



MADAGASCAR INVESTMENT OPPORTUNITIES

Coconuts: Fresh and Processing

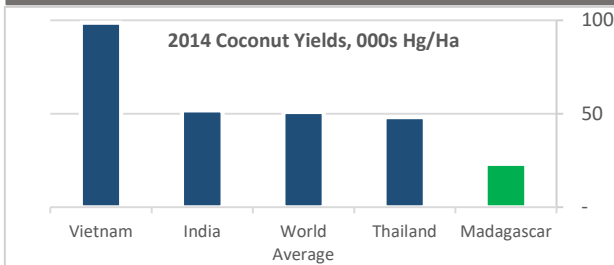


Leverage excess capacity in Madagascar's coconut production and favourable access to the largest markets to satisfy booming global demand.

CURRENT SITUATION

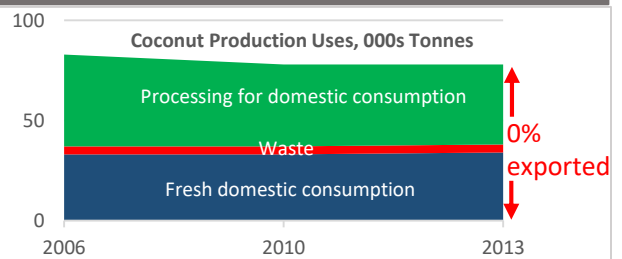
- With 4800km of tropical coastline, Madagascar offers ideal conditions for cultivating coconuts. Much of the coast is lined with coconut trees and small plantations, but most is used by local families or goes to waste.
- The only large-scale coconut enterprise is state-owned and cannot even meet local demand – local supermarket chains and other local customers actually import coconuts.
- With global demand for coconut products booming, Madagascar is a completely untapped supply source.

The state-owned coconut company is not efficient, with easy wins to be made



Source: FAO

Despite growing global demand, production in Madagascar is shrinking and no coconut is exported

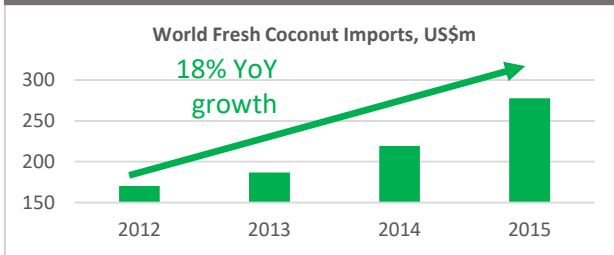


Source: FAO

MARKET OPPOTUNITY

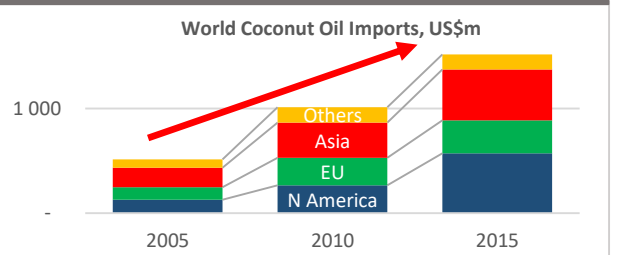
- Driven by health and cosmetic benefits, global demand for fresh & processed coconut products is booming.
- Modern efficient producers in Madagascar have the opportunity to serve unmet local and regional demand, as well enjoying duty-free access to key markets including the US and EU. The exotic "Madagascar" brand also commands a premium in global consumer markets – as in the case of vanilla, chocolate and coffee.

Bolstered by a growing Asian middle class, world coconut demand has taken off in recent years



Source: ITC Trade Map

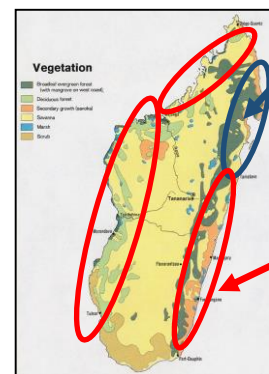
Global coconut oil imports are increasing, thanks to growing North American and Asian demand



Source: ITC Trade Map

MADAGASCAR ASSETS

- **Madagascar is one of the most diverse agricultural countries in the world** in terms of climate, rainfall, topography and sunlight hours. The island has **30 million hectares of agricultural land**, but only about 10% is used
- Coconuts can be grown almost all around the **>4800km coastline**.
- The majority of **growing areas are only 200km from a major port**, unlike many parts of Africa. Major ports are in the process of upgrades.
- Wages, land and water costs are very **competitive at a global level**.
- Existing firms have **local knowledge and expertise for joint ventures**: *the existing state-owned coconut processor is eager to enter into lease or JV agreements to boost production & exports; other underutilised coastal areas can be made available for new plantations*
- Most regions have the capacity to use **hydro, solar, wind or biomass for self-power generation** for processing mills.
- The **Madagascar brand commands a premium** for agricultural goods.
- There is **excellent government and donor support** for agriculture projects.



Existing coconut industry

There is traditional coconut farming along almost the whole coastline

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