

# Insight into AfricaMaVal country case studies **MADAGASCAR**

Madagascar is a mineral-rich country with substantial deposits of critical raw materials, presenting significant opportunities for exploration and investment despite facing specific regulatory and infrastructural challenges.



Graphite, Nickel-Cobalt, Titanium-Zirconium, Aluminium, Lithium, Rare-Earth, Tantalum, Vanadium.



The south-eastern region is particularly noted for its extensive graphite deposits.

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## COUNTRY OPPORTUNITIES AND GOVERNMENTAL INITIATIVES

### Fiscal reforms:

Implementation of new tax regulations aimed at creating a more investor-friendly environment in the mining sector. This includes for instance the reduction of corporate tax rates for mining companies.

### Environmental regulations:

Strengthening of environmental protection laws to ensure sustainable mining practices, including the enforcement of stricter penalties for non-compliance and the requirement for comprehensive environmental rehabilitation plans for mining sites.

### Investment in infrastructure:

Government initiatives such as the construction of new roads and the expansion of the electricity grid in mining regions are underway. Projects like the upgrade of the Toamasina port are aimed at improving export capabilities and supporting the mining sector.

## CHALLENGES AND BARRIERS

- **Regulatory complexity:**

Navigating Madagascar's intricate Mining Code and stringent environmental laws poses significant challenges for investors.

- **Infrastructure issues:**

Inadequate transportation infrastructure, such as poor road conditions and limited rail networks, and energy shortages hamper efficient mining operations and logistics. The lack of reliable power supply, especially in remote mining areas, leads to operational inefficiencies.

- **Economic and political instability:**

Fluctuations in the macroeconomic and political landscape create uncertainty for long-term investments.