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*for a sustainable future*

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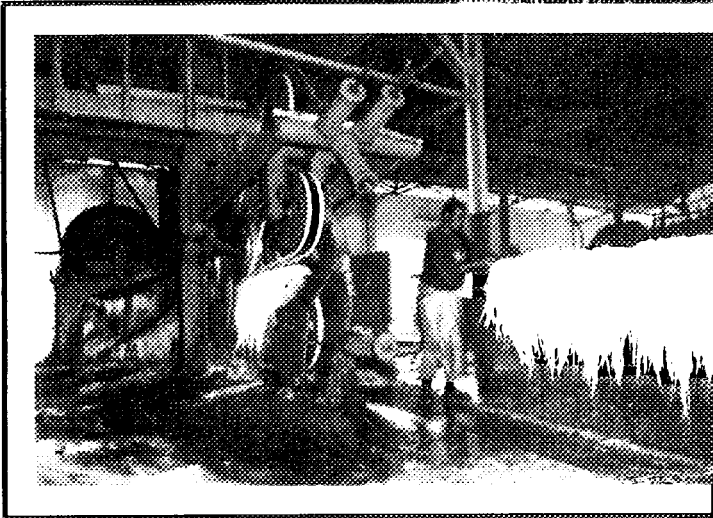
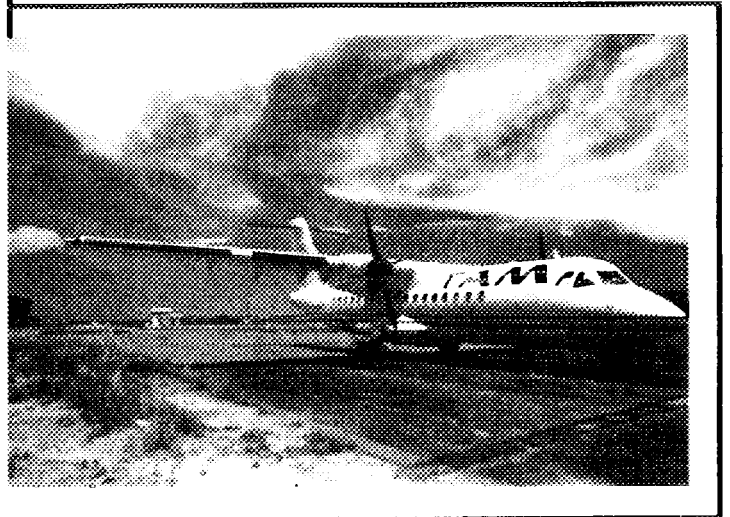
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THE MINISTRY OF INDUSTRY, HANDICRAFT  
AND COMMERCE

THE NATIONAL COUNCIL FOR INDUSTRY

PRESENT 21954-E

# Investing in Madagascar



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This brochure has been compiled within the framework of UNDP-UNIDO programme  
«SUPPORT TO THE DEVELOPMENT OF SME-SMI»





















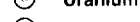

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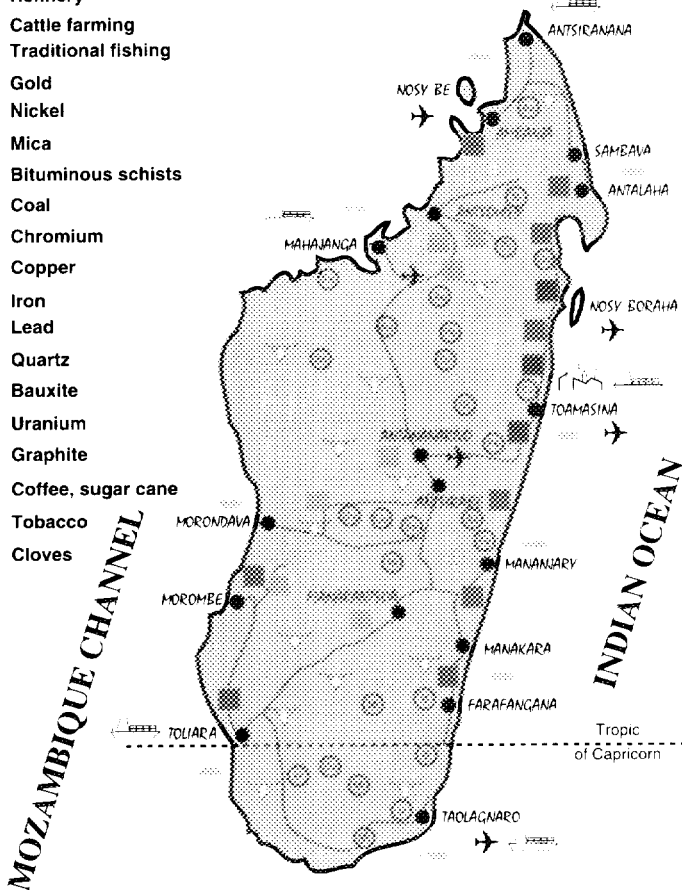
# PRESENTING MADAGASCAR



Afindrafindrao : Traditional Malagasy Dance

# GENERALITIES

-  Main harbors
-  Main roads
-  International airports
-  Refinery
-  Cattle farming
-  Traditional fishing
-  Gold
-  Nickel
-  Mica
-  Bituminous schists
-  Coal
-  Chromium
-  Copper
-  Iron
-  Lead
-  Quartz
-  Bauxite
-  Uranium
-  Graphite
-  Coffee, sugar cane
-  Tobacco
-  Cloves



Located in the South-west of the Indian Ocean between Africa and Asia, the Island of Madagascar has an area of 587,000 square kilometers, the size of France and Benelux altogether. It is 1,580 kilometers long from North (Cap d'Ambre) to South (Cap Sainte Marie) by 600 kilometers at its widest point between Mahavelona (East) and Tambohorano (West), and has 5,000 kms of coasts. Historically, Madagascar has five distinct periods : the royal era, the colonial period, and three republics with a transition period between each. Today, according to the Constitution, the President of the Republic is elected for five years at universal suffrage.

Madagascar is divided into :

- 6 Faritany (provinces)
- 111 Fivondronampokontany (subprefectures)
- 1252 Firaiana (grouping of districts)
- 13476 Fokontany (villages-districts)

New administrative divisions will be created by the end of 1996.

The topography of Madagascar is quite varied :

- the Central Highlands with interturning high plains, hills, dense mountains, large vaults and basins.
- the uneven 25 to 100 kilometers wide eastern mountain slopes separated from the Highlands by a steep cliff where small isolated plains alternate with lower hills.
- the more even western plains
- the flat Extreme South
- the North with its complex topography : craters and ashcones, basins and deltas.

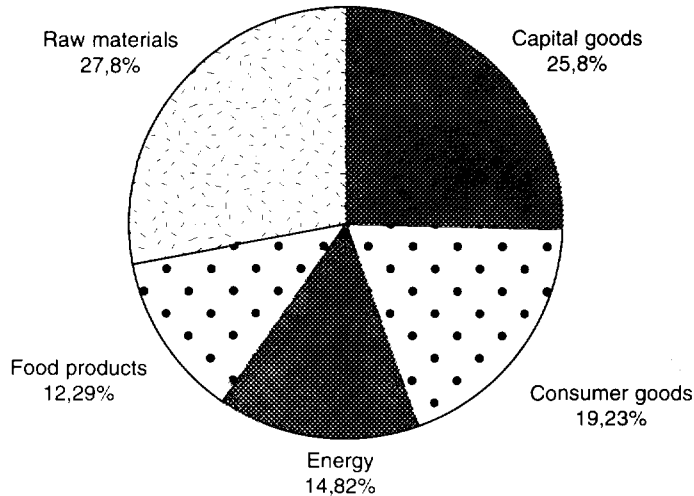
The seven main Malagasy industrial centers are: Antananarivo (the capital), Antsirabe (the second industrial center of the country), Antsiranana, Fianarantsoa, Mahajanga, Toamasina and Toliara.



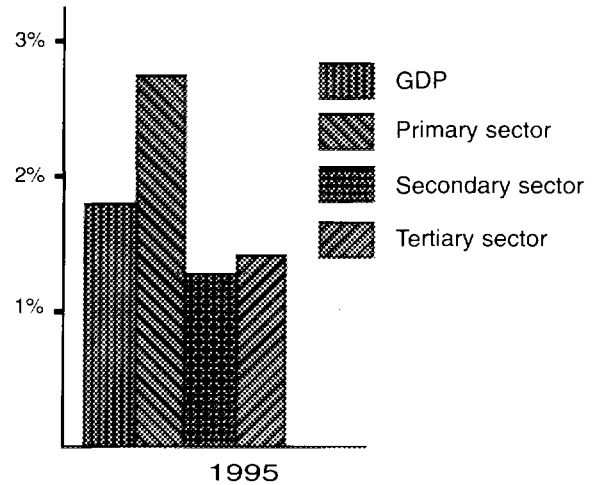
Antananarivo old city - Faravohitra

# 1995 : MADAGASCAR WITH SOME FIGURES

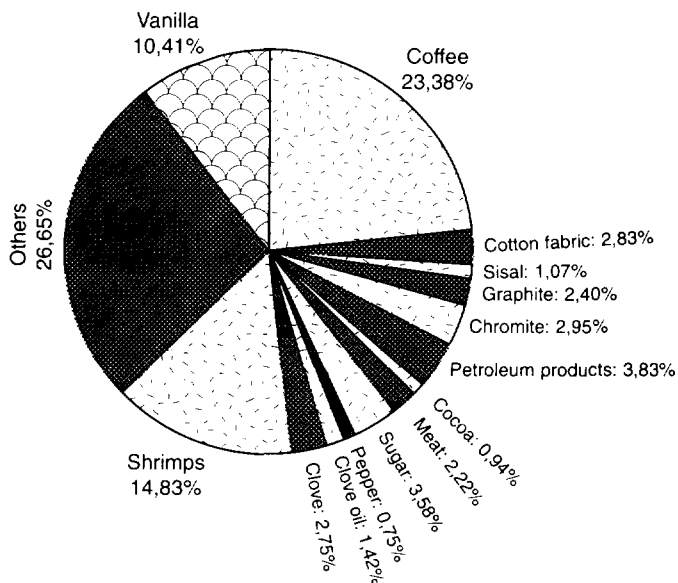
**1995 IMPORTS  
(in value)**



**SECTOR GROWTH RATE**



**1995 EXPORTS  
(in value)**



A FEW ADDITIONAL DATA 1994	
<b>Area</b> (in thousands of sq km)	587
<b>Population</b>	
total population (millions)	12,4
Average density (inhabitant/sq Km)	21,1
Working population (% of total population)	46,9
<b>GDP</b>	
Total (USD billions at current prices)	2,36
Per inhabitant (USD at current prices)	190,0
Growth rate (% at constant prices)	0,2
<b>Inflation rate (%)</b>	40,7
Sources: State Secretary to Economy and Plan General Direction of National Institute for Statistics	

Note: The main economic and monetary aggregates are indicated in appendix B: BUSINESS FACTORS COSTS

# THE MALAGASY PEOPLE



Antandroy feast - South of Madagascar

*The Malagasy population (13 Millions) is young (more than half of the population is below 20), and essentially rural (80%). The national language is Malagasy, and French is widely spoken and has an official statute. In addition, in the business world and tourism, English is spoken and to a lesser extent German and Italian.*

*The people's history is rich. The Malagasy are from Malayo-Polynesian origin with African, Arabic, Asian and European influence. All religions are practiced in Madagascar, the Christianity being the most widely followed. The importance of cultural traditions is reflected in the celebration of family events, and the clothing style which shows good taste and a sense of aesthetics. This heritage from the past can also be seen in the manual dexterity of the people who make a point of doing a job well.*

*Although each of the 18 ethnic groups, which form the Malagasy people, kept its dances, songs and own customs, certain traditions are observed throughout the country with the same uniformity, which is a specific characteristic of Madagascar.*

*Among the most interesting traditions there are:*

- the **Kabary** : the art of oratory which is a lengthy speech or demonstration during ceremonies or public gatherings.
- the **Hira Gasy** : a popular song and dance show in the Highlands villages
- the **Famadihana** : the "turning of the bones" ceremony which is an expression of ancestors worship
- the **Famorana** or **Sambatra** : circumcision ceremony
- the **Fitampoha** : bathing of royal relics in the South-west of the island.

# LABOR LEGISLATION AND SOCIAL SECURITY

**W**hile giving companies a lot of freedom in personnel management, labor legislation, which is governed by the labor code in Madagascar includes protective measures that comply with international norms:

- contracts regulation (especially in case of suspension or breach)
- limiting work time
- regulations for paid and special vacation; eg: time off for child care
- setting minimum salaries per category of classification

Employees receive social protection through:

— the National social Provident Fund (CNAPS) which they must join; this Fund provides three types of social security:

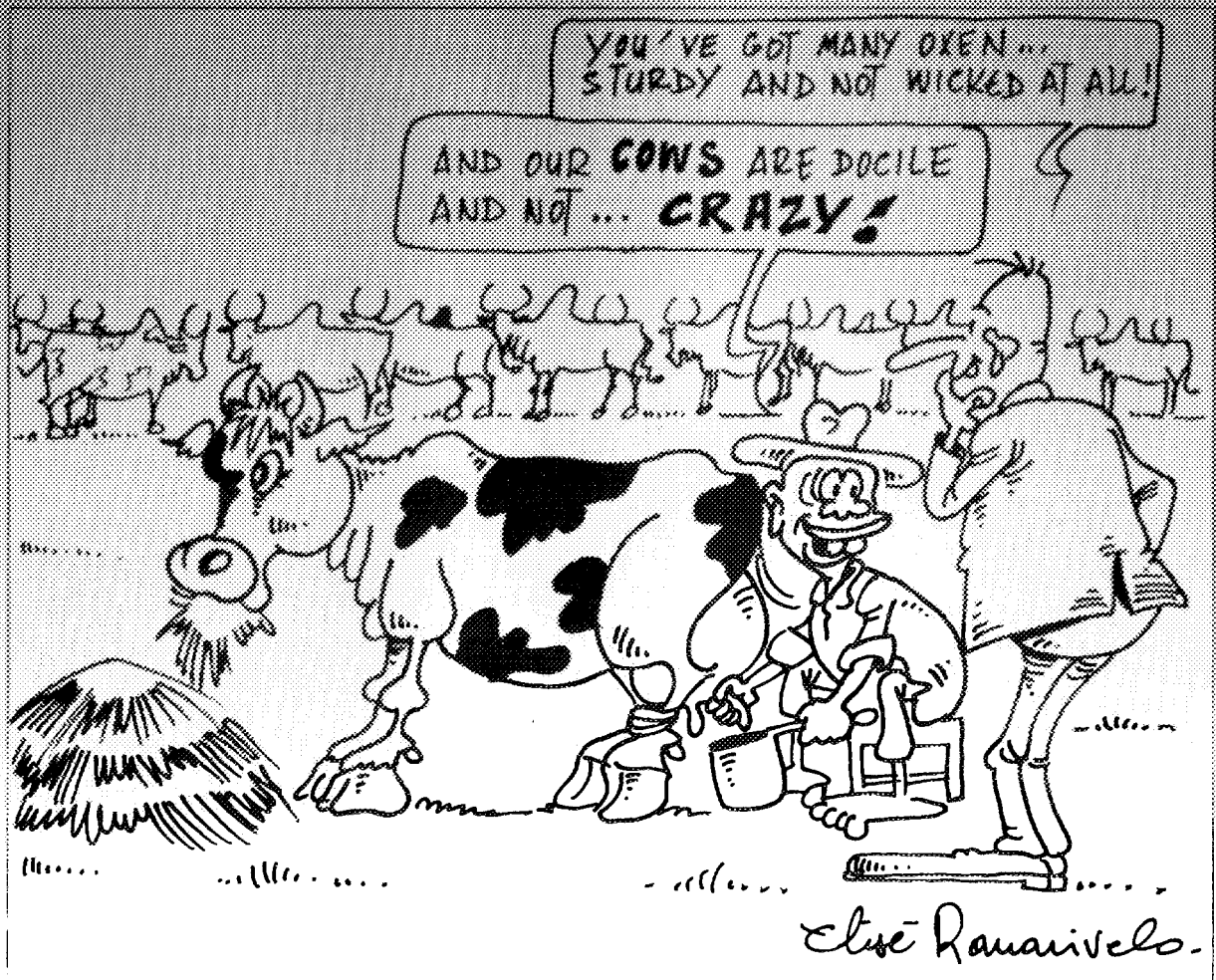
- family benefits (children allowance, various benefits for working mothers when having a baby)
- occupational accidents and occupational diseases (paying for medical cares, treatment, salaries during temporary disability and payment of annuity in case of permanent disability)
- pension scheme

— intercompanies health organisations (OSIE) which provide preventive and curative care to employees and their families.

(also see appendix B: BUSINESS FACTORS COSTS)

2.

# THE PRIMARY SECTOR





# AGRICULTURE



Labourers in Analapatsa - Fort Dauphin's area

**A**griculture plays a fundamental role in the Malagasy economy.

It actually represents more than 36.7% of the GDP and contributes to 80% of exports.

Madagascar is endowed with favorable conditions for agricultural production :

- diversified climates : tropical humid in the East, tropical dry in the West, tropical altitude climate on the Highlands.
- various soils (peaty, clayish-muddy, alluvial)
- arable area available for large scale cultivation
- young, abundant rural labor:

*Madagascar's ambition is to dynamize agriculture:*

- for food self-sufficiency (food crops and food processing industries)
- by intensifying export crops (spices, aromatic plants), and industrial crops (sugar cane, sisal, cotton) in order to better serve industry.
- by developing export of biological agriculture products. There is in Madagascar an internationally renowned Certifying Organization called ECOCERT, which guarantees the biological origin of exported agricultural products.

*Besides, the wide range of agricultural products and the various plant species can generate as many export possibilities.*

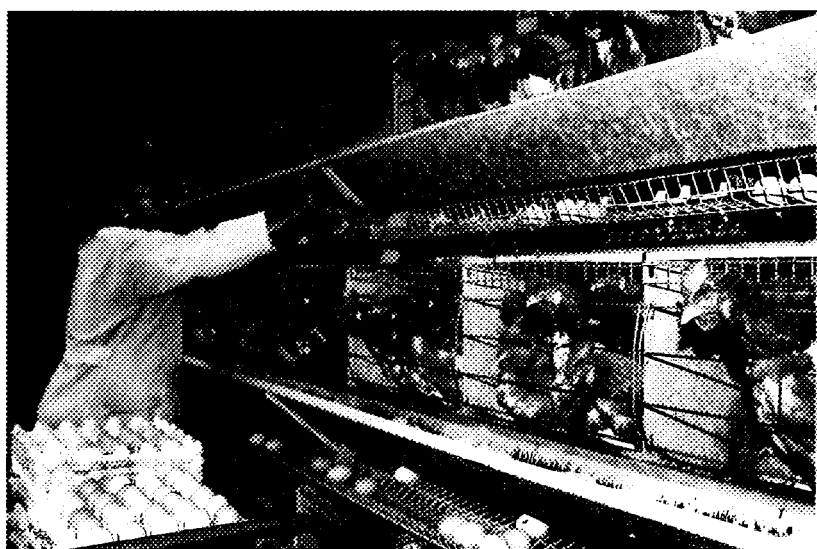
<b>MAIN AGRICULTURAL PRODUCTS</b> (in thousands of tons)				
	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>
Paddy	2 342.0	2 450.0	2 550.0	2 357.0
Cassava	2 307.0	2 280.0	2 350.0	2 335.0
Sugar cane	1 950.0	1 900.0	1 950.0	2 166.0
Coffee	84.0	88.0	78.0	79.0
Vanilla	4.7	4.0	5.0	4.0
Clove	14.6	11.5	12.5	10.0
Cotton	26.7	20.2	27.2	27.0
Sisal	15.0	10.0	18.0	17.2
Pepper	2.1	2.0	2.3	2.0
Lima beans	6.0	3.0	5.0	5.0
Groundnut	29.5	22.5	32.0	28.0

Source: Ministry of Agriculture and Rural Development

# FARMING



Flock of zebu in Ambovombe - South of Madagascar



Industrial farming - La Hutte Canadienne - (35 000 eggs/day) - Antananarivo

After rehabilitating its slaughtering houses, Madagascar is expected to fill an export quota of quality bovine meat to the EEC in compliance with the Lomé Convention (7.560 tons in 1996).

To meet the population's needs in proteins, short-cycle farming industry has to be developed.

Agricultural practices currently favor development of white meat animals farming (pork and poultry meat).

The arid climate of the South and South-West is favorable to small ruminants and ostrich farming.

Efforts have been made to develop dairy cattle farming, which, thanks to the altitude tropical climate, tends to become a prevalent practice.

Considering its potentiality, farming will positively affect development of industry (milk, meat, canned food, cattle feeding stuffs). In addition, actions are taken in health protection and quality and production improvement.

ANIMAL PRODUCTION (in thousands of heads)				
	1991	1992	1993	1994
Oxen	10 265	10 276	10 287	10 298
Pigs	1 461	1 493	1 525	1 558
Sheep/goats	2 036	2 081	2 126	2 173
Poultry products	19 545	19 994	20 454	20 925

Source: Ministry of Agriculture and Rural Development

# FISHING

**F**ishing products, especially shrimps are the second most important export.

The fishing sector will play an important role in the future thanks to sea and land fishing. In addition, edible sea algae are produced for export, two aquafarming units are currently operating in Nosy be and Mahajanga (North), and a third one is being set up in Morondava (South-West).

In order to respect sea resources equilibrium, the following has to be done :

- rational management of the stocks of exploited species, which requires more aquafarming
- valorizing underexploited species (secondary catch)
- upgrading unexploited stocks (sea cucumbers - trouts, etc...).

Fishing resources have great development potentiality and they considerably contribute to improve the balance of payments, and to meet local needs in animal proteins.



Washing of lobsters - Fort Dauphin

# FOREST



Traditional forest development - Ambohimanga - Antananarivo's area

**M**adagascar offers a wide range of choice as for the species of its forest products (rosewood, etc...). An endemic biological diversity is accounting for Madagascar's uniqueness. These biological riches, which are part and parcel of national and world patrimony, must be protected. Environment protection is all the more necessary, as prospects of economic, and social sustainable development depend a lot on this vast, unique and varied environment. Thus a national and regional development policy has been elaborated to fight wild deforestation.

In addition, Madagascar has elaborated an industrial development policy which is ecologically sustainable in a concern with compatible combination of investments and environment.

FOREST PRODUCTION					
	Unit	1991	1992	1993	1994
Barks	Cubic metre	54 952	61 971	68 990	76 000
Cut up wood	Cubic metre	1 262 848	1 427 723	1 592 598	1 739 473
Firewood	Cubic metre	11 551 640	13 057 6411	14 563 582	16 069 553
Charcoal	Cubic metre	308 360	348 560	388 760	428 960

Sources: Direction of Water and Forest,  
Ministry of Agriculture and Rural Development

## ENERGY

*The main sources of energy in Madagascar are oil, electricity and firewood. The latter being mainly used to meet family needs. The Island's mountaneous «backbone» provides with a potential resource for future deployment of hydroelectrical energy.*

*Madagascar imports crude oil which is processed at the Toamasina refinery, which exports part of its production to the surrounding islands of the Indian Ocean. The running of this unit will be transfered to the private sector, at least the distribution service*

*Several years of exploring both along the western coasts and the soil have resulted in detecting signs of existence of petroleum and gas deposits (conventional oil, sandstone and bituminous schists).*

*A coal field could also be exploited for heavy industry.*

## MINES

*Madagascar possesses a lot of minerals in the ancient grounds which cover 75% of the territory area and sedimentary layers as well. 10% of exports receipts already come from mining. Many fields have been identified and reserves are still considerable.*

*The Mining Code, which was adopted in May 1995, defines the legal, fiscal and technical framework. Its objective is a rational and optimum development of mineral resources which range:*

- from industrial minerals : graphite, chromite, quartz, ilmenite etc...
- to ornamental stones which are in great demand : labradorite (moon stone), crystal, rhodonite, marble, cordierite, etc...
- and fine precious stones which are quite developed: ruby, sapphire, emerald, aquamarine and other beryls, tourmaline, grossular garnets, etc...



Mica deposit - Ampandrandava - South of Madagascar

3.

## THE SECONDARY SECTOR



# INDUSTRY

**M**adagascar is endowed with means for industrial development:

- young, available educated labor who has grown clever thanks to the handicraft tradition; on the other hand, it has great power of adaptation
- abundant materials from natural resources such as fishing, farming and mining products.

The industrial sector - which includes food and agriculture industry, wood, textile industry - currently contributes to 15.5% of the value added and represents 14% of exports. Aside these three main businesses, there is an industrial tradition in Madagascar; chemical industry, oil industry, ship building and repair, etc... have been operating in the country since the beginning of its industrialization. The strategic objectives of industrial development defined by the government are centered around valuing local natural resources and developing industry for exports while particularly insisting on inciting substitution industries to be competitive on the local market; the expected result is an integrated and competitive industrial web.

## Food processing Industry

It is the most important part of the industrial sector; about 36.2%.

Sugar industry is by far the most important.

The main food industry products are : cooking oil, canned foods, pork delicatessen products, milk, tapioca, flours, soft drinks, etc...

There are great potentialities for meeting both local and export markets needs, especially regional markets.

## Wood, paper, publishing industry

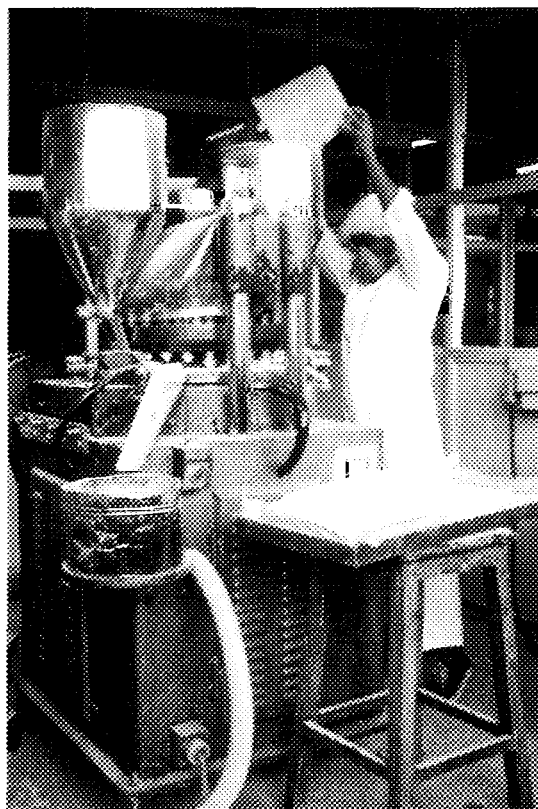
Wood industry and by-products - 24,6% - ranks second in the Malagasy industrial production.

## Textile Industry

The textile industry, which ranks third (spinning weaving, printing, clothing manufacturing, hosiery), is performing very well, and represents about 12.3% of the Malagasy industrial production. The «Textile and clothing industry» sector represents half of the companies registered using the Export Processing Zone agreement.

Cotton production and development of other fibers such as silk, sisal and raffia have made possible the setting up of totally integrated industrial units. Cotton fabric annual production - about 30 million meters - partly meets local market needs, and is increasingly exported.

Thanks to Malagasy human resources quality and cost, it is possible to set up top quality clothing production units in the country.



Drug industry - FARMAD company - Antananarivo



Knitter - Southern Textile Madagascar Company - Antananarivo

# INDUSTRY

*In the global framework of liberalization and State disengagement expressed in a free market economy, the general orientation is to obtain accelerated and sustainable growth supported by the Private Sector.*

*Thus for the secondary sector, the objective is to encourage foreign direct investments: this would aim at increasing the secondary sector contribution to GDP.*

*Several actions and implementing measures have already been taken, namely:*

- *setting up a dialogue and concertation structure between the industrial private sector and the Administration, the National Council for Industry (CNI : Conseil National de l'Industrie).*
- *setting up an inciting investment framework which provides a preferential regulation, fiscal and financial advantages to companies that have obtained the Export Processing Zone agreement whose activities are exclusively geared towards exportation (see appendix A: FISCAL REGULATIONS AND INVESTMENT POLICY).*
- *facilitating investment conditions in Madagascar by incorporating them within the Common Law : free investment within the national territory without prior agreement while insuring the systematic obtention of advantages based on the effective investments made (repeal of the ancient Code of Investments).*
- *establishing a stable and inciting business environment and climate*
- *creating support and promotion structures for SME-SMI*
- *promoting private investments through the opening of the Investment Promotion Office of Madagascar (OPIM : Office de Promotion des Investissements de Madagascar) and an Unique Counter Bureau for the granting of agreements (see appendix A: FISCAL REGIME AND INVESTMENT POLICY)*

Main reasons for choosing Madagascar as EPZ companies setup location		
	Number of companies in %	Part in exports of free zone in %
Cheap labor	71,2	84,0
Advantageous fiscal and financial legislation	56,8	61,0
Possibilities for local raw materials exploitation	39,5	44,5
Qualified labor	36,1	45,8
Country's economic potentiality	18,7	6,0
Opportunities linked with existence of local partners	12,2	47,6
Geographical location of the country	11,0	11,3
Other reasons	10,5	30,0
Source: 1995 Industrial Census, MADIO figures. Total of % goes beyond 100 because multiple choice questions were used		

Number of companies per line of business					
Line	nb of companies (*)	in %	Line	nb of companies (*)	in %
Extracting industry	252	4,3 %	Leather industry	219	3,7 %
Agro-industry	431	7,3 %	Chemical industry	141	2,4 %
Food processing industry	1 422	24,1 %	Construction materials	175	3,0 %
Beverage industry	212	3,6 %	Metal industry	272	4,6 %
Tobacco industry	8	0,1 %	Electric industry	63	1,1 %
Edible oil industry	64	1,1 %	Energy	3	0,1 %
Textile industry	725	12,3 %	Building and public works	163	2,8 %
Wood industry	1 044	17,7 %	Various industries	289	4,9 %
Paper factory, Publishing	408	6,9 %			
<b>TOTAL</b>				<b>5 891</b>	<b>100 %</b>

(\*) One-Man Operation - Public Limited Company, Limited Liability Company, Mixed Economy Company  
Source: 1995 Industrial Census, MADIO figures

# HANDICRAFT

*Handicraft plays an important social and economic part. There are three categories:*

- *production handicraft (90% of the totality): basket making, weaving, leather work, embroidery, etc...*
- *art handicraft: lapidary work, marquetry, sculpture, jewel making, pottery, etc...*
- *service handicraft: all kinds of repair work.*

*Malagasy handicraft - an extraordinarily rich ancestral tradition - is beneficial to:*

- *tourism because it offers a wide range of finely finished products.*
- *industry by providing labor that is used to doing accuracy work.*

*Malagasy handicraft reflects African and Asian influences. This mixed origin engenders an artistic expression which benefits from the quality of both cultures. Malagasy handicraft work is very colorful and varies according to regional specificity. The meticulousness of a table cloth embroiderer, accuracy of a statue carver, delicacy of a marquetry worker, patience of raffia female weavers, all these qualities are essential to obtain such various and original results.*



Fine embroidery - Antananarivo

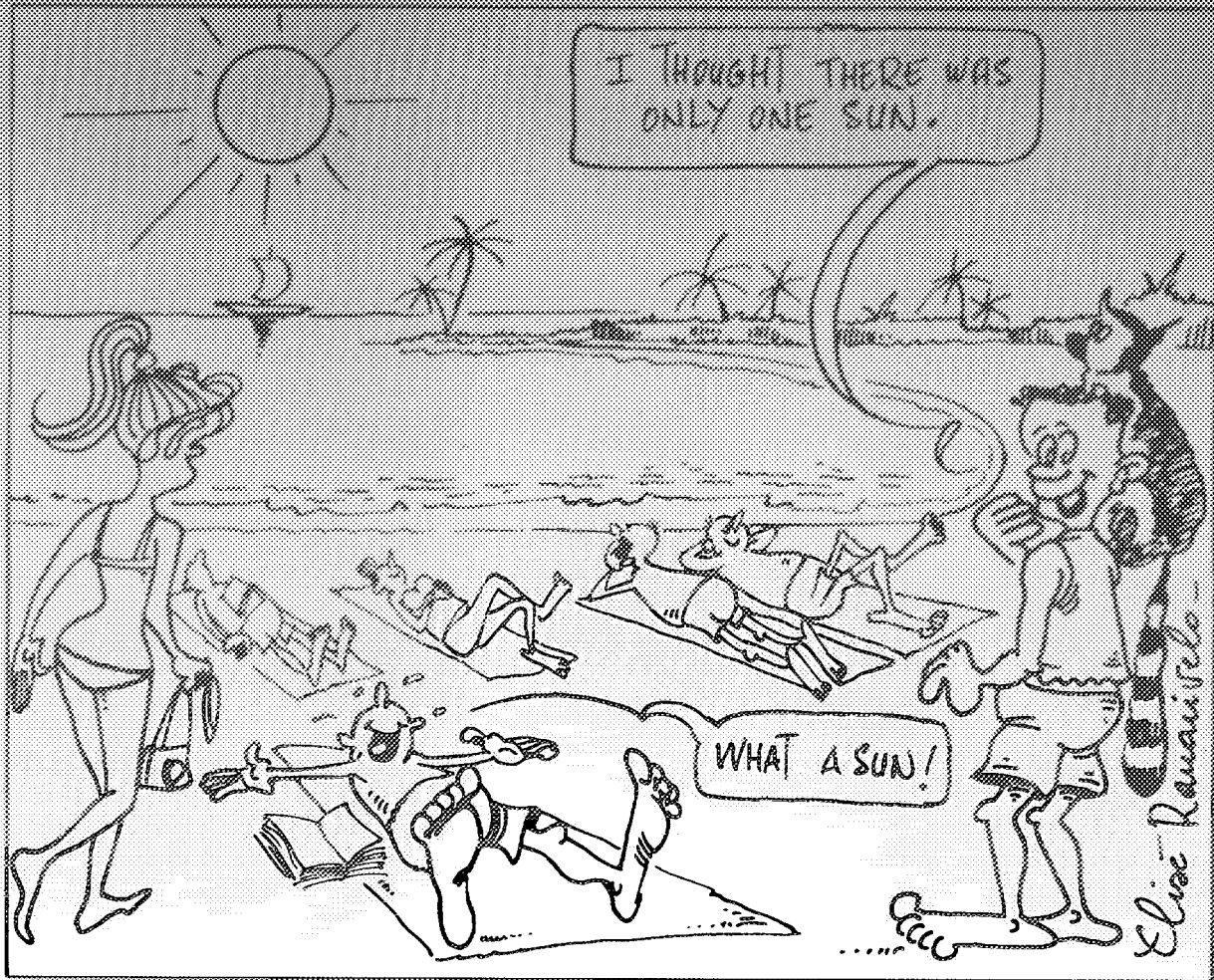


Handicraft section - the market place of Analakely - Antananarivo

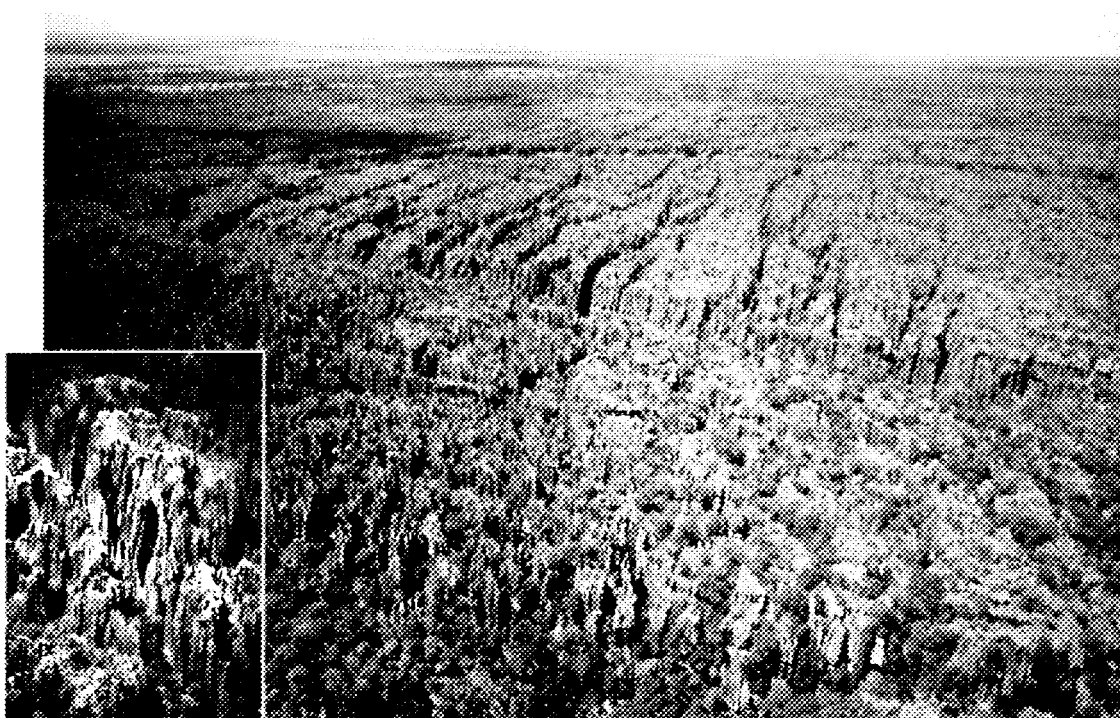


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# THE TERTIARY SECTOR



# TOURISM



GILLES GAUTHIER

Tsingy - Ranked among international wealth - Mahajanga's area

**W**ith its 5,000 kilometer coasts presenting many sides, with sun all year round, Madagascar offers its visitors, not only all the classical features of a tropical destination but also various touristic products:

- 70% of the world lemurs live there : the most primitive (Axe-Axe), the most evolved (Indri), the endemic species (Maki) and the tiniest (Microcebus).
- thousand kinds of orchids including vanilla which accounts for Madagascar's fame
- the bush of subdesertic South which is a real botanical treasure
- the vegetation which takes strange and curious forms when fitting the arid environment
- high endemism rate for amphibians, reptiles, and butterflies. There are no venomous snakes.
- 146 classified sites and monuments, 27 restored monuments, 125 non classified monuments and sites, 2 national parks, 23 special reserves for protection of animal and vegetal species, 6 hunting reserves and 2 private reserves.

Madagascar is crossed by the Tropic of Capricorn in the South, surrounded by small islands, Nosy-Be in the North West and Sainte -Marie in the East, among which pursuers of sea pleasures choose their favorite destinations. It is an island of contrasts where you can find altogether the blue of the sea, the red of laterite and the green of the forest.

MAIN TOURISM DATA				
	1991	1992	1993	1994
- Non resident tourists	34 891	53 655	55 000	65 000
- Number of Hotel rooms	3 040	NG*	3 750	4 000
- Number of nights spent in hotels by non residents	288 090	626 000	715 000	950 000
- Average occupation rate	38,9 %	52,0 %	55,0 %	60 %
- Length of stay in country	12 days	13 days	15 days	15 days
- Receipts in foreign currency (thousands of SDR)	20 000	27 700	28 400	33 600

Source: General Direction of Tourism/Direction of Touristic Action,  
Ministry of Tourism  
\* Not given

# INFRASTRUCTURE AND SERVICES

## TELECOMMUNICATIONS



Some dailies and local magazines

The telecommunication system is currently being modernized. All the big towns are equipped with automatic telephone exchanges. The main cities will be equipped with numerical telephone exchange, and communications will be done by satellite (DOMSAT) and hertzian waves.

The number of faxes in Madagascar has clearly increased.

International communications are done by satellite (INTELSAT - Indian Ocean Zone). Telephone communications with foreign countries are automated. Cellular telephones are available in Antananarivo and Toamasina and are being extended to other big cities. Madagascar is accessible through electronic mail (INTERNET).

## MEDIAS

There are many sources of information in Madagascar and more than a dozen local papers in Malagasy, English and French; international papers and magazines are also available in bookstores.

Two national radios, one national television, several private radio and television stations operate in Madagascar. As a result of agreements with international televisions, Malagasy televisions can broadcast live or deferred news, sports, popular music programs, etc...

## TRANSPORTS

The Malagasy road network is 25,500 km long with 5,500 km of paved roads and 20,000 km of non paved.

Madagascar's rail network, which is more than 800 km long, is vital for supplying the Highlands and serving strategic regions (agriculture and mines).

Six international ocean-going harbors and twelve seagoing navigation ports ensure maritime connection with the Indian Ocean Region, Europe and Asia. In addition, there is a 430 km canal linking the ports of Toamasina and Mananjary, on which 70 tons barges can sail all year long.

Airport infrastructures also meet the needs of domestic and international communication. There are 57 runways which are available for public traffic:

- 3 international airports.
- 14 airports with technical facilities and air terminals.
- 40 air terminals (no technical equipment).



Bus station - Anosibe - Antananarivo

In order to increase international, regional, domestic exchanges and to improve commercialization channels, a lot of rehabilitation work has been done on the various transport networks : new bituminous roads, modernized airport infrastructures, etc...

There are also a few private air transporters.

# BANKING AND FINANCIAL SYSTEM

The Central bank (BCRM) defines the monetary and credit policy.

Liberalization of the financial system is part of the economic context in Madagascar.

Both the banking system and monetary and financial environment have been the object of reforms, the most important ones being:

- adopting the 1988 new Banking Law authorizing the private sector, both national and foreign to have shareholding in banks and financial institutions.
- the promulgation of the Law n° 95-030 of 22 February 1996 pertaining to credit institutions activities and control.

This Law particularly defines :

- bank and credit deal, thereof leasing and related operations can be undertaken by credit institutions. This bank affiliated operations include all services aimed at easing company opening or development.
- agreement procedure of credit institution settling in Madagascar
- liberalizing bank rates to stimulate competitions
- creating the Interbank Foreign Exchange Market and setting up new adjudication mechanisms for Treasure Bonds in order to improve liquidities regulations and resource allocation
- modifying the credit freeze system, giving more responsibilities to banks.

## BANKS

Five banks operate in Madagascar:

- BNI-Credit Lyonnais Madagascar.
- Bankin'ny Tantsaha Mpamokatra (BTM), an agricultural State bank, but which is going to be privatized.
- Banky Fampandrosoana ny Varotra (BFV) with shareholdings of the Banque San Paolo, an Italian Group.
- La Banque Malgache de l'Océan Indien (BMOI) affiliated to the Banque Nationale de Paris.
- Union Commercial Bank (UCB) affiliated to both the Mauritius Commercial Bank and the South African Standard Bank.

A sixth offshore bank, the Madagascar International Development Bank, received the agreement in 1995, but is not operational yet.

## FINANCIAL INSTITUTIONS AND INTERNATIONAL ASSISTANCE FOR INVESTMENT.

Since 1988, financial institutions have been created, among them, the risk capital company ARO «FIARO», and «SONAPAR», a National Interest Company.

Other institutions financed by international organizations such as SIPEM, an investment company which promotes enterprises in Madagascar - and "Entreprendre à Madagascar" (EAM) contribute to setting up and developing small and medium-sized companies/industries which have difficulty in obtaining traditional financing by providing guarantee funds or financial assistance.

Several donors also contribute to financing support activities for the development of small and medium sized companies/industries; they are : UNDP, UNIDO, WORLD BANK (Apex Credit), the European Union, BEI (an European Investment bank), CFD (French Development Funds), the French Cooperation, USAID etc...

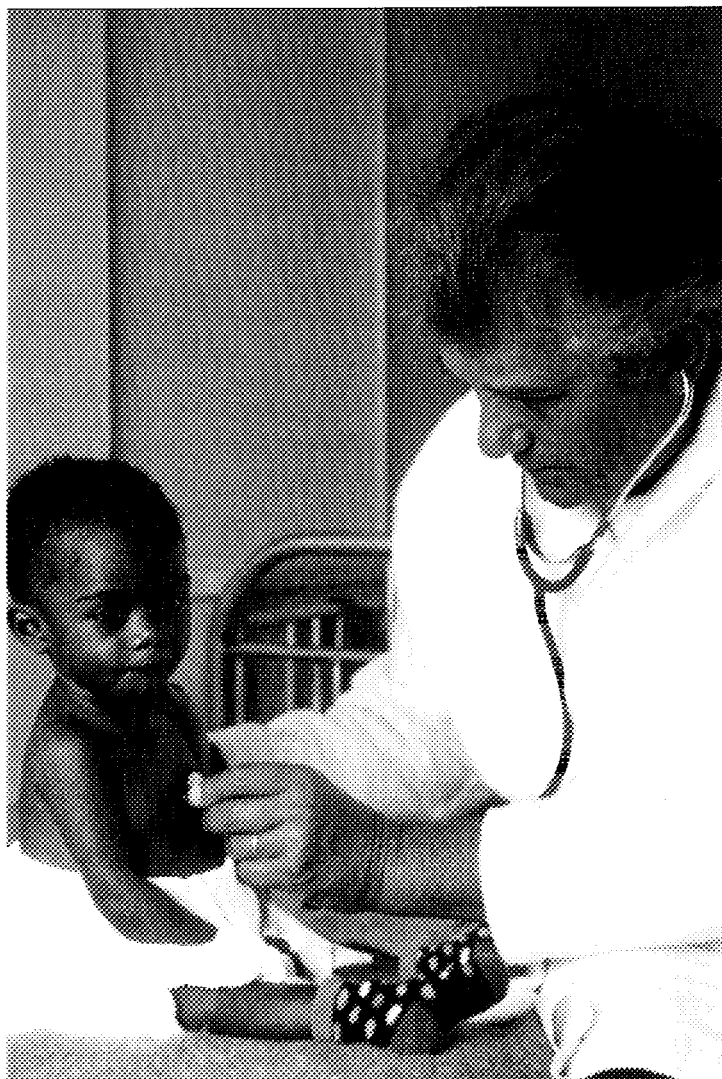
## OTHER FINANCIAL INSTITUTIONS

- There are 2 state insurance companies «ARO» and «NY HAVANA»
- CNAPS, a pension and social security fund
- CEM, the Madagascar Savings Bank, a public commercial and industrial institution which financially depends on the Ministry of Finances and Budget, but technically on the Ministry of Post and Telecommunications
- Centers for Girobank accounts which, along with the banks, manage demand deposits.

For these last two institutions measures are being taken to set up a private management system.

(see appendix D: GENERAL INFORMATION)

# HEALTH



Pediatrics Service - Hospital Centre of Soavinandriana - Antananarivo

*Due to poor health protection, health indicators are at a particularly low level (life expectancy inferior to 50, near 20% mortality rate for children below 5 etc...). The first objective of the government national health policy is lowering meaningfully prevalence rates of diseases with greatest incidence on mortality and morbidity, this means that preventive and curative primary health care should be available to the whole population as soon as possible, and actions for family planning, mother and infant health and fight against transmittable diseases should be taken in priority. To reach this aim, the strategy will include: a) deconcentrating the health system by setting up and strengthening health districts which are responsible for planning and coordinating health activities and supervising care given in basic health units, b) rehabilitating and equipping health units giving special treatment to district basic health units (health centers and emergency hospitals), c) making drugs more available and financially accessible.*

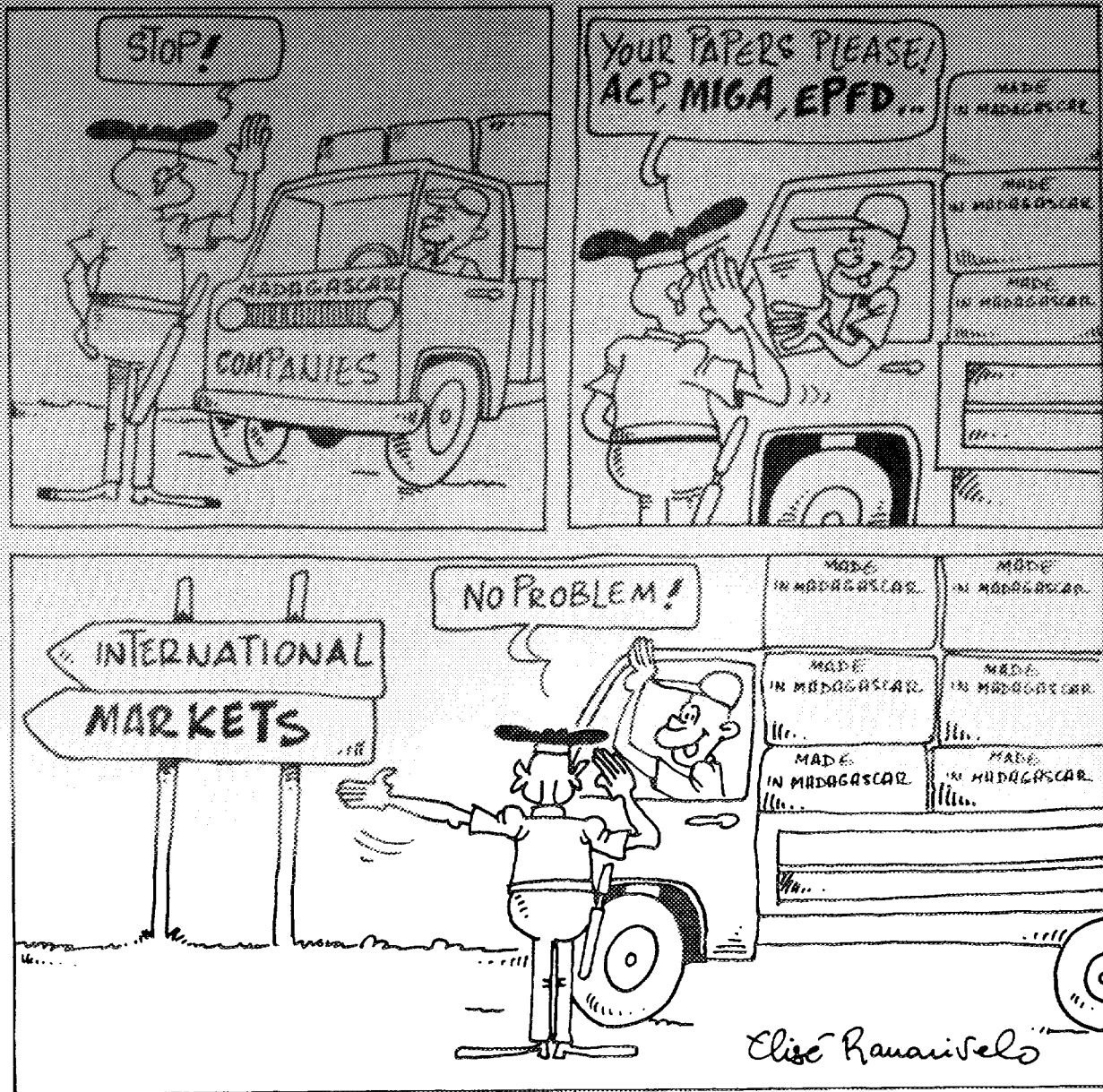
## EDUCATION AND INSTRUCTION

*Education, a priority sector for the development of the country, adds to the cultural wealth. There are academic and technical secondary schools. More than 30,000 students attend the 6 universities which are located in six cities : Antananarivo, Antsiranana, Fianarantsoa, Mahajanga, Toamasina and Toliary. Each university has several Schools which award masters and doctorates degrees (law, economy, sociology, mathematics, physics, chemistry, languages, etc...), engineers and medical doctors degrees. These universities closely collaborate with their European counterparts. The desire to maintain qualified, versatile workers and managerial staff is reflected in the implementation of an off-the-job training policy through professional training institutions such as:*

- National Institute for Training Promotion (INPF: Institut National de Promotion Formation)
- Higher Institute of Technology (IST : Institut Supérieur de Technologie)
- Higher Institute for Communication, Business and Management (ISCAM : Institut Supérieur de la Communication, des Affaires et du Management)
- National Institute for Accountancy and Company Management (INSCAE : Institut National des Sciences Comptables et d'Administration des Entreprises)
- National Institute for Tourism and Hotel Business (INTH : Institut National de Tourisme et d'Hôtellerie)

So

# CONCLUSION



# OPENING OF MARKETS AND REFORMS

*Fund donors have great interest in Madagascar who has credit lines to favor development and setting up of companies. Through the international agreements signed by the Malagasy Government, companies based in Madagascar can easily have access to various markets. There are no restrictions for Malagasy products on North American markets. Moreover as Madagascar is a member of ACP countries, and in compliance with the Lome Convention, companies based in Madagascar can export to Europe without paying taxes, filling quotas or other customs barriers. They benefit from an investment guarantee also as Madagascar has joined the World Bank MIGA (Multilateral Investment Guarantee Agency) (see appendix D: GENERAL INFORMATION). In addition, protection of trademark rights has been assured since the creation of the Malagasy Office for Trademark Rights (OMAPI : Office Malgache de la Propriété Industrielle).*

*In a liberalized economy, the private sector - either local or foreign - will play a new role which consists in mobilizing financing, making investment, creating new jobs and initiating economic reflation. To be able to meet these objectives, the private sector needs a better global environment for companies and efficiently operating support structures which will bring full contribution to the general interest.*

*It is for this purpose that the «Document Cadre de Politique Economique» or the Economic Policy Framework Document, conceived by the Government in consultation with the World Bank and IMF services, has recently decided on restructuring the Chambers of Commerce, Industry, Handicraft and Agriculture into private law governed institutions based on voluntary membership; consular chambers will act as support mechanism for the Private Sector. With the opening of markets and these reforms, the Public Administration will emphasize its role of initiator, facilitator and voucher of game rules, within the incentive framework to the private sector.*

## **A - FISCAL REGIME AND INVESTMENT POLICY**

- 1. Standard Legislation**
- 2. Investment Regulations**
- 3. Industrial Free Zone**
- 4. Depreciating Rates**



# I. STANDARD LEGISLATION

TAXES	DESCRIPTION	RATE
<b>I - INCOME AND PROFIT TAX</b>		
1 - <u>Corporate Profits tax</u> (Master Budget)	<u>Article 01.01.02</u> Annual tax on profit made by companies based in Madagascar as well as income tax on assets or lucrative activities	<u>Article 01.01.16</u> : 35% Minimum collection 200,000 MGF + 5°/oo of turnover : for farming, handicrafts, manufacture, mining, hotel trade, tourism or transport activities Others : 800,000 MGF + 5°/oo of turnover
2 - <u>Capital stock income tax</u> (Master Budget)	<u>Article 02.08.01</u> Occasional tax collected during profit apportionment	<u>Article 02.08.07</u> - 25% on income other than lots, inte-rests from bonds issued by lending institutions with head offices in Madagascar or not, and whose beneficiaries are not made known to the Administration. - 30% on lots paid to creditors and bondholders - 45% on all incomes to security bearer - 8% on dividends reinvested in Treasury Bonds for a two-year period - 100% of exchange profits made by banks gained from selling foreign currency starting on the date of new exchange system implementation (May 9, 1994), and distributed within five years of profit-making.
3 - <u>Individual income taxes - General income tax (IIT)</u> a) <u>wage earners</u> (Master Budget)	<u>Article 01.16.01</u>  - Wage earners Tax on wages, salaries and various allowances, deducted at source  Perquisites taxation :  - 50,000 MGF/month/for vehicles with 10PS or less - 80,000 MGF/month/vehicles above 10PS - 50% of rent or rental value (Maximum : 25% of fixed salaries in cash) - 2% of fixed salaries in cash/househelp - 3% for other benefits	<u>Article 01.16.47</u>  <b>Schedule A</b> - up to 125,000MGF 0 - income included between (MGF) 126,000 and 200,000 5% 201,000 and 350,000 10% 351,000 and 450,000 15% 451,000 and 550,000 20% 551,000 and 750,000 25% 751,000 and 1,000,000 30% above 1,000,000 35% <b>Minimum rate :</b> 130,000MGF or less 1,000MGF between 130,000 and 250,000MGF 1,500MGF superior to 250,000MGF 2,000MGF  <b>Deduction (Art.01.16.13, 01.16.53)</b> - <u>for investment and saving</u> 50% of investments entered in the balance sheet 25% of net income subject to IIT Other deductions : - 10% of salaries to keep back in view of <u>retirement or old-age pension</u> - Deduction for <u>Inter-Enterprise Health Organizations (OSIE)</u> - <u>for expense account</u> : 25% of gross income deducted of pension and OSIE rates, but inferior to 450.000 MGF / month

<p>b - <u>others</u> (Master Budget)</p>	<p>- One-man business - Income from liberal professions - Company income not subject to the corporate profit taxation - Salaries of partners and majority directors of limited liability companies</p> <p><u>Article 01.16.31</u> SME : (criteria) . Wage earners ≤50 . Net turnover : below 250,000,000MGF . Main responsibilities in production, sales, management are taken on by the capital-risking persons.</p> <p><u>Article 01.16.33</u> Micro enterprise (criteria) . Turnover &lt; 50,000,000/year for farming, handicrafts, buying-and-resale activities . Turnover &lt; 20,000,000/year for services</p>	<p>- <u>Rents paid by the wage earners</u> : 50,000MGF or less 50% between 50,000 and 100,000MGF 30% above 100,000 MGF 20% Maximum deduction : 50,000 MGF/month</p> <p><b>Abatement</b> : 500 MGF/month or 6,000MGF/year/ supported child</p> <p><b>Schedule B : real system and SME</b> - up to 250,000/year : fixed rate of 5,000 - income included between (MGF) : 251,000 and 500,000 5% 501,000 and 750,000 10% 751,000 and 1,250,000 15% 1,251,000 and 1,750,000 20% 1,751,000 and 2,500,000 25% 2,501,000 and 3,500,000 30% 3,501,000 and 5,000,000 35% - more than 5,000,000 45%</p> <p>Minimum : 5,000 MGF 5% turnover PT : for activity subject to this general incorporated income taxation</p> <p>For farming activity : . ½ land tax on farmed area below 5 ha . land tax on 5 to 10ha farmed areas . 2 land tax on farmed areas above 10ha PT : for activities in 6-7 PT brackets . 8 PT bracket activity with annual turnover below 1,000,000MGF . 4 PT : cattle sellers</p>
<p>II - <u>INCORPORATION TAX</u> (Master Budget)</p>	<p><u>Article 02.08.40</u> Occasional tax levied at capitalization of profits and reserves</p>	<p>8%</p>
<p>III - <u>FIXED TAX ON FUNDS TRANSFERS</u> (Master Budget)</p>	<p><u>Article 01.05.01</u> Tax on funds payments or transfers made for persons living abroad not subject to either legal entity or income or professional taxes in Madagascar</p>	<p><u>Article 01.05.05</u> 15%</p>
<p>IV - <u>CAPITAL GAINS TAX ON FIXED ASSETS</u> (Master Budget)</p>	<p><u>Article 02.15.02</u> Tax on capital-gains from sale of real estate or real estate rights</p>	<p><u>Article 02.15.07</u> Progressive rate brackets 5% &lt; 1,000,000 MGF 10% between 1,000,000 and 2,000,000 MGF 20% between 2,000,000 and 5,000,000 MGF 30% over 5,000,000 MGF</p>
<p>V - <u>PROFESSIONAL TAXES (PT)</u> 1 - <u>Professional tax (on activity)</u> (Province Budget, Decentralized Communities Budget)</p>	<p><u>Article 01.06.01</u> Professional tax on lucrative activity done in Madagascar</p>	<p><u>Article 01.06.26 Tables A and B (c.f. Finance Act)</u> - <i>Set fee (SF)</i> : depending on nature of activity, population number inside the operating site, number of employees and value of equipment (between 1,500 and 240,000 MGF) - <i>Proportional fee (PF)</i> : depending on rental value (RV) of premises and equipment.</p> <p><b>PF rate</b> : . Liberal professions 1/5 RV . Trading activities from types 1, 2 and 3 1/10 RV . Manufacturing professions and services of type 1 1/15 RV</p>

		Manufacturing professions and services of types 2 and 3, trading activities of types 4 and 5 Others Minimum rate : Types 1, 2 and 3 taxes : Types 4 and 5 taxes : Type 6 tax :	1/20RV 1/30RV  1/2FF 1/3FF 1/6FF																				
2 - Licence tax (Decentralized Communities' Budget)	Article 03.02.01 Professional tax on production and sale of alcoholic products	Article 03.02.10 Rate depends on : - license categories (3 categories) - population number - between 3,000 and 270,000 MGF																					
VI - PROPERTY TAX																							
1 - Land tax (LT) (Decentralized Communities' Budget)  - Prefecture (P) : 97% - Commune (C) : 3%	Article 01.07.01 Tax on estimated value of land depends on kind of farming done  Taxes go to local Administration (Subprefecture and Prefecture)	Article 01.07.07 Rate varies according to the use of land : - from 500 to 1,000 MGF/ha for industrial farming (1st category) - from 400 to 800 MGF/ha for woods, forests, lakes, marshes (2nd category) - from 150 to 300 MGF/ha for market-gardening, food crops and rice plantation (3rd category) - from 50 to 100 MGF/ha for natural and artificial pastures (4th category) - from 1,000 to 2,000 MGF/ha for arable but not worked lands (5th category) - 1% market value for others : non-farmed, vacant lot (6th category) Minimum rate : 500 MGF per taxation																					
2 - Buildings tax (BT) (Decentralized Communities' Budget)	Article 01.08.01 Annual Buildings tax based on rental value Receipts go to the local communities	Article 01.08.10 General rate (Minimum and Maximum) : <i>Buildings occupied by owner</i> - for lodging : 3% (from 3% to 6%) - for other purpose : 5% (from 4% to 8%) <i>Buildings occupied by third parties</i> - for lodging : 6% (from 5% to 10%) - for other purpose : 7% (from 6% to 10%)  Some local communities have authority to decide on their own rate within the minima and maxima limits. Minimum per building : 200 MGF																					
<table border="0"> <thead> <tr> <th></th> <th>P</th> <th>SP</th> <th>C</th> </tr> </thead> <tbody> <tr> <td>a) City of Antananarivo</td> <td>80%</td> <td>18%</td> <td>2%</td> </tr> <tr> <td>b) Antsirabe I, Antsiranana I...</td> <td>75%</td> <td>22%</td> <td>3%</td> </tr> <tr> <td>c) Other SP</td> <td>-</td> <td>97%</td> <td>3%</td> </tr> <tr> <td>d) Other localities</td> <td>22%</td> <td>72%</td> <td>3%</td> </tr> </tbody> </table> <p>P : Prefecture SP : Subprefecture C : Commune</p>		P	SP	C	a) City of Antananarivo	80%	18%	2%	b) Antsirabe I, Antsiranana I...	75%	22%	3%	c) Other SP	-	97%	3%	d) Other localities	22%	72%	3%			
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VII - REGISTRATION FEES (Master Budget)	Article 02.01.02 Fees paid when registering title deeds on one's own volition, or for transfer of property, life interest, beneficial interests, change of ownership and agreements with suspending conditions. Graduated, progressive, proportional, fixed fees.	<i>Fixed fees</i> (article 02.02.01 to 02.02.96) . 5,000 MGF Provisional orders . 10,000 MGF Supreme Court orders on administrative matters, etc . 20,000 MGF Court of Appeal and Criminal Court orders . 40,000 MGF Supreme Court orders on judiciary matters <i>Proportional fees</i> - Annuities : 3% - Leases : . 2% for leases of house property . 4% for business funds rental  <i>Business funds</i> : (Art. 02.02.23 and Art.02.02.55) 12% + 2% for new goods added to business funds + 2% additional tax																					

		<ul style="list-style-type: none"> <li>. Value of real estates : <ul style="list-style-type: none"> <li>- RUP association = 6% (Art.02.02.43)</li> <li>- Land for building houses <ul style="list-style-type: none"> <li>&gt; 500m2 = 8% (Art.02.02.43)</li> </ul> </li> <li>- Traditional house to be fitted out : 10%</li> </ul> </li> <li>. Other assets (Art 02.02.49) <ul style="list-style-type: none"> <li>- 8% for furnitures, coppice, etc</li> <li>- 4% for vehicles</li> </ul> </li> <li>. Stocks and shares : (Art. 02.02.50) <ul style="list-style-type: none"> <li>- 6% for undivided capital</li> <li>- 2,5% for bond transfer</li> <li>- 2% for sale of state companies shares or sharcholdings</li> <li>- 1,5% for shiftings, assignation and transfer of credits</li> </ul> </li> <li>. Estate duty : (Art.02.04.32) <ul style="list-style-type: none"> <li>- direct descendants : between 5% and 30% per brackets</li> <li>- other people : between 15% and 35%</li> </ul> </li> <li>. Company deeds : (Art.02.02.36) <ul style="list-style-type: none"> <li>Capital : Decreasing rate per bracket : <ul style="list-style-type: none"> <li>2% &lt;50,000,000 MGF</li> <li>1% between 50,000,000 and 500,000,000 MGF</li> <li>0,5% above 500,000,000 MGF</li> </ul> </li> </ul> </li> <li>. Accounts receivable : 1,5% (Art. 02.02.52)</li> <li>. Marriage contract : 1% (Art.02.02.20)</li> <li>. Exchange of buildings : 6% (Art.02.02.21)</li> <li>. Sharing : 1% (Art.02.02.32)</li> <li>. Rentings : 1,5% (Art.02.02.33)</li> <li>. Limited-term lease : (Art.02.02.13) <ul style="list-style-type: none"> <li>- 2% for lodging</li> <li>- 4% for business funds rental</li> </ul> </li> <li>. Leasing for life : (Art.02.02.14) <ul style="list-style-type: none"> <li>- 8% for personal assets</li> <li>- 12% for real estates</li> </ul> </li> </ul>										
VIII - LAND REGISTRATION TAX (Master Budget)	Article 02.05.01 Tax on entering change of ownership in the land register	Article 02.05.05 Simple lease and sharing: 1% of land value Others 2% of land value										
IX - INSURANCE CONTRACT TAX (Master Budget)	Article 02.10.01 Tax on any insurance or life annuity agreement	Article 02.10.02 <table style="width: 100%; border-collapse: collapse;"> <tr> <td>Fire insurance</td> <td style="text-align: right;">20 %</td> </tr> <tr> <td>Life insurance</td> <td style="text-align: right;">3 %</td> </tr> <tr> <td>Life annuity insurance</td> <td style="text-align: right;">5 %</td> </tr> <tr> <td>Maritime, river, air transport insurance</td> <td style="text-align: right;">4 %</td> </tr> <tr> <td>Others</td> <td style="text-align: right;">4,5%</td> </tr> </table>	Fire insurance	20 %	Life insurance	3 %	Life annuity insurance	5 %	Maritime, river, air transport insurance	4 %	Others	4,5%
Fire insurance	20 %											
Life insurance	3 %											
Life annuity insurance	5 %											
Maritime, river, air transport insurance	4 %											
Others	4,5%											
X - TAX ON GOODS, PRODUCTS AND SERVICES												
1 - Tax on turnover (TT) a) Value-Added Tax (VAT) (Master Budget)	Article 06.01.02 . Tax on commercial transactions, imports, deliveries to oneself for one's own needs and those of various firms belonging to one liable to the tax. . Tax on commercial and business transactions, handicrafts activities, services, liberal profession not subject to VAT.	VAT : 20% (recoverable) Art. 06.01.12										
b) Transactions Tax (TT) (Decentralized communities Budget)		TT : 5% (not recoverable) Art. 06.02.15										
2 - Excise tax (Master Budget)	Art. 03.03.16 . Tax levied on certain products, manufactured or imported such as : drinks, alcohol liquids, tobaccos, cosmetics, mine products according to the real turnover regime.	Ad valorem taxation from 10% to 100%										
3 - Royalties	Art. 04.01.13 Deduction from monopoly products : tobaccos, matches, alcohol, flour	Determined rate periodically adjusted according to regulations.										

## 2. INVESTMENT REGULATIONS

### 2.1 - INSTITUTIONAL FRAMEWORK

The provisions of Act n° 89 - 026 of 29 December 1989 concerning the Investment Code, as modified and completed by law n° 91 - 019 of 12 August 1991 are repealed by law n° 96 - 015 of 13 August 1996.

However, applications submitted before the date of 13 August 1996 are still examined by virtue of Decree n° 96 - 907 of 25 December 1996. Companies duly approved under the Investment Code under law n° 89 - 026 are still operational until the expiration of the agreement, unless an explicit application is made to resort to standard legislation in order to benefit from advantages and guarantees specified by related decrees, and granting them preferential settlement. Such companies are still bound the provisions specified by the Act.

### 2.2 - GENERAL PROVISIONS

- . All rights and advantages enjoyed by companies having made investments within the national territory are governed by standard legislation through the General Tax Code (Code Général des Impôts - CGI), except for companies in Industrial Free Zone.
- . The investment is no longer subject to agreement conditions, and the former direct investment authorization mandatory for foreign investors is abrogated.
- . The Government guarantees equal treatment of investors within the limit of the national territory.

### 2.3 - FISCAL PROVISIONS

#### a) Corporate Profit Tax :

- . Companies investing in Madagascar may benefit from a reduction of Corporate Profit Tax (Impôts sur les Bénéfices - IBS) up to 50 per cent (50%) of the total amount of investment realized.

However, the tax reduction for the current year of imposition should not exceed 50% of the tax dues.

The right to reduction, if not utilized, may be postponed to subsequent years, but should not exceed five years.

The investments necessary to professional activities and recognized by the Administration in terms of redemption for a period of three years at least may benefit from the reduction.

Are excluded :

- \* vehicles, aircraft, pleasure boats used for necessity of service but not permanently for loan for transport,
  - \* office furniture,
  - \* buildings for residential purpose.
- . The tax reduction does not prevent the company from paying the minimum perception (see Article 01.01.13 on General Tax Code).
  - . The benefit of tax reduction is subordinated to the condition that the investments realized within the year of imposition appear on the annual balance sheet and on a statement to be annexed to the annual declarations of profits.

#### b) Customs and import duties :

The General Tax Code no longer provides full exemption of import duty and value-added tax (VAT) on equipment, material, building materials, factory requisites ...

However, import duty rates on tariff positions related to raw materials and other inputs necessary for processing as well as equipment goods are likely to decrease.

**c) Other taxes and duties :**

The other taxes concern those specified by the Standard Legislation.

**2.4 - FINANCIAL PROVISIONS**

- . The Government guarantees the security of investments and capitals.
- . Security and liberty to transfer cash contributions by non-residents of foreign nationality following payment of duties and taxes if necessary.
- . The Government guarantees the respect of individual or corporate property rights.
- . Compensation will be provided in case of expropriation or conscription measures for a public service by virtue of a law.
- . Liberty for non-residents and residents of foreign nationality to transfer abroad following management operations upon establishment of a transfer declaration :
  - \* profits and dividends.
  - \* salaries and treatments.
  - \* revenues from movables and immovables.
  - \* licence rights, dues and royalties.
  - \* technical assistance costs.
- . Capital operations such as :
  - \* shares or original contribution sales profits,
  - \* stock-in-trade or clearance sales profits,
  - \* advances in current account by partners.
  - \* loans.

are subject to prior authorization from the Ministry of Finance and Budget.

**2.5 - SOCIAL PROVISIONS**

- . Equal treatment of investors within the national territory.  
Subject to reciprocal measures between States, non-existence of double imposition system.
- . Free operation of company according to its statutory regulations.
- . Free management of personnel within the framework of the Labour Code and Social Security Code.

**2.6 - LAND PROVISIONS**

- . An emphyteotic lease is granted following application for a duration superior to 18 years and not exceeding 99 years.
- . Acquisition of real estate by foreigners is subject to prior authorization by the Home Office.

### 3. INDUSTRIAL FREE ZONE LEGISLATION

<b>LEGAL FRAMEWORK</b>	Act n°89-027 in JORM dated 02.01.90, modified and completed by law n°91-020 in JORM date 12.08.91, page 1243 - Decree n°92-809 in JORM dated 16.11.92, page 2621. Min. Ord. n°2167/90 in JORM dated 14.05.90, page 910 - Min. Ord n°2170/90 in JORM dated 14.05.90, page 968 Min. Ord. n°2171/90 in JORM dated 14.05.90, page 971 - Min. Ord. n°3250/90 in JORM dated 02.07.90, page 1112 Min. Ord. n°3251/90 in JORM dated 02.07.90, page 1113 Min. Ord n°1215/91 Min. Ord. n°1029/93 - Min. Ord. N°1081/93																			
<b>AREA OF IMPLEMENTATION</b>	Investment in export-oriented activities : . Export of Madagascar goods and services . Direct sale to firms under FZ legislation.																			
1- <u>TYPES OF COMPANIES</u>	- Free Zone Development and Management Companies (FZDMC) involved in : . development and construction work . IFZ management and promotion - Industrial Processing Companies (IPC) - Service Companies (SC) - Enterprise of Basic Intensive Production (EBIP)																			
2- <u>ELIGIBILITY</u>	- Provide evidence of financial capacity and technical references of realization. - Export whole production. - Set up activities exclusively for export and/or for IFZ companies' needs.																			
<b>AGREEMENT</b>	- Setting up a business means an agreement and an authorization for foreign investors to do direct investment. - Awarded through ministerial order - Can replace another previously-awarded agreement.																			
<b>FISCAL PROVISIONS</b>																				
1 - <u>Companies</u>																				
a) Corporate Profits Taxes	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">FZDMC</th> <th style="width: 25%;">IPC</th> <th style="width: 25%;">EBIP</th> <th style="width: 25%;">SC</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">10%</td> <td style="text-align: center;">10%</td> <td style="text-align: center;">10%</td> <td style="text-align: center;">10%</td> </tr> <tr> <td style="text-align: center;">15 years</td> <td style="text-align: center;">5 years</td> <td style="text-align: center;">5 years</td> <td style="text-align: center;">2 years</td> </tr> <tr> <td style="text-align: center;">Beginning of construction works inside the zone</td> <td style="text-align: center;">Actual work</td> <td style="text-align: center;">Actual work</td> <td style="text-align: center;">Actual work</td> </tr> </tbody> </table>				FZDMC	IPC	EBIP	SC	10%	10%	10%	10%	15 years	5 years	5 years	2 years	Beginning of construction works inside the zone	Actual work	Actual work	Actual work
FZDMC	IPC	EBIP	SC																	
10%	10%	10%	10%																	
15 years	5 years	5 years	2 years																	
Beginning of construction works inside the zone	Actual work	Actual work	Actual work																	
- Rate																				
- Grace and exemption period																				
- Beginning of exemption period																				
- Abatement after period of grace	Tax : 75% of new investments with right to abatement extended until all paid																			
b) Professional tax	Exemption	Exemption	Exemption	Exemption																
c) Tax on distributed dividends																				
- generating fact	Distribution of dividends	Distribution of dividends	Distribution of dividends	Distribution of dividends																
- rate	10%	10%	10%	10%																
- restrictive condition	No grace period	No grace period	No grace period	No grace period																
2 <u>Goods and services</u>																				
. Import																				
- Customs Duty (CD)	Exemption	Exemption	Exemption	Exemption																
- Import Tax (IT)	Exemption	Exemption	Exemption	Exemption																
- Value-Added Tax (VAT)	Exemption	Exemption	Exemption	Exemption																
. Export																				
- duties and taxes	Exemption	Exemption	Exemption	Exemption																
3 <u>Expatriates</u>																				
. Income tax																				
- basic salary	according to regulations on taxable income in the General Code of Taxes																			
- rate	35% of taxable basis.																			

<b>FINANCIAL PROVISIONS</b>	<ul style="list-style-type: none"> <li>. Participation of nationals and resident foreigners is possible either in Malagasy Francs or in kind. Real estate is considered as an enjoyment contribution. All in kind and enjoyment contribution is assessed by expert.</li> <li>. If capital is detained by no resident foreigners, total initial costs of investments, including initial working capital covered by shares in foreign currency.</li> <li>. If association with nationals or resident foreigners : <ul style="list-style-type: none"> <li>- share of capital is regulated by standard legislation,</li> <li>- total initial investment costs in foreign currency covered by shares in foreign currency</li> </ul> </li> <li>. Freedom to contract foreign loans</li> <li>. Opening of foreign currency accounts in local banks in order to : <ul style="list-style-type: none"> <li>- domicile all export operations,</li> <li>- repatriate export receipts within 90 days of products and goods loading.</li> </ul> </li> <li>. Opening of a special MGF account in a local bank, to be : <ul style="list-style-type: none"> <li>- credited by debits from foreign currency accounts, capital brought in by Malagasy nationals, credits granted by local banks ;</li> <li>- debited by payments of local costs and charges, local debt servicing, sums due to the shareholders and to the Administration.</li> </ul> </li> <li>. Free access to foreign currency (payments of suppliers, transfer of dividends, etc) within the limit of funds on deposit</li> <li>. Obligation to draw up financial statements according to the 1987 Malagasy Standard Accounting System (Plan Comptable Malgache)</li> <li>. Free transfer of funds remaining at the end of contract or upon cessation of activities, provided debts contracted in the country have been totally settled.</li> <li>. Freedom to transfer net tax salary for foreigners : <ul style="list-style-type: none"> <li>- 50% if family lives in Madagascar ;</li> <li>- 70% if not ;</li> </ul> </li> <li>- 100% for abroad leave.</li> </ul>	
<b>EMPLOYMENT PROVISIONS</b>	<ul style="list-style-type: none"> <li>. Complete autonomy in personnel management within the framework of the Labour Code, the Social Security Code and the Law provisions.</li> <li>. Freedom to determine the size of the company's expatriate staff requirements.</li> <li>. The Ministry of Labour <ul style="list-style-type: none"> <li>- delivers a work permit, within 15 days following submission of an application, for a three-year renewable period in the case of an indeterminate length contract ; for a period equal to the duration of the contract if it is for a determinate period</li> </ul> </li> <li>. The Ministry of Internal Affairs : <ul style="list-style-type: none"> <li>- delivers a residence visa to the expatriate employee and to his family within 15 days following submission of the application ;</li> <li>- delivers a permanent entry and exit visa to shareholders who occupy a position in a FZ company as well as to expatriate employees</li> </ul> </li> </ul>	
<b>LAND PROVISIONS</b>  Owner Lease - Purpose - Duration - Characteristic  Cessation of activity	<u>State (IFZ site, Free)</u>  - development - 18 to 99 years - renewable  State 's pre-emption right on acquiring buildings and other premises inside the zone	<u>Free companies sites</u>  - installations - 18 to 99 years - renewable  State 's pre-emption right on acquiring buildings and other premises inside the zone
<b>CONTROL</b>  Objective Type Entity in charge	<ul style="list-style-type: none"> <li>- To check conformity of activities</li> <li>- Administrative control</li> <li>- Administrative Coordinating Bureau</li> </ul>	
<b>ARBITRATION</b>  Investment operations and related activities Litigations Infractions	<ul style="list-style-type: none"> <li>- Regulated by Malagasy Law</li> <li>- Means of arbitration and conciliation (cf Agreement dated 18.3.65 - BIRD/CIRD1)</li> <li>- Authorized competence of national jurisdiction on standard legislation</li> <li>- Territorial competence : Antananarivo or other national territory.</li> </ul>	



## 4. DEPRECIATION RATES

DEPRECIATING ITEMS	RATE	YEAR
<b>I - PRELIMINARY EXPENSES</b>	33	3
<b>II - LANDS (mining)</b>	10	10
<b>III - CONSTRUCTIONS</b>		
- hard :		
. administrative buildings	5	20
. lodgings	2	50
- light :	20	5
- routes and civil engineering works :		
. roads, waterways, dams, landing strips, wooden bridge	10	10
. railways, other materials-built bridge	5	20
<b>IV - MACHINERY AND EQUIPMENT</b>		
- Machines, tools, containers, reamers, factory plant, medical and laboratory equipment	10	10
- Handling and hoisting device, generating unit	20	5
- Big public works equipment	33	3
- Hardware	25	4
<b>IV - ROLLING STOCK</b>		
- Inland transport :		
. touring cars and vehicles	33	3
. other vehicles	20	5
. van, light van, lorry, motorbike, motorcycles, bicycle	25	4
- Railway and fluvial transport	10	10
- Maritime and air transport	15	6,5
<b>V - OFFICE EQUIPMENT AND FURNITURE</b>		
- Office equipment	20	5
- Office furniture	10	10
<b>VI - ARRANGEMENT, EQUIPMENT AND FITTING</b>	10	10

Source : Direction des Impôts

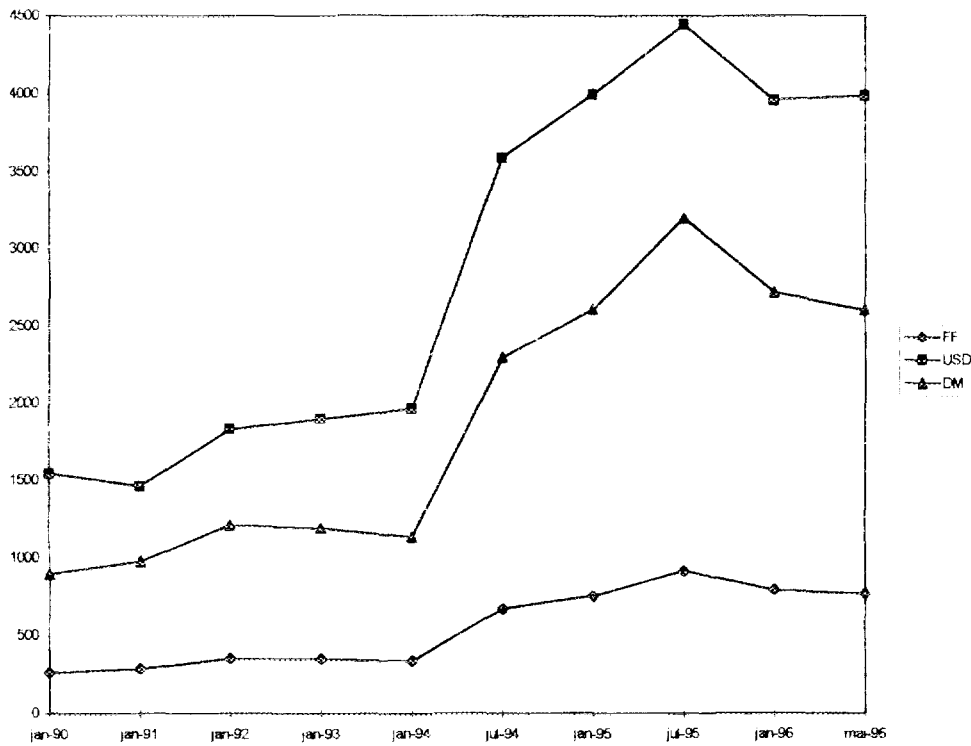
## **B - BUSINESS COST FACTORS (MAY 1996)**

- 1. Average MGF Exchange Rates**
- 2. Bank Rates**
- 3. Labour Costs**
- 4. Fuel and Public Utility Costs**
- 5. Road Transport**
- 6. Rail Transport**
- 7. Maritime Transport**
- 8. Air Transport**
- 9. Posts and Telecommunications**
- 10. Lands and Buildings**
- 11. Insurance**

# I. AVERAGE MGF EXCHANGE RATES

CURRENCY RATE	1990	1991	1992	1993	Jan. 1994	Jan. 1995	Jan. 1996	May 1996
1 French Franc	274.70	325.55	352.35	338.18	559.49	753.67	792.27	768.33
1 Deutschmark	925.70	1,107.15	1,194.15	1,158.03	1,915.16	2,605.29	2,713.41	2,599.50
1 Pound Sterling	2,571.75	3,237.50	3,286.75	2,874.23	4,724.37	6,283.99	6,065.96	6,024.50
1 Dollar US	1,494.10	1,835.40	1,863.95	1,913.79	3,064.80	3,993.48	3,959.9	3,986.43
1 Swiss Franc	1,078.40	1,280.50	1,327.25	1,295.68	2,274.25	3,098.87	3,363.53	3,180.01
1 Italian Lira	1.20	1.50	1.50	1.23	1.92	2.48	2.50	2.56
1 Japanese Yen	10.35	13.65	14.70	17.24	30.29	40.04	37.55	37.58
1 Belgian Franc	44.70	53.70	58.00	55.43	92.97	126.49	132.01	126.46
1 ECU	1,902.25	2,271.65	2,410.25	2,239.75	3,669.03	4,937.12	5,004.46	4,892.97
1 DTS	2,026.90	2,509.10	2,624.10	2,671.87	4,413.48	5,852.26	5,814.61	5,757.32
1 South Af. Rand					576.83	1,129.27	1,087.67	910.48
1 Maur. Rupee					105.34	223.21	214.43	204.62

YEARLY AVERAGE EXCHANGE RATES OF SOME CHOSEN CURRENCIES



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

## 2. BANK RATES

	3rd term 1995		4th term 1995		1st term 1996	
	MIN	MAX	MIN	MAX	MIN	MAX
I - BASIC RATES	13.10	24.00	14.06	28.58	20.97	28.00
II - GENERAL REQUIREMENTS						
A - DEBIT RATES						
A1 - Corporate credits						
Short-term credits						
Trade credits	22.00	32.00	22.00	36.00	22.00	36.00
Other short-term credits						
- Foreign trade credits	14.50	27.00	14.50	31.75	14.50	31.75
- Administratives credits	21.75	33.50	23.50	37.50	23.50	34.75
- Merchandises inventories financing	23.50	33.50	24.75	37.50	24.75	36.00
- Products inventories financing	16.75	33.50	16.75	37.50	16.75	37.00
- Overdrafts and advances	6.00	37.50	7.50	39.50	10.00	37.00
- Credit sales financing of machinery and professional equipment	22.00	31.25	22.00	34.75	22.00	34.75
- Advance funding for crops collection	24.75	33.50	25.50	37.50	25.50	36.25
- Banking security	20.00	30.00	24.00	37.50	24.00	34.50
- Other short-term credits	25.50	32.75	25.50	33.25	25.50	33.25
Mid-term credits						
Available	12.00	30.00	12.00	29.00	12.00	35.25
Unavailable	12.00	33.50	17.00	37.00	16.00	37.00
Long-term credits						
Available	10.30	33.50	10.30	37.50	10.30	35.50
Unavailable	15.00	30.50	14.00	35.50	19.75	35.50
A2 - Private citizens credits						
Personal loans	4.50	31.00	4.50	34.50	4.50	34.50
Small credits for equipment	15.00	31.00	12.50	34.50	12.50	34.50
Other credits to private citizen	12.50	36.00	30.00	34.50	29.00	34.50
A3 - Real estate credits						
Credits to industrial promoters	18.75	33.50	10.00	35.50	18.75	33.50
Credits to private citizens	12.50	30.50	13.50	35.50	13.50	35.50
B - CREDIT RATES						
1 - Sight deposits	1.00	12.00	1.00	12.00	1.00	12.00
2 - Term deposits						
3 months			5.00	19.50		
3 months < 6 months	8.00	16.00	8.00	21.00	8.00	21.00
6 months < 1 year	7.00	15.50	8.00	24.00	7.00	24.00
1 years < 2 years	8.00	17.00	7.00	17.00	8.50	18.00
2 years < 3 years	8.00	18.00	9.00	18.00	12.50	18.00
3 years < 4 years	16.25	19.25	16.25	19.25	13.50	19.25
4 years < 5 years	16.25	19.25	16.25	19.25	16.25	19.25
5 years < 6 years	16.25	19.25	16.25	19.25	16.25	19.25
6 years and more	16.25	19.25	16.25	19.25	16.25	19.25
3 - Short-term borrowings						
3 months < 6 months	7.50	11.25	7.50	10.50	7.50	15.00
6 months < 1 year	5.00	11.50	8.50	11.50	8.50	15.50
1 year < 2 years	8.125	12.50	8.125	12.50	8.125	15.00
2 years < 3 years	10.50	13.50	10.50	13.50	10.50	15.00
3 years < 4 years	11.50	14.50	11.50	14.50	11.50	14.50
4 years < 5 years	12.50	15.50	12.00	15.50	12.00	15.50
5 years < 6 years	12.00	15.50	12.00	15.50	12.00	15.50
6 years and more	12.50	15.50	12.50	15.50	12.50	15.50
4 - Other sources	3.00	13.00	3.00	13.00	4.00	13.00

Source : Central Bank of Madagascar

## 3. LABOUR COSTS

### 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	Labourer	1A	Logistic personnel	637.8	562.2	110,550	112,440	113,327	115,260
M2	Skilled labourer	1B 1A	Literate	657.0	579.1	113,878	115,820	119,993	122,040
OS1	Skilled labourer	2A	Salesman, Operator	698.7	615.9	121,106	123,180	127,215	129,385
OS2	Worker	2B	Office personnel	737.2	649.7	127,779	129,940	135,548	137,860
OS3	Qualified worker			3A	Typist 30wpm	785.2	692.1	136,099	138,420
OP1A	Foreman	3B	Ast. 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	1,012.8	892.7	175,549	178,540	197,766	201,140
OP2B	Site foreman	5A	Secretary shorthand-typist	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

<p>*to deduct : CNAPS - OSTIE - IGR</p> <p>The above monthly salaries correspond to :</p> <ul style="list-style-type: none"> <li>- 40 hours/week or 173.33 hours/month for all sectors except agriculture</li> <li>- 200 hours / month for agriculture</li> </ul>	<p>Perquisites (as an indication)</p> <p>Transport and/or canteen : from 1,250 to 1,800MGF/person/day.</p> <p>(Source : investigations carried out at some free firms)</p>
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### 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/week
	Unpaid	50 %	
	Paid	100 %	

Source : Ministry of State Service and Working Legislation

## SOCIAL RIGHTS

### IV - PAID LEAVES

Paid leave legal period : 2 ½ 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 (1 January).
- International Women's day (1/2 day on 8 March).
- Commemoration of March 29, 1947 (29 March).
- Easter Monday.
- Labour Day (1 May).
- AUO Day (25 may).
- Whit Monday.
- Ascension Day.
- National Day (26 June).
- Assumption (15 August).
- All Saints' Day (1 November).
- Christmas Day (25 December).

### VI - SOCIAL CONTRIBUTIONS

INSTITUTION	CONTRIBUTION - % TOTAL SALARY	
	EMPLOYERS'	EMPLOYEES'
CNaPS	8 % (agricultural sector) 13 % (other sectors)	1 %
OSTIE	5 à 55 %	1 % à 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	1m
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 classification.

## 4. FUEL AND PUBLIC UTILITIES COSTS

### I - FUEL

DESIGNATION	UNIT	FREE ON SOLIMA DEPOT TUPP INCLUDED (MGF)	RETAIL PRICE IN TOWN (MGF)
Petrol (super)	litre	2 070	2,120
Petrol	litre	1 751	1,800
Gas oil	litre	1 464	1,510
Fuel oil	litre	1 333	1,380
Paraffin oil	litre	28 800	45,500
Butane gaz	12,5Kg	482 - 555 (*)	-

Source : SOLIMA

Costs effective from April 1996  
from January 1996 (Fuel)

(\*) Minimum and Maximum prices depending on the region

### II - ELECTRICITY

ZONE (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	45,806	199	158,189	41,428	189	824	152	204,056	385	970	1,090	3,490	305	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	550	7,920
Z.I III	23,133	781	158,189	26,735	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

## 5. ROAD TRANSPORT

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

TYPES OF VEHICLES	AVERAGE	NON-ASPHALTED GOOD
	ASPHALTED ROAD	ROAD
Light vehicles (type R4-fuel)	800	846
Bus taxi (type Mazda-Diesel)	1,109	1,456
Van (type P 504 Diesel)	1,529	1,989
Bus (type Tata 909 Diesel)	2,795	3,586
Lorry (type MB 1513 Diesel)	3,772	4,846
Articulated Lorry (type MB 1924-Diesel)	4,714	5,682

Source : Ministry of Transport and Meteorology  
(CF Official Journal of 10 July 1995)

\* Indicative Table

### II - DIFFERENTIAL OF COMMERCIAL VEHICLES OPERATING COSTS ON AVERAGE-ASPHALTED ROAD (MGF/Vehicle-km; TTC)

	Light vehicle	%	Bus taxi	%	Van	%	Bus	%	Lorry	%	Articulated lorry	%
Fuel	187.3	23.4	356.5	32.1	256.7	16.8	347.0	12.4	526.7	13.9	766.9	16.3
Lubricating oils	26.3	3.3	22.9	2.1	27.7	1.8	28.8	1.0	38.4	1.0	51.3	1.3
Tyres	29.9	3.7	45.8	4.1	172.5	11.3	247.0	8.7	492.5	13.0	763.1	16.2
Spare parts	235.0	29.3	277.0	24.9	403.4	26.4	725.5	25.9	955.2	25.3	1,262.2	26.8
Maintenance cost	3.6	0.4	3.3	0.3	9.5	0.6	9.2	0.3	12.6	0.3	30.6	0.6
Crew wages	0.0	0.0	7.8	0.7	10.6	0.7	11.9	0.4	14.9	0.4	14.4	0.3
Depreciation	77.7	9.7	58.4	5.3	141.4	9.2	243.3	8.7	277.7	7.4	251.9	5.3
Interest	112.6	14.1	103.7	9.3	251.2	16.4	516.6	18.5	572.0	15.1	497.3	10.5
Insurance and others	128.0	16.1	234.2	21.2	255.9	16.8	664.9	24.1	885.3	23.6	1,066.7	22.7
TOTAL	800.4	100.0	1,109.6	100.0	1,528.9	100.0	2,795.1	100.0	3,772.3	100.0	4,714.4	100.0

Source : Ministry of Transport and Meteorology

\* Indicative table

### III - TAXI DRIVE

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

Source : Survey figures - Antananarivo

### IV - 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		
Rate (daily)	70 to 130	165 to 400	110 to 192	373 to 620	138 to 317	380 to 450	163	250 to 940	2,900	340 to 500
Rate/km	0.7 to 1.37		1.1 to 2.00		1.38 to 4.5		to 325 1.63 to 2.72		2.89	
Allowance of driver (1 day)	20 to 70		20 to 70		20 to 70					
VAT	20 %		20 %		20 %		20 %		20 %	

Source : Local Car Rental Agencies

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



## 6. RAIL TRANSPORT

### I - PASSENGER RATES

#### STANDARD TARIFFS (MGF/Passenger) :

ITINERARY	EXPRESS				MIXT TRAIN			
	1st class		2nd class		1st class		2nd class	
	Descent	Ascent	Descent	Ascent	Descent	Ascent	Descent	Ascent
<b>Line Toamasina East Coast (TCE)</b> Departure time : 6h 00 Frequency : Once 2 days								
Antananarivo	-	30,300	-	17,100	-	24,500	-	15,300
Ambatolaona	5,200	26,850	3,000	15,600	4,650	24,050	2,700	14,050
Moramanga	11,100	21,450	6,600	12,450	10,000	19,200	5,550	11,250
Andasibe	12,850	19,200	7,450	11,200	11,500	17,200	6,750	10,050
Ambila Lemaitso	24,550	7,500	14,250	4,350	21,950	6,700	12,850	3,950
Toamasina	30,300	-	17,100	-	24,500	-	15,300	-
<b>Line Moramanga Lac Alaotra (MLA)</b> Departure : 6h 00 Frequency : Once 2 days								
Antananarivo	-	25,400	-	14,800	-	22,750	-	13,300
Moramanga	11,100	14,800	6,600	8,600	10,000	13,250	5,800	7,750
Ambatondrazaka	24,000	2,600	14,400	1,500	21,000	2,350	12,900	1,400
Ambatosoratra	25,400	-	14,800	-	22,750	-	13,300	-
<b>Line Tana Antsirabe (TA)</b> Departure time : 6h 30 (Not exploited temporarily)								
Antananarivo	-	14,300	-	8,000	-	12,600	-	7,212
Ambatolampy	5,800	7,950	3,350	4,600	5,200	7,100	3,050	4,150
Antsirabe	14,300	-	8,000	-	12,600	-	7,100	-
<b>Line Fianarantsoa East Coast (FCE)</b> Departure time : 7H 00 Frequency : 3 times a week								
Fianarantsoa	-	34,500	-	20,500				
Manakara	34,500	-	20,500	-				

Source : National Railway Network of Madagascar

Express : Passengers

Mixt Train : Wagons + goods

### II - GOODS RATES IN MGF

#### CATEGORY : large parcels

CARGO AND MODE OF TRANSPORT (MGF/T)	Antananarivo Ambatolampy (67 km)	Antananarivo Antsirabe (159 km)	Antananarivo Moramanga (123 km)	Antananarivo Andasibe (149 km)	Antananarivo Toamasina (372 km)	Antananarivo Ambatondrazaka (265 km)	COST (MGF) T/km
<b>FULL WAGON</b>							
- Petroleum products reserved wagon	21,105	50,085	38,745	46,935	117,180	83,475	315
- private wagon	18,960	44,997	34,809	42,167	105,276	74,995	283
- Rice and import sorghum	20,234	48,018	37,146	44,998	112,344	80,030	302
- Rice and paddy	17,688	41,976	32,472	39,336	98,208	69,960	264
- Different goods	17,688	41,976	32,472	39,336	98,208	69,960	264
- Fruits and vegetables	17,688	41,976	32,472	39,336	98,208	69,960	264
<b>PARTICULAR TRANSPORT</b>							
+ 500 kg in bulking	29,815	70,755	54,735	66,305	165,540	117,925	445
<b>EXPRESS TRANSPORT</b>							
- General goods	48,776	115,757	89,544	108,472	270,816	192,920	728
<b>CONTAINER</b>							
- Port TAMATAVE/ Highland	16,348	38,796	30,012	36,356	90,768	64,660	244
- Highland/Port TAMATAVE	16,348	38,796	30,012	36,356	90,768	64,660	244
- Zebus T/km	123,548	293,196	226,812	274,756	685,968	488,660	1,844
- MGF/UNIT/km	18,895	44,841	34,688	42,021	104,911	74,735	282,02

Source : National Railway Network of Madagascar

## 7. MARITIME TRANSPORT

### I - CARGO

#### 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	94	68
. seed	336	262	189
Sheet 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 (CMN)

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)
<b>Departure from Toamasina port :</b>			
Mauritius	Agricultural	825	2,650
Reunion	and other products	825	2,650
The Seychelles		1,200 to 2,025	5,300
The Comoros (Moroni, Mutsamo, Dzaoudzi)		900 to 2,200	5,300
South Africa (Durban)		800 to 1,000	2,850

Source : Sociétés de Transports Maritimes

Frequency : 2 to 3 ships per month

### 3 - LONG DISTANCE (USD)

Routing	Products	Board to board rates		
		T or m3 (ECU)	Container 30 m3 (USD)	Cold storage container (USD)
<b>a - Arriving at Toamasina Port</b> France	- textile - leather - small machinery - canned foods - various products - bulking		2,560 2,560 2,670 2,670 2,500 2,560	
North-Continent (USA)	- textiles - various products - bulking		2,470 to 2,560 2,730 2,600	
Asia - Oceania - Singapore - Taiwan - Hong Kong - Seoul - Indonesia - India - Japan	Various products		2,100 to 2,400 2,400 to 2,700 2,400 2,200 to 2,400 2,200 to 2,400 2,400 to 2,700 2,300 to 2,400	
<b>b - Departure from Toamasina</b> France	- textiles - leather - coffee - vanilla - sisal - bulking - cool storage goods prawn/crayfish - other crustacean products - meat - foie gras - various products		1,560 to 1,800 1,625 to 1,700 980 to 1,700 1,700 1,300 to 1,700 1,760	4,550 3,900 3,900 3,900
North Continent	- cool storage goods prawn/crayfish other crustacean products meat foie gras			4,550 3,900 3,900 3,900
Asia-Oceania - Singapore - Taiwan - Hong Kong - Seoul - Indonesia - India - Japan	Various products			1,200 2,000 1,600 1,700 1,600 1,600 1,700

Source : Sociétés de Transports Maritimes

**NB :** - Indicative prices negotiable depending on quantity, regularity and frequency of shipments  
- 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.

Figures went down compared to previous years' following to the decrease in the overweight rates, actually of 7,5%.

## II - BASIC TARIFFS AT INDEPENDENT PORT OF TOAMASINA (FCU)

TARIFFS	Filled containers (per unit)			Vacant containers (per unit)			Cool storage container (per unit)	OTHER ARTICLES / T m3 or unit		
	20 ft	20 ft	40 ft	20 ft	20 ft	40 ft		Variously-packaged goods	Bulking or unpack- aged goods	Stripped vehicles
Handling Tariff (loading-unloading)	49.449	117.682	211.456	18.993	23.913	41.412	flat-rate for connection 36,019	3.891 to 8,538	5.024 to 9,913	8.820 to 14,409
Daily warehousing tariff - Unloading : Beyond the 10th day 1st fortnight 2nd fortnight 3rd fortnight	1,853 4,076 8,153	4,591 10,191 20,382	9,182 20,382 40,763	flat rate : FVP/year : 51,189 additional charges beyond agreed FVP (stripped) : 1,112			14,897  (beyond the 5th day)	ad valorem is according to CIF value  12/1000 24/1000 40/1000 80/1000  (from the 56th onwards) day		
Seizing tariff	0,766 container			0,766 container						
Extra-movement in the terminal	31,754	31,754	46,554	9,967	9,987	20,716				
Potting/dapotting tariff inside the terminal outside	31,607 69,452	31,607 69,452	52,442 109,783					0,805 1,468	without with	handling handling machine. machine.
Personnel hiring Barrow transport T Rent of port equipment/h Port tolls	0,596 a 1,523 h is a function of professional classification 2,779 3,335 a 239,021 according to the type of equipment 3,705 for import 1,481 for export									

Source: Port Exploitation Department, Ministère des Transports et de la Météorologie.

**N.B.:** \* Warehousing exemption period : within the first 10 days

\* Transshipment tariff : decreased by 50 %

\* Handling tariff : increased by 30 %

\* Other increases :

- polluting goods (not put inside containers) : 50 %

- bulky, hazardous goods : 50 %

\* Basic tariffs : increased by 35 % since January 1992 and by 9.9 % since May 1995.

## 8. AIR TRANSPORT

### I - PASSENGER RATES

#### 1 - Internal Network (One way) :

Departure Antananarivo	Antsi- ranana	Nosy- Be	Maha- janga	Toama- sina	Fiana- rantsoa	Toliary	Taola- gnaro	Moron- dava	Sainte- Marie	Sambava	Mananjary
<b>Resident (MGF)</b>											
· Economy Class Y	314,600	314,600	255,900	163,200	214,200	314,600	314,600	214,200	214,200	314,600	163,200
· Business Class C	393,300	393,300	319,900	204,000	267,800	393,300	393,300	267,800	267,800	393,300	204,000
<b>Non-Resident (FF)</b>											
· Economy Class Y	955	885	550	350	435	885	885	550	435	820	415
· Business Class C (2)											

Source : AIR MADAGASCAR

Rates effective from November 1995

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

(2) : business class is 125 % economy class

#### 2 - Regional network :

Departure Antananarivo	MORONI (The COMOROS)		DZAOUZI (MAYOTTE)		SAINT-DENIS (REUNION)		MAHEBOURG (MAURITIUS)		MAHE (The SYCIELLES)	
	ST (MGF)	RT (MGF)	ST (MGF)	RT (MGF)	ST (MGF)	RT (MGF)	ST (USD)	RT (USD)	ST (USD)	RT (USD)
Economy class	1,016,400	2,032,800	980,800	1,961,600	1,020,600	2,041,200	245	490	357	714
Business class	1,169,000	2,338,000	1,128,100	2,256,200	1,173,900	2,347,800	407	814	411	822
1st class	1,273,300	2,546,600	1,126,200	2,452,400	1,264,200	2,528,400	513	1,126	518	1,036

Source : AIR MADAGASCAR

Rates effective from June 1995

**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

#### 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)	Bombay (USD)	Nairobi (USD)
Economy class												
ST	5,999,200	5,999,200	5,999,200	2,450	2,197	446	3,137	2,882	3,112	2,664	1,320	336
RT	11,998,400	11,998,400	11,998,400	4,455	3,995	871	6,274	5,336	5,763	4,896	2,443	672
Business class												
ST	6,899,100	6,899,100	6,899,100	2,818	2,527	513	3,607	3,314	3,579	3,041	1,518	387
RT	13,798,200	13,798,200	13,798,200	5,124	4,594	998	7,214	6,137	6,628	5,631	2,810	774
1st Class												
ST	8,730,800	8,730,800	8,730,800	3,410	3,196	643	5,089	4,126	4,456	3,700	1,848	488
RT	17,461,600	17,461,600	17,461,600	6,200	5,810	1,261	10,178	7,641	8,252	6,852	3,422	976

Source : AIR MADAGASCAR

Tariff rates effective from June 1995

**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.

#### 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	Foliary	Sam- bava	Nosy- Be	Sainte Marie	Moron- dava	Manan- jary
Normal (MGF/Kg)	2,180	1,780	1,140	1,495	2,180	2,180	2,180	2,030	1,495	1,495	1,140

Source : AIR MADAGASCAR

Minimum perception : 4,500 MGF

Tariff rates effective from November 1995

#### 2 - Regional et International networks

##### A) GENERAL TARIFF RATES IN US DOLLARS

ROUTING	- 45 Kg	+ 45 Kg	Minimum perception
Antananarivo-Reunion	1.40	1.10	40.00
Toamasina-Reunion	1.40	1.10	40.00
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	7.80	5.90	54.00
Nice-Marseille-Strasbourg-Toulouse-Lyon			
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-Francfort	14.94	11.20	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-Taïpeh	18.72	14.06	82.00
Antananarivo-Tokyo	15.60	11.71	82.00
Antananarivo-Bombay	9.49	7.13	82.00
Antananarivo-Seoul	16.69	12.53	82.00
Antananarivo-Kuala Lumpur	16.70	12.53	82.00
Antananarivo-Djakarta	17.02	12.76	82.00
Antananarivo-Beijing	15.66	11.73	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

**B) SPECIAL RATES IN US DOLLARS**

DIRECTIONS	TYPE OF GOODS	TARIFF IN USD/KG	MINIMUM WEIGHT
Madagascar-Comoros	Foodstuffs	1.10	300 kg
Madagascar-Reunion	Foodstuffs	1.10	45 kg
	Threads, textile manufactured fibers, clothing articles, hosiery, shoes	1.00	250 kg
Antananarivo-Mauritius	Crustaceans	1.68	500 kg
	Meat	1.68	100 kg
	Raw leathers	1.84	1,000 kg
Antananarivo-Paris	Fruits and vegetables	2.69	500 kg
	Crustaceans	3.19	500 kg
	Spices, roots	2.57	500 kg
	Vanilla	5.70	45 kg
	Medicinal plants	2.52	100 kg
	Ornamentation, palm grains	2.14	300 kg
	Essential Oils	2.43	200 kg
	Threads, textile manufactured fibers, clothing articles, hosiery, shoes	2.22	500 kg
	Unpolished stones including quartz	3.70	100 kg
	Objects made with stones, excluding precious or semi-precious ones	4.67	100 kg
	Local handicrafts made with textile, brass, onyx, cork, straw, basketry	2.18	100 kg
	Leather, pottery, ceramics, glassware, furnitures	1.97	500 kg
	Removal containers enclosing exclusively personal effects and household equipments not for resale	3.55	100 kg
		2.64	500 kg

Source : AIR MADAGASCAR  
 Tariffs effective from April 1995

**c) MARKET PRICE IN FF, Antananarivo-Paris (for regular and potential customers)**

TYPE OF GOODS	MINIMUM WEIGHT	TARIFF FF	VALIDITY
Fruits and vegetables	100 kg	12,70	Jan. to Oct.
Cassava leaves, pimentos	300 kg	11,00	
Ramboutant	500 kg	9,30	
French beans	500 kg	8,90	
Mushrooms	200 kg	14,00	
	1 000 kg	12,00	
	3 000 kg	10,00	
Pineapples, bananas	2 500 kg	8,40	
Crustaceans	100 kg	30,20	
	500 kg	15,10	
Shellfish	500 kg	15,10	
Crayfish/crabs	200 kg	16,00	
	500 kg	13,60	
	1 000 kg	11,50	
Eels and fish	100 kg	14,00	
	500 kg	12,25	
Foie gras	300 kg	12,00	
	500 kg	10,50	
Foie gras/Duck fillet	500 kg	10,50	
Meat	1 000 kg	12,20	
Spices	500 kg	12,20	
Vanillas	500 kg	19,95	
Honey	100 kg	30,20	
Medicinal plants	100 kg	11,90	
Ornamentation, palm grains	300 kg	10,10	
Essential oils	200 kg	11,50	
Threads, manufactured textiles fibers, cloths	100 kg	23,10	
	500 kg	10,50	
	1 000 kg	10,30	
	3 000 kg	9,30	
Unpolished stones	100 kg	17,50	
Worked stones, jeux solitaires	100 kg	22,10	
Handicrafts/parasol/Antemoro papers/ baskets/horned-made objects/hats/wooden objects	100 kg	10,30	
	500 kg	9,30	
Model ships	200 kg	14,00	
Leathers	100 kg	30,20	
	500 kg	19,60	
	1 000 kg	13,20	
Cut flowers	300 kg	12,00	
Dried flowers	100 kg	17,90	
Aquarium fish	100 kg	18,00	
Wines, beers	100 kg	10,00	
Hooks, baits	100 kg	13,00	
Removal containers enclosing exclusively personal effects and household equipments not for resale	100 kg	18,00	
	500 kg	13,50	

Source : AIR MADAGASCAR

Tariff effective from April 1995



# 9. POSTS AND TELECOMMUNICATIONS

## I - MAILING OF LETTERS AND PARCELS

### 1 - POSTAL CHARGES

WEIGHT (Grammes)	INTERNAL NETWORK		INTERNATIONAL NETWORK AIR MAIL	
	Terrestrial way	Air mail	Set 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	Others AFRICA + 175 MGF
250 to 500	730 MGF		2,410 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-Oceania + 370 MGF

Acrogramme : 900 MGF (international destinations)

Source : Malagasy Post Office - Antananarivo

### 2 - FINANCIAL SERVICES

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

Source : Paositra Malagasy - Antananarivo

### 3 - PARCEL POST

Internal network (MGF)	IN BOND					
		Rate/parcel	Rate/kg	Air surtax	Maximum amount	Maximum weight allowed
Ordinary parcel :						
(by air)						
1-3 kg 1,600	Germany	15.82	1.00	2.21		
3-5 kg 2,000	Belgium	16.50	0.86	2.21		
5-10 kg 3,120	France	14.98	0.90	2.21		
10-15 kg 4,160	Great Britain	12.75	1.60	2.21	1,500	
15-20 kg 5,680	Switzerland	12.42	1.02	2.21		
Parcel rate : by air	South Africa	12.97	1.07	4.42	13.07	
above rate + 900 MGF/0.5 kg	Reunion	15.38	0.90	4.57		
	Mauritius	10.06	0.92	0.43		10kg
	USA	11.11	1.98	4.11	397	20kg
	South Korea	12.02	0.90	4.47		20kg
	Hong Kong	13.45	1.05	4.64		20kg
	India	13.37	0.65	3.92	490	20kg
	Indonesia	10.78	0.78	5.13		20kg
	Japan	13.50	1.07	4.66	3,237	20kg
	Malaysia	10.60	0.78	5.00	327	20kg
	Singapore	10.60	0.78	4.93		20kg
	Taiwan	12.95	1.08	5.22	1,000	20kg

Source : EMS MAILAKA - Tsaralalana

ON DELIVERY		
	Internal network	International network
Warehousing duty		
1st 10 days	Free	Free
From the 11th day onwards	200/day/parcel	200/day/parcel
With a minimum collection	6.000	6.000
Customs duty	- « -	1.400 (small parcel) 2.380 (parcel/air) 2.060 (parcel/ship)

Source : EMS MAILAKA - Tsaralalana

## **II - EXPRESS INTERNATIONAL MAIL RATES - "E.M.S. MAILAKA" IN 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	341.880	352.275
. 10 kg	180,230	319.590	324.955	442.200	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			+ 6,000MGF/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 - Tsaralalana

### 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



TELECOM MALAGASY					TELECEL	
SERVICES	Telephone and Telefax Services		Telex Service		Current tariff Telephone service	
	MGF/3 minutes	MGF/exceeding minute	MGF/3 minutes	MGF/minute exceeding	MGF/3 minutes	MGF/exceeding minute
FRANCE	40,665	13,555	61,500	20,500	36,599	12,200
GREAT BRITAIN	72,831	24,277	60,141	20,047	65,548	21,849
GERMANY	72,831	24,277	60,141	20,047	65,548	21,849
SWITZERLAND	67,458	22,486	60,141	20,047	60,172	20,237
BELGIUM	67,458	22,486	60,141	20,047	60,172	20,237
REP. SOUTH AFRICA	67,173	22,391	36,414	12,138	60,456	20,152
MAURITIUS	66,825	22,275	61,500	20,500	60,143	20,048
REUNION	14,061	4,687	24,228	8,076	-	-
THE SEYCHELLES	89,469	29,823	61,500	20,500	80,522	26,841
INDIA	111,735	37,245	61,344	20,447	100,562	33,521
JAPAN	80,922	26,974	61,344	20,448	72,830	24,277
SINGAPORE	89,469	29,823	80,127	26,709	80,522	26,841
U.S.A. (New-York)	94,569	31,523	61,500	20,500	85,112	28,371
RUSSIA	71,385	23,795	72,831	24,277	64,247	21,416
CHINA	89,469	29,823	67,806	22,602	80,522	26,841
TAIWAN (Formose)	111,735	37,245	83,124	22,708	100,562	33,521
MALAYSIA	89,469	29,823	97,107	32,369	80,522	26,841
HONG KONG	89,469	29,823	80,127	26,709	80,522	26,841
SOUTH KOREA	97,107	32,369	78,366	26,126	87,396	29,132
NORTH KOREA	75,258	25,086	80,922	26,774	67,732	22,577
INDONESIA	89,469	29,823	80,127	26,709	80,522	26,841

Source : AGATE - TELECEL

Tariffs effective from October 1994

## 10. LANDS 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)
<b>Land cost : (2)</b> - Government land (3) - private land : . in town . residential . suburbs	300 to 30.000 MGF/m <sup>2</sup>  150.000 to 1.000.000 MGF/m <sup>2</sup> 250.000 to 300.000 MGF/m <sup>2</sup> 50.000 to 100.000 MGF/m <sup>2</sup>
<b>Renting cost of dwelling places :</b> - low-cost house - studio flat (surface area around 50 m <sup>2</sup> )	300.000 to 7.500.000 MGF/month 400.000 to 1.500.000 MGF/month
<b>Cost of construction :</b> - low cost - medium cost - high cost	350.000 to 900.000 MGF/m <sup>2</sup> 950.000 to 1.200.000 MGF/m <sup>2</sup> 1.400.000 to 1.800.000 MGF/m <sup>2</sup>
<b>Industrial buildings</b> - Selling price - Renting cost	800.000 to 1.800.000 MGF/m <sup>2</sup> 10.000 to 13.000 MGF/m <sup>2</sup>

Sources : Real estate companies

Cost effective from May 1996

(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 : 18 to 99 years renewable.

	FORELLO Industrial Estate	FIARO INDUSTRIES (Ltd)
Management	Mr Gérard MONLOUP PO Box 448 - Antananarivo 101 Tel (261-2) 461-17 ; 341-60 ; 314-83 Fax : 238-06 ; 462-78	Mr Christian RANAIVO PO Box 725 - Antananarivo 101 Tel (261-2) 342-60 Fax : 221-47
Activities	- Disposal of lands - Renting or construction of industrial buildings - Renting of villas for the salaried staff of the estate's firms	Mr Christian RANAIVO - Renting of industrial buildings - Renting of studios (50 m2) for industrials in the estate and on mission.
Locality	TANJOMBATO On the road to Antsirabe 5 Km from the town of Antananarivo 20 mn drive from the airport	ANDRANOTAPAHANA On the road to Majunga, PK 12 Tel 452-07 15 Km from the town of Antananarivo - 5mn drive from the airport
Standard	Industrial building - Surface area : around 600m2 Extension by 600m2 is possible Facilities : water, electricity, telephone	Industrial building - Surface area : between 1,500 and 2,000m2 Facilities : water, electricity, telephone
Procedures	- Take the client's orders (N.B. : polluting activities are not authorized inside the estate) - Survey of surface area required - Propositions for rental or location - Putting at disposal : 6 to 8 months after placement of order (N.B. : Building available nonexistent)	- Contact and visit of the premises - After a fortnight : send a purpose letter enclosing 2 month rental - 2 months later : completion of lease contract - Putting at disposal : depends on existence of available building
Surrounding area	- Villas for salaried staff of the estate's firms - Trading, bank, post office, etc...	- Studios for industrials in the estate and on mission - Trading, bank, etc...
Costs	- Disposal of land : 80,000 to 100,000 MGF/m2 - Rental of industrial buildings * lease : 3, 6, 9 years * cost : 3.2 USD/m2/month . payable in foreign currency as to free firms . conversion to MGF as to other firms * Ajustment : indexation is a function of the costs of construction and exchange rates  - Villa rental : * lease : 2 years * cost : 4.5 to 5 USD/m2/month * Ajustment : indexation is a function of the costs of construction and exchange rates  - Cost of construction : * Industrial and commercial buildings : 1,000,000 to 1,500,000 MGF/m2 * Warehouse : 1,000,000 Fmg/m2 * Sheds : 200,000 to 300,000 MGF/m2 * Building for lodging purpose : . high cost : 1,500,000 MGF/m2 . medium cost : 1,000,000 MGF/m2 . low cost : 800 000 MGF/m2	- Rental of industrial buildings * lease : 3 to 6 years * cost : 2,5 USD/m2/month . payable in foreign currency as to free firms . conversion to MGF for other firms * Ajustment : internal indexation  - Rental of studio (50 m2)  * cost : 25,000 to 40,000 MGF/month

# II. INSURANCES

## I - TRANSPORT AND MOTOR VEHICLE INSURANCES

TYPE	PREMIUM/COVER	OBSERVATIONS
SHIP CREW	COVER : ALL RISKS. RATE : 2 to 5 %	NEW SHIPS < 5 years
CARGOS	COVER : ALL RISKS. RATE : 0.50 % to 6%	IMPORT OR EXPORT OR COASTAL TRADES
INLAND CARRIERS LEGAL LIABILITIES	BASIC PREMIUM a) ORDINARY RISKS x ≤ 3,000,000 MGF == 96,336 MGF x > 10,000,000 MGF == 210,633 MGF  b) ORDINARY RISKS + BREAKAGE x ≤ 3,000,000 MGF == 137,973 MGF x > 10,000,000 MGF == 309,418 MGF	NON BREAKING GOODS  BREAKING GOODS
MOTOR VEHICLES . LORRY . TOURING CAR . HIRE CAR	COVER : ALL RISKS 10 % OF INSURED SUM 15 à 20 % idem 26 % idem	

Source : Insurance Companies

Tariffs effective from July 1995

## II - THEFT INSURANCE (WITH BREAKING OR AGRSSION)

1 - Lodgings risks (safe existent)	7.5 to 22.5 Th. of declared value  6 Th. for offices/warehouses 12 Th. for lodgings	- Caretaking - Correct shutting methods
2 - Commercial and industrial risks		
Category A : Agricultural products except those from B and C	2 to 3 Th.	
Category B : Edible and essential oils, rice, vanilla	3 to 4 Th.	
Category C : Imported or locally manufactured products except those from D and E	4 to 6 Th.	
Category D : Office supplies, leather goods, handi-crafts, pharmaceuticals, sewing machines, typewriters, manufactured tobaccos, haberdashery, perfumes, sport articles	6 to 10 Th.	
Category E : - Basic commodities Declared value: 1st bracket : up to 10 million 2nd bracket : from 10 to 15 million 3rd bracket : from 15 to 25 million Above 25 million - Office and production equipment	9 to 15 Th. 7.5 to 12.5 Th. 6 to 10 Th. 4 to 6 Th. 4 Th.	* Manufacturing industry * Cottage industry * Handicraft industry * Trade industry
- Machinery - Factory equipment - Funds carriage (fonds deposited in or drawn from the bank)	7.5 Th. 4 Th. 20 to 27.5 Th. (of funds sum in each conveying)	SMI, SME Requirements : * driver's age * amount of funds carried * funds bonding * means of transport * frequency * security agent

Source : Insurance Companies

Tariffs effective from May 1996

Th. : Thousandth





## **C - FORMALITIES FOR STARTING A NEW COMPANY**

- 1. Legal framework**
- 2. Industrial and Commercial Activities Legislation**
- 3. Typology of Companies**
- 4. Company Formation Formalities**



## 2. INDUSTRIAL AND COMMERCIAL ACTIVITIES LEGISLATION

### 2.1- INDUSTRIAL ACTIVITIES :

#### a- **Environment Charter :**

- The National Environment Policy (Politique Nationale de l'Environnement-PNE) promotes actions for sustainable economic and social development.

Reference : Act n° 90-033

- Compatible Combination of Investments and Environment (Mise en Compatibilité des Investissements avec l'Environnement-MECIE), a PNE by-product, sets out environmental assessment procedures all investment projects must follow depending on their technical characteristics, scope and sensibility of the set-up sites.

- Environmental Impact Assessment (Étude d'Impact Environnemental-EIE) applies to above-defined projects as well as those requiring prior administrative authorization. It includes a description of the investment project, its impact on environment, a study of the environmental system of the project site, a prospective analysis of direct and indirect impact and description of required modifications taking into account compensatory measures.

#### b- **Trademark Rights:**

After the Malagasy Republic became a member of the World Trademark Rights Organization (Organisation Mondiale de la Propriété Industrielle-OMPI), a public administrative institution in charge of trademark rights was created, namely the Malagasy Office of Trademark Rights (Office Malgache de la Propriété Industrielle-OMAPI).

Reference : Decree n° 92-994 of 02.12.92

#### c- **Single Counter Bureau (Office du Guichet Unique-OGU) :**

It is designed to welcome investors and inform them on the overall investment environment. It is also in charge of receiving and processing requests for the special status agreement, of notifying the agreement act and ensuring follow-up of approved enterprises.

Reference : Decree n° 94-257 of 19.04.94

#### d- **Chambers of Commerce, Industry and Agriculture (C.C.I.A.) :**

They mainly operate at informational level.

Reference : Ordinance n° 93-021 of 04.05.93, Official Journal n° 2205 of 13.09.93, p. 2075

#### e- **National Council for Industry (Conseil National de l'Industrie-CNI) :**

It is a permanent structure of consultation and reflexion between the industrial private sector and the Administration in view of promoting the industrial sector.

Reference : Decree n° 94-792 of 06.12.94

## **2.2- COMMERCIAL ACTIVITIES :**

### **a- Import Regulations :**

- . Import of goods and products is liberalized and requires no prior authorization or import permit.  
Reference : Decree n° 92-424 of 03.04.92
- . Import without foreign currency transfer is prohibited.  
Reference : Decree n° 94-134 of 22.02.94
- . It is mandatory to open a bank account.
- . Control and inspection of goods with FOB value superior to US\$ 5.000 is still mandatory.  
Reference : Decree n° 3537/95 of 12.07.95
- . Both the Société Générale de Surveillance (SGS) and VERITAS have been given authorization to control and inspect goods entering Madagascar.
- . The Liberalized Import System (Système d'Importation Libéralisée-SILI) applies to inputs and spare parts import. It offers the following advantages :
  - exemption of import permit and payment of set fees ;
  - guarantee of payment in foreign currency of imported goods upon transmitting of the Import Statistic Form (Fiche Statistique d'Importation - FSI) to the Central Bank.
- Reference : Interministerial decree n° 189/88 of 14.01.88

### **b- Export Regulations :**

- . Export of goods and services is free except for those subject to legislative and regulatory restrictions.  
Reference : Ordinance n° 88-015 of 01.09.88
- . Exporters have to repatriate export profits within a 90-day time limit.

### **c- Exchange and Foreign Currency Transfer Regulations :**

#### **\* Investment Regulations :**

- . Resident Foreigners (individuals having lived in Madagascar for over two years) enjoy the same rights as Malagasy nationals : they are free to have shareholding in companies established under Malagasy law.
- . Non-Resident Foreigners (individuals or corporation) : distinction should be made between :
  - Individuals : purchase, creation or extension of goodwill, branches of any individual business must obtain prior authorization from the Ministry in charge of Finance and Budget.
  - Corporations : any injection or assignment exceeding 20% of the capital of an existing or to be created company, must obtain prior authorization from the Ministry in charge of Finance and Budget. The percentage calculation is based on the total shareholding of all non-resident investors and not on each individual shareholding.

#### **\* Procedures to follow :**

##### **- Standard Regulation :**

- . Apply for Direct Investment Authorization : make 2 copies and sent to the Exchange Control Department (FINEX) of the Ministry in charge of Finance and Budget through an authorized intermediary (Bank).
- . Provide information about the volume of annual imports and modes of financing.
- . If prior authorization is granted, a report confirming the investment must be addressed to the same Ministry within the 20 days following the operation.

- Special Status Corporation Structures (Industrial Free Zone and Investment Code) : For these enterprises, the approval decision has the same effect as the Direct Investment Authorization.

\* Bank Domiciliation, Foreign Currency Repatriation and Exchange :

- . All import operations require a bank domiciliation.
- . Foreign currency repatriation must be done within the 90-day period following the loading of goods and products.
- . Transfer to the Interbank Currency Market (Marché Interbancaire de Devises-MID) proceeds as follows :

Foreign currency repatriation after loading of goods and products	Part to transferred to the Interbank Currency Market (%)	Part to be deposited in a foreign currency account (%)
30 days	80	20
60 days	85	15
90 days	90	25

### 3. TYPOLOGY OF COMPANIES

Foreign companies wishing to operate permanently in Madagascar often seek local partners for financial settlement purpose and capital allotment.

Limited Liability Companies (S.A.R.L.) and Limited Companies (S.A.) are the two most common forms of company operating in Madagascar.

	Limited Liability Company	Limited Company
Legal framework	Act of 07.03.1925	Act of 24.07.1867
Characteristics	Similarity to individual company and joint-stock company	Joint-stock company
Legal ownership	Original capital contribution	Share
Share par value	MGF 2.500	MGF 5.000
Form of contribution	Cash contribution, contribution in kind, contribution in industry	Cash contribution, contribution in kind
Commercial activities excluded	Bank and insurance	
Number of Partners	Between 2 to 50	Minimum 7
Evidence	Statute	Statute
Advertising	Newspaper for legal advertising before 5 years at least	Newspaper for legal advertising before 5 years at least
Capital		
Minimum	MGF 500.000	MGF 500.000
Release conditions	Immediate	. ¼ after subscription . ¾ after 5 years

## 4. COMPANY FORMATION FORMALITIES

	Limited Liability Company	Limited Company
<b>STEPS</b>		
Elaboration of statutes . Required information	Company name, object, juridical status, nationality, address, duration, registered office, designation and assessment of contribution in kind, number of shares or original capital contribution, amount and allotment of capital between shareholders or partners.	
Registration of draft statutes	At the Trade Tribunal	
Subscription to capital	*	*
Release of contribution	*	*
Déclaration of subscription and deposits	*	*
First General Meeting :		
. Role :		
- approval of draft statutes	*	*
- Appointment of administrators	*	*
. managers	*	*
. auditor	*	*
- control of all constitutional operations	*	*
. One Assembly	*	*
. 2 assemblies		
Authentication and registration of final statutes	Case of contribution assessment	
. Legalization of signatures	Deed signed before a notary public or private agreement	
. Statement of existence	At the Town Council, with MGF 2.000/signature/page Company Register, with different fees and stamp duties : Fees : 5.000 MGF ; set fees Proportional fees : . < 50 millions : 2 % of cash contribution . 50 millions to 500 millions : 1 % of cash contribution . > 500 millions : 0,5 % of cash contribution Stamp duties : . standard paper : L 0,297 x w 0,42 = MGF 600 . half of a standard paper : L 0,297 x w 0,41 = MGF 400 . registered paper : L 0,42 x w 0,594 = MGF 1.000 per paper, with reduced fees if only one side of paper is used for writing statutes, under condition that the other side is made void by and indelible process	
Registration of final statutes Registration in Trade Register	At the trade Tribunal : MGF 5.000 set fees, and proportional fees related to function and stamp duty.	
Advertising formalities	At the Official Journal Department of the Prime Ministry (Primature) and at National Printing House : provision of MGF 125.000 for Official Journal only. In private newspaper, prices are determined by the size, the text and the number of publications.	
Statistic Registration	National Statistics Institute (INSTAT) - Room 201	





## **D - GENERAL INFORMATION**

- 1. Economic and Monetary Aggregates**
- 2. Foreign Trade**
- 3. Multilateral Investment Guarantee Agency (MIGA)**
- 4. Interbank Currency Market**
- 5. Customs Formalities**
- 6. Entry Formalities**
- 7. Useful Adresses**
- 8. Map of Principal Industrial Sites of Madagascar**

# I. ECONOMIC AND MONETARY AGGREGATES

INDICATORS (in billions of MGF)	1989	1990	1991	1992	1993	1994	1995
GDP at market price (1984 prices)	1 903,5	1 963,1	1 839,3	1 861,2	1 900,1	1 899,2	1 937,0
GDP at market prices (current prices)	4 005,4	4 604,1	4 913,6	5 593,0	6 451,1	9 131,7	13 705,0
Population (thousands)	11 122	11 433	11 754	12 083	12 421	12 769	13 126
GNP at market prices	3 731,3	4 366,7	4 602,8	5 297,8	6 198,0	8 600,2	13 309,2

## Growth Rate - Percentage

INDICATORS	1989	1990	1991	1992	1993	1994	Provisional 1995
GDP at market prices	4,1	3,1	-6,3	1,2	2,1	-0,0	1,8
Imports	0,9	13,0	-20,6	0,5	13,9	0,4	1,1
Exports	28,0	-17,9	2,1	0,5	5,4	10,1	3,2
Consumption							
. Public	5,6	-2,7	-9,0	0,6	-1,5	-4,9	-2,2
. Private	-1,2	6,4	-0,1	-2,8	3,2	0,7	1,4
Gross Investment	4,8	28,0	-56,6	45,3	8,7	-14,3	0,9
. Public	46,0	-17,3	-32,6	34,2	9,9	-28,2	-6,1
. Private	-39,8	87,9	-77,7	74,8	6,3	15,0	10,0
Primary Sector	5,2	2,1	0,5	1,7	3,2	-0,5	2,7
Secondary Sector	1,2	-0,6	-0,4	1,1	3,2	-1,1	1,3
Tertiary Sector	4,1	3,9	-7,7	1,1	2,1	1,2	1,4

## Annual Inflation - Percentage

INDICATOR	1989	1990	1991	1992	1993	1994	Provisional 1995
GDP at market prices	12,6	11,5	13,9	12,5	13,0	41,6	46,8

Source : National Statistics Institute (INSTAT)

## In % of GDP - in fixed rates

SECTORS	1989	1990	1991	1992	1993	1994	Provisional 1995
Primary Sector	32,1	31,8	34,1	34,3	34,6	34,5	34,8
Secondary Sector	11,6	11,2	11,9	11,6	11,8	11,7	11,6
Tertiary Sector	46,8	47,2	46,4	46,4	46,4	47,0	46,8

## In % of GDP - in current rates

SECTORS	1989	1990	1991	1992	1993	1994	Provisional 1995
Primary Sector	30,0	29,5	30,7	30,9	31,6	36,6	31,1
Secondary Sector	13,5	13,0	13,2	12,8	12,9	12,6	12,8
Tertiary Sector	49,0	50,2	50,4	50,2	49,9	46,0	50,1

Source : National Statistics Institute (INSTAT)

**BALANCE OF PAYMENTS**

in millions of DTS

	1989	1990	1991	1992	1993	1994	1995
FOB Exports	248,1	234,1	243,9	230,1	237,9	294,0	331,9
FOB Imports	- 249,9	- 417,5	- 321,7	- 330,3	- 365,0	- 375,2	- 415,7
TRADE BALANCE	- 1,8	- 183,4	- 77,8	- 100,2	- 127,1	- 81,2	- 83,8
Revenues from Services	125,7	154,0	110,3	125,7	133,6	136,6	165,2
Expenses on Services	- 340,8	- 331,4	- 304,3	- 309,5	- 316,8	- 333,7	- 351,5
SERVICES (Net)	- 215,1	- 177,4	- 194	- 183,8	- 183,2	- 197,1	- 186,3
Private Transfer	55,9	56,7	48,8	77,4	81,8	32,2	50,3
Public Transfer	102,5	118,4	82,3	89,4	112,2	87,3	77,4
CURRENT BALANCE	- 58,5	- 185,8	- 140,7	- 117,2	- 116,3	- 158,9	- 142,4
Non Monetary Capital (net)	- 35,9	- 43,7	- 23,5	- 82,6	- 71,4	- 87,9	- 93,2
Direct Investments	10,0	16,5	10,0	15,0	11,0	4,0	6,4
Banks	- 14,5	14,0	- 17,4	- 11,3	- 16,3	- 7,1	- 14,0
Errors and Omissions	- 36,5	- 9,3	0,6	- 35,7	2,8	4,8	16,3
GENERAL BALANCE	- 135,4	- 208,3	- 171,0	- 231,8	- 190,2	- 245,1	- 184,2
EXTERNAL FINANCING	135,4	208,3	171,0	231,8	190,2	245,1	184,2

Source : Central Bank of Madagascar

**Price Index**

HOUSEHOLD CONSUMPTION INDEX FOR ANTANANARIVO	N°	PONDERATION	1989	1990	1991	1992	1993	1994	1995	1996
Malagasy: Basis 100 = August 1971 July 1972										
General index	1	100,00	1003,8	1122,1	1217,9	1496,8	1535,0	2133,2	3179,1	
1. Foodstuffs	2	60,35	1003,4	1144,2	1249,4	1457,3	1578,3	2216,2	3525,7	4020,55
2. Electricity, Combustible	3	9,14	985,7	1068,2	1148,4	1292,3	1467,7	2021,6	2656,5	3133,15
3. Domestic staff/Household	4	1,82	338,8	368,3	426,3	431,1	431,1	638	948,6	1052,10
4. Maintenance	5	14,85	1094,7	1168,4	1221,9	1347,5	1493,3	1925,9	2911,8	3313,10
5. Miscellaneous	6	13,84	1007,3	1110,9	1226,3	1371,2	1580,6	2296,2	3465,7	4019,75
European: Basis 100 = August 1971 July 1972										
General index	7	100,00	962,2	1083,5	1190,1	1300	1434,7	1871,8	2743,7	
1. Foodstuffs	8	45,16	1073,7	1222,1	1318,1	1461,3	1669,5	2156,3	3106,4	3746,00
2. Electricity, Combustible	9	6,08	708,8	772,9	836,0	917,2	1027,4	1393,3	2135,5	2230,72
3. Domestic staff/Household	10	11,26	444,3	490,7	568,4	574,8	574,8	877,5	1247,6	1370,90
4. Maintenance	11	17,99	923,9	1073,5	1244,9	1366,4	1475,7	1968,8	2890,3	3408,65
5. Miscellaneous	12	19,51	1117,2	1210,8	1319,2	1396,4	1476,4	1846,9	2822,1	3305,30

Source : National Statistics Institute (INSTAT)

N.B. : Above listed figures are average for 12 months except for 1996 figures : average for 4 months from January to April 1996.

**Foreign Trade Statistics**

Utilization Group	Year		1992		1993		1994		1995 *	
	Import	Export	Import	Export	Import	Export	Import	Export	Import	Export
Foodstuffs	108 352,3	332 083	97 054,1	323 085,0	179 612,1	955 240,5	301 045,7	1 001 679,0		
Energy	133 170,9	17 438,9	160 451,5	14 912,0	226 908,3	16 879,3	313 794,2	60 741,1		
Equipments	239 918,4	27 562,7	266 907,2	20 742,1	404 108,1	25 367,6	600 078,6	16 416,8		
Raw Materials	187 192,5	79 327,3	214 502,2	84 827,9	322 633,7	162 974,1	652 989,2	287 141,1		
Consumer Goods	165 129,3	60 410,1	151 694,1	55 428,6	275 357,8	86 257,8	432 235,3	139 897,1		
TOTAL	833 773,4	516 821,9	890 609,1	498 995,6	1 408 620,0	1 246 719,3	2 300 143,0	1 505 875,1		
TRADE BALANCE	- 316 951,5		- 396 692,3		- 161 900,7		- 794 267,9			

Source : National Statistics Institute (INSTAT) \* : provisional

## 2. FOREIGN TRADE

### Import and Export Procedures

Domestic and foreign marketing of Malagasy products is liberalized, except for vanilla. See Decree n° 92-424 of 3 April, 1992 governing imports of goods from abroad and export of goods.

#### **2.1 - IMPORT PROCEDURES :**

##### **a - Import through VERITAS-BIVAC :**

Consignments to Madagascar are subject to **preshipment inspection** by the VERITAS-BIVAC office. It mainly consists of checking the **quality, quantity, price** as well as the **main elements** of the customs tariff structure in order to assess the amount of fees and import duty.

This procedure is compulsory for all imports **amounting to or exceeding the exchange value of US\$ 5,000**. Such expeditions must be the subject of an **Import Checking Application (Demande de Vérification d'Importation-DVI)**, established by the VERITAS-BIVAC office in Antananarivo or Tamatave on the basis of information given by the importer on the **Import Data Form (Fiche de Renseignements d'Importation-FRI)**.

This FRI is to be provided together with the original and two copies of the pro-forma invoice giving details of the transaction as well as the description of the imported goods.

After registration of the FRI, the importer receives a copy of the DVI. The inspection order is then transmitted to the VERITAS-BIVAC office in the exporting country by the VERITAS-BIVAC office in Antananarivo.

Upon receipt of information on the DVI, the VERITAS office in the exporting country proceeds to the preshipment inspection, and delivers the **Attestation of Conformity (Attestation De Conformité-ADC)** to the importer. This document is required by the bank for all payments related to the transaction.

Within the 48 hours following the issuance of the ADC, the VERITAS-BIVAC office in Antananarivo delivers an **Inspection Certificate (Certificat D'Inspection-CDI)** mentioning the elements of transactions as well as the amount of fees and duties applicable to the imported goods, with the aim of determining the total estimates of fees and charges.

Subsequently, the importer contacts either the VERITAS-BIVAC office in Antananarivo if he proceeds to goods clearance in Antananarivo or in other places than Tamatave, or with the VERITAS-BIVAC office in Tamatave, if clearance takes place there. He is given a **CDI compulsory for goods clearance**.

The importer has to pay the pre-indicated amount in MGF mentioned on the CDI by VERITAS-BIVAC office to a commercial bank where a bank account is opened in the name of the Customs Collector if it is paid in cash. He afterwards proceeds to registration of preliminary recovery at the cash desk of the Customs Clearance Office. The procedure remains the same in case of customs credit. However, the amount of available credit should be mentioned on the CDI. Eventually, the importer establishes the Customs Declaration to be deposited at the concerned customs office, where it will follow the normal procedure for clearance.

Any imports **amounting from US\$ 1,000 to US\$ 5,000** have to be checked by an examination committee within the Customs Service. The committee has the responsibility for making the decision concerning the necessity of inspection by the VERITAS-BIVAC office.

Address :

**VERITAS/BIVAC :**

P.O. BOX. 5243

Antaninarenina

Antananarivo 101

Phone : 337-61 / Fax : 270-48 / 259-85

**VERITAS/BIVAC**

13, rue Lt Hubert

Tamatave

Tél 326.00

## **b - Non-VERITAS-BIVAC Import Procedures**

1 - In view of obtaining the modes of payment, the importer provides the commercial bank with a pro-forma invoice together with following administrative documents :

- police record n° 3 for individual customer
- police record of the Executive Director for a public limited company
- police record of the Manager for a limited liability company
- subscription to the Trade Register
- Certificate 211-bis : licence payment control
- attestation of regularity with the customs

2 - The bank produces the Import Statistics Form (Fiche Statistique d'Importation-FSI) which will be cleared by the Central Bank. The clearance serves as authorization of currency transfer by the Central Bank, after negotiations on the Interbank Currency Market

The FSI is designed to clear the imported goods. In case of delay in the establishment of the FSI by the bank, after the arrival of goods, the importer may require a "Provisional declaration pending the establishment of the FSI" to be obtained at the Ministry of Trade, Industry and Handicraft on producing such documents as LTA or bill of lading + invoice.

3 - Submission of the FSI or in default of the "Provisional declaration pending the establishment of the FSI" to the Customs Service for goods clearance.

## **2.2 -EXPORT PROCEDURES :**

**Formalities to be undertaken by importers :**

- payment of Professional Tax or Export Licence
- obtaining of Statistic Identification Card
- obtaining of the certificate of subscription to the Trade Register
- regularity vis à vis exchange regulations
- obligation of possessing adequate means required to run the business

**Procedures to follow :**

- following documents are to be produced to the Commercial Bank in order to obtain bank domiciliation :
  - 1 - Export declaration and 8 copies of engagement of currency repatriation for each consignment of products ;
  - 2 - 8 copies of the pro-forma invoice giving a detailed list of products (designation, brief description, manufacturing material) ;
- submission to prior authorization or visa of the technical ministries concerned with the type of exported products for products control ;
- submission of files and products to the Customs Office (Cf Exporter Manual, pp. 61 and 62)

**Customs formalities for export :**

a. **Standard formalities** : Presentation of goods to the Customs Office and deposit of the customs declaration for export. Required documents

- a) customs declaration « Category E »
- b) export declaration and at least 8 copies of currency repatriation contract :
  - b1 - definite commercial invoices :
  - b2 - a value statement mentioning the taxable value (if necessary) and the FOB value :
  - b3 - packaging list :
  - b4 - export permit of laissez-passer for mining products :
  - b5 - certificate of quality control : compulsory for coffee, vanilla, sea products and meat :
  - b6 - phytosanitary certificate
  - b7 - certificate of origins :
  - b8 - special export permit for CITES : See International Convention on Safeguard of Indigenous Fauna and Flora threatened to become extinct.
  - b9 - certificate for commodity trade with the European Community member countries (EUR-1): Lomé Convention.

b. **Specific formalities** : related to some specific products as well as specific requirements of the importer and international convention : prior ministerial visas, phytosanitary and sanitary certificate, EUR-1 commodity trade certificate, etc... Certification of exported goods by the VERITAS-BIVAC office is initiated at the option of the exporter. It consists of controlling the quality and quantity of products according to contractual specification. The cost of certification, which differs from one product to another, is based on value, quantity and country of origin of the product.

### 3. MULTILATERAL INVESTMENT GUARANTEE AGENCY (MIGA)

Madagascar is a member of the Multilateral Investment Guarantee Agency (MIGA). See government approval by decree n° 88-228 of 07/06/88 in the Official Journal of 16/04/96.

The MIGA is a kind of « insurance company » set up by the World Bank in 1988 which secures investors against non-commercial risks.

Private investors have to take out a premium in order to benefit from guarantees granted by the Agency.

#### Risk categories :

- 1° Risks of non-transfer, i.e. when local authorities place restrictions on dividends transfer and exchange problems ;
- 2° Risks of nationalization or legislative and administrative measures likely to make private investors lose their rights;
- 3° Risks of breach of contract with host country, and when the investor has no legal security ;
- 4° Risks of war and public troubles.

#### Sectors concerned with MIGA :

- Partnership.
- Service and management contracts.
- License or franchise agreements.
- Turnkey plants.
- Agreements related to technology transfer.

Only investors newly approved by Malagasy authorities may benefit from guarantees granted by MIGA .

## **4. INTERBANK CURRENCY MARKET (MARCHÉ INTERBANCAIRE DE DEVISES-M.I.D.)**

### **4.1 - FLOATING SYSTEM :**

See Convention concerning the organization of the exchange market in Madagascar, signed on 4th May 1994.

#### **OBJECTIVES :**

1. Liberalization of the exchange system, as a follow-up to the economic liberalization ;
2. Improvement of economic competitiveness : increase of exports, decrease of imports ;
3. Increase of revenues from agriculture and fiscal receipts ;
4. Increase of foreign currency reserves ;
5. Approach of the official exchange rate to that of the informal market through the establishment of a realistic exchange rate for the MGF resulting from a free determination of the currency based on supply and demand ;
6. Incentives for integration of the parallel market to the official market.

### **4.2 - STRUCTURE OF THE INTERBANK CURRENCY MARKET :**

#### **a. Participants** : adherents to the Convention .

- Central Bank of Madagascar
- The five commercial banks

#### **b - The Market Committee :**

##### a) composition :

- one representative of the Central Bank of Madagascar
- one representative of the Professional Association of Banks
- one representative of a commercial bank, renewed on a monthly basis

##### b) role :

- control of the regularity of operations
- settlement of disputes
- checking of the average exchange rate
- establishment of a schedule of value dates for interbank operations

### **4.3 - OPERATION OF THE INTERBANK CURRENCY MARKET :**

The rate of Malagasy Franc compared with that of foreign currencies is freely determined by the market on the basis of actual supply and demand.

The French Franc, considered as a key-currency, is subject to official quotation. The other currencies are dealt with separately by participants against the FRF on the basis of indicative rates provided by the Central Bank of Madagascar.

All purchase or sale orders exceeding FRF 20 000 must be submitted to the M.I.D. the day following their reception by Banks.

The bank is responsible for executing these orders.

Orders are given :

- either « at limit » : rates determined by operators, ceiling for purchases and bottom for sales
- or « at best » : execution of orders at daily rate.

Orders from clients are strictly respected.

For the exchange, execution of orders « at best » has the priority before orders « at limit ».

Purchase and sale orders which have not been satisfied should be notified to clients by the banks, at the latest on the last working day of the week.

### **4.4 - ESTABLISHMENT OF THE AVERAGE MGF EXCHANGE RATE :**

The system determines the average exchange rate following the auction.

The Central Bank determines the indicative rates of the main foreign currencies by crossing the average exchange rate with the currencies rate against the FRF rate transmitted in the morning.

## 5. CUSTOMS FORMALITIES

### IMPORTS

#### 5.1 - PREREQUISITES FOR CLEARING :

##### 1° Standard legislation

DUTY PAYMENT	DUTY EXEMPTION
Fill in the Import Statistic Form at a Commercial Bank	Apply for derogation for import without currency transfer to the Ministry of Finance and Planning (Room n° 59)
Fill in the Import Data Form (Fiche de Renseignements d'Importation-FRI) in order to proceed to the issuance of the Import Checking Application ( Demande de Vérification d'Importation -DVI) within the framework of the preshipment control plan and control of customs receipts by the VERITAS BIVAC.	
IMPORT VALUE > 5.000 US \$	IMPORTS RANGING FROM 1.000 US \$ TO 5.000 US \$
Mandatory inspection procedure by BIVAC/VERITAS FRI + DVI	The Customs Committee decides if imports are subject to BIVAC/VERITAS inspection : If necessary : FRI + DVI If not : FRI

##### 2° Preferential Legislation

<b>INDUSTRIAL FREE ZONE OR TAX-FREE ENTERPRISES</b>	
By virtue of the extraterritorial principle, IZF and tax-free enterprises are exempted from the prerequisites for customs clearance	
Certificate of destination required	
For equipment and machinery	For raw materials
- Clearance of the Ministry of Industry-Industrial Division - Authorization of the Customs Division - General Affairs Service	- Authorization of the Customs Division - General Affairs Service



## 5.2 - CLEARANCE FORMALITIES :

Mandatory declaration : Customs declaration to be delivered personally

### 1° Standard legislation

Declaration Category C : consumption with payment of Duties and Taxes registered in the Customs Tariff Structure.

Duty Payment	Duty Exemption
+ Invoice + FSI + Import Declaration + DVI (if value > 5 000 US \$) or + FSI (for value included between 5 000 and 1 000 US \$) - No prerequisites with BIVAC/VERITAS if value < 1 000 US \$	+ Invoice + authorized derogation for duty-free import + FSI (if value > 5 000 US \$) or + FRI (for value included between 5 000 et 1 000 US \$) - No prerequisites with BIVAC/VERITAS if value < 1 000 US \$

BONDING		TEMPORARY DUTY-FREE ENTRY
Authorization from the General Affairs Service or the Customs Director, excepted for real bonding which is authorized by the Customs Collector + Customs declaration Category S (S3)		Authorization from the General Affairs Service or the Customs Director, or the Customs Collector + Customs declaration Category S (S3)
Real bonding	Fictitious and special bonding	
Authorization from the Customs Collector	Approval for the premises (application to be addressed to the Customs Director or the General Affairs Service under the cover of the local Customs Collector)	

### 2° Preferential Legislation - Industrial Free Zone (or Tax-Free Enterprise)

Declaration Category S9 : Admission as Tax-Free or Free Zone Enterprise + Destination Certificate + Invoice

## 6. ENTRY FORMALITIES

### 6.1 - INSTITUTIONAL FRAMEWORK FOR FOREIGNERS' CONTROL :

- Act n° 62-006 of 06/02/62 concerning the organization and control of immigration (Official Journal n° 1962, page 1075)
- Ordinance n° 62-041 du 19/09/62 setting out the general provisions of internal rights (Official Journal n° 244 of 28/09/62, page 1989)
- Decree n° 66-101 of 02/03/66 concerning modalities for application of law n° 62-066 du 06/02/66
- Decree n° 94-652 du 11/10/94.

### 6.2 - VISAS DELIVERY :

#### a - Entry visas :

- either by the Ministry of Foreign Affairs  
Làlana Andriamifidy - Anosy - Antananarivo 101 - B.P. 448 - Phone : 211-98
- or by any Malagasy diplomatic representation abroad (see page 11).

#### b - Extension of stay :

- by the Ministry of Interior **and** - by the Ministry of National Police  
Làlana Andriamifidy  
Anosy - Antananarivo 101  
B.P. 1833 - Phone : 214-65 / 266-62 (Control of foreigners)      Lálana Andriamifidy  
Anosy - Antananarivo 101  
Phone : 210-29 / 230-84 / 205-84

### 6.3 - VISA RATES FOR FOREIGNERS PASSPORTS AND PERSONS OF UNDETERMINED NATIONALITIES :

#### a - Entry Visa :

- |  |             |
|--|-------------|
| - Stay less or equal to 3 months with unique entry     | 120 000 MGF |
| - Stay less or equal to 3 months with multiple entries | 140 000 MGF |
| - Stay over 3 months to 3 years                        | 180 000 MGF |
| - Stay over 3 years to 5 years                         | 260 000 MGF |
| - Stay over 5 years and definite stay                  | 300 000 MGF |

#### b- Exit and Return Visa :

- |   |             |
|---|-------------|
| - Unique exit and return visa                         | 140 000 MGF |
| - Non permanent visa with multiple exits and returns  | 180 000 MGF |
| - Permanent visa for a stay less or equal to 3 months | 220 000 MGF |
| - Permanent visa for a stay from 3 to 6 months        | 260 000 MGF |
| - Permanent visa for a stay from 6 months to 1 year   | 300 000 MGF |

#### c - Definite exit visa :

140 000 MGF

#### d - Transit visa, 72 hours maximum :

120 000 MGF

#### e - Extension of trip visa :

140 000 MGF

## 6.4 - REQUIRED DOCUMENTS :

### a - Standard documents :

- 1 - 4 identity photos
- 2 - Application with a 400 MGF stamp, to be addressed to the Ministry of Home Office and Decentralization
- 3 - Data notice
- 4 - Police Record n° 3 (in case of first application, in the country of origin ; for renewal, in Madagascar)
- 5 - Copy of passport + copy of visa
- 6 - 2 stamped envelopes + address
- 7 - Copy of Foreign Identity Card + Visa (in case of renewal)
- 8 - Certificate of residence (in case of renewal)
- 9 - Legalized certificate of lodging
- 10 - Copy of Identity Card or Foreign Identity Card of the host person
- 11 - Certificate of good character (in case of first application)

### b - Special documents :

Documents	Agreed company or having an investment agreement Limited Liability Company	Limited Liability Company Import-Export	Individual enterprise Import-Export
1 - Company Status	X	X	
2 - Agreement decree or Investment Agreement	X		
3 - Bank certificate, foreign currency account	X X	X X	X
4 - Subscription certificate to the Trade Register	X	X	
5 - Notice of existence	X	X	
6 - Balance sheet, certified by the Direct Taxation Service (in case of renewal)			
7 - Copy of Professional Identity Card	X	X	X
8 - Certificate of payment of professional taxes	X	X	X
9 - Certificate of payment of Corporate Profit Taxes	X		
10 - Certificate of application for a professional card	X	X	X
11 - Certificate of payment of Taxes			
12 - Certificate of auditing, delivered by the Exchange Operations Control Service		X X	X X
13 - Certificate of repatriation of export products, delivered by the bank		X	X

## 6.5 -MALAGASY REPRESENTATIONS ABROAD :

a - Embassies :	Address	Phone
Albany	Via Riccardo Zandonai 84/A, Roma	327 77 97 / 327 51 83
Algeria	22, rue Abdelkader Aouis Bologhine, Alger	62 31 95
Belgium	Avenue de Tervueren 276, 1150 Brussels	770 17 25
Bulgaria	Koursavoy Perioulouk 5, Moscou	290 02 14
Cambodia	San Litun Dong Jie n° 3 Beijing, Pekin, China	52 28 41 / 52 28 42
Canada	1000, Ouest Rue Sherbrooke Room, 903 Montréal	285 83 17 / 285 83 18
China	San Litun Dong Jie n° 3, Beijing, Pekin	52 26 40
Cuba	801, Second Avenue 100 17 New York	986 94 91
Denmark	Rolandstrasse 48, 53179 Bonn	33 10 57 / 33 20 31
Ethiopia	P.O. BOX. 60 004 Addis Abeba	159 618
France	4, Avenue Raphaël and 1, Boulevard Suchet, 75 016 Paris	504 62 11 / 504 95 59
Germany	Rolandstrasse 48, 53179 Bonn	33 10 57 / 33 20 31
Great Britain	1, Boulevard Suchet, 75 016 Paris	504 62 11 / 504 95 59
Greece	Via Riccardo Zandonai 84/A, Rome	327 77 97 / 327 11 83
Guinea	22, rue Abdelkader Aouis Bologhine, Alger	62 31 96 / 62 31 95
Hongria	Koursavoy Perioulouk 5, Moscou	202 34 53 / 290 02 14
Italy	Via Riccardo Zandonai 84/A, Rome	327 77 97
Japan	2-3-23, Moto Azabu 2	447 74 66
Korea	San Litun Dong Jie n° 3 Beijing, Pekin	52 28 41 / 52 26 40
Luxembourg	Avenue de Tervueren 276, 1150 Brussels	770 17 25 / 770 17 74
Netherlands	Avenue de Tervueren 276, 1150 Brussels	770 17 25 / 770 17 74
Norway	Rolandstrasse 48, 53179 Bonn	33 10 57 / 33 20 31
Pologne	Koursavoy Perioulouk 5, Moscou	202 34 53 / 290 02 14
Roumania	Via Riccardo Zandonai 84/A, Roma, Italia	327 77 97 / 327 51 83
Russia	33, Kropotkins Kaya Naberejnaya 119 034 Moscou	290 02 14
Saint-Siège	Rolandstrasse 48, 53179 Bonn	33 10 57 / 33 10 58
Sierra Leone	22, rue Abdelkader Aouis Bologhine, Alger	62 31 95 / 62 36 35
Spain	4, Avenue Raphaël and 1, Boulevard Suchet, 75 016 Paris	504 62 11 / 504 95 59
Sweden	Rolandstrasse 48, 53179 Bonn, Germany	33 10 57 / 33 10 58
Switzerland	Avenue de Tervueren 276, 1150 Brussels, Belgium	770 17 26 / 770 17 74
Tunisia	22, rue Abdelkader Aouis Bologhine, Alger, Algeria	62 31 96 / 62 36 35
United Nations	801, 2nd Avenue, N Y 10017-32, East, 74th Street, N.Y. 10021	986 94 91
United States of America	2374, Massachusetts Avenue, Washington DC 20 003	265 63 06
Vietnam	San Litun Dong Jie n°3 Beijing, Pekin, China	52 28 41 / 52 28 40
Yugoslavia	Via Riccardo Zandonai 84/A Roma, Italy	327 77 97 / 327 51 83

b- Consulates :	Address	Phone
Austria	Petzleinederfor Strass 94-96, A 1184 Vienna, Austria	47 41 92 / 47 12 73
Canada	396, Clermont Crescent Cakvi Apt Toronto 2GJ GKL	(416)845 8914
Chile	Juana de Avce 2100 - Santiago de Chili	42 928
Comoros	Regional Representation of Air Madagascar	-
France	92, rue de l'Abbé de l'Épée - 33 000 Bordeaux, France	44 57 39 / 44 78 81
Germany	Wilhelm-Buschstr. 5, 40474 Düsseldorf, Germany	0211-432643
India	Ismail Building Flora Fountain - Bombay 400 001, India	254 598
Italia	1, rue de XX Septembre - Roma, Italy	474 15 81
Japan	1, Umeda Litaku Osaka, Japan	06 345 0500
Mauritius	Avenue Queen Mary Floréal - Mauritius	67 53 975
Monaco	12, Avenue de la Costa Monte Carlo	30 62 37
Mozambique	Margaret Street 135, P.O Box 5254 - Dar-es-Salam, Tanzania	29 442
Netherlands	Shuedamsevest 45 Rotterdam	010706204 / 010122268
Norway	Turven 17, 3000 Drammen Box 5254 Dar-es-Salam, Tanzania	-
Réunion	39, angle rue Mac Auliffe et Juliette Dodu - 97 461 - St-Denis	21 65 58 / 21 05 21
Saudia Arabia	King Abdelaziz, Street, Jeddah	23 054 / 23 066
Seychelles	Cable SITA Box 176 Mahé, Seychelles	22 410 / 22 416
Spain	Avenue Diagonal 432 - Barcelon, Spain	237 05 82 / 666 09 75
Switzerland	Mappelergasse 14 Postfach 486, Zurich, Switzerland	-
Tanzania	Margaret Street 135 BP 5254 - Dar-es-Salam, Tanzania	29 442 / 68 229
United Nations	24, Rue Lamartine, Geneva, Switzerland	45 01 40
Zambia	Margaret Street 135 BP 5254 - Dar-es-Salam, Tanzania	29 442 / 68 229

## 7. USEFUL ADDRESSES

### MAIN ECONOMIC AND TECHNICAL MINISTRIES

- Ministry of Foreign Affairs  
P.O. BOX 448 - Anosy - Antananarivo 101 - Tél : 211-98 / Fax : 344-84
- Ministry of Tourism  
P.O. BOX - Ambohidraly - Antananarivo 101 - Tél : 272-92 / 255-15  
Fax : 277-90
- Ministry of Finance and Budget  
P.O. BOX 61 - Antanimarenina - Antananarivo 101 - Tél : 216-32  
Fax : 345-30
- Ministry of Public Office, Labour and Social Laws  
P.O. BOX 270 - Antsahavola - Antananarivo 101 - Tél : 218-16
- Ministry of Energy and Mines  
P.O. BOX 527 - Antanimarenina - Antananarivo 101 - Tél : 255-15
- Secretariate of State for Economy and Plan  
P.O. BOX 674 - Anosy - Antananarivo 101 - Tél : 202-84
- Ministry of Agriculture and Rural Development  
P.O. BOX 301 - Anosy - Antananarivo 101 - Tél : 247-10 / Fax : 265-61
- Ministry of Transportation and Meteorology  
P.O. BOX 49 - Anosy - Antananarivo 101 - Tél : 246-04 / Fax : 240-01
- Ministry of Public Works and Land Use  
P.O. BOX 295 - Anosy - Antananarivo 101 - Tél : 242-24
- Ministry of Interior  
P.O. BOX 2310 - Anosy - Antananarivo 101 - Tél : 205-84
- Ministry of Post and Telecommunications  
Antanimarenina - Antananarivo 101 - Tél : 261-21 / Fax : 312-01

### OTHER INSTITUTIONS CONCERNED WITH INVESTMENT

- Single Counter Bureau (OGU)  
P.O. BOX 674 - Anosy - Antananarivo 101 - Tél : 202-84
- Investment Promotion Agency  
(see Ministry of Industry)
- National Environment Office (ONE)  
P.O. BOX 822 - Antanimarenina - Antananarivo 101 - Tél : 259-99  
Fax : 306-93
- Malagasy Office of Trademark Rights (OMAPI)  
P.O. BOX 8237 - Antanimena - Antananarivo 101 - Tél et Fax : 305-12

### BANKS

- Central Bank of Madagascar  
P.O. BOX 550 - Antanimarenina - Antananarivo 101 - Tél : 217-51  
217-52 - Fax : 345-32
- Banky Fampandrosoana ny Varotra (BFV - National Bank for Trade)  
P.O. BOX 196 - Antanimarenina - Antananarivo 101 - Tél : 206-91  
Fax : 336-45
- Malagasy Bank of the Indian Ocean (BMOI)  
P.O. BOX 25 bis - Antanimarenina - Antananarivo - Tél : 346-09  
Fax : 346-10
- National Bank for Industry - Credit Lyonnais (BNICL)  
P.O. BOX 174 - Analakely - Antananarivo 101 - Tél : 239-51 /  
Fax : 337-49
- Bankin'ny Tantsaha Mpamokatra (BTM - National Bank for Agriculture)  
P.O. BOX 183 - Antanimarenina - Antananarivo 101 - Tél : 202-51  
Fax : 213-98
- Union Commercial Bank (UCB)  
P.O. BOX 197 - Antsahavola - Antananarivo 101 - Tél : 272-62 /  
Fax : 287-40

### DONORS AND TECHNICAL ASSISTANCE ORGANIZATIONS

- French Mission for Cooperation and Cultural Action (MFCAC)  
P.O. BOX 834 - Ambatomena - Antananarivo 101 - Tél : 212-95 /  
228-58 - Fax : 341-20
- French Funds for Development (CFD)  
P.O. BOX 557 - Ambohitajovo - Antananarivo 101 - Tél : 200-46  
Fax : 347-94
- USAID  
Anosy - Antananarivo 101 - Tél : 254-89

- European Union  
P.O. BOX 746 - 67 Ha - Antananarivo 101 - Tél : 242-16
- World Bank  
P.O. BOX 4140 - Tsaralalana - Antananarivo 101 - Tél : 289-17 /  
Fax : 329-02
- United Nations Development Programme (UNDP)  
P.O. BOX 1348 - Antsahavola - Antananarivo 101 - Tél : 219-07 /  
Fax : 333-15
- United Nations Industrial Development Organization (UNIDO) -  
P.O. BOX 1348 - Antsahavola - Antananarivo 101  
Tél : 348-59 / 348-60 / Fax : 347-96
- World Food Programme (WFP)  
P.O. BOX 1348 - Ankorahotra - Antananarivo 101  
Tél : 288-31 / Fax : 343-88

### SERVICE COMPANIES

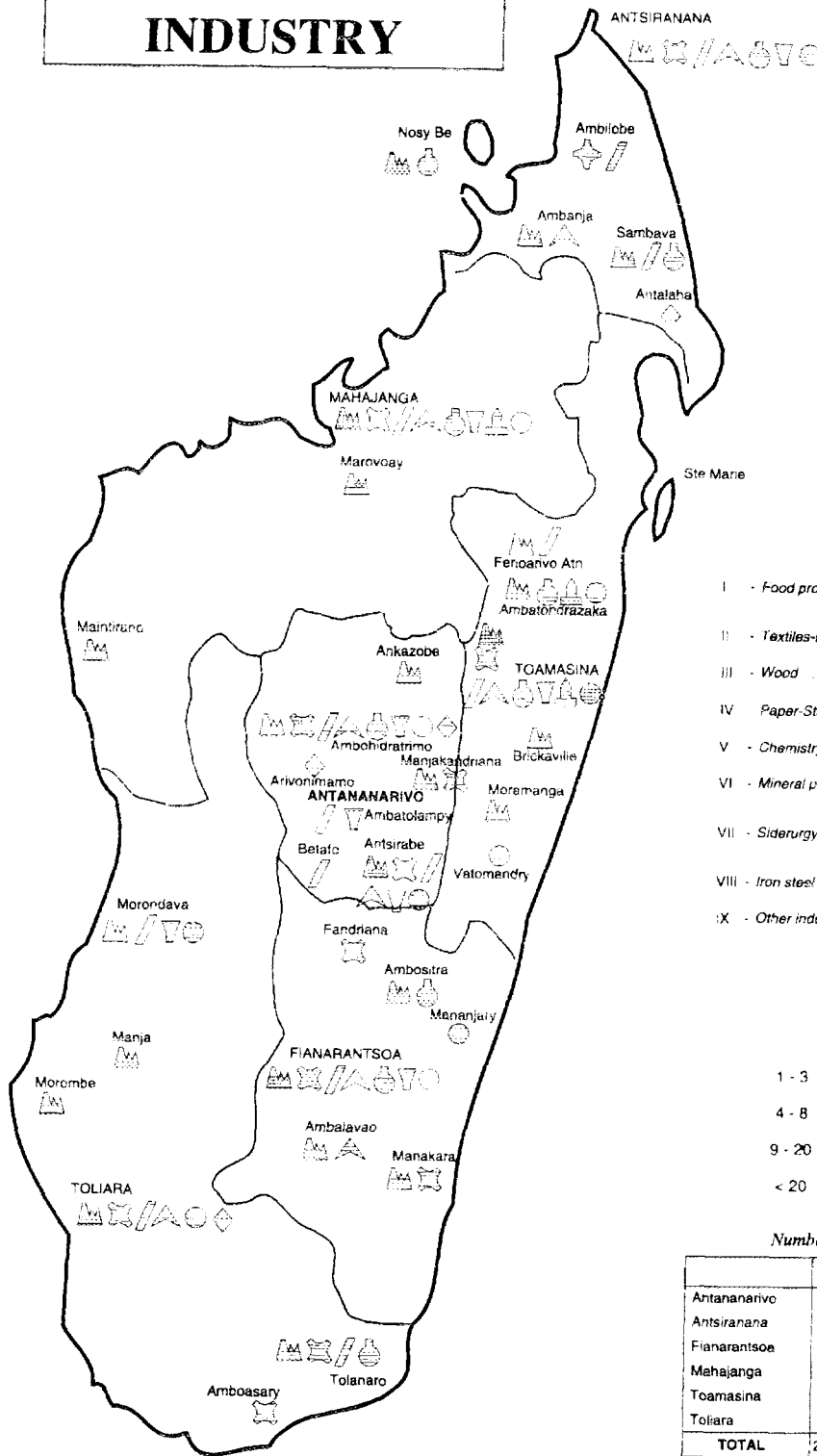
- Air Madagascar  
P.O. BOX 437 - Analakely - Antananarivo 101 - Tél : 222-22 /  
Fax : 337-60
- Air France  
P.O. BOX 1307 - Analakely - Antananarivo 101 - Tél : 223-21 /  
Fax 291-03
- Air Mauritius  
P.O. BOX 3673 - Antsahavola - Antananarivo 101 - Tél : 359-90
- Inter Air  
P.O. BOX 959 - Anosy - Antananarivo 101 - Tél : 224-06 / 224-52
- Travaux Aériens de Madagascar (TAM)  
P.O. BOX 876 - 31 avenue de l'Indépendance - Antananarivo 101  
Tél : 296-91 / Fax : 305-40
- Inter Enterprise Sanitary Organization for Antananarivo (OSTIE)  
P.O. BOX 165 - Behoririka - Antananarivo 101 - Tél : 265-59
- National Social Security Department (CNaPS)  
Immeuble CNaPS - Ampefiloha - B.P. 233 - Antananarivo 101  
Tél : 205-20 / Fax : 347-22
- Iri sy Rano Malagasy (JIRAMA) (Water and Electricity Utilities)  
Avenue de l'Indépendance  
P.O. BOX 200 - Antananarivo 101 - Tél : 212-35 / Fax : 338-06
- TELCOM Malagasy  
P.O. BOX 763 - Alarobia - Antananarivo 101 - Tél : 427-05  
Fax 426-54
- ARO (Insurance Company)  
P.O. BOX 42 - Antsahavola - Antananarivo 101 - Tél : 201-54 /  
Fax 344-64
- Ny Havana (Insurance Company)  
P.O. BOX 3881 - 67 Ha - Antananarivo 101 - Tél : 267-60  
Fax : 243-03

### PROFESSIONAL ORGANIZATIONS

- Order of Lawyers  
c/o Palais de Justice - Anosy - Antananarivo 101 - Tél : 203-81
- Order of Chartered Accountants  
c/o Cabinet Fivoarana - P.O. BOX 4327 - Tsaralalana -  
Antananarivo 101 - Tél : 219-25 / Fax : 271-41
- Syndicate of Malagasy Industries (SIM)  
c/o PMPAD - P.O. BOX 1756 - Ambohimambola -  
Antananarivo 101 - Tél : 206-35 / Fax : 243-94
- Grouping of Malagasy Enterprises (GEM)  
c/o BMOI - P.O. BOX 25 bis - Antanimarenina - Antananarivo 101  
Tél : 346-09 / Fax : 346-10
- FIV.MPA.MA (Grouping of Malagasy Private Operators)  
P.O. BOX 1112 - Behoririka - Antananarivo 101 - Tél : 310-56 /  
Fax : 320-56
- National Council for Industry (CNI)  
c/o SOAM - P.O. BOX 53 - Ambohimambola - Antananarivo 101  
Tél : 225-06 / Fax : 209-09
- Chamber of Commerce, Industry and Agriculture (CCIA) -  
P.O. BOX 166 - Antanimarenina - Antananarivo 101  
Tél : 202-11 / Fax : 202-13
- Association of Malagasy Consultants (ACMA)  
P.O. BOX 961 - Ankerana - Antananarivo 101 - Tél : 402-14

# 8. MAP AND PRINCIPAL INDUSTRIAL SITES OF MADAGASCAR

## MADAGASCAR INDUSTRY



### LEGEND

#### Branch of activities

- I - Food processing
- II - Textiles-Leather
- III - Wood
- IV - Paper-Stationery
- V - Chemistry
- VI - Mineral products-Glassware
- VII - Siderurgy-Metallurgy
- VIII - Iron steel
- IX - Other industry

#### Classification

##### Number works

- 1 - 3
- 4 - 8
- 9 - 20
- < 20

#### Number works each faritany

	I	II	III	IV	V	VI	VII	VIII	IX
Antananarivo	151	150	95	66	61	18	9	89	40
Antsiranana	12	2	7	4	8	1		3	1
Fianarantsoa	25	4	6	5	2	2		7	
Mahajanga	15	8	9	3	4	2	1	6	1
Toamasina	44	2	11	5	8	3	2	21	1
Toliara	26	7	13	2	4	1			7
<b>TOTAL</b>	<b>272</b>	<b>173</b>	<b>141</b>	<b>85</b>	<b>87</b>	<b>27</b>	<b>12</b>	<b>133</b>	<b>43</b>

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Map elaborated by the Ministry of Industry, Handicraft and Commerce in partner with the FOIBEN-TAOTSARITANINI MADAGASIKARA (FTM) and the National Institute for Statistics (INSTAT)

