

**COUNTRY PROFILE:****REPUBLIC OF MALI**

IES/02: ATTACHMENT A

**DATED:****AUGUST 2007****CREDIT GUARANTEE:**

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

*Recent Political Highlights*

- ❑ Chief of state since June 2002 is President Amadou Toumani Toure;
- ❑ During the Council of Ministers meeting in January 2007, Government issued a decree calling for presidential elections in April 2007. The next election is scheduled for April 2012;
- ❑ Since independence from France in 1960, Mali has suffered droughts, rebellions, a coup and twenty-three years of military dictatorship, but since 1992 the country has had a democratically-elected president and a civilian Government;
- ❑ The recent mysterious death of opposition leader Youssouf Dembele has raised speculation as to whether political assassination took place and a warning to all political activists bent on defending the interest of local communities.

*Recent Economic Highlights*

- ❑ Mali's population is 12m and is expected to grow at a rate of 2.7% this year;
- ❑ The country is characterised by desert and semi-desert regions, leaving it vulnerable to fluctuations in world prices for cotton and gold;
- ❑ Mali is one of the biggest cotton producers on the continent, but is saddled with a chronic trade deficit, rendering it heavily dependent on foreign aid and money sent from emigrants working abroad;
- ❑ Cotton, gold and livestock made up 80%-90% of total export earnings in Mali in 2006. Its focus on quality cotton production and double-digit increases in cereal and gold production boosted growth from 2.2% in 2004 to 5.1% in 2005. Economic reform strengthened growth to average 5% between 1996-2006;
- ❑ The IMF held prudent fiscal policy, good agricultural production and a favourable external environment accountable for its 2007 economic outlook for Mali, which was broadly positive, due to higher gold prices with GDP growth likely to expand by 5% from 5.3% last year. Inflation will remain low at 2% this year. It said that state-owned enterprises were a growing burden on Government finances, in particular the losses of the state-owned cotton company, Compagnie Malienne de Development des Textiles;
- ❑ Mali and the EU signed two financial agreements worth 2.2bn CFA francs to fight desertification. The pacts are intended to strengthen cooperation with the EU and to enforce consolidation of actions engaged in environmental protection, prevention of the silting of the Niger River and against the desert advance. The agreement will run until 2009;
- ❑ The escalating refugee situation in Mali is going to worsen according to the relief and development agency Christian Aid. The agency says that climate change, natural disasters, large-scale development projects and armed conflicts are leading to the world's biggest ever movement of people in poor countries. It expects over 1bn more refugees by 2050. Due to rainfall lessening in Mali over the last thirty years, about 70% of Mali's people from rural areas move to cities like Bamako which saw its population grow from 600,000 twenty years ago to 2m currently;
- ❑ Two oil companies have signed oil and gas exploration deals with the Government of Mali. Algeria's Sonatrach and the Canadian Selier Energy say that the vast Taoudeni basin shows great potential for major oil and gas discoveries. Under the Malian-Algerian agreement, Sonatrach has pledged to invest \$11.5m during the first four years of the project from 2007-2010. Under the Malian-Canadian agreement, Selier must spend \$11.2m in exploration of the permit over the same period.

*Latest Trade Developments*

- ❑ Major exports: gold, cotton, livestock;
- ❑ Major imports: petroleum, machinery and equipment, construction materials, food and textiles;
- ❑ Main agricultural products: cotton, millet, rice, corn, vegetables, peanuts, cattle, sheep and goats;
- ❑ Main industries: food processing, construction, phosphate and gold mining;
- ❑ Main trading partners: China, Thailand, Taiwan, Bangladesh, Australia, Senegal, France and Cote d'Ivoire;
- ❑ Government has called on Iranian experts to build the Kania dam and power plant in the near future as a symbol of bilateral cooperation. The two countries discussed measures to further strengthen their bilateral ties;
- ❑ SA's exports to Mali totaled R319m in 2006 from R446m in 2005 and R195m the year to May 2007.

*Lily Maharaj – Economic Services*