



Doing Business in Madagascar: 2011 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 in the Western Indian Ocean with a population of around 21 million, Madagascar ranks among the poorest countries in the world. Almost 70 percent of the population lives in poverty.

In March 2009, elected President Marc Ravalomanana was ousted by the former mayor of Antananarivo, Andry Rajoelina, in a coup supported by the army. The international community does not acknowledge as legitimate the de facto transition regime that has been in power since that time. As a result, most donors suspended their non-humanitarian aid programs, and the USG terminated the Millennium Challenge Account (MCA) program on May 19, 2009. On December 23, 2009, the country's eligibility under the African Growth and Opportunity Act (AGOA) was also suspended as the country no longer met the criteria regarding political pluralism and rule of law.

Since the political crisis, economic activity declined, unemployment increased, and government revenue dropped, inducing a sharp fall in public investment. Recent projections anticipate an inflation rate of 9 percent and a GDP growth rate of negative 2 percent in 2010. Macroeconomic forecasts for 2011 predict a GDP growth rate of 2.8 percent and an inflation rate of 7.6 percent.

As a former French colony, Madagascar sells more of its exports to France than to any other country (38 percent in 2009). In addition, around 650 out of 2,500 companies have French capital. However, France was only the fourth largest foreign investor in 2010 after the arrival of Canadian, Japanese, Korean, and British-Australian mining investments. China was leading supplier of Malagasy imports in 2010 followed by France and Bahrain.

State divestiture from public enterprises has been a cornerstone of government policy for the last decade, although two large insurance companies, the water and energy company, and the national air transportation company still belong to the Malagasy state.

Combating corruption was a stated priority of the Ravalomanana administration. In 2003, the President created the Anti-Corruption Council and in September 2004, BIANCO, the independent anti-corruption investigation bureau began operations. Corruption is again on the rise since the unconstitutional change of government in March 2009.

On July 19, 2008, SAMIFIN, the financial intelligence unit in charge of combating money laundering was created. In 2010, SAMIFIN received 76 suspicious transaction reports and referred 14 cases to the public prosecutors. No follow-up by the prosecutors on any of the cases has been reported.

Despite the political crisis, Rio Tinto continued to export ilmenite in 2010, and Ambatovy, a joint venture of Sherritt, SNC Lavalin, Kores, and Sumitomo, will begin exporting nickel and cobalt this year.

Local businesses have expressed their concerns on the recent arbitrary decisions taken by the Malagasy administration, mainly regarding a possible withdrawal of oil permits to foreign companies or the implementation of a decree creating a unique portal for international communications.

Market Challenges

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In general there are no specific barriers to market entry but direct marketing for American-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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The best prospects for future U.S. sales and investments are in the energy, oil exploration, and mining sectors. There are under-exploited opportunities in consulting and engineering.

The country has commercially significant reserves of several minerals including uranium, coal, chromites, 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 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, following the resolution of the current political crisis. However, investors should note that periodic political instability, the lack of a level playing field in particular sectors, an unreliable legal system, rampant corruption at the highest levels, and a lack of transparency in contracting and regulatory decisions can make doing business in Madagascar challenging.

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 a list of importers from the Embassy Commercial Section or by contacting business groups and market survey firms (see at Chapter 9). 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>

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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 a list of importers from the Embassy Commercial Section or by contacting business groups and market survey firms (in Chapter 9). 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 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. Sectors of interest cover mainly fast food such as McDonalds and Kentucky Fried Chicken. However they 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 UPS, Caterpillar, General Motors, IBM, Dell, Cisco, Sun and Oracle, NCR, Sun Microsystems, Packard Bell, HP, 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 ventures with local companies are not required but generally recommended. In the domain of oil exploration, companies must negotiate production sharing contracts with the government office OMNIS (<http://www.omnis-madagascar.mg>). 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.

There are only a 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 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. Occasionally, international bids are canceled or postponed without 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 at the ports of Tamatave, Majunga, Antsiranana, Tulear and Ft. Dauphin. 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, there is no 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. Payment by credit cards (Visa and in limited circumstances MasterCard) is accepted in select department stores, large supermarkets, and hotels.

Each oil distributor has its own payment card and in 2010, a few department stores began accepting payment through mobile phones. In January 2011, Orange, a mobile phone company, launched its e-commerce tool called e-vidy.

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.

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 or www.foire-de-madagascar.mg

E-mail: siiit-technopole@moov.mg or 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

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

Contact: Mrs. Elia Ravelomanantsoa

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: 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: 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
E-mail: 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
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

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

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

Enjeux Challenger
<http://www.challenger-magazine.com/>

Televisions:

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
E-mail: 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
E-mail: 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

TVF (private provider of TV programs per satellite)
41 bis rue d'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

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, and profit margins on products tend to be around 7 to 10 percent.

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. 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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See Chapter 6: Investment Climate

Contact for local IPR registration and enforcement:

- OMAPI, Office Malgache de la Propriété Industrielle (Malagasy Office for Industrial Property); e-mail: omapi@moov.mg
- OMDA, Office Malgache des Droits d'Auteurs (Malagasy Office for Copyrights); e-mail: 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 U.S. Third, 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 Madagascar market. It is vital that companies understand that intellectual property is primarily a private right and that the US 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 Madagascar law. The U.S. Commercial Service 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 USG 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 Madagascar 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.
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: **1-800-786-9199**.
- For more information about registering for copyright protection in the US, contact the US 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.
- For US small and medium-size companies, the Department of Commerce offers a "SME IP Advisory Program" available through the American Bar Association that provides one hour of free IP legal advice for companies with concerns in Brazil, China, Egypt, India, Russia, and . For details and to register, visit: 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 This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. 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. Commerce Department has positioned IP attachés in key markets around the world.

Due Diligence

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

Local Professional Services

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

Commercial Sectors

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Flour #1

Overview

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Unit: USD

	2009	2010	2011 (estimated)	2012 (estimated)
Total Market Size	n/a	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a	n/a
Total Exports	0	0	0	0
Total Imports	22,000,000	6,600,000 (Jan- March)	n/a	n/a
Imports from the U.S.	439,800	345,000 (Jan-Nov)	n/a	n/a
Exchange Rate: 1 USD	1,956 Ar	2,090 Ar	n/a	n/a

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

Data Sources:

Total Local Production:

Total Exports:

Total Imports: National Data Bank

Imports from U.S.: USITC

Based on 2009 imports data, Madagascar imported significant amounts of flour. With the closing of Seaboard's milling plant in October 2008 and the end of Ravalomanana's monopoly on the flour market in 2009, flour is now imported from various countries such as Mauritius, Egypt, Europe, and the U.S. In January 2011, Seaboard's head office announced that the company will restart milling flour in Madagascar in March and expects a monthly production of 4,000 tons.

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Considering the important value of flour imported by the country and the opening of the sector, there is still significant room for U.S. exporters to increase their sales.

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Wheat cultivation could offer American investors in Madagascar another opportunity. As there is no significant wheat production in the entire Indian Ocean region, production from Madagascar could cover the region and even Sub-Saharan Africa. However, gaining access to land remains problematic and highly politicized.

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AMCHAM, SIM, GEM, EDBM, and Chamber of Commerce listed at Chapter 9 are good contacts for potential exporters and investors.

Vegetable Oil #2)

Overview

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Unit: USD

	2009	2010	2011 (estimated)	2012 (estimated)
Total Market Size	n/a	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a	n/a
Total Exports	0	0	0	0
Total Imports	67,213,700	8,532,000 (Jan- March)	n/a	n/a
Imports from the U.S.	340,700	5,960,700 (Jan-Nov)	n/a	n/a
Exchange Rate: 1 USD	1,956 Ar	2,090 Ar	n/a	n/a

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

Data Sources:

Total Local Production:

Total Exports:

Total Imports: National Data Bank

Imports from U.S.: USITC

Madagascar imports nearly 100 percent of its vegetable oil. There are small artisan units that process oil from peanuts but they do not meet the regular standards.

Sub-Sector Best Prospects

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With total imports of USD 67 million in 2009 and USD 8.5 million during the first quarter of 2010, Madagascar is a large importer of vegetable oil. Main imports are from Indonesia, Malaysia, Egypt and Europe. List of importers can be found from the business associations listed at Chapter 9.

Opportunities

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With the end of a monopoly once held by former president Ravalomanana's company Tiko, U.S. Exporters can now increase their sales if their selling price is competitive and if they can find a good local partner with a national distribution channel.

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AMCHAM, SIM, GEM and Chamber of Commerce for contact with potential importers (Chapter 9)

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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 2011 budget law, inputs and capital goods for agriculture are exempt from customs duties as well as inputs for EPZ companies in the textile sector. Products for health security (medicine, vaccine, mosquito nets, glasses), equipment related to renewable energy and sports equipment are also exempt from custom duties.

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 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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Import documentation

The following documents are required for imports:

BSC (Bordereau de Suivi des Cargaisons - cargo follow-up form)

Commercial invoice

Bill of lading or Air Way Bill

Packing list

Import declaration

Certificate of origin

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, and orchids. Since September 2010, exports of rosewood have been included in Annex III of CITES, requiring importers to obtain an import permit signed by CITES authorities.

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

The following documents are required for exports:

Commercial invoice

Bill of lading or Air Way Bill

Certificate of origin (under GSP regime, JADE Act)

Phyto sanitary certificate, if required

Packing list

Export declaration

Customs declaration

Quality certificate, if required

U.S. Export Controls

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There are no U.S. export controls specifically related to Madagascar which companies must respect when exporting. However, companies should ensure that imports of flora or fauna from Madagascar to the U.S. 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 name of the manufacturer together with his registration number, where appropriate, and the intended use. The utilization of the metric system is compulsory in Madagascar.

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

Prohibited and Restricted Imports

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Imports into Madagascar are liberalized and no longer require any import license except for a few categories of items which are considered by the GOM as strategic 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 importation of such products as arms, explosives and narcotic drugs is subject to prior authorization. The same applies to imports of diamonds, gemstones, gold and platinum jewelry, and vanillin.

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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Customs are valued at C.I.F. 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 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

Standards

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Overview

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The Bureau de Normes de Madagascar (BNM) (Madagascar's Standards Office), 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, certifications, and quality, represent Madagascar at regional and international standards organizations such as ISO, CEI, OIML, and Codex Alimentarius. When developing standards, BNM follows international standards, mainly ISO.

PRONABIO, 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:

- 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 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 trade.

- 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).
- Laboratoire de Biochimie Nutrition du Département de Recherche 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 physic-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.
- 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 materials (cement, iron, etc); study of road materials; study of soil in

view of construction stability assessment; control of construction; 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.

A few forestry products (under CITES regulations) should be certified before 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

Accreditation is mainly required in the construction sector.

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. The utilization of the metric system is compulsory in Madagascar.

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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. 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 and customs union expected in 2010
- 1995: World Trade Organization (WTO)
- 2000: Cotonou Agreement
- 2005: SADC. Free Trade Area since 2008
- 2009: Interim Economic Partnership Agreement with the European Union.

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See web resources in Chapter 9

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Chapter 6: Investment Climate

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Openness to Foreign Investment

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According to a World Bank survey, Madagascar is among the 50 most difficult countries in the world in which to conduct business. Political turmoil, weaknesses in the judicial system and the banking sector (high interest rates and unavailability of credit), the high cost and low quality of electric power, high tax rates, a complex business environment, corruption, a lack of transparency in decision-making, and the high costs of ground and air transport make investing in Madagascar a challenge. While the government officially welcomes foreign investment, a 2009 military coup d'état established a de facto regime that remained in power at the end of 2010, and the continued political instability had a negative impact on foreign investment in the country. In the final weeks of 2010, the de facto regime targeted foreign investments in the oil and mining sectors for potential expropriation, but by year's end, no formal documentation or action had occurred.

In 2010, only one foreign company (WISCO-a Chinese firm) invested in the mining sector, and after the 2009 termination of AGOA, the once thirty company strong textile industry only had five firms still exporting apparel to the U.S. Economic prospects in 2011 highlight two mining projects, the QMM mineral sands operation (Rio Tinto) with an annual export estimate of 750,000 tons of ilmenite and the Ambatovy Project (Sherritt International Corporation, Sumitomo Corporation, and Korea Resources Corporation), which begins nickel and cobalt extraction this year.

Prior to the March 2009 coup d'état, the Bretton Woods institutions had generally endorsed the government's macro-economic regime, although they questioned certain non-transparent budget and tax decisions in late 2008. The creation of the American Chamber of Commerce (AMCHAM) in late 2008 benefited Americans and other investors by providing a new forum to lobby for their interests. Due to lack of financing, the international audit scheduled for 2009 to allow Madagascar to become a full member of the Extractive Industries Transparency Initiative (EITI) was not carried out. Hence, Madagascar is not yet a full member of EITI. Since the beginning of the crisis, the Madagascar Action Plan (MAP), a five-year development strategy paper (2007-2011) has been suspended.

In 2010, the de facto authorities continued to maintain fiscal discipline and sound monetary policies, keeping inflation in check. However, better governance, including a return to constitutional rule, the improvement of the regulatory system and the fight against corruption, ought to be urgent priorities. In October 2010, the World Bank noted that the economic situation remained fragile, especially on the fiscal front, where limited revenues and direct financing have restricted public spending and investment, with both

short and long-term negative implications on the delivery of social and infrastructure services. Most recent projections anticipate an inflation rate of 9 percent and a GDP growth rate of negative 2 percent in 2010. Macroeconomic forecasts for 2011 predict a GDP growth rate of 2.8 percent and an inflation rate of 7.6 percent.

Despite the temporary suspension of funding from the World Bank, the Economic Development Board of Madagascar (EDBM) continues to provide support to foreign investors. There is no law or regulation authorizing private firms to adopt articles of incorporation or association that 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. Officially 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, but allegations have been made that some foreign investments have been targeted in such a fashion.

Measure	Year	Index/Ranking
TI Corruption Index	2010	2.6/123
Heritage Economic Freedom	2010	61.2/82
World Bank Doing Business	2011	140 out of 181

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 followed an exchange rate policy to counter underlying exchange market pressures to keep commodity prices stable.

Expropriation and Compensation

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There are no recent cases of expropriation actions by the GOM. However, on December 16, 2010, the Ministry of Mines and Hydrocarbon verbally informed Madagascar Oil (MO) of its interest in acquiring four of its oil exploration blocks. As MO's licenses are all valid and all obligations are legally binding, MO intends to strongly defend its position. Since November 2010, the Ministry of Mining has been conducting audits of mining companies to assess if those companies are in compliance with their

commitments; of note, the auditors are reported to be foreign nationals from a country with alleged interest in some mining and petroleum concessions already granted to other investors. In the telecommunication sector, the regime adopted a decree in December 2010 granting a foreign company the right to serve as a gateway of all international communications; however, by year's end, the company had not yet been installed and the regime made no move to implement the decree. Local and foreign investors fear a return of monopoly or the nationalization of a few key sectors (particularly telecommunications and mining) although the state divestiture from public enterprises has for some time been a cornerstone of government policy.

Dispute Settlement

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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. However, Madagascar ranked last in the World Bank's 2011 Doing Business Report in terms of closing a business due to complexities of bankruptcy and business closure procedures. The Malagasy judicial system is slow and complex and has a reputation of 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 (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 is also responsible for investment dispute resolution; however, it has been unable to resolve several concerns raised by American companies regarding conflicts of interest and the lack of transparency in contracting and in government regulatory decision making.

Madagascar is a signatory to the International Center for the Settlement of Investment 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 percent of output to qualify for EPZ investment incentives. Foreign or local investors can benefit from tax exemptions provided their EPZ 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 EPZ law approved in December 2007 granted the following advantages and tax incentives to EPZ companies: (1) the EDBM is in charge of EPZ companies' approval and has to deliver an eligibility certificate within 20 days of deposit of file; (2) 15 years tax exemption for EPZ companies; (3) no VAT or customs duties on imports of raw materials; (4) no registration taxes; (5) no customs tax on exported goods; (6) income tax on expatriation not exceeding 30 percent of the taxable basis; and (7) free access to foreign currency deposited in the company's foreign currency bank account.

The new export promotion law that was adopted in December 2008 determined that these EPZ provisions (advantages and tax incentives) would only be offered until December 2010. Existing EPZ companies will continue to enjoy the advantages described above after that date.

There are no requirements 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. 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 officially no discriminatory or preferential export or import policies, which would affect foreign investors, nor discriminatory tariff or non-tariff barriers, or other measures such as import or price controls. However in 2010, the de facto regime periodically attempted to enforce price controls on rice and oil imports.

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. 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

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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 properties to companies registered in Madagascar under certain conditions fixed by EDBM, which issues authorization documents. In addition, MCC's contribution to the land tenure issue 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 WIPO (World Intellectual Property Organization) 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. 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.

Transparency of Regulatory System

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Excessive complexities and inconsistently applied bureaucratic regulations are an impediment to investment and can be a breeding ground for corrupt practices. The lack of transparency in government regulatory decisions has generated complaints from current investors. Although regulatory decisions can impede start-up in particular industries, the normal business registration process has been streamlined by EDBM and generally takes less than two weeks.

Tax, labor, environment, health, and safety standards are generally 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. However, many of the EPZ companies use the services of banks in neighboring Mauritius, where the sector is more developed.

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 assets of the country's largest bank are around USD 400 million.

Competition from State Owned Enterprises

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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 Airline Malagasy Company (AIRMAD) and the Malagasy Water and Energy Company (JIRAMA). SOEs have boards of directors for which seats are specifically allocated to senior government officials or politically-affiliated individuals. SOEs are required by law to publish an annual report, and they are also required to submit their books to independent audit.

A sovereign wealth fund (SWF) does not exist in the country.

Corporate Social Responsibility

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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

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During 2010, Madagascar experienced intermittent political demonstrations primarily in the capital city of Antananarivo that on occasion became violent. Opposition political gatherings are frequently blocked by the regime, and security forces at times use excessive force, sometimes resulting in injury, to abrogate the rights of assembly and free speech.

Public safety is fairly adequate, although 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

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In 2010, Transparency International ranked Madagascar 123th out of 178 countries surveyed with a score of 2.6 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. Corruption is most pervasive in the following areas: judicial, police, tax, customs, land, trade, mining, industry, environment, education, and health. Despite the existence of the Independent Anti-Corruption Bureau (BIANCO), corruption at high levels exists in nearly all sectors.

Smuggling of precious stones, hardwood, and animals is increasingly a drain on Madagascar's natural resources, and one that also breeds criminality. In April 2010, the de facto regime, amidst allegations of high level involvement in rosewood trafficking, adopted a decree to prohibit all exports of rosewood and precious timber. Despite this ban, it was reported that containers of rosewood are still being shipped. In September 2010, the Ministry of Environment decided to include rosewood in Annex III of CITES, so now each rosewood importing country needs an import permit signed by CITES authorities.

Madagascar created a Financial Intelligence Unit (SAMIFIN) in mid-2008 to carry out research and financial analysis related to money laundering. Despite insufficient funding, SAMIFIN received 76 suspicious transaction reports in 2010 and referred 14 cases to the public prosecutors, although there is no information available that any of the 14 cases were, in fact, prosecuted.

Madagascar has not yet signed the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

Corruption, including bribery, raises the costs and risks of doing business. Corruption has a corrosive impact on both market opportunities overseas for U.S. companies and the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law.

It is important for U.S. companies, irrespective of their size, to assess the business climate in the relevant market in which they will be operating or investing, and to have an effective compliance program or measures to prevent and detect corruption, including foreign bribery. U.S. individuals and firms operating or investing in foreign markets should take the time to become familiar with the relevant anticorruption laws of both the

foreign country and the United States in order to properly comply with them, and where appropriate, they should seek the advice of legal counsel.

The U.S. Government seeks to level the global playing field for U.S. businesses by encouraging other countries to take steps to criminalize their own companies' acts of corruption, including bribery of foreign public officials, by requiring them to uphold their obligations under relevant international conventions. A U. S. firm that believes a competitor is seeking to use bribery of a foreign public official to secure a contract should bring this to the attention of appropriate U.S. agencies, as noted below.

U.S. Foreign Corrupt Practices Act: In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which makes it unlawful for a U.S. person, and certain foreign issuers of securities, to make a corrupt payment to foreign public officials for the purpose of obtaining or retaining business for or with, or directing business to, any person. The FCPA also applies to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. For more detailed information on the FCPA, see the FCPA Lay-Person's Guide at: <http://www.justice.gov/criminal/fraud/>

Other Instruments: It is U.S. Government policy to promote good governance, including host country implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the FCPA, the United States has been instrumental to the expansion of the international framework to fight corruption. Several significant components of this framework are the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Antibribery Convention), the United Nations Convention against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law Conventions, and a growing list of U.S. free trade agreements. This country is party to United Nations Convention Against Corruption, but generally all countries prohibit the bribery and solicitation of their public officials.

OECD Antibribery Convention: The OECD Antibribery Convention entered into force in February 1999. As of December 2009, there are 38 parties to the Convention including the United States (see <http://www.oecd.org/dataoecd/59/13/40272933.pdf>). Major exporters China, India, and Russia are not parties, although the U.S. Government strongly endorses their eventual accession to the Convention. The Convention obligates the Parties to criminalize bribery of foreign public officials in the conduct of international business. The United States meets its international obligations under the OECD Antibribery Convention through the U.S. FCPA. Madagascar is not a party to the OECD Convention.

UN Convention: The UN Anticorruption Convention entered into force on December 14, 2005, and there are 143 parties to it as of December 2009 (see <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>). The UN Convention is the first global comprehensive international anticorruption agreement. The UN Convention requires countries to establish criminal and other offences to cover a wide range of acts of corruption. The UN Convention goes beyond previous anticorruption instruments, covering a broad range of issues ranging from basic forms of corruption such as bribery and solicitation, embezzlement, trading in influence to the concealment and laundering of the proceeds of corruption. The Convention contains transnational

business bribery provisions that are functionally similar to those in the OECD Antibribery Convention and contains provisions on private sector auditing and books and records requirements. Other provisions address matters such as prevention, international cooperation, and asset recovery. Madagascar is a party to the UN Convention.

OAS Convention: In 1996, the Member States of the Organization of American States (OAS) adopted the first international anticorruption legal instrument, the Inter-American Convention against Corruption (OAS Convention), which entered into force in March 1997. The OAS Convention, among other things, establishes a set of preventive measures against corruption, provides for the criminalization of certain acts of corruption, including transnational bribery and illicit enrichment, and contains a series of provisions to strengthen the cooperation between its States Parties in areas such as mutual legal assistance and technical cooperation. As of December 2009, the OAS Convention has 33 parties (see <http://www.oas.org/juridico/english/Sigs/b-58.html>) Madagascar is not a party to the OAS Convention.

Council of Europe Criminal Law and Civil Law Conventions: Many European countries are parties to either the Council of Europe (CoE) Criminal Law Convention on Corruption, the Civil Law Convention, or both. The Criminal Law Convention requires criminalization of a wide range of national and transnational conduct, including bribery, money-laundering, and account offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on compensation for damage relating to corrupt acts, whistleblower protection, and validity of contracts, inter alia. The Group of States against Corruption (GRECO) was established in 1999 by the CoE to monitor compliance with these and related anti-corruption standards. Currently, GRECO comprises 46 member States (45 European countries and the United States). As of December 2009, the Criminal Law Convention has 42 parties and the Civil Law Convention has 34 (see www.coe.int/greco.) Madagascar is not a party to the Council of Europe Conventions.

Free Trade Agreements: While it is U.S. Government policy to include anticorruption provisions in free trade agreements (FTAs) that it negotiates with its trading partners, the anticorruption provisions have evolved over time. The most recent FTAs negotiated now require trading partners to criminalize “active bribery” of public officials (offering bribes to any public official must be made a criminal offense, both domestically and trans-nationally) as well as domestic “passive bribery” (solicitation of a bribe by a domestic official). All U.S. FTAs may be found at the U.S. Trade Representative Website: <http://www.ustr.gov/trade-agreements/free-trade-agreements>. Madagascar does not have an FTA with the United States.

Local Laws: U.S. firms should familiarize themselves with local anticorruption laws, and, where appropriate, seek legal counsel. While the U.S. Department of Commerce cannot provide legal advice on local laws, the Department’s U.S. and Foreign Commercial Service can provide assistance with navigating the host country’s legal system and obtaining a list of local legal counsel.

Assistance for U.S. Businesses: The U.S. Department of Commerce offers several services to aid U.S. businesses seeking to address business-related corruption issues. For example, the U.S. and Foreign Commercial Service can provide services that may assist U.S. companies in conducting their due diligence as part of the company’s overarching compliance program when choosing business partners or agents overseas.

The U.S. Foreign and Commercial Service can be reached directly through its offices in every major U.S. and foreign city, or through its Website at www.trade.gov/cs.

The Departments of Commerce and State provide worldwide support for qualified U.S. companies bidding on foreign government contracts through the Commerce Department's Advocacy Center and State's Office of Commercial and Business Affairs. Problems, including alleged corruption by foreign governments or competitors, encountered by U.S. companies in seeking such foreign business opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy personnel and through the Department of Commerce Trade Compliance Center "Report A Trade Barrier" Website at tcc.export.gov/Report_a_Barrier/index.asp.

Guidance on the U.S. FCPA: The Department of Justice's (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals to request a statement of the Justice Department's present enforcement intentions under the anti-bribery provisions of the FCPA regarding any proposed business conduct. The details of the opinion procedure are available on DOJ's Fraud Section Website at www.justice.gov/criminal/fraud/fcpa. Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general guidance to U.S. exporters who have questions about the FCPA and about international developments concerning the FCPA. For further information, see the Office of the Chief Counsel for International Counsel, U.S. Department of Commerce, Website, at http://www.ogc.doc.gov/trans_anti_bribery.html. More general information on the FCPA is available at the Websites listed below.

Exporters and investors should be aware that generally all countries prohibit the bribery of their public officials, and prohibit their officials from soliciting bribes under domestic laws. Most countries are required to criminalize such bribery and other acts of corruption by virtue of being parties to various international conventions discussed above.

POST INPUT: Public sector corruption, including bribery of public officials, remains a major/minor challenge for U.S. firms operating in Madagascar.

Anti-Corruption Resources

Some useful resources for individuals and companies regarding combating corruption in global markets include the following:

- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including a "Lay-Person's Guide to the FCPA" is available at the U.S. Department of Justice's Website at: <http://www.justice.gov/criminal/fraud/fcpa>.
- Information about the OECD Antibribery Convention including links to national implementing legislation and country monitoring reports is available at: http://www.oecd.org/departement/0,3355,en_2649_34859_1_1_1_1_1,00.html. See also new Antibribery Recommendation and Good Practice Guidance Annex for companies: <http://www.oecd.org/dataoecd/11/40/44176910.pdf>
- General information about anticorruption initiatives, such as the OECD Convention and the FCPA, including translations of the statute into several languages, is

available at the Department of Commerce Office of the Chief Counsel for International Commerce Website: http://www.ogc.doc.gov/trans_anti_bribery.html.

- Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in 180 countries and territories around the world. The CPI is available at: http://www.transparency.org/policy_research/surveys_indices/cpi/2009. TI also publishes an annual *Global Corruption Report* which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption related events and developments from all continents and an overview of the latest research findings on anti-corruption diagnostics and tools. See <http://www.transparency.org/publications/gcr>.
- The World Bank Institute publishes Worldwide Governance Indicators (WGI). These indicators assess six dimensions of governance in 212 countries, including Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption. See http://info.worldbank.org/governance/wgi/sc_country.asp. The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at: <http://go.worldbank.org/RQQXYJ6210>.
- The World Economic Forum publishes the *Global Enabling Trade Report*, which presents the rankings of the Enabling Trade Index, and includes an assessment of the transparency of border administration (focused on bribe payments and corruption) and a separate segment on corruption and the regulatory environment. See <http://www.weforum.org/en/initiatives/gcp/GlobalEnablingTradeReport/index.htm>.
- Additional country information related to corruption can be found in the U.S. State Department's annual *Human Rights Report* available at <http://www.state.gov/g/drl/rls/hrrpt/>.
- Global Integrity, a nonprofit organization, publishes its annual *Global Integrity Report*, which provides indicators for 92 countries with respect to governance and anti-corruption. The report highlights the strengths and weaknesses of national level anti-corruption systems. The report is available at: <http://report.globalintegrity.org/>.

Bilateral Investment Agreements

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

OPIC and Other Investment Insurance Programs

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On March 31, 1998, OPIC and Madagascar signed a bilateral Investment Incentive Agreement, which updated the old agreement of 1963. Madagascar is a member of the MIGA (Multilateral Investment Guarantee Agency). The average daily exchange rate in 2010 was 2,090 Ariary per one USD.

Labor

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Madagascar has a significant pool of available labor, due to the combined impacts of unemployment and under-employment. 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 2010 was 77,062 Ariary per month, approximately 36 USD. 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. As a member of the ILO (International Labor Organization), Madagascar adheres to the 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/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. As stated earlier, EPZ incentives will be offered only through December 2010, but pre-existing EPZ firms will maintain their incentives and status beyond that date.

Foreign Direct Investment Statistics

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According to Central Bank figures, in 2009 FDI inflows to Madagascar amounted to USD 542 million compared to 1.12 billion in 2008 (52 percent decrease). Slowdown of economic activities stemming from political and economic crises constitutes the main reason for these decreasing FDI inflows. Although the mining and extractive industry continues to attract FDI, data show that in 2009, FDI in this sector was more than 50 percent lower than in 2008, falling from USD 960 Million to USD 447.5 Million. Apart from the extractive industry sector, FDI flows were concentrated in the following sectors: manufacturing (USD 36 Million, 6.6 percent of total FDI inflows), hotels and restaurant industry (USD 17.7 Million, 3.3 percent) and financial services industry (USD 16 Million, 3 percent). The five top origin countries of FDI inflows were respectively the United

Kingdom (USD 162 Million), Canada (USD 148 Million), South Korea (USD 65.4 Million) and Japan (USD 62 Million).

Central Bank statistics indicate that total FDI stock amounted to USD 3.19 billion in 2009 compared to USD 3.12 billion in 2008, an increase of two percent. Between 2007 and 2008, FDI stock increased by 56 percent, but in 2009, it slowed down due to the end of the construction phase of the QMM mineral sands operation (Rio Tinto). Furthermore, the domestic political crisis combined with the global financial crisis discouraged investors from coming to Madagascar.

FDI flows from the U.S. amounted to USD 37 million in 2009 representing 3.8 percent of the total. If one considers only non-extractive industry FDI, the U.S. represents 39 percent of the total.

While the mining sector continues to drive foreign direct investment in Madagascar, the 2011 government budget projections expect substantial investment in infrastructure with the unlikely assumption that foreign aid will resume. Therefore, the public works and construction sector constitutes a potential area for foreign direct investment, assuming that the political crisis will come to an end and foreign donors will resume their financial aid to the country. Nearly two-thirds of government investment expenditures are financed by external funding.

Web Resources

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See Chapter 9

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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](#)
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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, or by documentary collection. The banking system consists of eight 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 Honk-Kong group Gahood Holding International Ltd. owns 70 percent of the shares of BICM bank. The German group Access Holding owns the Access Bank Madagascar. For those banks,

financial statements are in compliance with international standards and audits are performed both by local and internationally recognized firms. A new bank, Banque Gabonaise et Francaise Internationale (BGFI) became operational in 2010.

Thanks to MCA's contribution in 2008, the central bank adopted a new automated payment and clearing system for the banking sector in October 2009. The new system is aimed at streamlining the payment and compensation procedures, reducing costs and improving confidence in the payment instruments.

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 firm's 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 trésor). 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 USD 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 the huge 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 unless within the MID. However, between EPZ companies, foreign currency transfers are allowed.

To avoid high fluctuations of fuel prices, importers of fuel were granted a preferential exchange rate (1USD= 2,000 Ariary) in 2010. Following the price increase of rice, importers were granted the same preferential exchange rate in January 2011.

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 USTDA, and the African Development Bank have funded many infrastructure and other development projects.

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

In June 2004, the International Finance Corporation (IFC) of the World Bank created an SME (Small and Medium Enterprise) Solution Center to address credit access of local SMEs. Between 2005 and 2009, the GOM, with financing from an MCA compact, implemented banking sector reform and promoted access to microcredit.

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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/ccc/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>

IFC: <http://madagascar.smetoolkit.org/madagascar/en>

Economic Development Board of Madagascar (for potential investors):
<http://www.edbm.gov.mg>

Project for Mineral Resources (for potential investors in the mining sector):
<http://www.pgrm.mg>

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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>

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.

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

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

Consular Section website Antananarivo: <http://antananarivo.usembassy.gov>

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 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.

Railway transport is available but with limited links.

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 and English. However, English is not widely spoken. French is the common language of business.

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.antenanarivo.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 PM in Madagascar. The typical hours of business are from 8:30 to 17:00 with lunch break between 12:00 and 13:00.

2011 Holiday schedule:

- Tuesday March 29 Day Commemorating Martyrs
- Monday April 25 Easter Monday
- Thursday June 02 Ascension Day
- Monday June 13 Pentecost Monday
- Tuesday November 1 All Saints 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.

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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
E-mail: edbm@edbm.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

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

Ministry of Economy and Industry
P.O. Box 527
Antananarivo 101 – Madagascar
Tel: (261 20) 22 291 28
Fax: (261 20) 22 277 90
Website: www.meci.gov.mg

Ministry of Energy
P.O. Box 257
Antananarivo 101 – Madagascar
Tel: (261 20) 22 595 62
Fax: (261 20) 22 325 54
Websites: www.energy.gov.mg

Ministry of Mining and Hydrocarbon
Ampandrianomby
Antananarivo 101 – Madagascar
Tel: (261 20) 22 418 22
Website: www.mines.gov.mg

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

Ministry of Transportation
P.O. Box 4139
Antananarivo 101 – Madagascar
Tel: (261 20) 22 246 04
Fax: (261 20) 22 356 26
Website: www.mtpm.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

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

Ministry of Environment and Forestry
Antsahavola
Antananarivo 101 – Madagascar
Tel: (261 20) 22 668 05
Fax: (261 20) 22 345 10
Website: www.meeft.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

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

COUNTRY BUSINESS ASSOCIATIONS

AMCHAM MADAGASCAR

Bâtiment C1

Village des Jeux, Ankorondrano

Antananarivo 101 – Madagascar

E-mail: Am_Cham_Mada@hotmail.com

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.tana-cciaa.org

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

GEM (Grouping 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

E-mail: 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

E-mail: syndusmad@moov.mg

GEFP (Grouping of Export Processing Zone companies (EPZ))

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

E-mail: gefpmg@moov.mg

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
E-mail: 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

ATW Consultants de Madagascar
Lot II Y 9F, Antanimora
Antananarivo 101 – Madagascar
Tel/Fax: (261 20) 22 345 98
E-mail: 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

Web Resources

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USEFUL WEBSITES

Presidency: www.presidency.gov.mg
Government: www.madagascar.gov.mg
Data bank: www.instat.mg
Tourism: www.tourisme-madagascar.com
Investment: www.edbm.gov.mg or www.bni.mg
General/Economy: www.madagascar-contacts.com
General information: www.sobika.com or www.madagate.com or www.moov.mg

OMNIS is a good source for potential investors in the oil and uranium sectors:
www.omnis-madagascar.mg

The Governance Project for Mineral Resources (PGRM) is a good source for potential investors in the mining sector: www.pgrm.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

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 Commercial Section of the U.S. Embassy of Antananarivo is working closely with Johannesburg FCS to conduct the following services:

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

- Market surveys

Please click on the links below:

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

<http://www.buyusa.gov/southafrica/en/servicestouscompanies.html>

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)**.

We value your feedback on the format and contents of this report. Please send your comments and recommendations to: Market_Research_Feedback@trade.gov

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.

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