

AFRICA RISK CONSULTING

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Madagascar Summary 18 January 2024

President Andry Rajoelina (2019-present) on 14 January announces his cabinet for his second term, comprising 12 new and 15 returning ministers. Notably, Rajoelina overhauls all three security portfolios and appoints a new energy minister. Rajoelina's new cabinet largely indicates a desire for economic policy consistency by the president which is unsurprising given that he also reappointed prime minister Christian Ntsay. The World Bank forecasts Madagascar's economy to grow by 4.8% in 2024; a stronger prediction than the country's own finance ministry. Tropical storm Alvaro makes landfall on 1 and 2 January, displacing hundreds and again highlighting Madagascar's continued vulnerability to such weather events. Recent attacks in the Analamanga Region highlight the persistent threat of banditry in rural Madagascar.

President announces new cabinet

President **Andry Rajoelina** (2019-present) unveiled his new council of ministers on 14 January, appointing 12 new and 15 returning ministers. The new cabinet comes after Rajoelina's 16 November re-election and subsequent second-term inauguration on 16 December.¹ It should be clarified that although this is officially Rajoelina's second presidential term, it is his third in practice. He first ruled the country as president of the **Haute autorité de transition** (high transitional authority) between 2009 and 2014 in the wake of the 2009 coup d'état that deposed former president **Marc Ravalomanana** (2002-2009).

Rajoelina's previous cabinet – including prime minister **Christian Ntsay** – resigned on 20 December as is accepted practice in Madagascar following the inauguration of the president.² Rajoelina subsequently reappointed Ntsay as prime minister on 4 January.³

Rajoelina's new cabinet consists of 27 ministers, 12 of which are new appointments and 15 of which are returning cabinet ministers.⁴ The 12 new appointments are as follows:

- National defence minister: General **Delphin Monja Sahavelo**
- Foreign affairs minister: **Rafaravavitafika Rasata**
- Public security minister: Police Controller General **Herilala Rakotoarimanana**
- Higher education and scientific research minister: **Razafiarison Andriamanantena**
- Energy and hydrocarbons minister: **Olivier Jean-Baptiste**
- Decentralisation and regional planning minister: **Naina Andriantsitohaina**
- Environment and sustainable development minister: **Max Fontaine**
- Labour, employment, civil service and social laws minister: **Hanitra Razakaboana**
- Agriculture and livestock minister: **Suzelin Ratohiarijaona Rakotoarisolo**
- Population and social protection minister: **Haingo Elisette Fomendraza**
- Communication and culture minister: **Augustin Andriamananoro**
- Minister delegate for the national gendarmerie: Major General **Andriamitovy Rakotondrazaka**.

¹ Madagascar Tribune, 15 Jan 2024

² L'Express, 21 Dec 2023

³ L'Express 4 Jan 2024

⁴ Madagascar Tribune, 15 Jan 2024

The returning ministers are:

- Justice minister: **Landy Mbolatiana Randriamanantenasoa**
- Interior minister: **Justin Tokely**
- Economy and finance minister: **Rindra Hasimbelo Rabarinirinarison**
- Posts, telecommunications and digital development minister: **Tahina Razafindramalo**
- Mines minister: **Olivier Rakotomalala**
- Tourism and crafts minister: **Joël Randriamandranto**
- Industry, commerce and crafts minister: **Edgard Razafindravahy**
- National education minister: **Marie Michelle Sahondriarimalala**
- Youth and sports minister: **André Haja Resampa**
- Technical Education and vocational training minister: **Lalâtiana Rakotondrazafy**
- Public health minister: **Zely Randriamantany**
- Transport and meteorology minister: **Valéry Manambahoaka Ramonjavelo**
- Fisheries and the blue economy minister: **Paubert Tsimanaoraty Mahatante**
- Water, sanitation and hygiene minister: **Fidiniavo Ravokatra**
- Public works minister: Colonel Ndriamihaja **Livah Andrianatrehina**,

The reappointment of Ntsay led to expectations that Rajoelina was seeking a strong policy continuity between his previous government and his new one. His new council of ministers further indicates that this is the case in terms of his intended economic policy. By retaining figures such as Rabarinirinarison as finance minister and Rakotomalala as mines minister Rajoelina has sent a strong indication to Madagascar's economic partners that he intends to retain policy stability and consistency. As such, this new government is expected to continue to pursue Madagascar's key governance and sector reforms. These include the **International Monetary Fund (IMF)**-approved reform agenda as well as the country's ongoing effort to update its mining regulations.

Ntsay's reappointment is particularly key. The prime minister is widely considered a competent technocrat and is viewed positively by organisations such as the IMF and the **World Bank**. Ntsay was first appointed as prime minister under Rajoelina's predecessor, **Hery Rajaonarimampianina** (2014 – 2018) in June 2018 and is currently Madagascar's longest-serving prime minister since 1988. His reappointment also illustrates that Rajoelina is aware of Madagascar's need to placate the country's financial and development partners.

The new appointees in the cabinet are also significant, specifically, the fact that Rajoelina has replaced all ministers in the security sector. The appointment of new ministers of national defence, public security, and the national gendarmerie is the latest sign of Rajoelina's desire for increased control over these sectors. It is also noteworthy that none of these ministers are civilians but are high-ranking officers in the security services themselves. Rajoelina has long had strong ties to factions within the military and police. He notably first rose to power following a military-backed putsch in 2009. The appointment of these figures to the cabinet will likely ensure that Madagascar's security forces are not fully scrutinised. In addition, these ministers will likely ensure the continued dominance of the pro-Rajoelina factions in the military and police.

A final noteworthy cabinet appointment is the elevation of Jean-Baptiste as energy and hydrocarbons minister. Jean-Baptiste is a long-time energy industry executive who most recently served as the director-general of the oil sector regulator, the **Office Malgache des Hydrocarbures (OMH)**.⁵ His appointment illustrated the seriousness with which Rajoelina views the country's potential gas and oil wealth. Ever since the discovery of vast gas reserves in the Mozambican channel, Madagascar's hydrocarbons industry has faced increased interest. Jean-Baptiste's appointment will raise expectations that the ministry will pursue industry and investor-friendly policies and regulations with the aim of opening up this sector.

⁵ Orange, 13 Nov 2019

Although the new council of ministers has largely been welcomed, it should be noted that Rajoelina's last term was largely defined by policy inaction. Rajoelina only launched his government's marquee investment and infrastructure plan – the **Plan Emergence Madagascar (PEM)** – in October 2022, four years into his five-year term despite promising its delivery in 2019. Major reforms such as the new mining code were similarly only introduced in 2023 despite being a key policy proposal in the 2018 presidential election.

The president does begin this term with the unified control of the national assembly and the senate, which he is expected to retain after the national assembly elections later this year. As such, Rajoelina and Ntsay will face little effective opposition to their legislative agenda should they pursue it. Rajoelina is constitutionally barred from seeking another term in office, accordingly, his political legacy will likely be defined but what he achieves in the coming five years.

World Bank predicts moderate economic growth in 2024

The **World Bank** released its annual **Global Economic Prospects** report on 9 January in which it forecasts Madagascar's economy to grow by 4.8% of GDP in 2024.⁶ This is up from the 4% GDP growth Madagascar is estimated to have experienced in 2023 but still far below the 5.7% recorded in 2021. Economic growth in Madagascar is expected to be fuelled by increased investment and activity in the country's extractive and tourism sectors. This should be bolstered by the perception of increased stability in the wake of the 16 November 2023 presidential election and the government's expected policy continuity. The World Bank also expects inflation to ease to approximately 8.5% by the end of 2024 which should provide some relief to Malagasy consumers.

Notably, the World Bank is more optimistic about Madagascar's short-term economic prospects than the government itself. In the **2024 Finance Law** – which includes the 2024 budget – the economy and finance ministry predicted GDP growth of 4.5% in 2024.⁷ This is reflective of Rabrinirinarison's more conservative approach to her role. If the World Bank's prediction is correct, the government will be able to claim to have exceeded its expectations.

However, Madagascar faces significant economic challenges which could stymie any short-term economic growth. The country continues to have high rates of food insecurity, insufficient investment, and high levels of corruption. The island nation is also prone to tropical storms which have the potential to inflict substantial economic damage in a short period of time.

Hundreds displaced by tropical storm

Tropical storm **Alvaro** made landfall in the **Atsimo-Andrefana** region before traversing across the island and re-entering the **Indian Ocean** on Madagascar's eastern coast in Madagascar on 1 and 2 January, killing at least 12 people and displacing hundreds of others.⁸ In addition to the deaths and displacements, Alvaro destroyed at least 400 buildings and caused widespread infrastructure damage. It should be noted that Alvaro was a fairly moderate cyclone as it was not a category-level tropical storm.

Madagascar is frequently impacted by tropical storms which typically take place during November and May. Madagascar is ill-equipped to manage the effects of these storms despite their seasonal occurrence. Every year, dozens of people are killed, thousands displaced, and substantial infrastructure damage is incurred as a result of these storm systems. Madagascar lacks the infrastructure and emergency services to handle these events.

Banditry remains a serious security concern

An armed bandit (known locally as dahalo) gang kidnapped six people from the village of **Vohitsara (Analamanga Region)** on 14 December, indicating that the presence of dahalo remains a persistent

⁶ World Bank, 9 Jan 2024

⁷ L'Express, 11 Jan 2024

⁸ Anadolu Agency, 9 Jan 2024

security and operational concern in Madagascar. Dahalo typically target rural farms and vehicles travelling along the country's rural roadways, however, in recent years these gangs have increasingly turned to kidnapping as an additional source of revenue. The 14 December incident is indicative of this.⁹ These gangs do not usually target foreign nationals; however, this threat cannot be discounted, especially given the increasingly brazen nature of these operations.

Highlighting the growing assertiveness of these bandits, a gang armed with automatic rifles raided the town of **Andranomiely** – also in Analamanga on 7 January – stealing valuables and murdering the local mayor.¹⁰

These bandit gangs are the most serious security threat in rural Madagascar. The fact that these gangs have access to automatic weapons and are increasingly staging kidnappings has deepened these security concerns. At present, few dahalo gangs are willing to target foreign operations such as mines; however, the threat to these operations cannot be discounted in the face of the growing dahalo confidence.

Planner

Apr 2024 (**Madagascar**) National assembly elections anticipated;

Chronology

17 Jan 2024 **Antananarivo (Madagascar)** *L'Express*. The new decentralization and regional planning minister **Naina Andriantsitohaina** reaffirms the government's commitment to the principle of political decentralisation;

17 Jan 2024 **Antananarivo (Madagascar)** *Madagascar Tribune*. Municipal officials reveal that only 17% of Antananarivo's taxpayers paid their rates in 2022 highlighting the city's fiscal challenges;

17 Jan 2024 **Antananarivo (Madagascar)** *2424*. New energy minister **Olivier Jean-Baptiste** announces that accelerating Madagascar's energy transition and increasing the use of butane gas are among his priorities;

17 Jan 2024 **Antananarivo (Madagascar)** *Orange*. Authorities order increased health measures at schools to combat an ongoing outbreak of bacterial conjunctivitis;

16 Jan 2024 **Antananarivo (Madagascar)** *2424*. The trial of two senior military officers accused of plotting a coup d'état begins in Antananarivo;

13 Jan 2024 **Antananarivo (Madagascar)** *L'Express*. At least one person is killed in clashes centred on a land dispute in **Ambodivoara Sambava (Sava Region)**;

12 Jan 2024 **Antananarivo (Madagascar)** *Madagascar Tribune*. Industrialisation, trade, and consumer affairs ministry confirms that 1,800 Malagasy products remain eligible for benefits under the **United States (US) African Growth and Opportunity Act (AGOA)**;

11 Jan 2024 **Antananarivo (Madagascar)** *2424*. A vigilante mob lynch a suspected rapist in **Mampikony (Sofia Region)** highlighting the prevalence of vigilante justice in the country;

2 Jan 2024 **Antananarivo (Madagascar)** *2424*. Railway travel between **Fianarantsoa (Haute Matsiatra Region)** and **Manakara (Fitovinany Region)** is suspended following a series of mudslides along the railway line;

27 Dec 2023 **Antananarivo (Madagascar)** *2424*. Madagascar is ranked 27th out of 30 African countries ranked in the **African Center for Economic Transformation's Africa Transformation Index (ATI) 2023**;

⁹ 2424, 15 Dec 2023

¹⁰ NewsMada, 9 Jan 2024

25 Dec 2023 **Antananarivo (Madagascar) 2424**. State power utility, **Jirama**, announces that it expects the construction of the 105-megawatt (MW) thermal power plant in **Ambohimambola (Analamanga REgion)** to be completed in the first quarter of 2024;

23 Dec 2023 **Antananarivo (Madagascar) Madagascar Tribune**. State general inspectorate reveals that over MGA 11.2 billion (\$2.45m) of public funds were misappropriated in 2023.

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