

## 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 economic with policy 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 Hery Rajaonarimampianina

**Head of Govt.:** Prime Minister Olivier Mahafaly Solonandrasana

**Currency:** Malagasy ariary (MGA)

**Major Languages:** <p>French (official), Malagasy (official), English</p>

**Primary Religions:** <p>Christian, indigenous beliefs, Muslim</p>

**Calling Code:** 261

**Voltage:** 127/220

## Key Websites

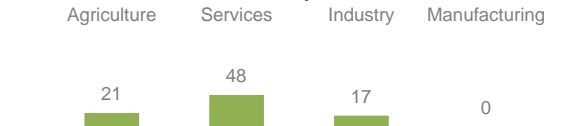
Commerce Ministry: [commerce.gov.mg](http://commerce.gov.mg)

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

## Key Economic Facts

Income Level (by per capita GNI):	Low Income
Level of Development:	Developing
GDP, PPP (current international \$):	\$39.76 billion (2017)
GDP growth (annual %):	4.17% (2017)
GDP per capita, PPP (current international \$):	\$1,555.04 (2017)
External debt stocks, total (DOD, current US\$):	\$3,376,250,563.80 (2017)
Manufacturing, value added (% of GDP):	15.07% (2012)
Current account balance (BoP, current US\$):	-\$0.04 billion (2016)
Inflation, consumer prices (annual %):	8.28% (2017)
Labor force, total:	13,053,653 (2017)
Unemployment, total (% of total labor force) (modeled ILO estimate):	1.80% (2017)
Imports of goods and services (current US\$):	\$4.49 billion (2017)
Exports of goods and services (current US\$):	\$4.07 billion (2017)

## 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	155 / 178
Global Enabling Trade Index	109 / 136
Index of Economic Freedom	119 / 180
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	77 / 115

## Risk Assessment (Provided by Coface)

**Country rating: D** - A high-risk political and economic situation and an often very difficult business environment can have a very significant impact on corporate payment behavior. Corporate default probability is very high.

**Business Climate rating: D** - The business environment is very difficult. Corporate financial information is rarely available and when available usually unreliable. The legal system makes debt collection very unpredictable. The institutional framework has very serious weaknesses. Intercompany transactions can thus be very difficult to manage in the highly risky environments rated D.

### Strengths

- Significant mineral (precious stones, nickel, cobalt) and oil reserves
- Agricultural sector potential - world's leading producer of vanilla
- Expansion of the tourism sector
- Public debt mostly on concessional terms

### Weaknesses

- Dependence on agricultural and mining output
- Inadequate road, hydraulic, and electricity networks
- Dependence on foreign aid
- Chronic political instability

## U.S. Embassy

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<https://mg.usembassy.gov>