of future expropriation because the State divestiture from public enterprises is now a cornerstone of the government policy. There are no laws requiring local ownership in specific economic sectors except in oil exploration, where the Government office called OMNIS should be the partner of all foreign companies investing in this sector.

Dispute Settlement

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Madagascar's legal system is based on the 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. USAID has provided assistance in the drafting of the business law reform. They include the revision of the bankruptcy statute, provisions to facilitate leasing and secured transactions and amendments to the companies' code. The Malagasy judicial system is slow and complex and has a reputation of opacity and corruption. 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 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 (CAMM, in its French acronym) 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. The EDBM will be responsible for investment dispute resolution, though it is unclear how this will work in practice and too early to say whether or not it will improve communication or the search for solutions.

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

Performance Requirements and Incentives

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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 under which firms must export 95% of output to qualify for EPZ incentives. Investment incentives are available for industries operating in the EPZ sector. Foreign or local investors can benefit from tax exemptions provided their EPZ projects fall into the following categories:

- Investment in export-oriented manufacturing industries;
- Development or management of industrial free zones; or
- Provision of services to EPZ companies.

The new EPZ law approved in December 2007 grants the following advantages and tax incentives to EPZ companies:

The EDBM is in charge of EPZ companies' approval. From now, the EDBM has to deliver an eligibility certificate within 20 days of deposit of file.

- 15 years tax exemption for EPZ companies
- 5 years tax exemption for industrial enterprises
- No VAT on import of raw materials
- Tax free from registration and professional taxes
- No customs tax on exported goods
- Income tax on expatriate not exceeding 35% of the taxable basis
- Free access to foreign currency within the limit of funds on deposit.

There are no requirements restricting the mobility of foreign investors. The regime for visas, residence and work permits is, on its face, neither discriminatory nor excessively onerous. However, the processing of applications for residence and work permits is widely criticized for being slow and unpredictable. Since the creation of EDBM, processing of residence and work permits is 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. There are no Government-imposed conditions on permission to invest (although investors must apply for such permission), including 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. 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 able to participate in government-financed and/or subsidized research and development programs on a national treatment basis. There are no discriminatory or preferential exports or import policies, which would affect foreign investors, nor discriminatory tariff or non-tariff barriers, or other measures such as import, price controls.

Right to Private Ownership and Establishment

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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 and, since there are no more public enterprises, competitive equality is the 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

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Secured interests in property are recognized, but not yet enforced in the country and banks and insurance companies use mortgage while negotiating loans relating to commercial property.

A prohibition on land ownership by foreigners impedes access to real property. A system of long-term leases – up to 99 years – has been established to address the issue but there are long delays in the approval of land leases for foreigners. Since 2004, the GOM adopted a new law granting land to foreigners investing up to USD 500,000 in the following sectors: banking, real estate and tourism. A special one-stop office was created in mid-July 2004 within the State property to assist foreign investors in those sectors. The new investment law grants land to companies registered in Madagascar. In addition, MCA's contribution in the land tenure issue will streamline the land rights process in the future.

Madagascar is a member of the WIPO (World Intellectual Property Organization) and is 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 nearly non-existent. Major brands are generally respected but pirated copies of movie videotapes, 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. However, On July 17, 2006, an inter-ministerial decree was issued to reinforce measures to fight against counterfeiting literary and artistic works. Upon evidence of law infringement, OMDA and its partners (Police, Customs Officers, Tax Officers, controllers of the ministry of commerce) immediately proceed to the seizure of all illegally reproduced phonograms/video-grams, recorded products be they illegally manufactured or imported and specific materials used for such dealings. Those products should be subject to public destruction in presence of the contravener(s). A control committee will be set up to follow-up the application of such decree. A special anti-counterfeiting brigade will be set up within the National Police/Gendarme. No public shows could take place without OMDA's authorization on the Malagasy territory. To conclude, enforcement of intellectual property rights is limited due to a shortage of trained personnel, legal capacity and resources.

Transparency of Regulatory System

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Excessively complex and inconsistently applied bureaucratic regulations are an impediment to investment and can be a breeding ground for corrupt practices. As part of its emphasis on good governance, the GOM is seeking to streamline processes and improve administrative efficiency and transparency at all levels. Thanks to the EDBM, registration of companies takes now 3 to 4 days.

Tax, labor, environment, health and safety, standards are not used to impede foreign investment, and there are no informal regulatory processes managed by non-governmental organizations or private sector associations. 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

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In spite of the general under-development of the banking system, banks are free to support the flow of resources in the product and factors markets. Credit is usually allocated on market terms and the private sector/foreign investors are able to get credit on the local market.

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 control of domestic enterprises.

Within the Malagasy law, there is an effective regulatory system established to encourage and facilitate portfolio investment and the estimated total asset of the country's largest bank is USD 400 million.

Political Violence

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Political violence is relatively uncommon in Madagascar. The political crisis of January-June 2002 involved a division of the country between two rival governments but was remarkably restrained in terms of violence. Civil disturbances are uncommon and there have been no notable cases of politically motivated damage to projects. Public safety is adequate; although standard warnings to guard against street crime and theft from vehicles and to minimize or avoid night time road travel, particularly in rural areas apply. Madagascar being an island, there are no belligerent neighbors or politically motivated activities.

Corruption

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Complicated administrative procedures introduce delays, uncertainties and multiply the possibilities for corruption. Combating corruption is a stated priority of the Malagasy government and senior officials appear to be taking that effort seriously. BIANCO, the Anti-corruption Independent Office created in 2004 continues to implement the anti-corruption policy. Ten sectors are targeted on the fight against corruption: justice, gendarmerie, police, tax office, customs, treasury, land, trade, education, and health.

Giving or accepting a bribe is a criminal act and is sentenced by court.

In 2007, Transparency International placed Madagascar at the 94th rank out of 180 countries surveyed as it scored 3.2 in the Corruption Perception Index (CPI), indicating a severe corruption problem.

Bilateral Investment Agreements

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According to ICSID (International Center for the Settlement of Investment Dispute) and UNCTAD, Madagascar has concluded bilateral investment agreements with Switzerland, Sweden, South Africa, Norway, Mauritius, Germany, France, Thailand, Belgium, and China. Besides, Madagascar has signed double taxation treaties with France and Mauritius.

OPIC and Other Investment Insurance Programs

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On March 31, 1998, OPIC and Madagascar signed a bilateral Investment Incentive Agreement, which updates the old agreement of 1963.

Madagascar is a member of the MIGA (Multilateral Investment Guarantee Agency). The current exchange rate is approximately 1,800 ARIARY for one USD. It is not expected that there will be significant appreciation or depreciation in the near term.

Labor

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Madagascar has a significant pool of available labor, due to the combined impact of unemployment and under-employment. Private sector wages have been relatively stable and are below those in most competitor countries. The minimum wage for the non-agricultural private sector is 56,713.6 ARIARY per month, approximately USD 27. 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 standard for worksite safety. As a member of the ILO (International Labor Organization), Madagascar adheres to ILO convention protecting workers rights.

Foreign-Trade Zones/Free Ports

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The incentives available in the Export Processing Zone (EPZ) are described in "Performance Requirements and Incentives". There is no distinction between foreign and domestically owned firms in eligibility for EPZ treatment, which is granted by the EDBM since December 2007.

Foreign Direct Investment Statistics

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According to a World Bank survey, Madagascar is among the 30 countries in the world where it is the most difficult to conduct business. The main reasons are the rule of law, the economic instability, the regulatory framework, the banking system (high interest rate), the high rate of tax for operators, the red tape, the high cost of air transport and of telecommunication, and corruption.

In 2007, many foreign trade missions came to Madagascar but only few investments were implemented.

According to the last estimates of the Central Bank of Madagascar inflow soared in 2007 to reach Ariary 1,868 billion (approximately USD 1.3 billion) as compared to Ariary 630 billion (approximately USD 350 million) in 2006. This rebound was fuelled essentially by investments in mineral exploration especially by the ilmenite investment project of QIT

Madagascar Mineral (Rio Tinto) in the south of the country and by the nickel and cobalt investment project of Sherritt International in the east of the country. FDI stock represented around 13 percent of GDP in 2007 (only 5 percent of GDP in 2006). The main partner countries in terms of FDI are Canada with 48.9% of FDI stocks followed by Japan (19.3%), and South Korea (19.3%). Although some French investment dates to the colonial period, French capital is also significant in EPZ investments - approximately 25% of the capital – and privatization purchases. The four largest commercial banks are linked to French banks and Total Fina Elf is one of the four buyers of state oil company assets. Major French firms are present in banking, construction, building materials, engineering, fishing, energy, telecommunications, large-scale retailing, energy, and transportation. Mauritius's investment in the EPZ represents approximately 30% of total capital.

U.S. investment covers a broad spectrum of sectors including oil exploration, apparel, mining, and handicrafts.

The extraction of nickel and cobalt by the Sherritt International in 2009-2010 would mobilize at least USD 3 billion.

The oil exploration projects by Exxon Mobil/Vanco Energy, Madagascar Oil Company, Vuna Energy, and Sterling Energy would also increase the FDI in the country in the near future, if successful.

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- [How Does the Banking System Operate](#)
- [Foreign-Exchange Controls](#)
- [U.S. Banks and Local Correspondent Banks](#)
- [Project Financing](#)
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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, documentary collection.

The banking system consists of seven commercial banks. European banking institutions hold a controlling interest in four banks: Banque Malgache de l'Océan Indien (BMOI), BNI-Crédit Agricole (BNI-CA), BTM-BOA, and BFV-SG. Union Commercial Bank (UCB) and State Bank of Mauritius (SBM) are branches of Mauritian parent companies of the same name. The Hong-Kong group Gahood Holding International Ltd. owned 70% shares of the last bank called BICM (Banque Internationale Chine – Madagascar).

For those banks, financial statements are in compliance with international standards and audits are performed both by local and international recognized accounting firms.

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 interests costs, 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. A substantial portion of domestic credit is effectively extended to the public sector because banks invest surplus funds in largely risk-free government Treasury bills (Bons de Tresor). 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 (MGF). At the end of July 2005, the organization and the operation of the inter-bank foreign exchange market have been improved by the adoption of a continuous system of quotation of the two main currencies of reference, the USD and the EURO. Since 1996, the GOM has lifted all restrictions on current payment and transfers and has accepted the obligations of Article VIII of the IMF Articles of Agreement to abolish exchange controls. However, on July 11, 2004, the GOM adopted a law stating that residents are not authorized to transfer foreign currency to another foreign currency bank account unless within the MID.

U.S. Banks and Local Correspondent Banks

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BMOI:

- French American Bank/New York
- Dresdner Trust/New York

BNI-CA:

- Bankers Trust/New York
- Bank of New York
- American Express International Bank/New York
- Chase Manhattan Bank/New York

BTM-BOA:

- Citibank/New York

- Bank of New York
- Bankers Trust/New York

UCB: Citibank/New York

BFV-SG:

- Bank of New York
- Bank of America/San Francisco
- French American Bank/New York

SBM:

- Citibank/New York
- Bankers Trust/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 availability of local financing has been generally constrained by the Central Bank in order to control inflation in the wake of large public sector fiscal deficits. The World Bank, the European Union, the USTDA, and the African Development Bank have funded many infrastructure and other development projects.

Besides, on March 31, 1998, an agreement was signed between OPIC and the GOM to facilitate U.S. investment in the country.

Since June 2004, the IFC (International Finance Corporation) of the World Bank created a SME (Small and Medium Enterprise) Solution Center to address credit access of local SMEs.

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

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

Trade and Development Agency: <http://www.tda.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>

(Insert a link to the applicable Multilateral Development Bank here and any other pertinent web resources.)

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Chapter 8: Business Travel

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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/warnings_consular.html

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 Government of Madagascar websites for visa information.

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

State Department Visa Website: <http://travel.state.gov/visa/index.html>

United States Visas.gov: <http://www.unitedstatesvisas.gov/>

Consular section website: <http://antananarivo.state.gov>

Telecommunications

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Internet is accessible in hotels and at cyber cafes of major towns. There are three cellular phones companies: MADACOM, ORANGE and TELMA using 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 (e.g. no seatbelts).

Railway transport is available but with limited links (Fianarantsoa - Manakara)

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 UPS, DHL, and TNT.

Language

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The official language is Malagasy but French is the common language of business, though more and more businesspersons speak English.

Health

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Visitors to Madagascar are advised to obtain vaccinations against polio, hepatitis A and B, tetanus/diphtheria, typhoid, and, for those who will be working in the rural areas, rabies. Malaria medication should be taken during the rainy season in Antananarivo (November through April) and at all times when visiting areas below 600 meters in elevation. 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 Military hospital (Soavinandriana) and should notify the Embassy Consular Section at <http://antananarivo.state.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 PM in Madagascar. The typical hour of business is from 9:00 to 17:00 with lunch break between 12:00 and 13:00.

2008 Holiday schedule:

- | | |
|-------------------|------------------|
| - Monday March 24 | Easter Monday |
| - Thursday May 1 | Labor Day |
| - Monday May 12 | Pentecost Monday |

- Thursday June 26 Independence Day
- Friday August 15 Assumption
- Thursday December 25 Christmas Day

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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- www.madagascar.gov.mg
- www.tourisme-madagascar.com
- www.madagascar-contacts.com
- www.moov.mg

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Chapter 9: Contacts, Market Research, and Trade Events

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Contacts

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COUNTRY GOVERNMENT AGENCIES

EDBM (Economic Development Board of Madagascar)

Nouvel Immeuble ARO, Ampefiloha

Antananarivo – Madagascar

Tel: (261 20) 22 216 96 or 22 681 07

Fax: (261 20) 22 679 58

E-mail: edbm@edbm.mg

Website: www.edbm.gov.mg

Presidency

Website: www.madagascar-presidency.gov.mg

Madagascar Action Plan (MAP)

Website: www.madagascar.gov.mg

Prime Minister's Office

E-mail: dcpm@primature.gov.mg

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Ministry of Transportation and Tourism

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- FIVMPAMA (Association of Malagasy Businessmen)
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- GEM (Groupement des Entreprises de Madagascar)
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- SIM (Syndicat des Industries de Madagascar)
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Web Resources

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USEFUL WEBSITES

Government: www.madagascar.gov.mg
Data Bank: www.instat.mg
Tourism: www.tourisme-madagascar.com
Investment/Tourism: madagascar-guide.com
Industry: www.sinergic.mg/madagascar-industrie
General Information: www.embassy.org/madagascar
General/Economy: www.madagascar-contacts.com
National Assembly: www.an.online.mg
Malagasy Products: www.zoma.com

Privatization: www.madaprivat.org
Indian Ocean/Madagascar: www.lk-oi.com
Investment: www.bni.mg

Market Research

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Trade Events

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Chapter 10: Guide to Our Services

The U.S. Commercial Service offers customized solutions to help your business enter and succeed in markets worldwide. 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

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