



i INVEST IN
TOURISM

THE RED ISLAND WITH A THOUSAND FACETS



ECONOMIC DEVELOPMENT
BOARD OF MADAGASCAR

MADAGASCAR AT A GLANCE

POSITION The 4th largest island in the world,
located in the Indian Ocean and strategic
location along Mozambique Channel

AREA 587,295 sq km

TIME ZONE GMT+3

POPULATION 25,054,161
(July 2017 est.)

OFFICIAL LANGUAGES Malagasy
French

CURRENCY Ariary (MGA)

GROWTH RATE 4,3 %

GDP PER CAPITA PPP (USD) 1,600

CLIMATE · Hot and humid summer
from November to April
· Fresh and dry winter
from May to October



Madagascar is one of the mega-biodiversity countries in the world: 89% of plant and 92% mammal species are unique to the island. The country has around 5.000 km of coastline. Given the extraordinary natural capital, both on terrestrial and marine, the country has a huge potential as a tourism destination for a wide range of tourists. It has shown a 20% increase in foreign arrivals between 2015 and 2016 with a direct contribution of 6% to the GDP. By 2020, it is anticipated that 500.000 visitors will be reached and the tourism continues to contribute to the Malagasy economy. Madagascar government has set up a goal to attract foreign direct investment, promote Madagascar as an attractive and unique Tourism Destination, increase flight connectivity and agreements with International airlines, refurbish main infrastructures such as airports and main roads and encourage private investors to develop hotel and resort. The government is also identifying and preparing a number of world-class sites to be offered to investors and international hotel operators. Madagascar offers investors the opportunity to develop sustainable tourism products and experiences in some of the most remarkable and unspoilt tourism destination in the world.

TOURISM ZONES

Island world, Eighth continent, Madagascar is amazing and fascinating. Sanctuary bubbling, Madagascar is an ode to life, the magical site of the beauty and rare. On its highlands, in its primary forests, in the depths of its lagoons, in its towns and villages, it is an explosion of colors, shapes and sounds that is not available elsewhere, that you live only here. Madagascar is a call to travel. One of those rare destinations that has the art of awakening our dreams of departure, our desires to the unknown, our need to relate to others. Madagascar has made a lasting impression on its visitors' hearts that never fades. It is the most beautiful of all its treasures.



PRODUCT OFFERING



NATURE AND ADVENTURE

Madagascar, famed for its unique wildlife and ecology, is a must-visit destination for nature-lovers, bird-watchers and eco-tourists

CULTURE & CUISINE

a unique blend of Asian, African, Arab and European cultures



PRISTINE BEACHES

With 5000km of coastline, Madagascar offers pristine beaches and unmatched opportunities for diving, surfing, sailing and more



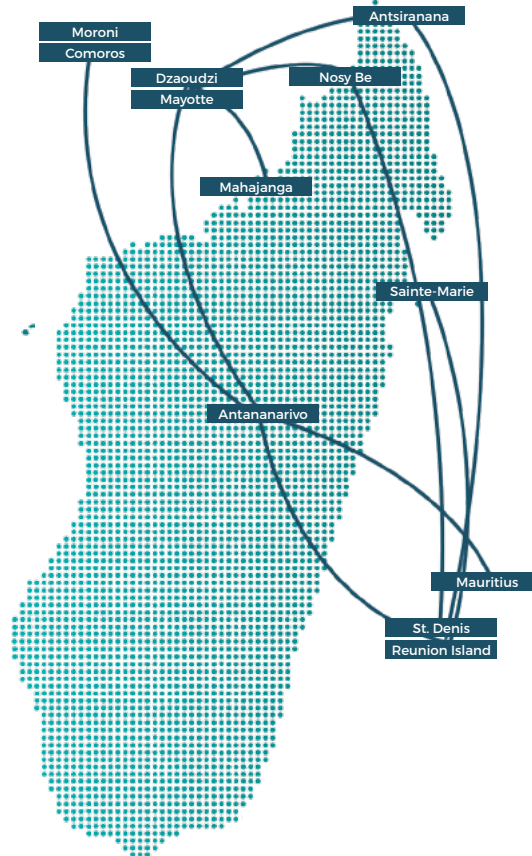
AIRLINE CONNEXION



LONG-HAUL CONNECTIONS



REGIONAL CONNECTIONS



TOURISM FACTS



Evolution of international tourists arrivals (2010-2016)



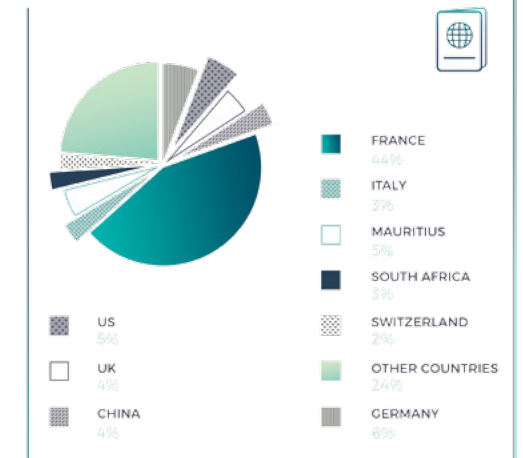
From 2013, it is noticed that tourism receipts have grown faster than arrivals, which reached US\$ 702 million in 2016. Visitor exports represents USD 662.9mn, 17.9% of total exports in 2016 (WTTTC, 2016) Pre-conditions to attract a growing number of tourists are favorable for business environment that will further diversify the Malagasy tourism products.

Source: Ministry of Tourism, 2016

The French remains the main source of market for Madagascar with 44% of the total international visitors due to language and a partial common heritage, added to the frequency of flights from Paris. Broadly, the EU counts for more than 50% of the arrivals. As in other parts of Africa, the increment of Chinese visitors with 4% is also observed, compared to 2015.

Source: Ministry of Tourism/ PAF-IVATO, 2016

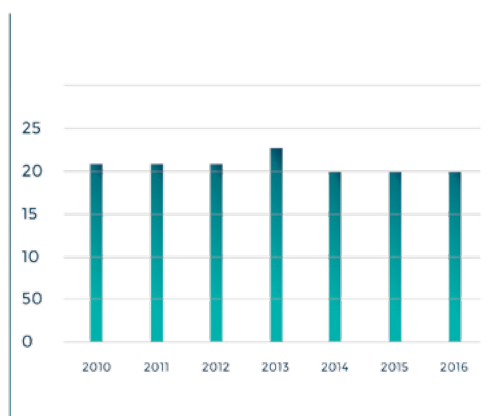
Distribution of foreign visitors by market (2016)



TOURISM FACTS



Average
length of stays (2010 - 2016)



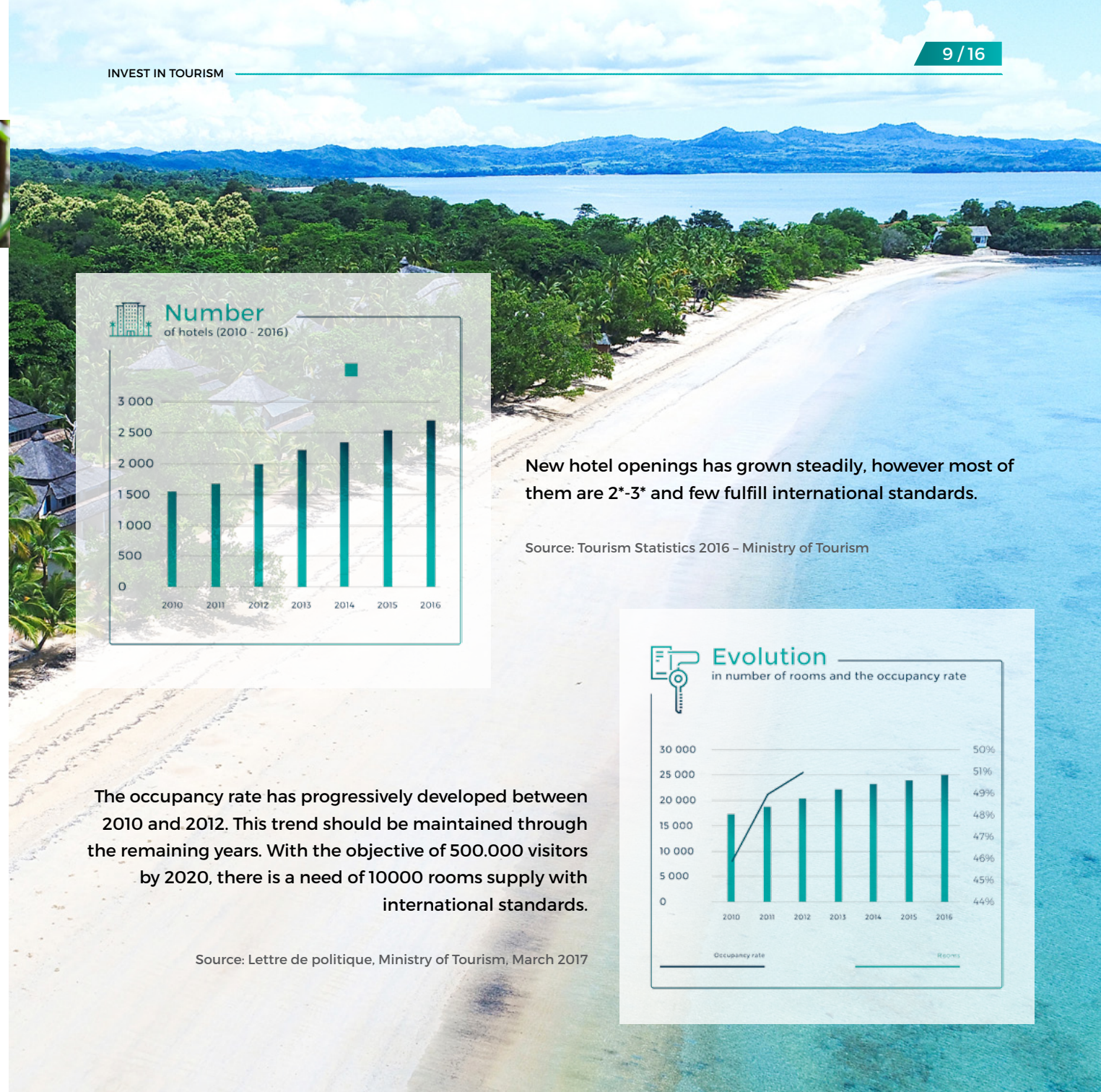
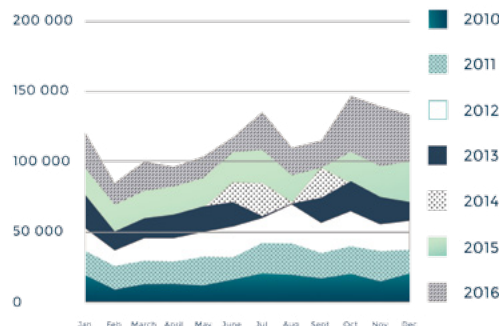
Given to Madagascar density and variety of attractions, tourists spent their time to explore the island and to experience different type of activities from beach, to nature, adventure culture, and gastronomy. The average length of stay of tourists remained at 20 nights during the last three years which is quite long compared to other destination.

Source: Tourism Statistics 2016 - Ministry of Tourism

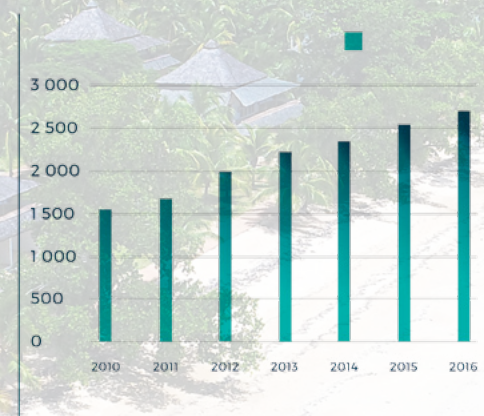
Seasonality
in international arrivals (2010-2016)

There is a certain seasonality regarding the arrivals to Madagascar:

- The touristic season begins in April
- The months of July and October are the peak of the "high season"
- The month of February is the period that registers less arrivals but, after that, build up steadily to the peak months



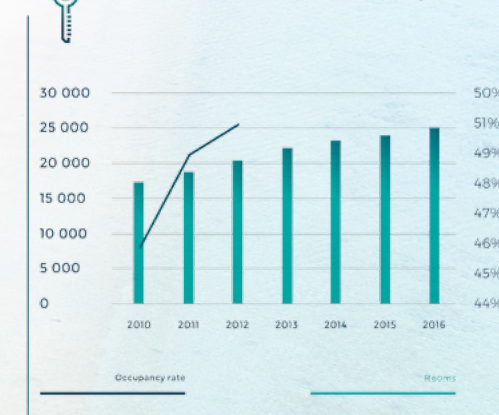
Number
of hotels (2010 - 2016)



New hotel openings has grown steadily, however most of them are 2*-3* and few fulfill international standards.

Source: Tourism Statistics 2016 - Ministry of Tourism

Evolution
in number of rooms and the occupancy rate



The occupancy rate has progressively developed between 2010 and 2012. This trend should be maintained through the remaining years. With the objective of 500.000 visitors by 2020, there is a need of 10000 rooms supply with international standards.

Source: Lettre de politique, Ministry of Tourism, March 2017

AREAS AND SECTORS FOR TOURISM DEVELOPMENT

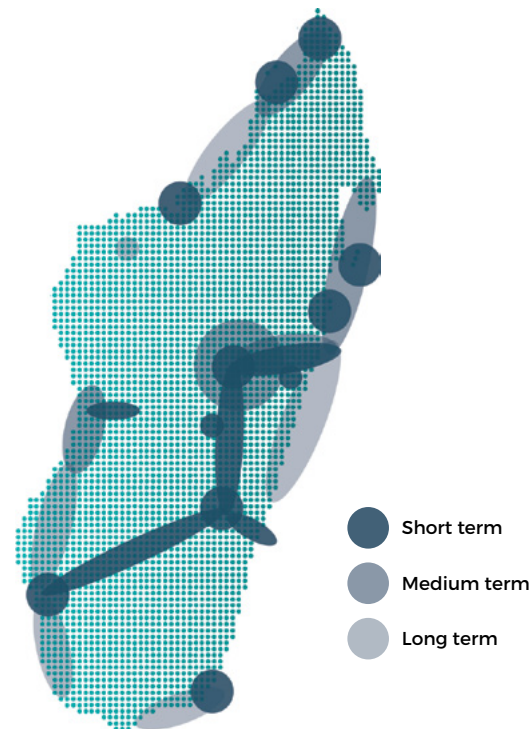
The government's overall objective is to **make tourism an effective and sustainable lever for economic, social and environmental development for Madagascar.**

Investment opportunities are available through the whole Tourism Value Chain that will provide International Standards to the sector such as:

- **Accommodation (Hotels, Resorts, Ecolodges, ...)**
- **Transportation**
- **DMC/Incoming Agencies**
- **Restauration**
- **Artcraft**
- **Other Tourism Services**

In order to promote hotel development **Madagascar government encourages the partnership and collaboration between local and international hotel developers.**

Priority areas have been identified for potential Tourism Development.



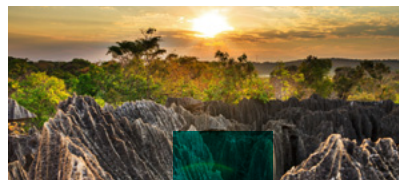
FOUR PRIORITY AREAS (2017-2018)

Axis N : Diégo- Nosy be

Axis NW : Majunga

Axis E : Tamatave, Ste Marie, Foulpointe et Fénérive Est

Axis S : Antananarivo-Tuléar, Morondava



INVESTMENT OPPORTUNITIES

Madagascar is uniquely positioned as a high end Ecotourism destination. With large properties of available land ideally suited for tourism, Madagascar offers investors a suitable environment to invest in strategic tourism ventures. Investment opportunities exist in the following:

ECO-RESORT AND BRANDED HOTELS

Investment opportunities exist for operators and international brands interested in brownfield or greenfield projects .

BOUTIQUE HOTEL

Madagascar presents an ideal location for boutique hotel investments. Design-oriented hotels are competitive and remain a real opportunity for investment.

PROVISION OF RECREATIONAL FACILITIES

The provision of facilities to special recreation sectors such as bike touring, trekking, birdwatching, fishing and hiking.

SPECIALITY RESTAURANTS, GALLERIES AND ANIMATION CENTRES

Investments in Specialty Restaurants, Galleries and Animation Centres and will add value to Madagascar tourism services recognized as a key component of the overall tourism product. This will provide investors with a brand new set of investment

SPA & WELLNESS FACILITIES

Madagascar natural beauty and traditional medicines complement the tourism product. Opportunities exist for the establishment of spas, wellness, and other specialized facilities which give value to local products.

WATER BASED ATTRACTION

With its pristine beaches Madagascar offer an unmatched opportunities for water based activities such as diving, wind and kite-surfing, sailing and more.



LEGAL FRAMEWORK

INVESTMENT LAW

- 100% shares for foreigners
- Freedom to invest for all nationalities and sectors
- Freedom to transfer profits, dividends etc.
- Freedom to recruit and dismiss foreign employees.

LABOUR LAW

- 40 hrs of work in a week 24 hrs consecutive weekly rest
- 2.5 days of paid leave per month of actual work.
- No quota for foreign employee
- Foreigners must have a work permit.

TOURISM LAW

The Act No. 95-017 of 25 August 1995 contains the Code of Tourism.

It determines the rules to foster the harmonious and order development of tourism, both in terms of national planning and environmental protection.

CORPORATE LAW

Registered companies in the Commercial and Companies must have Tax and Statistic Cards.

Accounts compliant with International Standards.

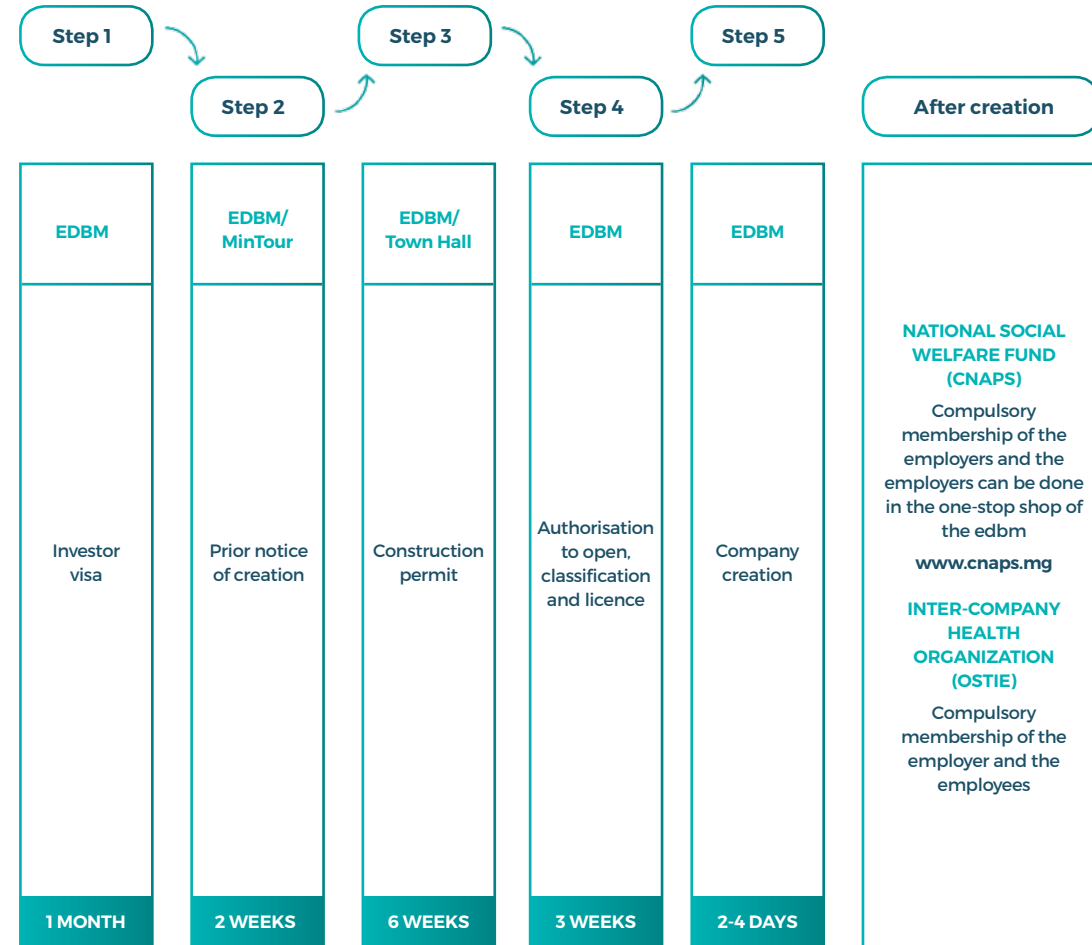
Familiar forms of company: Public Company.

Social capital and nominal value of shares are freely determined by statutes for LLC.

COMPANY CREATION



STEPS TO FOLLOW



EDBM'S SERVICES



“

Improving the business climate in Madagascar, promoting local and foreign investment, facilitating the implementation of investment projects

”

The Economic Development Board of Madagascar (EDBM)

is the partner of reference for investors in Madagascar. As an investment promotion agency, the EDBM has set itself the following objectives: to strengthen the competitiveness of the Malagasy private sector, increase foreign direct investment, develop incentives linked to private investment in Madagascar, accompany investors in their implementation by providing them with dedicated services through a one-stop shop for business creation and specialized advisors.



10 YEARS

Decree 2007
Renewed in 2014



Directly attached
to the
**PRESIDENCY
OF THE
REPUBLIC**



**CLEAR
MISSION**

Business climate
promotion,
facilitation



ONE-STOP SHOP

Representation
from 9 ministerial
departments
involved in company creation



NATIONWIDE

8 regional offices
across
Madagascar



**MULTI
SECTOR**

Board members
from the public
and private sectors. Personalized
support for companies.



EDBM'S SERVICES

Provision of economic
and sector information

Liaison with central and
local authorities.

Identification and
connection with local
potential private partners

One-Stop Shop: facilitation
of establishment and
support for your activities.

USEFUL LINKS

PRESIDENCY OF THE REPUBLIC OF MADAGASCAR

www.presidence.gov.mg

PRIME MINISTER'S OFFICE

www.primature.gov.mg

MINISTRY OF TOURISM

www.tourisme.gov.mg

NATIONAL TOURISM BOARD OF MADAGASCAR

www.madagascar-tourisme.com

MADAGASCAR NATIONAL PARKS

www.parcs-madagascar.com

ASSOCIATION OF TRAVEL AGENCIES OF MADAGASCAR (AAVM)

associationagvmadagascar.blogspot.fr

ASSOCIATION DES TOURS OPÉRATEURS PROFESSIONNELS DE MADAGASCAR (TOP)

www.top-madagascar.com

FÉDÉRATION DES HÔTELIERS ET RESTAURATEURS DE MADAGASCAR

hotels-madagascar-island.com

BANKY FOIBEN'I MADAGASIKARA (CENTRAL BANK OF MADAGASCAR)

www.banque-centrale.mg



CONTACT US

+261 20 22 670 40

+261 34 20 548 66

Fax: +261 20 22 661 05

dsi.tourism@edbm.mg

www.edbm.gov.mg

Economic Development Board of Madagascar
EDBM Building
Général Gabriel RAMANANTSOA Road
Antaninarenina
101 Antananarivo - Madagascar

Edition

January 2018

Photos © Office National du Tourisme de Madagascar

