

AFRICA RISK CONSULTING

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Madagascar Summary 28 August 2020

President Andry Rajoelina (2019-present) dismisses health minister Ahmad Ahmad in a mini-cabinet shuffle following Ahmad's appeal to the international community to assist Madagascar's Covid-19 response efforts. President Rajoelina extends the national state of emergency for 15 days but lifts several Covid-19 related restrictions, including the lockdown in capital Antananarivo and the regions of Analamanga and Moramanga. Economy and finance minister Richard Randriamandranto estimates Madagascar will achieve 4.1% gross domestic product (GDP) economic growth in 2021. Japan-based Sumitomo Corp, the largest shareholder in the Ambatovy nickel and cobalt mining project, plans to recommence exploration activities, after suspending operations in April in the wake of a Covid-19 outbreak in Toamasina.

Rajoelina fires health minister over Covid-19 response

President **Andry Rajoelina** (2019-present) dismissed health minister **Ahmad Ahmad** from government on 21 August following a mini-cabinet shuffle.¹ Ahmad's sacking came as no surprise, given his clashes with Rajoelina over **Madagascar's** response to the **Covid-19** pandemic. In a letter leaked on various social media platforms on 21 July, Ahmad appealed to international health partners to provide medical assistance to fight the pandemic, revealing the challenges that Malagasy health authorities have faced in handling the Covid-19 pandemic.² Ahmad requested respirators, oxygen concentrators, hydroxychloroquine tablets and FFP2 type masks.³ Ahmad also stated his concerns about the rising infection rate in Madagascar and the increasing burden facing hospitals.⁴ In response, communication minister **Lalotiana Rakotondrzafy** issued a strongly worded statement accusing Ahmad of taking a unilateral decision and called into question his competence.⁵

Despite the official condemnation of his actions, Ahmad received endorsements of support from various medical professional associations. The **Fédération Syndicale de la Ministère de la Santé (FSMS)** (federation of public health workers) expressed its support for Ahmad during a press conference on 23 July.⁶ **Syndicat des Infirmiers et Sage Femmes de Madagascar** (nurses and midwives union) president **Jeriso Ralibera** described Ahmad's appeal as "*indispensable*", as healthcare authorities had ignored previous calls for assistance.⁷ Ahmad defended his actions and thanked Madagascar's health workers for their dedication during the crisis.⁸ Addressing the nation on 27 July, prime minister **Christian Ntsay** justified the reprimand of Ahmad on the basis that there had not been government consensus on the matter.⁹

Ahmad's call for assistance and his subsequent removal from government are the latest signs of tension between medical experts who support the use of conventional medical methods to address the pandemic and members of government who have insisted on promoting the use of traditional

¹ Madagascar Tribune, 21 Aug 2020

² RFI, 22 Jul 2020

³ RFI, 22 Jul 2020

⁴ Madagascar Tribune, 22 Jul 2020

⁵ RFI, 22 Jul 2020

⁶ Madagascar Tribune, 24 Jul 2020

⁷ Madagascar Tribune, 24 Jul 2020

⁸ RFI, 25 Jul 2020

⁹ RFI, 27 Jul 2020

remedies **Covid-Organics (CVO)** and **Covid-Organics+ (CO+)** to treat the disease.¹⁰ CVO and CO+ were developed at the **Institut Malagaches de Recherches Appliquées (IMRA)** and have been aggressively touted by President Rajoelina as a cure for Covid-19.¹¹ Despite the lack of scientific research to back up the claims of their effectiveness as a remedy, countries such as **Chad, Equatorial Guinea, Guinea-Bissau** and **Liberia** have ordered large quantities of the product (see *ARC Briefing Madagascar April-June 2020*). However, in July, **Nigeria's** health ministry called into question claims regarding the ability of CVO and CO+ to treat Covid-19 patients (see *ARC Briefing Madagascar July 2020*).¹² In June, education minister **Rijasoa Andriamanana** was sacked after establishing a \$2m lollipop distribution programme at schools to offset the bitter taste of the herbal drink (see *ARC Briefing Madagascar June 2020*).

There are signs, however, that the government is not relying solely on CVO and CO+. The defence ministry has recruited 60 volunteer caregivers to support the work of 65 military doctors, according to recruitment coordinator **Sedera Raharijaona**.¹³ The appeal followed a spike in Covid-19 cases across the country in July, which necessitated the re-imposition of a lockdown (see *ARC Briefing Madagascar August 2020*). However, defence minister **Richard Rakotonirina** was careful to pledge his department's support for Rajoelina's Covid-19 response plan.¹⁴

State of emergency continues amid gradual easing of restrictive measures...

President Rajoelina has extended Madagascar's national state of emergency by an additional 15 days, from 24 August, although he has lifted several Covid-19 related restrictions.¹⁵ Rajoelina announced on 23 August that lockdown in capital **Antananarivo** and in the regions of **Analamanga** and **Moramanga** would end on 25 August, allowing civil servants to return to normal work hours, restaurants to re-open, and mass public transport services to operate. Although residents of Analamanga and Moramanga are now permitted to travel to other regions, Antananarivo residents are still prohibited from leaving the city, which is the **coronavirus** epicentre of the country.¹⁶ The nationwide curfew was shortened to run from 10pm to 4am, while national exams are slated to take place on 15 September for the primary section and from 21-24 September for the secondary cycle.¹⁷

Rajoelina noted that the wearing of public masks in public remains compulsory, while no gatherings of more than 50 people are allowed and public events are not authorised.¹⁸ Rajoelina has delegated the **Centre de Commandement Operational-Covid-19 (CCO-Covid-19)** in each region to impose any Covid-19 related regulations it deems necessary in its region of jurisdiction.¹⁹

Government leaders have acknowledged the difficulties Malagasy have faced as a result of the Covid-19 lockdown and other restrictive measures. In June, anti-lockdown protests took place in the second largest city of **Toamasina** (see *ARC Briefing Madagascar June 2020*).²⁰ Although prime minister **Christian Ntsay** defended the restrictive measures as a way to save lives,²¹ President Rajoelina stressed that for economic and social reasons, the confinement cannot last indefinitely.²² Rajoelina said local medical experts estimate Madagascar's case total will see reductions from the end of August, but did not mention when borders would be reopened.²³ As of 28 August, Madagascar has

¹⁰ ARC Madagascar analyst

¹¹ Africanews, 27 Apr 2020

¹² AA, 20 Jul 2020

¹³ RFI, 3 Aug 2020

¹⁴ RFI, 3 Aug 2020

¹⁵ Madagascar Tribune, 24 Aug 2020

¹⁶ Madagascar Tribune, 24 Aug 2020

¹⁷ Madagascar Tribune, 24 Aug 2020

¹⁸ Madagascar Tribune, 24 Aug 2020

¹⁹ Madagascar Tribune, 24 Aug 2020

²⁰ BBC, 4 Jun 2020

²¹ RFI, 27 Jul 2020

²² RFI, 10 Aug 2020

²³ RFI, 10 Aug 2020

recorded 14,696 positive cases, 13,709 recoveries and 187 Covid-19 deaths in its population of roughly 27.8 million.²⁴

Finance ministry projects 4.1% economic growth rate in 2021

Economy and finance minister **Richard Randriamandranto** announced during a 12 August council of ministers meeting that he expects Madagascar's gross domestic product (GDP) to grow by 4.1% in 2021.²⁵ This is a significant improvement on the estimate of 0.8% growth in 2020.²⁶ In May, the **Banque Centrale de Madagascar (BCM)** (central bank) predicted 1.6% economic growth for 2020 (see *ARC Briefing Madagascar May 2020*).²⁷ The **United Nations Development Programme (UNDP)** is more pessimistic, estimating a possible 19% drop in Madagascar's GDP in 2020.²⁸ Before the onset of Covid-19, Madagascar was expected to generate 5.2% in growth.²⁹

Madagascar's economy has been particularly hard hit by the Covid-19 pandemic. Randriamandranto said the government is owed 439.8 billion MGA (\$114.3m) in tax arrears, while the budget deficit is set to increase to 6.3%.³⁰ The suspension of economic activities such as mining and tourism, which are major contributors to state revenue, has severely impacted the economy while the imposition of lockdowns and other restrictions on economic activity and freedom of movement have severely affected the country's most economically vulnerable.³¹ According to the **World Bank**, Madagascar has a poverty rate of 74.1%.³² The government has established a cash transfer and food distribution programme in the wake of the pandemic, which has benefitted 300,000 individuals.³³ To help address the country's economic downturn, Madagascar contracted a \$165.9m loan from the **International Monetary Fund (IMF)** through its **Rapid Credit Facility (RCF)** instrument in April (see *ARC Briefing Madagascar April 2020*).³⁴ However, the private sector is still waiting for the government to implement the long awaited economic stimulus programme.³⁵

Madagascar's medium-term growth recovery prospects are more positive. The **African Development Bank (AfDB)** expects growth to reach 5.3% from 2022-2025.³⁶ Randriamandranto said that sectors such as agriculture, construction, fishing, mining, textiles, tourism and transport will form the backbone of the government's economic recovery efforts in the 2021 finance bill.³⁷ However, Randriamandranto said the government's plans depended on how the country's epidemiological situation evolves.³⁸

Ambatovy project set to resume?

Japan-based **Sumitomo Corp.**, the largest shareholder in the **Ambatovy** nickel and cobalt mining project, has said it wants to resume exploration activities. Sumitomo suspended operations and repatriated expatriate workers in April following a Covid-19 outbreak in Toamasina.³⁹ Japan's ambassador to Madagascar, **Yoshihiro Higuchi**, has been taking active steps to lobby Malagasy authorities to allow activities at Ambatovy to restart.⁴⁰ Higuchi met with mines and strategic

²⁴ Worldometers, 28 Aug 2020

²⁵ Madagascar Tribune, 13 Aug 2020

²⁶ Madagascar Tribune, 13 Aug 2020

²⁷ Madagascar Tribune, 9 May 2020

²⁸ United Nations Development Fund, 4 Apr 2020

²⁹ Madagascar Tribune, 13 Aug 2020

³⁰ Madagascar Tribune, 13 Aug 2020

³¹ ARC Madagascar Analyst

³² World Bank, 13 Nov 2019

³³ Africanews, 22 Aug 2020

³⁴ IMF, 3 Apr 2020

³⁵ Madagascar Tribune, 13 Aug 2020

³⁶ United Nations Development Fund, 4 Apr 2020

³⁷ Madagascar Tribune, 13 Aug 2020

³⁸ Madagascar Tribune, 13 Aug 2020

³⁹ Madagascar Tribune, 29 Jul 2020

⁴⁰ Madagascar Tribune, 29 Jul 2020

resources minister **Fidiniavo Ravokatra** in June. **Ambatovy** is Japan's largest investment in Madagascar.⁴¹

The \$8 billion **Ambatovy** project is currently the largest investment in Madagascar. Upon completion, it will allow nickel to surpass vanilla as the country's largest export.⁴²

Planner

28-30 Sep 2020 **Antananarivo (Madagascar)** L'AviaDev Africa 2020 (Aeronautical Conference of Africa)⁴³

2023 **(Madagascar)** Potential presidential elections

Chronology

24 Aug 2020 **Antananarivo (Madagascar)** *Madagascar Tribune* President **Andry Rajoelina** lifts several **Covid-19** related restrictions including the end of the lockdown in the capital **Antananarivo** and in the regions of **Analamanga** and **Moramanga**, but extends the state of emergency for 15 days;

21 Aug 2020 **Antananarivo (Madagascar)** *RFI*. President **Andry Rajoelina** dismisses health minister **Ahmad Ahmad** from government in a mini-cabinet shuffle;

13 Aug 2020 **Antananarivo (Madagascar)** *Madagascar Tribune*. Economy and finance minister **Richard Randriamandranto** estimates Madagascar will achieve 4.1% growth in its gross domestic product (GDP) in 2021;

29 Jul 2020 **Antananarivo (Madagascar)** *Madagascar Tribune*. **Japan-based Sumitomo Corp**, the largest shareholder in the **Ambatovy** nickel and cobalt mining project, says it wants to resume exploration activities after operations were suspended in April in the wake of a **Covid-19** outbreak in **Toamasina**;

24 Jul 2020 **Antananarivo (Madagascar)** *Madagascar Tribune* **Fédération Syndicale du Ministère de la Santé (FSMS)** (federation of public health workers) and **Syndicat des Infirmiers et Sage Femmes de Madagascar** (nurses and midwives union) express support for embattled health minister. **Ahmad Ahmad**;

22 Jul 2020 **Antananarivo (Madagascar)** *RFI*. Health minister **Ahmad Ahmad** appeals to the international community for material aid for the country's fight against **Covid-19** in a move criticised by the government;

⁴¹ Madagascar Tribune, 29 Jul 2020

⁴² *Ambatovy.com*, retrieved 25 Aug 2020

⁴³ The conference has been postponed from its original dates (6 May-8 May)

About Africa Risk Consulting:

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