INVEST IN TOURISM

THE RED ISLAND WITH A THOUSAND FACETS

ECONOMIC DEVELOPMENT BOARD OF MADAGASCAR
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.

The 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.

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.

The 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.
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.

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.

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

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

CULTURE & CUISINE
a unique blend of Asian, African, Arab and European cultures
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 (WTTC, 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
**TOURISM FACTS**

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

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

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 100,000 rooms supply with international standards.

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

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

Source: Tourism Statistics 2016 – Ministry of Tourism
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**

**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.

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 orderly development of tourism, both in terms of national planning and environmental protection.

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 employees
- Foreigners must have a work permit.

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

1. Investor visa
2. Prior notice of creation
3. Construction permit
4. Authorization to open, classification and license
5. Company creation

EDBM
EDBM Mintour
EDBM Town Hall
EDBM
EDBM

1 MONTH
2 WEEKS
6 WEEKS
3 WEEKS
2-4 DAYS

NATIONAL SOCIAL WELFARE FUND (CNAPS)
Compulsory membership of the employer and the employees can be done in the one-stop shop of the edbm www.cnaps.mg

INTER-COMPANY HEALTH ORGANIZATION (OSTIE)
Compulsory membership of the employer and the employees
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.

EDBM

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.

10 YEARS
Decree 2007, Renewed in 2014

ONE-STOP SHOP
Representation from 9 ministerial departments involved in company creation

NATIONWIDE
8 regional offices across Madagascar

CLEAR MISSION
Business climate promotion facilitation

MULTI SECTOR
Board members from the public and private sectors, personalized support for companies

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