Madagascar
Madagascar: Scenarios

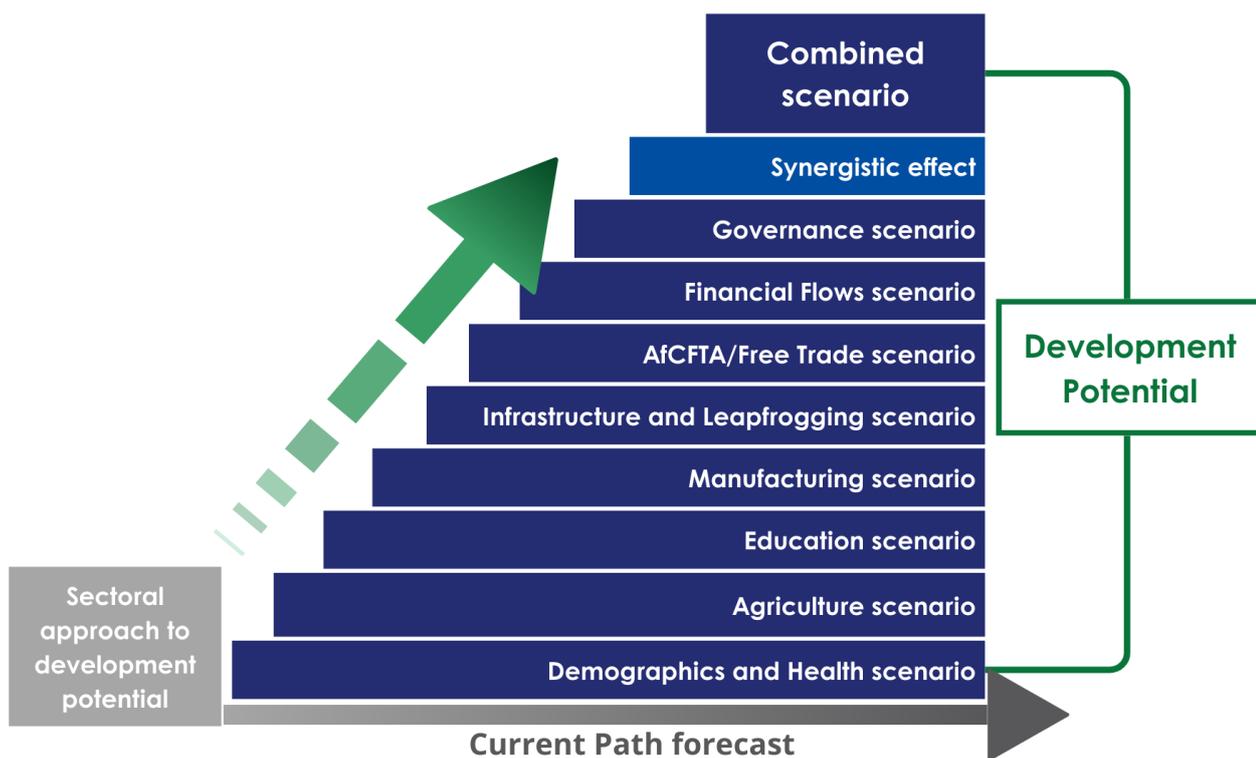Du Toit McLachlan and Julia Bello-Schünemann

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Madagascar: Scenarios

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Briefly
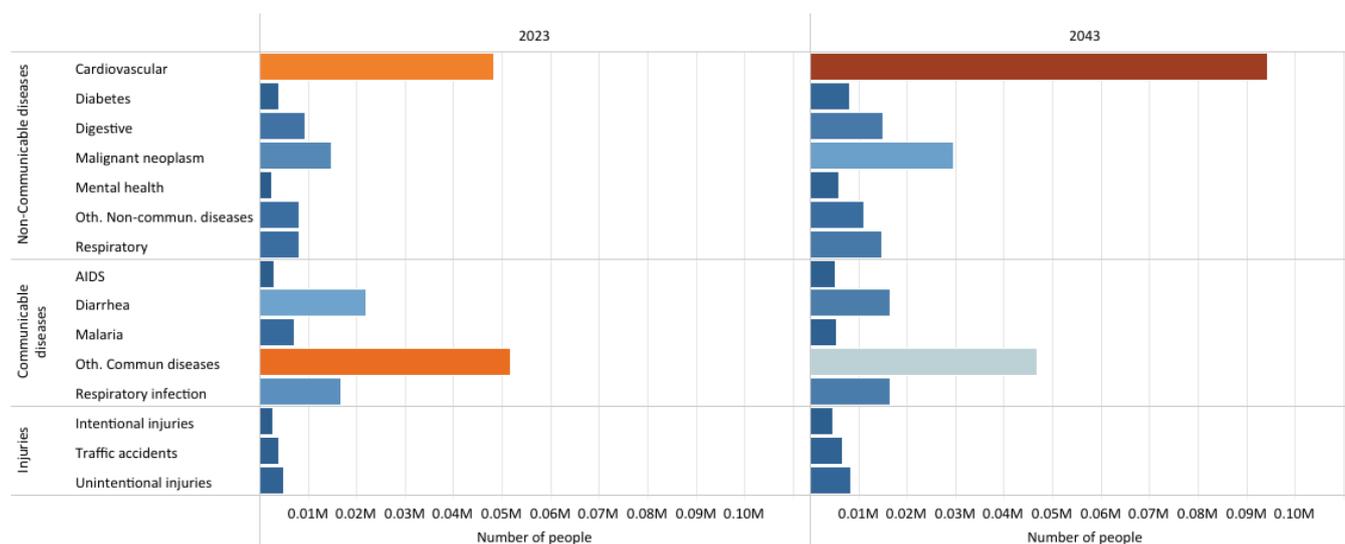
Chart 10: Relationship between Current Path and scenarios

The eight sectoral scenarios as well as their relationship to the Current Path and the Combined scenario are explained in the About Page. Chart 10 summarises the approach.

Demographics and Health scenario

Chart 11: Mortality distribution in the Current Path, 2023-2043

Source: IFs 8.38 initialising from IHME data

Chart 11 presents the mortality distribution in the Current Path for 2023 and 2043.

The Demographics and Health scenario envisions ambitious improvements in child and maternal mortality rates, enhanced access to modern contraception, and decreased mortality from communicable diseases (e.g., AIDS, diarrhoea, malaria, respiratory infections) and non-communicable diseases (e.g., diabetes), alongside advancements in safe water access and sanitation. This scenario assumes a swift demographic transition supported by heightened investments in health and water, sanitation, and hygiene (WaSH) infrastructure.

Visit the themes on Demographics and Health/WaSH for more detail on the scenario structure and interventions.

Demographics and health constitute two intimately connected systems. Madagascar's population structure is maturing only slowly. Relatively high levels of fertility and above-average life expectancy are driving natural population growth. This youthful and rapidly expanding population places significant strain on the health system: high fertility increases demand for maternal and child health services, while a growing cohort of young people requires immunisation, nutrition and primary healthcare. Such pressure can undermine service quality and compound longstanding challenges, such as malnutrition, high child mortality and uneven access to care.

In 2023, the average total fertility stood at four births per woman of childbearing age. The Current Path, the fertility rate will drop to 3 births per woman by 2043. It is only in 2060 that the country will reach replacement level fertility of 2.1 births. As a consequence, Madagascar's population will continue to grow relatively fast, and by 2043 the median age will only increase to 23.4 years, up from 19.9 in 2023. Rwanda's anticipated median age, for example, is 26.5 years, the highest among Africa's low-income economies by then.

The Demographics and Health scenario accelerates Madagascar's demographic transition by almost two decades, opening up opportunities for economic growth. Average total fertility is set to drop to 2.1 births per woman by 2043. This means that Madagascar would reach replacement fertility level 17 years earlier than in the Current Path. A gradual rise in median age and decline in fertility are key drivers of economic growth, as they reduce the dependency ratio and allow a larger

share of the population to enter the labour force. This so-called 'demographic dividend' can boost productivity and savings, but only if accompanied by investments in education, job creation and health.

In 2023, the average life expectancy in Madagascar was 66.2 years. On the Current Path, it will increase to 70.3 versus 72.9 in the Demographics and Health scenario in 2043; a gain of 2.6 years. In this scenario, Madagascar will perform above the average life expectancy of Africa´s low-income economies at 71.8 years and get close to the average of 72.4 years for the continent's lower-middle-income economies. Ethiopia, the top performer among the low-income peers, will have a life expectancy of 76.2 years in 2043 in the Current Path, followed by Rwanda at 75 years.

Between 1990 and 2023, Madagascar notably improved its child survival rates, increasing overall life expectancy. The under-five mortality rate dropped from 159.5 deaths to 51.5 deaths per 1 000 births, and infant mortality fell from 88.1 deaths per 1 000 live births in 1990 to 39.2 deaths in 2023. By 2043, the under-five mortality will drop to 30.7 deaths per 1 000 births.

However, chronic malnutrition remains a significant concern, with 38.6% of children under five experiencing stunting in 2023. In the Demographics and Health scenario, the under-five mortality will drop to around 25 deaths per 1 000 births before 2036, catching up with the Sustainable Development target with a delay of 6 years. By 2043, the under-five mortality will have dropped to 20 deaths per 1 000 live births. The under-five stunting rate will have dropped 20.1% compared to 26% on the Current Path. These improvements not only save lives but also improve cognitive development, school readiness and long-term productivity, laying the foundation for a healthier, more skilled workforce. Over time, reduced child mortality and malnutrition also ease pressure on households, enabling greater investments in education and income-generating activities.

Madagascar is undergoing an epidemiological transition, which is characterised by a double burden of disease. This means that the burden from infectious diseases persists alongside the rising prevalence of non-communicable diseases (NCDs). In 2023, there are nearly as many deaths from NCDs as there are from communicable diseases (CDs) (0.09 million versus 0.1 million). In 2023, other communicable diseases were the leading cause of death in Madagascar. Diarrhoea and respiratory infections are ranked 3rd and 4th. Already by 2025, NCDs will be the leading cause of death in Madagascar. By 2043, twice as many Malagasy will die from NCDs as from communicable diseases, placing additional strain on its health sector as NCDs are more expensive to treat.

Among the former, cardiovascular diseases are the most prevalent, followed by malign neoplasms, which relate to deaths caused by cancers. Currently, cardiovascular diseases are already the second leading cause of death in the country.

The coexistence of communicable and non-communicable diseases requires a comprehensive health strategy that addresses both ends of the disease spectrum with increasing attention to non-communicable diseases.

Madagascar's health sector has a dual structure. Health services are provided by the government, non-governmental organisations as well as some private clinics. The public sector comprises basic health centres (Centres de Santé de Base), district hospitals and regional as well as university hospitals. However, health expenditure is far too low and relies heavily on foreign aid, which has seen severe cuts recently, with implications for poverty and health outcomes on the continent. Generally, the sector suffers from important infrastructure deficits, a shortage of doctors and nurses and lacks essential supplies. In 2022, according to World Bank data, health expenditure in Madagascar only accounted for 3.3% of GDP, almost 2 percentage points below the average for sub-Saharan Africa excluding high-income economies at 5.1%.

Access to healthcare is limited, and more so in rural areas. Private facilities, more common in urban areas, offer better services but are unaffordable for most people. The government has committed to universal health care for children under five, pregnant women and people over 65, but implementation is slow.

According to the latest available data (2019) from the Global Burden of Disease, Madagascar scored 40 on the Universal Healthcare effective coverage index (index from 0-100, higher is better); a below-average performance (the sub-Saharan African average was 46.2 in 2023), showing the greatest deficiencies in the area of cancer treatment. This underscores that the country needs to be more proactive about its growing non-communicable disease burden. At the same time, significant challenges in the areas of antenatal, peripartum and postnatal care for newborn babies and antenatal, postpartum and postnatal care for mothers still exist.

Strengthening healthcare infrastructure, improving access to services and addressing underlying socioeconomic factors are key steps toward improving the country's health outcomes.

In the Demographics and Health scenario, the poverty rate drops to 66.6% compared to 68.8% in the Current Path. This scenario has the third-strongest impact on poverty reduction, following the Agriculture and AfCTA scenarios.

Chart 12: Infant mortality rate in Current Path and Demographics and Health scenario, 2020-2043

Madagascar, Current Path
Madagascar, Demographics and Health scenario
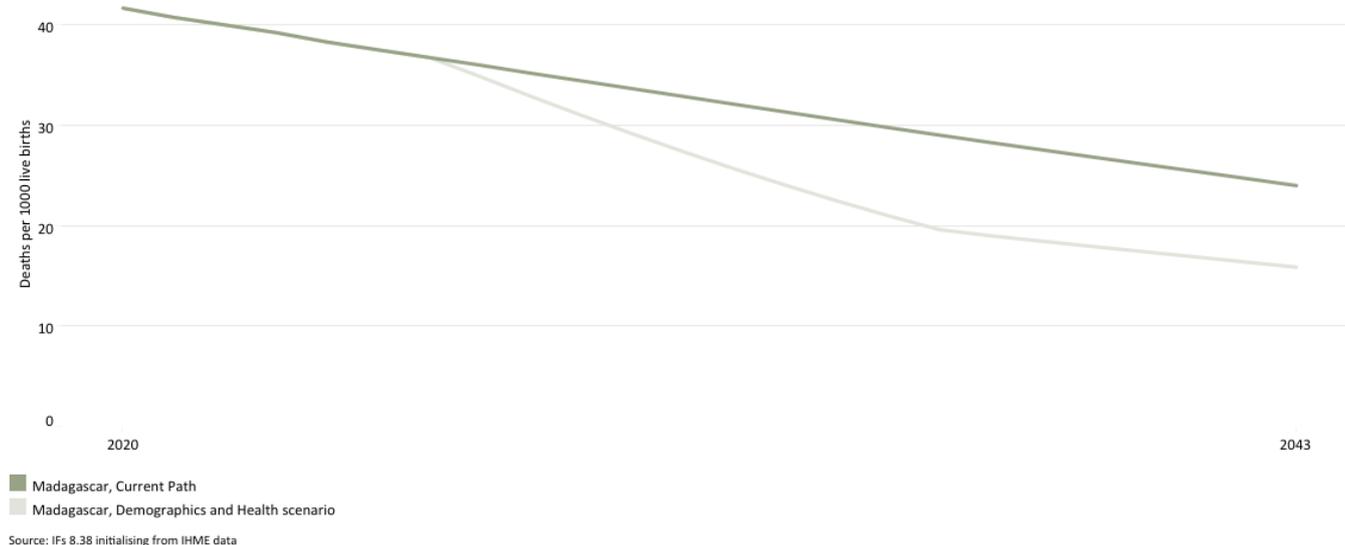Source: IFs 8.38 initialising from IHME data

Chart 12 presents the infant mortality rate in the Current Path and in the Demographics and Health scenario, from 2020 to 2043.

The infant mortality rate is the probability of a child born in a specific year dying before reaching the age of one. It measures the child-born survival rate and reflects the social, economic and environmental conditions in which children live, including their health care. It is measured as the number of infant deaths per 1 000 live births.

The infant mortality rate is an important marker of the overall quality of a country's health system. Madagascar significantly reduced its infant mortality rate over the past decades from 88.1 deaths per 1 000 live births in 1990 to 39.2 deaths in 2023. On this indicator, the country performs above the group average of its low-income peers, which is 43.3 deaths per 1 000 live births. Gambia, the best performer, had an infant mortality rate of 25.1 deaths per 1 000 live births in 2023. The Central African Republic, on the other hand, with 80.6 deaths per 1 000 live births, had the highest infant mortality rate among Africa's low-income economies. Madagascar ranked eighth in 2023.

Access to safe water and improved sanitation, in particular in Madagascar, is suboptimal. Both are key drivers of health outcomes. In 2023, 58.3% of the population had access to safe water, and only 14.3% were in a position to access

improved sanitation. Madagascar performs the worst among its African low-income peers. The Demographics and Health sector aims to improve access to water, sanitation and hygiene (WaSH) infrastructure.

As a result of these interventions, in the Demographics and Health scenario, infant mortality in Madagascar will reduce by more than 50% dropping to 15.9 deaths per 1 000 live births in 2043. The Current Path forecasts 23.4 deaths per 1 000 live births in 2043. The scenario interventions set Madagascar on a path to come much closer to the SDG infant mortality goal of 12 deaths per 1 000 live births, albeit with a significant delay.

Chart 13: Demographic dividend in the Current Path and the Demographics and Health scenario, 2020-2043

Madagascar, Current Path
Madagascar, Demographics and Health scenario
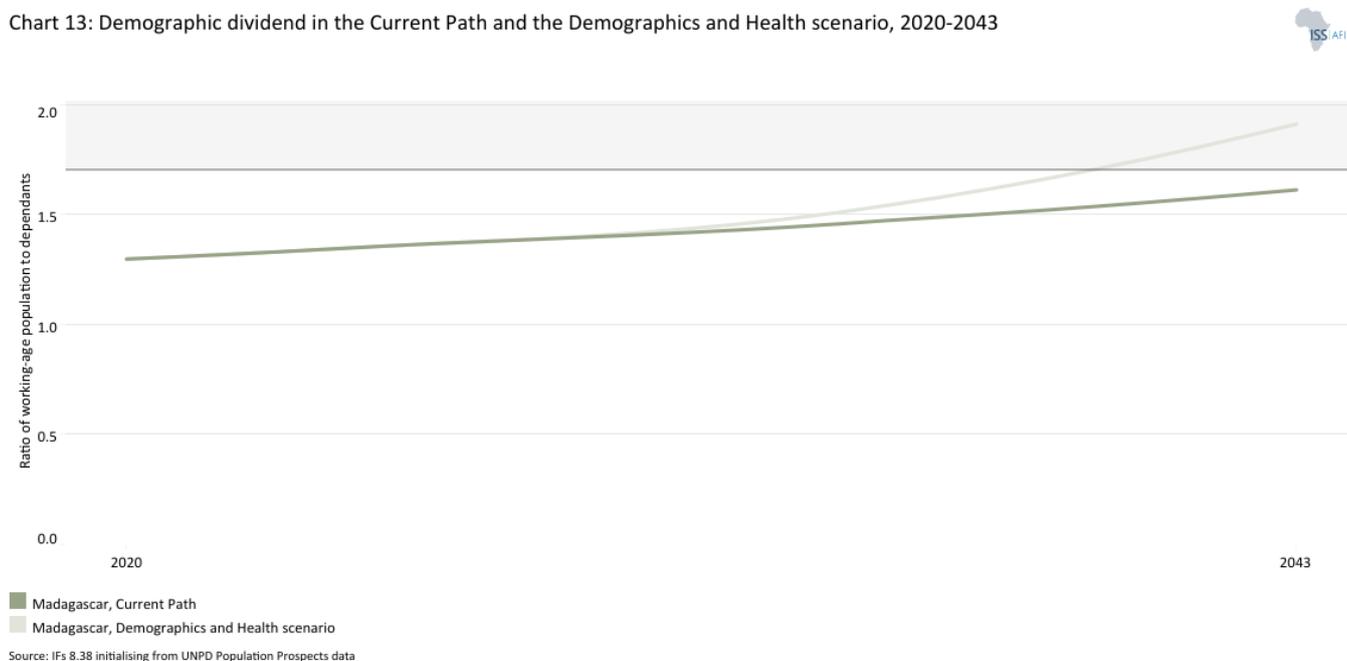Source: IFs 8.38 initialising from UNPD Population Prospects data

Chart 13 presents the demographic dividend in the Current Path and in the Demographics and Health scenario, from 2020 to 2043.

The dividend is the window of economic growth opportunity that opens when the ratio of working-age persons to dependants increases to 1.7 to 1 and higher.

A maturing age structure will benefit Madagascar's workforce. By 2043, people of working age will account for about 62% of the population compared to 57% in 2019. This means that the ratio between the working age and the dependent population is improving, but not fast enough to significantly boost economic growth. On the Current Path, Madagascar is expected to reach the peak of its "demographic sweet spot" only in 2076. By 2043, for every dependant there will be 1.6 workers, up from 1.3 in 2023. In the Demographics and Health scenario, Madagascar's demographic dividend is fast-tracked by nearly two decades, with 2.4 workers for every dependant in 2058.

A lower dependency burden would allow households to save and invest more, while a larger share of the population contributes to the labour force. This accelerates economic growth, broadens the domestic tax base and creates fiscal space for greater investment in health, education and infrastructure. If paired with job creation and skills development, the earlier demographic shift can generate a substantial 'demographic dividend'.

Agriculture scenario

Agricultural demand   **Agricultural production**

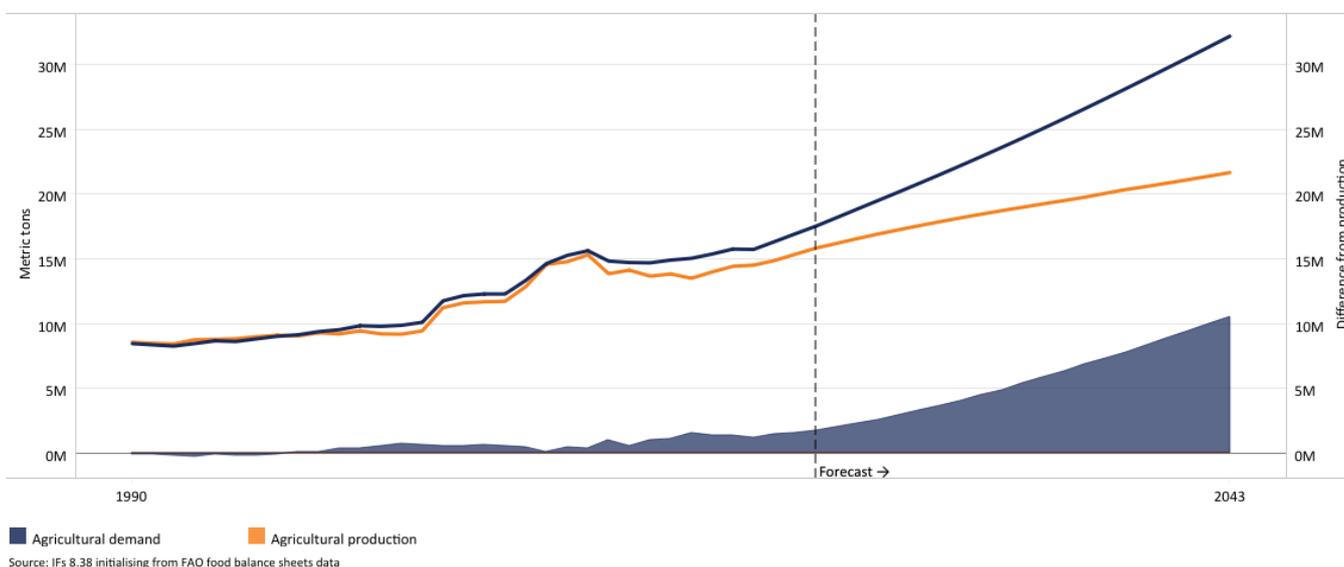Source: IFs 8.38 initialising from FAO food balance sheets data

Chart 14 presents crop production and demand in the Current Path from 1990 to 2043.

The Agriculture scenario envisions an agricultural revolution that ensures food security through ambitious yet feasible increases in yields per hectare, thanks to improved management, seed, fertiliser technology, and expanded irrigation. Efforts to reduce food loss and waste are emphasised, with increased calorie consumption as an indicator of self-sufficiency and prioritising it over food exports. Additionally, enhanced forest protection signifies a commitment to sustainable land use practices.

Visit the theme on Agriculture for our conceptualisation and details on the scenario structure and interventions.

The data on agricultural production and demand in our modelling initialises from data provided on food balances by the Food and Agriculture Organization (FAO). Our model contains data on numerous types of agriculture but aggregates its forecast into crops, meat and fish, presented in million metric tons.

Madagascar is endowed with abundant natural resources and has exceptional potential for agricultural development, which remains, however, largely unexploited. The country's agricultural sector, including fishing and forestry, is the backbone of the economy, although it contributes less than half of what the service sector contributes to GDP. In 2023, agriculture accounted for close to one-fourth (22.8%) of GDP, but employed roughly 80% of the working population, often in subsistence farming or informal work. Rice production is the leading economic activity. Value added from the services sector accounted for 51.3% of GDP, including retail, tourism, public administration, education and health, many of which are urban and informal. Manufacturing accounted for 9.7% of GDP.

In the Current Path, the contribution of agriculture to GDP will drop to 12.9% in 2043, with services gaining importance (56.2% of GDP in 2043). In absolute terms, however, value added from agriculture is expected to increase from US$3.3 billion to US§4.8 billion. The agricultural sector is extremely vulnerable in that it faces a series of challenges, including deforestation and erosion, aggravated by bushfires, slash-and-burn clearing techniques, as well as the use of firewood as the primary source of fuel.

Rice is the primary crop, followed by other subsistence crops like cassava, corn and sweet potato. Cash crops such as vanilla, coffee, cloves and cocoa are cultivated for the export market.

According to the International Fund for Agricultural Development, the rice sector's annual average growth rate is only 1.5 per cent, a key driver of rural poverty. Other drivers include fragmented production, low productivity, rural insecurity, overuse of natural resources, vulnerability to natural disasters, limited access to economic and commercial opportunities, poor infrastructure and limited access to agricultural markets and rural finance.

In 2023, Madagascar's total crop yield was approximately 15.8 million metric tons. Crop yields will increase by 37% to 21.7 million metric tons in 2043. However, crop production is outpaced by demand, increasing the risk for excessive food import dependence. In 2023, 15.8 million metric tons were not enough to meet domestic demand, which stood at 17.52 million metric tons.

Fast population growth is rapidly fuelling agricultural demand, and in combination with low productivity, it fuels the widening gap between demand and production. The gap of almost 1.7 million metric tons observed in 2023 will reach 10.4 million metric tons by 2043. A growing gap automatically translates into growing import dependence for food items, which in turn affects the current account balance.

Further, environmental degradation and high exposure to climate change-related risks heighten Madagascar's risk for food insecurity. Southern Madagascar is particularly vulnerable to droughts, with the one in 2021 being especially severe, and the southeast is prone to recurrent cyclones and flooding. According to the World Food Programme, in these regions, more than 1.3 million people face high levels of acute food insecurity.

In 2023, Madagascar's service sector accounted for more than half of the country's GDP (51.3%), followed by the value added from agriculture, which represented 22.1%, and manufacturing at 9.8%. In the Current Path, the service sector is expected to remain the most important contributor to Madagascar's GDP. Its share is set to increase to 56.2% by 2043. At the same time, the contribution of the agriculture sector will drop to 12.9%. Manufacturing, on the other hand, will increase by close to four percentage points to 13.7% in 2043.

Madagascar's expected trajectory roughly mirrors that of its low-income peer group, with services continuing to represent the largest share of GDP, with manufacturing experiencing modest growth and the contribution of agriculture declining.

In 2023, Madagascar's crop production stood at 15.8 million metric tons. In the Current Path, it will increase by 37% to 21.7 million metric tons in 2043. Interventions in the Agriculture scenario create momentum and push crop production to 29.2 million metric tons, an 84% increase.

This level of crop production is still not enough to meet the increasing demand of a growing population, but it helps to gradually reduce the gap. In 2023, demand for crops was estimated at 17.5 million metric tons. By 2043, it will have grown to 21.7 million metric tons. In 2023, the gap between production and demand was 1.7 million metric tons.

In 2043, in the Current Path, production will fall 10.4 million metric tons short of demand in 2043. In the Agriculture scenario, the expected gap will be 3 million metric tons; smaller than on the projected Current Path trajectory yet larger than in 2023. This result illustrates that systems are interconnected and, more importantly, the need for holistic development planning.

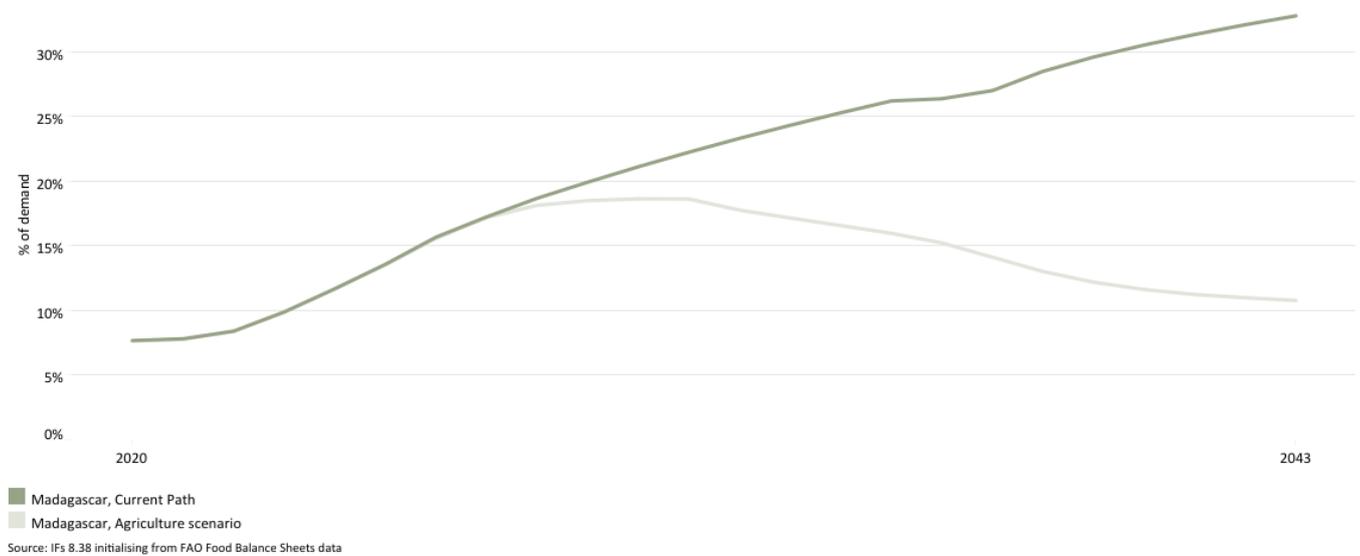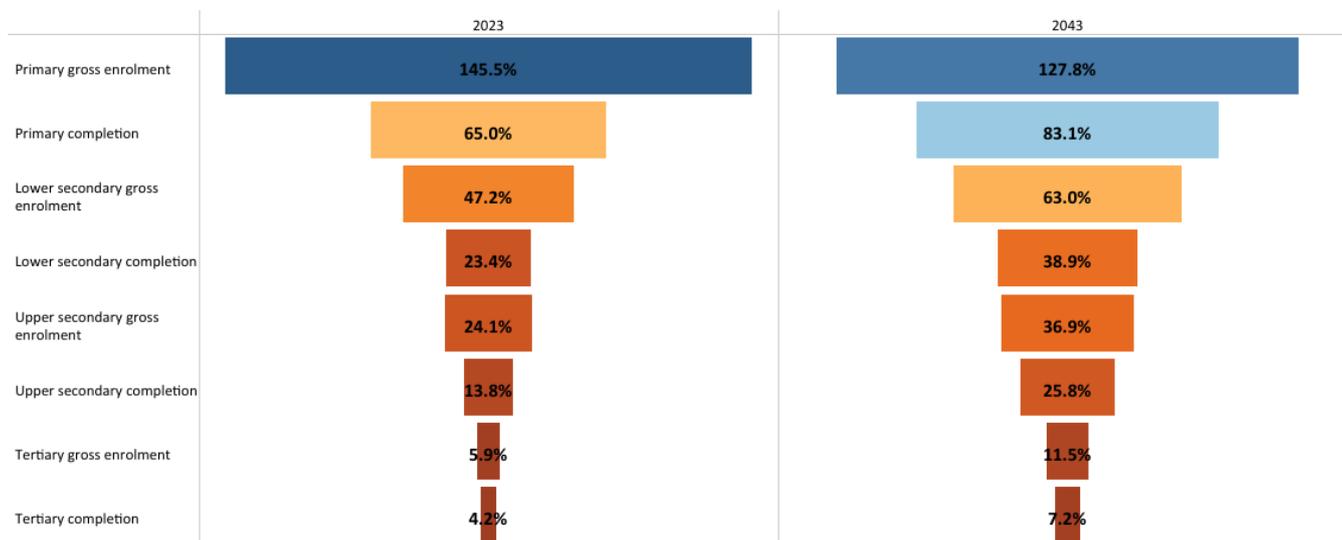Source: IFs 8.38 initialising from FAO Food Balance Sheets data

Chart 15 presents the import dependence in the Current Path and the Agriculture scenario, from 2020 to 2043.

In the Agriculture scenario, total agricultural production will increase from 16.8 million metric tons in 2023 to about 31.9 million metric tons in 2043, 7.6 million metric tons more than in the Current Path. This allows for curbing the growing level of import dependence that Madagascar will experience on the Current Path as demand continues to grow due to population growth. In 2023, imports accounted for 9.9% of agricultural demand. With increased agricultural production in the Agriculture scenario, by 2043, imports will account for 10.8% of agricultural demand compared to 32% in the Current Path. This reflects curbing Madagascar's growing import dependence.

Reduced import dependence strengthens food security, lowers vulnerability to global price shocks and improves the balance of payments. It also supports rural livelihoods by expanding domestic agricultural markets and reducing the outflow of foreign exchange, resources that can instead be invested in infrastructure, health and education.

Education scenario

Chart 16: Progress through education funnel in the Current Path, 2023-2043

	2023	2043
Primary gross enrolment	145.5%	127.8%
Primary completion	65.0%	83.1%
Lower secondary gross enrolment	47.2%	63.0%
Lower secondary completion	23.4%	38.9%
Upper secondary gross enrolment	24.1%	36.9%
Upper secondary completion	13.8%	25.8%
Tertiary gross enrolment	5.9%	11.5%
Tertiary completion	4.2%	7.2%

Source: IFs 8.38 initialising from Barro-Lee data

Chart 16 depicts the progress through the educational system in the Current Path, for 2023 and 2043.

The Education scenario represents reasonable but ambitious improvements in intake, transition, and graduation rates from primary to tertiary levels and better quality of education at primary and secondary levels. It also models substantive progress towards gender parity at all levels, additional vocational training at the secondary school level, and increases in the share of science and engineering graduates.

Visit the theme on Education for our conceptualisation and details on the scenario structure and interventions.

Madagascar's education system faces significant challenges across access, quality and inequality when it comes to gender as well as the rural-urban divide. The system is largely based on the French model, and the colonial legacy is still visible in the structure, language, curriculum and assessment methods. The school calendar, for example, is an obstacle to children completing primary education, especially in rural areas.

The calendar mirrors the European school calendar and is misaligned with the country's agricultural and cyclonic seasons. Many children drop out of school at harvest time, teachers are absent and schools are forced to close during cyclones and heavy rains. However, Madagascar has made efforts to include Malagasy language and culture in the curriculum, decentralise some education policies and adapt the system to local realities.

Primary education is officially free and compulsory for children aged 6 to 11. This was reinforced by the 2004 Madagascar Education Law and the country's commitments to the UN Sustainable Development Goals. However, in practice, families often need to pay for uniforms, supplies and books. School fees, especially informal contributions to teachers or school operations more generally, and transportation or boarding in rural areas. Schools are generally underfunded and often rely on community fees, making access unequal.

Primary net enrollment is high (over 95%), but completion is still a challenge, although above the average for Africa's

low-income economies. In 2023, only about 65% of primary students successfully finished primary school. Barriers include long distances to travel to school, poor infrastructure, school fees, early marriage (especially for girls) and poverty. Political instability also impacts educational outcomes. World Bank and UNICEF data show that, in the years following the 2009 crisis, roughly 500 000 primary-age children were not enrolled in school, reflecting a sharp disruption in educational access. Meanwhile, in some regions, child stunting reached 50-60% by 2018, among the highest in the world.

Madagascar's general expenditure on education as a share of GDP is low. In 2022, education expenditure was estimated to account for 3.1% of GDP, almost a full percentage point below the regional average of just under 4% of GDP. Rwanda, for example, allocated 4.7% of GDP to education in 2022.

Generally, learning outcomes are suboptimal. According to the World Bank, 94% of students are "learning poor", i.e. do not achieve the minimum reading proficiency level at the end of primary school (2019 data). This is 11 percentage points higher (higher is worse) than the continental average and six percentage points higher than the average for low-income countries globally. A recent study concludes that the education system does not equip students with the necessary skills for productive employment later on.

According to the Global Education Policy Dashboard, only 3.8 per cent of students in the fourth year of primary school participating in the assessments achieve 80% of the minimum required reading, writing and mathematics skills.

Further, repetition and dropout rates remain high. In primary education, the repetition rate increased from 23 per cent in 2018/19 to 31 per cent in 2019/20, far exceeding the Ministry of Education's target of 11 per cent for 2022.

Currently, the literacy rate among the Malagasy population older than 15 years old is 78.2%, the third highest among its African income peers, following Eritrea and the Democratic Republic of Congo. For Malagasy women, the literacy rate is somewhat lower than for their male counterparts (76% versus 79%). A recent study conducted by the World Bank highlights the correlation between levels of poverty and levels of education. The research says that illiterate individuals have a poverty rate of 97%, while those who have completed primary education have a poverty rate of 83.5%. Those who have completed secondary education have a significantly lower poverty rate of 46% and those with higher education of just 17%.

Gross primary enrolment rates in Madagascar stood at 145.5% in 2023. About 86.1% of girls and 89.6% of boys successfully transition to secondary school. On the Current Path, gross primary enrolment rates will reach 127.8% by 2030 and continue to drop thereafter. In lower-secondary education, enrolment was 47.2% in 2023 and will increase to 63% in 2043. Enrolment rates in upper-secondary education stood at 24.1% in 2023 and will increase to 37% by 2043 on the Current Path. Tertiary education sees the lowest enrolment rate, with 6% in 2023, projected to increase to 11.5% by 2043.

Completion rates follow the same trend as gross enrolment rates, with the highest rates recorded at the primary level, followed by a sharp decline as students progress to higher education levels. In 2023, the primary completion rate was 65.1%, while lower-secondary rates saw a massive drop to 23.4%. Upper-secondary completion stood at 13.8%, with tertiary education having the lowest rate at just 1.5%.

In 2023, the ratio of girls to boys for primary enrolment was 0.97, which reflects the expected trend where more boys than girls are enrolled in schooling. However, the ratio temporarily changes in favour of girls at the lower-secondary education level when it increases to 1.06 before it drops again to 0.99 at the upper-secondary level and to 0.96 at the tertiary level. This is not in line with the global trend, as in many countries, secondary and even more so tertiary enrolment rates for females surpass those of their male peers.

In the Education scenario, the gender gap in tertiary education closes. Both female and male students will reach enrolment

rates of 22% versus 12.3% (female) and 10.8% (male) in the Current Path. For primary education, the scenario interventions accelerate achieving full gender parity by roughly a decade. As for secondary education, the Education scenario results in a ratio of girls to boys of 1.03 by 2043 versus 0.98 in the Current Path.

In Madagascar, the labour force participation rate among females is lower than among males (83.3% versus 88.8%), pointing to systemic barriers and gender inequalities. Since 1990, female labour force participation has remained roughly the same. However, compared with labour force participation in the low-income group, the gender gap is smaller in Madagascar. As in the health sector, many of these reforms are still heavily reliant on external aid, although recent government budgets have signalled a gradual increase in domestic investment.

Chart 17: Mean years of education in the Current Path and Education scenario, 2020-2043
15 to 24 year age group

Madagascar, Current Path
Madagascar, Education sceanario
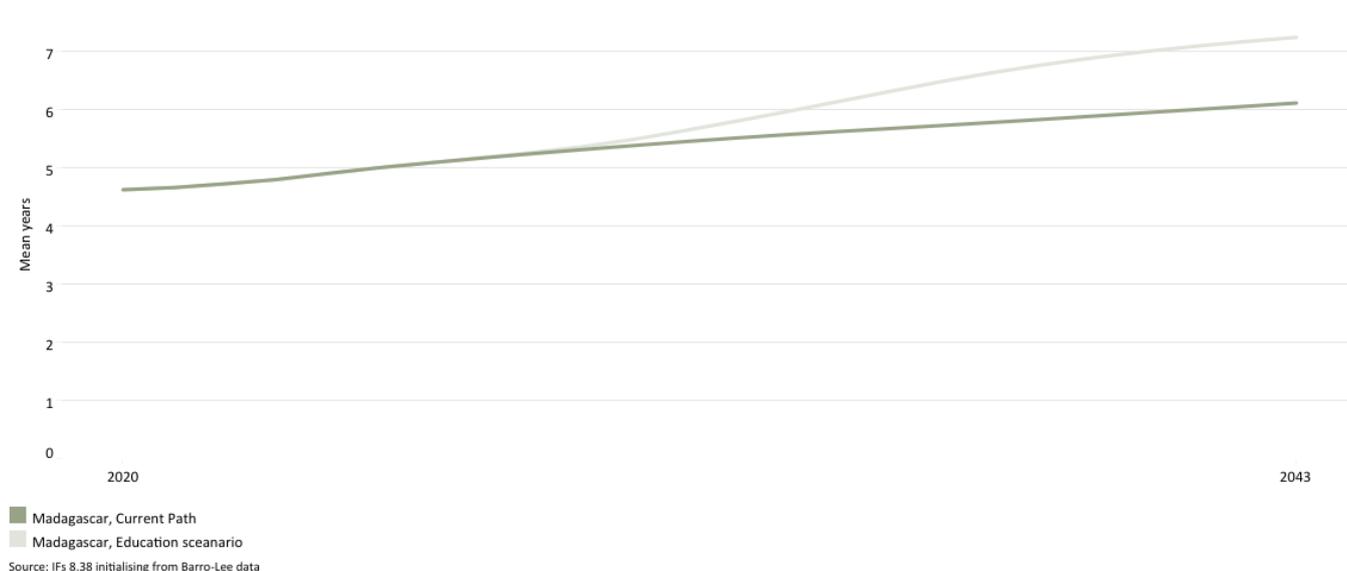Source: IFs 8.38 initialising from Barro-Lee data

Chart 17 presents the mean years of education in the Current Path and in the Education scenario, from 2020 to 2043, for the 15 to 24-age group.

The average years of education in the adult population aged 15 to 24 is a good first indicator of how the stock of knowledge in society is changing.

With a mean of 4.8 years of education among the adult population aged 15 to 24 years in 2023, Madagascar's educational outcomes are more than one year below the group average of Africa's low-income economies, which is 5.9 years. With a mean of 4.3 years, female education lags behind male education with a mean of 5.3 years, highlighting a gender disparity in favour of male educational attainment. Given Madagascar's poor performance on educational attainment, the implementation of the Education scenario yields significant improvements. The scenario has the potential to increase Madagascar's mean years of education by 2.4 years to 7.2 years by 2043. This represents an improvement of 1.1 years compared to the Current Path forecast of 6.1 years in 2043. Female education outcomes will continue to lag behind outcomes for males (6.7 versus 7.8 mean years of education, respectively). Globally, Madagascar has the 6th-worst educational performance measured in mean years of education, and the 5th worst in sub-Saharan Africa.

Primary completion rates will reach 106.8% versus 83.1% in the Current Path. Lower and upper-secondary completion rates will rise to 43.7% and 30.9%, versus 38.9% and 25.8%, respectively, in the Current Path.

In 2023, Madagascar's average primary test score was 34. According to the Current Path, it will increase to 34.8. The Education scenario is expected to improve the country's average test scores for primary learners to 41.2 by 2043—an increase of 6.4 points compared to the Current Path for 2043. In the Education scenario, the test score at the secondary level could increase by 5.1 points from 37.5 in 2023 to 43 in 2043, versus 37.9 on the Current Path.

In 2023, science and engineering students accounted for 16.2% of tertiary graduates in Madagascar. On the Current Path, this share will remain almost unchanged by 2043 (16.4%). However, the Education scenario offers a more optimistic outlook, with the share of science and engineering students expected to increase to 21.5% by 2043.

Such improvements would have long-term benefits for Madagascar by raising the quality of its human capital. Higher test scores and a greater share of science and engineering graduates improve workforce skills, potentially allowing for greater economic diversification beyond low-productivity agriculture and extractives. This could also help address the schooling system's current weak alignment with labour market needs. Despite relatively high enrolment rates, many young people struggle to find work; youth unemployment stood at around 13% in 2022, and underemployment is widespread. Strengthening education quality and relevance is therefore essential to reduce unemployment, boost productivity and lay the foundation for sustained economic growth.

Manufacturing scenario

Chart 18: Value-add by sector as % of GDP in the Current Path, 2020-2043

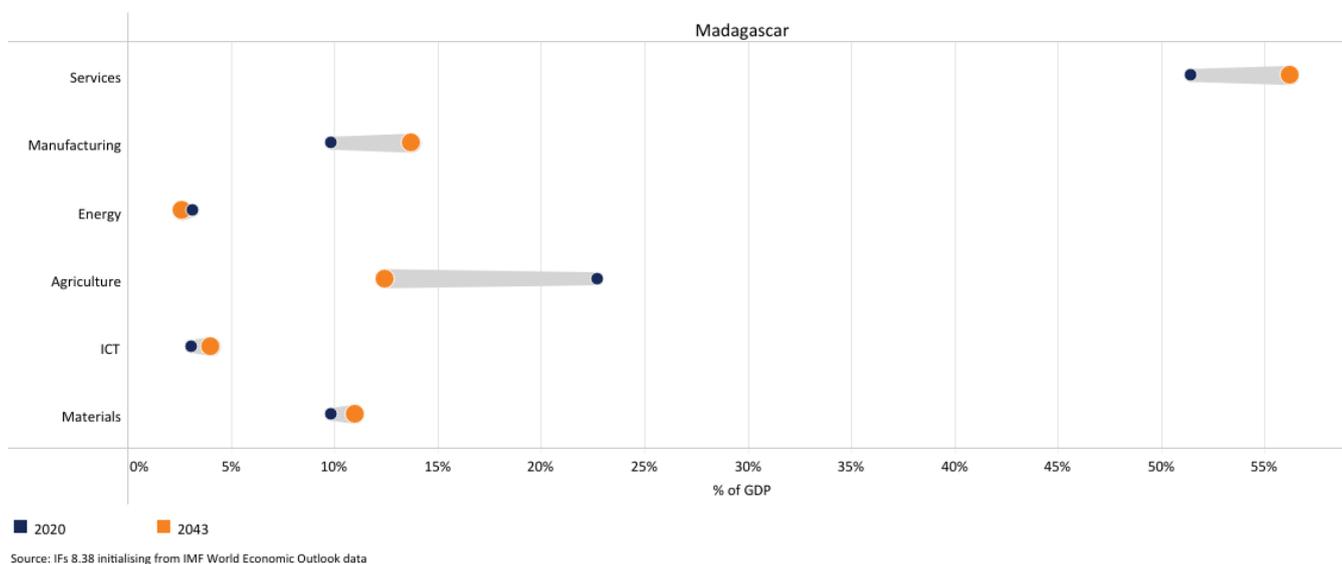Source: IFs 8.38 initialising from IMF World Economic Outlook data

Chart 18 presents the value-add by sector as share of GDP in the Current Path, for 2023 and 2043.

In the Manufacturing scenario, reasonable but ambitious growth in manufacturing is envisaged through increased investment in the sector, research and development (R&D), and improved government regulation of businesses. This aims to enhance total labour

Visit the theme on Manufacturing for our conceptualisation and details on the scenario structure and interventions.

Madagascar's key industries are centred around its natural resources (nickel, cobalt, gold, gems), agriculture (vanilla, cloves, coffee, rice) and fisheries (tuna, shrimp, crab), as well as low-cost labour, with some potential in tourism and services. Manufacturing is heavily concentrated in textiles and garments (especially under AGOA and EPZ schemes). The textile sector is particularly vulnerable to the ending of AGOA and rising US tariffs, which could undermine competitiveness and employment. There is little downstream processing of raw materials like vanilla, cloves or minerals, and limited domestic demand constraints scaling.

The most important constraints to a prospering manufacturing sector include poor infrastructure (especially electricity supply and transport networks), limited access to finance, trade and customs bottlenecks, as well as skills gaps and labour challenges, and lastly regulatory and governance issues. These constraints limit local value addition, product diversification and competitiveness. The government has taken steps through its Plan Emergence Madagascar and donor-supported programs to improve infrastructure and energy supply, streamline customs, expand SME finance and strengthen vocational training. However, implementation lags behind and the impact remains very limited.

In 2023, manufacturing accounted for about 9.7% of Madagascar's GDP (US$1.5 billion). The services sector accounted for 51.2% of GDP, the equivalent of US$7.7 billion, followed by agriculture which represented 22.1% of GDP (US$3.32 billion). In the future, services will continue to be the most important contributor to Madagascar's GDP, forecast to account for

56.2% of GDP by 2043 at a value of US$21.6 billion, followed by the manufacturing sector that will account for 13.7% of GDP (US$5.3 billion). The contribution of agriculture will decline and account for 12.4% of GDP (the equivalent of US$4.8 billion).

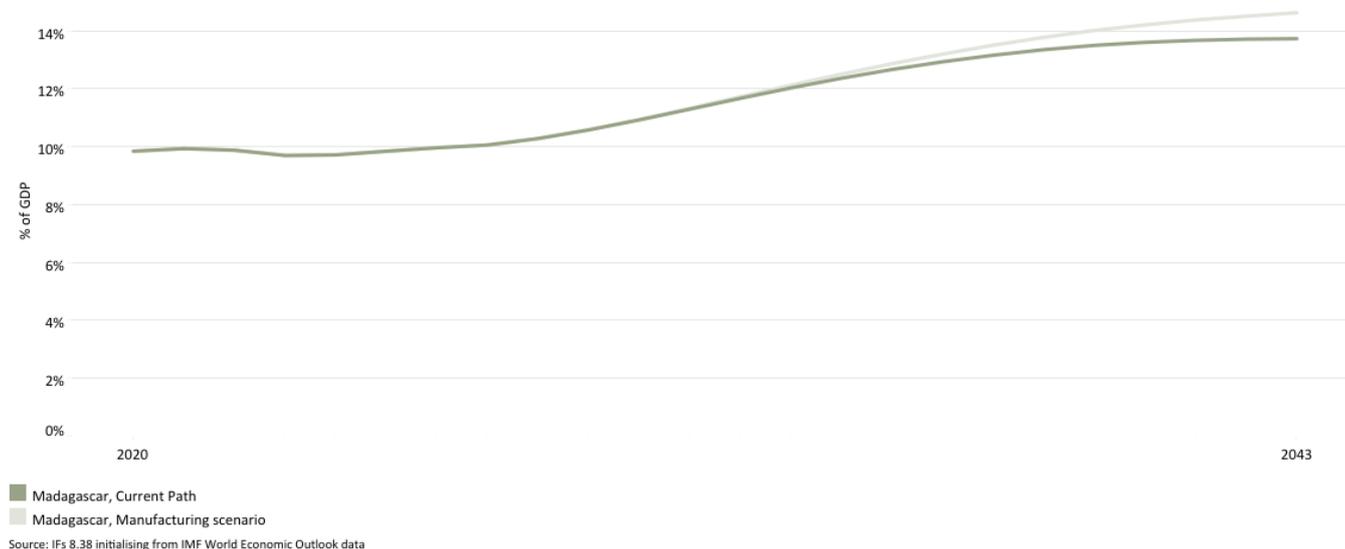Chart 19: Value-add by the manufacturing sector in the Current Path and Manufacturing scenario, 2020-2043

Madagascar, Current Path
Madagascar, Manufacturing scenario
Source: IFs 8.38 initialising from IMF World Economic Outlook data

Chart 19 presents the contribution of the manufacturing sector to GDP in the Current Path and in the Manufacturing scenario, from 2020 to 2043. The data is in US$ and % of GDP.

In 2023, the value added by Madagascar's manufacturing sector accounted for 9.7% of GDP. This is below the average of Africa's low-income economies (10.8%). In the world's low-income economies, in 2023, manufacturing accounted for an average of 12% of GDP. On the Current Path, the value added to GDP by Madagascar's manufacturing sector will increase to 13.7% by 2043, again performing below the expected average of its income peer group at 16.2%.

In the Manufacturing scenario, the value added by Madagascar's manufacturing sector will account for 14.6% of GDP in 2043, an increase of almost 1 percentage points compared to the Current Path, but still below the expected average of its peer group (16.2%). Added value by manufacturing as per cent of GDP will increase by more than 50% relative to the 2023 baseline.

According to the Economic Complexity Index, during the last 20 years, Madagascar's economy has become relatively less complex or less sophisticated, moving from the 95th to the 113th position in the Economic Complexity Index (ECI) rank. This decline reflects Madagascar's reliance on a narrow range of low-complexity exports, limited industrialisation and poor value addition, which in turn constrain job creation, skills development and resilience to external shocks.

The ECI measures an economy's capacity, which can be inferred from data connecting locations to the activities that are present in them. It is a holistic measure of the productive capabilities of large economic systems, such as countries, cities or regions. Productive capabilities are all the inputs, technologies and ideas that, in combination, determine the frontiers of what an economy can produce. They include infrastructure, land, laws, machines, people, collective knowledge and more. Typically, economies with higher economic complexity exhibit faster economic growth.

AfCFTA scenario

Chart 20: Export and imports as % of GDP in the Current Path, 2000-2043
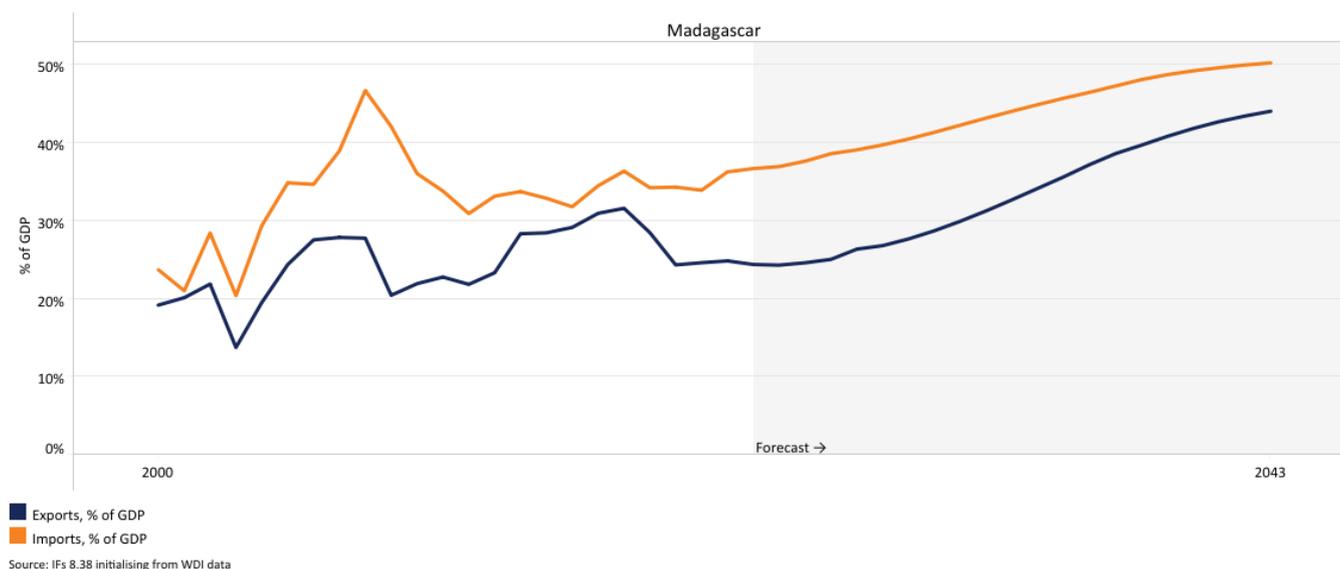

Chart 20 depicts exports and imports as a percentage of GDP, from 2000 to 2043, in the Current Path and in the AfCFTA scenario.

The AfCFTA scenario represents the impact of fully implementing the African Continental Free Trade Agreement by 2034. The scenario increases exports in manufacturing, agriculture, services, ICT, materials and energy exports. It also includes improved multifactor productivity growth from trade and reduced tariffs for all sectors.

Visit the theme on AfCFTA for our conceptualisation and details on the scenario structure and interventions.

Madagascar's trade is concentrated in a few key sectors and countries, making it vulnerable to external shocks. The country's top exports are raw nickel, vanilla, cloves, gold and non-knit men's suits. The top export destinations include the United States, France, Japan, China and South Korea. In 2023, Madagascar was by far the world's largest exporter of vanilla, accounting for around 54% of global vanilla exports, valued at about USD$271million. At the continental level, Madagascar's major export partners in 2022 were South Africa, Mauritius, Kenya, Ethiopia and Tanzania.

In 2000, Madagascar via the African Growth and Opportunity Act (AGOA) gained non-reciprocal duty-free access to the US market. Exports of apparel boomed thereafter. However, the 2009 coup led to a termination of that access in January 2010, followed by a sharp fall in textile production, a loss of more than 100 000 jobs and a GDP drop of nearly 11%.

Under the second Trump administration, Madagascar remained AGOA eligible. However, AGOA benefits were effectively erased due to steep tariffs of 47% although those were reduced to 10% during a 90-day period. The textile sector was hardest hit (180 000 jobs threatened), and vanilla exports were severely disrupted. In response, Madagascar entered into diplomatic negotiations with its US counterparts and joined regional coordination efforts with other affected AGOA beneficiaries.

As of June 2025, Prime Minister Christian Ntsay engaged in a strategic dialogue with US officials in Luanda, Angola. The

talks focused on reforming AGOA to reflect evolving trade realities and foster industrial development in Madagascar. These high-level discussions reflect positive diplomatic momentum, but no definitive policy reversal or tariff relief has been formally agreed to date.

Key imports of Madagascar are refined petroleum, rice, light rubberised knitted fabric, wheat and palm oil. The top import partners include China, Oman, France, India and South Africa. On the continent, other than South Africa, the most important trading partners are Mauritius, Tunisia, Kenya and Morocco.

Madagascar is part of the Southern African Development Community (SADC), a regional economic bloc focused on regional integration and development. Intra-regional trade, however, is hampered by non-tariff barriers, weak institutional enforcement and divergent national agendas. For Madagascar, these challenges exacerbate its reliance on external markets and limit its ability to fully benefit from regional trade opportunities.

Madagascar is also a member of the Common Market for Eastern and Southern Africa (COMESA), the largest regional economic organisation on the continent with 19 member states and a population of about 390 million. COMESA has a free trade area, with 19 member states, and launched a customs union in 2009. Moreover, it is also part of the Indian Ocean Commission (IOC), which includes other island nations in the region. Additionally, Madagascar has its own Exclusive Economic Zone (EEZ), which extends 200 nautical miles from its coastline.

In 2023, Madagascar's total export value reached US$3.7 billion, accounting for 24.3% of its GDP, while its total imports were valued at US$5.5 billion, constituting 36.6% of its GDP. Madagascar's trade deficit reflects the country's heavy dependence on imports. The latter are often funded via unsustainable borrowing, which puts pressure on the currency and can trigger inflation. The country's overreliance on importing essential items to cater to domestic needs, such as fuel or food, makes it vulnerable to external shocks and price fluctuations on international markets.

Chart 21: Trade balance in the Current Path and AfCFTA scenario, 2020-2043

Madagascar, Current Path
Madagascar, AfCFTA scenario
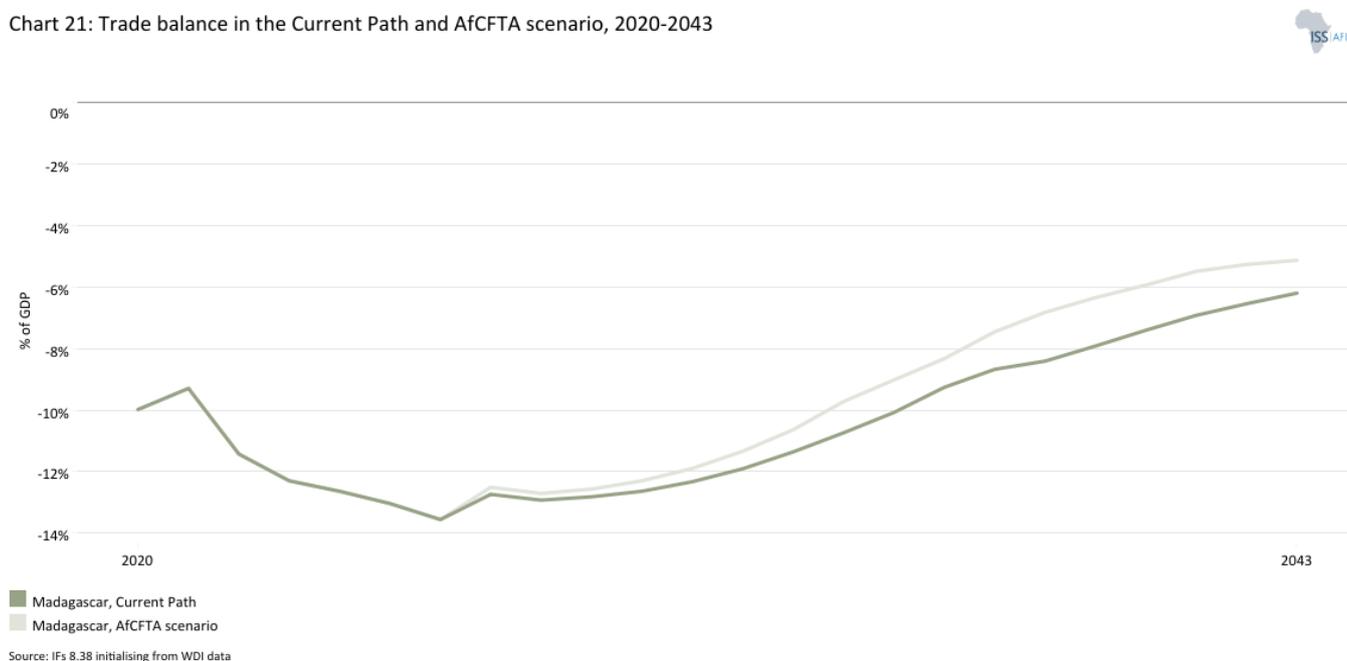Source: IFs 8.38 initialising from WDI data

Chart 21 presents the trade balance in the Current Path and in the AfCFTA scenario, from 2020 to 2043 as a percentage of GDP.

Madagascar's trade openness, measured as exports plus imports as a percentage of GDP, has fluctuated around 60% recently and stood at 61% in 2023. This indicates a moderately open economy in line with the regional average but above the continental average at 48.2%. Madagascar is a member of the World Trade Organisation and does not have significant non-tariff barriers.
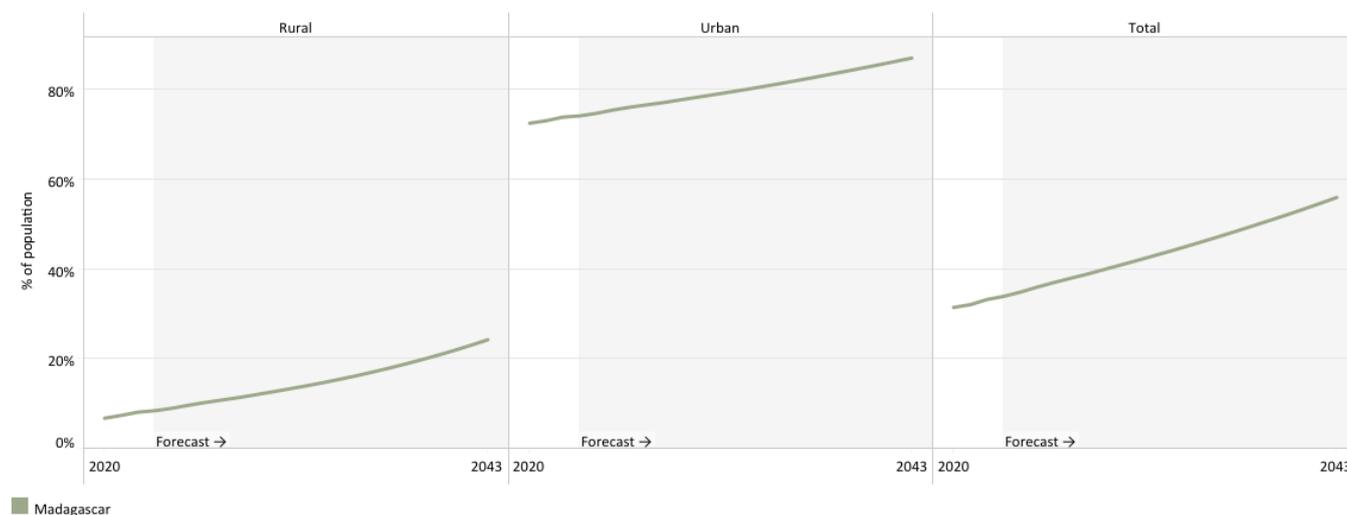
In 2023, Madagascar had a trade deficit that accounted for 12.3% of GDP. In the AfCFTA scenario, the country's trade balance is set to improve, with the deficit accounting for 5.1% of GDP by 2043 compared to 6.2% in the Current Path. Essentially, Madagascar will still have a trade deficit by 2043, but in the AfCTA scenario the deficit would be smaller than in the Current Path.

In recent years, the government has taken steps such as modernising customs through the GASYNET single-window system, ratifying the AfCFTA and simplifying certain trade procedures. However, further progress will depend on improving infrastructure, reducing logistics costs and aligning national regulations with AfCFTA commitments to fully capture its potential.

In 2043, in the AfCFTA scenario, exports plus imports will account for 95.2% of GDP versus 94.2% in the Current Path. The relatively high degree of openness of Madagascar's economy explains the limited impact of the scenario on trade openness. Still, the scenario increases Madagascar's total exports from US$16.9 billion in the Current Path to US$19 billion in 2043. Total trade to and from the country, this is exports plus imports, will rise from US$9.2 billion in 2023 to US$40.2 billion in 2043, versus US$36.2 billion in the Current Path.

Large Infrastructure and Leapfrogging scenario

Chart 22: Electricity access: urban, rural and total in the Current Path, 2000-2043

Source: IFs 8.38 initialising from WDI data

Chart 22 presents the Current Path of access to electricity for urban, rural and the total population from 2000 to 2043.

The Large Infrastructure and Leapfrogging scenario involves ambitious investments in road and renewable energy infrastructure, improved electricity access and accelerated broadband connectivity. It emphasises adopting modern technologies to enhance government efficiency and incorporates significant investments in major infrastructure projects like rail, ports, and airports (other infra) while highlighting the positive impacts of renewables and ICT.

Visit the themes on Large Infrastructure and Leapfrogging for our conceptualisation and details on the scenario structure and interventions.

In 2023, only 33.8% of Malagasy had access to electricity. However, masked by this average, there is a stark rural-urban divide. Rural access rates were as low as 8.3% compared to access rates in urban areas that stood at 74%. Given Madagascar's low level of urbanisation, a large share of the population is affected by such poor rural access rates.

Under the Plan Emergence Madagascar, the government has launched rural electrification programs and partnered with donors to expand off-grid and mini-grid solutions. However, overall supply reliability remains constrained by frequent outages and underinvestment in generation and transmission infrastructure.

On the Current Path, rural access rates will increase to 24.2% in 2043. In the Large Infrastructure and Leapfrogging scenario, access to electricity in rural areas improves more quickly. By 2043, 29.8% of the rural population will have access. Urban access rates will increase to 96.2% compared to 86.9% on the Current Path.

Madagascar scores poorly on the traditional infrastructure index in our modelling, which covers transportation, electricity and energy, water and sanitation as well as information and communication technology. The country ranks 17th out of the 22 African low-income economies. Only Niger, South Sudan, Togo, the Central African Republic and Chad perform worse.

Addressing Madagascar's infrastructure constraints is key to sustainable economic growth. There are several major infrastructure projects underway in Madagascar. These include the Antananarivo-Toamasina highway project, a 260 km toll highway under construction to connect the capital with the port city. Once completed, the highway is expected to reduce travel time from between 8 and 10 hours to approximately 2.5 hours. The construction of the highway project responds to the key challenge of improving connectivity and economic development in Madagascar. However, there are serious environmental as well as social justice concerns.

Moreover, the African Development Bank approved a US$165 million loan to develop critical trade corridors in the southern regions of Atsimo Andrefana and Menabe. This includes upgrading a 78 km stretch between Bevoay and Morombe, reconstructing the Manombo bridge, and constructing two new two-lane bridges to enhance connectivity and facilitate trade.

Another US$20 million contribution from the Saudi Fund for Development and other donors was allocated to construct a new 800 km long bridge over the Mangoky river to support the growth of the tourism sector. The project aims to boost economic growth and improve livelihoods in southwestern Madagascar.

Chart 23: Cookstoves usage in the Current Path and Large Infra/Leapfrogging scenario, 2020-2043

Madagascar, Current Path
Madagascar, Large Infrastructure and Leapfrogging scenario

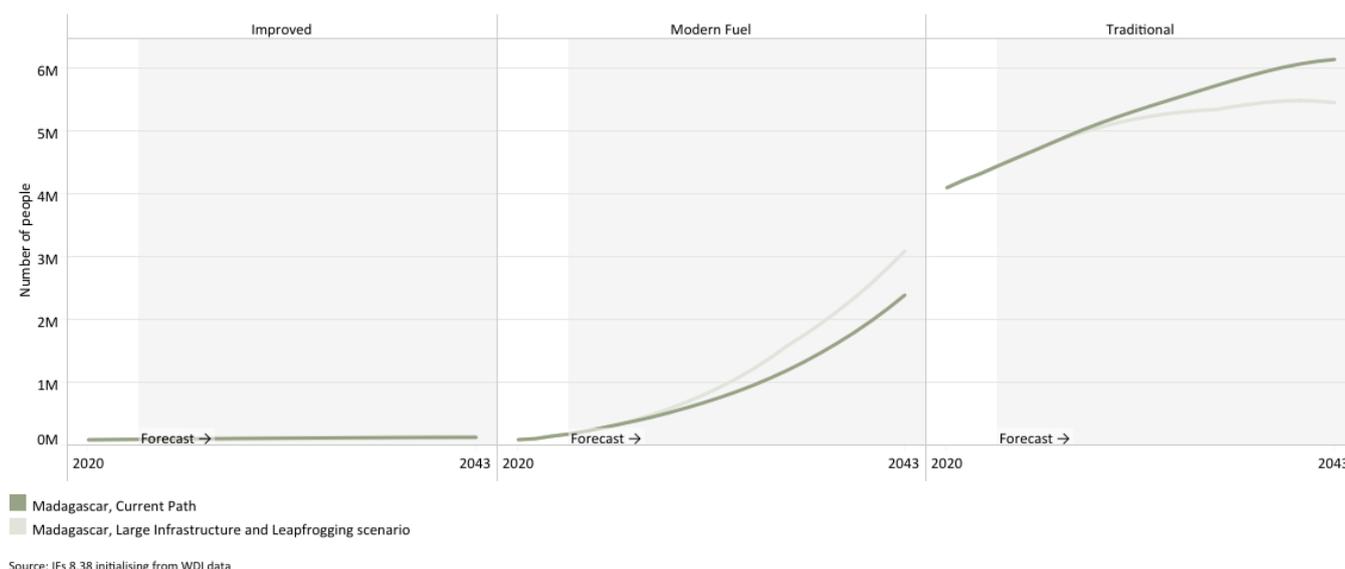Source: IFs 8.38 initialising from WDI data

Chart 23 presents the number of people using cookstoves in the Current Path and in the Large Infrastructure and Leapfrogging scenario, from 2020 to 2043.

In Madagascar, 94.4% of households still rely on traditional cookstoves, the equivalent of 4.4 million households. This usage is extremely high and close to seven percentage points above the average for Africa's low-income economies. To address this situation, the government has launched initiatives promoting clean cooking solutions, including distribution of improved cookstoves and support for LPG adoption, often in partnership with development partners, though widespread uptake remains limited.

This heavy reliance on biomass fuels contributes to deforestation, environmental degradation and bears significant health risks. The use of traditional cookstoves produces high levels of indoor air pollution, which is linked to respiratory diseases, eye problems and low birth weight—risks that disproportionately affect women and children, who spend more time near the cooking area. In 2023, only 3.7% of Malagasy households used modern fuels, and only 1.9% relied on improved cookstoves.

On the Current Path, the reliance on traditional cookstoves will decline but remain high and increase in absolute terms. This means that by 2043, 71% of the population will still make use of such cookstoves, equaling more than 6 million households, 1.6 million more than in 2023.

Chart 24: Access to mobile and fixed broadband in the Current Path and Large Infra/Leapfrogging scenario, 2020-2043
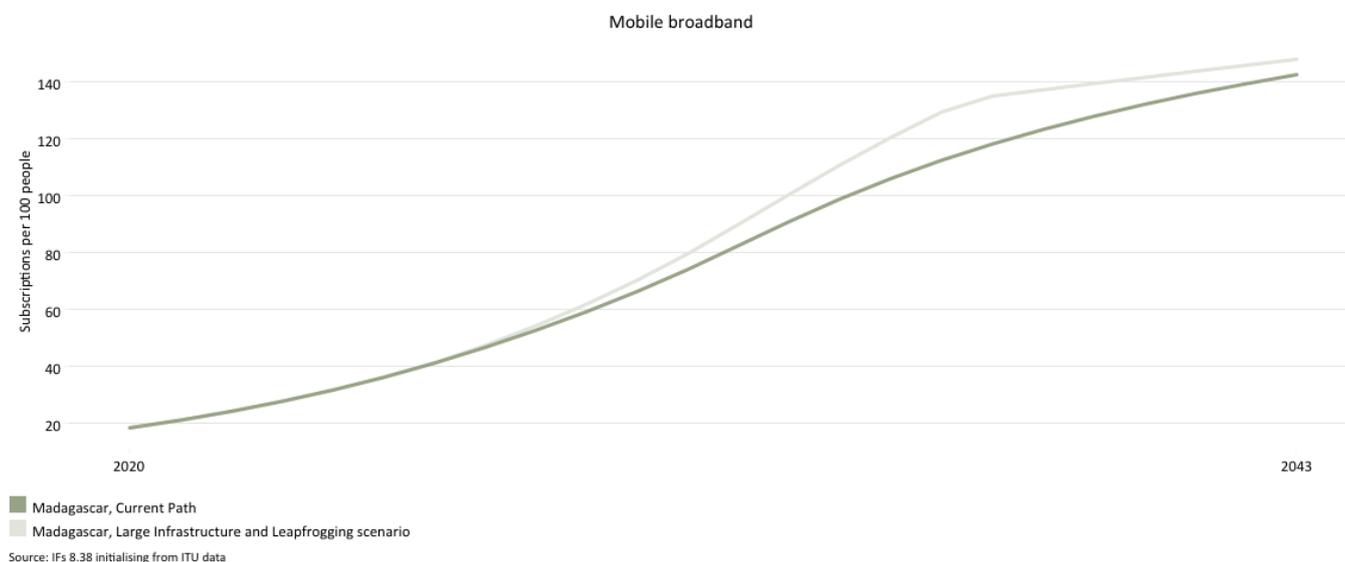

Mobile broadband

Madagascar, Current Path
Madagascar, Large Infrastructure and Leapfrogging scenario
Source: IFs 8.38 initialising from ITU data

Chart 24 presents the percentage of the population and number of people with access to mobile and fixed broadband in the Current Path and in the Large Infrastructure and Leapfrogging scenario, from 2020 to 2043. The user can toggle between mobile and fixed broadband.

Internet access and usage are still limited in Madagascar, with only about 27.8 mobile broadband subscriptions per 100 people in 2023, and hence below the average rate of 36.1 subscriptions per 100 people in low-income Africa.

In the United Nations ICT Development Index 2024, the country scores 29.9 out of 100, which places the country near the global bottom, ranking 167th out of approximately 170 countries featured. The average score for Africa is 47.4, about 17 points higher than Madagascar's.

Nevertheless, over the past decade, Madagascar has made significant progress. Fixed broadband access is constrained by high infrastructure costs and low coverage and remains limited. On the other hand, mobile broadband has become the primary means of internet access for most households and businesses, with the subscription rate having increased ninefold since 2013. On the Current Path, Madagascar's mobile broadband subscription rate will increase to 142.3 subscriptions per 100 people by 2043 and surpass the expected average of its peer group at 127.8 subscriptions per 100 people. Given this trend, the impact of the Large Infrastructure and Leapfrogging scenario is limited. It would push the number of subscriptions to 147.7 per 100 by 2043. Fixed broadband subscription rates will increase to 17.7 subscriptions per 100 people versus 15.5 on the Current Path.

Financial Flows scenario

Chart 25: FDI, foreign aid and remittances as % of GDP in the Current Path, 1990-2043

Madagascar, Current Path
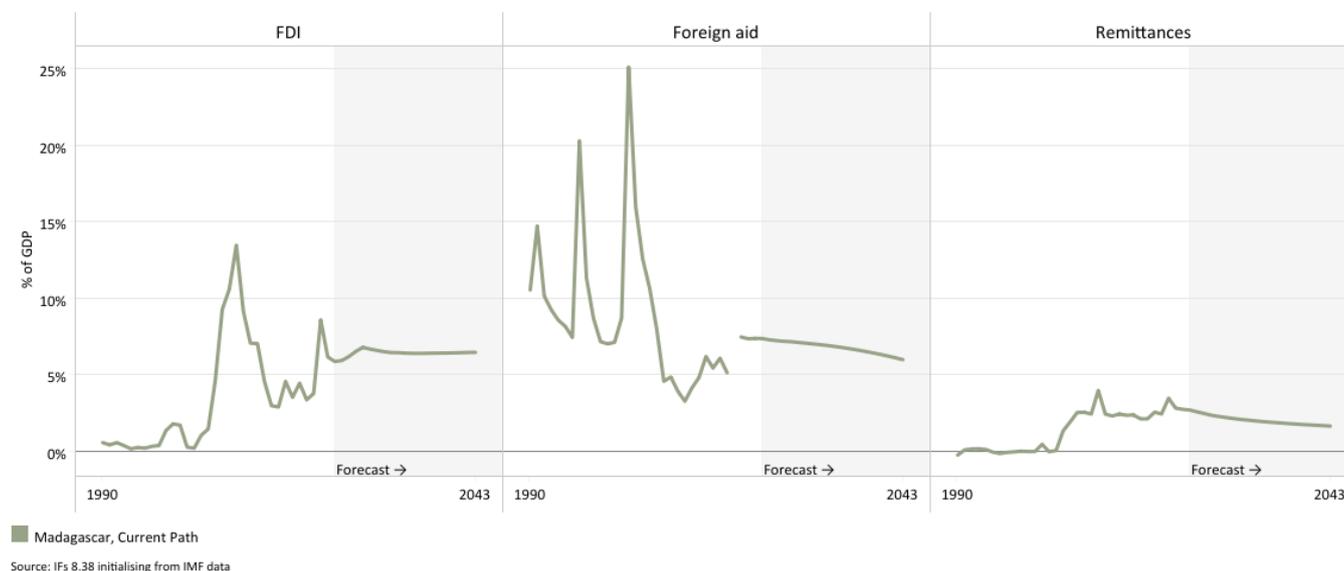
Source: IFs 8.38 initialising from IMF data

Chart 25 presents the trends in FDI, aid and remittances in the Current Path and in the Financial Flows scenario as a percentage of GDP, from 1990 to 2043.

The Financial Flows scenario represents a reasonable but ambitious increase in inward flows of worker remittances, aid to poor countries and an increase in the stock of foreign direct investment (FDI) and additional portfolio investment inflows. We reduce outward financial flows to emulate a reduction in illicit financial outflows.

Visit the theme on Financial Flows for our conceptualisation and details on the scenario structure and interventions.

Due to recent political instability and a challenging global environment, foreign direct investment (FDI) inflows to Madagascar saw a decline over the past years. According to UNCTAD's World Investment Report 2025, the country received an estimated US$413 million in FDI inflows in 2024, down from an estimated US$415 the previous year and US$468 million in 2022. Mauritius, China, the Netherlands and France are the most important investors. The main sectors that attract foreign direct investment are mining, infrastructure, textiles, energy, tourism and agri-business.

However, according to the Economic Development Board of Madagascar, in 2024, FDI surged by 16% compared to the previous year (US$602 million versus US$519 million). This development is being attributed to a series of reforms, notably the new investment law (July 2023), the revision of the mining code and the liberalisation of the telecommunications sector.

Overall, the UNCTAD report documents FDI rising on the continent by 12% in 2024 due to investment facilitation and regulatory reform. However, it notes a 26% fall in international project finance, often key for infrastructure and a particularly steep drop in sectors critical to achieving the Sustainable Development Goals: renewable energy (-31%), transport (-32%) and water and sanitation (-30%). Further, for least developed countries, investment in renewables was hit especially hard, including Madagascar, where the Scaling Solar initiative was delayed or downsized in the face of rising capital costs and currency volatility.

FDI flows to Madagascar accounted for almost 5.9% of GDP in 2023, above the group average of 3.9% for Africa's low-income economies. In the Financial Flows scenario, FDI as a share of GDP will account for 8.8% of Madagascar's GDP in 2043, compared to 6.5% in the Current Path; almost 2 percentage points above the expected group average for Africa's low-income economies.

Madagascar ranks 110th among the 133 economies on the Global Innovation Index 2024, and 118th out of 184 countries on the latest Index of Economic Freedom.

In 2023, remittances accounted for 2.7% of Madagascar's GDP. In the Current Path, this figure will drop by one percentage point to 1.7% by 2043. In the Financial Flows scenario, remittances will account for 1.8% of the country's GDP by 2043. In absolute terms, remittances would amount to US$0.6 billion in the Current Path and US$0.8 in the Financial Flows scenario by 2043, up from US$0.4 billion in 2023.

Following the coup d'état in 2009, a significant part of international aid was suspended by the international donor community. The US halted all non-humanitarian aid and excluded Madagascar from the AGOA program. Similarly, the EU suspended all budget support and development cooperation until 2012 and only maintained humanitarian aid and ongoing population-focused projects.

At 7.4% of GDP in 2023, foreign aid played a slightly less important role for Madagascar's GDP than for the average low-income economy on the continent, where aid accounted for 7.9%. In both the Current Path and the Financial Flows scenario, the contribution of foreign aid to the economy is projected to become less significant by 2043, dropping to 6.6% of GDP in the Financial Flows scenario and to 6% on the Current Path (versus 4.8% in Africa's low-income economies). However, in absolute terms, foreign aid will become more important. In the Current Path, aid will more than double from US$1.1 billion in 2023 to US$2.3 billion by 2043, while in the Financial Flows scenario, it will increase to US$2.7 billion.

Chart 26: Government revenue in the Current Path and Financial Flows scenario, 2020-2043

Madagascar, Current Path
Madagascar, Financial Flows scenario
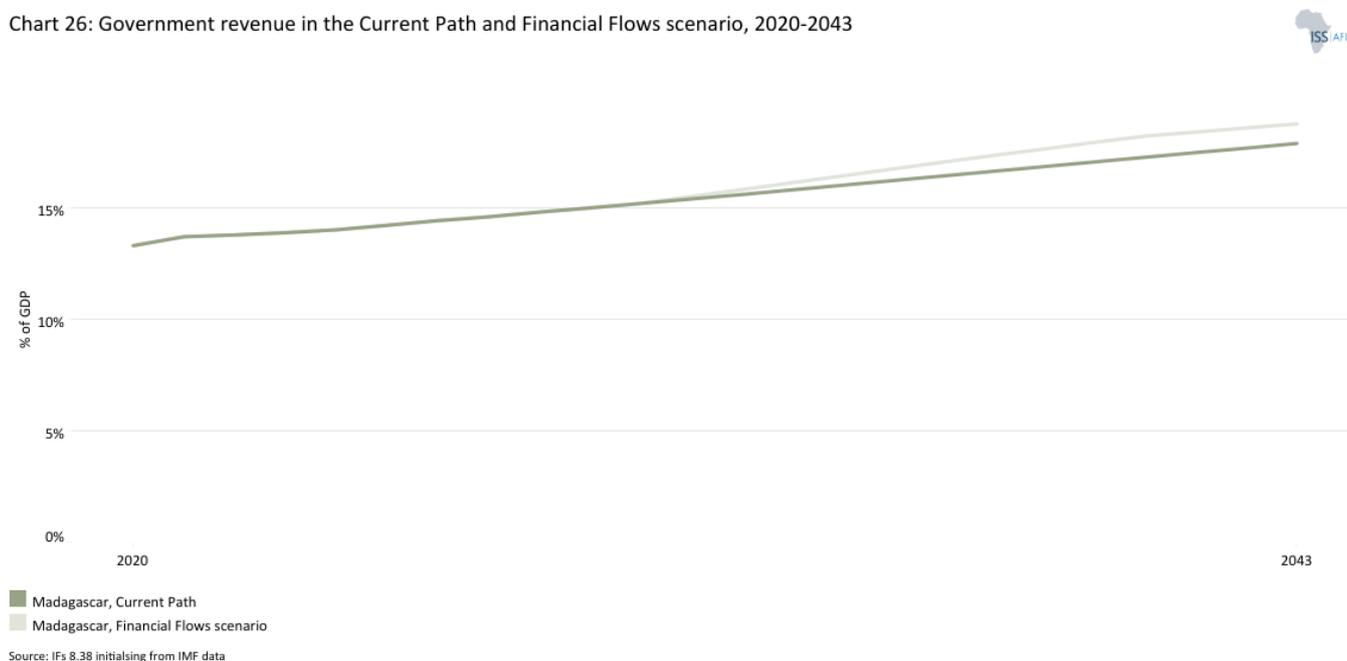Source: IFs 8.38 initialsing from IMF data

Chart 26 presents government revenue in the Current Path and in the Financial Flows scenario, from 2020 to 2043. The data is in US$ 2017 and % of GDP.

Wagner's law, or the law of increasing state activity, states that public expenditure increases as national income rises. In

the Financial Flows scenario, it is reasonable to expect that government revenues will increase as a percentage of GDP compared to the Current Path.

In the Current Path, government revenues will increase from 13.9% of GDP in 2023 to 15.2% in 2030 and 17.9% in 2043, the equivalent of US$6.9 billion. In the Financial Flows scenario, government revenue will account for 18.8% of GDP or US$7.7 billion in 2043.

Poor performance in revenue generation contributes to broader concerns about government capacity and fiscal sustainability. Public administration in Madagascar is both inefficient and costly, with a large portion of government revenue consumed by elite spending.

This growth reflects a positive association between capital inflows, such as FDI and government revenue, driven by increased public services, tax compliance and economic growth fueled by higher external investments.

Governance scenario

Chart 27: Government Effectiveness score in the Current Path, 2002-2043
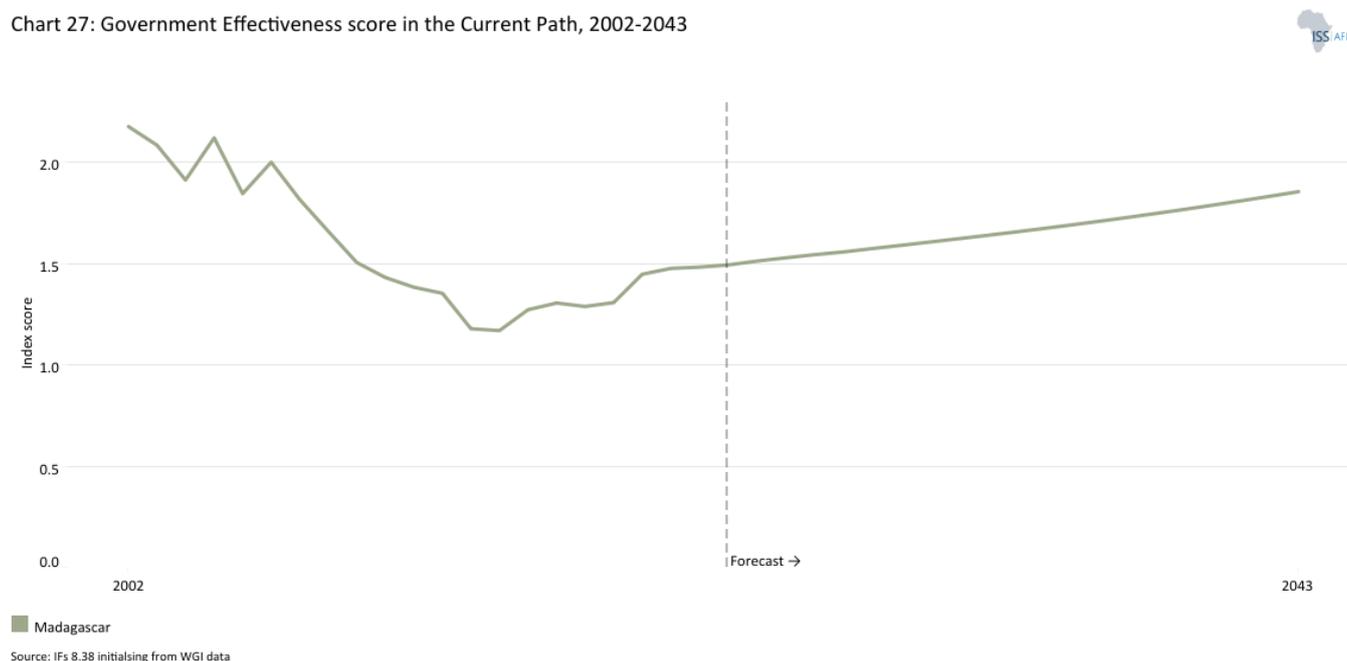

Source: IFs 8.38 initialsing from WGI data

Chart 27 presents the Current Path of government effectiveness comparing the country to the average for the African income group, from 2002 to 2043.

The World Bank's index on government effectiveness captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies.

Madagascar's post-independence history has been characterised by political instability, including coups, disputed elections and periods of unrest marked by violence and social tensions. The core drivers of this instability have been institutional weakness, the lack ofaccountability mechanisms and relatedelite capture.

In 2023, Madagascar ranked 10th for government effectiveness within its low-income peer group of 22 countries, with Rwanda as the group's frontrunner. The country achieved a score of 1.5 out of 5, which is above the average of 1.37 for low-income Africa. On the Current Path, the expectation is steady improvement, with the score projected to rise to 1.6 by 2030 and 1.85 by 2043. Again, Madagascar would be outperforming the expected average of its African income peers (1.78 by 2043).

In the Governance scenario, Madagascar's government effectiveness quality score will improve to 2.1 by 2043. This is lower than Rwanda's current score at 2.8 but higher than Ethiopia's at 2.

The 2023 Ibrahim Index of African Governance (IIAG) ranks Madagascar 34th out of 54 countries. Its score of 45.3 out of 100 falls below the continental average of 49.3 and below the regional average for eastern Africa (46.8). Madagascar scores highest in the category participation, rights and inclusion and lowest in foundations for economic opportunity (43.6) and human development (39.8). According to the IIAG's country profile, Madagascar's overall governance score has improved over the last decade (2014-2023) and has done so at an accelerated pace over the most recent five years (2019-2023).

Repeated political crises have destabilised Madagascar and reversed economic growth. In the last three decades, three major crises undermined development. Political instability also damaged investor confidence, constrained access to finance and negatively impacted the tourism industry. According to the World Bank, the most recent political crisis led to a 4% drop in GDP, the temporary suspension of most foreign aid, a 10 percentage point increase in poverty and a deterioration of public finances.

Chart 28: Composite governance index in the Current Path and Governance scenario, 2023-2043

Source: IFs 8.38 initialising from WGI and TI data

Chart 28 presents the security, capacity and inclusion index for the Current Path versus the Governance scenario, for 2023 and 2043.

Governance in our modelling is conceptualised along three key dimensions—security, capacity and inclusion—reflecting the traditional sequencing of state formation. Each dimension is scored on an index ranging from 0 (poor) to 1 (excellent), with higher scores indicating improved governance outcomes.

Note that the scenario includes increased welfare transfers to unskilled workers, which are paid for by taxes on skilled workers. Note: the two should roughly balance one another in US$ terms. In the context of high poverty levels and inequality, social transfers have proven the most effective short/medium-term measures of alleviating both.

Visit the theme on Governance for a full conceptualisation and details on the scenario structure and interventions.

The security dimension evaluates the probability of intra-state conflict and the general level of risk, reflecting a state's ability to maintain stability. The capacity dimension relates to government revenue, corruption, regulatory quality, economic freedom and government effectiveness, capturing the efficiency and effectiveness of state institutions. Finally, the inclusion dimension measures the level of democracy and gender empowerment, highlighting the inclusiveness of governance structures. Madagascar performs worst on capacity and best on security, followed by inclusion. In the Governance scenario, the country improves its performance across all three dimensions, albeit not in equal measure.

Madagascar is a relatively stable country with generally low conflict levels. It ranks second out of 44 sub-Saharan African countries on the Global Peace Index, with a score of 1.838, which is significantly below the regional average of 2.39 (lower is better). Only Mauritius is rated as more peaceful than Madagascar. Botswana ranks third, and Zambia, Namibia and

Tanzania occupy ranks five to seven. Globally, Madagascar occupies rank 44.

On the composite governance index, Madagascar performs relatively well on the security dimension. In 2023, it achieved a score of 0.69 out of 1, ranking 9th among African low-income countries and 26th overall on the continent.

However, over the past decade, insecurity has been growing, especially in rural areas. This is driven by an increase in violent raids and attacks perpetrated by 'bandits', often referred to as the Dahalo (Malagasy for bandits), and the related increase in local community mob justice against suspected criminals.

In 2023, Madagascar performed poorly in government capacity, below the group average of 0.24 for Africa's low-income countries. The country attained a score of 0.2 out of 1 on the governance capacity index, placing it in 16th among the low-income countries on the continent. In 2043, Madagascar will reach a score of 0.28 in the Current Path. This is still below the expected group average of 0.32.

Despite challenges in government capacity, Madagascar's tax-to-GDP ratio increased by 0.8 percentage points from 10.7% in 2021 to 11.5% in 2022. In comparison, the 36 African countries within the Revenue Statistics in Africa 2024 publication had an average tax-to-GDP ratio of 16% in 2022. Over the past decade, the tax-to-GDP ratio in Madagascar increased by 2.4 percentage points, from 9.1% to 11.5%.

Madagascar's inclusion index of 0.6 in 2023 indicates room for improvement when it comes to social, economic and political inclusion of its population. According to the Global State of Democracy Framework, Madagascar exhibits low-range performance in the rule of law and rights categories, and mid-range performance in representation and participation. It is amongst the bottom 25% of countries in the world with regard to several factors associated with rights, participation and the rule of law.

Gender inequality remains a significant challenge in Madagascar, with a gender inequality index of 0.58 in 2023. Women only hold 18% of seats in parliament, and there is a gender gap in education as well as in labour force participation. This lack of equality carries significant costs: it limits women's ability to contribute fully to the economy, reducing household welfare by constraining income and investments in children. Moreover, if female voices are underrepresented in governance, policymaking is less inclusive. Such gaps hold back human capital development and reduce the potential for more inclusive and resilient growth.

On the Current Path, Madagascar will show improvement across all three dimensions of governance by 2043, with a composite score of 0.57, up from 0.5 in 2023. In the Governance scenario, Madagascar's score will reach 0.62 by 2043.

Government revenue will grow from 13.9% of GDP in 2023 to 18.1% of GDP in 2043, versus 17.9% of GDP in the Current Path, enabling increased spending on social protection and public services, such as education and health. These improvements reflect stronger institutions, reduced corruption and enhanced inclusivity, supporting sustainable development and greater stability.

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