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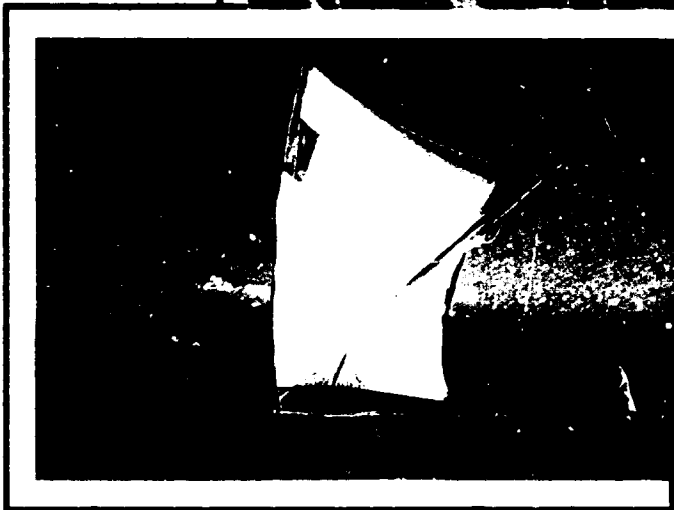
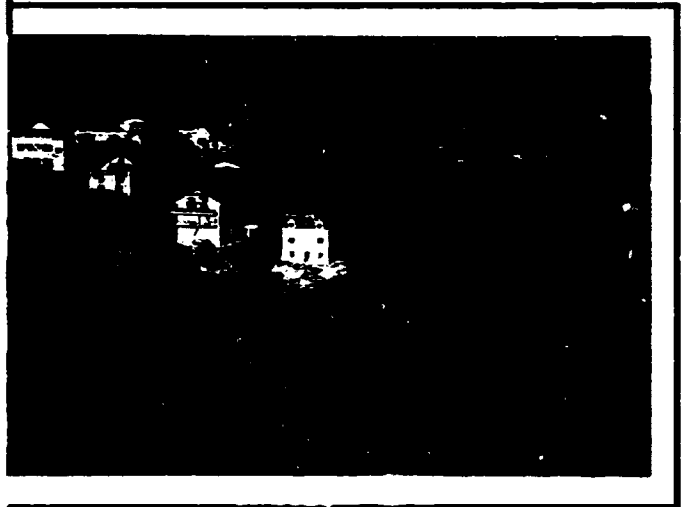
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THE MINISTRY OF COMMERCE AND TOURISM
PRESENTS

MADAGASCAR

*A Promising New Opportunity
for Tourism Investments*

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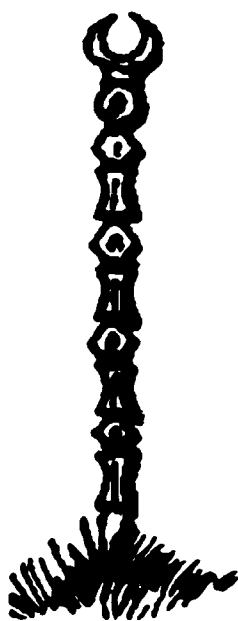


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1.

THE TOURIST INVESTMENT CONTEXT



Actually, Madagascar is at a turning point in its history. On February 10th, 1993, Albert Zafy was elected President of the 3rd Republic, a democratic and liberal republic. On June 16th of the same year, the National Assembly was elected. The initiators of the 3rd Republic then decided to institute transparency in the conduct of public affairs, and within the framework of long term institutional and private partners' intervention, motivated by the economic and social growth of the country.

For this reason a confidence and partnership climate has been established in a context of free market economy, giving new strength to the industrial private sector as well as to public services.

Up to now, the principal economic resources of the country have come mainly from the export of agricultural products such as vanilla, coffee, spices (cloves, black pepper, green pepper...) or from essences and essential oils extracted from plants like the ylang-ylang or geranium.

Also generators of high revenues in the Great Island, are the fishing industry and the industries working within the Export Processing Zone, mainly in the textile sector. The tourism sector is the country's third income source though it is only in an embryonic stage.

In view of the importance of the harmonious development of touristic zones and of land security, the law governing land ownership for foreigners would be revised in future. Meanwhile, it is possible to have access to property by means of a renewable long lease with the State, which usually lasts from 18 to 50 years. This measure, among many others, highlights the Malagasy government's determination to weigh up the country's large potential of riches: development of the private sector, abundant and competitive labor, advantageous tax and legal conditions, exceptionnal natural and touristic resources...

Convinced that tourism is a sector capable of contributing efficiently and rapidly to national development, with the help of international financial institutions and development aid organizations (United Nations Development Program, United Nations Industrial Development Organization, European Union, World Bank, French Development Cooperation, and other institutions and financial backers), the Malagasy government has decided to give preference to projects and enterprises generating employment and added value to this sector while preserving its natural and cultural environment.

**FOR A BETTER UNDERSTANDING
OF MADAGASCAR !**

MADAGASCAR, A HUGE POOL OF BEAUTY AND FEELINGS

Thanks to its geographical situation, Madagascar has a wealth of features combining into a positive force:

- Situated in the southern hemisphere, Madagascar can play the role of counter-season;
- With its 1,600 km stretch from Antsiranana in the North to Taolagnaro in the South, crossed by the Tropic of Capricorn, Madagascar is on the same latitude as Bali, New Caledonia, Tahiti, Rio de Janeiro in the southern hemisphere and on the same latitude as Miami, Havana and Hawaii in the northern hemisphere;
- With a land surface equivalent to France and the Benelux countries, the "Great Island" is endowed with a linear coast, exceptional in kind and an ecological beach reserve allowing big sea resort projects;
- Lastly, thanks to the efficient promotion achieved by Mauritius and the Seychelles, the South-East zone of the Indian Ocean, where Madagascar prominently appears as a "Continent Island", already benefits from a "côte d'amour" image.



Toussaint RAHARISON

At present, there are 5 driving forces. These 5 regrouped areas respectively bear different identities:

Area I: Highlands (zone of Antananarivo-Antsirabe)

The capital is at the same time a landscape town. The attraction of the varied landscapes and weather conditions compares with the remainder of the country. Beauty spots of terraced ricefields at all times of the year.

Area II: Coast of the Virgin Islands (Nosy Be-Ambanja-Antsiranana area)

The sophisticated insularity: Nosy Be. The tamed sea stretch, cut across by adventurers, the coasts are a landscape where one rests at peaceful and protective inlets.

Area III: Coast of the Capricorn (zone of Toliary-Ifaty-Morondava)

First contact of the layman with the submarine fauna made of richly colored and precious life: the revelation of the "world of silence".

Area IV: Spice Coast (Taolagnaro zone)

The most beautiful cliché of the coast of Madagascar suitable for tourist sea resort settlement (but with a rather short tourist season compared to Nosy Be and Toliary). Rare plants. The South-East Coast offers a contrast to the wild vegetation of the Pangalanes to the well-ordered coffee and sisal plantations of the South.

Area V: Coast of Rosewood (zone of Toamasina-Nosy Boraha)

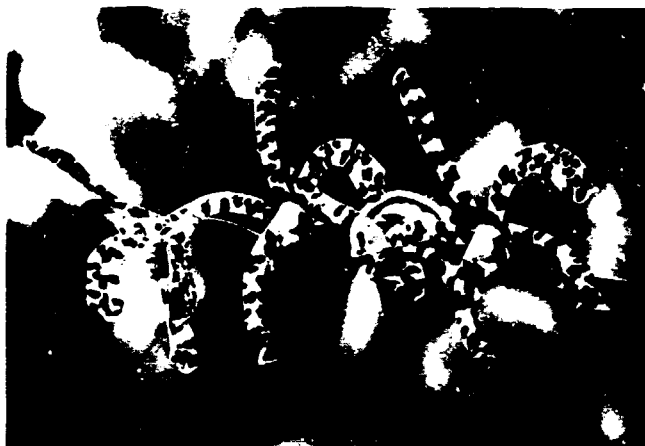
Strolling away with the stream along the very unusual navigable network of the Pangalanes: bosom archways of greenery with large vistas to the sea which are reminiscent of Amazonia. Exploring the peaceful jungle bordering landscapes of virgin beaches, the expansive primary forest and the mild ricefield plains of Marountsetra.

This identification of "destination-product" combines two objectives:

- inserting Madagascar into the international market with strong images;
- offering a wide range of products for the basis of "tourism à la carte".

Each force has to develop seaside tourism and discovery tourism and open up a track for a new regional destination so as to make the existence of varied destinations within the continent island effective.

Madagascar will not fail to hold interest, to arouse imagination and to stir up envy.



Toussaint RAHARISON



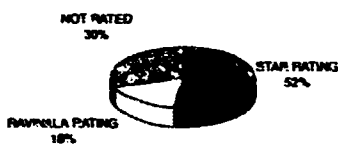
A REAL WILL FOR AN EFFICIENT TOURIST POLICY

The Malagasy government emphasizes the strong points of Madagascar with the implementation of a voluntary and efficient tourism development and promotion strategy. The main objective is to insure an integrated, orderly and lasting development of all the tourist regions. Here are some of the important measures implemented to attract investors and also to better prepare the country to receive these investments :

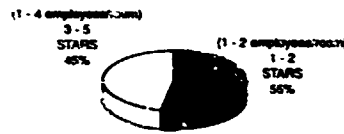
- **Reorganization of the institutional framework:**
An organization system of tourism that is in keeping with a development of the sector which confers great assignment to the private sector and to public/private partnership structure. Operational today are a ministry in charge of tourism -Ministry of Commerce and Tourism-, a National Committee for Tourism Development, a Coordination Cell for Tourism Development and 14 Regional Delegations of Tourism whose addresses are available at the concerned ministry.
- **Improvement of exposure and transportation infrastructures.** Direct regional transportation servicing of the main tourist resorts are already operative. As for international transportation servicing, and apart from the airport of the capital, most of the tourist resorts are now equipped with runways which can receive medium sized planes carrying out long distance travel.
- **Boosting of the telecommunication system.** The latter has achieved a big advancement as more than half of the users have been transferred to a numeric board. They now benefit from a computerized network securing a high quality and a far more speedy telecommunication service. A cellular mobile phone system is also in use in Madagascar.
- **The setting up of the Code of Tourism with a drawing of a juridical and legal framework,** as well as the regulation and standardization will be a springboard for the widening of the hotel resorts and tourist agencies and for the making of the accommodation system with international standards.
- **Measures to ease the welcome, information and stay of tourists** by the creation of the "Tourism Office of Madagascar".
- **Creation of the "National Institute of Tourism and Hostelry" in 1991.** The European Union helps to an assistance-consulting formation in hostelry and to a decentralized training on hotel business and tourism technology, in order to provide on-the-spot solutions to investors' needs.
- **Integration of tourism in an Environmental Action Plan and promoting of discovery tourism** (Raid Gauloisex, Commander Cousteau's mission...).
- **Application of the new Code of Investments and incentive measures for tourist investment,** particularly on tax purposes.
- **Creation of the Single Window of Investment to ease investment agreement request procedures.**
- **Sanitary and social environment and security:** the projects are financed and monitored by international sponsors in favor of health and population sectors.
- **Promotional actions as the participation in international tourist events** (funded by the European Union), implementation of "Confidence building actions geared towards investors and tour operators" (funded by the European Union and the United Nations Development Program).

ASSESSMENT OF THE TOURIST SECTOR

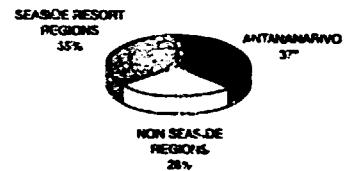
For a total of 371 hotels and 5,853 rooms, here is some information concerning this accommodation.



This first scheme indicates the rooms available by different categories of hotels.

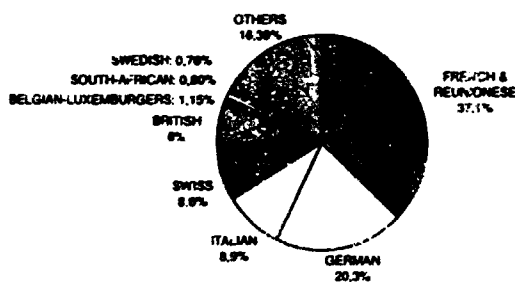


This pie diagram shows the percentage of establishments per star rating, with their average ratio of direct employment generated.

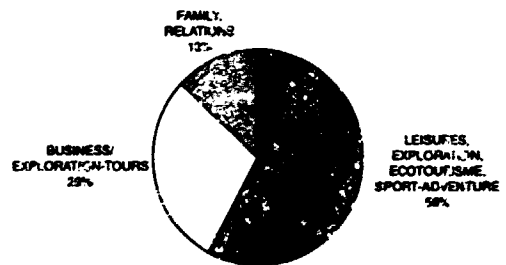


This last pie diagram refers to the distribution of hotels accommodation by geographical areas.

As for travel agencies, in December 1995, there were 223, of which 64 were created that same year. These agencies employ roughly 2,493 employees of which 62% are female.

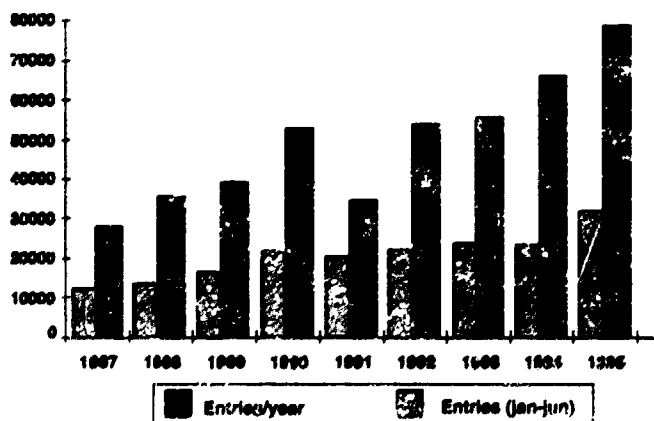


Distribution by nationality of non-resident visitors



Reasons and motivation for stay in Madagascar

The average stay of a non resident visitor to Madagascar has experienced continual increase, progressing from 12 days in 1990 to 18 days in 1995.

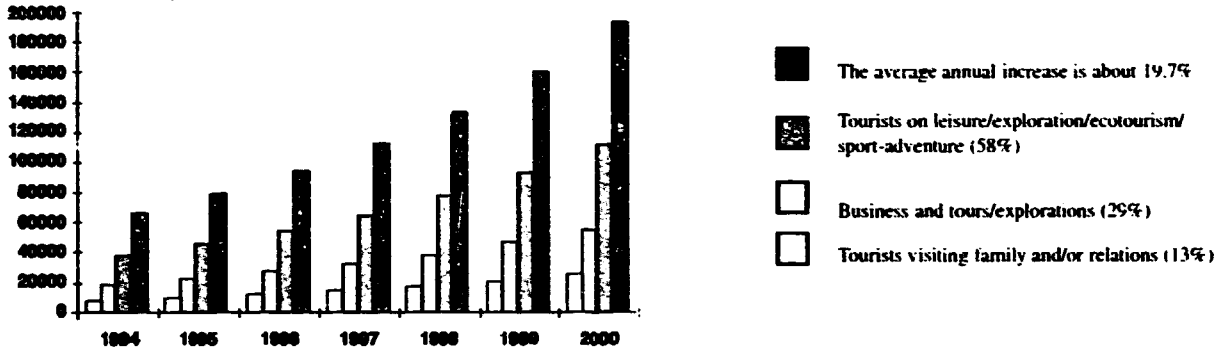


Concerning the tourist demand, this histogram summarizes the number of entries of non-resident visitors. By non-resident visitor, we not only mean visitors who come just for tourist purposes but also businessmen who may or may not combine a vacation-tour and those who come to visit family and/or relations.

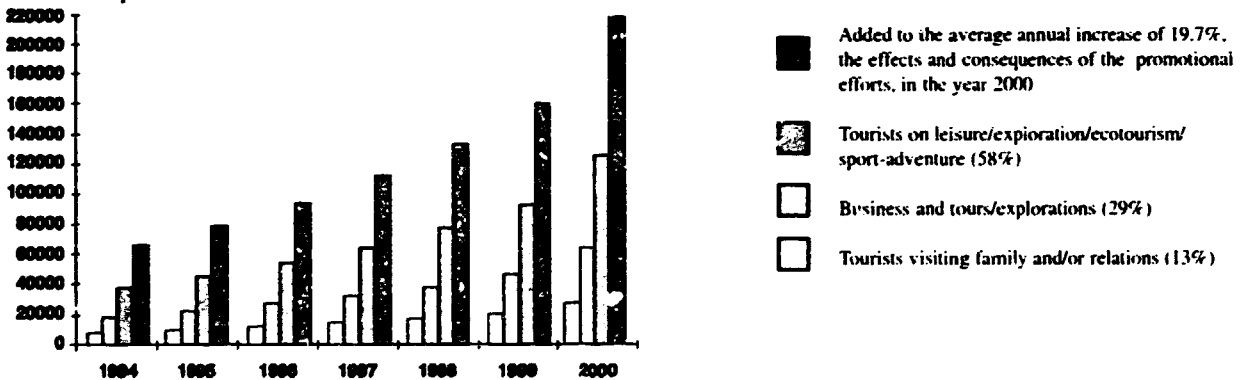
PERSPECTIVE OF THE TOURIST SECTOR

Between 1984 and 1990, the annual increase of tourist entries was about 19.7%. This progression will be taken as a basis to calculate the evolution of the tourist demand between 1994 and the year 2 000.

The scenario «following the current trend» aims at keeping a regular annual increase in the tourist and visitor numbers.



On the other hand the «voluntarist» scenario has an optimistic view of the year 2 000 as result of intensive promotional measures in place.



In order to respond to the increase of visitors, accommodation should be increased with the help of or by international investors.

Three to four hundred rooms will have to be built per year so as to have a total of 2,200 additional rooms of international standard in the year 2 000, distributed as follows:

- seaside resort hotels of high standard on privileged sites: 3 or 4 complexes of 100 to 250 rooms
- seaside resorts in the form of medium class hotels in all zones (4 or 5 units of 60 to 80 rooms)
- hotels for businessmen and tours of high standard, especially in the capital city and other major urban centres (4 or 6 complexes of 80 to 200 rooms)

In order to improve services, operators are encouraged to promote local personnel especially at managerial level:

- 4 or 5 star hotels: 2 employees per room (20% on managerial level)
- 1, 2 or 3 star hotels: 1.5 employees per room (10% on managerial level)

INCENTIVE MEASURES

The investment capacity of the country through its national savings is still limited. This is the reason why the new government is seeking international capital, investment, technology and exchange. This approach brings the country to look for long term public and private partners who are highly motivated to launch this profitable opportunity. With this in mind, the government has created a specific policy uniting tax and legal conditions, for firms and companies under the Export Processing Zone and Code of Investments.

The Industrial Export Processing Zone is only accessible to investors assembling products to be 100% exported, whereas the Code of Investments has as an objective, the promotion of national and foreign investments in all productive activities contributing to the development of the country. This preferential policy is more convenient for hotel projects, leisure centres or sea activities, tour operators, or to all companies geared towards tourist activities.

The adhesion to this preferential policy must be supported by a file presented in a set format. This file will be used as a schedule of conditions, if approved.

The period of effective exploitation is 10 years for the investments concerning creation or reconversion of companies and 5 years for projects of extension, diversification or rehabilitation.

The main advantages proposed by the Code of Investments are:

- Taxes

Subject to a minimum taxation of 10% for imports, approved companies will benefit from:

- exemption from all customs taxes, and value added taxes on all equipment needed for the realisation of the project,
- exemption from property taxes on all bank loans for the financing of investments,
- exemption from taxes on profits for the first 5 years of real exploitation, then a progressive reduction of tax rate up to the ninth year. The tax rate levied is 35% for all sectors.

- Financial

Dividends, transfer of funds, liquidations, associates current accounts, loans, licence fees, royalties, etc... can be transferred abroad in foreign currency.

- Social

The automatic granting to investors of a residential permit from the date of the project's approval.

SOME COMPARATIVE ADVANTAGES

- **The building costs**

In fact, low costs can be expected if one foresees maximum use of local raw materials and equipment in carrying out the building work. It is profitable to exploit the different precious wood, fire bricks, various thatch, raffia and other fields for bungalow roofing or beach umbrellas, as well as the various precious and decorative stones such as rose quartz in bathroom finishings and sanitary equipment and door knobs... The interest of using local materials not only lies in the fact that repayment will be made quicker, but above all on a better integration of the project within its environment. This is an architectural condition to be respected, among many others, for project approval by ministries.

- **Bases for projects feasibility**

Many tourist investment studies have been conducted between 1985 and 1995 namely :

- *Sectorial and Socio-Economical and Environmental Impacts Study. (UNDP - 1992)*
- *Guidelines to Priority Tourist Zones and Technical and Financial Studies of the Public Infrastructures Related to their Development. (UNDP - 1992)*
- *Market Survey and Marketing Plan. (FAC/CFD 1989; EC/EDF/IOC 1995)*
- *Typology and Feasibility Study of Tourist Investments corresponding to the expectations of the market. (UNDP- UNIDO-1995)*

It is possible for investors to ask consulting units or local consultants for a feasibility study, related to the data and bases akin to their projects. Apart from the field experience, all these allow easy access to information and useful data for the study and help mastering administrative procedures and formalities about creation of companies. These business consulting units mostly offer tax system and financial consulting services which will optimize the project's profitability.

- **Securing of the investment**

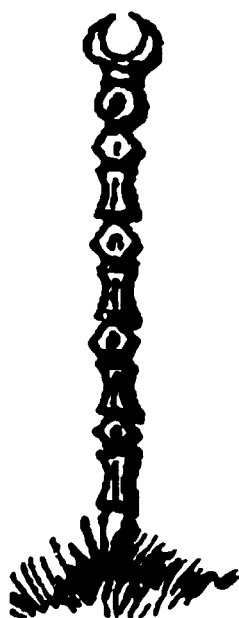
Madagascar has joined the convention framework of the Multilateral Investment Guarantee Agency (MIGA) which is an affiliated insurance group of the World Bank. This agreement secures investors against non-commercial risks (like war and public troubles, breach of the contract, compulsory acquisition, non-convertibility of money...). This guarantee is to be set up along precise conditions with the Agency. There are also local and foreign capital-market companies and financial firms which invest in tourism market and in granting short or medium term loans according to the type of project. On this basis, we can name some operative foreign banks like the BMOI (BNPI), the BNI (Crédit Lyonnais) and the UCB (Union Commercial bank) in Madagascar.

- **The exploitation costs**

The exploitation costs are less expensive especially the labour costs (see document available on the Cost of Factors). Likewise, catering is not expensive: Madagascar abounds in fruit, vegetables, meats, fish and sea products, quite enough to spoil and to meet the needs of the most demanding people. As regard the supply of equipment and decorative items, it is possible to work out a very beautiful setting with a minimum investment. The different local woven and printed cotton fabrics, a wide range of handicraft items made of basketwork, of precious wood such as rosewood and decorative stones will arouse inspiration in making a warm, refined and welcoming setting. This atmosphere will leave everlasting souvenirs in the clients' memories and will tempt them to come back or to advise their friends of the destination or of the hotel.

2.

NATURAL AND CULTURAL RICHES
TO BE PROMOTED FOR TOURISM



THE STILL VIRGIN COASTLINE AND ISLANDS

With a coastline of 5,000 km still unexploited, with its multitude of islands and islets, a realm of isolated gardens used as a refuge by fishermen, Madagascar offers a wide variety of landscapes for the implementation of seaside resorts of medium and high standard provided that the following three imperatives are filled in:

- protection of land and marine environment
- strict management of the coastline
- maintenance of a perfect architectural quality

In terms of infrastructures, improvement in the following must be done:

- supply of drinking water (to assure quality)
- purification of liquid waste
- household garbage collection (sorting done by producers: hotels, restaurants etc... as well as composting).



From the deep small islets where pirates of the 17th century used to hide, to the long beaches with soft inclinations running into transparent lagoons or into the waves of the ocean... . It is almost impossible to believe that all these tourist resources filled with beauty and sincerity, are not more exploited in the actual expanding tourism market, while original and new destinations are more and more rare.

A GREAT POTENTIAL FOR SEA ACTIVITIES

Promotional measures on social and employment levels assisted by the European Union, advantageous tax system and legal policy proposed by the Ministry of Commerce and Tourism, studies of profitability and implementation conducted by the United Nations Development Program have made, particularly, from the areas of Nosy Be, Nosy Boraha (Sainte Marie) and Taolagnaro (Fort Dauphin), three sites identified as investment priority zones in the actual strategy for tourist development. This to respond more rapidly and more efficiently to the constant and continuous progression of arrivals.

Actually, the accommodation and structures available today are not up to par with the demand, and, as a first step, it is important to attract investment in these three regions:

- *The area of Nosy Be - A m b a n j a - Antsiranana (Diego Suarez) is considered as the point of anchorage for tourist development because of its reputation, the capacity of its sites, its climate and its environment suitable for sea activities.*
- *The area of Nosy Boraha (Sainte Marie) is an island which offers a haven of peace and a feeling of strangeness because of the calm of the sea that surrounds the island, and because of the possibilities offered on the island itself. However, it is necessary to improve certain integrated small units, to assure the supply and quality of drinking water and to undertake actions to improve the capacity of supply of food from the main island.*
- *The area of Taolagnaro (Fort Dauphin) - Toliary (Tuléar) - Morondava, with its considerable coastline, numerous alterable sites, with the complementary sea and mountain, offers rich possibilities in terms of activities such as navigation along the coast and islands, big game fishing and excursions.*

The emphasis on these destinations will serve as impulse goods in parallel with ecotourism and discovery tourism, so as to launch Madagascar high up amongst future destinations.

A UNIQUE FAUNA



The last prehistorical survivors of a fauna of "living fossils", a whole race of land and sea turtles, the most beautiful and largest chameleons in the world of which 2/3 of the existing species are found in Madagascar, and especially the last representants of the lemurs, without a doubt the most popular of all the animals in Madagascar.

In fact, Madagascar has the particularity of housing 95% of the lemurs in the world. They are called "babakoto", which means "little grandfather".

Very protected because they are in danger of extinction, beautiful species of crocodiles of more than 3 meters long can be found along the banks of the Pangalane river. Others have found refuge in the rivers of the North. In the sacred lake of Anivorano, near Antsiranana, the crocodiles are worshiped because they are supposed to be the reincarnation of inhabitants of an engulfed village.



There exists 60 species of snakes, all harmless. The most spectacular ones are the enormous "Do" (a boa which can reach the length of 4 meters) and the pythons. It is in the forest regions of the East that you can find the largest butterfly in the world: the Argema mittrei, which has a 30 centimetres wing span. An abundance of insects, a huge aviary of

birds, and fish, as in an aquarium, highlights this fauna unique in the world.

AN EXCEPTIONAL LANDSCAPE

All over the country and especially in the large reserves, the forests and craters, the coral reefs and the rivers, offer their natural treasures. There remains more than 60,000 km² of forests in which can be found 19,000 species of plants - a world record - and more than 1,000 varieties of orchids, to which belongs vanilla.



From the Ranopiso pass, in the back country of Toalagnaro in the south east, to the massif of Marojezy in the north east, the oriental cliffs have preserved a vegetation of extreme density. Nearly all the Masoala peninsula, because of its difficult accessibility, still has remains of the only primary forest where everything is to be discovered. The rains in the east sees to the upkeep of the most precious reserves where the vegetation varies according to the altitude. In the valleys of Antalaha and Maroantsetra, rosewood and ebony still subsist. The "ravinala", called the tree of the voyager because of its trunk is a reserve of drinking water, and the "volotsangana", a cluster of giant bamboos with bent over tops, which grow on burnt land, are characteristics of the malagasy landscape.

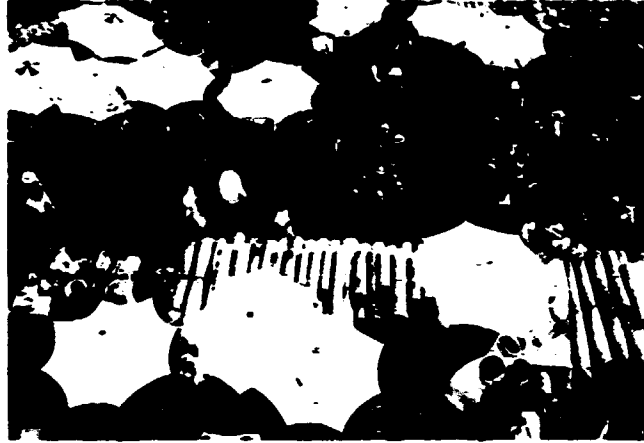
In the west, there are all sorts of varieties of palm trees and entire forests of baobabs, which lead progressively to the bushland of the south, a vegetation very specific to Madagascar, where grow



thorny bushes, aloes etc...

While all of Africa has only one variety of baobab, Madagascar has seven different of them, all as surprising as the dwarf baobab, called pachypodium measuring not more than 30 cm in height! The amazement of the voyager is guaranteed.

ORIGINAL ARTS AND CRAFTS



Through malagasy arts and crafts, one finds the african and asiatic influences. The combination of these origins gives birth to an artistic expression and workmanship which profits from both of these thinkings. Varied as well as full of colors, malagasy arts and crafts, according to the specialities of each region, are very often rich in the workmanship that it represents. The meticulousness of the embroideress of tableclothes, the precision of the sculptor of statuettes, the fineness of the work of the inlaid wood maker and the patience of the woman weaving raffia and rabane, are all essential assets for an outcome as diverse as they are original. Malagasy arts and crafts are very appreciated by tourists, when strolling along in the markets.



STILL PRESERVED CUSTOMS

Madagascar is particularly rich in tradition with its 18 tribes, all of which have kept their dances, songs and customs. However, some traditions are practiced throughout the country. Here are some of the most spectacular ones:

The art of Kabary, discourse or interminable discussion, is a real science. During burial ceremonies, weddings or public rallies, real "professionals of discourse" - listed as such in the local directory - are called upon to serve the purpose of a family or opposite sides. With an incredible mastery in channelling the thought process, they use the most incongruous images, the most nebulous formulas, to bring their listeners towards a very brutal and definitive conclusion which cannot give rise to any discussion after such brilliant demonstration.

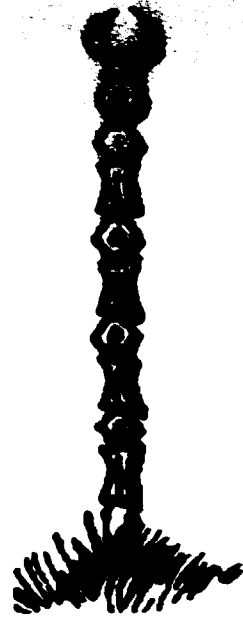


The Hiragasy is a popular show of songs and dances in the villages of the highlands. Sometimes they give place to contests between dancers of different troupes.

We can never say it often enough: everything, in Madagascar, revolves around an esoteric universe of ancestors. Art itself is inspired by ancestral traditions. Zafimaniry villages are real outdoor museums: roof supports, doors, windows are decorated with masterful interlaced engravings. In the Mahafaly country, art is also applied to tombs. These are decorated with statues and aloalo, long sculpted and carved wooden boards with geometric designs.

From July to September, tourists could be surprised to encounter in the streets of the highlands, a joyous and colorfully dressed procession of people carrying the remains of a dead relative. It is the Famadihana which is a celebration, literally the "turning over", of the dead (exhumation). This cult of the ancestors is an important and respected tradition of the malagasy.





THE TOURISM SECTOR
IN MADAGASCAR,
A SURE VALUE FOR
FOREIGN INVESTORS !



USEFUL ADDRESSES

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TOP - Professional Tour Operators Association of Madagascar

CO Madagascar Airports - Madagascar HILTON, Anosy
Antananarivo 101 - Tel: 241.92 - Fax: 252.70

GAST - Grouping of Tourism Associations and Syndicates

CO SOFITRANS, 2 Rue Andrianampoinimerina, Antananarivo
PoBox 8310 - Antananarivo 101 - Tel: 223.30 - Fax: 203.90

SIHM - Syndicate of Hotel Industry of Madagascar or

ASHORI - Association of Hotel-keepers and Caretakers of Madagascar
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PoBox 5421 - Antananarivo 101 - Tel: 263.79 - Fax: 264.14
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AAVM - Madagascar's Travel Agencies Association

CO TRANSCONTINENTS - 10, Avenue de l'Indépendance
PoBox 541 - Antananarivo 101 - Tel: 223.98 - Fax: 283.65

GLVM - Car Rental Owners' Grouping of Madagascar

CO AVIS - 3, rue Patrice Lumumba, Tsaralalana
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Tour Operators' Grouping of Morondava

CO Hôtel le RENALA
PoBox 163 - Morondava 613 - Tel: 520.89 / 521.74
Responsible: Mr KOLO Jean Louis

Tour Operators' Association of Toliary

CO PLAZZA HOTEL - Boulevard Lyautéy
PoBox 486 - Toliary 601 - Tel: 419.00 - Fax: 419.03

Interprofessional Tourism Grouping of Fianarantsoa

CO Hôtel COTSOYANNIS
PoBox 1129 - Fianarantsoa 501 - Tel: 514.86 - Fax: 505.68

Hotel and Tourism Association of Antsirabe

CO HOTEL DES THERMES
PoBox 72 - Antsirabe 110 - Tel: 487.61 / 497.62 - Fax: 492.02

Interprofessional Hotel and Tourism Grouping of Toamasina

CO HOTEL NEPTUNE - Boulevard Ratsimilaho
PoBox 538 - Toamasina 501 - Tel: 322.26 - Fax: 324.26

Tourism Operators' Grouping of Sambava

CO Hôtel LAS PALMAS
PoBox 120 - Sambava 208 - Tel: 87

Tourism Operators' Grouping of Antsiranana

CO Restaurant Bar Le VENILLEA - Rue Sureau
PoBox 194 - Antsiranana 201 - Tel: 229.25

Tourism Operators' Association of Farafangana

SIDI HOTEL
PoBox 80 - Manakara 316 - Tel: 212.04

AIR MADAGASCAR

31, Avenue de l'Indépendance
PoBox 437 - Antananarivo 101 - Tel: 222.22 - Fax: 337.60

AIR FRANCE

29, Avenue de l'Indépendance
PoBox 1307 - Antananarivo 101 - Tel: 223.21 / 263.00 - Fax: 291.03

ARIO - AIR MAURITIUS

77, Rue Solombasambasaka Fransay, Antsahavola
PoBox 3673 - Antananarivo 101 - Tel: 359.90

INTER AIR

CO HILTON Hotel - Galerie Marchande, Anosy
PoBox 959 - Antananarivo 101 - Tel: 224.06 / 224.52

TAM - Travels Agencys de Madagascar

Galerie Marchande Hotel Madagascar Hilton, Anosy
PoBox 876 - Antananarivo 101 - Tel: 315.01 / 341.09

SOMACRAM

12 Rue Indra Gandhi, Tsaralalana
PoBox 9907 - Antananarivo 101 - Tel: 265.63 / 279.52 - Fax: 333.27

M A S

3, rue Patrice Lumumba, Tsaralalana
Antananarivo 101 - Tel: 08.08 - Fax: 231.79

AEROCUB DE TANANARIVE

18, Rue Jean Jaurès - Ambatomena
PoBox 1698 - Antananarivo 101 - Tel: 332.19

HENRI FRAISE TRAVEL SERVICE

Rue Ravoanahitrinarivo, Ankonondrano
PoBox 28 - Antananarivo 101 - Tel: 283.72 / 227.21 - Fax: 291.23

MADAGASCAR FLYING SERVICE

PoBox 3847 - Antananarivo 101 - Tel: 313.27 / 352.06 - Fax: 252.06

INTERNATIONAL INVESTMENT BANK

SINGLE WINDOW OF INVESTMENT

CO Ministry of Economy and Investment Promotion
PoBox 674 - Antananarivo 101 - Tel: 202.84

ANAE - National Association for Environmental Actions

Lot IVS 45, Antananarivo
Antananarivo 101 - Tel: 322.89 - Fax: 227.09

ANGAP - National Association for the Management of Preserved Areas

PoBox 1424 - Antananarivo 101 - Tel: 305.18 - Fax: 319.94

ONE - National Office for Environment

Antananarivo
PoBox 822 - Antananarivo 101 - Tel: 312.41 / 259.99 - Fax: 306.93

KTE - Institute for Tropical Environment Preservation

Tsimbazaza
PoBox 3715 - Antananarivo 101 - Tel: 321.23 - Fax: 321.23

WWF - World Wildlife Fund

PoBox 738 - Antananarivo 101 - Tel: 348.85 / 346.38 - Fax: 348.88

EUROPEAN UNION

Immeuble Ny Havana, 67 Ha
PoBox 746 - Antananarivo 101 - Tel: 242.16

UNDP - United Nations Development Programme

Rue Raintovo, Antsahavola
PoBox 1348 - Antananarivo 101 - Tel: 234.90 / 219.07 - Fax: 333.15

UNIDO - United Nations Industrial Development Organization

Rue Raintovo, Antsahavola
PoBox 1348 - Antananarivo 101 - Tel: 348.59 / 347.96 - Fax: 347.96

WORLD BANK

1 Bis, rue Patrice Lumumba, Tsaralalana
PoBox 4140 - Antananarivo 101 - Tel: 289.17 / 287.77 - Fax: 329.02

CFD - French Funds for Development

Rue Razanakombana, Ambohipitovo
PoBox 557 - Antananarivo 101 - Tel: 200.46 - Fax: 347.94

MFCAC - French Mission for Cooperation and Cultural Actions

3, Rue Jean Jaurès, Ambatomena
PoBox 834 - Antananarivo 101 - Tel: 212.95 / 228.58 - Fax: 341.20

FIARO - Financial Investment ARO

Rue Jules Ranavo, Immeuble ARO, Ampeliloha
PoBox 725 - Antananarivo 101 - Tel: 342.60 - Fax: 221.47

BNI - CI / Crédit Lyonnais

74, Rue du 26 Juin 1960
PoBox 174 - Antananarivo 101 - Tel: 228.00 / 239.51 - Fax: 337.40

BMOI - Malagasy Bank of the Indian Ocean

Place de l'Indépendance, Antananarivo
PoBox 25 Bis - Antananarivo 101 - Tel: 346.09 - Fax: 346.10

UCB - Union Commercial Bank

77, Rue Solombasambasaka, Antsahavola
PoBox 197 - Antananarivo 101 - Tel: 272.62 - Fax: 287.40

AVAMA - Basketry Association of Madagascar

Cité Artisanale Masikara, Andriavoahangy
Antananarivo 101 - Tel: 331.49

UAMA - Craftmen's Union of Madagascar

Cité Artisanale, Andriavoahangy
PoBox 7136 - Antananarivo 101 - Tel: 207.53

INTERNATIONAL INVESTMENT BANK

MINISTRY OF FOREIGN AFFAIRS

Anosy
PoBox 448 - Antananarivo 101 - Tel: 211.98

MINISTRY OF INTERIOR

Anosy
PoBox 2310 - Antananarivo 101 - Tel: 236.84

MINISTRY OF TRANSPORTATION AND METEOROLOGY

Anosy
Antananarivo 101 - Tel: 246.04 / 227.19

MINISTRY OF CULTURE, COMMUNICATION AND LEISURES

Antananarivo
PoBox 805 - Antananarivo 101 - Tel: 270.92 / 312

MINISTRY OF INDUSTRY AND HANDICRAFT

Antananarivo
PoBox 451 - Antananarivo 101 - Tel: 272.92

MINISTRY OF HEALTH

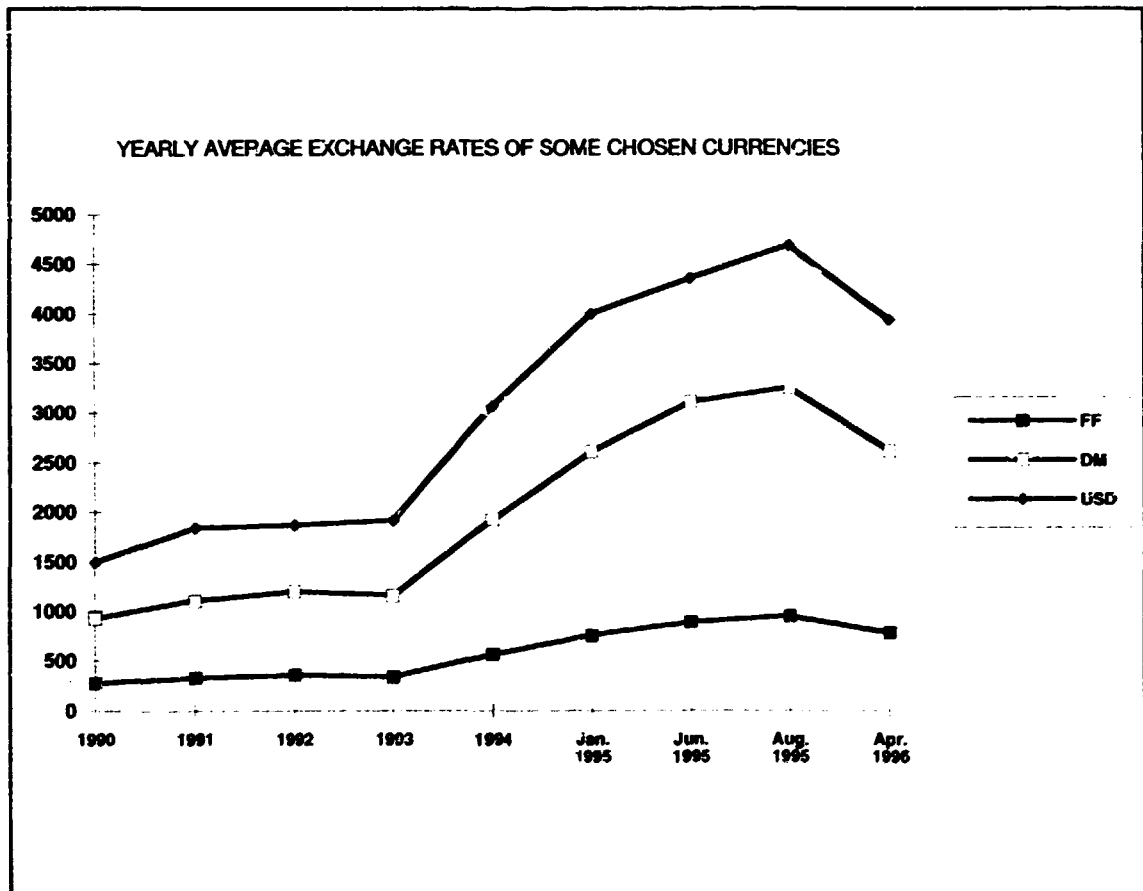
Ambodilaha
PoBox 88 - Antananarivo 101 - Tel: 236.94

BUSINESS COST FACTORS (1995/1996)

- 1. AVERAGE MGF EXCHANGE RATES**
- 2. LABOUR COSTS**
- 3. FUEL AND PUBLIC UTILITY COSTS**
- 4. ROAD TRANSPORT**
- 5. RAIL TRANSPORT**
- 6. MARITIME TRANSPORT**
- 7. AIR TRANSPORT**
- 8. POSTS AND TELECOMMUNICATIONS**
- 9. LAND AND BUILDINGS**

I. AVERAGE MGF EXCHANGE RATES

CURRENCY RATE	1990	1991	1992	1993	1994	Jan. 1995	Jun. 1995	Aug. 1995	April 1996
1 French Franc	274.70	325.55	352.35	338.18	559.49	753.67	883.60	944.76	776
1 Deutschmark	925.70	1,107.15	1,194.15	1,158.03	1,915.16	2,605.29	3,103.13	3,251.53	2,617.94
1 Pound Sterling	2,571.75	3,237.50	3,286.75	2,874.23	4,724.37	6,283.99	6,934.63	7,351.41	5,966.03
1 Dollar US	1,494.10	1,835.40	1,863.95	1,913.79	3,064.80	3,993.48	4,345.82	4,681.98	3,983.19
1 Swiss Franc	1,078.40	1,280.50	1,327.25	1,255.68	2,274.25	3,098.87	3,755.00	3,928.40	3,232.21
1 Florin	821.60	92.50	1,060.70	1,080.63	1,707.61	2,324.05	2,772.78	2,903.25	2,341.31
1 Italian Lira	1.30	1.50	1.50	1.23	1.92	2.48	2.65	2.92	2.51
1 Japanese Yen	10.75	13.65	14.70	17.24	30.29	40.04	51.47	49.79	36.63
1 Belgian Franc	44.70	53.70	58.00	55.43	92.97	126.49	151.07	158.15	127.43
1 ECU	1,902.25	2,271.65	2,410.25	2,239.75	3,669.03	4,987.12	5,731.44	6,078.33	4,878.58
1 DTS	2,026.90	2,506.10	2,624.10	2,671.87	4,413.48	5,852.26	6,797.83	7,085.64	5,680.47



Source : Central Bank of Madagascar

Credit cards currently accepted in Madagascar :

- Visa or Carte bleu
- American Express
- Euro Card
- Euro cheque
- Dinner's Club
- Master Card
- International Visa

I - LABOUR

JOB CLASSIFICATION				EMPLOYMENT				SENIORITY	
				HOURLY WAGE (MGF)		MONTHLY WAGE (*) (MGF)		MONTHLY WAGE (*) (MGF)	
TECHNICAL CLASSIFICATION		ADMINISTRATIVE CLASSIFICATION		Non agricultural sector	Agricultural sector	Non agricultural sector	Agricultural sector	Non agricultural sector	Agricultural sector
M1 M2	Labourer	1A	Logistic personnel	637.8	562.2	110,550	112,440	113,327	115,260
	Skilled labourer	1B 1A	Literate	657.0	579.1	113,878	115,820	119,993	122,040
OS1 OS2 OS3	Skilled labourer	2A	Salesman, Operator	698.7	615.9	121,106	123,180	127,215	129,385
	Worker	2B		737.2	649.7	127,779	129,940	135,548	137,860
	Qualified worker	3A	Office personnel Typist 30wpm	785.2	692.1	136,099	138,420	145,547	148,030
OP1A	Foreman	3B	Asst. accountant 40wpm	842.9	743.0	146,100	148,600	158,879	161,590
OP1B	Professional worker	4A	Qualified accountant	923.0	813.6	159,984	162,720	174,434	177,410
OP2A	Qualified foreman	4B	Qualified accountant Secretary shorthand-typist	1,012.8	892.7	175,549	178,540	197,766	201,140
OP2B	Site foreman	5A		1,176.2	1,036.8	203,871	207,360	233,875	237,865
OP3A	Supervisor	5B	Chartered accountant	1,384.6	1,220.4	239,993	244,080	263,318	267,810

Source : Ministry of State Service and Working Legislation

*to deduct : CNAPS - OSTIE - IGR

The above monthly salaries correspond to :

- 40 hours/week or 173.33 hours/month for all sectors except agriculture

- 200 hours / month for agriculture

II - MANAGEMENT STAFF

Gross monthly wages above 267,810 MGF.

III - OVERTIME AND NIGHT DUTIES

DUTY SHIFT		PREMIUMS	REMARKS
- Night work	. Normal	30 %	- Overtime night hours are from 10p.m to 5 a.m
	. Occasional	50 %	
- Public holiday day work	. Sunday	40 %	- Overtime should not exceed 20 hours/wcek
	. Unpaid	50 %	
	. Paid	100 %	

Source : Ministry of State Service and Working Legislation

SOCIAL RIGHT

IV - PAID LEAVES

Paid leave legal period : 2.5 days/month, i.e. 30 calendar days of leave per year of actual service.

Are considered as actual service :

- less than 6 month's sick leave.
- work accident or occupational sickness.
- maternity leave : 14 consecutive weeks of which 6 weeks before and 8 weeks after delivery as well as one hour daily over a period of 15 months for breast-feeding.
- Family occurrence with a limitation of 10 days/year.

V - PUBLIC HOLIDAYS

The officially recognized public holidays are :

- New Year's day (January 1).
- International Women's day (1/2 day on March 8).
- Commemoration of March 29, 1947 (March 29).
- Easter Monday.
- Labour Day (1st May).
- AUO Day (25th may).
- Whit Monday.
- Ascension Day.
- National Day (26 June).
- Assumption (15 August).
- All Saints' Day (1st November).
- Christmas Day (25 December).

VI - SOCIAL CONTRIBUTIONS

INTSITUATION	CONTRIBUTION - % TOTAL SALARY	
	EMPLOYERS'	EMPLOYEES'
CNaPS	8 % (agricultural sector) 13 % (other sectors)	1 %
OSTIE	5 to 55 %	1 % to 1.5 %

VII - NOTICE

PROFESSIONAL CATEGORY	SENIORITY IN THE ENTERPRISE					
	< 8 days	< 3 months	< 1 year	> 1 year	> 3 years	> 5 years
M1, M2, OS1, 1A, 1B	2 h	1 d	8 d	10 d	10d + 2d/year employment not to exceed 1 m	1 m
OS2, OS3, OP1, 2A, 2B, 3A, 3B, A1, A2, A3, B1, B2, B3, B4, C1, C2, C3, D1, D2, D3	8 d	8 d	15 d	1 m	1m + 2d/year employment not to exceed 1.5 m	1.5 m
OP2, OP3, 4A, 4B, 5A, 5B, A4, B5, C4, D4	1 m	1 m	1 m	1.5 m	2 m	2 m
Engineers and technicians	1.5 m	1.5 m	1.5 m	2.5 m	2.5 m	3 m
Executives	3 m	3 m	3 m	4 m	4 m	6 m

Source : Ministry of State Service and Working Legislation

The length of notice is a function of the worker's seniority in the enterprise and of his/her professional category.

3. FUEL AND PUBLIC UTILITIES COSTS

I - FUEL

DESIGNATION	UNIT	RETAIL PRICE IN TOWN (MGF)
Petrol (super)	litre	2.120
Petrol	litre	1.800
Gas oil	litre	1.510
Fuel oil	litre	489
Paraffin oil	litre	1.380
Butane gaz	12,5Kg	45.000

Source : SOLIMA

Costs effective from April 1996

from July 1995 (Fuel)

II - ELECTRICITY

ZON E (1)	MEDIUM VOLTAGE											LOW VOLTAGE					
	Short utilization (2)			Long utilization (3)			Daily rates (4)					Economic rate (5)			Total Low voltage (6)		
	Fixed charge	Rate	Fee	Fixed charge	Rate	Fee	Fixed charge	D	P	N	Fee	1st Part	2nd Part	Fee	Fixed Charge	Rate	Fee
Z I I	39,391	300	158,189	45,306	199	158,189	41,428	189	824	152	204,056	385	970	1,090	1,490	405	7,920
Z I II	24,395	534	158,189	32,184	429	158,189	23,592	482	1,146	413	204,056	385	1,170	1,090	2,095	590	7,920
Z I III	23,133	781	158,189	28,736	729	158,189	21,272	723	1,248	687	204,056	385	1,310	1,090	1,585	725	7,920

Source : JIRAMA

Cost effective from August 1995

(1) Tariff Zone I : Antananarivo - Grand Tanà - Toamasina - Antsirabe - Fianarantsoa - Ambatolampy

II : Mahajanga - Toliary

III : Antsiranana - Nosy-Be - Taolagnaro - Morondava - Sambava - Sainte-Marie - Mananjary
Ambositra - Antalaha -

(2) Short utilization : duration of monthly utilization of power < 150 h

(3) Long utilization : duration of monthly utilization of power > 150 h

(4) Daily rates : - D = Day, from 6 a.m to 6 p.m

- P = Peak, from 6p.m to 10p.m

- N = Night, from 10p.m to 6 a.m

(5) Economic tariff rates for power < à 3kw

- First part : the first 20kwh since January 1995

- Second part : after the first 20kwh.

(6) General low voltage for power of 3kw

III - WATER

USER	MGF/m3
- SMALL CONSUMERS < 1 000 m3/month	
* first bracket < 10 m3	660
* additional m3	1,570
- BIG CONSUMERS > 1 000 m3/month	1,570

Source : JIRAMA

Cost rates effective from January 1996

4 - ROAD TRANSPORT

I - COMMERCIAL VEHICLE OPERATION COST (MGF/km ; TTC)

TYPES OF VEHICLES	AVERAGE ASPHALTED ROAD	NON-ASPHALTED GOOD ROAD
Light vehicles (type R4-fuel)	756	801
Bus taxi (type Mazda-Diesel)	1.09	1.351
Van (type P 504 Diesel)	1.438	1.896
Bus (type Tata 909 Diesel)	2.621	3.407
Lorry (type MB 1513 Diesel)	3.5	4.603
Articulated Lorry (type MB 1924-Diesel)	4.397	5.350

Source : Ministry of Transport and Meteorology

(Cf Official Journal of 10 July 1995)

* Indicative Table

II - TAXI DRIVE

DESIGNATION	FARES	
	MINIMUM	MAXIMUM
Metropolitan area	4,000 MGF	10,000 MGF
Centre/ NATO Airport	40,000 MGF	75,000 MGF

Source : Survey figures

III - AVERAGE VEHICLE RENTAL RATES (MGF) Exclusive of fuel :

Cost (1 000 MGF)	Light vehicle				Motor car 4 x 4		Mini-car		Bus	
	4 places		5 places							
		Flat rate		Flat rate		Flat rate		Flat rate		Flat rate
Rate (daily)	80 to 120	120 to 200	100	150 to 250	100 to 240	280 to 480	100	250 to 350	100	300
Rate/km	0.75 to 1.5		1.5		1 to 3.4				0.9	
Allowance of driver (1 day)	27 to 37		27 to 37		27 to 37					
Insurance	27 to 37		35 to 55		40 to 70					
VAT	20 %		20 %		20 %		20 %		20 %	

Source : Local Car Rental Agencies

N.B.: Indicative rates based on present average costs

5 - RAIL TRANSPORT

I - PASSENGER RATES

PASSENGER RATES (MGF/Person) :

ITINERARY	STANDARD TARIFFS (MGF)								TARIFF (FF)
	EXPRESS				MIXT TRAIN				EXPRESS
	1st class		2nd class		1st class		2nd class		
Descent	Ascent	Descent	Ascent	Descent	Ascent	Descent	Ascent		
Line Toamasina East Coast (TCE) Departure time : 6 h 00									
Antananarivo	-	31.873	-	18.749	-	28.592	-	16.874	65
Ambatolaona	5.141	25.875	3.024	15.221	4.612	23.212	2.722	13.699	79
Moramanga	10.539	21.420	6.199	12.600	9.454	19.215	5.579	11.340	160
Andasibe	12.766	19.192	7.510	11.290	11.452	17.217	6.759	10.161	197
Ambila Lemaitso	24.419	7.454	14.364	4.385	21.905	6.687	12.928	3.946	
Toamasina	31.873	-	18.749	-	28.592	-	16.874	-	26
Manjakandriana									165
Andranokoditra									143
Brickaville									
Line Moramanga Lac Alaotra (MLA) Departure : 6h 00									
Antananarivo	-	24.847	-	14.616	-	22.289	-	13.154	
Moramanga	10.539	14.394	6.199	8.467	9.454	12.912	5.579	7.621	141
Ambatondrazaka	22.705	2.228	13.356	1.310	20.368	1.998	12.020	1.179	154
Ambatosoratra	24.847	-	14.616	-	22.289	-	13.154	-	130
Vohidiala									96
Amboasary									
Departure : 9 h 00									
Antananarivo	-	24.847	-	14.616	-	22.289	-	13.154	
Moramanga	10.539	14.394	6.199	8.467	9.454	12.912	5.579	7.621	
Ambatondrazaka	22.705	2.228	13.356	1.310	20.368	1.998	12.020	1.179	
Ambatosoratra	24.847	-	14.616	-	22.289	-	10.440	-	
Line Tana Antsirabe (TA) Departure time : 6h 30									
Antananarivo	-	13.623	-	8.014	-	12.221	-	7.212	
Ambatolampy	5.741	7.883	3.377	3.377	5.150	7.071	3.039	4.173	35
Antsirabe	13.623	-	8.014	-	12.221	-	7.212	-	84
Line Fianarantsoa East Coast (FCE) Departure time : 7H 00									
Fianarantsoa	-	17.093	-	10.664	-	17.093	-	10.663	
Manakara	17.093	-	10.664	-	17.093	-	10.663	-	

Source : National Railway Network of Madagascar

Express : Passengers

Mixt Train : Wagons + goods

II - GOODS RATES IN MGF

1 - CATEGORY 1 : Small parcels

Weight (Kg)	10	20	30	40	50	60	70	80	90	100
Distance (Km)										
50	1,512	1,764	1,764	1,764	1,764	1,764	1,764	1,764	1,764	1,764
100	1,764	1,764	1,764	1,764	1,764	2,016	2,394	2,646	3,024	3,276
150	1,764	1,764	1,764	2,016	2,520	2,898	3,528	4,032	4,410	5,040
200	1,764	1,764	2,016	2,646	3,276	4,032	4,662	5,292	5,922	6,552
250	1,764	2,016	2,520	3,276	4,158	5,040	5,796	6,552	7,308	8,190
300	1,764	2,394	2,646	4,032	5,040	5,922	6,930	7,938	8,820	9,828
350	1,764	2,646	3,528	4,662	5,796	6,930	8,064	9,138	10,332	11,466
400	1,764	3,024	4,032	5,292	6,552	7,938	9,198	10,584	11,718	12,726
450	1,764	3,276	4,032	5,922	7,308	8,820	10,332	11,718	13,230	14,742
500	1,764	3,276	5,040	6,300	8,190	9,828	11,466	13,104	14,742	16,380
550	1,890	3,654	5,418	6,552	9,072	10,836	12,600	14,364	16,128	17,892

Source : National Railway Network of Madagascar

Tariffs effective from May 1995

2 - CATEGORY 2 : large parcels

CARGO AND MODE OF TRANSPORT (MGFT)	Antananarivo Ambatolampy (67 km)	Antananarivo Antsirabe (159 km)	Antananarivo Moramanga (123 km)	Antananarivo Andasibe (149 km)	Antananarivo Toamasina (372 km)	Antananarivo Ambatondra- zaka (265 km)	COST (MGF) T/km
FUEL WAGON							
- Petroleum products	13.400	31.800	24.600	29.800	74.400	53.000	200.00
- Rice and import sorghum	13.676	32.455	25.107	30.414	75.933	54.092	204.12
- Rice and paddy	13.760	32.655	25.262	30.602	76.401	54.426	205.38
- Different goods	14.436	34.859	26.967	32.667	81.557	58.099	219.24
- Fruits and vegetables	14.436	34.258	26.502	32.104	80.151	57.097	215.46
PARTICULAR TRANSPORT + 100 kg in bulking	19,839	47,080	36,420	44,119	110,149	78,467	296,10
EXPRESS TRANSPORT - General goods	39,677	94,160	72,841	88,238	220,298	156,933	592,20
CONTAINER							
- Port TAMATAVE/ Highland	13,254	31,453	24,332	29,475	73,589	52,422	197,82
- Highland/Port TAMATAVE	13,254	31,453	24,332	29,475	73,589	52,422	197,82
- Zebus T/km	100,460	238,405	184,426	223,411	557,777	397,341	1,499,4
- MGF/UNIT/km	15,365	36,462	28,206	34,169	85,307	60,770	229,32

Source : National Railway Network of Madagascar

6 - MARITIME TRANSPORT

1 - NATIONAL COASTAL TRADE (internal routing) :

PRODUCTS	MGF/T-Mile		
	A	B	C
Sugar	168	131	94
Maize	128	100	72
Cotton			
. raw in bales (MGF/m3-Mile)	121	91	68
. seed	336	262	189
Sheet steel			
Steel and iron bars	154	120	87
Cattle (MGF/Unit-Mile)	308	241	173
Coffee	188	147	106
Cocoa	235	184	132
Edible and industrial oil (minerals, vegetable, animal)	235	184	132
Petroleum products (gasoline, gas-oil, fuel-oil, petrol) :			
. in drums (MGF/Unit-Mile)	35	27	19
. in cans (MGF/Unit-Mile)	3	3	2
Goods in cold storage	443	346	249
Undefined goods :			
. up to 2 m3/T	327	255	184
. above 2 m3 (MGF/m3-Mile)	160	125	90
Rice	113	88	63
Tobacco, cigarettes (MGF/m3-Mile)	107	84	60
Vanilla	605	472	340

Source : Compagnie Malgache de Navigation

Costs effective from April 1995

- N.B :**
- . Overlength freight (more than 6m) and heavy freight (more than 1.5T) are subject to special rates ;
 - . Containers must be utilized to at least 85% of their cubic capacity. If this coefficient is not reached, a charge will be made for the difference ;
 - . Three basis rate levels according to the shipment port category which are :
 - . A : Sambava, Ste-Marie, Mananjary, Taolagnaro, Morondava, etc...
 - . B : Nosy-Be, Antsiranana, Manakara et Toamasina
 - . C : Mahajanga, Port St-Louis et Toliary.
 - . Additional charge :
 - . harbour overload 20 % for A, 10 % for B and 0% for C ;
 - . surcharge for additional storage of 8 % of the fuel price (Bunker Adjustment Factor or BAF)
 - . currency overload (Currency Adjustment Factor or CAF) = 50 %
 - . additional charge of basic rate : 50 % (effective from 1995).

Therefore total amount to = basic rate from loading port x (harbour overload from loading port + harbour overload from landing port) x mile distance x BAF x (CAF 50 % additional charge of basic rate).

2 - REGIONAL COASTAL TRADE

Routing	Products	Container 30m3 (USD)	Cold storage container (USD)
Departure from Toamasina port :			
Mauritius	All products excluding dangerous goods	750	2 400
Reunion		750	2,400 to 3,300
The Seychelles		750 to 1,000	2,400 to 3,300
The Comoros (Moroni)		750 to 1,800	2,400
Mutsamo, Dzaoudzi		850	
South Africa (Durban)			
Departure from Mauritius, Reunion, The Seychelles :		750	

Source : Societes de Transports Maritimes

Frequency : 1 ship every 20 days, departure from Toamasina port

Tariff rates effective from July 1995

3 - LONG DISTANCE

Routing	Products	Board to board rates		
		T or m3 (ECU)	Container 30 m3 (USD)	Cold storage container (USD)
a - Arriving at Toamasina Port France-Madagascar	- textile	120	2,300 to 4,000	
	- leather	111	2,200 to 3,725	
	- small machinery	111	2,250 to 3,725	
	- iron sheets, construction materials	95	2,200 to 3,200	
	- canned foods	101	2,200 to 3,400	
	- bulking	138		
North-Continent (USA) Madagascar	- textiles	125	3,500 to 4,150	
	- general commodities (non hazardous)	116	3,400 to 3,890	
	- bulking	138		
Asia (Singapore - Hong Kong) Madagascar	- edible oils		1,900	
	- textiles		2,000	
	- general commodities		2,050 to 2,450	
b - Departure from Toamasina Port Madagascar-France	- textiles	140	1,460	
	- leather	140 to 150	1,860	
	- coffee, vanilla, sisal, spices..	62 to 69	1,850	
	- cotton in seeds or bales	63 to 140	900	
	- fiber cotton	140 to 150	1,465 to 1,850	
	- maize in sacks	97	1,260	
	- general commodities		2,100	
	- prawn			4,000 to 4,820
	- other crustacean products			3,800 to 4,820
	- meat	140	from 1,260 to 1,330	3,550 to 4,100
	- foie gras	140		4,000 to 5,000
- clove				
- bulking				
Madagascar-North Continent	- textiles	150	1,465 to 3,000	
	- leather	161	2,000 to 2,025	
	- raphia		2,950	
	- bulking	150		
Madagascar-Asia (India, Japan, Singapore)	- textiles		1,300 to 2,700 (*)	
	- leather		1,100	
	- coffee, vanilla, sisal		800	
	- prawn and other crustacean products			3,900 to 9,000 (*)
	- meat			4,000
- litchee			4,000	

Source : Sociétés de Transports Maritimes
Rates effective from July 1995

- NB :**
- Indicative prices negotiable depending on quantity, regularity and frequency of shipment
 - Frequency of ships : (departure from Toamasina Port), one landing every 9 days for Europe-Ocean Indian line.
 - Freight exceeding 6m and heavy freight (more than 1,500 tons) have special rates.
- (*) Price excluding THC (Terminal Handline Charge) at loading and landing ports.

7 - AIR TRANSPORT

I - PASSENGERS RATES

1 - Internal Network (One way) :

Departure Antananarivo	Antsi-ranana	Nosy-Be	Maha-janga	Toama-sina	Fiana-rantsoa	Toliary	Taola-gnaro	Moro-njava	Sainte-Morie	Sambava	Manan-jary
Resident (MGF)											
· Economy Class Y	293,600	293,600	238,800	152,300	199,900	293,600	293,600	199,900	199,900	293,600	152,300
· Business Class C	367,000	367,000	298,500	190,400	249,900	367,000	367,000	249,000	249,000	367,000	190,400
(1)											
Non-Resident (FF)											
· Economy Class Y	955	885	550	350	435	885	885	550	435	820	415
· Business Class C (2)											

Source : AIR MADAGASCAR

(1) : non-residents tickets are paid in foreign currency

(2) : business class is 125 % economy class

Rates effective from June 1995

2 - Regional network :

Departure Antananarivo	MORONI (The COMOROS)		DZAOUZDI (MAYOTTE)		SAINT-DENIS (REUNION)		CURPIPE (MAURITIUS)		MAHE (The SEYCHELLES)	
	ST (MGF)	RT (MGF)	ST (MGF)	RT (MGF)	ST (MGF)	RT (MGF)	ST (USD)	RT (USD)	ST (USD)	RT (USD)
Economy class	932,400	1,864,800	899,800	1,799,600	936,300	1,872,600	245	490	357	714
Business class	1,072,400	2,144,800	1,034,900	2,069,800	1,076,900	2,153,800	282	564	411	822
1st class	1,168,100	2,336,200	1,124,900	2,249,800	1,159,800	2,319,600	355	710	518	1,036

Source : AIR MADAGASCAR

NB : - The rates are converted in foreign currency (for non-residents) or in local currency (for residents) according to the current exchange change rates.

- Non-residents tickets are paid in foreign currency.

ST = Single ticket

RT = Return ticket

Rates effective from June 1995

3 - International network :

Departure from Antananarivo	Paris (MGF)	Francfort (MGF)	Zurich (MGF)	London (USD)	Brussels (USD)	Johan-nesburg (USD)	New-York (USD)	Tokyo (USD)	Seoul (USD)	Singapore (USD)	Bom-bay (USD)	Nairobi (USD)
Economy class												
ST	5,503,800	5,503,800	5,503,800	2,450	2,197	416	3,137	2,882	3,112	2,664	1,320	316
RT	11,007,600	11,007,600	11,007,600	4,455	3,995	871	5,763	5,336	5,763	4,896	2,443	672
Business class												
ST	6,329,400	6,329,400	6,329,400	2,818	2,527	513	3,607	3,314	3,579	3,041	1,518	387
RT	12,658,800	12,658,800	12,658,800	5,124	4,594	998	7,214	6,137	6,628	5,631	2,810	774
1st Class												
ST	8,009,900	8,009,900	8,009,900	3,410	3,196	643	5,089	4,126	4,456	3,700	1,848	488
RT	16,019,800	16,019,800	16,019,800	6,200	5,810	1,261	10,178	7,641	8,252	6,852	3,422	976

Source : AIR MADAGASCAR

NB : - The rates are converted in foreign currency (for non-residents) or in local currency (for residents) according to the current exchange change rates.

- Non-residents tickets are paid in foreign currency.

Tariff rates effective from June 1995

4 - Airport charges :

	Internal	Regional	International
Residents	8.000 MGF	60.000 MGF	80.000 MGF
Non-Residents	8.000 MGF	80 FF	100 FF

Source : ADEMA

The non-residents charges for regional and international networks are paid in foreign currency.

Tariff rates effective from April 1996

III - FREIGHT RATES

1 - Internal network :

Departure Antananarivo	Antsira- nana	Maha- janga	Toama- sina	Fiana- rantsoa	Taola- gnaro	Toliary	Sam- bava	Nosy- Be	Sainte Marie	Moron- dava	Manan- jary
Normal (MGF/Kg)	2.030	1.660	1.060	1.390	2.030	2.030	2.030	2.030	1.390	1.390	1.060

Source : AIR MADAGASCAR

Minimum perception : 4.100 MGF

Tariff rates effective from June 1995

2 - Regional et International networks

GENERAL TARIFF RATES IN US DOLLARS

ROUTING	- 45 Kg	+ 45 Kg	Minimum perception
Antananarivo-Reunion	1.40	1.10	40.00
Toamasina-Reunion			
Antananarivo-Moroni	1.75	1.30	40.00
Antananarivo-Dzaoudzi (via Mahajanga)	1.70	1.25	40.00
Antananarivo-Moroni-Anjouan	1.75	1.30	40.00
Mahajanga - Dzaoudzi	1.40	1.10	40.00
Antananarivo-Johannesburg	1.95	1.47	45.00
Antananarivo-Mauritius	2.70	2.03	45.00
Antananarivo-Seychelles	3.31	2.46	45.00
Antananarivo-Paris	7.70	5.80	54.00
Antananarivo-Bordeaux-Lille-Mulhouse Nice-Marseille-Strasbourg-Toulouse-Lyon	7.80	5.90	54.00
Antananarivo-London	17.13	12.84	67.00
Antananarivo-Zurich	16.26	12.17	67.00
Antananarivo-Brussels	16.62	12.46	67.00
Antananarivo-Nairobi	3.31	2.46	67.00
Antananarivo-Moscow	15.87	11.90	67.00
Antananarivo-Singapore	16.70	12.53	82.00
Antananarivo-Hong-Kong	17.50	13.09	82.00
Antananarivo-Taipch	18.72	14.06	82.00
Antananarivo-Tokyo	15.60	11.71	82.00
Antananarivo-Bombay	9.49	7.13	82.00
Antananarivo-New-York	17.77	13.53	86.00
Antananarivo-Washington	18.22	13.94	86.00

Source : AIR MADAGASCAR

Tariff rates effective from July 1995

8. POSTS AND TELECOMMUNICATIONS

I - MAILING OF LETTERS AND PARCELS

1 - POSTAL CHARGES

WEIGHT (Grammes)	INTERNAL NETWORK		INTERNATIONAL NETWORK AIR MAIL	
	Terrestrial way	Air mail	Fixed duties	Surtax by 5gr and more
1 to 20	140 MGF	+ 40 MGF by 10 gr	500 MGF	Surrounding isles + 55 MGF
20 to 100	210 MGF		700 MGF	Central Africa + 80 MGF
100 to 250	400 MGF		1.330 MGF	Other African Countries + 175 MGF
250 to 500	730 MGF		2.200 MGF	Europe + 175 MGF
500 to 1.000	1.320 MGF		4.200 MGF	South America + 290 MGF
1.000 to 2.000	2.060 MGF		6.930 MGF	Others America + 255 MGF
				Asia-Oceani + 370 MGF

Aerogramme : 900 MGF (international destinations)

Source : Malagasy Post Office - Antananariva

2 - FINANCIAL SERVICES

SERVICES	INTERNAL NETWORK (MGF)	INTERNATIONAL NETWORK (MGF)
Money order :		
Fixed rate	300	
Proportional rate	30 per fraction of 5 000	
Money transfer :		
Fixed rate	100	540
Proportional rate	30 per fraction of 5 000	30 per fraction of 2 000
Money order card :		
Fixed rate	540	4 550
Proportional rate	30 per fraction of 1 000	30 per fraction of 2 000
Telegraph money order :		
Fixed rate	630	

Source : Paositra Malagasy - Antananariva

3 - PARCEL POST

WAREHOUSE Internal network	ON DELIVERY		
		Internal network	International network
Ordinary parcel : (by air)	Warehousing rate		
1-3 kg 1 600	Up to the 10th day As from 11th day With a minimum perception Custom duty	Free	Free
3-5 kg 2 000		200/day/parcel	200/day/parcel
5-10 kg 3 120		6 000	6 000
10-15 kg 4 160			1 400 (small parcel)
15-20 kg 5 680			2 380 (parcel/air)
Parcel rate : by air above rate + 900 Mgf/0.5 kg			2 060 (parcel/ship)

Source : EMS MAILAKA - Tsaralabina

**II - EXPRESS INTERNATIONAL MAIL RATES - "E.M.S. MAILAKA"
EN MGF Tax paid (Chronopost)**

DESTINATIONS	INDIAN OCEAN (MGF)	AFRICA (MGF)	EUROPE (MGF)	NORTH AMERICA (MGF)	SOUTH AMERICA ASIA-OCEANIA (MGF)
WEIGHT					
. less than 250 gr	44.000	62.300	64.750	71.200	74.000
. 250 gr to 500 gr	67.375	80.500	83.605	89.250	92.695
. 500 gr to 1.000 gr	78.518	86.000	89.250	122.170	126.735
. 1.000 gr to 1.500 gr	90.415	110.695	114.790	154.260	159.480
. 1.500 gr to 2.000 gr	101.260	151.380	157.380	184.260	190.920
. 2.000 gr to 5.000 gr	158.212	271.580	279.835	341.850	352.275
. 10 kg	180.230	319.590	324.955	442.000	449.625
. 15 kg	197.650	354.590	360.600	468.000	475.800
. 20 kg	223.610	406.510	423.735	513.890	535.665
. more than 20 kg			+ 6.000 kg		
	3.600 MGF/kg or fraction	4.600 MGF/kg or fraction	6.000 MGF/kg or fraction	7.000 MGF/kg or fraction	8.000 MGF/kg or fraction

Source : EMS MAILAKA - Tsarahilina

N.B. :

* Insurance rates : 0.5 % of declared value.

Maximum declaration value : 1.000.000 MGF

* Compensation in case of loss, despoilment or damages : twice the postage or the declared value.

III - TELECOMMUNICATIONS CHARGES

SERVICES	Telephone and Fax Services		Telex Service	
	230 MGF		160 MGF	
1 - Basic charges (B.C.) (1)				
2 - Charges for connection (1) - of more than 200 subscribers - 26 to 200 subscribers - less than 25 subscribers	207.000 MGF (900 BC) 138.000 MGF (600 BC) 92.000 MGF (400 BC)		80.000 MGF (500 BC)	
3 - Annual charges for service of one main line (1) : a - Subscription fee for a network of : * more than 2000 subscribers * 201 to 2000 subscribers * 26 to 200 subscribers * less than 25 subscribers b - Service of main line c - Maintenance of the telephone * telephone provided by PTT * telephone provided by the subscriber	140.300 MGF (610 BC) 100.050 MGF (435 BC) 76.580 MGF (346 BC) 120.060 MGF (522 BC) 27.600 MGF (120 BC) 46.600 MGF (200 BC) 18.400 MGF (80 BC)		- 288.000 MGF (1.800 BC) for urban line - 3.840.000 MGF (24.000 BC) if the linking is superior to 250 km	
4 - Rental of one specialized connection (LS) (1) a - urban b - inter-urban (250 km)	115.000 MGF/month (500 BC) 2.990.000 MGF/month (13.000 BC)			
5 - National communications (1) a - urban or local b - zonal (between towns within the same zone) c - interzonal : * less than 100 km * from 100 to 200 km * from 200 to 300 km * from 300 to 500 km * more than 500 km	230 MGF (1 BC/6 mn) undivided 460 MGF (2 BC/minute) 460 MGF (2 BC) per min. 690 MGF (3 BC) per min. 920 MGF (4 BC) per min. 1.150 MGF (5 BC) per min. 1.380 MGF (6 BC) per min.		160 MGF (1 BC) per minute 640 MGF (4 BC) per minute	
6 - International communication (2)	first 3 minutes	following minute	first 3 minutes	following minute
FRANCE	40.665	13.555	61.500	20.500
GREAT BRITAIN	72.831	24.277	60.141	20.047
GERMANY	72.831	24.277	60.141	20.047
SWITZERLAND	67.458	22.486	60.141	20.047
BELGIUM	67.458	22.486	60.141	20.047
REPUBLIC OF SOUTH AFRICA	67.173	22.391	36.414	12.138
MAURITIUS	66.825	22.275	61.500	20.500
REUNION	14.061	4.687	2.228	8.076
THE SEYCHELLES	89.469	29.823	61.500	20.500
INDIA	111.735	37.245	61.344	20.447
JAPAN	80.922	26.974	61.344	20.448
SINGAPORE	89.469	29.823	80.127	26.709
U.S.A.	94.569	31.523	30.561	10.187

Source: AGATE, Anbatomena

(1) tariffs valid from 1.01.95

(2) tariffs valid from 1.10.94

9. LAND AND BUILDING COSTS

Land and building costs depend on several parameters such as : locality and the site of the land, construction materials used, construction method (owner-built or by construction company).

The following table gives present cost ranges of the different types of land and construction considered :

DESIGNATION	PRICE RANGE (1)
Land cost : (2) - Government land (3) - private land : . in town . residential . suburbs	300 to 30,000 MGF/m ² 150,000 to 200,000 MGF/m ² 250,000 to 300,000 MGF/m ² 50,000 to 75,000 MGF/m ²
Renting cost of dwelling places : - low-cost house - studio flat (surface area around 50 m ²)	300,000 to 6,000,000 MGF/month 650,000 MGF/month
Cost of construction : - low cost - medium cost - high cost	300,000 to 900,000 MGF/m ² 900,000 to 1,000,000 MGF/m ² 1,200,000 to 1,800,000 MGF/m ²
Industrial buildings : - Selling price - Renting cost	800,000 to 1,000,000 MGF/m ² Start from 2.5 \$/m ² /month

Sources :- Real estate companies

Cost effective from July 1995

(1) Indicative prices only

(2) Provided with the Home Office authorization and after the approval of the Interministerial ad hoc Technical Committee, foreigners can acquire up to 20ha surface area of land for non agricultural purpose.

(3) Procedures for the acquisition of Government land :

- . Posting of the land request to the Administration (i.e the Ministry of National and Regional Development)
- . The Commission in charge of the land allotment has the responsibility for :
 - land inspection
 - investigation
 - evaluation
 - price offer et formalities for the acquisition

As to free zone enterprises, Government lands are allotted through emphyteotic leases as stated in the enactment N° 62-064 of 27 september 1962 that follows : «the Emphyteose contract is to be established according to the common rules. In default, special clauses will be provided».

Duration of emphyteotic lease : 20 to 50 years renewable