

## Introduction

Madagascar is an island nation in the Indian Ocean off the southeastern coast of Africa. Madagascar has a strategic location along the Mozambique Channel. The government system is a republic; the chief of state is the president, and the head of government is the prime minister. Madagascar transitioned from socialist economic policies to a market economy with policies of privatization and liberalization. Madagascar is a member of the Common Market for Eastern and Southern Africa (COMESA) and the Southern African Development Community (SADC).



**Location:** Eastern Africa

**Capital City:** Antananarivo (+3 GMT)

**Chief of State:** President Andry Rajoelina

**Head of Govt.:** Prime Minister Christian Ntsay

**Currency:** Malagasy ariary (MGA)

**Major Languages:** Malagasy (official) 99.9%, French (official) 23.6%, English 8.2%, other 0.6% (2018 est.)

**Primary Religions:** Church of Jesus Christ in Madagascar/Malagasy Lutheran Church/Anglican Church 34%, Roman Catholic 32.3%, other Christian 8.1%, traditional/Animist 1.7%, Muslim 1.4%, other 0.6%, none 21.9% (2021 est.)

**Calling Code:** 261

**Voltage:** 127/220

## Key Websites

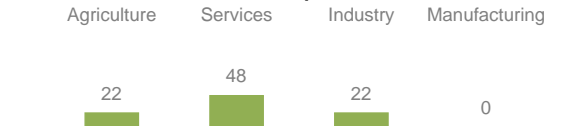
Commerce Ministry: [micc.gov.mg](http://micc.gov.mg)

Investment Promotion Agency: [edbm.mg](http://edbm.mg)

## Key Economic Facts

Income Level (by per capita GNI):	Low Income
Level of Development:	Developing
GDP, PPP (current international \$):	\$52.53 billion (2022)
GDP growth (annual %):	3.80% (2022)
GDP per capita, PPP (current international \$):	\$1,774.07 (2022)
External debt stocks, total (DOD, current US\$):	\$5,347,115,135.20 (2021)
Manufacturing, value added (% of GDP):	9.50% (2021)
Current account balance (BoP, current US\$):	-\$0.73 billion (2021)
Inflation, consumer prices (annual %):	8.16% (2022)
Labor force, total:	15,498,528 (2022)
Unemployment, total (% of total labor force) (modeled ILO estimate):	2.14% (2022)
Imports of goods and services (current US\$):	\$6.00 billion (2022)
Exports of goods and services (current US\$):	\$4.65 billion (2022)

## GDP Composition %



*\*Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

## Rankings

Index	Rank
Corruption Perceptions Index	144 / 178
Global Competitiveness Index	131 / 141
Global Enabling Trade Index	109 / 136
Index of Economic Freedom	91 / 176
International Logistics Performance Index (LPI)	128 / 160
Inward FDI Potential Index	128 / 139
KOF Index of Globalization	152 / 185
Networked Readiness Index (NRI)	135 / 139
Open Budget Index	91 / 114

## Risk Assessment (Provided by Coface)

**Country rating: C** - A very uncertain political and economic outlook and a business environment with many troublesome weaknesses can have a significant impact on corporate payment behavior. Corporate default probability is high.

**Business Climate rating: C** - The business environment is difficult. Corporate financial information is often unavailable and when available often unreliable. Debt collection is unpredictable. The institutional framework has many troublesome weaknesses. Intercompany transactions run major risks in the difficult environments rated C.

### Strengths

- Large mineral reserves (nickel, gold, titanium, cobalt and precious stones)
- Agricultural potential: world's largest producer of vanilla
- Positive development of tourism before the pandemic (tourism share: 16.1% of GDP in 2019)
- External public debt mainly in the form of concessional loans (93% of total in 2021)

### Weaknesses

- Dependence on agriculture/livestock (25% of GDP in 2020); vulnerable to terms of trade fluctuations.
- Vulnerable to climatic hazards and natural disasters
- High poverty, with 79% of the population living below the extreme poverty line of USD 1.90 per day
- High dependence on foreign aid
- Inadequate road, water and electricity networks (only 27% of people had access to electricity in 2019)
- High corruption, Madagascar is ranked 147 out of 180 countries with a score of 26/100 in Transparency International's Corruption Perceptions Index 2021
- Chronic political instability (crises in 1972, 1991, 2002 and 2009)

## U.S. Embassy

U.S. Embassy Antananarivo  
 Lot 207 A - Andranoro - Antehiroka  
 105 Antananarivo - Madagascar  
 Tel: (+261) 20 23 480 00

<https://mg.usembassy.gov>