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JUNE/JULY • 2020 EDITION

## MADAGASCAR

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**H.E. Andry Rajoelina**  
President  
of Madagascar



**Hon. Fidiniavo Ravokatra**  
Minister of Mines  
and Strategic Resources

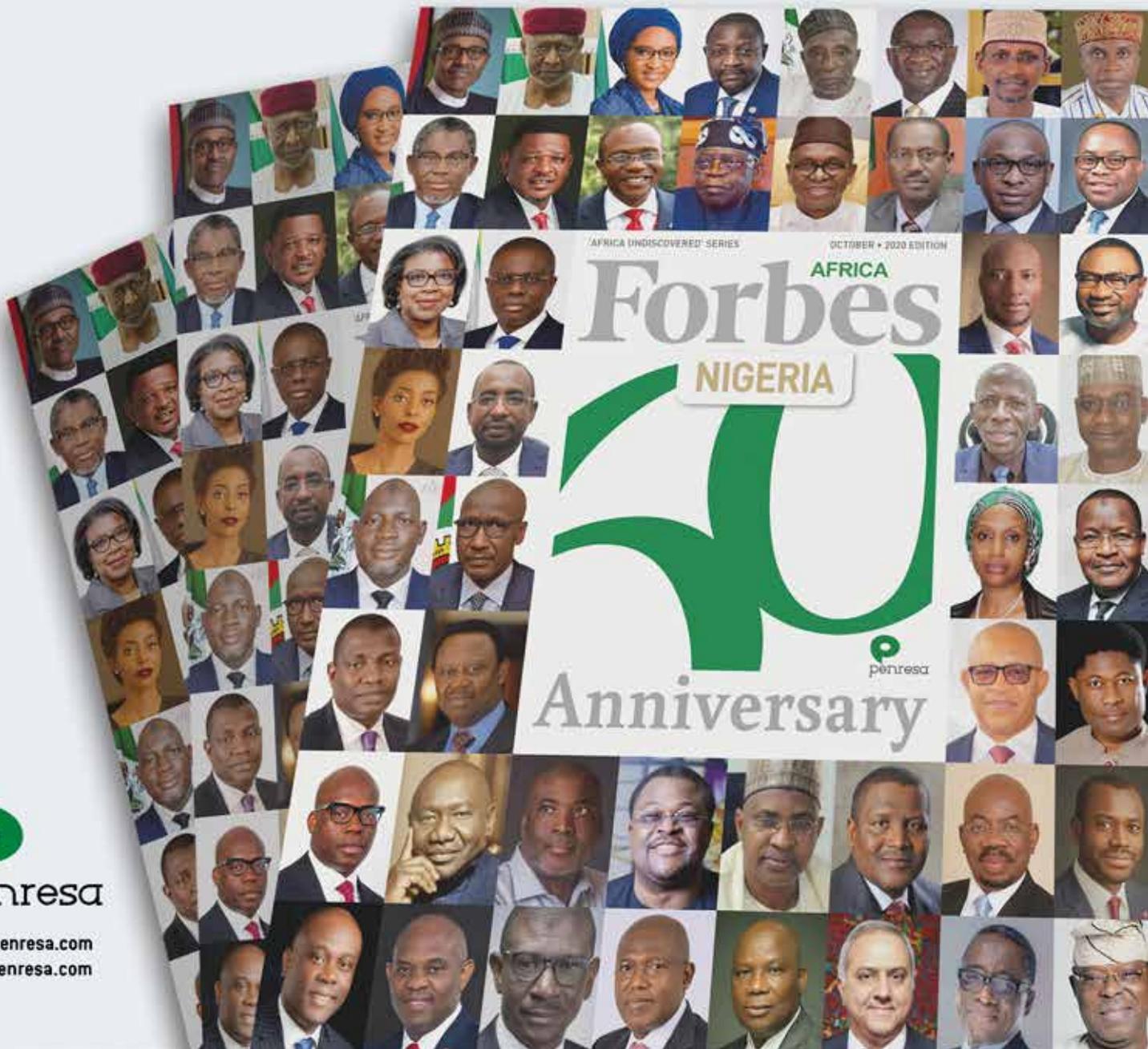
**Hon. Richard Randriamandrato**  
Minister of Economy and Finance

**Hon. Joël Randriamandranto**  
Minister of Transport,  
Tourism and Meteorology

# Nigeria's 60<sup>th</sup> Anniversary



On the cusp of Nigeria's 60<sup>th</sup> anniversary since its independence President Buhari's agenda for diversification has proved to be the key to unlocking the nation's economic growth while providing a stable foundation for the nation to thrive, prosper and build its glorious and victorious Next Level. Join us in celebration with the exclusive Forbes Africa to unravel Nigeria's magnificent past and the tremendous promise and prospects of its future in our upcoming special report focusing upon Nigeria's Diamond Jubilee.



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# Placing Madagascar On The Investment Map

The Initiative for the Emergence of Madagascar is changing the investment landscape across the entire country, highlighting the island's natural resources and investment opportunities.



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Under the guidance of His Excellency President Andry Rajoelina, the Initiative for the Emergence of Madagascar (IEM) is set to impact the investment landscape by focusing on 13 crucial pillars to revitalise the economy, such as education, employment, security, healthcare and others. Henri Rabarijohn, Governor of the Central Bank, says, "There is a vision and leadership right now. We want to effectively improve people's lives with new infrastructure, investment in education, health, housing. The Initiative is the translation of the commitment the President of Madagascar made during his campaign. It is a translation of his vision into some tangible projects and guides every person in priority sectors." The Initiative's specifics include specialised attention to the island's main industries, measures to facilitate foreign investment and job creation.

Madagascar's abundant natural resources make it a haven for the mining sector by offering investment opportunities through the excavation of gemstones, industrial and

decorative stones, oil and rare metals. Small-scale and artisanal mining alone generates 1.5 million full-time and seasonal jobs for locals, proving that local communities are one of the mining sector's greatest assets. The mining industry accounts for 30% of export earnings, 40% of FDI and 8% contribution to GDP. Christian Eddy Avellin, General Manager of SPAT says, "We have natural resources. We have plenty of coal to extract. We have gas reserves. Everything is here, but we haven't exploited anything yet. Today, Madagascar is a new country, a mining country, because we export nickel, cobalt and other resources." The mining industry takes great care to operate with the country's unique biodiversity as a top priority, working with local communities to define sustainable ways to make a living and harvest natural resources with conservation in mind.

The IEM is also aided by the energy sector. At the forefront of the administration are sustainable energy policies that focus on the immense potential of renewable energy resources through hydro, solar and wind power. Oil is also a huge prospect in Madagascar, especially with Tsimiroro field, one of the world's largest oil development projects, which boasts a potential of 100,000 barrels per day. The energy and oil sectors are actively involved in 11 of the 13 pillars of the president's Initiative, proving that these sectors are critical to Madagascar's prosperity. Russell J. Kelly, CEO of Madagascar Oil, says, "The future is looking very good. Energy is among the biggest drivers of economic development. We will soon be recognised as an oil-exporting country."

Madagascar is blessed with ample resources, strong sectors and a predominantly young workforce, where 70% of the population is under the age of 25. Under the leadership of H.E President Andry Rajoelina and the IEM, the country is creating an attractive business environment to enhance the economy. As a peaceful and stable country, Madagascar welcomes investors to contribute to its sustainable economic transformation. Richard Randriamandrato, Minister of Finance, says of Madagascar's potential: "If you wait, it will be too late. Madagascar has been enjoying a 5% growth rate for the last two years. This year we expect 5.5%. By 2023, we would see a 7% growth. We need to increase economic growth by investing in mining, agribusiness, infrastructure, electricity and energy. It has to be genuine, based on innovation, younger people's initiatives. Now is the time, not tomorrow."

# Madagascar Oil

Fearlessly Overcoming Challenges

## Madagascar Oil Integrated To The East African Energy Corridor Development

As the country's leading oil and gas company, Madagascar Oil is ready to transform the sector with the Tsimiroro oilfield and make Madagascar a major oil exporter.

Madagascar Oil's medium-term master plan includes the development of the downstream and petroleum logistics hub in Narinda Bay, one of the world's deepest and biggest natural harbours, northwest of Madagascar. This master plan will make Narinda Bay into the petroleum production and trading hub for East African markets with feedstock from Madagascar Oil. The location can be easily reached from Madagascar Oil's production site.

### THE EAST AFRICAN ENERGY CORRIDOR DEVELOPMENT (EAECD)

Madagascar Oil and Madagascar have the unique potential to become the petroleum production and trading hub to supply East African markets, similar to Singapore (GDP US\$370 billion) being the hub for the Association of Southeast Asian Nations (ASEAN) markets. Integrating itself into the ASEAN bigger economy population of 630 million (GDP+ US\$3 trillion) has accelerated Singapore's economic development and GDP. Madagascar can integrate its small economy (GDP US\$15 billion) to the bigger East African energy markets (the Common Market for Eastern and Southern Africa) with a population of 400million, GDP of US\$800 billion. This will accelerate Madagascar's economic development, an energy export driven strategy, replicating Singapore's success, in addition to lowering its domestic energy cost to create a competitive domestic economy. EAECD encompasses what will become the three biggest oil and gas producers: Madagascar, Mozambique, Tanzania, with a planned investment of US\$30-40 billion and potential synergies in this corridor development.

Fifty years ago the master planners of Singapore under Lee Kuan Yew had the foresight to make Singapore a petroleum and petrochem hub for ASEAN, the same strategy can transform Madagascar. This energy and economic integration, EAECD, can accelerate Madagascar's economic development.

Presently East Africa imports over 700Kbpd (thousands of barrels per day) of high cost fuel products from Middle East, at a cost of US\$25 billion per year, this can now be produced



within EAECD to accelerate the region's development. Lower energy cost has a positive impact on economic development and growth per capita income.

### MADAGASCAR OIL: HIGH VALUE DEVELOPMENT

Singapore is the world's biggest bunkering centre with an annual turnover of US\$20 billion, a significant contributor to its GDP. Madagascar Oil's crude oil is very low in sulphur (0.3%), the plan is to blend it and supply the shipping sector with the new IMO2020 (0.5% sulphur) spec fuel at premium price over Brent. There's a shortage of up to 2 to 3million bpd of LLSFO (low sulphur fuel oil), the largest fuel market disruption in our lifetime. Global shipping consumes 5% of crude production, but generates 40% of sulphur pollution. Madagascar Oil's initial production peaks at 100kbpd, greater than US\$2 billion in annual revenue, about 15% of Madagascar's present GDP. It will be the top two contributors to GDP growth in the country, the other contributor is a cobalt/nickel miner. Narinda Bay can be developed into a major bunkering hub, with strategic location along major shipping routes.

Elizabeth Oliver (Editor)

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Hon. Richard  
Randriamandrato,  
Minister of Economy  
and Finance

## Minister's Roundtable

### The Pillars Upholding Madagascar's Vision For A Fortified Future

# Providing Structure to Madagascar's Economic Progress Via Sectorial Strategy

Penresa sat down with Hon. Andriamanohisoa Ramaherijaona, Minister of Posts, Telecommunications and Digital Development, Hon. Fidiniavo Ravokatra, Minister of Mines and Strategic Resources, Hon. Joel Randriamandranto, Minister of Transport, Tourism and Meteorology and Hon. Richard Randriamandrato, Minister of Economy to ask them about their projects and why now is the time to invest in Madagascar.

#### What initiatives are being carried out in your sector?

**Ramaherijaona:** We are working on innovation in education, payment of salary's (especially for rural people, through post offices) and networks, etc. We are also working on infrastructure development and the financial accessibility of equipment and services. The basis of our approach in the development of the digital economy is to work in partnership with all actors in the economic ecosystem. We have contact centres in place as well as Business Process Outsourcing (BPO) for the development of apps and websites.

**Ravokatra:** For major mining projects, the ministry plans to implement a locally developed policy to better integrate the projects into regional and local economic development. This will help us to understand the skills required by mining projects. In its roadmap, the Ministry of Mines will also issue a strategy for the development of the artisanal mining sector. One of the essential points in the strategy consists in structuring the supply chains by beginning to trace its products. Artisanal miners will be supported to formalise an association for this which will then be professionalised and transformed into a federation.

**Randriamandranto J.:** We want Madagascar to be known as a destination of high standing, so a luxury destination as well as an all-inclusive family destination. We also have very clear and well-defined action plans to develop and improve air, railway, maritime, river and, of course, road accessibility. For example, we will make about 700 kilometres of the Pangalanes Canal navigable for tourism and for trade. We also plan to open new air routes and transform a dozen airports to adapt the tracks so that they can accommodate large carriers. For the maritime, we will bring investors to create maritime routes, in order to create connections between several cities and villages in Madagascar. We will also develop rail lines with the acquisition of new locomotives and new wagons to offer daily lines.

**Randriamandrato R.:** Madagascar's Emergence Plan was officialised in February 2020 but the spirit of the plan is exactly the same as the vision enshrined in the Initiative. The Plan is structured and based on three pillars: social, economic and environmental and is in alignment with the 17 SDGs, as well as based on the President's 13 commitments. Madagascar has been enjoying a 5% growth rate for the last two years. This year we expect 5.5%. By 2023, we would see a 7% growth.

#### Why is now the time to invest in Madagascar?

**Ramaherijaona:** There is talent, very young people and we are currently facilitating investment in Madagascar. For the past three years, GDP has been growing and digitalisation has acted as a tool for this growth. This financial accessibility of equipment is very interesting. I have an interest in creating jobs for young people, to develop ICT here. So, it is important for us to work to find a win-win partnership.

**Ravokatra:** Madagascar has embarked upon a new political reorientation for its development where the mining sector is one of the pillars for the emergence of the country. A strategy for reviving the sector is being developed, including the reopening of the mining register, access to geological information and a legal framework in place for companies, civil society and administration.

**Randriamandranto J.:** Our new President of the Republic has a new vision and is very open to the world. Today we have very ambitious projects, we need investors to put all this in place and we need to be ready. On September 17th 2019, we organised the first Investment Forum in Madagascar, where investors and business people were brought in to put them in contact with banks and investment funds so that from this forum projects can be implemented and started up.

**Randriamandrato R.:** We are reforming the banking sector and several institutions dealing with public procurements. Now we need to increase economic growth by investing more in mining, agrobusiness, infrastructure, electricity and energy. Investments need to be genuine, based on innovation and younger people's initiatives, with IT for example. Now is the time to invest, not tomorrow.

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# Building An African Bank For The World

BGFIBank entered the market in Madagascar with a clear vision to create a bank that works for its customer base.



**“The future of a bank is one that can respond to the daily needs of the customer.”**

**Barnabé François,  
CEO of BGFIBank  
Madagascar**



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The BGFIBank Group is proud to have a presence in ten African countries. “We are almost 50 years old,” says Barnabé François, the Chief Executive Officer of BGFIBank Madagascar. “Our group began operations in Gabon and then broadened out into a number of African nations. Our activities in Madagascar started in 2010 and over the past ten years, our growth has been smooth. For the last two years, we have enjoyed an impressive performance on the red island.”

The president of BGFIBank, Henri-Claude Ojima, has a vision is to build an African bank for the world. “In relation to this pioneering objective we want to promote Malagasy’s entrepreneurship to the World. To do that, we relied on our years of experience as well as our strengths in adaptability and foresight in the market, especially in the context of the COVID-19 health crisis. Our bank has indeed made every effort to provide the best support to our customers during this delicate period,” Barnabé states. “Madagascar is not the same all over, so we decided to have a new plan for the country. We needed to open branches where the businesses are, which are mainly in the north and the east of the country, in order to reach more customers.” In terms of financial inclusion, BGFI has a plan to connect the people of Madagascar with banking services that serve their individual needs through different distribution channels including their new mobile banking platform and Smart ATM. For Barnabé, a client-centred approach is crucial. “If you do not create client-centric products, you will not reach the type of customers that you want. The future of a bank is the one that can respond to the daily needs of customer.” In Madagascar, the low bank account penetration rate, which is currently at 10%, is signalling a huge potential for innovation and digitalisation in the banking sector.

The pathway to this potential has been set in Madagascar’s Emergence 2030 Plan, which is set to improve the business environment of

the entire country. Madagascar has realised, as have many countries all over the world, that Africa is, in many ways, an undiscovered treasure and that now is the right moment to invest in the future of the continent. Barnabé says that through this ambitious project the country will witness new opportunities in many sectors. “The President of the Republic of Madagascar understands that he has a role to play. He has a huge opportunity. In twenty years, he could be remembered as the one who saved Madagascar and put it on the path of development. The people of Madagascar want to do business, to feel proud of their country. New investors will see the opportunity and open their enterprises in Madagascar due to the fact that Madagascar has a strategic position, tremendous natural resources and a young population. If the infrastructure is there, it’s much easier for investors to come.”

The Emergence Plan also ensures that the President of the Republic of Madagascar will have the support of the international community, signalling further growth for the country. “This will open a lot of doors, for us as a bank.” Public investment is important to the state spending for the year 2020. It is intended specifically for the creation and modernisation of infrastructure (energy, communication, roads, etc). This should revitalise the Malagasy economy and increase activities and related jobs. Also, financial inclusion will be accelerated: remote areas will be able to access financing or savings solutions either through NICTs or by increasing service points, thus creating an entire ecosystem generating jobs and income. “Let’s imagine that Madagascar could create 250,000 formal jobs per year compared to the 45,589 in 2018,” elaborates Barnabé. “This would give a tremendous positive boost to the economy and for us as a bank. In a nutshell, at BGFIBank we want our customers to be number one in their respective fields.”

# OUR SUBSIDIARIES

Our expertise at your disposal on the continent and in Europe



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# Expanding The Gateway Into Africa

MICTSL is pursuing its vision to expand the Toamasina port to international markets, which will open the windows of opportunity for Madagascar.

The government of Madagascar made a prescient decision in 2004, with the World Bank Group as advisor, to launch an international tender for a 20-year public-private partnership (PPP) contract for an expert port operator to manage and modernise Toamasina's container terminal and ensure the port could handle the country's future trade volumes.

ICTSI, the Philippine-based port operator with its extensive global experience, came out on top in the tender process and was awarded the contract in 2005. Through its local subsidiary company Madagascar International Container Terminal Services Ltd (MICTSL), it has been an integral part of Madagascar's economy ever since.

Michael Ratrimo, Director for Development, who has been with MICTSL from its outset, elaborates: "At the time, ICTSI was already one of the world's leading port operators and could, at very short notice, bring its expertise, know-how and financial capacity to Madagascar to upgrade Toamasina's container terminal to best industry standards. So, when MICTSL took over the management of the terminal in October 2005, we immediately started a broad investment and development programme to upgrade the port infrastructure, buy new operating equipment, implement modern IT systems and recruit and train Malagasy employees in modern port operations."

MICTSL connects Madagascar with the global markets that never sleep. Shipping lines expect to have their vessels' cargo loaded and unloaded quickly, anytime of the day and year. So MICTSL is open for business 24/7 and is always striving to perform to its own, and its customers, high standards. This can only be achieved in close cooperation with key stakeholders. In particular, the container terminal is close partner with the port authority, Société du Port à gestion Autonome de Toamasina (SPAT).

Handling over 90% of the country's container traffic, the Port of Toamasina is of key importance to the Malagasy economy. An efficient port contributes to the reduction in transport costs and increasing efficiency of the supply chain. To achieve the maximum benefits, MICTSL and SPAT also work with the wider logistics community: shipping lines, importers, exporters, trucking companies, clearing agents and administration. Ratrimo clarifies: "It is also worth mentioning the successful move from full manual process to paperless transactions. Together with the implementation of its Terminal Operating System, MICTSL redesigned the working process in close cooperation with customs authorities; EDI file exchanges have been preferred



**Guido Heremans,**  
General Manager  
of MICTSL



**Michael Ratrimo,**  
Director for Development  
of MICTSL

over hardcopy files hand to hand transmission and the whole port community is now connected to a single electronic platform."

The modernisation achieved by this public-private partnership has played a vital role to Madagascar's continuing integration into the world economy and emergence as a major exporter of key agricultural goods. The volume of containers handled through the port has tripled since the beginning of the concession and, furthermore, the container terminal has emerged as a major fiscal asset for the government, with both import duties and corporate tax contributing very significantly to government revenues.

The Port of Toamasina's operational efficiency (the speed at which containers are moved between the ship and the port) is ranked in the Top 5 for all of Sub-Saharan Africa. MICTSL attributes this to a combination of the application of modern equipment and operating processes and highly talented Malagasy managers and equipment operators. But MICTSL is not satisfied yet and looks forward to continuing its public-private partnership with the government of Madagascar to develop the Port of Toamasina into becoming a leading Indian Ocean hub.

In a forward-looking step, the government of Madagascar has recently initiated work on a port

expansion, consisting of breakwater construction, quay extension and yard expansion. According to MICTSL, this is a game-changer. Guido Heremans, General Manager of MICTSL explains: "Our new goal will be to double our volumes in the short term. The port extension will allow MICTSL to deploy the industry's newest super-post-panamax ship-to-shore cranes and enable vessels up to 16,000 containers to start calling Toamasina. Then the main lines from India or East Asia, that currently bypass Madagascar and go straight to South Africa in their routes to South America or West Africa, can call here and use Madagascar as a hub for transshipping cargo to other markets in the region. I firmly believe that, in the case of this expansion, if we create the offer, the demand will surely follow."

As President Rajoelina's administration accelerates its economic reform and investment programme, there is a growing optimism for the future of Madagascar. Heremans echoes this optimism, "MICTSL will continue to invest in the container terminal and improve our service levels. MICTSL is currently ranked 5th in productivity among sub-Saharan Africa's ports. With the port expansion and deployment of super-post-panamax cranes, we can be Africa's number one port and a leading Indian Ocean port hub".

[www.mictsl.mg](http://www.mictsl.mg)

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## STATE OF THE ART OPERATIONS: HANDLING MADAGASCAR'S TRADE WITH CARE

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# Niriko Rosalien Tsirenge

General Manager Of Société De Manutention Des Marchandises Conventionnelles (SMMC)

## Delivering The Goods

Committed to innovation, economic growth and development, SMMC is keen to breathe new life into Toamasina port, working around the clock to meet their client's needs while establishing the port as the hub of the Indian Ocean.

As SPAT's (Société du Port à gestion Autonome de Toamasina) main concessionaire, SMMC, under the helm of Niriko Rosalien Tsirenge since August 2018, is committed to providing quality import and export goods handling services at the Port of Toamasina according to market demand. Penresa speaks to General Manager Niriko Rosalien Tsirenge.

### Can you tell us a little about SMMC's history and activities?

SMMC was created in 2007 and then following the port reform, split the port in two departments: one which deals with the containers and the other with conventional goods. Essentially, every good we are importing which is not containerised is our responsibility (vehicles, cement, wheat, bitumen, rice, etc). As for exporting, we deal with chrome, lychee, as well as other items and goods as requests arise. We currently have 510 permanent employees and 520 daily workers, as well as machinery and tools adapted to the handling trades.

### What is your vision for the company?

My vision is to normalise the company because adherence to standards will allow us to increase our overall performance. The advantages that standardisation provide include strategic assets and allows us to deal with our customers at outstanding levels while following the market's evolution. We have begun digitalisation through instalment management of software, stock software and we will install barcodes to better trace and track the goods of our human and material resources.

### How will this add to the advantages of international players coming into the country?

Firstly, the port expansion has brought about a lot of new traffic. There is a lot of cement being imported and engines coming in from Japan. This is good for the country because this is going to be one of the biggest ports in the Indian Ocean, especially at a regional level in Austral Africa. The objective of this project is to make the Toamasina port the hub of the Indian Ocean. Right now, importation is the main business, and everything passes through here. We are the pivot of activity in the Toamasina port.



**“The objective of this project is to make the Toamasina port the hub of the Indian Ocean. We are the pivot of activity in the Toamasina port.”**

### What are you doing to improve the ease of doing business in Madagascar?

This is not a project, it is a general direction and a general directive. SMMC is already prepared, we have developed strategies and standard operating procedures for the whole company. We have already started to invest in materials capable of carrying out our operations and we will be adding more soon; the same with IT tools and management software. We are also looking into capacity building for our employees through the implementation of a training plan and an approach of continuous progress linked to new learning processes, knowledge and the development of new processes and standards.

### What are some of your current projects?

In the short term, we plan to increase our storage capacity and thus develop new high-performance services for our customers. Studies are currently being finalised.

### How is your company benefitting from the port expansion?

The expansion is going to be ready for 2025. We have a project to build out of the port, a sort of terminal other than Toamasina and we plan to do the same thing in the South. Traffic has increased and this new space in the port will bring us an advantage due to current lack of space. This, in turn, will attract investors and port stakeholders. We are also focusing on geostrategic location with structuring infrastructures to ensure the development of Madagascar over the long term.

### What, do you believe, makes your organisation so unique?

We have the means but we also have the experience and this is what differentiates us from the others. SMMC seeks to innovate and diversify, we are a company that is moving and which still has far to go.

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# Made In Madagascar Remedy In Response To Modern-Day Pandemic

Accessing the potential of its rich biodiversity and combining it with scientific study and the nation's deep-rooted proclivity for traditional medicine, Madagascar has boldly, innovatively and with resilient determination devised a local and effective solution to protect itself, the continent and beyond.

Madagascar is not only the largest island in Africa, it also happens to be the oldest geological island on Earth with a prodigious and flourishing biodiversity and high rates of endemic species, with over 80 percent of its 200,000 species unavailable anywhere else in the world. It comes as no surprise therefore that this age-old island seeped in rich flora is also a nation whose culture seats a deep respect and knowledge of its land and ancient medicinal tradition. On 20 April 2020, while the world was in the grip of panic and a modern-day pandemic, President Andry Rajoelina officially launched a preventive and curative remedy for Covid-19, known as Covid-Organics (CVO). Made up of a herbal mixture in the form of a liquid or infusion, CVO contains ingredients such as ravensara (a tree endemic to the island) and artemisia annua, or sweet wormwood, a bitterroot used in traditional medicine for centuries in China and East Africa and cultivated in Madagascar due to its antiviral and immune boosting properties and proven efficacy in treating malaria. "Artemisia annua may be a valuable alternative treatment for COVID-19, both in preventive and curative approaches," President Rajoelina has stated. "All trials and tests have been conducted and its effectiveness in reducing the elimination of symptoms has been proven for the treatment of patients with COVID-19 in Madagascar." Madagascar has the world's largest supply of artemisia with its medicinal form already marketed in pharmacies, exporting the active ingredient extracted from artemisia annua, artemisinin, to pharmaceutical laboratories (such as Sanofi) as well as to India and China. However, President Rajoelina says this will now change: "From now on, we will no longer export Artemisia but we will proceed with the transformation of this plant on our own territory."

CVO was developed by Congolese Doctor, Dr Jerome Munyagi in partnership with the Malagasy Institute of Applied Research (IMRA), a private foundation created in 1957, renowned for its research in traditional medicine and credited with approximately fifty remedies that combine traditional and modern medicine. While clinical trials for a new injectable solution of CVO are being advanced, the President of Madagascar has announced that



**"All trials and tests have been conducted and its effectiveness in reducing the elimination of symptoms has been proven for the treatment of patients with COVID-19 in Madagascar"**

**H.E Andry Rajoelina, President of Madagascar**

the construction of a pharmaceutical factory prioritising the production of artemisia is also currently underway.

Following its launch Covid-Organics was distributed across the island and dispensed to high school children returning to school after the president eased lockdown restrictions due to his conviction that a "solution against coronavirus" had been found. Interest in the product has been significant and since its launch, Madagascar has donated CVO to several African countries, such as Equatorial Guinea, Nigeria, Chad, Gambia, Comoros, Liberia, Tanzania, Guinea-Bissau, Comoros, DR Congo and Senegal and consequently found itself on the receiving end of profuse congratulations from these countries for Madagascar's courageous intervention in combating the pandemic. "The Covid-Organics will be distributed free of charge to our most vulnerable compatriots and sold at very low prices to others," stated the president on Twitter. "All profits will be donated to IMRA to finance scientific research."

As the pandemic spreads, the world is finally sitting up and paying attention to Madagascar's miracle remedy, the African Union in a statement has announced that it is talking with Madagascar to obtain technical data regarding the safety and efficiency of the herbal remedy and even the prestigious World Health Organisation (WHO) has commended the nation's fight against Covid-19 and is currently supporting the design of a study to look into CVO's potential. On the 12 May in an exclusive interview with French broadcasters, France24 and RFI, President Rajoelina said his country will continue to administer and develop the cure which he claims accounts for the majority of its virus recoveries. "If it were a European country which had discovered this remedy, would there be so many doubts?" the president questioned during the interview. "The problem is that it comes from Africa.

And they cannot accept that a country like Madagascar...has discovered this formula to save the world." Madagascar's proactive dedication to finding an effective and authentic solution to the modern-day health concerns of humanity is beyond admirable and a powerful message of hope and pride for Africa.

# Assuring A Part Of Africa's Revitalisation

Aro Assurance is the largest player in the insurance sector of Madagascar and uses its position to help the economy grow and prosper.



**“The objective of the insurance is to make people comfortable when they invest in something.”**

**Zafiarisoa Rakouth,  
General Director  
of Aro Assurance**



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Aro Assurance is an insurance company that is focused on providing insurance solutions for the people and corporate businesses of Madagascar. Their role in the economy is an important one, bringing a sense of security across sectors and facilitating entity growth. Zafiarisoa Rakouth, General Director of Aro Assurance, says, “The international community understands our position; it is up to us to upgrade the country. We have to make good efforts to expand. Insurance is a good portfolio investment.” As it stands, Aro Assurance is the first insurance company in Madagascar with 59% of the market. For this reason, Aro handles the risk management of many of the largest projects in the country.

Their strong competitive advantages allow them to maintain their high position in the market. “One of the strengths of our company is that we manage documents in English and talk with our international partners,” says Rakouth. Projections show that Aro will reach 144 billion Malagasy ariary in the upcoming year. An additional part of their role in the insurance sector includes managing premiums by following the fluctuation of MGA/USD. Rakouth reports, “When you convert the currency, it can change a lot based on how strong the ariary is in that moment.” Their attention to the international market places Aro Assurance in a position to lead Madagascar toward prosperity.

Rakouth also reports that President Andry Rajoelina has begun a project to build new infrastructure in the north of Antananarivo City and has enlisted Aro Assurance as a subsidiary that specialises in real estate. The objective, says Rakouth, is to create and nurture a ripple effect of growth. “We have a project to build houses to be sold to the population. The houses are going to be cyclone-resistant and insulated both for sound and weather. The price is not going to be very high: they will start at around 142,000 EUR (US\$ 156,500). In this way, we can manage ourselves and construct houses. We have other various activities such as the exploitation of

hotels, as well as a financial subsidiary for capital risk. The objective is to help new enterprises start.” These endeavours ensure that Aro is very active in the development of the country.

On a larger scale, Rakouth says that one of the challenges of the sector is that insurance does not always reach the people in the countryside of Africa. Aro Assurance is seeking methods to reach more remote populations and offer them services from which they can directly benefit. He says, “We are thinking about a product that can be easily distributed to countryside people in Madagascar. We want to create an insurance product for death. When someone dies, there are expenses that need to be covered. We could cover the burial of that specific person.” As for the corporate side of insurance, Aro is especially involved in infrastructure expansion. The company insures and covers the risk for the whole construction project. “Insurance has now been made compulsory; nobody can build a road without taking out insurance first,” says Rakouth. These help to protect projects and ensure that they are realised effectively. “The objective of the insurance is to make people comfortable when they invest in something.”

The implementation of the Emergence 2030 Plan of Madagascar has realigned the country on the road to progress. As the blueprint for economic development, the insurance sector and Aro Assurance are searching for new opportunities to grow and aid fellow sectors in order to facilitate growth throughout the entire country. These ambitious goals are ensuring that Madagascar is in a prime position for investment. Rakouth says, “The country is in a good and reliable situation now. No one is interested in investing in a country with civil unrest, and we do not have that. Politically speaking, the government is stable. People are now interested in Madagascar. People have to believe that it is the right moment to work together and make the country rise. Now is the right moment.”

# Bridging The Financial Inclusion Gap And Creating Social Equality

MVOLA is changing the financial landscape in Madagascar with its revolutionary mobile money service, which is free for all with no bank account required.



**“We have a different mindset. Customers will choose the best, and that is why we fearlessly challenge ourselves in maintaining leadership in the sector.”**

**Matthieu Mace,  
CEO of MVOLA**



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Since its inception in 2010, MVOLA has continuously pursued innovation to become the leader in mobile money transfer in Madagascar. As a pioneer of the sector, MVOLA developed its service over the course of ten years and has collaborated with the Central Bank to get the country’s first mobile money provider licence. Matthieu Mace, CEO of MVOLA says, “The Central Bank wants the country to be more financially inclusive, therefore open to new technologies, laws and prone to reducing barriers for the customers to get access to the service. With this support, we have been able to operate since 2010.” MVOLA is independent and works with every bank, wiping out obstacles and restrictions for the unbanked. Mace says, “We are providing all basic services: cash in, cash out, local transfers and even exclusive international transfers through Western Union since 2011. We have developed a full mobile financial service set with all the main banks of the country, as well as with some international players. We also developed saving and loans. We do credit scoring in advance, which allows us to give our customers a certain amount of money upon request immediately and without guarantees.” These endeavours have been wildly successful in reaching unbanked populations.

At MVOLA, innovation is key. “We have a different mindset,” says Mace. “Customers will choose the best, and that is why we fearlessly challenge ourselves in maintaining leadership in the sector.” These challenges have been fruitful. Over three million loans have been provided and more than five million mobile money accounts have been opened within ten years. The goal is to speed financial inclusion.

As part of this inclusion, MVOLA works toward social equality. In rural areas where banks are not available, unbanked populations face difficulties with being paid wages properly and on time. “We are complementary to the bank,”

says Mace. “While urban people may enjoy the benefit of having a bank account, a lot of people work in rural areas and suburbs with no banks. With mobile money, we are bringing in social equality. Unbanked staff get their full pay at the same time as banked ones in the company and without having to travel to withdraw their salaries.”

In addition to bridging the financial inclusion gap, MVOLA focuses on CSR. “We are more than a operator, we go beyond, we work a lot with NGOs as well. In times of crisis, or natural calamities, we help them by facilitating the transfer of money. When there are work-for-money programmes, we make payments for them,” Mace says. MVOLA is not just a matter of subscribing customers; it is about creating an ecosystem for all Malagasy. “We are proud to provide these services, though they are not our core business.”

As evident by the success of MVOLA, Madagascar relies on robust telecom infrastructure, which covers 85% of the population thanks to Telma investments. The country’s fibre cabling has a crucial role of bringing in a reliable internet connectivity. “Reliable international connectivity is key for anyone willing to invest in a country, and this is our strength. Today, we have more than 10,000 kilometres of optic fibre cable all over Madagascar to provide our customers with our best technology, Fibre Optic or Mobile 4G+.” The country is proud to have a young and tech-savvy workforce. Mace states that Malagasy people are resilient, skilled at coding and customer service oriented.

With stable political conditions and outlook, Madagascar is potentially set to become more than an emergent country, a leader in the market. Mace says, “We have the biggest market in the Indian Ocean, one of the biggest in East Africa, and we will continue to grow. So, Madagascar is the promising place to invest in if you are looking at huge numbers of customers.”

# Looking For Continued Innovation To Keep Supporting Digitalisation In Madagascar

Originally a start-up founded by a handful of people, NextHope is today one of the country's IT expertise powerhouses.



**“The growth of Africa on technological level is unavoidable. We need to follow the trend. Our policy is always the same: we focus on expertise.”**

**Tsilavo Ranarison,  
CEO of NextHope**



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Established in 2012 by a group of seven people with unrivalled passion and extensive experience in the telecommunications industry, NextHope initially focused on networks. Over the course of the following decade, however, the company outgrew its beginnings, earning a place in the sector's top tier, and expanded into domains of technology such as telecommunications, web meetings and company communication. “We were contacted by big developers like Microsoft, HP and Dell, which have motivated us to invest into skill development, so that we could be the first in terms of dimensions especially concerning IT infrastructure”, says Tsilavo Ranarison, CEO of the company. “We are now into the development of the IT infrastructure of companies in terms of networks, security and endpoint.” NextHope also operates in the field of ISP infrastructure installation, collaborating with Ericsson and Sagemcom to install network antennas for ISPs such as Telma and Orange Madagascar. The company also operates indirectly in several other African countries, cooperating with major IT players in Zimbabwe, Malawi and Mozambique.

Despite the many accomplishments achieved in its young existence, NextHope is constantly on the look for its next exciting challenge: “We will not stop innovating so that we can be the best,” states Ranarison. “We have started with five people and now we have about 120 employees. Apart from geographical expansion, which we are already working on, in the future we want to be an IT expertise skill centre for the whole continent. We have an advantage with respect to the others.”

The growth of Africa from a technological point of view is simply unavoidable, and NextHope aims to be at the forefront of the continental market's ongoing boom. The company always operates in accordance with its core policy, adds Ranarison. NextHope focuses on expertise to make sure Africa's development remains independent and autonomous, and invests in local capital and human resources to fulfil Madagascar's needs in terms of engineers and specialised workers.

As of today, Madagascar enjoys one of the fastest Internet speeds in Africa: an amazing achievement that could go a long way in terms of assisting the country's further development. “We are one of the pillars of the internet infrastructure in Madagascar,” explains Ranarison. “We are the ones implementing the core network of operators. For us, this means a direct impact on the company. Internet expansion is a growth lever for NextHope because it brings bigger opportunities.” One of the company's future challenges is supporting further broadband penetration in the country, to ensure Madagascar can fully benefit from its powerful IT infrastructure. “There are so many people that can be served and that is a big potential on which we count much,” adds Ranarison.

The government of Madagascar recently decided to invest in the modernisation in the public sector, with a special focus on digitalisation, which has increased of about 200% over a mere two years. “It is a big challenge for us, it goes towards an improvement of the quality service of public services and it will change the way public workers do their job,” says Ranarison. Moreover, the government made significant efforts to liberalise the IT sector, launching PPPs with private companies, which are more eager than ever to take part in the government's push for increased digitalisation. More specifically, NextHope is currently cooperating with the Ministry of Justice to modernise the IT infrastructure of judicial institutions.

The IT sector of Madagascar, in which NextHope plays a pivotal role, is extraordinarily motivated and bustling with activity, and offers innumerable opportunities to all potential investors: “All development projects started by government depend a lot on the private sector. There are plenty of projects. There is enormous potential,” says Ranarison. “At NextHope, we have the expertise to follow the development of any organisation, be it public or private.”

# TOAMASINA.

## An expanding port at the centre of the world

With its 5,000 kilometres of coastline, Madagascar offers an abundant opportunity to the world. Located in the Indian Ocean, only 400 km away from African East coast, the island country has founded its notoriety on inland diversity, maritime wealth, and last but not least, its geostrategic position. Thanks to those assets, its main port, Toamasina, is acting as an economic springboard connecting all the continents of the globe.

Toamasina Port condenses three quarters of Madagascar maritime exchanges, and is currently undergoing an amazing revamping. By carrying out the greatest port development project in the Indian Ocean, Toamasina Port Authority, i.e. "Société du Port à gestion Autonome de Toamasina" (S.P.A.T), is showing its commitment to a fast growing maritime sector, as well as an inland economic development connectivity.

By 2025, Toamasina Port will meet the needs of the African continent as a maritime hub on the 'New Silk Road,' which will link the continents via the Indian Ocean maritime highway. This vision will lead Africa towards its bright future and, thanks to its amazing diversity, will propel sustainable development.

**Madagascar is going from being considered a nation  
at the end of world to becoming the centre of the world!**

[www.port-toamasina.com](http://www.port-toamasina.com)





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