

AFRICA RISK CONSULTING

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Madagascar Summary 21 November 2023

Incumbent president Andry Rajoelina is on track to win the 16 November presidential election, largely due to the fact most opposition candidates boycotted the vote. Hajo Andrianainarivelo, the leader of the Malagasy Miara Miainga (MMM) opposition party and a member of the opposition Candidates' Collective, reveals on 20 November that the group is seeking to build a popular movement to protest Rajoelina's anticipated re-election. The likelihood of civil unrest at opposition demonstrations is elevated as interim president Richard Ravalomanana announces on 17 November that the government will not tolerate any further anti-government protests. Banky Foiben'i Madagasikara (BFM) (central bank) maintains interest rates at the current levels on 7 November noting a decline in inflation in recent months. Gold exports resume on 9 November after the authorities open a single export window for the mining sector.

Rajoelina set to win re-election

Madagascar held its presidential election on 16 November amid heightened political tensions as the majority of opposition candidates decided to boycott the vote.¹ Despite this boycott and the preceding opposition-led protest campaign, the election day itself concluded without major incident.

Former president **Andry Rajoelina** (2018-2023), who resigned from the presidency in September to contest the election, is set to win re-election. As of 21 November, he has garnered 60.78% of votes with just over 50.8% of polling stations having been counted.² The former president's allies and supporters still control the government and both legislative houses.

Rajoelina's control over state institutions had led him to be considered the frontrunner going into the election campaign period. However, it was the decision by the opposition **Candidates' Collective** to refuse to campaign for the election and ultimately call for a boycott of the vote itself which is the reason he is on track to secure such a commanding victory. The Candidates Collective comprises ten of the 13 opposition candidates including the former presidents **Marc Ravalomanana** (2002-2009) and **Hery Rajaonarimampianina** (2013-2018). Ravalomanana had been viewed as Rajoelina's most serious challenger ahead of the election; illustrative of this is the fact that the former president has still secured around 12.33% of the vote despite boycotting the election.

The Candidates' Collective has dismissed the 16 November election as illegitimate and stated that it will not recognise the result of the vote.³ The opposition alliance intends to contest the results of the election before the **Haut Cour Constitutionnelle (HCC)** (constitutional court) once the **Commission Electorale Nationale Indépendante (CENI)** (independent national electoral commission) proclaims the final result – this is expected to occur around 24 November. However, the HCC is unlikely to rule in the opposition candidates' favour. Madagascar's apex court repeatedly ruled against the Candidates' Collective's previous efforts to postpone the election and has largely dismissed the opposition's grievances pertaining to CENI and Rajoelina's legitimacy as a candidate after it was revealed he was a **French** citizen. Furthermore, although the boycott resulted in a voter turnout of approximately between 39% and 43%, this is still likely sufficiently high enough for the HCC to view the election as legitimate.⁴

¹ Al Jazeera, 16 Nov 2023

² Orange, 21 Nov 2023

³ 2424, 20 Nov 2023

⁴ Orange, 21 Nov 2023

The Candidates' Collective boycott failed to achieve its aim of reducing voter turnout to a level that would delegitimise the election, largely because the opposition leaders only announced the boycott on 13 November, three days before the election.⁵ This left insufficient time to inform and convince opposition supporters of the boycott, evidenced by the fact that an estimated 28% of voters on 16 November voted for candidates who were boycotting the election.

It should also be noted that any effort to invalidate the election result by the Candidates' Collective or other bodies has also been undermined by the majority of regional and international election observer missions releasing statements noting that they did not witness any widespread electoral fraud or irregularities during the election.⁶ This indicates that any irregularities that did occur will be insufficient to nullify the election result.

Notably, this contrasts with the local elections and corruption watchdog, the **Safidy Observatory**, which claimed it noted several electoral irregularities including voter intimidation, vote buying, and the misuse of state resources by the Rajoelina campaign.⁷ However, the government has not responded to the Safidy Observatory's concerns and the watchdog has been publicly criticised by Rajoelina's political allies as being biased against his re-election.

...but the threat of civil unrest remains

The Candidates' Collective failure to ensure that the election was postponed or that all their supporters boycotted the vote has left the opposition alliance with limited options. The group will likely continue to lead a protest campaign in the hopes of securing political concessions, however, the government or CENI is unlikely to agree to rerun the election unless the HCC orders it to.

Hajo Andrianainarivelo, the leader of the **Malagasy Miara Miainga (MMM)** opposition party and a member of the Candidates' Collective revealed on 20 November that the group is seeking to build a popular movement to protest Rajoelina's anticipated re-election.⁸ Andrianainarivelo noted that it will include recruiting labour unions and civil society organisations to support this protest campaign. However, it is unclear if Madagascar's major labour unions and civil society groups have an appetite for such an endeavour, especially given the elevated risk of violence at such events.

Madagascar's security forces are known to respond to anti-government protests in a heavy-handed manner. This has been evidenced by the clashes which have marred opposition-led protests over the past month. However, security forces' use of such heavy-handed tactics is expected to intensify after interim president, **Richard Ravalomanana** (no relation to Marc Ravalomanana) announced on 17 November that the state would adopt a "*no tolerance*" approach to anti-government protests going forward.⁹ Richard Ravalomanana added that authorities had been lenient in their response to opposition protests ahead of the election out of fear that the government would be accused of political oppression but there are no such concerns now that the election has concluded.

Richard Ravalomanana is the former head of Madagascar's gendarmerie and has a history of ordering security forces to use violent tactics when dispersing opposition protesters. He is also an arch-ally of Rajoelina and, as such, is expected to follow through on his threat to not countenance any anti-Rajoelina protests going forward, increasing the likelihood of violence at any opposition-led demonstration in the coming weeks, especially in the capital, **Antananarivo**.

International and regional observers are also aware of this threat. Observer missions from the **Southern African Development Community (SADC)**, the **African Union (AU)**, the **Common Market for East and Southern Africa (COMESA)**, and the **Organisation Internationale de la Francophonie (OIF)** (international organisation of French-speaking countries) have jointly called for

⁵ France24, 13 Nov 2024

⁶ Le Express, 20 Nov 2023

⁷ L'Info, 21 Nov 2023

⁸ 2424, 20 Nov 2023

⁹ Madagascar Tribune, 18 Nov 2023

a national dialogue to resolve the ongoing political impasse.¹⁰ However, neither Rajoelina nor the Candidates' Collective appear open to such a dialogue at present.

Central bank maintains current rates

The **Banky Foiben'i Madagasikara (BFM)** (central bank) on 7 November opted to maintain interest rates at their current levels.¹¹ Accordingly, the deposit facility rate (the interest banks receive for depositing money with the central bank) remains at 9% while the marginal lending facility rate (the interest rate banks pay when they borrow from the central bank overnight) stays at 11%. The BFM maintained these key facility rates after noting a decline in the rate of inflation in recent months.

Inflation is currently estimated to be around 8.2% down from the 12-month high of 12.43% in March.¹² Although the current inflation rate is above the BFM's target of below 6%, the central bank believes that its current monetary strategy is having an impact and that the current interest rates should lead to a continued decline in inflation. It should also be noted that some of the key drivers of inflation - such as the war in **Ukraine** and rising global inflation rates - are out of the BFM's control. As such, the central bank could risk causing additional economic harm should it raise interest rates any further.

In another positive economic development, mines and strategic resources minister **Herindrainy Rakotomalala**, announced on 9 November that gold producers in Madagascar may resume exporting.¹³ The resumption of exports follows the official opening of the single window for the export of gold, precious metals, precious stones and fine stones. The implementation of this single export window was one of the key sector reforms announced in March when the government lifted the ban on exporting gold (*see ARC Briefing Madagascar Apr 2023*). The single export window is a one-stop shop to process licenses and documents as well as shorten approval times.

The resumption of gold exports will be a boost to the country's mining sector and the economy at large. The implementation of these reforms and the resumption of exports will also attract additional investor interest in the sector. In addition, the new documentation and licencing regime should help Madagascar combat illegal gold trafficking in the country. It is estimated that Madagascar loses approximately \$945m every year due to the illicit gold trade. The gold is primarily sourced from artisanal and illicit mines in the country's poorly policed rural hinterland and smuggled to **Dubai (United Arab Emirates)** where it is sold and merged with the legal gold trade.

Another notable step being taken to address the illicit gold trade is the ongoing efforts to formalise artisanal mining in the country. Officials announced on 13 November that the initial pilot projects aimed at formalising small-scale and artisanal miners have been a success resulting in increased legal sales as well as increased security in artisanal mining communities. As such, the mines ministry will continue to expand these formalisation efforts across the country.

Planner

20 Dec 2023 (**Madagascar**) Presidential election (second round);
May 2023 (**Madagascar**) National Assembly election (expected);

Chronology

20 Nov 2023 **Antananarivo (Madagascar)** *Le Express*. Environment and sustainable development ministry reports Madagascar loses over 100,000 hectares of forests every year due to human activity;

¹⁰ Madagascar Tribune, 20 Nov 2023

¹¹ BFM, 7 Nov 2023

¹² Trading Economics, 21 Nov 2023

¹³ 2424, 10 Nov 2023

19 Nov 2023 **Antananarivo (Madagascar) 2424**. The **International Trade Center (ITC)** estimates that Madagascar's essential oil sector has an untapped export potential of at least \$78m;

18 Nov 2023 **Ankazovelo (Madagascar) Le Express**. Officials reveal that eight people have died in a suspected pneumonic plague outbreak in the Ankazovelo commune in **Atsimo-Andrefana** region;

18 Nov 2023 **Antananarivo (Madagascar) Madagascar Tribune**. Council of ministers ratifies five new appointments to the **Commission for the Control of the Financing of Political Life (CCFVP)**;

17 Nov 2023 **Antsiranana (Madagascar) Economic Times**. The **Indian Navy Ship (INS) Sharda** docks in the **Port of Antsiranana** as part of an **Indian Ocean** maritime security deployment;

14 Nov 2023 **Antananarivo (Madagascar) Le Express**. The **International Monetary Fund (IMF)** announces that it has postponed the next review of its **Extended Credit Facility (ECF)** arrangement with Madagascar until the conclusion of the presidential elections;

13 Nov 2023 **Antananarivo (Madagascar) 2424**. The **World Intellectual Property Organisation** ranks Madagascar 107th of 132 countries on its **Global Innovation Index (GII)**;

12 Nov 2023 **Antananarivo (Madagascar) 2424**. The **European Union (EU)** releases a statement expressing concern over political violence ahead of the election;

10 Nov 2023 **Antananarivo (Madagascar) Madagascar Tribune**. Council of ministers validates **Madagascar Airlines'** new business turnaround plan dubbed Phoenix 2030;

9 Nov 2023 **Antananarivo (Madagascar) 2424**. **Banky Foiben'i Madagasikara (BFM)** (central bank) records a 15.7% decline in exports in the first nine months of 2023 compared with the same period in 2022;

9 Nov 2023 **Antananarivo (Madagascar) Africa News**. National assembly president **Christine Razanamahasoa** calls for the election to be postponed claiming that the conditions for a free and credible vote have not been met;

6 Nov 2023 **Antananarivo (Madagascar) L'Express**. Gendarmerie arrest opposition candidate **Jean-Jacques Ratsietison** for his role in organising opposition protests;

6 Nov 2023 **Antananarivo (Madagascar) Madagascar Tribune**. **Nicolas Rabemananjara** is elected as the new senate president;

5 Nov 2023 **Antananarivo (Madagascar) L'Express**. Several people are injured in clashes between protestors and police at an opposition demonstration near Antananarivo's **Place du 13 Mai**;

27 Oct 2023 **Antananarivo (Madagascar) L'Express**. Senate president **Richard Ravalomanana** is appointed as interim president;

24 Oct 2023 **Antananarivo (Madagascar) RFI**. Opposition leader **Andry Rajoelina** files a second request with the high constitutional court to postpone the 16 November presidential election, citing a case of "*force majeure*". His first request was successful, however, Rajoelina maintains that his injury sustained in a 2 October demonstration will not allow him to be present at the 16 November election and therefore, it should be postponed again;

24 Oct 2023 **Antananarivo (Madagascar) Midi Madagasikara**. The trade union, the **Solidarité Syndicale de Madagascar (SSM)**, threatens to stage a strike in protest of the political tensions between opposition parties and pro-Rajoelina parties.

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