

COUNTRY PROFILE:**REPUBLIC OF MALI****DATED:****FEBRUARY 2009****CREDIT GUARANTEE:**

IES/02: ATTACHMENT A

	<i>Country Rating</i>	<i>U/W Method</i>
<i>Short-term</i>	3C	No restrictions

Recent Political Highlights

- After successful presidential and legislative elections carried out in 2007, Prime Minister Modibo Sidibe was appointed on 28 September and a cabinet was formed in early October 2007. The Alliance for Democracy and Progress holds 113 of 160 seats in the assembly. Next elections are scheduled for 2012.

Recent Economic Highlights

- Mali is one of the poorest countries in the world. The country faces numerous challenges related to poverty, malnutrition and inadequate hygiene and sanitation. It's a recipient of large aid inflows and is focusing on increased donor co-ordination and harmonisation.
- Mali's population was estimated at 12 million with an annual growth rate of 2.7%. In December, Mali and the US signed an agreement on food security under which the problems relating to food insecurity in Mali will be totally eliminated. The agreement worth \$18 million will finance increased agricultural production of cereals, production and marketing of rice, sorghum and millet which are Mali's staple food. Under the agreement, the institutional capacities of the Malian ministries of Agriculture, Breeding and Fishing will also be enhanced.
- Its key industry is agriculture and cotton is the country's largest crop export. About 80% of Malian workers are employed in agriculture while 15% work in the service sector. However seasonal variations lead to regular temporary unemployment of agricultural workers. In August 2008, the National Assembly approved a law authorizing the break-up of the cotton-gin mining company into four regional companies for sale to private investors. The sale of majority stakes in the national telecommunications company and the Banque Internationale du Mali (BIM) are expected to be completed in the first half of 2009.
- Mali's economic performance is vulnerable to climatic conditions, fluctuating terms of trade, dependence on ports in neighbouring countries, concentration of its exports in three primary sector products, gold, cotton, livestock and weak administrative capability. The government has continued its successful implementation of an IMF-recommended structural adjustment program that is helping the economy grow, diversify and attract foreign investment.
- Economic growth is estimated at 4.9% in 2008 and is projected to recover to 5.3% in 2009 thanks to favourable weather, high farm-gate prices and policies supporting food production.
- AngloGold Ashanti, Africa's largest gold miner said it has cut project spending and may sell assets in Mali and South Africa in a bid to boost company finances amid the biggest financial crisis since the Great depression which has made it difficult for companies to borrow money.
- China's President Hu Jintao first stop was Mali at the start of a whirlwind African tour this February which Beijing says is focused more on political ties than on his country's hunt for commodities. Although Mali is Africa's third biggest gold producer and is one of the continent's biggest cotton producers and recently discovered uranium, the Chinese authorities insist the visit is not about extending its access to Mali's resources. Beijing has stressed that the trip will focus more on shoring up political ties and boosting aid to African countries, working with them to fight the impact of the global economic crisis and less on securing energy supplies. In the past few years China has ramped up its cooperation and aid efforts in Mali and Senegal by spending on large infrastructure projects, health care and education. The Malian presidency says on its website that trade between China and Mali remains modest but is rapidly growing. From January to October 2008 trade was up 58% to \$202 million compared to the same period in 2007. Of that figure \$140 million was Chinese exports to Mali, mainly electrical appliances, green tea and textiles and Chinese imports from Mali amounted to \$62 million, overwhelmingly cotton.

Latest Trade Developments

- Major exports: gold, cotton, livestock.
- Major imports: petroleum, machinery and equipment, construction materials, food and textiles.
- Main trading partners: China, Thailand, Taiwan, Bangladesh, Australia, Senegal, France and Cote d'Ivoire.
- SA's exports to Mali totaled R319m in 2006 and R576m in 2007.