



Madagascar

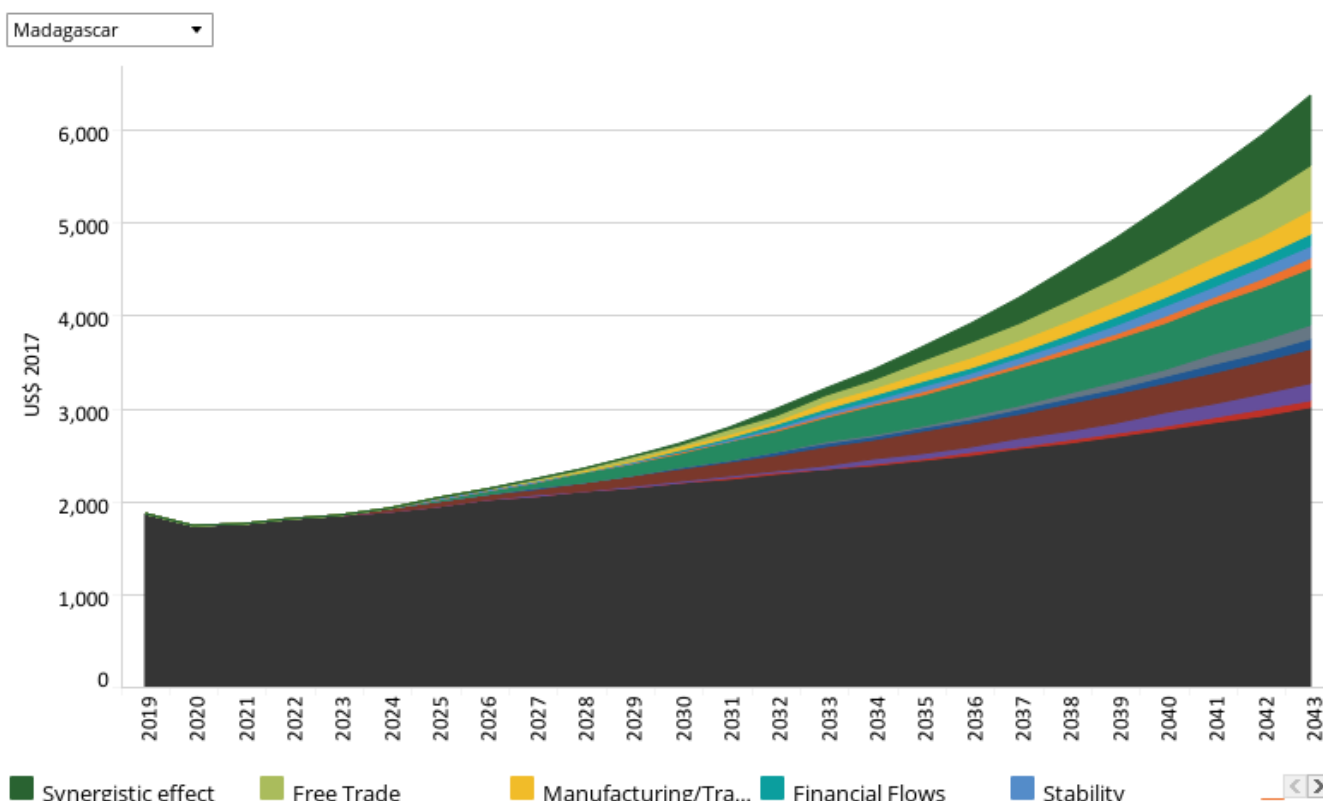
Combined Agenda 2063 scenario

Du Toit McLachlan

Last updated 13 December 2023 using IFs v7.63

Chart 55: GDP per capita in CP and scenarios, 2019–2043

Additional GDP per capita per scenario, purchasing power parity



Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data

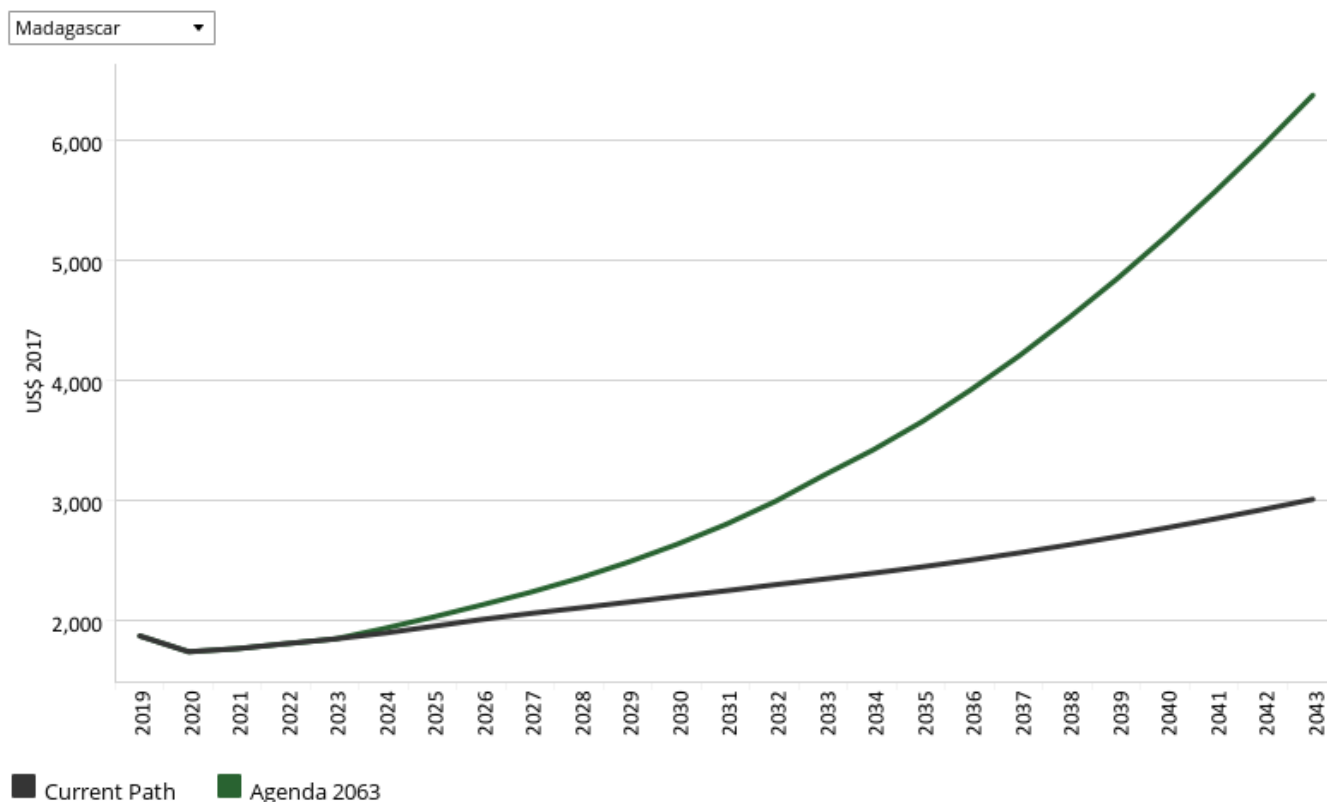
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The Combined Agenda 2063 scenario consists of the combination of all 11 sectoral scenarios presented above, namely the Stability, Demographic, Health/WaSH, Agriculture, Education, Manufacturing/Transfers, Leapfrogging, Free Trade, Financial Flows, Infrastructure and Governance scenarios. The cumulative impact of better education, health, infrastructure, etc. means that countries get an additional benefit in the integrated IFs forecasting platform that we refer to as the synergistic effect. Chart 55 presents the contribution of each of these 12 components to GDP per capita in the Combined Agenda 2063 scenario as a stacked area graph.

The Combined Agenda 2063 scenario could increase Madagascar's GDP per capita by an additional US\$748.8 by 2043 compared to the Current Path forecast. Among the sectoral interventions, the Leapfrogging scenario is projected to have the greatest impact on GDP per capita, leading to an increase of US\$601.7 by 2043. The second and third largest impacts on GDP per capita could be achieved in the Free Trade and the Agriculture scenarios: additions to GDP per capita will be US\$489.4 and US\$380.4, respectively. The interventions in the Manufacturing/Transfers scenario would account for an increase of US\$260.5 and those in the Financial Flows scenario could imply an increase of US\$115.5. The Education, Stability, Demographic, Infrastructure and Health/WaSH scenarios would have smaller impacts on GDP per capita.

Chart 56: GDP per capita in CP and Combined scenario, 2019–2043
Purchasing power parity



Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data

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Whereas [Chart 55](#) presents a stacked area graph on the contribution of each scenario to GDP per capita as well as the additional benefit or synergistic effect, Chart 56 presents only the GDP per capita in the Current Path forecast and the Combined Agenda 2063 scenario.

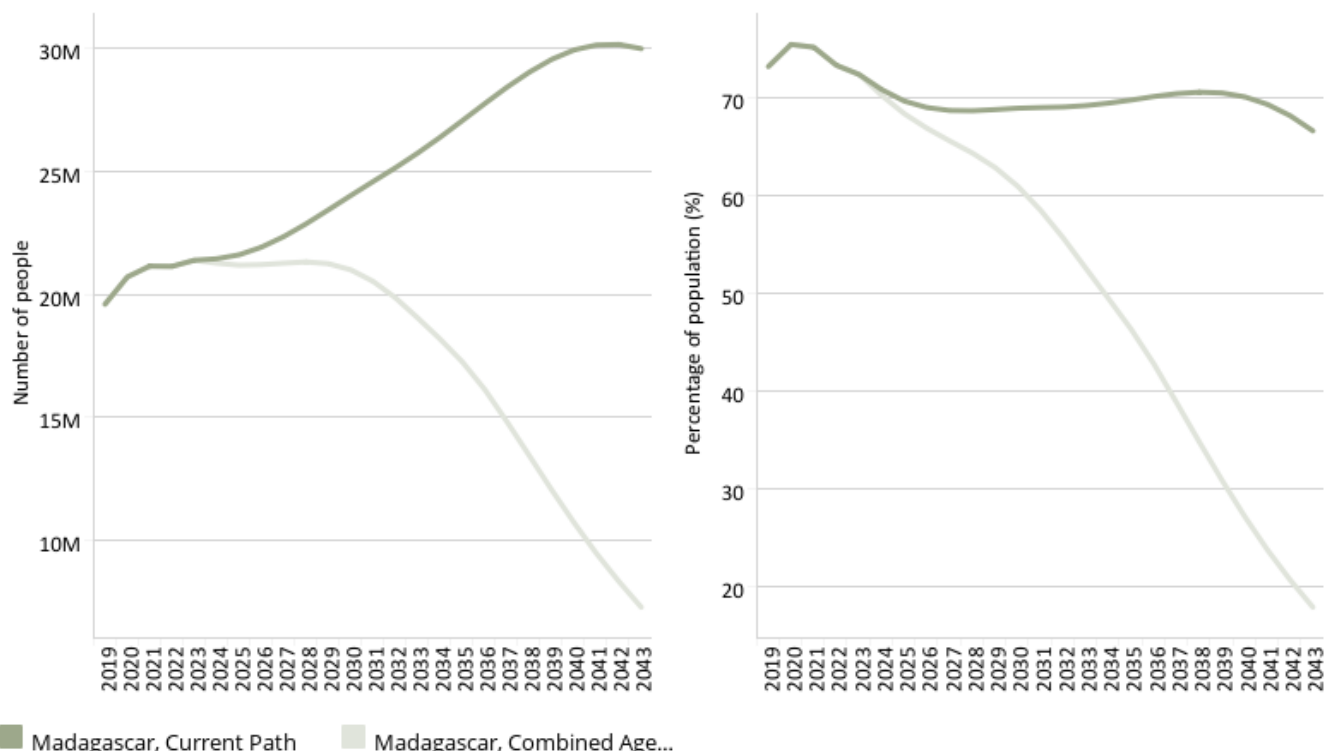
In the Combined Agenda 2063 scenario, Madagascar's GDP per capita could increase by an additional US\$3 365 and reach US\$6 369 by 2043. In the Current Path, the country's GDP per capita increases to US\$3 004 — more than 50% lower than in the Combined Agenda 2063 scenario.

Chart 57: Poverty in CP and Combined scenario, 2019–2043

Millions of people and % of total population



Madagascar \$1.90



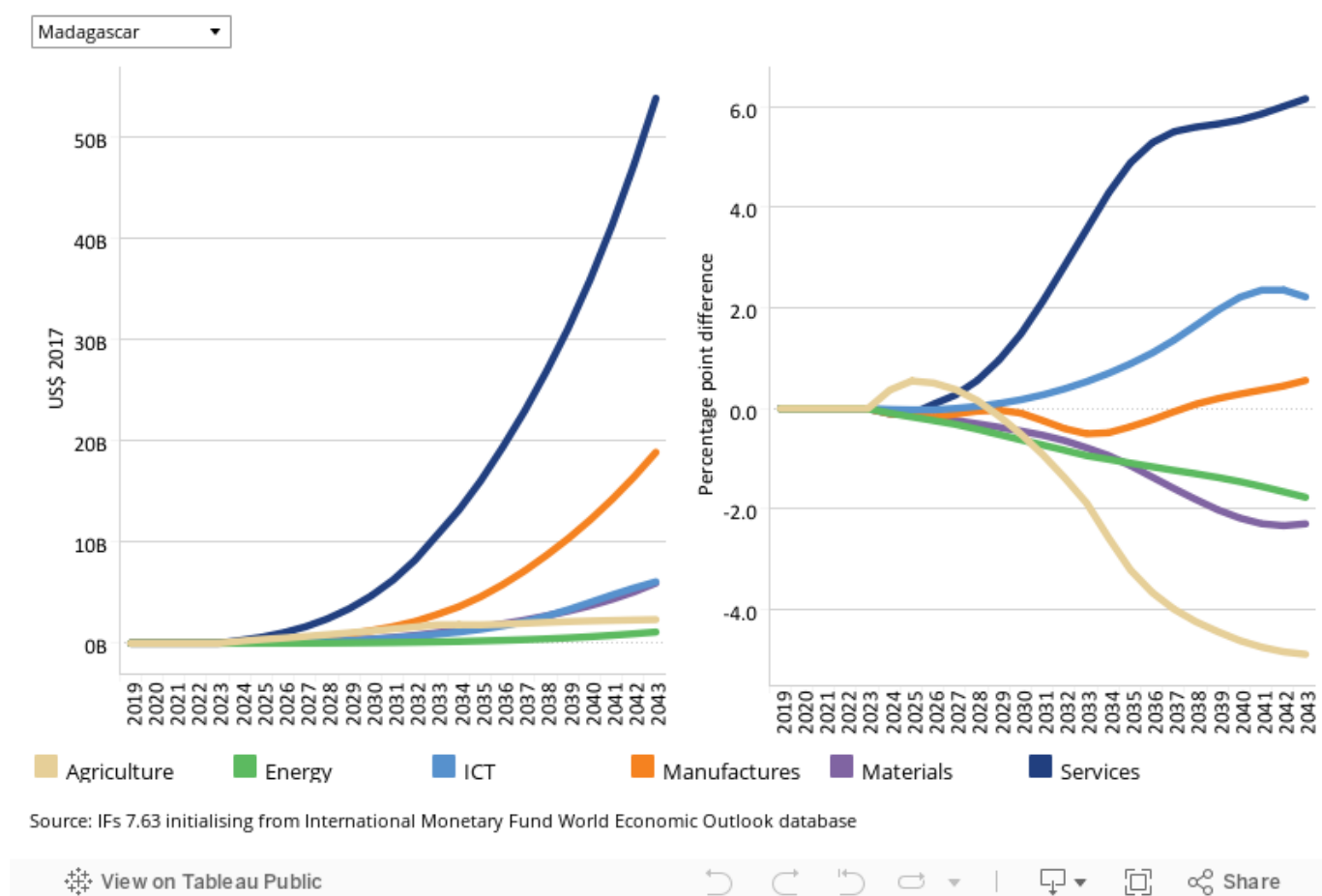
Source: IFs 7.63 initialising from UN Population Division Population Prospects estimate, World Development Indicators population data and PovcalNet World Bank data

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In the Combined Agenda 2063 scenario, Madagascar can get closer to eliminating extreme poverty. By 2043, 17.9% of the population is expected to live below the poverty line which translates to 7.3 million fewer people living in extreme poverty. In comparison, in the Current Path forecast, 66.6% of the population (30 million people) is projected to live in poverty by 2043.

Chart 58: Value added by sector in CP and Combined scenario, 2019–2043
Absolute and % point difference GDP

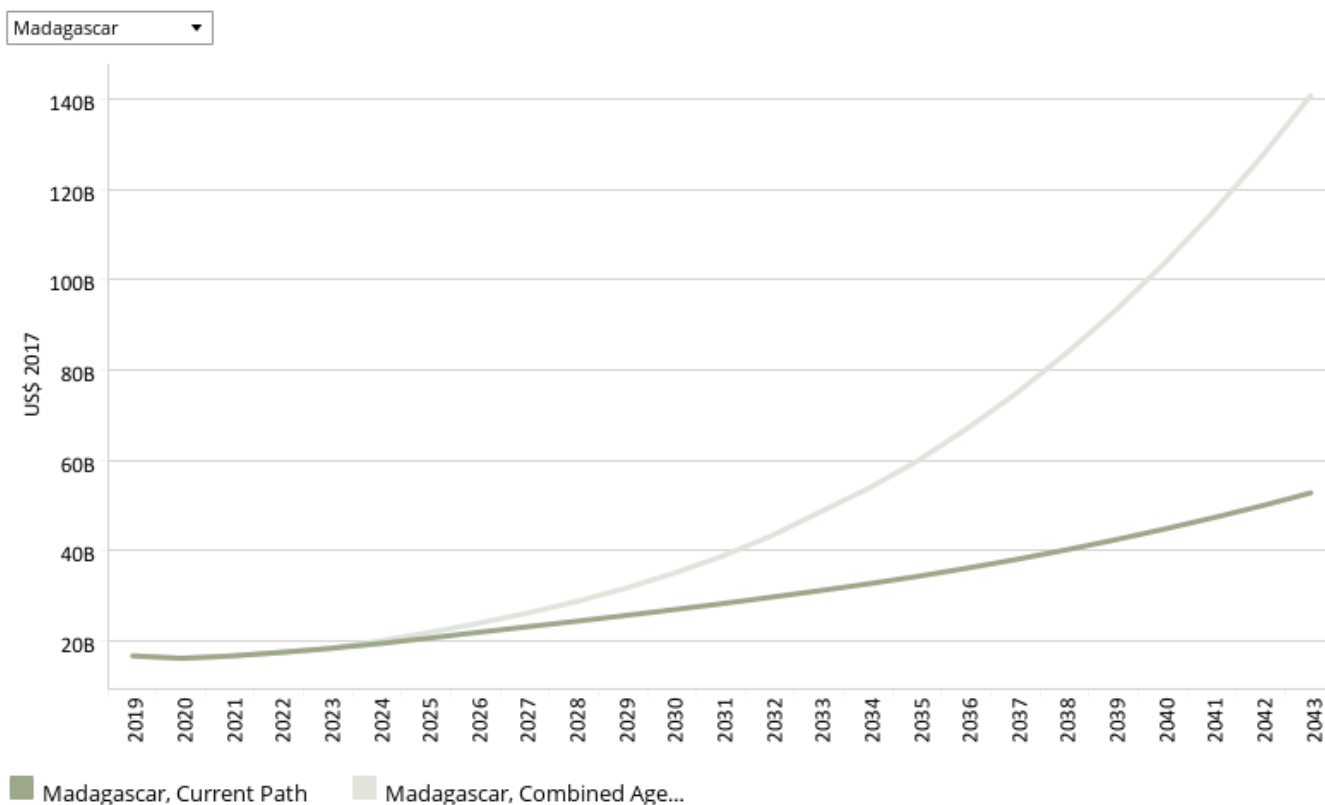


See [Chart 8](#) to view the Current Path forecast of the sectoral composition of the economy.

The evolution of the various sectors in terms of their relative contribution to GDP does not follow a linear trajectory. In the Combined Agenda 2063 scenario and looking at 2043, the service sector will experience the greatest increase in terms of its relative contribution to Madagascar's GDP compared to the Current Path forecast — an additional 6.2 percentage points by 2043. This translates to an increase in GDP of US\$53.8 billion attributable to services alone. The service sector is followed by the ICT sector which sees an increase of 2.2 percentage points in terms of its contribution to GDP translating into an additional US\$6.1 billion coming from that sector. In absolute terms, however, the manufacturing sector is set to contribute more than ICT, with an additional US\$18.8 billion which is equivalent to an increase of 0.6 percentage points. The energy, materials and agriculture sectors are all set to become relatively less important for Madagascar's economy. Agriculture, in particular, is forecast to lose 4.9 percentage points in terms of its contribution to GDP. In absolute terms, however, the sector is expected to contribute an additional US\$2 billion to the country's GDP in the Combined Agenda 2063 scenario by 2043.

Chart 59: GDP in CP and Combined scenario, 2019–2043

Billions US\$ 2017, market exchange rates



Source: IFs 7.63 initialising from International Monetary Fund World Economic Outlook database

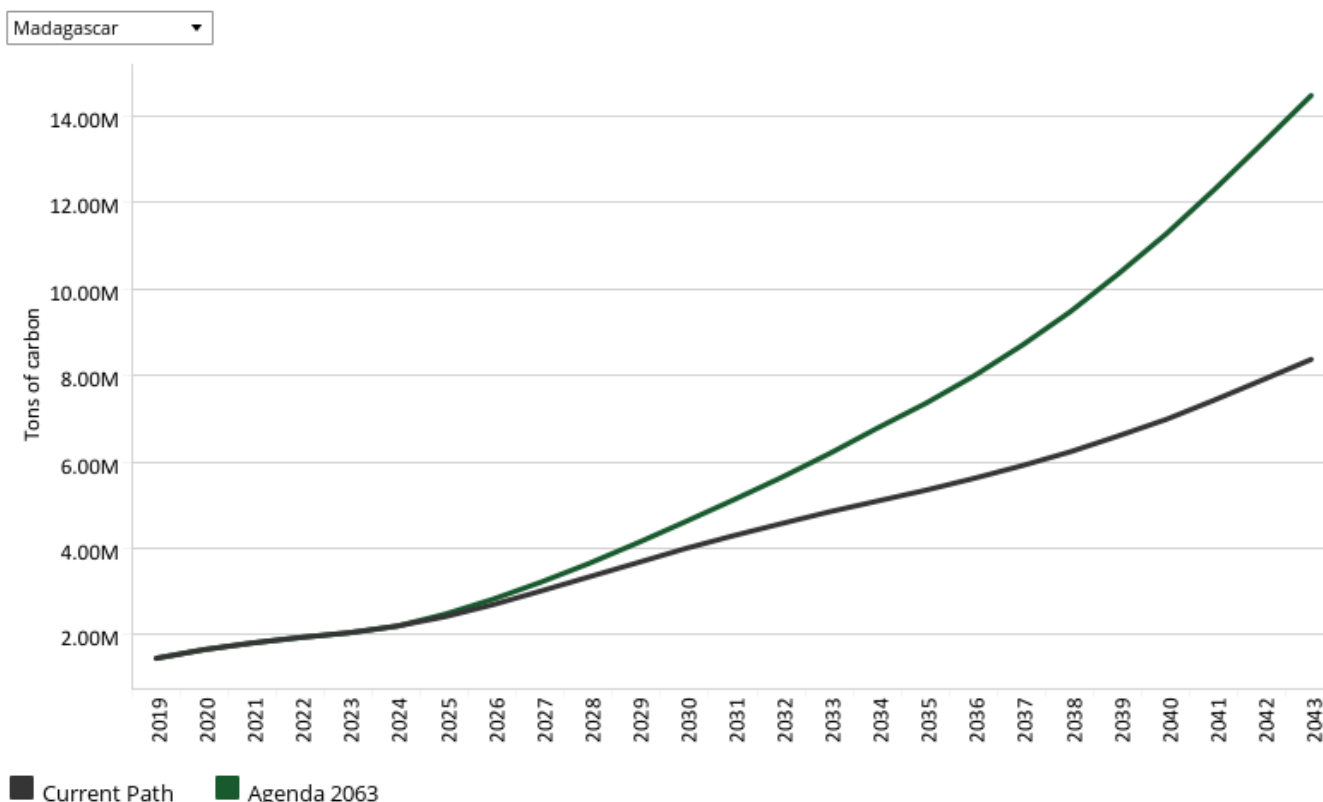
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In the Combined Agenda 2063 scenario, Madagascar's GDP is forecast to expand more than eightfold from US\$16.8 billion in 2019 to US\$140.8 billion by 2043. In other words, in the Combined Agenda 2063 scenario the country's GDP would essentially be 2.6 times as large as on the Current Path forecast by 2043 (US\$52.8 million).

Chart 60: Carbon emissions in CP and Combined scenario, 2019–2043

Million tons of carbon (note, not CO₂ equivalent)



Source: IFs 7.63 initialising from Carbon Dioxide Information Analysis Center data

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In 2019, Madagascar's carbon emissions stood at 1.5 million tons. In the Combined Agenda 2063 scenario, which leads to higher economic growth and increased energy demand, carbon emissions are expected to rise almost tenfold to 14.5 million tons by 2043. The difference in projected carbon emissions between the Combined Agenda 2063 scenario and the Current Path forecast is 6.1 million tons.

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About the authors

Mr Du Toit McLachlan joined the ISS in February 2021 as an extern from the Auwal Socio-Economic Research Institute (ASRI). Du Toit holds an honour's degree in international relations from the University of Pretoria and is the AFI website manager.

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