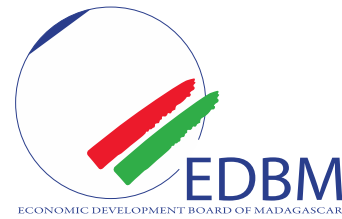




# MADAGASCAR INVESTMENT OPPORTUNITIES

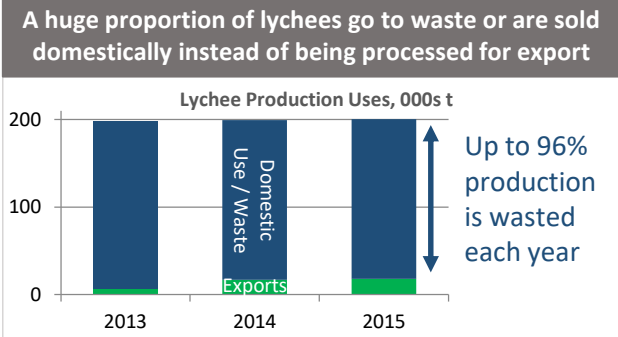
## Lychees: Processing



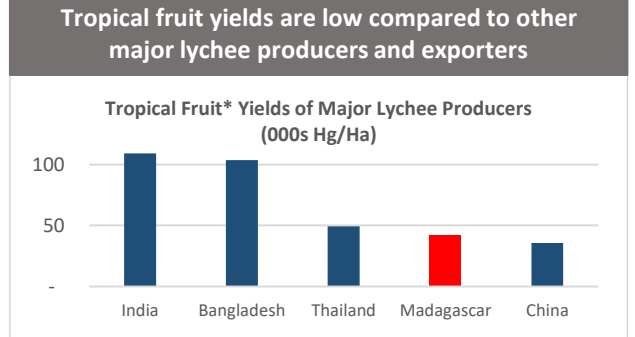
Leverage the established and exotic "Madagascar" lychee brand and existing ties to major markets to process otherwise wasted lychee products and capitalise on booming demand

### CURRENT SITUATION

- With a tropical climate, areas of low-lying land and good rainfall, Madagascar offers ideal conditions for cultivating lychees.
- The 28 lychee exporting firms focus exclusively on the fresh market, with no means or investment into processing unshipped produce, meaning much of the crop is wasted each year.
- The lychee supply chain is inefficient and wasteful, generating a fraction of its potential revenue.



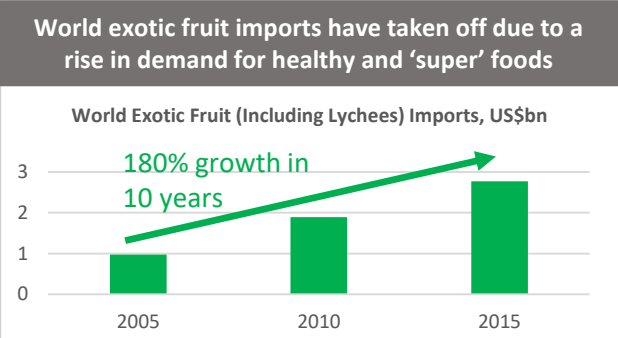
Source: MPAE, INSTAT



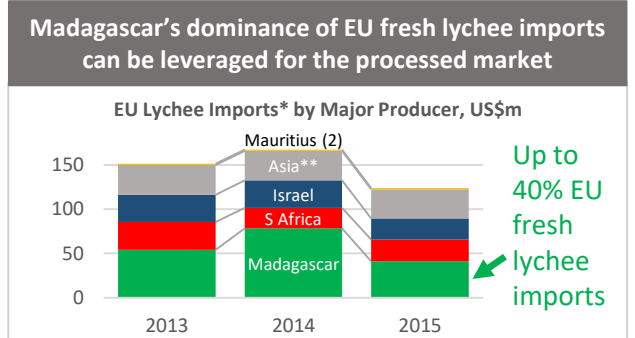
Source: FAO \*This is a basket of tropical fruits, including lychees

### MARKET OPPOTUNITY

- Madagascar fresh lychees are becoming the exotic winter fruit of choice in the EU. By processing otherwise wasted lychees for year-round export, Madagascar is ideally placed to leverage its established, premium brand to cater to the EU's booming health-foods and Asian diaspora markets.
- With low fresh lychee prices, competitive input costs, ideal growing conditions and duty-free access to the EU, Madagascar-based lychee processors can dominate the EU market.



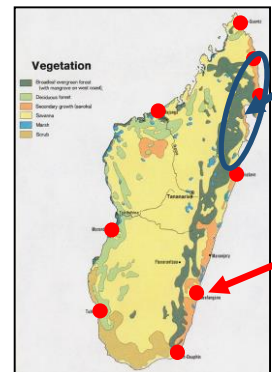
Source: ITC Trade Map



Source: ITC Trade Map \*Lychees are categorised under HS081090 amongst 7 other fruits – since these are major lychee producers, these amounts are roughly 100% lychees. \*\*Bangladesh, China, India, Thailand, Vietnam.

### 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.
- The exotic "Madagascar" brand commands a premium in global consumer markets – as in the case of vanilla, chocolate and coffee.
- With 95% of lychee production done by smallholders, who are experts on the land and growing conditions, Madagascar is ideal for contract farming.
- 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.
- The North East region has the capacity to use hydro, solar, wind or biomass for self-power generation for lychee processing mills.
- There is excellent government and donor support for agriculture projects.



Existing lychee production

Existing international ports

EDBM

Tel: +261 20 22 670 40  
Email: edbm@edbm.mg  
www.edbm.gov.mg