

Madagascar Manifesto

*An island nation
looks to the future.*

BY MARC RAVALOMANANA

I have a vision for my country, one which builds on its rich history and rests on the strength of its hard-working, talented citizens who are anxious to make a new and better world for their children. I get very excited about the possibilities for my country and the rewarding opportunities for our partners from abroad. And I want you to know that my optimism for Madagascar's future is not unfounded. We are moving aggressively to attract friends and to create strategic alliances with governments, global financial institutions, and private investors throughout the globe.

For Madagascar to succeed, it must have support, investments, and partnerships from its many friends around the world. Let me remind you of a few relevant facts.

Geographically we are a large country, nearly the size of Texas with a population of over 16 million people, the vast majority of whom live in rural areas. Our capital, Antananarivo, and our other cities are vibrant, serving as economic and cultural centers. Fortunately, the cities have not become overwhelmed by the crowding that is seen in many countries.

The Malagasy people have a very high literacy rate. This educated and highly motivated work force is growing larger every year. Abundant and diverse natural resources help us provide immense opportunities to investors in tourism, industrial development, and other global business interests. Also, our citizens care deeply about success for themselves, for their families, and for their country.

While we recognize that these are important strengths, we know that to fully develop the economic potential of Madagascar we need to rely on important strategic partnerships. We have established a mutually beneficial partnership with the United States and its governmental, financial, and economic institutions, major corporations and private investors. Madagascar welcomes and encourages greater U.S. capital participation in our country's economic development, and our leadership is committed to providing a "road map" for U.S. investors willing to work with us and benefit by tapping the vast mineral and human resources of

our country. We recognize the United States' global leadership in cutting-edge information technology, and Madagascar has already awarded a contract to a group of U.S. companies for development of the undersea fiber optic cable communication project aimed at connecting Madagascar seamlessly to the rest of the world.

Now that Madagascar has emerged from its deep political and economic crisis in 2002, which propelled poverty to levels not observed for a decade, My government is embarking on many reforms which are unique since our independence from France in 1960. Much—and unprecedented—attention has been given to gaining confidence of private investors by embarking on import tariff simplification and customs reform. In parallel, we are embarking on major infrastructure development projects, including roads, railways, harbors, airports, and telecommunications. Since I took office, I have moved swiftly ahead with establishing public-private partnerships, including the concession of major public enterprises and key infrastructure.

My goal is to achieve at least an 8 percent GDP growth rate during the coming three years with the private sector as an engine for creating wealth, and thereby cut the poverty rate by half in ten years. My strategy to reach this objective is based on the principle of public-private partnership and has three main elements:

- Create an institutional framework of good governance, and allow the state to effectively and transparently assume its role as facilitator and driving force of the economy;
- Promote growth by revitalizing the private sector and by promoting the development of growth sectors; and
- Improve social welfare in the areas of food security, health, education, housing, and environment.

But my priority for the short term is to create a friendly business climate with attention to the following:

Marc Ravalomanana is President of Madagascar.

- **Transportation.** A good transportation and communications infrastructure is vital to a healthy economy. Our road system is unfortunately in need of great repair.
- **Good Governance.** One of the problems lingering from the past is government corruption. We are taking steps to fight corruption and to make good governance the rule not the exception at every level of government.
- **Court Reform.** The legal system in Madagascar is based on the French civil law system. We recognize that in order to give businesses the highest level of confidence that disputes about financial transactions will be resolved fairly, there must be in place a court system able to respond promptly to concerns about credit, finance, and other related business issues.
- **Military.** Madagascar is not isolated from the events affecting other nations. Drug dealers have in the past viewed our country as a transshipment center for illegal drugs. We have also been concerned that terrorists might view our island as place to hide while contemplating further acts of destruction. And we have seen recently that our country can become paralyzed by military actions of a few when our entire armed forces lack the training and equipment to protect the interests of our citizens. The modernization of these forces will occur with the assistance of several foreign governments and many private contractors. We hope to benefit from the experience of other countries—in particular, the United States—who lead the world in this sector.

By emphasizing these four areas of interest, I do not mean to suggest that we will not be working hard to improve in other areas such as health, environment, and education. A number

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of our citizens return from U.S. universities with advanced degrees and we want to provide such opportunities to more of our gifted young people. However, we understand that we cannot do everything all at once.

I strongly believe in democracy, in the free market system, and in the value of partnerships. Madagascar must have good working relationships with many international partners if we are to succeed. We have been fortunate to have support from the United States and the European Union. Not long ago we were pleased to obtain formal recognition by the African Union. International financial institutions and important environmental organizations have played a crucial role in our progress. Private companies, especially certain multinational corporations, have had a positive impact. However, more investment is required.

I use the term “investment” deliberately. Its meaning suggests that there will be a return. An investment is not a gift or hand-out. Placing resources into Madagascar is a wise investment because what will be produced is a country fully integrated in the global economy. Our country will be home to a variety of businesses from the fields of information technology, pharmaceuticals, banking and finance, agriculture, aquaculture, textiles, precious metals, environmental tourism, and many more. We will improve the quality of life for the Malagasy people through these investments, and what benefits our citizens will also benefit those who invest in us. No money will flow to us without an expectation of security and transparency.

Madagascar is setting a new course for the 21st century. Our future is bright and the possibilities for our people and our partners are limitless. I intend to work hard each day to make certain that our citizens know that their faith in democracy is justified and that their government is doing all that it can to make a positive difference in their lives. ◆

Madagascar Backgrounder

In May 2002, Madagascar’s constitutional court declared Marc Ravalomanana the winner of the December 2001 presidential election after a recount, and he was sworn in as president. Ravalomanana, a successful businessman, replaced Didier Ratsiraka, who had ruled Madagascar for most of the past thirty years. Ratsiraka, now in exile in France, was recently sentenced in absentia by Madagascar to ten years hard labor for corruption.

The United States, Japan, Australia and finally France recognized Ravalomanana’s government in June and July, 2002. The months of political turmoil, general strikes, and economic blockades greatly disrupted Madagascar’s economy, and the new government has focused on economic development issues and forging new international relationships. France is currently Madagascar’s major trading partner and a vital source of foreign aid. Recently, however, Ravalomanana has moved to further distance Madagascar from the French colonial era and French influence. Such moves include replacing the currency with the pre-colonial era ariary.

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