



Doing Business in Madagascar: 2015 Country Commercial Guide for U.S. Companies

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Chapter 1: Doing Business in Madagascar

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- **Market overview**
 - ✓ Political situation: Madagascar is emerging from a political crisis occasioned by a coup in 2009. Internationally observed elections led to the inauguration in January 2014 of President Rajaonarimampianina Hery. The new President emphasized battling poverty, improving good governance and rule of law, and promoting better investment climate among his priorities. The US government lifted all coup-related restrictions on aid to Madagascar on May 27, 2014.
 - ✓ US exports to Madagascar (2014): USD 102.8 million (-13.8% compared to 2013, 4.67% of total exports of the country). The United States is the tenth largest supplier after Emirates, China, India, EU, France, South Africa, Bahrein, Pakistan and Mauritius.
 - ✓ US imports from Madagascar (2014): USD 185.1 million (+27.6% compared to 2013, 5.67% of the total imports of the country). The United States ranks second after France.
 - ✓ Stock of US FDI in Madagascar (2013): USD 183 million (Total FDI in 2013 USD 837 532 519, credit to <http://donnees.banquemondiale.org/pays/madagascar>)
 - ✓ Population and poverty: Madagascar is an island of 587 295 sq. km located in the Western Indian Ocean with an estimated population of 22,92 million and a PIB of USD 10.61 billion in 2013 (credit to <http://donnees.banquemondiale.org/pays/madagascar>)
 - ✓ Economic performance: Madagascar ranks 144 out of 189 according to the classification of Doing Business 2014 issued by the World's Bank in relation to its business climate. Madagascar has a tremendous natural potential, but the low quality and high cost of infrastructures (roads, electricity, telecommunications, ports and air freight), the limited access to credit and financial instruments as well as the poor definition of its property titles are all barriers to investment.
 - ✓ Political instability has become another major barrier, which has blocked all public investments and provoked the departure of many investors. Nevertheless, the situation seems to be starting to improve, which will lead to a gradual return of investments, as evidenced by the resumption of the exploration of Malagasy subsoil and ocean floors, which are rich in oil, gold, chromium and uranium. To name a few: the company Ambatovy SA has launched an exploitation project for nickel and cobalt, at an estimated cost of more than EUR 4 billion; the company QMM has launched a 750 000 MT/year ilmenite exploitation project worth USD 1 billion. Madagascar Oil Company will start oil production in 2015. France, Mauritius, China and the United States remain the main investors in Madagascar. (credit to <https://en.santandertrade.com/establish-overseas/madagascar>)
 - ✓ Oil exploration: Madagascar plans to issue licenses for three on-shores and up to 50 off-shores exploration blocks in 2015 once the Parliament approves the new petroleum law. Madagascar has a total 249 exploration blocks, of which 24 have so far been licensed to exploration companies.

Among the companies that hold licenses in Madagascar are Exxon Mobil, Tullow Oil, Madagascar Oil and Afren (credit to <http://www.reuters.com/article/2014/10/17/madagascar-exploration-idUSL6N0SC1DN20141017>).

- **Market challenges**

- ✓ Madagascar has a tremendous natural potential, but the low quality and high cost of infrastructures and transportation (road, bridge, harbor, electricity, communications, land - sea - air freights, etc.), the limited access to credit and financial instruments as well as the poor definition property titles are among major barriers to investment.
- ✓ Political instability has become another major barrier despite apparent Government effort to improve the business and environment climate with the support of multilateral donors.
- ✓ The country educational system would need reform to foresee and match the qualification demand in the job market especially since the establishment of more multinational companies.
- ✓ The low purchasing power of the population makes the local market poor opportunity especially for mass consumption products.
- ✓ The administrative and legal systems basically inspired with French system might be a handicap for the US investors. Corruption, lack of transparency and poor communication make difficult doing business in Madagascar.

- **Market entry strategy**

- ✓ Globally, it is recommended to collaborate with local partner at every stage of the business. The backward and complicated business environment prevailing in Madagascar requires involvement of local resource that has better knowledge of the status. For instance, it might be capital to order in-depth market surveys conducted by a local based consultancy firm prior to marketing mass consumption products. At the distribution stage, it might be useful to explore the capability of local distributor's existing network, logistics and customer portfolio.
- ✓ However, in case of new advanced technology and service, the investor would consider the statement of local industries and potential customers prior to start implementing their own business strategy. Most companies focus their first steps into three major cities namely Antananarivo (capital), Toamasina (major harbor) and Antsirabe before expanding to other towns.

Chapter 2: Political and Economic Environment

For background information on the political and economic environment on Madagascar, please click on the link below to the US Department of State Background Notes and to the US Embassy website.

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

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

Chapter 3: Selling US products and services

- Using an agent or distributor
 - Establishing an office
 - Franchising
 - Direct marketing
 - Joint ventures/licensing
 - Selling to the Government
 - Distribution and sales channels
 - Selling factors/techniques
 - Electronic commerce
 - Trade promotion and Advertising
 - Pricing
 - Sales service/Customer support
 - Protecting your intellectual property
 - Due diligence
 - Local professional services
 - Web resources
-
- **Using an agent or distributor**
 - ✓ For new American operators, the use of agents and distributors, particularly those with proven experience, is highly recommended. Local counterpart provides market knowledge, customer portfolio and can easily communicate in Malagasy and/or French. Membership to AMCHAM and advice seeking from them would be also helpful. The Embassy recommends that the US firm's representative visits Madagascar prior to negotiate and finalize potential distribution/agency contract.

 - **Establishing an office**
 - ✓ In May 2006, the Government of Madagascar established an investment promotion office so called EDBM (Economic Development Board of Madagascar) which is a one stop shop in charge of facilitating investment and business development. It provides services from company floating to assistance for local and foreign investors.

 - ✓ It lasts less than 4 weeks to register a new company in Madagascar provided that entire supporting documents are available.

 - ✓ Office space (furnished or not) are offered by specialized companies or contracted through real estate agent. The rent varies from one city to another and depends on the area inside the city. Generally, the landlord requests a lease agreement extendable yearly and cash deposit (caution) equivalent to one to three months' rent. The lease agreement must be registered at a notary office.

 - **Franchising**
 - ✓ Malagasy businessmen have expressed great interest to establish franchise with their US counterpart. The low purchasing power and lack of scale economy impede the proliferation of the franchising.

 - ✓ Few US brands and products are marketed through distributorship: Ford, Caterpillar, General Motors, Honeywell, HP, NCR, Jeep, Bluebird, Coca Cola, Kodak, Oracle, NCR, Packard Bell, Dell, Cisco, Apple and Maybelline ...

- **Marketing**
 - ✓ Marketing concepts and their advantages are likely misunderstood by the majority of local businessmen. Moreover, its high cost impedes a regular adoption in business in Madagascar. Mostly the first entry in a market or product leads to more chance for a success but there are numerous cases the leader couldn't maintain their performance.
 - ✓ Internationally designed advertisements are sometimes adapted to be broadcasted on local media but local advertising companies can also make at lower cost customized commercials taking into consideration the main factors of purchase in Madagascar. Embassy encourages an open negotiation between US operators and local counterpart to reach a common marketing strategy.
 - ✓ Classic advertising techniques remain a major compound in local marketing mix (Billboards, poster or report in dailies and magazines, electronic display all along most frequented areas, radio/TV broadcast free leaflet ...). Advanced technologies such in digital advertising (on-line ads, cookies and behavioral ads ...) still embryonic and not really mastered. Several companies organize sale session sometimes to reduce their inventory giving priority to defective or even expired items.
- **Joint ventures/Licensing**
 - ✓ The local legislation doesn't obligate the joint venture with indigenous party but it might be recommended in few sectors (oil production, mining exploitation, hotel & tourism, agriculture, etc.) to ease and secure the proprietorship and social integration.
 - ✓ The major advantage is a better knowledge and experience in the country and the ability to navigate complex bureaucracy and procedures whereas the main drawback remain the negligible percentage of local shares due to the rate of exchange (US Dollar 1 = Ariary 2875).
 - ✓ According to the Ministry of Industry, the drafting of New Industrial Industry is underway. It would consider among all an easier establishment of foreign investors, better tax incentives for FDI, and lower production cost factors ...
- **Selling to the Government**
 - ✓ The common practice in Madagascar for public procurement remains the call for bids which has various kinds (national, international, call for expression of interest, restricted). The law prescribes a general notifications for all intended bids of the fiscal year and individual notice is communicated in due time either on dailies or on official gazette or on the website of the relevant department or program.
 - ✓ US Companies are encouraged to participate into international call for bids which are funded by International organization (WB, IMF, IDA, AfBD, BADEA, French Development Agency, European Fund for Development, etc.).
 - ✓ There is emergency food security and reconstruction project for Madagascar development objectives. In the NPD (National Policy of Development), efforts will be done on improvement and development of infrastructures including road, bridge, ports, airports, energy/electricity, housing and creation of new cities and dedicated industrial areas.
 - ✓ Large opportunities may occur for public infrastructure works (road, bridge, port, airport, energy/electricity, school, government building, and health unit) and public equipment or service procurement.

- **Distribution and Sales Channels**

- ✓ The distribution and sales channel are likely organized sector wise. There is no state intervening and the business appears exclusively private. Few examples are given below for better assessment. In general, there still lack of capabilities and logistics for better supply chain management (SCM).
- ✓ Five international chains of department stores (grocery and home equipment) have presence in over two cities in the country. They are French (Score, Leader Price), South African (Shoprite), Chinese (Horizon Ivato/Sogecoa) and Mauritian (Courts) but most of them aren't excluding collaboration on distributing other origin goods and brands. Higher commercial margin is applied comparatively to developed countries where the economy of scale and competition match. They bear the transportation costs from their warehouse to the shops.
- ✓ Four commercial chains of oil, lubricant and cooking gas are operating downstream namely Jovenna, Total, Galana, and Vivo (shell). They have national presence and have their own mean and organization to supply the pump stations collaborating with them. They bear the transportation costs from the reservoirs to the pumps.
- ✓ Building materials' (iron bars/sheets, galvanized roofs, aluminum profiles, tiles, paints, cement, glasses, etc.) distribution and sales channels have recorded high booming these recent years. Major importers specialize in few items and privilege their own network (Sanifer, FDC, ABC, etc.) without excluding independent wholesaler shops. Mostly, sellers bear the transportation costs till the shops for large purchase or extended sales agreement.
- ✓ Chinese importers-cum-distributors are highly active in the textile, mobile phones, fashions and cosmetics. They have built rapidly few commercial buildings in the heart of the capital and from where they operate direct wholesaling to individual retailers (informal) coming from every corner of the country. This business has the advantage of transport cost less and benefits from "tax evasion".

- **Express delivery**

- ✓ Four international delivery companies, namely DHL (www.dhl.com), UPS (www.ups.com), TNT-MADPACK (www.madpack.mg) and FEDEX (www.fedex.com) have presence in Madagascar. They offer 3 to 5 working days to deliver parcels from large US cities to Antananarivo. The average minimum charge for a parcel weighting less than half kg (17.6 oz) to U.S is approximately USD 50.
- ✓ National express companies provide extended services to many cities of the country. The National Post Office and Colis Express SA remain the leading service providers among them.
- ✓ International as well as national companies have their in-house service for custom clearance which has to follow the national regulation. They offer also door pickup and door to door delivery services. Following link provides express delivery detailed contacts.

- **Selling factors/Techniques**

- ✓ The Index Mundi ([http://www.indexmundi.com/madagascar/gdp_per_capita_\(ppp\).html](http://www.indexmundi.com/madagascar/gdp_per_capita_(ppp).html)) estimates the GDP (purchasing power parity) per capita for Madagascar stagnant at USD 1.0 for the years 2011, 2012 and 2013. This figure is relatively low compared to other countries

- in the world and impedes on the trade growth. However, there is huge gap between poor and wealthy person in Madagascar.
- ✓ Advanced sales techniques exploiting sales factors surveys couldn't be effective due to low PPP. In fact, majority of population firstly strive for subsistence.
 - ✓ Sales agent and retailers merely satisfy the needs of consumers case by case without projection for longer period.
 - **Electronic commerce**
 - ✓ Electronic commerce is at its first step in the country. The apparent success of mobile payment and mobile banking would allow foreseeing a future booming of electronic commerce provided a rapid enforcement of its legal framework and enhancement of the existing infrastructure.
 - ✓ Various kinds of goods are being sold through e-commerce (mobile phone, electric home appliances, home decoration, cosmetics, fashion, jewelry, sport wear – equipment, and computer) with a scope for extension to other items. Door delivery is part of their commerce in the capital.
 - ✓ For instance, payment by bank credit cards is accepted in department stores, large shops, renowned hotels and petrol pump stations. Moreover, web shopping is progressively explored by minority middle and wealthy classes. According to the GOTICOM (“Groupement des Opérateurs des Technologies de l'Information et de la Communication”), there is a tremendous need in improvement of technical capacity buildings for stakeholders to secure data and electronic money transaction. In collaboration with the telephone company Telma, “payment gateway” has been implemented to secure electronic payment. Classic payments by e-card (Visa, Paypal) are also accepted in addition to mobile money and mobile banking.
 - ✓ The number one e-commerce EXEIA.COM in Madagascar (<http://exeia.com/>) is part of a group of companies named XCHANGE which has its core activities in travel and foreign exchanges. EXEIA provides authenticity of items, after sale service and offers reasonable guarantee.
 - **Trade Promotion and Advertising**
 - ✓ Most trade promotion and advertising events are organized by dedicated agencies. Three agencies are reputed for hosting regularly and successfully the following exhibitions (FIM - International Fair of Madagascar; ITM – International Tourism Fair of Madagascar; SIMH – Mines, Hydrocarbons and Equipment Fair of Madagascar and International Fair of Habitat). The organizers details are given at following link [Fair Organizer](#)
 - ✓ Madagascar is a French speaking country. Major local newspapers, magazines and trade publications are edited either in French or in Malagasy languages. However, there is progressive effort to draft press articles and reports in English at three dailies and business journal. Following link provides contact details [Newspap_Mag.docx](#)
 - ✓ Radio/TV information
Following link provides contact details [Radio_TV.docx](#)
 - ✓ BSP fuse or Single company promotion services

- **Pricing**

- ✓ Generally, companies apply the cost plus pricing method for setting the price of their products or service. Above this, they add the VAT amounting 20% (Compensation system which excludes public bodies and cleared entities). Sometimes, the scheme penalizes them in the context of global competition.
- ✓ VAT is levied also at import stage. Therefore, any company which has to purchase imported raw materials from another local company will find its production cost higher and weaknesses its cash due to VAT cascade phenomenon when applying VAT at selling stage. The tax administration couldn't so far address this VAT issue since years which favors tax evasion.
- ✓ The calculus of cost at import worth to be detailed. The custom duty rate for each item can be found online at <https://madagascar.integrationpoint.net/Logon.aspx>. The amount due to the custom department is calculated on basis of CIF amount converted into local currency after applying the custom exchange rate of conversion.
- ✓ In addition to the custom duty amount, company needs to incorporate the following charges: GasyNet [The GasyNet company is a privileged partner of Customs in the deployment of scanners tools in the development and management of the TradeNet platform and, more generally, for the optimization of customs performance], the port unloading charges and TradeNet fees [statutory authorization prior to clearing then marketing few goods in Madagascar (soap, detergent, foodstuff ...)] and ground trucking and warehouse costs.

- **Sales services/Customer support**

- ✓ Not every operator provides the after sale and customer support. The fields of its application are rather limited particularly in vehicles, electronic devices (phone, computer, office/home equipment), communication, real estate and travel industry.
- ✓ It is frequent to notice retailer who refuses replacing defective items once the customer paid due to low quality sourcing and counterfeited products.
- ✓ Mostly, shops don't commit to guarantee their goods. However, since the last three years, more and more brand shop open especially in the capital and offer internationally guarantee scheme (Ford, Chevrolet, Dell, Sony, Sharp, LG, Samsung ...) despite higher pricing.

- **Protecting your IPS**

- ✓ 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). These offices are financially autonomous bodies, despite their close collaboration with the Ministry of Industry, Ministry of Commerce, and Ministry of Culture and Handicrafts, all of which lack the financial resources to contribute to their operating budgets.

Protection of intellectual property rights is uneven. Officially, authorities protect against infringement, but in reality, enforcement capacity is quite limited due to resource constraints, weakness of the judicial system, and a lack of awareness of intellectual property rights among consumers. These constraints have led some

international investors to experience difficulties enforcing their rights.

Major brands are generally respected, but pirated copies of DVDs, CDs, electronic equipment and spare parts are sold openly. Some television stations regularly show pirated copies of first-run U.S. and European movies. Additional products subject to counterfeiting include foodstuffs, clothing items, mobile phones, cigarettes, and cosmetics, among others. Many of these products are imported.

The Ministry of Commerce seizes counterfeit goods found in the market during unannounced inspections. These products are exclusively incinerated at the cost of the faulty party, though figures or statistics concerning these raids are not made publicly available, and the Ministry also suffers from insufficient resources.

Madagascar recently became a signatory to the WIPO Copyright and Performance and Phonogram Treaties, acceding to both in November 2014 and entering them into force in February 2015.

Currently, a draft bill to modernize intellectual property protections is under examination by the Ministry of Justice prior to its submission to the Parliament later this year. The reforms would incorporate the Hague (international registration of industrial designs), and Lisbon (protection of origin appellation and international registration) agreements, as well as other international treaty classifications in the matter of patents, design and industrial models, and brands and figurative elements into the legislative framework.

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en/>.

Due Diligence

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- ✓ Chartered accountants or financial auditors commonly perform due diligence in Madagascar, usually in areas of investment, joint venture/partnership, and loans.
- ✓ US business should keep in mind that Notarial acts constitute legal certainty performing among other property transactions with a value exceeding 15 million Ariary (approximately USD5000).

Local professional services

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- ✓ Lawyers office: Following link provides contact details Lawyers.docx
- ✓ Chartered accountants and Financial advisors: Following link provides contact details CA_FA.docx

- ✓ Consultancy firms: Following link provides contact details Consult.docx

Principal Business Associations

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- ✓ Following link provides contact details of principal business Associations Principal business association.docx
- ✓ Almost all of the business associations listed accepts US companies. AmCham and GEFP have particularly significant influence on government actions thanks to large job creation and encouraging export performance of their member companies during last twelve months.
- ✓ Adhering at least one of these associations related to the US company activities is recommended for percussive lobbying in local business.

Limitations

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- ✓ There is no restriction to enter in particular sub-set of manufacturing sectors or services for foreign investor provided that relevant administrative formalities of company creation are duly fulfilled.

Web resources

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

Commercial Sectors

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Textiles

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Overview:

Unit: Thousands of USD

	2013	2014	2015 (Jan – May)
Total Market Size	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a
Total Exports	413,722	456,046	131,399
Total Imports	105,245	101,397	54,415
Imports from the United States	2,226	2,426	479
Exchange Rate: 1 USD	2,206.91	2,414.81	2738.88

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

Data Sources:

Total Local Production: N/A

Total Exports: Malagasy Customs (FOB)

Total Imports: Malagasy Customs (CIF)

Imports from the United States: Malagasy Customs (CIF)

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

Sub-Sector Best Prospects and opportunities

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

market. A limited number of firms even continued textile exports to the United States, despite the return of tariffs.

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

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

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

Textile Machinery and Equipment Merchant Wholesalers (NAICS 423830)

Overview

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Unit: Thousands of USD

	2013	2014	2015 (Jan - May)
Total Market Size	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a
Total Exports	3,204	334	432
Total Imports	5,527	11,096	8,088
Imports from the United States	16	26	1,044
Exchange Rate: 1 USD	2,206.91	2,414.81	2,738.88

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

Data Sources:

Total Local Production:

Total Exports: Malagasy Customs (FOB)

Total Imports: Malagasy Customs (CIF)

Imports from the United Malagasy Customs (CIF)

Products covered are within HTS Chapters 844400,844511, 844512, 844519, 844520, 844530, 844540, 844590, 844621, 844630, 844712, 844720, 844790, 844811, 844819, 844820, 844831, 844832, 844833, 844839, 844842, 844849, 844851, 844859, 844900, 845129, 845130, 845140, 845150, 845180, 845190, 845221, 845229, 845230, 845290 related to textile machinery and excluding machines typically made for household use only.

Sub-Sector Best Prospects and opportunities

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

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

Extractive Sector, Power, and Utility Construction

212299 All Other Metal Ore Mining

Overview:

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Unit: Thousands of USD

	2013	2014	2015 (Jan-May)
Total Market Size	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a
Total Exports	117,084	98,080	31,487
Total Imports	154	81	6
Imports from the United States	0	1	0
Exchange Rate: 1 USD	2,206.91	2,414.81	2,738.88

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

Data Sources:

Total Local Production: N/A

Total Exports: Malagasy Customs (FOB)

Total Imports: Malagasy Customs (CIF)

Imports from the United Malagasy Customs (CIF)

Products covered are within HTS Chapters 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2614, 2615, 2616 and 2617 that are chromium, titanium, iron, manganese, nickel, cobalt, aluminum, lead, zinc, tin, tungsten, uranium, thorium, niobium, tantalum, vanadium, zirconium ores, precious stones ores and their relative concentrates. Madagascar has rich deposits of a wide array of precious and semi-precious stones and metals. Exports are heavily underestimated and illegal exports of gold, and precious stones and metals are often reported in the media.

Sub-Sector Best Prospects and opportunities

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

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

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

Iron and Steel Products

Overview

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Unit: Thousands of USD

	2013	2014	2015 (Jan-May)
Total Market Size	n/a	n/a	n/a
Total Local Production (GDP)	n/a	n/a	n/a
Total Exports	3,301	4,577	1,497

Total Imports	115,296	142,579	50,471
Imports from the United States	3,557	3,461	903
Exchange Rate: 1 USD	2,206.91	2,414.81	2,738.88

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

Data Sources:

Total Local Production: N/A

Total Exports: Malagasy Customs (FOB)

Total Imports: Malagasy Customs (CIF)

Imports from the United Malagasy Customs (CIF)

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

Sub-Sector Best Prospects and Opportunities

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

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

Resources

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

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

Overview:

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Unit: Thousands of USD

	2013	2014	2015 (Jan-May)
Total Market Size	n/a	n/a	n/a
Total Local Production (GDP)	n/a	n/a	n/a
Total Exports	472	4,109	2,821
Total Imports	25,129	18,474	3,105
Imports from the United States	2,749	3,413	254
Exchange Rate: 1 USD	2,206.91	2,414.81	2,738.88

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

Data Sources:

Total Local Production: N/A

Total Exports: Malagasy Customs (FOB)

Total Imports: Malagasy Customs (CIF)

Imports from the United Malagasy Customs (CIF)

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

Sub-Sector Best Prospects and opportunities

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

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

Resources

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

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

Overview:

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

Sub-Sector Best Prospects and opportunities

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ExxonMobil resumed its exploration activities off the northwest coast of Madagascar in late 2013, after a four year hiatus following the 2009 coup d'état. As of yet, no commercial prospects have been announced, but there is much interest in this sector given the large deposits discovered just across the Mozambique Channel. There are currently fourteen companies holding PSCs with the Government of Madagascar. Apart from Madagascar Oil, all are currently in the exploration phase (Madagascar Oil, which is currently producing limited amounts of heavy oil, is still currently in the exploration phase, having received special dispensation from the government for a temporary period of pilot sales).

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

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

486110 Petroleum Pipelines, Crude

Overview:

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Unit: Thousands of USD

	2013	2014	2015 (Jan-May)

Total Market Size	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a
Total Exports	61	69	0
Total Imports	1,727	2,895	364
Imports from the United States	77	76	0
Exchange Rate: 1 USD	2,206.91	2,414.81	2,738.88

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

Data Sources:

Total Local Production: N/A

Total Exports: Malagasy Customs (FOB)

Total Imports: Malagasy Customs (CIF)

Imports from the United Malagasy Customs (CIF)

Products covered are within HTS Chapters 730411, 730419, 730420, 730421, 730422, 730423, 730424, 730429, 730511, 730512, 730519, 730520, 730531, 730539, 730590, 730610, 730611, 730619, 730621, 730629 which are pipes used for transporting gas and for extracting fuel.

Sub-Sector Best Prospects and opportunities

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

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

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

213112 Support Activities for Oil and Gas Operations

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This industry comprises enterprises primarily engaged in performing support activities on a contract or fee basis for oil and gas operations (except site preparation and related construction activities). Services include exploration (except geophysical surveying and mapping); excavating slush pits and cellars, well

surveying; running, cutting, and pulling casings, tubes, and rods; cementing wells, shooting wells; perforating well casings; acidizing and chemically treating wells; and cleaning out, bailing, and swabbing wells.

Sub-Sector Best Prospects and opportunities

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

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

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

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

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

Sub-Sector Best Prospects and opportunities

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

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

Services

Eco-Tourism

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

Overview

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

Sub-Sector Best Prospects and opportunities

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

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

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For additional information on investment opportunities in the tourism sector, potential investors can contact the EDBM, the Ministry of Tourism and the Madagascar National Parks (MNP) (see Chapter 9). Please also contact the U.S. Embassy's Political-Economic Section for further information about the tourist industry. The recent establishment of American Express Travel branch in Antananarivo, Madagascar would contribute favorably to U.S. businessmen trips.

Agricultural Sectors

Vegetable Oil

Overview:

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Unit: Thousands of USD

	2013	2014	2015 (Jan-May)
Total Market Size	n/a	n/a	n/a
Total Local Production (GDP)	n/a	n/a	n/a
Total Exports	764	900	575
Total Imports	59,349	56,625	16,332
Imports from the United States	3,877	0	379
Exchange Rate: 1 USD	2,206.91	2,414.81	2,738.88

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

Data Sources:

Total Local Production: N/A

Total Exports: Malagasy Customs (FOB)

Total Imports: Malagasy Customs (CIF)

Imports from the United Malagasy Customs (CIF)

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

Sub-Sector Best Prospects and opportunities

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

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

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

Specialty Rice**Overview*****Return to top***

Unit: Thousands of USD

	2013	2014	2015 (Jan-May)
Total Market Size	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a
Total Exports	50	63	3
Total Imports	192,372	144,793	56,814
Imports from the United States	1,687	0	773
Exchange Rate: 1 USD	2,206.91	2,414.81	2,738.88

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

Data Sources:

Total Local Production: N/A

Total Exports: Malagasy Customs (FOB)

Total Imports: Malagasy Customs (CIF)

Imports from the United Malagasy Customs (CIF)

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

Sub-Sector Best Prospects and opportunities***Return to top***

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

Rice imports have always benefited from duty free treatment from successive Malagasy Governments due to its importance to the national diet, despite the urgings of the IMF and other international donors.

Currently, many investors assert that some importers mislabel wheat flour and other products as rice in order to benefit from the duty free treatment.

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

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

Essential Oils

Overview

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Unit: Thousands of USD

	2013	2014	2015 (Jan-May)
Total Market Size	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a
Total Exports	37,966	37,451	9,912
Total Imports	28	21	6
Imports from the United States	0	0	0
Exchange Rate: 1 USD	2,206.91	2,414.81	2,738.88

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

Data Sources:

Total Local Production: N/A

Total Exports: Malagasy Customs (FOB)

Total Imports: Malagasy Customs (CIF)

Imports from the United Malagasy Customs (CIF)

Products covered are within HTS Chapters 3301 “Essential Oil” which covers sub-sections 330112, 3301112, 330113, 330119, 330121, 330122, 330124, 330125, 330126,3 30129, 330130 and 330190. Almost all exports in 2013 came from 330129 (other essential oils rather than citrus-extract)

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

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

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

Other items

Shoes

Overview

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Unit: Thousands of USD

	2013	2014	2015 (Jan-May)
Total Market Size	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a
Total Exports	92	53	31
Total Imports	4,292	5,166	2,232
Imports from the United States	6	16	0
Exchange Rate: 1 USD	2,308.32	2,414.81	2,738.88

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

Data Sources:

Total Local Production:

Total Exports: Malagasy Customs (FOB)

Total Imports: Malagasy Customs (CIF)

Imports from the United Malagasy Customs (CIF)

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

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

Sub-Sector Best Prospects and Opportunities

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

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

Vehicles Operating with Gasoline, Excluding Trucks and Specific Cars

Overview

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Unit: Thousands of USD

	2013	2014	2015 (Jan-May)
Total Market Size	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a
Total Exports	318	267	48
Total Imports	28,439	26,348	7,944
Imports from the United States	1,996	1,763	686
Exchange Rate: 1 USD	2,308.32	2,414.81	2,738.88

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

Data Sources:

Total Local Production:

Total Exports: Malagasy Customs (FOB)

Total Imports: Malagasy Customs (CIF)

Imports from the United Malagasy Customs (CIF)

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

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

Sub-Sector Best Prospects and Opportunities

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

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

Plastics and Articles Thereof

Overview

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Unit: Thousands of USD

	2013	2014	2015 (Jan-May)
Total Market Size	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a
Total Exports	5,466	5,774	537
Total Imports	99,987	101,621	37,490
Imports from the United States	2,833	3,452	732
Exchange Rate: 1 USD	2,206.91	2,414.81	2,738.88

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

Data Sources:

Total Local Production:
 Total Exports: Malagasy Customs (FOB)
 Total Imports: Malagasy Customs (CIF)
 Imports from the United Malagasy Customs (CIF)

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

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

Sub-Sector Best Prospects and Opportunities

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Considering the significant needs of the Malagasy market in plastic products, with total imports reaching USD 92.8 million from January to November 2013 (CAF), there is ample opportunity for the U.S. plastics industry in Madagascar. To enter this market, U.S. products must be very competitive, because South African and Asian suppliers have good trade links and usually sell at low prices. The best way to enter the market would be through an agent distributor or a well-known importer who has good distribution nationwide.

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

Cosmetics and Make-Up

Overview

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Unit: Thousands of USD

	2013	2014	2014 (Jan-June)
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Total Market Size	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a
Total Exports	216	140	30
Total Imports	1,921	2,182	714
Imports from the United States	45	30	5
Exchange Rate: 1 USD	2,206.91	2,414.81	2,738.88

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

Data Sources:

Total Local Production: N/A

Total Exports: Malagasy Customs (FOB)

Total Imports: Malagasy Customs (CIF)

Imports from the United States: Malagasy Customs (CIF)

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

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

Sub-Sector Best Prospects and Opportunities

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

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

Chapter 5: Trade regulations, Customs and Standards

- Import Tariffs
- Trade Barriers
- Import Requirements and Documentation
- U.S. Export Controls
- Temporary Entry
- Labeling and Marking Requirements
- Prohibited and Restricted Imports
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Import Tariffs

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- ✓ Custom tariff is reviewed every financial year and amendments are edited in the finance law. Now, the custom duties range from 5% to 20% of the CIF except for rice which is exempted. Latest review increases the tariff for mass consumption products particularly for sugar, flour and hand tools from 5% to 10%
- ✓ Almost all imported items apply 20% VAT except rice (0%). The link http://www.mefb.gov.mg/textes_lois/LF2015/LFI_2015.pdf, in its article 3 – subtitle 2.A provides full list of items VAT exempted (generic medicines, blood, hormone, vitamin and provitamin, paper for dailies/magazines, post stamp and bank notes, educational book, newspaper & magazine, spectacle glass, agricultural input and equipment, and hydraulic turbine for energy production)
- ✓ In compliance with the “UNESCO Florence Agreement on the Importation of Educational, Scientific and Cultural Materials,” printed books, brochures, newspapers, journals and periodicals are exempted from custom duties and VAT.
- ✓ Recently, after the APEi (Provisional Economic Partnership Agreement) with the EU, the custom duty of few items imported from EU is cut as shown at http://www.mefb.gov.mg/textes_lois/LF2015/LFI_2015.pdf, its article 3 – subtitle 2.C

Trade Barriers

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- ✓ Like many developing countries, Madagascar collects a significant share of government revenue through customs duties, import taxes and VAT on imports.
- ✓ Although custom duties for mass consumption products have been increased recently and despite more VAT cut at import, the average still relatively high which might constitute indirectly a tariff barrier.
- ✓ Madagascar does not have significant formal non-tariff barriers to trade.

Import Requirements and Documentation

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- ✓ The following documents are required for imports:
 - BSC (« *Bordereau de Suivi des Cargaisons* » i.e. cargo tracking document by GasyNet which is collaborating closely with SGS)
 - Commercial invoice “domiciliée” i.e. numbered and registered in a local Commercial bank
 - Bill of lading or Air Way Bill
 - Packing list
 - Online Import Declaration (Sydonia++)
 - Certificate of origin
 - Miscellaneous administrative authorizations (if required for the goods^{*})

- ✓ ^{*} The Tradenet program has implemented the online platform MIDAC which intends to ease transparent issuance and efficient management of required authorization for some goods (laundry soap, toiletry soap, cosmetic, foodstuff, plant and animal products, etc.)

Export Requirements and Documentation

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- ✓ Most items produced in Madagascar can be exported freely. Businessmen should consider the regulation in force globally and at the destination country. However, since 2010, a special export permit is required for rice, due to the shortage of local production.

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

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

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

 - Appendix II lists species that are not necessarily now threatened with extinction, but that may become so unless trade is closely controlled. It also includes so-called "look-alike species", i.e., species of which the specimens in trade look like those of species listed for conservation reasons. International trades in specimens of Appendix-II species may be authorized by the granting of an export permit or re-export certificate. No import permit is necessary for these

species under CITES (although a permit is needed in some countries that have taken stricter measures than CITES requires).

- ✓ For Madagascar, the following species are protected under Appendix II:
 - Rosewood and ebony: Logs, sawn wood and veneer sheets, for which no permits are issued by the government.
 - Palms: The Giant Windowpane Palm, Lemurophoenix halleuxii, Marojejya darianii, the Triangle palm, Majesty Palm, Ravenea louvellii, the Forest Coconut, and the Satranala decussilva.
 - Tortoise: the Malagasy big-headed tortoise and the Malagasy big-headed turtle.
 - All Orchids in the Family Orchidacea.
 - Chameleons: All Chameleons in the Genera Archaius, (only three types of chameleons are not included under any of the CITES appendices).
 - Crocodiles: The Malagasy population of Nile crocodile.

- ✓ These lists are not intended to be inclusive of all species on the list of CITES protected animals and plants in Madagascar. To verify whether you need a permit according to the CITES accord to export a plant or animal from Madagascar, please check the following website. <http://www.cites.org/eng/app/appendices.php>

- ✓ Exporters are obliged to repatriate the foreign exchange earnings within 180 days following shipment.

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

U.S. Export Control

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

Temporary Entry

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- ✓ Personal effects of diplomatic corps and international organizations are not subject to import taxes upon entry, but if personnel sell their effects before leaving the country, they must pay the import duties. Madagascar has a temporary entry 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.

- ✓ For large investment projects and relief programs, there are individual agreement between the Custom Department and the entity. The custom duty being applied varies from one category of item to another. For instance, in the QMM ilmenite extractive industry (RIO Tinto subsidiary): *«Definitely imported goods related to the project are subject to payment of duties and taxes under the table in Annex C of the Agreement Memorandum, except the goods and supplies to be used for public infrastructure. Operating and transport vehicles are eligible for a temporary admission when they are intended for re-export. This is also the case for materials, equipment and tools temporarily imported by the Project.»*

Labeling and Marking Requirements

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- ✓ For each certified product, labeling and marking are required on the packaging of the product before sale or export. All perishable foods must bear a label, in French or English, indicating the origin, the sell-by or use-by date, the ingredients, the method of storage, the manufacturer's name and registration number where appropriate, and the intended use. Use of the metric system is compulsory in Madagascar.
- ✓ For further information, the point of contact is:
 - Bureau National des Normes (BNM)
 - 06 bis Rue Rainandriamampandry, Soarano, PO Box 1316,
 - Antananarivo 101, Madagascar
 - Tel: (261 20) 22 279 70
 - E-mail: bnm@bnm.mg
 - Website: www.bnm.mg

Prohibited and Restricted Imports

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

Customs Regulations and Contact Information

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

- ✓ Customs contact information:
 - Mr. RABENJA Narivony Eric
 - DGD (General Manager of Customs)
 - Under Ministry of Finance and Budget
 - Antaninarenina, Antananarivo 101, Madagascar
 - Tel: +261 20 22 229 16
 - Fax: +261 20 22 646 80
 - Email: eric.rabenj@douanes.mg ; dse.spcbd@gmail.com
 - Website: www.douanes.gov.mg

Standards

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- Overview
- Standards Organizations
- Conformity Assessment
- Product Certification
- Accreditation
- Publication of Technical Regulations
- Labeling and Marking
- Contacts

Overview

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- ✓ Madagascar's Standards Office (*Bureau de Normes de Madagascar*, BNM), is the official body in charge of standards and conformity assessment in Madagascar. BNM's objective is to draft, publish and implement the national standards, manage national trademark conformity, and apply national standards.
- ✓ BNM also represents Madagascar at regional and international standards organizations such as the ISO (International Organization for Standardization), the CEI (Cycle Engineers' Institute), the OIML (International Organization of Legal Metrology), and the Codex Alimentarius. When developing standards, BNM follows international standards, mainly those established by ISO. BNM works closely with the Ministry of Commerce.
- ✓ PRONABIO (*Produits Naturels et Biologiques*), a local organization, has developed its own standards, called "NATIORA" to certify its natural goods such as vegetables, spices, and essential oils. There are dedicated national standard designed for few export agricultural products (vanilla, clove, litchi).

Standards Organizations

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- ✓ The main national testing laboratories are:
 - The National Laboratory of Public Works and Building (*Laboratoire National des Travaux Publics et du Bâtiment*, LNTPB), which develops standards in construction and engineering materials.

- The National Institute and Laboratory of Nuclear Sciences and Technology (*Laboratoire de l'Institut National des Sciences et Techniques Nucléaires*, LINSTN). Other national laboratories test for conformity with international standards, as highlighted in the next section.

NIST Notify U.S. Service

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

Conformity Assessment

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

Product Certification

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

Accreditation

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- ✓ Accreditation body and contact information:
BNM (Bureau National des Normes)
 06 bis Rue Rainandriamampandry, Soarano, PO Box 1316,
 P.O. Box 1316
 Antananarivo 101 – Madagascar
 Tel: (261 20) 22 279 70
 E-mail: bnm@bnm.mg
 Website : www.bnm.mg
- ✓ Accreditation is primarily required in the construction sector. American companies should work with Malagasy importers to accredit all imported materials in the construction sector (such as cement, iron, etc.) in order to avoid potential penalties.
- ✓ The National Laboratory of Public Works and Building (*Laboratoire National des Travaux Publics et du Bâtiment*, LNTPB) provides accreditation of building materials particularly for iron bar and cement.

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 or on their own website when available. Sometime,

particular national norm may be promulgated as 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 Malagasy or in French or in English, indicating the origin, the sell-by or use-by date, the ingredients, the method of storage, the name of the manufacturer together with his registration number where appropriate, and the intended use.
- ✓ Use of the metric system is compulsory in Madagascar.

Contacts

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

Trade Agreements

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- ✓ Madagascar is a signatory to the following regional and international agreements:
 - 1964: United Nations Convention on Trade and Development (UNCTAD)
 - 1992 – COI: Since 1998, elimination of tariffs on goods originating from the COI countries. It is an intergovernmental organization uniting some countries of the Indian Ocean. Created in 1984 by the Victoria's Agreement, the Commission of the Indian Ocean. The Comores, France (La Réunion), Madagascar, Maurice and the Seychelles are member-countries to COI.
 - 1993- COMESA: Free Trade Area since 2000. It is an international organization of a regional nature for the East Africa, of which 19 states are members. This zone regroups a total population of 340 million of inhabitants and has a total crude product of 170 billion US dollars in 2006. The annual commercial transaction between member countries and the rest of the world reaches 52 to 60 billion US dollars, between 1997 and 2002
 - 1995: World Trade Organization (WTO)
 - 2000: Cotonou Agreement <http://ec.europa.eu/europeaid/where/acp/overview/cotonou-agreement/>
 - 2005 – SADC: Madagascar adhered to SADC in 2005 but the trade agreement has been enacted since 2008. Among the numerous commercial advantages that the SADC offers, besides the fact of having an access in a big market of more than 200 millions of consumers, there is the preferential tariff treatment of which exporters or importers from members countries can benefit from.
 - 2009 - APEi: Interim Economic Partnership Agreement with the European Union. The cooperation between the European Union and countries of Africa, the Caribbean and the Pacific, dates more than fifty years. The Treaty of Rome, signed by six European States namely Belgium, France, West Germany, Italy, Luxemburg and the Netherlands, created the European Economic Community (EEC). This treaty was the starting point of the relations between the two parties.
 - China: In compliance with the MOU between the government of the People of the Republic of China (named “China”) and the beneficiary country of the products exported to China by the country beneficiary of the program Special Preferential Tariff (SPT) treatment, these rules will be applied in the determination of products exported under the SPT program.
 - India: The rules set are related to the determination of the origin of products eligible for India preferential tariff GSP granted to the least developed countries.

- ✓ See Web resources in Chapter 9

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Chapter 6: Investment Climate

[Link to Investment Climate Statement, country Madagascar ICS 2015 Madagascar.docx](#)

Chapter 7: Trade and Project Financing

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

How Do I Get Paid (Methods of Payment)

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- ✓ Methods of payment are usually through banks by open account, letter of credit, cash in advance, or by documentary collection.
- ✓ Open account is the least secure payment for US exporter since the shipping will be made in advance of payment.
- ✓ Usually, cash in advance and open account payment are only recommended to US importer when the relationship between buyer and seller is consolidated and each party relies on the other party's good faith.
- ✓ Madagascar relies on a cash economy, with little financial depth compared to neighboring African nations. In addition, Madagascar has under-banked population (6% of the population only has a bank account) and there are less than 10 ATM per million inhabitants. (Source BMOI bank).
- ✓ Madagascar's financial sector is small, with 11 commercial banks, 5 finance establishments, 5 insurance companies and 31 microfinance institutions. Deposits account only for 16.6% of the GDP. Foreign ownership controls most of the eleven banks, divided between French, Mauritian, Gabonese, Morocco and Belgium. (Source BMOI bank)

How Does the Banking System Operate?

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- ✓ Madagascar has relatively rudimentary financial markets and a very low rate of bank penetration. High interest rates, stringent requirements for collateral and guarantees, limited competition among banks, and reluctance to finance foreign trade or working capital even when secured by letters of credit make financing very expensive and difficult to access.
- ✓ The difficulty of increasing working capital through bank borrowing is a severe constraint on local firms' ability to expand. Banks maintain that many prospective borrowers lack reliable and transparent balance sheets and that long-term financing is difficult because they lack a long-term deposit policy. The availability of foreign exchange on the MID (forex market) might impede the smooth operation of import/export business.
- ✓ Actually, the main features of the local payment systems could be stated as follows:
 - Electronic clearing for cheques, drafts, payment orders since 2009
 - Real Time Gross Settlement (RTGS) for big amounts since 2009
 - Strong regulation concerning cheques
 - E-banking

- Swift network
- Visa and Mastercard
- Mobile banking (Orange Money, M'Vola, Airtel Money)

✓ The table below provides a quick insight on Madagascar's banking sector (Source BMOI)

Weaknesses	Strengths
<ul style="list-style-type: none"> ▪ Small sector (USD 1 billion total credit, 218 agencies) ▪ Absence of real and efficient financial markets (bond market, stock exchange, interbank money market, forex ...) ▪ High levels of non-performing loans ▪ High lending concentration on top 15 borrowers ▪ Weak legal and judicial environment ▪ No insurance system in case of a bank going bankrupt 	<ul style="list-style-type: none"> ▪ High liquidity ▪ Adequately capitalized ▪ Good level of profitability ▪ Most banks are part of strong international groups ▪ Relatively up to date payment systems ▪ Good quality service ▪ Governance according to international standards

Foreign-Exchange Controls

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

U.S. Banks and Local Correspondent Banks

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Bank	Rev. in millions of EURO	Main shareholder	Number of branches	US correspondent banks
BOA	39	BMCE (Morocco)	79	Citibank/New York Deutsche Bank Trust Company America/New York
BFV-SG	36	SG (France)	46	Société Générale/New York
BNI	30	IOFHL (Mauritius)	29	Deutsche Bank Trust Company America/New York JPMorgan Chase/New York
BMOI	21	BPCE (France)	13	BNP Paribas/New York
MCB	6	MCB (Mauritius)	5	Citibank/New York

SBM	N/A	SBM (Mauritius)	N/A	Citibank/New York
Microcred	8	MicrocredHolding (France)	19	N/A
AccèsBanque	7	AccessHolding	18	N/A
Others (BGFI, BM, SIPEM Bank ...)	12	N/A	6	N/A

Project Financing

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

Web Resources

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- ✓ Export-Import Bank of the United States: <http://www.exim.gov>
- ✓ Country Limitation Schedule: http://www.exim.gov/tools/country/country_limits.html
- ✓ OPIC: <http://www.opic.gov>
- ✓ U.S. Trade and Development Agency: <http://www.ustda.gov/>
- ✓ SBA's Office of International Trade: <http://www.sba.gov/oit/>
- ✓ USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/default.htm>
- ✓ U.S. Agency for International Development: <http://www.usaid.gov>

Multilateral Development Banks web resources:

- ✓ World Bank: <http://www.worldbank.org/madagascar>
- ✓ IFAD (agribusiness promotion): <http://www.ifad.org/french/operations/pf/mdg/index.htm>
- ✓ UNIDO (industry): <http://www.unido.org/office/madagascar>
- ✓ African Development Bank: <http://afdb.org/en/countries/southern-africa/madagascar>

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Chapter 8: Business Travel

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

Business Customs

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- ✓ Laws and common business practices are based on the European, particularly French, business style.
- ✓ Recruitment often prioritizes family relationship or close at the expense of competence.
- ✓ The prevailing high level of corruption could sometimes undermine competition in a market.

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>
- ✓ The link <http://mae.gov.mg/visas> of the Ministry of Foreign Affairs of Madagascar may inform about “last minute” events which could potentially impact on foreigners’ visit in the country.
- ✓ In all cases, use common sense, be careful and vigilant, watch and observe the habits, customs and the law of the country you visit.

Visa Requirements

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- ✓ A visa is required for entry into Madagascar and can be obtained at the airport upon arrival for stays of less than 30 days. See U.S. Department of State and GOM's websites for visa information.
- ✓ U.S. companies that require travel of foreign businesspersons to the United States should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following links.
 - Department of State Visa website: <http://travel.state.gov/visa/>
 - U.S. Embassy Antananarivo Visa website: http://www.antananarivo.usembassy.gov/non-immigrant_visas.html

Telecommunications

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- ✓ Internet is accessible in hotels and at cyber cafes of major towns.
- ✓ Three cellular phone companies: Airtel, Orange and Telma, which use the GSM system up to 4G.

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 are far from meeting U.S. safety standards. Railway transport is available, but with limited connections.
- ✓ Rental cars are available but can be quite expensive depending on the vehicle type, and non-residents are usually required to hire a driver.
- ✓ 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 and French is the adopted administrative language. English is rarely spoken and understood. French is the common language of private and public business whereas Malagasy language is the mostly used for advertisement. In rural and remote areas, one may not expect either ordinary or local officials speaking French and much less English.

Health

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- ✓ Visitors to Madagascar are advised prior to get vaccine against polio, hepatitis A and B, tetanus, diphtheria, typhoid. Travelers who plan to stay for some time in rural areas are advised to get rabies vaccine. Malaria medication is not necessary in Antananarivo but should be taken especially prior to traveling in coastal areas (lower elevation) 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 Polyclinic - 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 p.m. in Madagascar. The working days are generally from Monday to Friday and the typical hours of business are from 8:30 a.m. to 5 p.m. with a lunch break between noon and 1 p.m.
- ✓ Every year, the GOM communicates the list of holiday. Holiday schedule (excluding Saturdays and Sundays) in 2015 are:
 - Monday April 6 Easter Monday
 - Friday May 1 Labor Day
 - Thursday May 14 Ascension Day

- Monday May 25 Whit Monday
- Friday June 26 Independence Day
- Saturday August 15 Assumption Day
- Thursday December 25 Christmas Day

Temporary Entry of Materials and Personal Belongings

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- ✓ When not imported for sale, goods may be admitted into the country without the payment of duty. Custom Service may question when quantity for an item is relatively high.

Web Resources

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- ✓ See Chapter 9

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Chapter 9: Contacts, Market Research and Trade Events

- Contacts
- Market Research
- Trade Events

Contacts

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- ✓ Major Government bodies contacts are listed at following link [Government Bodies.docx](#)
- ✓ Following link provides few business associations [Principal business association.docx](#)
- ✓ Top market research firms details are found at following link [Market Research Firms.docx](#)

Market Surveys

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- ✓ To view market research reports conducted 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.
- ✓ Following link provides the top 100 companies in Madagascar during the year 2012
<http://mae.gov.mg/top-companies-success-stories>

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>
- ✓ Following link provides the major trade events in Madagascar with short description
[TradeEvents_Madagascar.docx](#)

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

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

For additional information, please click on the links below:

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

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

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

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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