

**ANNEX 3**

**MALI**



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## I. ECONOMIC ENVIRONMENT

### (1) MAIN FEATURES

1. Mali covers an area of 1,241,238 km<sup>2</sup>, two thirds of which are in the Saharan region. It has common borders to the north with Mauritania and Algeria, to the east with Niger, to the south with Burkina Faso, Côte d'Ivoire and Guinea, and to the west with Senegal. The Niger River (called "Joliba" locally) flows through the south of the country. Mali's geographical situation presents considerable challenges as regards transport, notably the high cost of moving goods from the sea ports in neighbouring countries by rail or road.

2. Mali's economy is still little diversified and depends above all on the primary sector (agriculture and mining), highly sensitive to climatic conditions and fluctuations in commodity prices on global markets. Mali's population was estimated to be almost 13.1 million in 2008 and around 68 per cent live in rural areas (Table I.1), thereby confirming the important role of the primary sector as a source of jobs and income. Over the period 2003-2008, migration to urban centres continued, but not to any significant extent. The services sector is also large, whereas manufacturing is still at an embryonic stage. Moreover, the data concerning the sectoral breakdown of GDP cannot be considered as totally reliable because of the presumed extent of the informal sector.

3. According to UNDP data, Mali is one of the poorest of the least developed countries (LDCs) and ranks 178<sup>th</sup> out of 182 countries as far as its level of human development is concerned.<sup>1</sup> In 2005, poverty affected 59.2 per cent of the population, with a marked difference between rural areas (73 per cent) and urban areas (20.1 per cent). With a demographic growth rate of 2.3 per cent annually, a result of a very high fertility rate (5.5 births per woman compared to 4.6 for Africa as a whole), the population will reach 14 million by 2011. Although there has been an increase since 2002, the literacy rate among adults is still very low (26.2 per cent in 2006). The prevalence rate for HIV/AIDS declined from 0.9 per cent in 2001 to 0.8 per cent in 2007.<sup>2</sup> In general, the outlook for Mali achieving the Millennium Development Goals by 2015 is bleak.<sup>3</sup>

4. The Growth and Poverty Reduction Strategy Paper (GPRSP) for 2007-2011 is the frame of reference for medium-term development policies and strategies and underpins negotiations with all technical and financial partners (TFPs).<sup>4</sup> The GPRSP's overall objective is to promote redistributive growth and poverty reduction by boosting productive sectors and consolidating public sector reforms. The GPRSP has three strategic orientations in order to achieve these objectives: (i) development of infrastructures and the productive sector; (ii) pursuance and consolidation of structural reforms; and (iii) strengthening the social sector. The main objective of the macro-budgetary framework is to maintain macro-economic and budgetary balances, taking into account the real potential of the Malian economy. The GPRSP aims in particular at achieving annual economic growth of 7 per cent over the period 2007-2011.

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<sup>1</sup> Global Human Development Report, online information. Viewed at: <http://hdr.undp.org/en/statistics/>.

<sup>2</sup> World Bank Group, online information. Viewed at: <http://data.worldbank.org/country/mali> [22 April 2010].

<sup>3</sup> According to the Malian authorities, the objectives which could be reached concern drinking water and HIV/AIDS and, with some effort, those relating to extreme poverty and primary education. Ministry of the Economy and Finance, written communication of 19 August 2009.

<sup>4</sup> Government of the Republic of Mali (2006).

(2) RECENT ECONOMIC TRENDS

5. The Malian economy stood up well to the external shocks that have marked the period since its previous TPR in 2004 (escalating prices for oil and fast-moving consumer food products, global financial crisis, appreciation of the CFA franc because it is tied to the euro). With some fluctuations, real GDP continued to show positive growth (Table I.1). In recent years, there was a strong increase in private consumption, from 63.3 per cent of GDP in 2003 to 70.9 per cent in 2008. The GDP shares of exports and gross fixed capital formation remained at a fairly stable level, while the variation in stocks has fallen since 2003.

6. In Mali, inflation is generally kept at moderate levels and there were only two isolated sharp increases in 2005 and 2008. The price trend follows the general trend noted within WAEMU, particularly as regards periods of intensive inflationary pressure caused by the high price of food and energy products at the global level in 2008. The Government has made considerable financial and fiscal efforts to limit the impact on the population. This has meant a loss of revenue amounting to around CFAF 9 billion (including CFAF 5 billion for rice alone).

7. Mali's financial resources largely come from indirect taxes on international trade flows. In 2008, the State's total revenue (excluding debt relief and grants) accounted for 15.3 per cent of GDP, a slight reduction because of the exemptions given to those groups most affected by the crisis. Total expenditure, which represented 23.6 per cent of GDP in 2008, remained at a relatively stable level. The share of grants was around 4 per cent of GDP in most years.

8. Under the Heavily Indebted Poor Countries (HIPC) Initiative, Mali received external aid in the form of debt cancellation, which freed up internal resources to finance large infrastructure projects and social programmes. According to data from the BCEAO, the total amount of cancellation under the Multilateral Debt Relief Initiative (MDRI) was CFAF 700.5 billion in 2006.<sup>5</sup> Because of this relief, outstanding external debt as a ratio of GDP fell from 60.8 per cent in 2005 to 26.0 per cent in 2006. At 31 December 2008, total outstanding external debt was CFAF 810.4 billion, corresponding to 22.8 per cent of GDP.

Table I.1  
Selected macroeconomic indicators, 2003-2009

|  | 2003                | 2004    | 2005    | 2006    | 2007 <sup>a</sup> | 2008 <sup>a</sup> | 2009 <sup>b</sup> |
|--|---------------------|---------|---------|---------|-------------------|-------------------|-------------------|
| <b>Miscellaneous</b>   |                     |         |         |         |                   |                   |                   |
| Population (million)   | 11.2                | 11.5    | 11.9    | 12.3    | 12.7              | 13.1              | ..                |
| In rural areas (% of total population)                         | 70.5                | 70.0    | 69.5    | 68.9    | 68.4              | 67.8              | ..                |
| Total public debt (% of GDP)                                   | 70.1                | 63.9    | 61.3    | 39.9    | 39.7              | 37.5              | 38.2              |
| Total external debt (% of GDP)                                 | 67.1                | 62.1    | 60.0    | 18.9    | 22.9              | 23.0              | 25.9              |
| Public external debt servicing in % of exports                 | 7.8                 | 8.2     | 7.8     | 112.0   | 4.7               | 4.6               | 4.7               |
| Public external debt servicing in % of exports after relief    | 5.8                 | 6.4     | 7.4     | 3.7     | 3.4               | 3.4               | ..                |
| Gross official reserves (in import months, goods and services) | 6.9                 | 6.4     | 6.1     | 6.1     | 6.3               | 6.6               | 6.8               |
| Real GDP growth rate (%)                                       | 7.7                 | 2.3     | 6.1     | 5.3     | 4.3               | 5.0               | 4.2               |
| Real GDP (US\$ million, at 1985 prices)                        | 2,762.9             | 2,825.1 | 2,998.4 | 3,155.9 | 3,291.5           | 3,455.4           | 3,599.2           |
| GDP at market prices (US\$ million)                            | 4,221.5             | 4,982.3 | 5,486.3 | 6,122.6 | 7,145.4           | 8,831.3           | 8,982.0           |
| <b>Sectoral distribution of GDP</b>                            |                     |         |         |         |                   |                   |                   |
|  | (Percentage of GDP) |         |         |         |                   |                   |                   |
| Agriculture, livestock, fishing and forestry                   | 35.3                | 34.2    | 34.6    | 33.2    | 32.6              | 35.7              | ..                |
| Industry   | 13.7                | 15.6    | 22.2    | 22.0    | 20.4              | 19.2              | ..                |

<sup>5</sup> BCEAO (2007).



|   | 2003  | 2004  | 2005  | 2006  | 2007 <sup>a</sup>   | 2008 <sup>a</sup> | 2009 <sup>b</sup> |
|---|-------|-------|-------|-------|---------------------|-------------------|-------------------|
| Mining and quarrying  | 7.4   | 6.2   | 7.1   | 7.5   | 6.7                 | 6.1               | ..                |
| Other   | 6.3   | 9.4   | 15.1  | 14.5  | 13.7                | 13.1              | ..                |
| Manufactures  | ..    | ..    | 9.1   | 8.1   | 6.9                 | 6.2               | ..                |
| Electricity, gas and water supply   | ..    | ..    | 1.7   | 1.9   | 1.9                 | 1.9               | ..                |
| Construction and public works   | ..    | ..    | 4.3   | 4.5   | 4.9                 | 5.0               | ..                |
| Services  | 35.2  | 34.3  | 35.1  | 35.3  | 36.9                | 35.8              | ..                |
| Tradable services   | 24.0  | 23.3  | 24.4  | 25.1  | 27.2                | 26.7              | ..                |
| Trade and transport   | 19.7  | 11.0  | 11.9  | 12.0  | 12.9                | 12.6              | ..                |
| Wholesale and retail trade  | 0.0   | 0.0   | 4.5   | 4.9   | 5.6                 | 5.6               | ..                |
| Transport, storage and communications                                     | 0.0   | 0.0   | 7.3   | 7.1   | 7.3                 | 7.0               | ..                |
| Other tradable services   | 4.3   | 12.3  | 12.6  | 13.1  | 14.3                | 14.2              | ..                |
| Non-tradable services   | 11.2  | 11.0  | 10.7  | 10.2  | 9.7                 | 9.1               | ..                |
| Import duties and taxes and VAT   | 15.8  | 15.9  | 8.1   | 9.5   | 10.1                | 9.2               | ..                |
| <b>National accounts</b>  |       |       |       |       |                     |                   |                   |
|   |       |       |       |       | (Percentage of GDP) |                   |                   |
| Final consumption   | 81.5  | 86.2  | 86.3  | 84.3  | 88.1                | 88.3              | ..                |
| Private   | 63.3  | 68.3  | 69.4  | 67.0  | 70.7                | 70.9              | ..                |
| Public  | 18.1  | 18.0  | 16.9  | 17.3  | 17.4                | 17.4              | ..                |
| Gross fixed capital formation   | 18.0  | 17.0  | 15.4  | 16.5  | 19.4                | 18.8              | ..                |
| Public  | 10.5  | 9.6   | 8.5   | 8.9   | ..                  | ..                | ..                |
| Private   | 7.5   | 7.4   | 6.9   | 7.6   | ..                  | ..                | ..                |
| Variation in inventory  | 8.0   | 5.0   | 6.6   | 3.9   | 2.2                 | 3.9               | ..                |
| Exports of goods and services   | 27.3  | 24.4  | 25.1  | 30.4  | 27.1                | 27.8              | ..                |
| Imports of goods and services   | 34.8  | 32.6  | 33.4  | 35.1  | 36.7                | 38.8              | ..                |
| Gross national savings  | 15.0  | 13.4  | 14.1  | 20.1  | 19.4                | 18.4              | ..                |
| Gross domestic savings  | 14.0  | 13.5  | 13.7  | 19.0  | 17.5                | 15.3              | ..                |
| <b>Prices and interest rates</b>  |       |       |       |       |                     |                   |                   |
| Inflation (CPI, % change)   | -1.3  | -3.1  | 6.4   | 1.5   | 1.4                 | 9.2               | ..                |
| <b>Exchange rates</b>   |       |       |       |       |                     |                   |                   |
| CFAF/US\$ (annual average)  | 581.2 | 528.3 | 527.5 | 522.9 | 479.3               | 447.8             | 472.2             |
| Real effective exchange rate (end of period, % variation; = depreciation) | 1.1   | -3.9  | 3.9   | 3.1   | 3.2                 | ..                | ..                |
| <b>Public finances<sup>c</sup></b>  |       |       |       |       |                     |                   |                   |
| Revenue and grants  | 21.9  | 21.2  | 21.5  | 56.2  | 21.3                | 19.4              | ..                |
| Current revenue   | 17.2  | 17.3  | 17.5  | 17.3  | 16.6                | 15.3              | ..                |
| Tax revenue   | 14.2  | 14.9  | 15.4  | 14.9  | 14.2                | 12.8              | ..                |
| Direct and indirect taxes   | ..    | ..    | ..    | ..    | ..                  | ..                | ..                |
| Grants  | 4.7   | 3.9   | 4.0   | 38.9  | 4.7                 | 4.1               | ..                |
| Total expenditure and net lending   | 23.2  | 23.8  | 24.6  | 24.9  | 24.7                | 23.6              | ..                |
| Total current expenditure   | 21.8  | 22.5  | 22.3  | 23.5  | 24.3                | 21.7              | ..                |
| Current primary expenditure   | 12.9  | 13.3  | 13.0  | 12.9  | 12.8                | 12.0              | ..                |
| Wages   | 4.2   | 4.6   | 4.8   | 4.6   | 4.8                 | 4.9               | ..                |
| Interest  | 0.8   | 0.7   | 0.6   | 0.5   | 0.4                 | 0.4               | ..                |
| Other current primary expenditure   | 7.8   | 8.0   | 7.6   | 7.8   | 7.6                 | 6.7               | ..                |
| Pensions and scholarships   | ..    | ..    | ..    | ..    | ..                  | ..                | ..                |
| Current transfers   | ..    | ..    | ..    | ..    | ..                  | ..                | ..                |
| Capital expenditure   | 8.9   | 9.2   | 9.3   | 10.6  | 11.6                | 9.6               | ..                |
| Expenditure, special funds and supplementary budgets                      | 1.5   | 1.6   | 1.6   | 1.6   | 1.8                 | 1.7               | ..                |
| Net loans   | -0.2  | -0.3  | 0.8   | -0.2  | -1.4                | 0.2               | ..                |

|  | 2003 | 2004 | 2005 | 2006  | 2007 <sup>a</sup> | 2008 <sup>a</sup> | 2009 <sup>b</sup> |
|--|------|------|------|-------|-------------------|-------------------|-------------------|
| Overall fiscal balance (payment order basis, excluding grants) | -6.0 | -6.5 | -7.1 | -7.6  | -8.1              | -8.2              | ..                |
| Overall fiscal balance (payment order basis, including grants) | -1.3 | -2.6 | -3.1 | 31.3  | -3.3              | -4.1              | ..                |
| Change in arrears  | 0.4  | 0.3  | -0.4 | 0.0   | 0.3               | -1.6              | ..                |
| Payments during supplementary period                           | ..   | ..   | ..   | ..    | ..                | ..                | ..                |
| Overall deficit (cash basis, including grants)                 | -0.9 | -2.3 | -3.5 | 31.3  | -3.0              | -5.7              | ..                |
| Financing  | 0.9  | 2.3  | 3.5  | -31.3 | 3.0               | 5.7               | ..                |
| Domestic financing   | -3.4 | -0.6 | -0.3 | -3.5  | 0.2               | 2.5               | ..                |
| External financing   | 4.3  | 2.8  | 3.8  | -27.8 | 2.9               | 3.2               | ..                |

.. Not available.

a Estimates.

b Projections.

c The 2007 data include CFAF 44 billion for recapitalization of the CMDT.

Source: IMF, Country reports Nos 08/378, 08/113, and 06/310. Viewed at: [www.imf.org](http://www.imf.org); BCEAO, Statistics Yearbook 2007; Annual reports 2007 and 2008. Viewed at: <http://www.bceao.int/>; WAEMU, *Rapport annuel, 2007*; and WAEMU, *Rapport de surveillance multilatérale - Annexe statistique de la surveillance*, December 2009. Viewed at: [http://www.uemoa.int/Publication/Surv\\_Multilaterale.htm](http://www.uemoa.int/Publication/Surv_Multilaterale.htm).

9. After a slight improvement in 2006, the balance-of-payments current account deficit then grew significantly to reach US\$699 million in 2008, or 7.9 per cent of GDP (Table I.2). This was a reflection of the deterioration in the balance of trade in goods and services, which current transfers did not manage to offset entirely, despite the sharp rise in private transfers. The latter, particularly the remittances from migrants in Europe, is a crucial source of income. Mali's trade balance has a structural deficit, with the exception of 2002 and 2006, when the trade balance was positive because of positive performance in the cotton and gold subsectors. Total imports doubled in value between 2003 and 2008 as a result of sustained demand for capital goods and energy products, as well as higher global prices for oil and food products.

10. As a member of the West African Economic and Monetary Union (WAEMU), Mali applies its common monetary and exchange policies (joint report, Chapter I(2)). In 2009, Mali fulfilled two of the four first tier primary convergence criteria established within the Union, namely those on the outstanding public debt/GDP ratio and internal and external payment arrears, but failed to meet the basic fiscal balance and inflation rate criteria.<sup>6</sup>

**Table I.2**  
**Balance of payments, 2002-2009**  
(US\$ million)

|                             | 2002          | 2003          | 2004          | 2005          | 2006          | 2007          | 2008 <sup>a</sup> | 2009 |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------------|------|
| <b>Current balance</b>      | <b>-148.9</b> | <b>-271.0</b> | <b>-409.1</b> | <b>-437.8</b> | <b>-218.6</b> | <b>-581.1</b> | <b>-699.2</b>     | ..   |
| Trade balance               | 162.7         | -60.6         | -116.4        | -144.5        | 75.0          | -289.8        | -483.0            | ..   |
| Exports (f.o.b.)            | 875.1         | 927.9         | 976.4         | 1,100.9       | 1,550.4       | 1,556.3       | 1,980.1           | ..   |
| Gold                        | ..            | 566           | 504           | 693           | 1,132         | 1,083         | 1,437             | ..   |
| Cotton                      | 198.3         | 246.7         | 350.0         | 271.3         | 269.7         | 231.4         | 146.5             | ..   |
| Imports (f.o.b.)            | -712.4        | -988.5        | -1,093.0      | -1,245.4      | -1,475.5      | -1,845.9      | -2,463.1          | ..   |
| Petroleum                   | -124.7        | -224.0        | -288.1        | -365.9        | -435.8        | -485.3        | -583.3            | ..   |
| Services (net)              | -217.7        | -257.9        | -290.8        | -313.8        | -361.3        | -400.0        | -484.1            | ..   |
| Freight and insurance (net) | -183.1        | 275.8         | -280.3        | -295.4        | -295.1        | -373.3        | -521.7            | ..   |
| Income (net)                | -240.2        | -160.0        | -194.8        | -207.0        | -257.4        | -291.5        | -244.1            | ..   |
| Interest on public debt     | -24.1         | -27.4         | -30.5         | -32.2         | -27.7         | -23.2         | -27.9             | ..   |

<sup>6</sup> Ministry of the Economy and Finance (2009).

|   | 2002         | 2003         | 2004          | 2005         | 2006         | 2007         | 2008 <sup>a</sup> | 2009 |
|---|--------------|--------------|---------------|--------------|--------------|--------------|-------------------|------|
| Transfers (net)                                 | 146.2        | 207.5        | 192.9         | 227.5        | 325.1        | 400.0        | 512.1             | ..   |
| Private   | 102.0        | 91.5         | 95.8          | 111.7        | 160.5        | 281.5        | 366.5             | ..   |
| Public  | 44.2         | 116.0        | 97.3          | 115.8        | 164.7        | 118.5        | 145.6             | ..   |
| <b>Capital and financial operations account</b> | <b>272.3</b> | <b>440.0</b> | <b>312.7</b>  | <b>550.9</b> | <b>430.5</b> | <b>531.9</b> | <b>631.7</b>      | ..   |
| Capital transfers (excluding debt relief)       | 143.8        | 165.5        | 205.6         | 205.9        | 2,258.6      | 324.0        | 335.9             | ..   |
| Financial operations                            | 128.6        | 274.4        | 106.9         | 345.0        | -1,828.1     | 207.8        | 295.9             | ..   |
| Direct investment                               | 242.2        | 130.8        | 100.1         | 224.7        | 82.2         | 65.5         | 185.1             | ..   |
| Portfolio investment                            | 52.5         | 13.2         | 2.5           | 4.4          | -3.3         | -7.7         | 5.4               | ..   |
| Other investment                                | -166.1       | 130.4        | 4.4           | 116.0        | -1,906.9     | 150.2        | 105.4             | ..   |
| <b>Net errors and omissions</b>                 | <b>-5.3</b>  | <b>46.5</b>  | <b>-25.0</b>  | <b>-24.1</b> | <b>-49.3</b> | <b>26.9</b>  | <b>0.0</b>        | ..   |
| <b>Overall balance</b>                          | <b>118.1</b> | <b>215.4</b> | <b>-121.3</b> | <b>89.3</b>  | <b>162.6</b> | <b>-22.3</b> | <b>-67.4</b>      | ..   |
| Indicators (%)                                  |              |              |               |              |              |              |                   |      |
| Balance of goods/GDP                            | 5.1          | -1.4         | -2.3          | -2.6         | 1.2          | -4.1         | -5.5              | ..   |
| Current account balance/GDP                     | -4.7         | -6.4         | -8.2          | -8.0         | -3.6         | -8.1         | -7.9              | ..   |
| Overall balance/GDP                             | 3.7          | 5.1          | -2.4          | 1.6          | 2.7          | -0.3         | -0.8              | ..   |

.. Not available.

a Estimates.

Source: BCEAO, Statistics Yearbook 2007, Mali; and BCEAO, Annual report 2008. Viewed at: <http://www.bceao.int/>.

### (3) TRENDS IN TRADE AND INVESTMENT

#### (i) Trade in goods and services

11. Mali's exports are still as little diversified as at the time of the previous TPR. Gold remains its major export product, with a 74.9 per cent share in 2008, compared to 71.4 per cent in 2002 (Table AI.2 and Chart I.1). Cotton's share of the total has fallen since 2004 and in 2008 was 10.1 per cent. The income earned from selling cotton is highly dependent on fluctuations in cotton's global price and yields during the agricultural seasons. Exports of food products have increased over the years and rose to 7 per cent in 2008. The export share of manufactures is still low and was 5.5 per cent in 2008. Since 2004, South Africa has become the main destination for Mali's exports, particularly as it takes all the exports of gold (Table AI.4 and Chart I.2). The other destinations for Mali's exports essentially remain the same, with Senegal, Côte d'Ivoire and Switzerland at the top.

12. There appears to have been little change in the breakdown of Mali's imports of goods, and fuel, machinery and transport equipment, together with chemicals, are still the principal imports (Table AI.1 and Chart I.1). The main source of imports remains the European Union, France in particular, followed by Senegal, Côte d'Ivoire and China (Table AI.3 and Chart I.2).

13. Mali has a large deficit in trade services, the main cause being payment of freight and insurance for goods.

#### (ii) Foreign direct investment

14. There has been an increase in the flow of foreign direct investment (FDI) into Mali since 2003, with a marked peak in 2009 following the partial privatization of the telecommunications company SOTELMA. Substantial investment has also been made in the mining sector. Nevertheless, despite a relatively stable political and macroeconomic environment, the flow of FDI to other sectors is still modest.

**(4) OUTLOOK**

15. Despite a difficult international economic context, marked by the food, oil and financial crises, Mali's recent economic performance has been satisfactory overall. Although progress has been made in macroeconomic stabilization and structural reform, Mali's economy is still fragile and particularly vulnerable to external shocks, including weather factors and fluctuations in raw material prices on global markets. The extent of these structural weaknesses suggests that, in the medium term, the fiscal and commercial imbalances are likely to continue. The use of external financing, including support from development partners, will continue to play a key role in Mali's economic development.

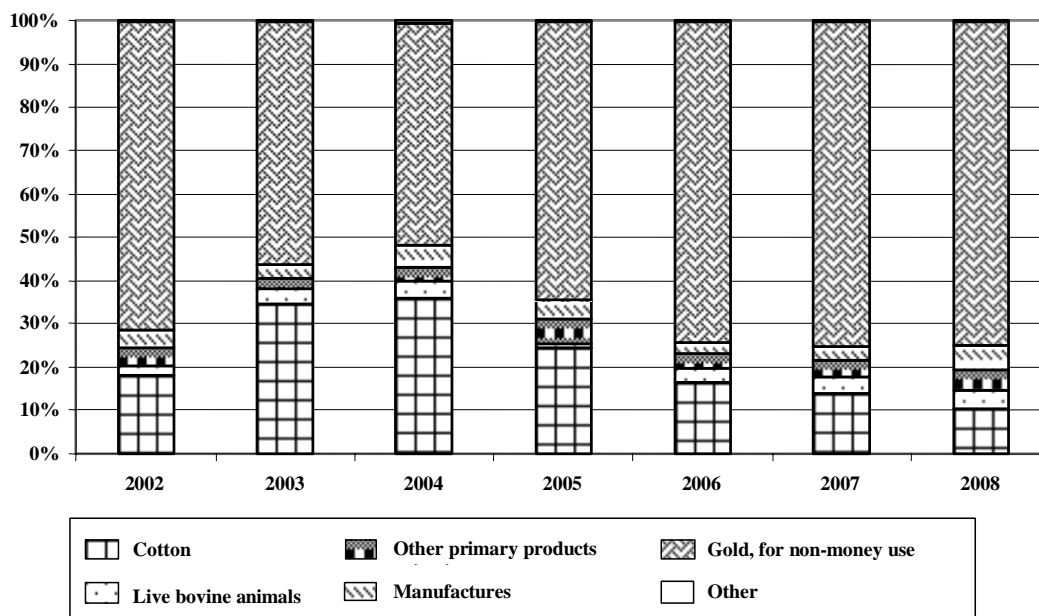
16. For 2010, the Malian authorities are counting on a slight increase in economic growth of 4.8 per cent.<sup>7</sup> This higher rate of growth would be possible if conditions in the cotton subsector improve and input subsidies continue to be granted prudently in the agricultural sector, which should lead to favourable developments in cotton and cereal production. Construction and public works and gold production are also expected to be a focus for growth, while expansion in the services sector may be more modest.

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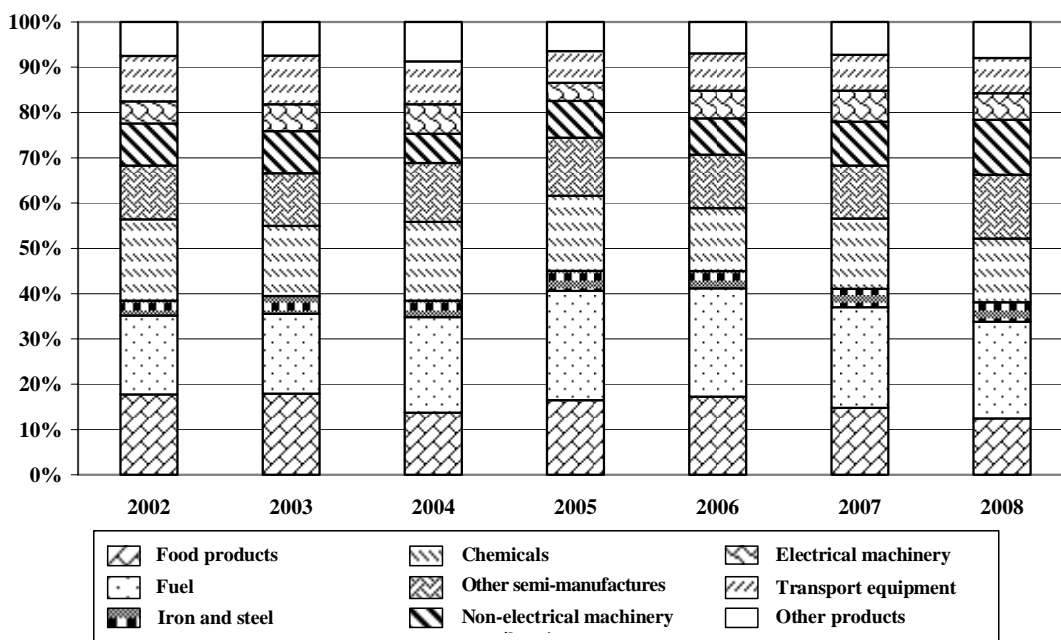
<sup>7</sup> IMF (2010).

**Chart I.1**  
**Breakdown of trade in goods, 2002-2008**

**(a) Exports (f.o.b.)**



**(b) Imports (c.i.f.)**

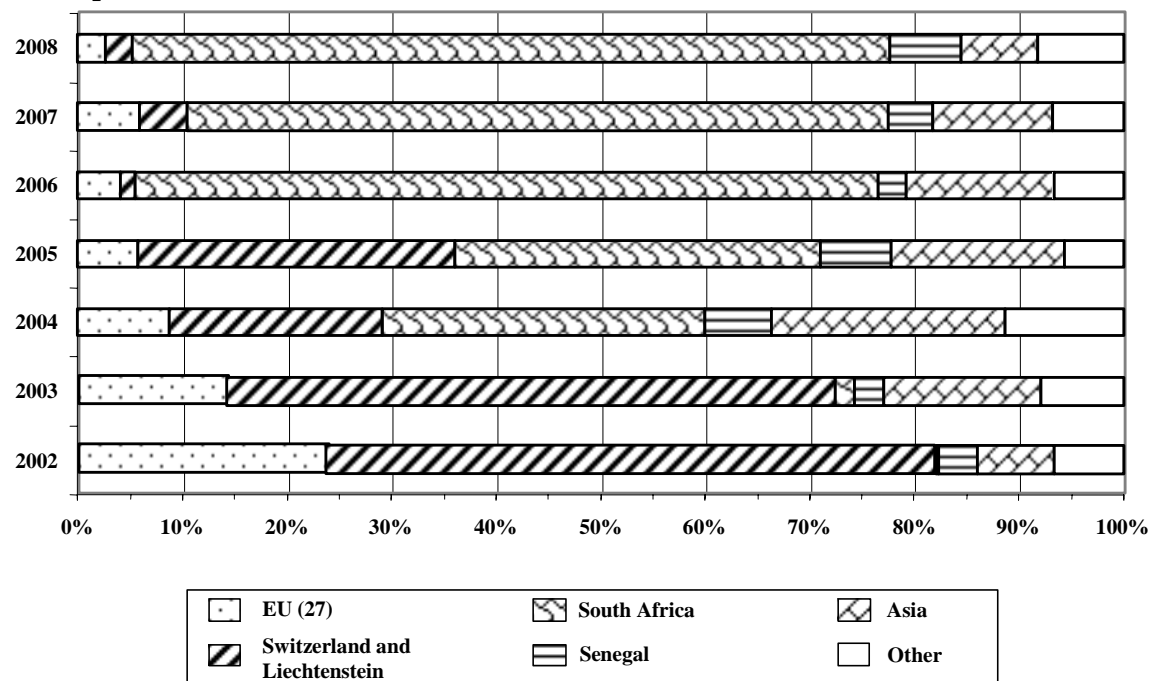


Source: WTO Secretariat calculations, based on data from the UNSD Comtrade database (SITC, Rev. 3).

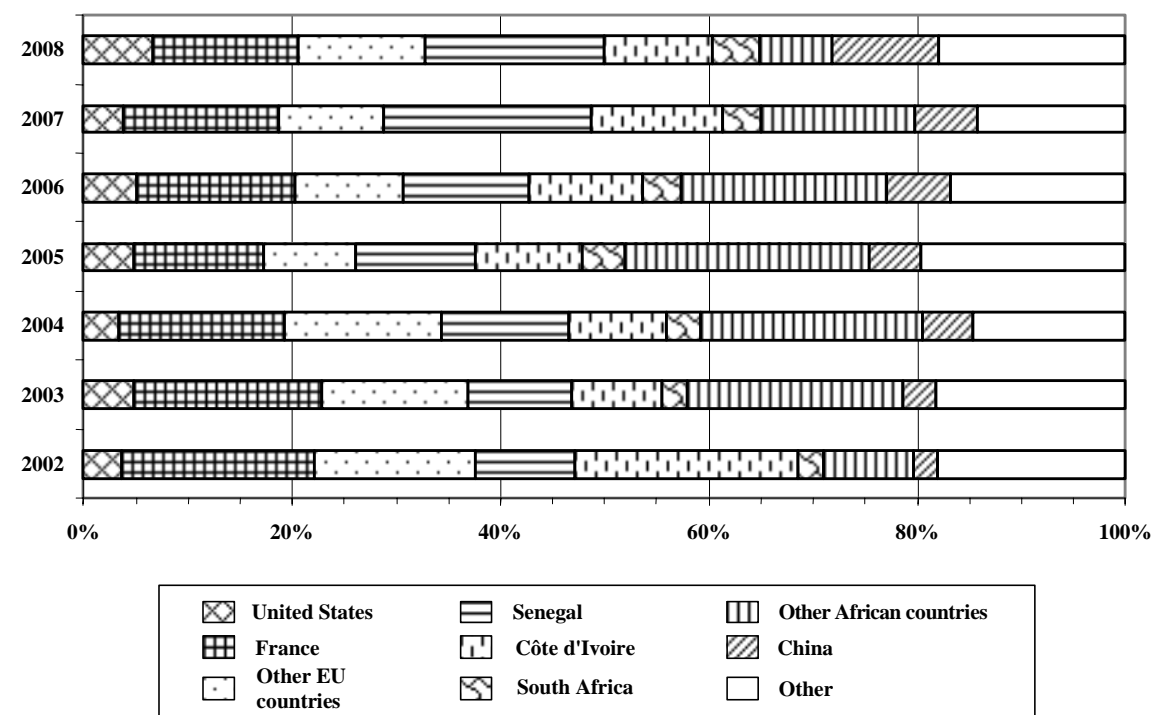
**Chart I.2**

**Direction of trade in goods, 2002-2008**

**(a) Exports (f.o.b.)**



**(b) Imports (c.i.f.)**



Source: WTO Secretariat calculations, based on data from the UNSD Comtrade database (SITC, Rev. 3).

## II. TRADE AND INVESTMENT REGIMES

17. Since its previous TPR in 2004, Mali's legislative and institutional framework for foreign trade and investment does not appear to have changed to any great extent. The Investment Code was amended in 2005 to enable the Mali Investment Promotion Agency (API-MALI) to be set up. In 2008, a single window was set up within API-MALI to centralize all the formalities required to set up companies and obtain operating permits.

### (1) EXECUTIVE, LEGISLATURE AND JUDICIARY

18. The President of the Republic is the Head of State and is elected by universal suffrage for a once-renewable five-year term. The current President has been in office since 2002 and the next presidential elections are due to be held in 2012. The President appoints the Prime Minister and, at the latter's proposal, the other members of the Government. The present Government has 29 ministries (those directly involved in trade-related areas are listed in Table II.1).<sup>8</sup>

19. Parliament consists of a single chamber, the National Assembly, which exercises legislative power and controls the activities of the Government. The 147 deputies are elected by direct universal suffrage for five years and may be re-elected; the latest legislative elections were held in July 2007.

**Table II.1**

**Principal institutions concerned with international trade or foreign investment, April 2010**

| Ministries and their institutions                         | Internet address  |
|---|---|
| Ministry of Foreign Affairs and International Cooperation | <a href="http://www.mae.gov.ml/">http://www.mae.gov.ml/</a>                       |
| Ministry of the Economy and Finance                       | <a href="http://www.finances.gov.ml/">http://www.finances.gov.ml/</a>             |
| Directorate-General of Customs                            | <a href="http://www.douanes.gov.ml/v">http://www.douanes.gov.ml/v</a>             |
| Ministry of Industry, Investment and Trade                | <a href="http://www.meic.gov.ml/index.aspx">http://www.meic.gov.ml/index.aspx</a> |
| Mali Investment Promotion Agency (API-MALI)               | <a href="http://www.apimali.gov.ml/">http://www.apimali.gov.ml/</a>               |
| Ministry of Mining, Energy and Water Resources            | <a href="http://www.mmee.gov.ml/">http://www.mmee.gov.ml/</a>                     |
| Ministry of Tourism and Handicrafts                       | <a href="http://www.tourisme.gov.ml/">http://www.tourisme.gov.ml/</a>             |
| Ministry of Agriculture                                   | <a href="http://www.maliagriculture.org/">http://www.maliagriculture.org/</a>     |
| Ministry of Communications and New Technology             | <a href="http://www.mcnt.gov.ml/">http://www.mcnt.gov.ml/</a>                     |
| Ministry of the Environment and Sanitation                | <a href="http://www.meic.gov.ml/index.aspx">http://www.meic.gov.ml/index.aspx</a> |
| Ministry of Livestock and Fisheries                       | <a href="http://www.mep.gov.ml/">http://www.mep.gov.ml/</a>                       |
| Ministry of Infrastructure and Transport                  | <a href="http://www.met.gov.ml/index.aspx">http://www.met.gov.ml/index.aspx</a>   |
| National Statistical Institute (INSTAT)                   | <a href="http://instat.gov.ml/">http://instat.gov.ml/</a>                         |
| Malian Tourism and Hotel Board (OMATHO)                   | <a href="http://www.le-mali.com/omatho/">http://www.le-mali.com/omatho/</a>       |
| Chamber of Commerce and Industry of Mali (CCIM)           | <a href="http://www.ccimmali.org/">http://www.ccimmali.org/</a>                   |

*Source:* Information provided by the authorities.

20. Laws adopted by the National Assembly are transmitted to the President, who enacts them, and they are then published in the *Official Journal*. In cases of emergency, the Government may enact measures normally coming within the scope of ordinary law by means of an "ordinance", but it must then be ratified by a law.<sup>9</sup> No such measure has been taken since Mali's previous TPR.

21. Judicial power is independent of the Executive and the Legislature. The Supreme Court is the highest jurisdiction in Mali. The Court of Appeal hears appeals against rulings in civil, commercial

<sup>8</sup> Decree No. 09-00157/P-RM of 9 April 2009.

<sup>9</sup> This was the case, for example, for Ordinance No. 07-025/P-RM of 18 July 2007 on competition and the law ratifying it.

and criminal cases made by the lower courts, commercial courts and justices of the peace with extended jurisdiction and, for social matters, by the labour tribunals.<sup>10</sup> Mali also has a court of assizes, administrative tribunals and courts for minors. In recent years, reform of Mali's judicial system has been a priority. The plan of action for reform for the period 2000-2010 concerned the state of the infrastructure, the financial and human resources needed, training and documentation, and the very credibility of the judicial system.

22. The Ombudsman receives complaints concerning the functioning of government departments, local authorities, State institutions and any bodies providing a public service in connection with their relations with the public. In carrying out his tasks, he does not receive instructions from any other authority. He is appointed for a non-renewable term of seven years and cannot be removed from his post unless he is unable to carry out his work or the Supreme Court finds that a serious offence has been committed.

23. International agreements and treaties are ratified or approved by the President of the Republic after a law authorizing them has been adopted by the National Assembly.<sup>11</sup> A treaty or agreement can only be approved by means of a law, although this is not the case for its transposition. Validly ratified treaties or agreements (for example, the WTO Agreement) take precedence over domestic laws once they have been published in the *Official Journal*, provided that each agreement or treaty is implemented by the other party.<sup>12</sup> Such acts are immediately applicable as a law in Mali and are enforceable *ipso jure*. Thus, the WTO provisions can be directly cited in legal proceedings, although this has never yet been the case.

## **(2) TRADE POLICY FRAMEWORK**

### **(i) Institutional framework**

24. Mali became a GATT Contracting Party on 11 January 1993, and a Member of the WTO on 31 May 1995. It is recognized as an LDC. It is not a member of any plurilateral agreement and is not planning to become an observer in respect of the WTO Plurilateral Agreement on Government Procurement. Mali has been particularly active at the WTO in relation to the subsidies given by some Members for the export of cotton (joint report, Chapter IV(2)(iii)). Mali's notifications to the WTO are incomplete and it has only presented one notification since 2005 (joint report, Table II.1).

25. With the exception of the 2003 tariff data collected for the purpose of preparing Mali's previous TPR in 2004, there are no tariff data for the other years from 2000 to 2010, while statistics on imports are lacking for all years. Mali could adopt a joint notification procedure with other members of WAEMU, which would enable joint notifications to be kept up to date more efficiently and at lower cost.

26. Mali and the other members of WAEMU and the Economic Community of West African States (ECOWAS) are gradually adopting common laws and regulations (joint report, Chapter II). Likewise, it is within WAEMU and ECOWAS that Mali is participating in the ongoing negotiations with the European Union on an economic partnership agreement to replace the trade provisions in the Cotonou Agreement (joint report, Chapter II).

27. The Minister of Industry, Investment and Trade (hereinafter Minister of Trade) is the principal authority responsible for formulating, evaluating and implementing the Government's

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<sup>10</sup> Law No. 88-39/AN-RM of 8 February 1988 reorganizing the judicial system.

<sup>11</sup> Title XIV of the 1992 Constitution.

<sup>12</sup> Article 116 of the 1992 Constitution.



industrial and trade policy. A Minister attached to the Minister of the Economy and Finance is responsible for promoting the private sector. The Minister of the Economy and Finance plays an important role in trade policy matters through the Directorate-General of Customs, which he supervises; he also has responsibilities related to Mali's participation in WAEMU and the franc zone. The Minister of Foreign Affairs and International Cooperation is responsible for Mali's participation in the African Union and the ACP-EU Agreement. Trade aspects of bilateral, plurilateral and multilateral agreements are dealt with by the Minister of Trade.

28. The National Directorate for Trade and Competition (DNCC) within the Ministry of Trade acts as the secretariat of the National Commission on Follow-up to the WTO Agreements and relations with UNCTAD. It is also in charge of issuing the certificates of intent needed to import or export goods to or from Mali.<sup>13</sup>

29. The Ministry of Trade grants import licences for products subject to restrictive prohibitions (Chapter III(2)(vi)) and has authority for contingency measures. The Ministry includes the Mali Industrial Property Centre (CEMAPI) and a Standardization and Quality Promotion Department. The Minister of Trade is also responsible for API-MALI, which includes the single windows for investment promotion and enterprise creation (see below).

30. The CCIM, supervised by the Minister of Trade, may propose to the Government any measure intended to promote the development of commercial, industrial or services activities and expresses its opinion on relevant issues.<sup>14</sup> If there is disagreement with the Government, it may bring the matter to the attention of the National Assembly and the latter may also, on its own initiative, request the CCIM for an opinion. Since 2004, the CCIM has had an Arbitration and Conciliation Centre, whose task is to settle disputes between Malian nationals and foreigners regarding trade, industry or the supply of services. The CCIM operates an Enterprise Formalities Centre (CFE).

## **(ii) Broad outlines of trade policy**

31. The Government's trade and investment policy comes within the more general framework of its General Policy Declaration, put before the National Assembly in December 2007, which takes its inspiration from the President of the Republic's outline letter in connection with the poverty reduction strategic framework (CSLP). The President's letter sets out two main goals, namely: "to ensure strong and sustained growth, providing opportunities and prosperity for all citizens, and to pave the way for achieving the Millennium Development Goals (MDG) by 2015".<sup>15</sup>

32. More specifically, the President's letter underlines the importance of stronger primary production systems, development of the private sector through direct investment, trade, especially the export of Malian products to regional and international markets, expansion of the infrastructure and facilities, financial transfers to Mali, and more stable public management.

33. The overall objective of Mali's trade policy is to create an environment that fosters the development of exports, imports and investment in order to achieve economic growth and poverty reduction objectives. In order to define the action to be taken to develop Mali's international trade and

<sup>13</sup> WTO document G/LIC/N/3/MLI/2 of 27 August 2001.

<sup>14</sup> Article 2 of Law No. 98-014 of 19 January 1998.

<sup>15</sup> Outline letter from the President of the Republic of 13 November 2007.

to ensure that it is effectively incorporated into the country's national development plans, Mali is taking part in the Integrated Framework (IF) for technical assistance for LDCs.<sup>16</sup>

### (3) CONSULTATION BETWEEN THE GOVERNMENT AND THE PRIVATE SECTOR

34. The Economic, Social and Cultural Council, set up by Article 106 of the Constitution, must be consulted on any draft finance law, any tax provision and any economic, social or cultural project.<sup>17</sup> It prepares for the President of the Republic, the Government and the National Assembly an annual report on expectations, needs and problems in civil society and makes proposals for reform. Moreover, the Higher Council of Local Authorities is entrusted with considering and giving a substantiated opinion on any local or regional development policy.

35. The Executive has a three-tier consultation structure: the National Economic Coordination Committee, chaired by the Prime Minister, comprises financial and economic authorities and trade groups and associations; the Committee on Development of the Private Sector, chaired by the Minister of Industry, comprises the directorates of economic services and trade associations, and makes proposals to enhance the economy's competitiveness and to encourage the upgrading of enterprises (technology, economic and trade information, training, infrastructure); the Ad Hoc Committee brings together groups of experts composed of leading figures in academic circles, enterprises and government departments, both Malians and foreigners, to examine problems that are hampering the development of the private sector and to propose solutions.

36. A National Monitoring Committee for the WTO Agreements and relations with UNCTAD was set up by Decision No. 10/MICA-SG of 27 March 1998 and is chaired by the Ministry of Industry, Investment and Trade. This Commission currently has 43 members and its task is, *inter alia*, to submit notifications, take steps to bring Mali's regulations into conformity with WTO obligations, follow up the implementation of WTO Members' commitments to Mali, examine the impact of WTO provisions on Mali's economy and identify what assistance the WTO can provide to Mali. The ministries concerned (for example, the ministries responsible for trade and finance), the CCIM and the trade associations or unions participate in the National Commission's work. The Commission has five sub-committees dealing with matters relating to agriculture, Customs, regional trade agreements, trade in services and TRIPS.

37. The Monitoring Committee for the Sectoral Initiative on Cotton was set up by interministerial order specifically to follow up the cotton issue.

38. The National Monitoring Committee for the ACP-EU Economic Partnership Agreement was set up by Decree No. 06-221/PM-RM of 22 May 2006 and is responsible for the following: (i) examining all matters relating to negotiations and implementation of the Agreement; (ii) preparing directives defining Mali's position in the Agreement's negotiating bodies; and (iii) preparing the Government's decisions on implementation of the Agreement and monitoring their application.

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<sup>16</sup> Integrated Framework, online information. Viewed at: <http://www.integratedframework.org/countries/mali.htm>.

<sup>17</sup> The Council is composed of the following: four representatives of national professional bodies; nine representatives of regional councils and Bamako District Council; four representatives of Malians resident abroad; 12 representatives of wage-earners in the civil service and the private sector; ten representatives of trade associations; four representatives of industrial and mining organizations; nine farmers; two representatives of coordinating committees of non-governmental organizations; and four representatives of youth, women's, retirees' and consumers' associations. Viewed at: <http://www.cesc.org/ml/>.

**(4) INVESTMENT REGIME**

39. The Malian Government strongly encourages and promotes investment in Mali, including foreign investment. For this purpose, in 2005 it created API-MALI, whose task it is to encourage more direct investment and contribute towards the development and regulation of industrial zones. API-MALI is a public administrative body under the supervision of the Ministry of Industry, Investment and Trade. It takes part in forums, trade fairs and seminars in order to promote investment opportunities in Mali.

40. The purpose of the Investment Code is to promote investment in Mali<sup>18</sup>, and it has been amended since Mali's previous TPR by Law No. 05-050 of 19 August 2005. The Code gives tax concessions and guarantees for approved investment projects. Enterprises of a purely commercial nature and petroleum and mining exploration and exploitation enterprises are excluded from approval under the Code; their activities are governed by the Commercial Code, the Petroleum Code, the Mining Code and their implementing texts (Chapter IV(3)). It should be noted that, since 2002, tourism enterprises have been able to benefit from concessions under the Tourism and Hotel Investment Code.<sup>19</sup>

41. The Investment Code provides for three regimes: regime A for small and medium-sized enterprises (SMEs) and investment that does not exceed CFAF 150 million; regime B for large enterprises (investment of over CFAF 150 million); and the so-called "free zone" regime (for export-oriented companies, which may sell up to 20 per cent of their output on the domestic market). Companies are given exemption from the tax on industrial and commercial profits (BIC) and the business tax for five and eight years under regimes A and B, respectively; from the tax on income from property and the tax on mortmain assets for new buildings for five years for real estate development companies. They may also stagger payment of registration fees for deeds creating enterprises over three years, with exemption from these if the capital is increased (regimes A and B).<sup>20</sup> Companies approved under regimes A, B or C may also obtain exemptions from or reduction of duties and taxes on imports of goods needed for their activities subject to submission of an application to the Ministry of Industry, Investment and Trade, which deals with the applications on a case-by-case basis.

42. Companies mainly engaged in export (over 80 per cent of their production is exported) may be approved under the free zone regime (free enterprises).<sup>21</sup> These companies are granted total exemption from duties and taxes (including import duties) related to their export activities for 30 years.<sup>22</sup>

43. State-owned or private companies, whether Malian or foreign, are subject to the same obligations and are given the same rights and guarantees. The principal guarantees given are: (i) the right to transfer capital and income for an investment financed by contributions in foreign currency in the currency transferred at the time of the investment; and (ii) the right to settlement of disputes,

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<sup>18</sup> Law No. 91-048/AN-RM of 26 February 1991 containing the Investment Code.

<sup>19</sup> Law No. 02-015/AN-RM of 3 June 2002.

<sup>20</sup> In addition to these concessions, companies setting up in areas that are not yet sufficiently industrialized are given exemption from the BIC tax and from the business tax for two additional years in zone II (regions of Koulikoro, Sikasso and Ségou) and four additional years in zone III (regions of Kayes, Mopti, Timbuktu, Gao and Kidal).

<sup>21</sup> Decree No. 95-423/P-RM of 6 December 1995. By the end of 2009, no free enterprise had set up in Mali.

<sup>22</sup> Approval under the free zone regime has been given to 14 companies, of which three are operating: Société SADA-SA (production of cotton wool), taken over by SATCOMA; West African Tannery (leather tanning); and Société nouvelles tanneries du Mali (N.T.N.) (leather tanning).

initially amicable settlement or under bilateral agreements<sup>23</sup> and thereafter by appeal to the International Centre for Settlement of Investment Disputes (ICSID) if the former are not successful.

44. The formalities required in order to obtain approval under the Code were defined in 1995 and have not changed since Mali's previous TPR.<sup>24</sup> An application for approval is submitted to API Mali's single window and must include a feasibility study. The principal criterion is value added of 35 per cent or more. After the application for approval has been considered by an interministerial commission, approval is given in the form of an order by the Minister responsible for industry within a period of 20 days; there is no appeals procedure if approval is refused. Investors who file an application for approval are given a registration number that serves as an authorization to engage in the activity.

45. Authorization to engage in an activity is required in many fields, including industry, construction and public works, real estate, firms of architects, consulting engineers, culture, tourism, public transport of passengers or goods, and establishments classified as hazardous, unhealthy or difficult.

46. Between 2004 and August 2009, the single window issued a total of 1,107 approvals, 134 to foreign firms, under the Investment Code (Table II.2).

**Table II.2**  
Approvals under the Investment Code and authorizations to engage in an activity issued by the single window, 2004-2009

|                                    | 2004    | 2005    | 2006    | 2007    | 2008    | 2009 <sup>a</sup> | Total   |
|------------------------------------|---------|---------|---------|---------|---------|-------------------|---------|
| Number of approvals                | 127     | 203     | 170     | 237     | 143     | 227               | 1,107   |
| Intended investment (CFAF million) | 119,398 | 148,819 | 123,927 | 103,927 | 103,957 | 75,072            | 119,577 |

a August.

Source: API-Mali, Malian authorities.

47. For the creation of new firms, the Malian Government has lessened the time required after filing an application with the single window to 72 hours. The authorities want to streamline and accelerate administrative procedures for creating firms, shorten the time taken to obtain approval and reduce application fees. The single window within API-Mali covers industry, construction and public works, real estate, firms of architects, consulting engineers, tourism, and public transport of passengers and goods.<sup>25</sup> In 2010, Mali ranked 156<sup>th</sup> out of 183 countries in the World Bank's Cost of Doing Business indicator.<sup>26</sup>

48. Mali has belonged to the Convention establishing the Multilateral Investment Guarantee Agency (MIGA) since 1990. MIGA's database contains one project under way in Mali.<sup>27</sup> In 2003, MIGA issued guarantees amounting to US\$39.6 million to the Senegalese company Sonatel to

<sup>23</sup> Germany (1977), Switzerland (1978), Tunisia (1986), Algeria (1996), Egypt (1998), Netherlands (2003), South Africa, Senegal, and Libyan Arab Jamahiriya. The agreements with Germany (1980), Switzerland (1978) and the Netherlands (2005) are in effect.

<sup>24</sup> Decree No. 95-423/P-RM of 6 December 1995.

<sup>25</sup> *Les Afriques*, "Mali: Trois jours pour créer une entreprise", 19 May 2009. Viewed at: <http://www.lesafriques.com/mali/mali-trois-jours-pour-creer-une-entreprise.html?Itemid=66?articleid=16199> [2 April 2010].

<sup>26</sup> Doing Business, online information. Viewed at: <http://www.doingbusiness.org/exploreconomies/?economyid=121> [11 June 2010].

<sup>27</sup> MIGA online information. Viewed at: [http://www.miga.org/regions/index\\_sv.cfm?stid=1530&country\\_id=140&pv=s](http://www.miga.org/regions/index_sv.cfm?stid=1530&country_id=140&pv=s), [10 April 2010].

guarantee its investment in telecommunications in Mali. The guarantees cover the risks of breach of contract, expropriation and risks related to potential conflict.

49. The Malian Government has signed a partnership agreement with the Investment Climate Facility for Africa (ICF) covering two projects whose objective is to modernize the country's tax and trade administration, thereby improving the investment climate.<sup>28</sup> The first project will focus on improving fiscal dispute settlement, while the second aims to modernize the commercial legal system by strengthening the mechanism for alternative settlement of disputes by the CCIM.

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<sup>28</sup> *Les Afriques*, Mali: "Un accord de partenariat avec Investment Climate Facility for Africa", 24 March 2009. Viewed at: <http://www.lesafriques.com/mali/mali-un-accord-de-partenariat-avec-investment-climate-facility-for-a.html?Itemid=66?articleid=14502> [3 April 2010].

### III. TRADE POLICIES AND PRACTICES BY MEASURE

#### (1) INTRODUCTION

50. Mali's trade regime is largely based on the WAEMU provisions and has not changed to any great extent since the previous review of its trade policy in 2004. Some 42 per cent of Mali's tariff lines remain bound and Mali has applied WAEMU's Common External Tariff (CET) since 31 January 2000, as well as the other trade policy instruments harmonized at the community level, namely, the other duties and taxes levied solely on imports not originating in WAEMU or ECOWAS; the rules of origin of the two regional groups; customs valuation of goods, with a national list of reference values based on that of WAEMU; and contingency measures, *inter alia*.

51. Mali still has a preshipment inspection system for imports. There are exemptions from customs duty, particularly for companies approved under the Mining Code and tourism and hotel companies. The general VAT rate in Mali is 18 per cent. Alcoholic beverages, petroleum products and cigarettes, *inter alia*, are subject to (special) excise duty. All the national standards in force in Mali are identical to international standards. Nevertheless, some imported goods must show on the packaging "Sale to Mali". The imported goods in question compete with national products, which must indicate "Manufactured in Mali". Since January 2010, sugar imports have been exempt from the special import tax (TCI) provided that sugar is bought from a Malian company.

52. All export transactions require notice of intent to export under the inspection programme. Gold and cotton, which are mainly exported, are subject to a special 3 per cent tax. Mali has notified the WTO that it has no subsidy programmes, including for exports. In addition, Mali's competition legislation was amended in 2007, notably by incorporating the relevant WAEMU rules. The new law chiefly relates to unfair trade practices, consumer protection and penalties for violations. The WAEMU Commission is responsible for defining and suppressing anticompetitive practices. The prices of some products (cattle cake, hydrocarbons) and services are determined by the State.

53. The Malian Government has continued to withdraw from economic activity. In 2009, it sold the majority of its shares in the company SOTELMA, which formerly had a monopoly of telecommunications. The privatization of the Mali Textile Development Company (CMDT), which has a de facto monopoly of cotton ginning and the sale of cotton lint and cotton by-products, is under way. The Government nevertheless still retains substantial holdings in nearly all sectors of the economy.

54. Mali's government procurement framework has been reorganized to ensure its conformity with the relevant community rules. A new authority, set up in 2008, monitors compliance with the national and WAEMU rules. Mali ratified the revised Bangui Agreement (1999) in 2003 and adopted a new law on literary and artistic property in 2008, which takes into account the provisions in the TRIPS Agreement. The authorities have also taken stronger measures to combat piracy.

#### (2) MEASURES DIRECTLY AFFECTING IMPORTS

##### (i) Registration

55. Decree No. 00-505/P-RM of 16 October 2000 governs imports into Mali. It stipulates that such transactions may be carried out by natural persons who can prove they have the status of importer or by companies that have signed an agreement with the State and in implementation of its provisions, or by foreign companies under a government procurement contract, or by administrative, technological, professional, scientific or cultural institutions, or by a government authority for its

operational needs.<sup>29</sup> The requirement that foreign persons wishing to engage in such activities had to obtain prior agreement from the Minister of Trade was abolished in 2001.<sup>30</sup> Some commercial activities may nevertheless be reserved for Malian nationals by decree (for example, the import of arms and ammunition).

56. Registration in the Register of Commerce or in the Trade Directory is required to engage in commercial activities. The necessary formalities may be completed at the CFE in the CCIM or at the Commercial Tribunal. Applications are usually processed within 48 hours and the information sent to the government departments concerned (for example, the National Directorate for Taxation, the National Directorate for Statistics and Data Processing (DNSI)), and a tax identification number is issued. With the exception of some occupations (for example, cattle exporters), an import-export business tax must be paid, whose amount is determined on the basis of turnover.

## (ii) Customs procedures

57. The Customs Code has been in effect since 1 January 2002 and governs import and export procedures to and from Mali.<sup>31</sup> According to the Code, the type of customs regime requested may be definitive (import or export), or suspensory (transit, bonded warehouse, industrial bonded warehouse, in-bond factory (production under customs control), temporary admission, temporary import, temporary export). Goods transported in bond or under a suspensory customs regime must be covered by security. The detailed rules for the Code's application are the subject of orders by the Minister of the Economy and Finance.

58. According to the Customs Code, a single detailed declaration (DDU) is used for imports and exports. Only approved customs agents may carry out customs clearance operations. Approval from the Minister in charge of Customs is needed in order to engage in the activity of customs agent and foreigners may only be given approval if there is reciprocity for Malians in their country of origin.

59. All approved customs agents may draw up DDUs provided that their offices are computerized. If this is not the case, the declaration is made out manually. Customs procedures have been computerized using the automated customs system (ASYCUDA++), which covers 99.2 per cent of current traffic.

60. A DDU must be accompanied by the following documents: under the inspection programme, a notice of intent to import and an inspection certificate (AV); for customs clearance operations, the invoice, a declaration attesting to the value (or if applicable the reference value), a certificate of origin, where necessary, and the other usual documents (insurance, status, tax identification of the importer).

61. The goods may not be released until all duties and taxes have been paid, unless there is a clearance credit or a credit for duties and taxes. In addition, importers must make an advance payment on several levies and taxes (ADIT), at a rate of 3 per cent of the c.i.f. value for imports covered by an AV and 7.5 per cent for imports with no AV. This advance is refunded to importers once they have paid the levies and taxes due.

<sup>29</sup> Decree No. 00-505/P-RM of 16 October 2000.

<sup>30</sup> Law No. 01-042 of 7 June 2001.

<sup>31</sup> Law No. 01-075 of 18 July 2001.

62. For some types of goods, there is an accelerated customs clearance procedure called "direct clearance".<sup>32</sup> A simplified declaration ("D24") is used for this procedure.

**(iii) Preshipment inspection and customs valuation**

63. Mali's import inspection programme (PVI) was introduced in 1989 and notified to the WTO in 1998.<sup>33</sup> It applies to imports whose f.o.b. value is CFAF 3 million or more and which are not exempt from inspection as a result of an order.<sup>34</sup> These must be the subject of a prior import declaration (DPI) issued by the company BIVAC, responsible for the PVI since January 2007 following a bidding procedure.<sup>35</sup> After it has inspected the goods, BIVAC issues an AV (or "a notice of refusal to issue a certificate"), which importers attach to their customs declaration dossiers. All import transactions, whether or not subject to the PVI, must pay the contribution for the PVI, which is some 0.75 per cent of the f.o.b. value of the goods imported and is payable by the importer. According to the authorities, the processing of customs declarations takes from two to six hours after the DDU has been submitted.

64. The WAEMU customs valuation regulations, adopted in 1999, came into effect in Mali on 31 December 2002 following the establishment of national regulations<sup>36</sup> (joint report, Chapter III(2)(i)). Mali, however, has not submitted any notification or clarification to the WTO in this respect. Pursuant to the community framework provisions, Mali's authorities may use reference values instead of the transaction value declared by the importer.<sup>37</sup> Reference values are used for the following products: tea, flour, edible oil, chewing gum, confectionery, edible pasta, biscuits, mineral water, paint for buildings and motor vehicles, sanitary towels, exercise books, cotton thread and fabrics, printed fabrics, tiles, batteries, motor cycles and bicycles. The list of products subject to reference values is updated twice yearly. Importers may request the Directorate-General of Customs to make a correction when it is established that the authorities have made a mistake in estimating the value in the course of customs clearance.

**(iv) Rules of origin**

65. Since January 2003, Mali has applied the WAEMU rules of origin, whose basic provisions are harmonized with those of ECOWAS (joint report, Chapter III(2)(iii)).<sup>38</sup> The National Approval Committee deals jointly with approval under the WAEMU and ECOWAS preferential schemes. If need be, economic operators are asked to submit two applications for approval simultaneously. The list of products approved, together with the applications, is submitted to the respective WAEMU and

<sup>32</sup> The exhaustive list of the products concerned is as follows: spare parts for rapid repair of industrial and building site machinery; hazardous products; donations intended for public services; serums and vaccines; other pharmaceuticals; and perishable foodstuffs.

<sup>33</sup> WTO document G/PSI/N/1/Add.7 of 24 February 1998, which concerns Decree No. 89-196/P RM of 15 June 1989.

<sup>34</sup> The following are exempt from inspection: gold, precious stones, works of art, ammunition, arms and explosives, live animals, fresh produce, wood, scrap metal, plants and flowers, fertilizer, cinematographic films, newspapers and periodicals, personal effects and gifts, parcels, commercial samples, crude petroleum, donations, serums and vaccines, vehicles of chapters HS 8702, 8703 and 8704, and imports by government departments, diplomatic or consular missions and United Nations agencies for their own use.

<sup>35</sup> Previously administered by the company Cotecna, the PVI was taken over by BIVAC after an international invitation to tender in 2006. "Programme de vérification des importations - Bivac, un professionnel de la vérification". Viewed at: [http://www.malikounda.com/nouvelle\\_voir.php?idNouvelle=16504](http://www.malikounda.com/nouvelle_voir.php?idNouvelle=16504) [29 March 2010].

<sup>36</sup> Instruction No. 004 MEF/DGD of 31 December 2002.

<sup>37</sup> Order No. 09-1030/MEF/SG of 5 May 2009.

<sup>38</sup> Additional Protocol No. III establishing the WAEMU rules of origin.



ECOWAS Commissions for dissemination to member States. The number of Malian companies approved under the WAEMU preferential tariff regime is 53, for a total of 222 products. The Directorate-General of Customs has a computerized management system to ensure regular updating of approvals granted in all member States. For each export of approved products, the certificate of origin is issued by the Ministry responsible for industry and endorsed by Customs.

(v) **Customs levies**

(a) **Import duties and taxes**

66. Mali has applied the WAEMU CET since 31 January 2000. Consequently, the average tariff is 12.1 per cent.

67. Mali also levies other community duties and taxes (joint report, Chapter III(2)(ii)(b)) and applies the TCI, but solely on sugar imports, and the ADIT.

68. Over the period 2004-2008, total duties and taxes levied at the customs cordon accounted for 44.6 per cent of the State's total fiscal revenue (Table III.1).

**Table III.1**  
**Customs revenue, 2004-2009**  
(CFAF million)

| Description            | 2004           | 2005           | 2006           | 2007           | 2008           | 2009           |
|------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Customs duty           | 49,893         | 59,296         | 56,000         | 50,293         | 49,412         | 73,343         |
| Other duties and taxes | 161,013        | 165,910        | 173,250        | 167,210        | 162,804        | 193,690        |
| <b>Total</b>           | <b>210,907</b> | <b>225,206</b> | <b>229,249</b> | <b>217,503</b> | <b>212,216</b> | <b>267,034</b> |

Source: Directorate-General of Customs of Mali.

(b) **Bindings**

69. During the Uruguay Round, Mali bound its tariff on all agricultural products and some non-agricultural products at a ceiling of 60 per cent, with the exception of those tariff lines that had already been bound when it was a colony (Schedule XCIV - Mali Annex to the GATT 1947). The bindings as a whole cover 42 per cent of tariff lines. For around 27 per cent of the bound tariff lines, however, the applied rates are higher than the bound rates, and these are of course the rates bound when Mali was a colony. Mali bound the other duties and taxes on products covered by its tariff bindings during the Uruguay Round at 50 per cent.

(c) **Domestic taxes**

*Value added tax (VAT)*

70. Mali's general rate of VAT is 18 per cent, the median in the range determined at the community level (joint report, Chapter III(2)(ii)(d)). VAT on imports is calculated on the c.i.f. price, plus customs duty and the statistical fee.

71. The WAEMU regulations provide for VAT exemptions (joint report, Chapter III). There is no threshold for application of VAT in Mali, but any activity or supply of a service with turnover exceeding CFAF 30 million is subject to VAT.

*Excise duty*

72. Mali still applies a special tax on certain products (ISCP) of any origin (including from WAEMU) and on those produced domestically (Table III.2). The rates vary from 3 to 45 per cent depending on the product and are determined by Decree within a range laid down in the General Taxation Code, in conformity with the community provisions (joint report, Chapter III). The tax base is the c.i.f. value.

**Table III.2**  
**Special tax on certain products (ISCP), 2004 and 2010**  
(Percentage)

| Nomenclature   | Product   | 2004 | 2010                          |
|----------------|---|------|-------------------------------|
| 08 02 90 10 00 | Cola nuts   | 25   | 20                            |
| 22 02 10 00 00 | Mineral water   | 10   | 10                            |
| 22 03 00 10 00 | Beer made from malt                                     | 45   | 45                            |
| 22 03 00 90 00 | Other beer made from malt                               | 45   | 45                            |
| 22 04 10 00 00 | Sparkling wine  | 45   | 45                            |
| 22 04 21 00 00 | Other wine  | 45   | 45                            |
| 22 04 29 00 00 | Other wine  | 45   | 45                            |
| 22 04 30 00 00 | Other wine  | 45   | 45                            |
| 22 05 10 00 00 | Vermouth  | 45   | 45                            |
| 22 05 90 00 00 | Vermouth  | 45   | 45                            |
| 22 06 00 10 00 | Beer other than made from malt                          | 45   | 45                            |
| 22 06 00 90 00 | Other   | 45   | 45                            |
| 22 07 10 10 10 | For medicinal use                                       | 45   | 45                            |
| 22 07 10 90 00 | Undenatured ethyl alcohol                               | 45   | 45                            |
| 22 07 20 00 00 | Ethyl alcohol and other spirits                         | 45   | 45                            |
| 22 08 20 00 00 | Spirits obtained by distilling grape wine or grape marc | 45   | 45                            |
| 22 08 30 00 00 | Whiskies  | 45   | 45                            |
| 22 08 40 00 00 | Rum and tafia   | 45   | 45                            |
| 22 08 50 00 00 | Gin and geneva  | 45   | 45                            |
| 22 08 60 00 00 | Vodka   | 45   | 45                            |
| 22 08 70 00 00 | Liqueurs  | 45   | 45                            |
| 22 08 90 00 00 | Other   | 45   | 45                            |
| 24 02 10 00 00 | Cigars  | 25   | 25                            |
| 24 02 20 00 00 | Cigarettes containing tobacco                           | 25   | 15-25 depending<br>on quality |
| 24 02 90 00 00 | Other   | 25   | 0                             |
| 24 03 91 00 00 | Homogenized tobacco                                     | 20   | 25                            |
| 24 03 99 00 00 | Other   | 20   | 25                            |
| 33 01          | Essential citrus fruit oils                             | 15   | 0                             |
| 33 03          | Perfumes and toilet waters                              | 15   | 0                             |
| 33 04          | Beauty or make-up products                              | 15   | 0                             |
| 33 07          | Pre-shaving, shaving or after-shave preparations        | 15   | 0                             |
| 93 06 21 00 00 | Cartridges  | 0    | 40                            |
| 93 06 21 00 10 | Whole cartridges  | 45   | 0                             |
| 93 06 21 00 90 | Parts   | 0    | 40                            |
| 93 06 29 00 00 | Other   | 45   | 40                            |
| 93 06 30 00 00 | Other   | 0    | 40                            |
| 93 06 30 00 10 | Whole cartridges  | 45   | 0                             |
| 93 06 30 00 90 | Parts   | 45   | 40                            |
|                | Mining products   | 3    | 3                             |

Source: Malian authorities, Decree No. 05-036/P RM of 27 January 2005.

73. Petroleum products are subject to the domestic tax on petroleum products (TIPP), with rates that vary depending on the product: 5, 6, 10, 25, 93 or 125 per cent. The tax base is the c.i.f. value.

(d) Duty and tax concessions

74. In addition to the WAEMU (Chapter II(4)) and ECOWAS (Chapter II(3)) preferential tariff regimes, Mali grants exemption from customs duty to enterprises approved under the Mining Code (Chapter IV(3)), free enterprises approved under the Investment Code (Chapter II(3)(ii)), tourism and hotel enterprises (Chapter IV(6)(v)), those approved under the special Code on real estate investment, and enterprises building low-cost housing.<sup>39</sup> Exemptions may also apply to projects approved under regimes A and B of the Investment Code, at the discretion of the Minister of Trade (Chapter II(3)(e)). The annual amount of revenue foregone as a result of the exemptions granted depends on the level and nature of the investment (for example, the opening of new gold mines). In 2009, exemptions (of all types) amounted to CFAF 89 billion.

75. Furthermore, the State of Mali takes responsibility for import duty and domestic taxes on imports for government procurement financed from external funds pursuant to the agreement between the State of Mali and the source of the funds.

(vi) Prohibitions, quantitative restrictions and licensing

76. Order No. 2699/MICT-SG of 6 October 2001 determines the list of products that may not be imported or exported. It provides for two prohibition regimes - either absolute or restrictive. The list of products subject to these regimes (Table III.3) is almost unchanged since Mali's previous TPR in 2004.

**Table III.3**  
**Products subject to the absolute or restrictive prohibition regimes, 2010**

| Product   | Documentation  |
|---|--|
| <b>Absolute prohibition regime</b>                      |  |
| Narcotic drugs and psychotropic substances              | n.a.   |
| Toxic waste   | n.a.   |
| Potassium bromate not intended for laboratory use       | n.a.   |
| All food products containing potassium bromate          | n.a.   |
| Bovine meat and meat products                           | n.a.   |
| Meat, blood or bone meal for animal feed                | n.a.   |
| Live bovine animals and bovine ova and embryos          | n.a.   |
| Unregistered pesticides                                 | n.a.   |
| Oil and equipment containing polychlorobiphenyls (PCBs) | n.a.   |
| Hazardous chemical substances                           | n.a.   |
| Foreign goods bearing a Malian trademark                | n.a.   |
| Food products and medicine past their use-by date       | n.a.   |
| Alcoholic beverages in plastic sachets                  | n.a.   |
| <b>Restrictive prohibition regime</b>                   |  |
| Medicines for human use                                 | Authorization from the Ministry of Health                          |
| Medicines for veterinary use                            | Joint authorization from the Ministries of Health and of Livestock |
| Potassium bromate for laboratory use                    | Authorization from the Ministry of Health                          |
| Meat other than that of bovine animals and game         | Certificate of origin and health certificate                       |
| Fishing nets with mesh of less than 50 mm.              | Authorization from the Ministry of Water Resources and Forestry    |

<sup>39</sup> Ordinance No. 92-028/P-CTSP of 14 May 1992.

| Product   | Documentation   |
|---|---|
| Food additives  | List drawn up by the Ministry of Health   |
| Non-iodized salt not intended for human consumption                         | Authorization from the Ministry of Trade  |
| Cigarettes and tobacco  | Authorization from the Ministry of Trade  |
| Transit of cattle and importation of live animals other than bovine animals | Presentation of an animal health certificate  |
| Reproductive semen  | Registration in the national official catalogue of the importing country and presentation of an animal health certificate |
| Plants  | Presentation of a permit or a certificate of origin   |
| Plant seeds   | Presentation of a permit or a certificate of origin   |
| Motor vehicles with a GVW of 3.5 tonnes or more                             | Authorization from the Ministry of Transport  |
| Arms and ammunition   | Authorization from the security services  |
| Explosives  | Authorization from the security services and the Ministry of Mining   |
| Ozone-depleting substances  | List drawn up by the Ministry of the Environment  |
| Dichlorodiphenyltrichloroethane (DDT)                                       | Authorization from the Ministry of the Environment  |
| Cyanide   | Authorization from the Ministry of Mining or the Ministry of Health   |

n.a. Not applicable.

Source: Order No. 01-3442/MICT-SG of 16 October 2001, as amended.

77. The notice of intent to import (DPI) is still required, although Mali's latest notification to the WTO (2001) states that this document is issued without any limit as to value or volume.<sup>40</sup> The authorities explain that it is required for statistical reasons in order to monitor foreign trade trends.

78. In November 2007, Mali adopted a law on genetically modified organisms (GMOs), entitled "Biotechnological safety".

#### (vii) Standardization, accreditation and certification

79. Law No. 92-013/AN-RM of 17 September 1992 and its Implementing Decree No. 92-235/P-RM of 1 December 1992 govern the standardization system in Mali. At the national level, the National Directorate of Industry (DNI) within the Ministry of Industry, Investment and Trade acts as the secretariat of the National Standardization and Quality Control Council.<sup>41</sup> The Council adopts draft national standards after ensuring that the procedures determined for their formulation have been respected and that all interested parties have had an opportunity to express their opinions. Seven technical committees carry out technical work in the following subsectors: cereals and their by-products, fruit, vegetables and oilseeds; textiles, hides and skins; chemicals and the environment; civil engineering and building materials; foodstuffs of animal origin; and electronics. These committees were set up in 1994 and bring together various stakeholders in the relevant areas.

80. The first step in standardization is the preparation of a preliminary draft by the technical committees. These seven committees are all chaired by representatives of the private sector. The preliminary draft standards are sent to the National Standardization and Quality Control Council following an international documentary search and a public enquiry. After the Council has approved them, they become the subject of a ministerial order. All standards are optional except for those on

<sup>40</sup> The document is available from the single window set up for this purpose within the Ministry of Trade. It is valid for six months and may be renewed once for three months.

<sup>41</sup> Law No. 92-013/AN-RM of 17 September 1992 and its Implementing Decree No. 92-235/P-RM of 1 December 1992.

iodized salt and the discharge of waste water (for public health reasons). For these, an interministerial order is adopted making implementation of these standards (technical regulations) mandatory. The technical committees' work has led to the introduction of 149 national standards.<sup>42</sup> All the national standards currently in force are identical to the international standards (for example, those of the WHO-FAO Codex Alimentarius).

81. Mali has several laboratories, three of which are in the process of being accredited: the National Health Laboratory, the Central Veterinary Laboratory, and the Animal Nutrition Laboratory. There is no institution issuing certificates of conformity with Malian standards. Mali has not signed any mutual recognition agreement either, except implicitly in the context of regional groups (WAEMU, ECOWAS).

82. Mali once again became a member of the International Organization for Standardization (ISO) in January 2010.<sup>43</sup>

#### **(viii) Sanitary and phytosanitary measures (SPS)**

83. Sanitary and phytosanitary protection is the responsibility of the Ministries of Health, Rural Development, and the Environment. The legislation<sup>44</sup> determines the diseases that are "legally contagious"<sup>45</sup> and defines the special measures to be taken against each disease (vaccination, sanitary slaughter). Transhumance is authorized for bovine animals, sheep, goats and camels originating in those States that have signed an agreement with the Republic of Mali<sup>46</sup>, subject to the issue of a transhumance certificate. Imports of domestic or wild animals require the submission of a sanitary certificate issued by the country of origin. Any animals that do not have such a certificate are quarantined for 15 to 45 days. The cost depends on the activity and is payable by the owner.

84. All imports of animal products are in principle subject to inspection by the veterinary services. Import and export of meat must be accompanied by a sanitary certificate; import or transit of livestock also requires a sanitary and vaccination certificate. The State levies a fee for this inspection. For example, for inspection in abattoirs, the State levies a tax on each animal slaughtered, which varies depending on the species and the locality of slaughter, from CFAF 500 to 4,000/head. In practice, animals cross the border away from the checkpoints and thus escape any control.

85. Law No. 02-013 of 3 June 2002 and its Implementing Decree No. 02-305 determine how phytosanitary control is to be conducted in Mali. According to this legislation, import and export of plants require the submission of a phytosanitary certificate. Because of the lack of infrastructure and human resources, such inspections are not conducted in all regions. The competent national authority for phytosanitary control and market preparation is the National Directorate of Agriculture (DNA).

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<sup>42</sup> The standards can be broken down as follows: cereals and their by-products: 17; fruit, vegetables and oilseeds: 34; chemicals and the environment: 20; textiles, hides and skins: 7; civil engineering and building materials: 3; foodstuffs of animal origin: 27; and electronics: 3.

<sup>43</sup> ISO online information. Viewed at: <http://www.iso.org>.

<sup>44</sup> Law No. 95-060 on punishment of offences against the animal health police in the territory of the Republic of Mali and Decree No. 95-372/P-RM of 18 April 1995 regulating the animal health police in the territory of the Republic of Mali.

<sup>45</sup> Article 2 of Decree No. 95-372/P-RM.

<sup>46</sup> Article 41 of Decree No. 95-372/P-RM. Mali has signed agreements authorizing transhumance with the following countries: Burkina Faso, Niger, Ghana, Mauritania, Senegal, Algeria and the Libyan Arab Jamahiriya. There are draft agreements with Guinea, Côte d'Ivoire and Nigeria.

**(ix) Packaging, marking and labelling requirements**

86. Order No. 05 0001/MIC-SG of 6 January 2005 determines the list of products on whose packaging certain indications are mandatory. Some imported products - cigarettes, matches, electric batteries, yarn for weaving and fabrics, tomato paste and concentrate, edible oils and insecticides in the form of coils or aerosols - must specifically mention their destination on the packaging, for example, "Vente au Mali" (Sale to Mali), the country of manufacture, the name of the manufacturer, and the identification number of the importer or its address.

87. In each case, the imports concerned compete with domestic products, which must indicate "fabriqué au Mali" (manufactured in Mali). The Malian authorities explain this requirement by the need to distinguish between lawfully imported products or Malian products and those entering through informal channels in order to combat fraud and smuggling.

**(x) Contingency measures**

88. Mali does not have any domestic legislation on anti-dumping, countervailing or safeguard measures. According to the authorities, Mali has never taken any such measures. The relevant WAEMU texts apply (joint report, Chapter III).

**(xi) Other measures**

89. Since January 2010, imports of 3 tonnes of sugar have been exempt from the TCI provided that 1 tonne of sugar is bought from the Malian company Sukala (Chapter IV)(2)(iii)(c)).

**(3) MEASURES DIRECTLY AFFECTING EXPORTS**

**(i) Registration**

90. The registration formalities applicable to imports of goods for commercial purposes (section (2)(i)) also apply to exports; these formalities confer the status of trader (importer/exporter) on those in possession of an import-export permit. In addition to traders, producers such as livestock breeders, craftsmen or their associations may also export their production.

**(ii) Customs procedures**

91. Products for export are inspected by the company BIVAC, which delivers an AV, unless there is an exemption. All export transactions require a declaration of intent to export and payment of 0.65 per cent of the f.o.b. value for the PVI. The DDU is also used for export transactions under the same conditions as for imports (section (2)(ii)). Approval from the Foreign Exchange Board is also required. Export earnings are subject to the community provisions (joint report, Chapter I(2)).

**(iii) Export duties and taxes**

92. The rate of VAT on exports is zero, which means that the duties and taxes on inputs used to produce the goods concerned can be refunded. The production of gold, which for the most part is exported, is subject to a levy of 3 per cent *ad valorem* under the ISCP. Exports of cotton are also subject to a 3 per cent ISCP.

**(iv) Export prohibitions, quantitative restrictions, permits and licensing**

93. Order No. 2699/MICT-SG of 6 October 2001 contains the list of products that may not be imported and also applies to exports (Table III.3). According to the regulations, the absolute prohibition regime applies to exports of young bovine breeding animals, whereas the restrictive regime (conditional prohibition) affects the following: (i) exports of meat and live animals (which require a health or animal health certificate issued by the Ministry of Livestock); (ii) game (which requires a permit or certificate in conformity with the CITES, issued by the competent technical services); (iii) plants (a phytosanitary certificate issued by the competent technical services); and (iv) works of art (authorization from the Ministry responsible for art and culture).<sup>47</sup>

**(v) Export subsidies, promotion and assistance**

94. Mali has notified the WTO (2001) that it has no subsidy programmes, including for export.<sup>48</sup> Nevertheless, the State grants tax concessions to enterprises approved under the export free enterprise regime provided in the Investment Code (Chapter II(4)).<sup>49</sup> This approval is given provided that, *inter alia*, 80 per cent of production is exported; production sold on the domestic market is subject to customs duties and taxes. The purpose of this regime is to attract foreign investment, modernize the industrial infrastructure, create jobs and value added, train the workforce, and promote exports and the transfer of technology.

95. The main export promotion structure is the National Directorate for Trade and Competition (DNCC). Promotion takes the form of organizing and participating in trade events at the national or international level. The services provided by the DNCC are: market surveys, trade information and information campaigns. Its activities are financed through the government budget, support from national projects and programmes and also from certain TFPs. Other institutions involved in promoting exports provide sectoral assistance, for example, the National Centre for the Promotion of Handicrafts (CNPA) and the CCIM.

**(4) MEASURES AFFECTING PRODUCTION AND TRADE****(i) Incentives**

96. Mali has notified the WTO (2001) that it has no subsidy programmes, including for production and consumption.<sup>50</sup> The State, however, grants tax concessions to enterprises approved under the Investment Code (Chapter II(4)). Mali also provides support to the cotton subsector and, more generally, for agricultural activities through several measures (Chapter IV(2)(i)).

97. The project providing financing support for small and medium-sized enterprises (PAF/PME), which has a budget of CFAF 2,695 million, has two principal roles: on the one hand, to create competitive SMEs with potential for rapid growth and sustainable jobs and, on the other, to strengthen existing SMEs and rehabilitate those in difficulty or at a standstill. The project extends over five years (2009-2013) and its objective is to reinforce some 200 SMEs by giving them access to financing from the Regional Solidarity Bank.

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<sup>47</sup> Decree No. 00-505/P-RM of 16 October 2000, whose implementing provisions are set out in Order No. 01-3442/MICT-SG of 16 October 2001.

<sup>48</sup> WTO document G/SCM/N/71/MLI of 2 August 2001.

<sup>49</sup> Mali is eligible for the provisions of Article 27 and Annex VII of the Agreement on Subsidies and Countervailing Measures.

<sup>50</sup> WTO document G/SCM/N/71/MLI of 2 August 2001. Mali is eligible for the provisions of Article 27 and Annex VII of the Agreement on Subsidies and Countervailing Measures.

98. Under the "Rice Initiative", in 2008 the Government initiated a plan to develop domestic production.<sup>51</sup> The Government has undertaken, in particular, to subsidize the financing of fertilizer (CFAF 12,500/50-kg. bag), seed and advice. The plan for the 2010-2011 farming season was drawn up in a context in which the policy of subsidizing fertilizer for rice, maize, wheat and cotton continued and it was proposed to extend it to certified sorghum and cowpea seeds.

**(ii) Competition and price control regime**

99. The domestic law on competition is contained in Ordinance No.07-025/P-RM of 18 July 2007, which replaced Ordinance No. 92-021/P-CTSP of 13 April 1992.<sup>52</sup> This new legislation is the result of a review of the institutional framework, including administrative structures, in order to implement the relevant WAEMU regulations, especially Regulation No. 2/2002/CM/UEMOA on anticompetitive practices within WAEMU (joint report, Chapter III(4)(i)). The new legislation concerns the following in particular: free pricing; the definition and punishment of unfair trade practices; measures to protect consumers; and the ascertainment, prosecution and punishment of violations. The definition of and action taken against anticompetitive practices are the responsibility of the WAEMU Commission. In addition to this overall law, there are special provisions on telecommunications services, the media, government procurement, electricity and the water supply.

100. The role of the DNCC within the Ministry of Trade is to prepare the texts and monitor their application. It also has the overall task of investigating anticompetitive practices, in accordance with the investigative powers and procedures provided in the domestic legislation and the community legislation. It has wide-ranging investigative powers, but is not an independent body and its operations are covered by the State's budget.

101. The National Competition Council (CNC), whose role is to advise the Minister of Trade, draws up an annual report on the state of competition in Mali and this is used as a basis for government action. The CNC also gives its opinion on matters related to price controls and business concentration, but in June 2010 it was not operating.

102. The DNCC is responsible for declaring that an offence has been committed and fines range from CFAF 25,000 to CFAF 10 million, but may be doubled if there are aggravating circumstances. Between 2006 and 2008, on average, the DNCC dealt with or recorded 120 cases of unfair trade practices each year (notably commercial fraud, counterfeiting, the sale of products that did not comply with specifications) and two cases of restrictive practices.<sup>53</sup> Only 10 per cent of the investigations initiated, however, led to third party proceedings (by economic operators, government or private entities, individual consumers or consumers' associations).

103. The new legislation also contains provisions on consumer protection. A seller must issue an invoice and inform his client of the price and terms of sale. Any publicity containing false claims, indications or presentations or liable to mislead is prohibited. The sale of counterfeit, forged or

<sup>51</sup> Decision No. 08-00111/MA-SG of 12 May 2008.

<sup>52</sup> Decree No. 08-260/P-RM of 6 May 2008 determines the detailed rules for implementing the Ordinance. The 1992 legislation largely became irrelevant when the pertinent WAEMU regulations were introduced in 2003.

<sup>53</sup> Online information from the Center for Competition, Investment and Economic Regulation (CUTS C CIER), "Projet 7Up4: État de la concurrence au Mali". Viewed at: [http://www.cuts-ccier.org/7up4/ppt/PPT-IRM-per centC3 per cent89tat\\_de\\_la\\_concurrence\\_au\\_Mali.ppt](http://www.cuts-ccier.org/7up4/ppt/PPT-IRM-per%20centC3%20per%20cent89tat_de_la_concurrence_au_Mali.ppt).



adulterated products is also prohibited. It is also prohibited to refuse to sell or provide a service without justification. There are a number of consumers' associations in Mali.<sup>54</sup>

104. If there is a crisis or excessive price increase, the Government may, either *ex officio* or under a relevant agreement, fix the price or control it. There is an indicative ceiling on the price of hydrocarbons set monthly by a commission composed of representatives of the State and petroleum operators depending on the trend in global prices. Margins on essential generic medicines are set by the Minister responsible for trade.

105. The price of water, electricity and telecommunications remain under administrative control; these three subsectors are the subject of sectoral regulation. The Electricity and Water Regulatory Commission (CREE) approves and controls the rates for electricity and water (Chapter IV(4)). The Telecommunications Regulatory Committee (CRT) approves interconnection agreements between operators and retail rates (Chapter IV(6)(ii)).

### (iii) State trading, State-owned enterprises and privatization

106. The Malian authorities have not made any notification to the WTO on State-trading enterprises within the meaning of Article XVII of the GATT.

107. Mali has pursued its privatization programme since the previous TPR in 2004. This policy has, *inter alia*, involved the privatization of SOTELMA, the former telecommunications monopoly. In July 2009, 51 per cent of its capital was sold to Maroc Telecom. The privatization strategy envisages that the State will hold 20 per cent of the capital when the process is completed.

108. The CMDT, in which the State holds 99.5 per cent of the capital, is being privatized. The invitation to tender was launched in May 2010. This company has a *de facto* monopoly of cotton ginning and the sale of cotton lint and cotton by-products.

109. Despite the reforms, the Malian State still has large holdings in some sectors of the economy, especially transport, postal services, mining, fixed telephony and electricity and water production and sale (Table III.4).

**Table III.4**  
**State-owned enterprises, 2010**

| Enterprise   | Main activity          | State holding % |
|--|------------------------|-----------------|
| Complexe sucrier du Kala supérieur (SUKALA) SA                             | Sugar                  | 40              |
| Abattoir frigorifique de Bamako  | Abattoir               | 15              |
| SEPAV Mali   | Poultry products       | 30              |
| Office du Niger (ON)   | Agrifood business      | 100             |
| Office de la Haute Vallée (OHV)  | Agrifood business      | 100             |
| Société malienne d'études et de construction de matériel agricole (SMECMA) | Agricultural machinery | 44.4            |
| Sociétés de gestion et d'exploitation des mines de Morila, et de Loulo     | Mining                 | 20              |
| Sociétés de gestion et d'exploitation des mines de Sadoula                 | Mining                 | 18              |
| Énergie du Mali (EDM-SA)   | Water and electricity  | 66              |
| Compagnie malienne du développement du textile (CMDT)                      | Cotton                 | 60              |
| Usine malienne de produits pharmaceutiques (UMPP)                          | Pharmaceuticals        | 100             |
| Industrie de textiles du Mali (ITEMA)                                      | Textiles               | 100             |

<sup>54</sup> The largest are: the Association des consommateurs au Mali (ASCOMA), the Réseau pour la défense des consommateurs du Mali (RDECOMA), the Association pour la défense de l'environnement et la sensibilisation des consommateurs (ADESCOM), and the Ligue des consommateurs du Mali (Consoligue).

| Enterprise   | Main activity                            | State holding % |
|--|--|-----------------|
| Éditions imprimeries du Mali (EDIM)                  | Publishing, printing                     | 10              |
| Société nationale des tabacs et allumettes (SONATAM) | Tobacco and matches                      | 38              |
| Compagnie malienne des textiles (COMATEX)            | Textiles                                 | 20              |
| EMBAL MALI   | Plastic bags                             | 20              |
| Compagnie malienne de navigation (COMANAV)           | River transport                          | 100             |
| Transrail  | Rail transport                           | 20              |
| Aéroports du Mali                                    | Air transport                            | 100             |
| Office national des postes                           | Postal services                          | 100             |
| SOTELMA  | Telecommunications                       | 49              |
| Banque nationale pour le développement agricole      | Banking                                  | 36.5            |
| Banque de l'habitat du Mali (BHM)                    | Banking                                  | 15              |
| Banque malienne de la solidarité (BMS)               | Banking                                  | 7.1             |
| Pari mutuel urbain du Mali (PMU-Mali)                | Organization of betting and horse racing | 75              |

Source: WTO Secretariat, Malian authorities.

#### (iv) Government procurement

110. Mali's government procurement framework was reorganized in 2008 to bring it into line with the relevant community rules (joint report, Chapter III(3)(iii)). The rules on government procurement are contained in the Government Procurement Code of 11 August 2008.<sup>55</sup> This governs procurement by the State and local authorities, public institutions, State-owned companies and companies in which the State holds a majority share. Orders for the Government financed from external resources are, in principle, also subject to the Code. The Code does not apply to procurement for defence and national security that calls for discretion.

111. The Code covers procurement for ministerial departments for an amount exceeding CFAF 25 million financed out of the State budget (CFAF 15 million for intellectual services), and CFAF 100 million in the case of State-owned enterprises and industrial and commercial government establishments (CFAF 60 million in the case of intellectual services). Procurement for an amount exceeding CFAF 500,000 but less than the aforementioned thresholds is the subject of a simplified contract drawn up after bids have been received from at least three bidders, following a call for bids based on written specifications. Any procurement below CFAF 500,000 is the subject of a procurement order in accordance with public accounting rules. The procurement order is drawn up following a written request for prices from three candidates. As for State-owned enterprises, any procurement below their specific procurement thresholds follows the competitive procedures laid down in their own internal manuals, which are based on the core principles laid down for regulating government procurement.

112. The Code provides that contracts may be awarded either through an invitation to tender or through direct negotiation (private agreement). An invitation to tender may be open, selective, in two stages or following a pre-selection procedure. In principle, contracts are awarded by private agreement only if the invitation to tender procedure has been unsuccessful, if there is an emergency or if the higher interests of the State must be protected, and the authorization of the Directorate-General of Government Procurement (DGMP) is required.

<sup>55</sup> Decree No. 08-485/P-RM of 11 August 2008. The Code is supplemented by Law No. 08-023/P-RM of 23 July 2008 on the regulatory authority for government procurement and public service concessions and Law No. 08-022/P-RM of 23 July 2008 creating the Directorate-General of Government Procurement and Public Service Concessions.

113. An invitation to tender may be preceded by a pre-selection procedure if the works to be carried out, the equipment to be delivered or the services to be provided are particularly complex or require special technical skills. All bidders which meet the selection criteria may submit a bid.

114. A selective invitation to tender may only be used when the goods, works or services are only available from a limited number of suppliers, businesses or service providers. The number of bidders allowed must ensure that there is proper competition. Prior agreement from the DGMP is required before resorting to this procedure. A two-stage invitation to tender is only allowed if the procurement is extremely complex or if the contract is to be awarded on the basis of performance criteria and not detailed technical specifications. Prior authorization from the DGMP is also required.

115. Public institutions involved in procurement through an invitation to tender must draw up a dossier and establish a commission to open the bids and examine them. The role of the DGMP is a priori a monitoring one: it authorizes (following verification and, where applicable, changes to the specifications) the invitation to tender and expresses its opinion on the decision of the bid commission, although it cannot be represented thereon. However, a representative of the DGMP is present when the bids are opened as an observer and guarantees that there is compliance with the regulations.

116. A preferential margin of 15 per cent of the adjusted price for contracts for supplies may be given to community enterprises (from WAEMU): this margin is taken into account when assessing bids.<sup>56</sup> The WAEMU Commission, however, has not yet determined the criteria and detailed rules for applying the community preference, particularly as regards the type of procurement and the beneficiaries.

117. The Regulatory Authority for Government Procurement and Public Service Concessions (ARMDS) was set up in 2008, in order to ensure a posteriori that the Malian rules and those of WAEMU have been observed. It may therefore at any time verify that the procedures for awarding contracts are transparent and proper, as well as the terms for their execution. The ARMDS reports on the controls it has carried out in an annual report sent to the President of the Republic. In recent years, several measures have been taken to step up anti-corruption efforts in government procurement, for example, the establishment of a criminal code for offences specific to government procurement and the inclusion of a special clause entitled "Corruption or fraudulent acts" in the model invitation to tender documentation utilized in Mali.

118. In 2009, in practice, an open invitation to tender was the method followed for around 70 per cent of the value of government procurement contracts (Table III.5).

**Table III.5**  
**Amounts and methods for awarding government procurement contracts, 2007-2009**  
(CFAF billion)

|                                | 2007<br>value | 2008<br>value | 2009<br>value |
|--------------------------------|---------------|---------------|---------------|
| Open invitation to tender      | 154.5         | 181.4         | 158.4         |
| Selective invitation to tender | 37.0          | 18.9          | 20.5          |
| Direct negotiation             | 40.0          | 52.3          | 45.0          |

Source: Malian authorities.

<sup>56</sup> Article 67 of Decree No. 08-485/P-RM of 11 August 2008.

**(v) Protection of intellectual property rights**

119. Mali is a member of the African Intellectual Property Organization (OAPI), set up by the Bangui Agreement (1977) (joint report, Chapter III), and of the World Intellectual Property Organization (WIPO), and has signed the revised Bangui Agreement (1999). Mali has also ratified the Berne Convention for the Protection of Literary and Artistic Works, the WIPO Copyright Treaty (WCT) and the WIPO Performances and Phonograms Treaty (WPPT). Under its 1992 Constitution, these agreements are directly applicable as laws in Mali and automatically enforceable, no domestic legal instrument being required to apply them. Mali's status as a "least developed country" gives it an additional period for the full implementation of the WTO TRIPS Agreement, until 1 January 2016 for matters relating to pharmaceutical products and until 1 July 2013 for other products.

120. The Malian Centre for the Promotion of Industrial Property (CEMAPI), set up in 2002, is attached to the National Directorate for Industry. Its task is: (i) to prepare industrial property-related technical studies and action programmes; (ii) to apply the rules and administrative directives on completion of formalities with a view to obtaining industrial property titles as provided in the current legislation and the agreements signed by Mali; and (iii) to establish, develop and pursue cooperation with national, regional or international institutions specializing in industrial property. In addition, CEMAPI plays a role in promoting awareness of the importance of industrial property. It also helps users to complete the formalities for obtaining industrial property titles.

121. The following industrial property titles can currently be registered in Mali: patents, utility models, trademarks, industrial designs, trade names and new plant varieties. It is planned to register geographical indications within the near future. Mali is in the process of identifying those products whose reputation or special qualities are associated with the place where they are grown or manufactured.

122. Applications for registration are filed with CEMAPI. In the case of patent applications, they must be accompanied by a description of the invention that is the subject of the patent requested and proof of payment of the filing and publication fees. The registration procedures for other industrial property titles are similar. The procedure for registering new plant varieties calls for an examination to establish that the variety belongs to the botanical taxon specified in the application and that it is distinct and stable. This technical examination has to be carried out by an authorized OAPI-approved institution. CEMAPI transmits the applicant's request to OAPI (Table III.6). The fees payable vary depending on the title requested, from CFAF 10,000 for registration of a trade name to CFAF 400,000 for registration of a trademark. Penalties for infringement of industrial property rights are set out in the Bangui Agreement and include a fine of CFAF 1 million to CFAF 6 million and a term of imprisonment of three months to two years.

123. Mali's copyright legislation has recently been amended, taking into account in particular the provisions in the TRIPS Agreement. Law No. 08-24/AN-RM of 23 July 2008 determines Mali's literary and artistic property regime.<sup>57</sup> The new Law replaces the former legislative framework of 1984 and applies to works whose author or producer is a Malian national or whose habitual residence is in Mali, to works published for the first time in Mali, to architectural works built in Mali, and to literary or artistic works which give the right to protection in accordance with an international treaty to which Mali is party. The following are deemed to be works within the meaning of the Law: works

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<sup>57</sup> The legislative framework for copyright is complemented by: Decree No. 08-678/P-RM determining the criteria and detailed rules for engaging in the production, duplication, distribution and import of audio and video recording media; Decree No. 08-650/P-RM of 27 October 2008 determining the organization and detailed rules for the functioning of the Malian Copyright Bureau (BUMDA); and Order No. 3735/MFC-MSAC determining the rules for collection and redistribution by the Malian Copyright Bureau (BUMDA).

expressed in writing, including computer programs; lectures, sermons and talks; musical, dramatic and choreographic works; audiovisual works; works of fine art and architecture; photographic works; works of three-dimensional art, illustrations, geographical maps, plans and drawings, expressions of folklore and printed works of folklore; translations, adaptations, arrangements and other transformations of works and expressions of folklore; and collections of works, expressions of folklore or simple facts or data.

**Table III.6**  
Applications for titles filed with OAPI by CEMAPI, 2005-2009

| Title               | 2005 | 2006 | 2007 | 2008 | 2009 |
|---------------------|------|------|------|------|------|
| Patents             | 4    | 1    | 1    | 2    | 8    |
| Utility models      | 0    | 0    | 0    | 1    | 1    |
| Trademarks          | 45   | 84   | 37   | 56   | 56   |
| Trade names         | 7    | 6    | 16   | 48   | 22   |
| Industrial designs  | 5    | 2    | 9    | 5    | 14   |
| New plant varieties | 0    | 0    | 0    | 0    | 52   |

Source: Malian authorities.

124. The author of an intellectual work has the exclusive right to exploit his work in any form and to earn money from it. Economic rights in a work are protected throughout the lifetime of the author and for the following 70 years. There is no time-limit on moral rights.

125. Copyright and related rights are managed by the Malian Copyright Bureau (BUMDA), created in 1990 and under the supervision of the Ministry responsible for arts and culture. The number of copyright applications filed with BUMDA has increased in recent years, bringing the total number of works filed up to 19,752 by 31 December 2008 (Table III.7). BUMDA is also responsible for training in copyright protection, campaigns to promote awareness and combating piracy.<sup>58</sup>

**Table III.7**  
Copyright applications filed with BUMDA, 2005-2009

| Title                   | 2005 | 2006 | 2007 | 2008  | 2009  |
|-------------------------|------|------|------|-------|-------|
| Musical works           | ..   | 696  | 618  | 1,123 | 1,095 |
| Literary works          | ..   | 70   | 164  | 227   | 95    |
| Three-dimensional works | ..   | 26   | 8    | 15    | 57    |
| Cinematographic works   | ..   | ..   | 5    | 9     | 10    |
| Photographic works      | ..   | 40   | ..   | 28    | 37    |

.. Not available.

Source: BUMDA.

126. If copyright is infringed, legal proceedings may be brought at either the civil or the criminal level. According to Articles 142 and 143, the authorities responsible for applying the Law in relation to civil and criminal proceedings are BUMDA and the police force, the gendarmerie, Customs, and the competition and trade services. The judicial police or the president of the common law court may order seizure of the infringing goods.

127. As to application of the Law at the border, the holder of a right who has valid reasons to suspect that the planned import concerns counterfeit goods may send a written request to the competent administrative or judicial authorities requesting suspension of the release of the goods by Customs. The customs service may not, however, order destruction of the infringing goods.

<sup>58</sup> BUMDA (2009).

128. There are no special intellectual property courts in Mali.<sup>59</sup> Disputes relating to copyright are heard by the common law courts, i.e. the lower courts in the regions and in the district of Bamako. For criminal offences, an infringer of copyright may be sentenced to a fine of CFAF 50,000 to CFAF 15 million and a term of imprisonment of one to five years, or to only one of the two penalties. In addition, there are supplementary penalties, namely, closure of the establishment, confiscation of copies of the counterfeit works, as well as confiscation of earnings, and publication of the legal rulings made.

129. BUMDA combats piracy by promoting awareness, monitoring markets and following up cases before the courts. The most common forms of infringement of intellectual property rights in Mali are the unauthorized reproduction or import of musical or cinematographic works and well-known marks identifying products, and the broadcasting of musical works without authorization and without payment of copyright. The main measures taken by Mali since 2004 to counteract infringement are higher penalties for counterfeiting, promotion of awareness and more controls.

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<sup>59</sup> UNESCO (2010).

#### IV. TRADE POLICIES AND PRACTICES BY SECTOR

##### (1) INTRODUCTION

130. Mali's economy is essentially based on the primary sector, which is the major source of income and jobs. In 2008, this sector experienced sustained growth of 4.6 per cent, compared to 2.5 per cent in 2007. Food security is a key objective of the country's agricultural policy. The production of cereals, including rice, has increased sharply since Mali's last TPR in 2004, whereas cotton, the principal cash crop, has notably declined in recent years. The CMDT, which held a de facto monopoly of cotton processing and marketing, is being privatized.

131. Livestock is the chief source of subsistence for over 30 per cent of the population. Livestock products (live cattle and hides) are exported mainly to countries in the subregion. The fisheries sector employs almost 500,000 people. Mali's fisheries production fluctuates considerably depending on rainfall. Most of the country's energy needs are provided by the forests in the form of firewood.

132. Gold is the foremost source of foreign currency in Mali. As a result of the increase in global gold prices, export earnings have risen since 2004. The production of gold has, nevertheless, fallen since Mali's previous TPR, from almost 64 tonnes in 2002 to less than 53 tonnes in 2008. Mining prospection benefits from the incentives provided under the 1991 Mining Code, amended in 1999 in order to increase the State's earnings while at the same time keeping the incentives for exploration, prospection and start-up of mines.

133. Mali's energy needs are mostly met by wood and charcoal. All petroleum products are imported. Mali has recently stepped up oil exploration. Subsidies for the consumption of butane gas have been introduced in order to give wooded areas greater protection. Mali's energy policy aims to extend the distribution of electricity to the population as a whole and to increase the supply of electricity by expanding hydroelectric dams and interconnection with networks in neighbouring countries. After several years of strong growth, by 2008 around 25 per cent of households had become electricity subscribers. The aim is to reach a rate of access to drinking water of 82 per cent in 2015, while ensuring sustainable management of water resources.

134. Formal manufacturing is on a modest scale and private investment, particularly from abroad, is still low. Mali's industrial development faces many constraints and problems, notably because of the state of the infrastructure and the small size of the domestic market. Industrial production is little diversified and mainly based on the processing of agricultural products. The textiles and oil industries have felt the impact of poor performance in the cotton subsector.

135. Services are a growing sector for Mali's economy. Mali has traditionally been a net importer of services, especially freight and insurance. Use of the banking system remains low, but microfinance plays an important role in financing the activities of small and micro-enterprises and in combating poverty. There has been strong growth in telecommunications services and between 2003 and 2008 the number of subscribers rose from 300,000 to over 3.5 million. A second operator started up in 2002 and SOTELMA, which had a monopoly, was partly privatized in 2009. Mali mainly uses the ports of Dakar and Abidjan to ship its goods and, consequently, has to bear the high cost of transporting them. External and internal transport mainly use the road network. Tourism has considerable potential for Mali's economy, with an increasing number of foreign visitors and a large increase in accommodation. Mali's specific commitments under the General Agreement on Trade in Services (GATS) were limited to certain tourism services.

(2) AGRICULTURE

(i) Overview

136. The cornerstone of Mali's economy is the agricultural sector (agriculture, livestock, fishing and forestry), in terms of jobs and of contribution to GDP (Chapter I(2)). The most fertile region is along the banks of the River Niger. The majority of production comes from small farms engaged in subsistence agriculture. The main food crops are millet, rice, sorghum and maize. Cotton is grown for export.

137. The high prices for food and energy products in 2008 had a marked impact on the social situation and the rural population in Mali. For example, in comparison with 2007, local prices increased by an average of 27 per cent for rice, 17 per cent for milk, 34 per cent for oil, and 20 per cent for wheat flour. The Malian Government has made substantial financial and fiscal efforts to limit the impact on the population and between April and October 2008, it granted tax exemptions for rice, milk and edible oils, for a total value of CFAF 13.7 billion.

138. According to the authorities, the food situation in terms of volume and quality has improved since 2008 because of the rise in domestic production of plants and animals. In 2009, however, 23 communes were identified as having food problems, requiring the free distribution of food, and 20 communes were classified as having slight economic problems because of the decline in their agricultural production.

139. Between 2005 and 2008, Mali's agricultural exports showed a strong increase. Cotton and live animals are the main agricultural exports (Table IV.1). It should be noted that Mali's agricultural exports are largely underestimated because of the considerable informal trade with neighbouring countries.

**Table IV.1**  
**Principal agricultural exports (WTO definition), 2003-2008**  
(US\$ million)

| HS     | Description  | 2003         | 2004         | 2005         | 2006         | 2007         | 2008         |
|--------|--|--------------|--------------|--------------|--------------|--------------|--------------|
|        | <b>Total</b>   | <b>401.1</b> | <b>422.7</b> | <b>328.4</b> | <b>344.8</b> | <b>299.5</b> | <b>339.9</b> |
| 520100 | Cotton, not carded or combed   | 348.7        | 352.9        | 261.9        | 253.8        | 198.6        | 202.6        |
| 010290 | Live bovine animals other than pure-bred breeding animals  | 32.4         | 39.7         | 10.6         | 43.4         | 58.7         | 79.6         |
| 010410 | Live sheep   | 5.9          | 11.7         | 22.5         | 5.7          | 18.1         | 30.5         |
| 080450 | Guavas, mangoes and mangosteens  | 0.5          | 1.2          | 1.4          | 3.3          | 3.4          | 4.7          |
| 040210 | Milk and cream, concentrated or containing added sugar or other sweetening matter, in powder, granules or other solid forms, of a fat content, by weight, not exceeding 1.5%   | 0.0          | 0.0          | 0.1          | 0.0          | 0.0          | 2.7          |
| 120220 | Groundnuts, not roasted or otherwise cooked, shelled, or broken  | 0.0          | 0.0          | 0.0          | 0.2          | 0.3          | 2.7          |
| 010420 | Live goats   | 1.6          | 2.7          | 0.5          | 2.9          | 0.0          | 2.7          |
| 100190 | Wheat and meslin, other than durum wheat   | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 1.9          |
| 190190 | Malt extract, food preparations of malt, not containing cocoa or containing less than 40% by weight of cocoa calculated on a totally defatted basis, other than preparations for infant use and preparations for bakers' wares | 0.4          | 0.5          | 0.5          | 1.8          | 2.4          | 1.7          |
| 120799 | Oilseeds and oleaginous fruits other than of cotton, sesame, mustard, sunflower or poppy, even broken  | 0.0          | 0.3          | 0.3          | 0.6          | 3.8          | 1.6          |
| 120740 | Sesame seeds   | 0.1          | 0.3          | 0.3          | 0.9          | 1.0          | 1.5          |

Note: Sorted by descending scale of value for the year 2008.

Source: UNSD, Comtrade database.



140. Imports of food products into Mali have also recorded strong growth in recent years (Table IV.2). Sugar, oil and rice were the leading imports.

**Table IV.2**  
**Principal agricultural imports, 2004-2008**  
(US\$ million)

| HS     | Description   | 2004         | 2005         | 2006         | 2007         | 2008         |
|--------|---|--------------|--------------|--------------|--------------|--------------|
|        | <b>Total imports of agricultural products (HS 01-24)</b>  | <b>186.3</b> | <b>254.9</b> | <b>313.8</b> | <b>323.8</b> | <b>417.6</b> |
| 170199 | Beet sugar and chemically pure sucrose, in solid form, not containing added flavouring or colouring matter  | 13.1         | 7.8          | 29.9         | 22.2         | 41.6         |
| 151190 | Palm oil and its fractions, refined, but not chemically modified  | 6.0          | 8.2          | 14.0         | 29.1         | 40.8         |
| 100640 | Broken rice   | 12.6         | 33.3         | 31.1         | 24.7         | 40.3         |
| 210410 | Preparations for soups or broths; prepared soups or broths  | 17.7         | 15.3         | 19.2         | 23.3         | 34.6         |
| 240220 | Cigarettes containing tobacco   | 25.0         | 25.0         | 21.9         | 22.9         | 29.1         |
| 040221 | Milk and cream, concentrated or containing added sugar or other sweetening matter, in solid forms, of a fat content by weight exceeding 1.5%, not containing added sugar or other sweetening matter | 8.9          | 13.4         | 21.3         | 23.8         | 26.9         |
| 100630 | Semi-milled or wholly milled rice, whether or not polished or glazed  | 7.8          | 26.4         | 9.6          | 15.1         | 25.5         |
| 100190 | Wheat and meslin, other than durum wheat  | 5.3          | 18.2         | 14.6         | 22.3         | 19.5         |
| 090220 | Green tea (not fermented) in other packages   | 8.8          | 6.7          | 10.2         | 10.1         | 14.6         |
| 190190 | Malt extract; malt-based food preparations  | 8.2          | 11.8         | 13.6         | 21.5         | 13.0         |
| 110100 | Wheat or meslin flour   | 8.8          | 4.9          | 23.1         | 18.1         | 12.0         |
| 210111 | Extracts, essences and concentrates of coffee   | 2.7          | 6.6          | 3.8          | 5.1          | 7.0          |
| 210690 | Food preparations not elsewhere specified or included other than protein concentrates and textured protein substances   | 3.8          | 7.0          | 3.3          | 3.1          | 6.1          |
| 190110 | Malt-based preparations for infant use, put up for retail sale  | 2.5          | 0.5          | 1.4          | 2.4          | 5.5          |
| 240310 | Smoking tobacco, whether or not containing tobacco substitutes in any proportion  | 1.7          | 0.9          | 3.9          | 3.7          | 5.4          |
| 030379 | Other frozen fish, excluding fish fillets and other fish meat   | 2.4          | 3.1          | 2.3          | 4.4          | 5.2          |
| 110290 | Cereal flours other than of wheat or meslin, rye, maize or rice   | 0.0          | 0.1          | 0.8          | 1.7          | 5.1          |
| 190219 | Pasta not cooked or stuffed or otherwise prepared, not containing eggs  | 2.1          | 2.1          | 4.2          | 1.9          | 4.8          |
| 110311 | Cereal groats, meal and pellets, of wheat   | 0.1          | 4.4          | 3.8          | 1.6          | 3.6          |
| 210390 | Sauces and preparations therefor, other than soya sauce, ketchup and mustard  | 1.2          | 1.0          | 1.9          | 2.9          | 3.4          |

Source: UNSD, Comtrade database.

## (ii) Agricultural policy

141. Agricultural policy is of crucial importance for Mali, which is facing the challenge of ensuring food and nutritional security for a rapidly expanding population. Mali's agricultural policy involves several institutions, including the Ministry of Agriculture, the Ministry of Livestock and Fisheries, and the Ministry of Rural Development.

142. When drawing up the Master Plan for Rural Development (SDDR) for 2002-2010, the Government defined a strategy with the following overall objectives: (i) to increase the rural sector's contribution to economic growth by promoting the sustainable expansion of agricultural production in general and of cereals in particular; (ii) to improve food security and self-sufficiency by creating an economic, social and institutional environment in the rural sector that encourages sustainable production of agricultural goods and services by motivated and well-organized actors with access to production factors (land, loans) and using intensive methods; (iii) to raise the income and living conditions of rural populations by promoting agrifood subsectors and appropriate financial and intermediation services; and (iv) to protect the environment and conserve natural resources by promoting their sustainable management. The total financing for the 2002-2010 SDDR was

CFAF 700 billion (35 per cent of the State's budget, with 65 per cent of the financing coming from outside).

143. The WAEMU CET is still the main trade policy instrument in the agricultural sector. Its average MFN rate of 14.6 per cent is slightly higher for agricultural products (WTO definition) than for non-agricultural and non-petroleum products (11.7 per cent) (joint report, Chapter III(2)); local agricultural products are usually protected against competition from imports by applying the highest CET rate, namely, 20 per cent. Since January 2008, the introduction of a new 35 per cent tariff band has been under consideration within ECOWAS (joint report, Chapter IV).

144. The Framework Law on Agriculture (LOA), enacted in September 2006, is intended to promote sustainable, modern and competitive agriculture essentially based on security of tenure for family farms. Agricultural development is one of the major priorities announced; pursuant to the LOA, it is intended to initiate a transition from traditional systems to modern agricultural production technology, which means more intensive agriculture and also the use of more efficient equipment. The LOA is intended to be the framework for bringing together all government action in the rural sector, covering all economic activities in the agricultural and semi-agricultural sector.

145. The overall objective of Mali's food security policy is to ensure permanent physical and economic access for all Malians to sufficient healthy food to enable them to meet their energy needs and food preferences. Because of the increase in agricultural and animal production, the food situation (in volume and quality terms) has improved since 2008; in December 2008, the national buffer stock was 22,156 tonnes of dry cereal.<sup>60</sup> In 2008, however, Mali suffered the combined effects of the surge in food prices. To deal with this crisis, the Government sold 105,000 tonnes of rice in 2008 and 205,000 tonnes in 2009 in order to increase supplies on local markets.

### **(iii) Policy by subsector**

#### **(a) Cotton**

146. In Mali, cotton is grown by numerous small farmers in the south of the country. Its production has declined sharply in recent years, falling by 17.4 per cent during the 2008/2009 season, from 242,238 tonnes in 2007 to around 200,000 tonnes in 2008, the lowest level for the past 20 years (Table IV.3). Cotton nevertheless remains the principal cash crop for Malian farmers and is one of the cornerstones of commercial agriculture. Cotton lint is 99 per cent exported so there is little processing.

147. Mali's cotton production has declined in part because of low global prices for cotton in recent years, which has meant low prices for producers. In addition, the authorities cite the poor governance of cotton-producing firms and cooperative associations (SCPC), the excessive indebtedness of producers, delays in paying producers, and the high cost of inputs.

148. Because of the problems in the cotton subsector, the Government has launched a reform programme with the aim of upgrading the subsector's performance. The strategy for achieving this objective is set out in the Policy Letter on Development in the Cotton Sector (LPDSC), which was adopted by the Government in 2001 and is implemented by the Task Force for Reorganization of the Cotton Subsector. One of the Strategy's aims is increased participation by cotton producers in developments in the subsector and the CMDT's withdrawal from certain activities. The

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<sup>60</sup> The difference between the national buffer stock and the State intervention stock is their composition. The national buffer stock is composed of millet, maize and sorghum, whereas the State intervention stock is only composed of rice.

implementation of the LPDSC has led, *inter alia*, to: the creation of the Cotton Industry Association (IPC-Mali) and its four regional committees; the creation of the Cotton Grading Board (OCC); the introduction of a support fund for the subsector; and a mechanism for determining cotton prices.

**Table IV.3**  
**Trend in areas under cotton and cotton production, 2004-2009**

|                                | 2005/2006 | 2006/2007 | 2007/2008 | 2008/2009 | 2009/2010 |
|--------------------------------|-----------|-----------|-----------|-----------|-----------|
| Area (hectares)                | 550,532   | 480,474   | 283,927   | 196,712   | 240,038   |
| Production (tonnes)            | 534,143   | 414,965   | 242,238   | 201,000   | 228,400   |
| Export earnings (CFAF million) | 139,751   | 132,072   | 94,556    | 91,221    | ..        |

.. Not available.

Source: Ministry of the Economy and Finance (2009), "Rapport sur la situation économique et sociale du Mali en 2008 et les perspectives pour 2009"; and information provided by the Malian authorities.

149. The CMDT is a semi-public company in which the State owns 99.5 per cent of the capital. It has a de facto monopoly of ginning (17 plants), marketing and processing of cotton. It supplies producers with agricultural inputs. Each year, it draws up an inventory of producers' needs, sends out an international call for bids and sells the inputs to producers on credit at cost price.

150. It is planned to privatize the CMDT in 2010.<sup>61</sup> For this purpose, four subsidiaries have been set up and it is envisaged that the capital of each of these subsidiaries will be sold as follows: 61 per cent to a private operator in the trade following an international invitation to tender; 20 per cent to producers; 17 per cent to the State; and 2 per cent to employees. The time-limits for submitting the pre-selection documentation and for making bids have been set, respectively, at 22 April and 15 July 2010.

151. Mali is one of the co-sponsors of the WTO's Sectoral Initiative on Cotton, whose objective is to eliminate support for producers and export subsidies, which they consider to be the reason for the generalized fall in cotton prices on global markets (joint report, Chapter IV(2)(iii)).

(b) Cereals

152. Food production in Mali has risen sharply in recent years (Table IV.4). Despite this increase, production still depends to a large extent on weather factors, more specifically drought and floods. The 2008/2009 season saw a marked upward trend in production because of the good rainfall and the impact of the agricultural revival policy following the food crisis. It benefited primarily from improved access to inputs for producers under the Rice Initiative.

**Table IV.4**  
**Production of the principal crops, 2000-2009**  
(tonnes)

|              | 2001/2002        | 2002/2003        | 2003/2004        | 2004/2005        | 2005/2006        | 2006/2007        | 2007/2008        | 2008/2009        |
|--------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Millet       | 792,548          | 795,146          | 1,260,498        | 974,673          | 1,157,810        | 1,128,773        | 1,175,107        | 1,364,469        |
| Sorghum      | 517,748          | 641,848          | 727,632          | 664,083          | 629,127          | 769,681          | 900,790          | 1,048,688        |
| Rice         | 940,938          | 693,203          | 938,217          | 718,086          | 945,824          | 1,053,236        | 1,082,383        | 1,607,647        |
| Maize        | 301,931          | 365,174          | 454,758          | 459,463          | 634,464          | 706,737          | 689,917          | 740,108          |
| Fonio        | 21,398           | 16,321           | 22,437           | 8,942            | 26,598           | 26,247           | 28,691           | 40,793           |
| Wheat/barley | 9,353            | 6,545            | 5,701            | 19,655           | 4,805            | 8,565            | 8,585            | 13,166           |
| <b>Total</b> | <b>2,583,916</b> | <b>2,548,237</b> | <b>3,409,243</b> | <b>2,844,902</b> | <b>3,398,628</b> | <b>3,693,240</b> | <b>3,885,473</b> | <b>4,814,871</b> |

Source: Online information from the National Statistical Institute, "Production agricole". Viewed at: [http://instat.gov.ml/voir\\_domaine.aspx?dom=4](http://instat.gov.ml/voir_domaine.aspx?dom=4).

<sup>61</sup> Task Force for the Reorganization of the Cotton Subsector (2009).

153. The lack of land suitable for farming is one of the major obstacles to continued growth in the cereals subsector. Nevertheless, there has been a sizeable increase in the acreage used to grow cereals (Table IV.5).

154. Rice is grown in Mali, in the Niger valley in particular, and it is probably one of the most ancient rice-growing areas in the world. Rice is also Mali's basic foodstuff. It is grown in almost all regions, with very diverse systems of production, and depends on the availability of water, the climate and the topography. Paddy rice is grown in vast irrigated areas, but also in the plains (particularly in the south of Mali).

155. Following the generalized rise in cereal prices in 2008, the Government decided to implement a plan of action for the 2008/2009 season known as the "Rice Initiative", with the aim of developing local production. This programme focuses on intensifying production in the areas available for cultivation. In particular, the Government has undertaken to subsidize the purchase of fertilizer (CFAF 12,500/50-kg. bag), seed and advice. In 2008/2009, production reached a record level of 1,607,647 tonnes. The total cost of the Initiative was CFAF 42.65 billion, of which CFAF 10.71 billion were subsidies intended principally for inputs (seed and fertilizer) and advice.

**Table IV.5**  
**Area covered by the principal crops, 2001-2009**  
(hectares)

|              | 2001/2002        | 2002/2003        | 2003/2004        | 2004/2005        | 2005/2006        | 2006/2007        | 2007/2008        | 2008/2009        |
|--------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Millet       | 1,142,388        | 1,557,590        | 1,888,889        | 1,184,607        | 1,484,190        | 1,495,862        | 1,586,279        | 1,591,720        |
| Sorghum      | 702,478          | 923,403          | 822,331          | 577,021          | 744,172          | 917,053          | 1,090,243        | 1,041,529        |
| Rice         | 468,239          | 356,611          | 405,641          | 314,915          | 414,023          | 408,495          | 391,870          | 626,573          |
| Maize        | 260,627          | 318,161          | 316,683          | 252,311          | 424,861          | 412,484          | 409,916          | 403,877          |
| Fonio        | 42,241           | 34,757           | 37,910           | 25,303           | 49,705           | 45,772           | 46,477           | 72,174           |
| Wheat/barley | 3,706            | 2,548            | 2,328            | 3,535            | 2,184            | 3,565            | 3,430            | 5,414            |
| <b>Total</b> | <b>2,619,679</b> | <b>3,193,070</b> | <b>3,473,782</b> | <b>2,357,692</b> | <b>3,119,135</b> | <b>3,283,231</b> | <b>3,528,215</b> | <b>3,741,287</b> |

Source: National Statistical Institute.

156. The Niger Board (ON) is a Malian State enterprise that continues to intervene in several activities in the subsector (production, support for producers, processing). The ON's activities within its area, namely, the Niger River delta, are to supply water, maintain the infrastructure, and manage and equip the land, which are subject to payment of fees. Producers, who have secured rights to their land, are free to obtain inputs and equipment where they wish. The Upper Valley Board (OHV) acts as a rural development agency in the south of Mali.

157. Husked rice is subject to a 10 per cent intermediate customs duty under the CET. Only paddy rice is classified as a local product and is consequently exempt from duties and taxes within WAEMU.

(c) Other products

#### *Sugar*

158. Domestic sugar production was estimated to be 38,000 tonnes for the 2009/2010 season, while annual requirements are estimated to be 150,000 tonnes. The Complexe sucrier du Kala supérieur (Sukala-SA), in which the State holds 40 per cent of the capital, controls all sugar cane production and its processing into sugar in Mali. The State's withdrawal from Sukala, which has been planned for a number of years, should continue with the sale of its residual holding. The sugar produced by Sukala is sold on the domestic market through approved wholesalers. Sukala has

two plantations (situated in the Niger Board's area) together with two sugar mills. The company is currently building a third sugar facility at a cost of CFAF 70 billion to produce 100,000 tonnes of sugar annually. This project also provides for equipping 20,000 hectares for agricultural production. The authorities indicate that it is planned to increase national sugar production tenfold by 2012.

159. In addition to the usual duties and taxes, sugar imports are subject to a 55 per cent TCI in order to protect Sukala. In a "twinning operation", the import of sugar is exempt from TCI provided that a certain volume of sugar is bought from Sukala. For the 2009/2010 season, the ratio was 1 tonne of Sukala sugar for every 3 tonnes exempt from the TCI. One of the special features of the 2009/2010 season was the signature of individual terms and a contract for the purchase of Sukala sugar with each operator. These terms fix ceiling wholesale and retail prices that may be revised in the light of trends in international prices. There is also a monthly plan for the purchase and import of sugar.

#### *Shea*

160. Shea nuts are the most important product gathered in the wild in Mali, which has some 74 million shea nut trees. The nuts are mostly collected by women in rural areas and are one of their main sources of income.<sup>62</sup> Annual production of shea butter has fallen in recent decades and is now some 100,000 tonnes, of which around 60,000 tonnes are exported. Shea is also the main ingredient in the domestic production of soap, ointments and perfume. In 2008, exports of shea nuts earned CFAF 718.6 million (US\$1.6 million).

161. The Government has decided to include shea in the list of promising subsectors, with the aim of increasing the volume of exports by 25 per cent each year for the coming five years and making Mali the leading West African exporter of this product, both nuts and butter. In order to support women in the shea subsector, the Government has initiated the project "Support for women's groups in shea nut exploitation", whose objective is to increase the income of women working in the subsector. In addition to this project, other measures in the shea subsector are being taken *inter alia* under the Competitiveness and Agricultural Diversification Programme (PCDA) and the Project in Support of Agricultural Subsectors (PAFA).

#### *Mangoes*

162. With some 200,000 tonnes annually, Mali is a large producer of mangoes, only some of which are exported. The combined efforts of projects in the subsector have led to a strong increase in exports, which rose from 2,915 tonnes in 2005 to 12,676.7 tonnes in 2008, for an amount of CFAF 2,113.9 billion (or US\$4.7 million). According to market surveys, wholesale export of Malian mangoes to Europe could be profitable.<sup>63</sup>

#### *Soya beans*

163. The CMDT introduced soya beans into Mali in 1985 as a crop for diversifying income in non-cotton growing areas. Production has risen from 1,414 tonnes in 2000/2001 to 36,056 tonnes in 2009/2010. The Government has adopted a strategy for developing and processing soya beans. The action to be undertaken focuses, *inter alia*, on a more efficient production system, the setting up of processing facilities and training farmers in growing techniques.

<sup>62</sup> Giron, L. (2007).

<sup>63</sup> *Findings*, "Exporting Malian mangoes to Europe", October 2003. Viewed at: <http://www.worldbank.org/aftr/wps/wp60.pdf>.

(iv) **Livestock**

164. Livestock breeding is a promising sector for Mali's economy. It involves at least 80 per cent of the rural working population and is the chief means of subsistence for over 30 per cent of the population, with around 70 per cent of the country used to rear livestock. Its contribution to GDP is estimated to be 9.6 per cent. Export earnings amounted to CFAF 51.8 billion in 2008, coming in third place after gold and cotton.

165. Mali has a large animal herd, estimated to be 31 million head in 2008, composed chiefly of bovine animals (8 million), sheep (9 million) and goats (14 million).<sup>64</sup> The number of poultry is estimated to be 30 million.<sup>65</sup> Milk production for human consumption is estimated to be 500 million litres annually.

166. The marketing of animals and animal products mainly concerns exports of live cattle and hides. The annual export of live animals is 225,000 bovine animals, 410,000 sheep, 48,000 goats and 4,200 camels. For skins and hides, annual exports are around 386,000 and 1,340,000 items, respectively. Livestock exports mainly go to subregional markets, especially in Côte d'Ivoire, Ghana, Guinea, Senegal and Algeria. Exports to these countries consist mainly of live cattle and there is little export of meat because of the lack of infrastructure for slaughter and suitable transport. Controlled exports of hides in 2008 amounted to 293,089 items; 859,434 sheep and goat skins were exported, 60 per cent of them untanned and 40 per cent tanned.

167. Live bovine animals, bovine meat and their by-products may not be imported (Chapter III(2)). The export of young male bovine animals of less than five years of age and non-sterile female breeding animals is subject to an absolute prohibition (Chapter III(3)(iv)). In order to make the price of meat affordable in Mali during the 2008 food crisis, the Government prohibited the export of meat-based foods.

168. Despite the extent of livestock breeding, there has been very little investment in this subsector in recent years, and it only receives 9 per cent of investment in the rural sector. There are many problems and constraints on the development of livestock breeding, including the prevalence of extensive production systems (pastoral and agro-pastoral system), with low productivity; the scarcity of natural pasture; the degradation of pastoral resources and the difficulty of managing them; competition for land use between livestock and agriculture; little use of agricultural and agro-industrial by-products and fodder crops; the problem of water resources in pastures, especially under-exploitation of existing potential; and the poor performance of animal husbandry, a result not only of the biological characteristics of the animals, but also of the production systems, which constrain the profitability of farms.

169. A number of programmes are being implemented to encourage the development of livestock breeding and animal industries, including the five-year pastoral planning programme (2008-2012) at a cost of CFAF 23.4 billion, as well as programmes in support of the development of livestock breeding in the western Sahara and in the Kayes-Sud area at a cost of CFAF 21.9 billion, and the medium and long-term programme to combat avian influenza. Livestock development programmes focus on animal health, pastoral water resources, support for breeders and the organization of cattle markets. The exploitation and marketing of cattle is nevertheless inefficiently organized and there are limits to intensifying production. Moreover, the development of livestock products (meat, hides, skins and milk) falls short.

<sup>64</sup> Malikounda online information, "Panorama sur l'élevage au Mali: un maillon essentiel sous exploité", 29 January 2009. Viewed at: [http://www.malikounda.com/nouvelle\\_voir.php?idNouvelle=20334](http://www.malikounda.com/nouvelle_voir.php?idNouvelle=20334).

<sup>65</sup> FAO (2008).

**(v) Fishing and aquaculture**

170. Fishing is a key subsector in Mali's economy. It contributes 4.2 per cent to GDP, employs 500,000 people (7.2 per cent of the labour force), including 120,000 fishermen. Mali's hydrographic resources mainly consist of the basins of the Senegal (upper stretch) and Niger (middle stretch) rivers. This hydrographic network feeds a series of lakes in the region of Timbuktu in the northern part of the country.

171. Mali's fisheries potential has been evaluated at some 180,000 tonnes, but production varies greatly depending on rainfall. With normal rainfall, production is some 100,000 tonnes annually. In 2008, total production of fish was 132,168 tonnes; controlled exports (smoked and dried fish) amounted to 1,322 tonnes or CFAF 2.73 billion (Table IV.6). Because of the inadequate infrastructure, almost all the fish exported is smoked or dried. Over the past 20 years, the subsector has had to face crises attributable to a large extent to unfavourable hydrological conditions, although this has become less common since the second half of the 1990s.

**Table IV.6**  
**Fisheries, 2004-2009**  
(tonnes)

|            | 2004   | 2005   | 2006   | 2007    | 2008    | 2009    |
|------------|--------|--------|--------|---------|---------|---------|
| Production | 61,073 | 63,286 | 95,000 | 103,000 | 132,168 | 169,539 |
| Export     | 729    | 21     | 199    | 1,250   | 1,322   | 3,105   |

*Source:* National Directorate of Fisheries.

172. Mali's fisheries production is mainly concentrated in the central Niger delta (some 80 per cent). Fishing is chiefly on a small scale, using canoes made from nailed planks and rarely equipped with motors for economic reasons. According to surveys by the National Directorate of Fisheries in 2005, the number of non-motorized canoes used for fishing was 25,334.

173. The overall objective of the policy to develop fishing and aquaculture is the sustainable development of fisheries and aquaculture resources so as to increase the subsector's contribution to the national economy and to meeting food needs. The National Directorate of Fisheries, set up in 2005, is responsible for drawing up the bases for the national fisheries policy and for coordinating and following up its implementation. Fishing is an important component in the national poverty reduction and food security strategy.

174. The principal legislative and regulatory text establishing the conditions for development of fishing and fish farming is Law No. 95-032 of 20 March 1995. This Law distinguishes three types of fish farming domain: the fish farming domain of the State, that of the local authorities and that of individuals. The Law also encompasses fish farming activities.

175. Up until recent decades, because of the lack of communication infrastructure and adequate means of conservation, around three quarters of domestic production was sold in processed form, either smoked, burned, cooked or, to a lesser extent, dried. This trend is changing and in recent years the supply of fresh fish on ice has gradually become more common in the main production areas and is more profitable, particularly when sent to urban centres of consumption.

176. A number of programmes are under way to develop and make better use of Mali's fishery resources, including: the five-year fish farming plan at a cost of CFAF 13 billion, the project to develop traditional fishing in the Niger River basin at a cost of CFAF 3.5 billion, the programme to support fishing development in the Senegal River basin at a cost of CFAF 1.5 billion, and the project to build a modern fish market in Bamako at a cost of CFAF 2.2 billion.

177. The extent of aquaculture in Mali is still modest, with annual production currently estimated to be 1,000 tonnes.<sup>66</sup> Because of the growing scarcity of fish resources in the Niger, fish farming represents an interesting alternative. The Government is therefore planning to make use of all water bodies with aquaculture potential and identifying and organizing fish farmers into cooperative associations and management committees, teaching them fish farming techniques. The development of inland waters by stocking them with fish in order to achieve a substantial increase in domestic production is an element in the implementation of the major programmes in the master plan for developing fishing. The stocking of natural and artificial pools and water bodies occupies a prominent place in the five-year Aquaculture Development Programme for 2008-2012<sup>67</sup>, whose cost is CFAF 13.96 billion.

178. The measures applicable to export of fisheries products are: a sanitary certificate, control of the market preparation and payment of taxes to the municipal authorities. The measures applicable to imports of fisheries products are: a certificate of origin, a sanitary certificate, quality control and veterinary health inspection, and the provisions of the CET for imports from third countries (joint report, Chapter III(2)).

#### **(vi) Forestry**

179. The contribution of the timber and forestry subsector to GDP formation is 3.9 per cent and the national forest domain is estimated to cover 100 million hectares. Nevertheless, the subsector is in a constant state of decline because of drought and over-exploitation. The volume of timber lost owing to its use as firewood is estimated to be 5 million tonnes, or 400,000 hectares annually. The Government is aware of the importance of this subsector, particularly for the supply of energy, the conservation of natural resources, protection of the environment and for tourism.

180. The National Directorate of Water Resources and Forests is responsible for drawing up the bases for the national policy on combating desertification, sustainable development of forests and promotion and upgrading of forest products and wildlife. A forest information system (SIFOR) has been introduced in the Ministry of the Environment and Sanitation in order to improve the management and monitoring of Mali's forest resources.

181. Some 65 million tonnes of timber are consumed in Mali each year. Its forests supply around 80 per cent of the country's energy needs, notably in the form of firewood used to cook food. Fuel wood, charcoal and its residue are the main form of energy traditionally used in Mali. In 2008, some 337,000 stacked cubic metres of fuel wood were produced.<sup>68</sup> In order to give forests better protection, the Government subsidizes the consumption of butane gas (section (4)(i)(a)). The goal of Mali's forestry policy is: to contribute towards the country's sustainable economic and social development and to ensure food security; to combat all forms of pollution or harmful effects; and to combat the degradation of natural resources and desertification.

### **(3) MINING**

182. The principal product mined and the foremost source of foreign currency is gold, Mali being the third largest producer in Africa. Gold production fell from 56,753 kg. in 2007 to 52,772 kg. in 2008, a 7 per cent decline (Table IV.7). Although there was a slight recovery in gold prices on the

<sup>66</sup> FAO online information, "Profils des pêches et de l'aquaculture par pays: Mali". Viewed at: [http://www.fao.org/fishery/countrysector/FI-CP\\_ML/3/fr](http://www.fao.org/fishery/countrysector/FI-CP_ML/3/fr).

<sup>67</sup> Ministry of Livestock and Fisheries (2007).

<sup>68</sup> CountrySTAT Mali, online information. Viewed at: <http://countrystat.org/mli/cont/pxwebquery/ma/133cfo010/fr>.



global market (US\$816.1 on average in 2008 compared to US\$803.2 in 2007), the sector's contribution to GDP fell from 6.7 per cent to 6.1 per cent. The cumulative contribution of the mining sector to the Treasury was CFAF 132.1 billion in 2008, compared to CFAF 101.1 billion in 2007. Most of the gold mined in Mali is exported to South Africa and Switzerland.

183. The majority of mines are operated by multinationals, although the State owns 20 per cent of the large mines (Morila, Loulo), with the exception of Sadiola (18 per cent). In addition to the large mines, there is small-scale mining with around 350 sites employing some 150,000 workers. Reserves are being evaluated for around a dozen new projects. All the gold mined is exported, but is first turned into ingots.

**Table IV.7**  
**Gold production, 2003-2009**  
(tonnes)

|                                     | 2003          | 2004          | 2005          | 2006          | 2007          | 2008          | 2009          |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Industrial production</b>        | <b>51.60</b>  | <b>41.58</b>  | <b>49.54</b>  | <b>58.37</b>  | <b>52.75</b>  | <b>48.41</b>  | <b>49.75</b>  |
| - Yatela                            | 7.23          | 8.11          | 8.01          | 11.55         | 9.87          | 5.41          | 7.29          |
| - Morila                            | 28.64         | 17.63         | 23.83         | 19.21         | 16.81         | 16.45         | 12.83         |
| - Syama                             | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.11          | 1.38          |
| - Sadiola                           | 15.73         | 15.57         | 15.1          | 17.04         | 13            | 15.39         | 12.32         |
| - Loulo                             | ..            | ..            | 2.06          | 8.31          | 9.78          | 10.45         | 13.49         |
| - Kalana                            | 0.0           | 0.27          | 0.54          | 0.87          | 0.99          | 0.54          | 0.7           |
| - Tabakoto                          | ..            | ..            | ..            | 1.39          | 2.3           | 0.059         | 1.74          |
| <b>Gold panning</b>                 | <b>4.00</b>   | <b>4.00</b>   | <b>4.00</b>   | <b>4.00</b>   | <b>4.00</b>   | <b>4.00</b>   | <b>4.00</b>   |
| <b>Exports</b>                      | <b>51.60</b>  | <b>41.58</b>  | <b>49.54</b>  | <b>58.37</b>  | <b>52.75</b>  | <b>48.41</b>  | <b>49.75</b>  |
| <b>Exports (US\$ '000)</b>          | 566,371       | 504,952       | 693,383       | 1,131,789     | 1,082,466     | 1,437,139     | ..            |
| Memorandum: gold price (US\$/ounce) | <b>363.38</b> | <b>409.72</b> | <b>444.74</b> | <b>603.46</b> | <b>695.39</b> | <b>871.96</b> | <b>972.35</b> |

.. Not available.

Source: Malian authorities; UNSD, Comtrade database.

184. The National Directorate of Geology and Mining (DNGM) is responsible for drawing up the bases for the national policy on exploration, development, exploitation and processing of subsoil resources, and for ensuring that this policy is implemented. Mining in Mali is governed by the 1999 Mining Code<sup>69</sup>, which gives various incentives to mining companies during the exploration and prospection stages and during preparations for operating the mine (Box IV.1). The Code guarantees national treatment for exploiting mining resources, except in the case of small-scale mining. Holders of mining permits are guaranteed that the tax and customs regime will remain stable throughout the period of permit validity. It should be noted, however, that all the mines currently being operated and those to be opened over the next two years are governed by the regime laid down in the former Mining Code of 1991.<sup>70</sup> Although the authorities acknowledge that mining is important for economic growth and for the budget, they consider that it cannot provide the basis for Mali's economic development inasmuch as it is a non-renewable source and the activity only offers little value added.

<sup>69</sup> Ordinance No. 99-032/P-RM of 19 August 1999.

<sup>70</sup> Ordinance No. 91-065/CTSP of 19 September 1991, and its implementing Decrees No. 91-277/P-RM and No. 91-278/P-RM of 19 September 1991.

**Box IV.1: Tax and customs concessions under the Mining Code (1999)**

Holders of exploration permits or prospection authorizations are exempt from all duties and taxes (including VAT) on the domestic market and on the import of the machinery and materials needed for their activities (with the exception of petroleum products). Throughout the period of validity of their permits, they benefit from the temporary admission regime free of charge *pro rata temporis* for machinery that is to be re exported. They are exempt from the BIC tax, the tax on income from securities, the land revenue tax, the business tax and related contributions.

During the operational phase, until production commences, holders of operating permits and authorizations to exploit small mines benefit from the temporary admission regime free of charge *pro rata temporis* for equipment and vehicles included in the Mining List. Until production commences, holders are also granted: (i) full exemption from duties and taxes on tools, chemicals, petroleum products, etc. needed for their activities; and (ii) exemption from all exit duties and taxes for the personnel's goods and personal effects and the equipment used during the operational phase. Holders of mining titles are exempt from VAT up until the end of the third year following the commencement of mining. Holders are also fully exempt from duties and taxes (with the exception of community levies) on the petroleum products needed for their activities, including installations for workers, throughout the operational phase.

*Source:* Ordinance No. 99-032/P-RM of 19 August 1999.

185. The Mining Code covers mining resources (except for liquid or gaseous hydrocarbons and underground water) and specifies that these belong to the State. Domestic and foreign enterprises have the same rights and obligations, except as regards small-scale exploitation, which is restricted to Malian nationals and nationals of other countries on a reciprocal basis. Holders of mining titles may freely transfer capital and net profits (after distribution to those entitled in Mali), as well as income and salaries for foreign natural persons. They are, however, subject to the foreign exchange regulations, which, *inter alia*, require the repatriation of earnings from exports to countries outside WAEMU and their conversion into CFA francs.

186. The Code distinguishes between the mining regime and the quarrying regime. It provides for five types of mining permit: exploration authorization (three months, renewable once); prospection authorization (three years, renewable once); survey permit (three years, renewable twice); operating permit (30 years, renewable for ten-year periods until the mine is exhausted); authorization to operate a small mine (less than 150 tonnes of mineral ore per day in the case of gold, which also covers mechanized gold panning (four years, renewable for four-year periods until the mine is exhausted). Traditional (manual) small-scale exploitation requires an authorization granted by the local authorities.

187. All applications for an operating permit must be accompanied by an environmental impact assessment. The granting of an operating permit implies handing over to the State 10 per cent of the operating company's shares (without any counterpart), and the State may reserve the right to raise this figure up to 20 per cent by purchasing shares; the State has exercised this right in the case of goldmines opened since Mali's previous TPR. Mining permits are the subject of a mining agreement between the company and the State.

188. For gold mining, the State mainly collects the contribution for providing a service (CPS) amounting to 3 per cent of the turnover of mining companies or the ISCP, also at 3 per cent<sup>71</sup>; the BIC tax (35 per cent), the charges for employees and various additional taxes; the tax on the priority

<sup>71</sup> The majority of mining companies signed their agreements before 1999 and pay the CPS. The Kalana mine, however, for which the agreement was signed after 1999, has to pay the ISCP instead of the CPS.

dividend (10 per cent)<sup>72</sup>; and on dividends paid to shareholders, including the State. In 2009, the State earned around CFAF 130 billion from gold mining. This revenue, however, varies according to gold production, which makes it an unstable source of income.

189. Mali also has large deposits of bauxite, iron, uranium, manganese, phosphate, limestone and precious stones, but much of this potential is not exploited owing to lack of investment and infrastructure. It is planned to exploit the iron deposits discovered in the region of Koulikoro (20 km. from Bamako) in 2010. Preliminary prospection has been positive and it is estimated that there are 92.13 million tonnes of iron ore.

190. Mali became a candidate for the Extractive Industries Transparency Initiative (EITI) in September 2007<sup>73</sup> and the first report is under preparation.

#### **(4) ENERGY AND WATER RESOURCES**

##### **(i) Energy**

191. Mali's energy consumption is around 35 million tonnes of oil equivalent (toe), 78 per cent from wood and charcoal, 18 per cent from petroleum products and the remaining 4 per cent from electricity.<sup>74</sup> Households consume 86 per cent (77 per cent for urban households), transport 10 per cent, industry 3 per cent, and agriculture 1 per cent.

192. The principal goals of the National Energy Policy are: (i) to develop the potential for national energy resources (hydroelectricity, renewable energy); (ii) to protect forest resources, notably wood used as fuel (firewood and charcoal) through sustainable exploitation for the benefit of the rural population; (iii) to improve the terms for buying oil products through better access to the international market; (iv) to continue oil prospection with a view to lessening the country's external dependence and to increase foreign currency earnings; (v) to liberalize the sector by taking up more initiatives by decentralized local authorities and capital from semi-public and private operators; and (vi) to adapt institutions to the needs of the energy sector by building up the State's capacity for strategic direction and control. As regards traditional forms of energy, the options adopted are to lessen demand for wood as fuel and gradually to bring the cost of woody fuels into line with the economic value of the resource.

##### **(a) Oil and gas**

193. Mali does not produce oil. Imports of petroleum products amounted to US\$704.4 million in 2008 (around 21 per cent of imports), mostly to meet national needs for transport and generating electricity.

194. Since the adoption of the new Petroleum Code (Law No. 04/037 of 2 August 2004), oil exploration has been stepped up. This Law lays down the criteria for exploration and exploitation of crude oil and is intended to intensify the search for oil in the country's vast sedimentary and graben basins because Mali has one of the world's lowest levels of investment in oil exploration. A number of exploration agreements have therefore been signed by the Government and exploratory drilling has

<sup>72</sup> Ordinance No. 00-013/P-RM of 10 February 2000.

<sup>73</sup> The EITI's aim is better governance in countries with abundant resources through verification and full publication of the payments made by companies and the income earned by governments from oil, gas and minerals.

<sup>74</sup> *Croissance et Actualités*, "La politique énergétique du Mali", No. 37. Viewed at: <http://www.ffa-int.org/files/p.11EURSOWEURCA37.pdf>.

been carried out in order to evaluate potential oil resources. Exploration in the Taoudéni bloc has led to the discovery of structures likely to contain hydrocarbons deposits and it is planned to drill the first well in the second half of 2010. The authority for promoting oil exploration (AUREP), set up in 2004, is the government entity responsible for ensuring that companies comply with the commitments undertaken in the various agreements.

195. Mali has five storage depots for petroleum products with total capacity of 53,656 m<sup>3</sup>. A study on the national buffer stock of petroleum products highlighted the deficiencies in the country's storage capacity and it will have to be upgraded by building new capacity.

196. Mali's hydrocarbons are supplied by 65 authorized private operators. In order to obtain the authorization required to import, the applicant must have its own storage capacity of at least 1,500 m<sup>3</sup> and deposit security of CFAF 200 million.<sup>75</sup> Mali now has around 50 approved oil importers, four of which represent multinationals. The remainder are private companies set up by Malian operators. Malian private operators, on average, have 70 per cent of the market. Distribution requires approval from the National Directorate for Trade and Competition and the DNGM.

197. Petroleum products are highly taxed in Mali because of the customs duties imposed under the WAEMU CET, VAT, and, above all, the TIPP, whose rate depends on the transport route and the product.<sup>76</sup> Because of the sharp rise in the price of petroleum products in 2008, the Government lowered the TIPP and import taxes, resulting in a loss of revenue of some CFAF 20 billion.

198. The price of fuel at the pump is determined according to fluctuations in supplier prices by a commission composed of the authorities, petroleum operators and representatives of consumers. The furthest sources of supply (Lomé and Cotonou) are taxed at a lower rate in order to incite operators to obtain supplies there as part of the policy to diversify sources and give Mali a more secure supply of petroleum products.

199. In order to afford better protection to the wooded savannah, the Government has subsidized the consumption of butane gas since 1998. This programme led to an increase in the consumption of butane gas from 834 tonnes in 1990 to some 10,000 tonnes in 2009, when a total of CFAF 3.5 billion was paid out in subsidies. The price of butane gas is determined by ONAP and apart from this product, the State does not subsidize any other gaseous or petroleum product.

(b) Electricity

200. Beginning in 1998, Mali undertook in-depth reform of the electricity sector, one of the major objectives being to make electricity available to a larger number of inhabitants. In particular, the reform involved the State's withdrawal from operations and opening up the sector to new operators. The company Énergie du Mali (EDM-SA) is responsible for the production, transport and distribution of electricity and was partly privatized in 2000. Since 2005, the State has held 66 per cent of the capital and Industrial Promotion Services, a subsidiary of the Aga Khan Development Network, has held 34 per cent. Since its privatization, EDM-SA has provided electricity to the public under a concession agreement that includes thermal and hydraulic generation (i.e. excluding hydroelectric works), the transport and distribution of electricity, as well as the sale and purchase of electric power. The EDM-SA's monopoly of wholesale buying of electric power expires in December 2010; its current monopoly chiefly consists of the sole right to distribute electricity within its concession area.

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<sup>75</sup> ONAP online information, "Le sous-secteur pétrolier au Mali". Viewed at: <http://www.onapmali.com/secteur.php>.

<sup>76</sup> For example, for premium petrol imported through Dakar, the TIPP was CFAF 150.21/litre in 2009.

201. The CREE, set up in 2000, is responsible for approving and monitoring electricity rates. These are determined according to the formula laid down in the agreement between CREE and EDM-SA. The concessionaire may request a revision of the rates each year and this is considered by the CREE.

202. EDM-SA produced 1,097 GWh in 2009 (Table IV.8). In Mali, electricity is mainly produced by the hydroelectric dams at Manantali (plant capacity of 200 MW, of which 104 MW for Mali) and at Sélingué (46.2 MW capacity), two other hydroelectric plants (Félou, Sotuba), as well as some 20 thermal stations throughout Mali. The interconnected network supplies Bamako and Mali's main cities. In addition to the interconnected network's production, in 2009 EDM-SA reportedly had plants with a total capacity of almost 50.5 MW in 21 locations in the east and south of Mali. Mali imports electricity from Côte d'Ivoire in its border zone.

203. In 2009, Mali had 215,814 electricity subscribers (some 18.4 per cent of households), compared to 120,228 in 2002. Some companies have their own electricity supplies (for example, CMDT and Sukala), either because they are not in an area able to supply them, are far from the interconnected network or have their own means of production to meet their needs (this is the case for Sukala with biomass). The development and implementation of rural electrification projects and programmes are the responsibility of local populations, local authorities and private operators with support from the Council of State.

204. The goal of Mali's energy policy is not only to expand the distribution of electricity to the population as a whole, but also to respond to the growing needs of agro-industry.<sup>77</sup> To do this, the Government is planning to bring an additional 1,000 MW of capacity into service by 2014. In particular, it intends to expand hydroelectric dams, interconnection of networks with Côte d'Ivoire and Burkina Faso, and to promote alternative energy and energy-saving measures such as those against wasting electricity.

**Table IV.8**  
**Electricity sector, 2004-2009**

|  | 2004 | 2005 | 2006 | 2007  | 2008  | 2009  |
|--|------|------|------|-------|-------|-------|
| Electricity generated (EDM-SA) (GWh)   | 721  | 805  | 870  | 893.6 | 1,001 | 1,097 |
| Electricity density (%)                | 14.2 | 15.1 | 16.2 | 17.0  | 17.5  | 18.4  |
| Electricity density in urban areas (%) | 45.1 | 47.0 | 48.8 | 50.0  | 50.3  | 51.1  |
| Electricity density in rural areas (%) | ..   | 1.0  | 4.8  | 8.2   | 11.2  | 13.3  |

Not available.

Source: Ministry of the Economy and Finance (2009), *Rapport sur la situation économique et sociale du Mali en 2008 et les perspectives pour 2009*; and information provided by the Malian authorities.

205. The Malian Agency for the Development of Domestic Energy and Rural Electrification (AMADER), set up in May 2003, is entrusted with improving access to basic energy services for the poor in rural areas. It is responsible, *inter alia*, for managing a rural electrification fund whose initial resources are US\$25 million. In October 2008, the Government and the World Bank signed an additional financing agreement for some CFAF 17.5 billion. Action by AMADER focuses on four approaches: rural electrification projects spontaneously proposed by private operators, the construction of electricity networks supplied by multi-functional platforms, multi-sectoral electrification zones, and rural electrification after "invitations to submit projects". Subsidies are granted on the basis of a competition organized among private operators interested by the same area.

<sup>77</sup> *Croissance et Actualités*, "La politique énergétique du Mali", No. 37. Viewed at: <http://www.ffa-int.org/files/p.11EURSOWEURCA37.pdf>.

AMADER's objective is to increase the rate of electrification in rural areas to 55 per cent by 2015 (from 1 per cent in 2005 to 11.2 per cent in January 2009).

**(ii) Water**

206. EDM-SA is also responsible for distributing water in Mali. The initial findings of an institutional study commissioned by the Government recommend the gradual separation of electricity and water by 2010-2012. In 2009, EDM-SA produced some 80.6 million m<sup>3</sup> and distributed 58.6 million m<sup>3</sup> through its 2,991 km. pipeline. Water rates have to be approved by the CREE and have not changed since 2004.

207. The rate of access to drinking water rose from 62 per cent in 2004 to 71.7 per cent in 2008. The objective is to reach 82 per cent by 2015. In 2008, the percentage of the population with access to sanitation was 23 per cent. In February 2006, the Government adopted the National Water Policy in order to find appropriate solutions to water-related problems. The principal objective of this policy is to raise the level of access to water while at the same time respecting sustainable management of water resources. In order to do this, since 2004 there has been a Water Map and a National Plan for Access to Drinking Water 2004-2015 (PNAEP), together with an investment programme amounting to CFAF 400 billion. The PNAEP envisages, *inter alia*, the installation, rehabilitation or upgrading of 11,000 water outlets over the period, giving priority to villages, pastoral sites and urban districts without modern water outlets.

**(5) MANUFACTURING**

208. Manufacturing makes only a modest contribution to Mali's economic activity (Chapter I(1)). There is little diversification in Mali's industrial output and it is not very competitive. Inter-industry trade is very limited. As there is no heavy industry, Mali's industrial production is chiefly based on the processing of agricultural products: biscuits, edible pasta, preserves, canning, breweries, bakeries, oil refineries, sugar mills, dairy products, textiles and tobacco.

209. According to the latest industrial census, there were 343 industrial enterprises in Mali.<sup>78</sup> The various industrial activities can be broken down as follows: manufacture of foodstuffs and beverages: 62.0 per cent; publishing, printing and reproduction of recordings: 12.9 per cent; manufacture of metal articles and metal working: 6.8 per cent; and manufacture of chemicals: 5.5 per cent. Most of the industries are in Bamako (66.2 per cent). Over 85 per cent of industrial firms had less than 50 employees and only 14 employed 200 or more. In addition, there are a large number of units engaged in semi-industrial or small-scale manufacturing (for example, bakeries, the preparation of traditional beverages, clothing workshops), many of which are informal in nature. Permanent jobs in industry rose from 13,127 in 2002 to 17,593 in June 2006.

210. The textile industry has suffered the effects of the poor performance of the cotton subsector and in 2007 textile production fell by almost 20 per cent.

211. The drop in cotton production has led to a decrease in the production of cottonseed and other sub-products such as edible oil and cattle cake.<sup>79</sup> Up until 2004, the Huilerie cotonnière du Mali (HUICOMA), a subsidiary of the CMDT, had a de facto monopoly of the processing of cottonseed into oil and cake. Its privatization in 2005 has led to the emergence of numerous small industrial units.

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<sup>78</sup> Ministry of Industry and Trade (2006).

<sup>79</sup> *Nouvel Horizon*, 24 December 2008, "Distribution de la graine de coton: Le Ministre Amadou Abdoulaye Diallo dans le dilemme"; USDA Foreign Agricultural Service (2009).

212. The State has continued to withdraw from economic activities in the manufacturing sector. The vast majority of companies in this sector are private or in the process of being privatized. The State owns 100 per cent of the Usine malienne de produits pharmaceutiques (UMPP), 38 per cent of the Société nationale des tabacs et allumettes du Mali (SONATAM) and 20 per cent of the Compagnie malienne des textiles (COMATEX).

213. The main challenges to Mali's industrial development are still essentially quality and the cost of production factors, the state of the transport infrastructure, the lack of properly equipped industrial zones, inadequate electricity supplies, particularly in terms of voltage and availability, and delays in the effective regional integration supposed to lead to a much larger market. According to the authorities, to these have to be added internal constraints such as poor business management, the frequent lack of a quality policy in firms and the poor quality of the goods manufactured, obsolescent and badly maintained production equipment, and low levels of awareness of foreign markets.<sup>80</sup>

214. API-Mali is examining a law on the development and management of industrial zones in Mali.

215. In 2008, imports of manufactures into Mali amounted to US\$2,167 million. The principal products imported are vehicles, medicines and fertilizer. Exports amounted to only US\$105 million in the same year.

## **(6) SERVICES**

### **(i) Overview**

216. Services, particularly trade (formal segment), are a key sector in Mali's economy, with transport and telecommunications also playing an important role. Mali has a deficit in commercial services, chiefly because of international trade-related freight and insurance costs. In 2008, this deficit was US\$235.7 million, 92 per cent of expenditure being for international transport.

217. As a landlocked country, Mali must pay the cost of shipping goods by rail or road from sea ports in neighbouring countries. Road transport is the most common mode of transport for both passengers and goods. The lack of transport infrastructure is one of the factors limiting the marketing and the export of goods, more particularly agricultural products, as well as the international competitiveness of Malian goods, especially industrial goods.

218. Telecommunications have shown rapid growth in recent years. Mali opened up the telecommunications sector by allowing the entry of a second operator in 2002 and privatizing SOTELMA's former monopoly. As a result of the marked upward trend in mobile telephony, the number of subscribers rose from 300,000 in 2003 to over 3.5 million in 2008. A fund for access to universal service in telecommunications is being established. The postal subsector is still dominated by the National Post Office, a State-owned enterprise.

219. Financial services contribute little to Mali's GDP. The banking subsector is essentially subject to the WAEMU common regulations. The Government considers that microfinance has an important role to play in financing the activities of small and micro-enterprises and in poverty reduction. Insurance is governed by the Inter-African Conference on Insurance Markets (CIMA) of 1995.

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<sup>80</sup> Ministry of Industry and Trade (2004).

220. Tourism is the main source of earnings from the export of services. It has shown strong growth in recent years and between 2003 and 2008 the number of hotels more than doubled. Tourism potential is, however, not yet fully exploited and tourists remain for only a short time in Mali. Mali's main specific commitments under the GATS concern hotel and restaurant services.

**(ii) Telecommunications and postal services**

221. Since Mali's previous TPR in 2004, the telecommunications sector has experienced virtually exponential growth. In 2009, there were over 4.4 million mobile telephone subscribers (Table IV.9). There are two telephone operators: the former monopoly SOTELMA (together with Malitel, its mobile telephone subsidiary) and Orange Mali, which came into service in 2002. Fixed and mobile telephone charges have dropped significantly in recent years.

**Table IV.9**  
**Trend in the number of subscribers, 2003-2009**

|                            | 2003           | 2004           | 2005           | 2006             | 2007             | 2008             | 2009      |
|----------------------------|----------------|----------------|----------------|------------------|------------------|------------------|-----------|
| Fixed network subscribers  | 60,925         | 65,834         | 75,904         | 82,521           | 80,005           | 76,544           | 69,766    |
| Mobile network subscribers | 247,223        | 406,861        | 761,986        | 1,505,995        | 2,530,885        | 3,438,568        | 4,453,602 |
| <b>Total</b>               | <b>308,148</b> | <b>472,695</b> | <b>837,890</b> | <b>1,588,516</b> | <b>2,610,890</b> | <b>3,515,112</b> | 4,523,368 |

Source: Telecommunications Regulatory Committee (2009), *Rapport annuel 2008*. Viewed at: [http://crt-mali.org/pdf/rapport\\_act/Rapport\\_2008\\_CRT.pdf](http://crt-mali.org/pdf/rapport_act/Rapport_2008_CRT.pdf).

222. It is the responsibility of the Ministry of Communications and New Technology to regulate telecommunications and postal services. The CRT, set up in 2002, ensures compliance with the terms for operating telecommunications networks and services. The CRT's role is basically to approve interconnection agreements among operators and retail rates, to settle disputes, manage frequencies, and approve terminal equipment.

223. Mali opened up the telecommunications subsector with the adoption of the Telecommunications Code in 1999 (Ordinance No. 99-043/P-RM of 30 September 1999). A transitional exclusivity regime nevertheless allowed SOTELMA to keep its monopoly of the infrastructure and basic services (wired network, fixed point-to-point telephony, telex, telegraphy, and Internet hub) until 31 December 2005. Pursuant to the Code, a licence is required to set up a public telecommunications network and to provide telephony services. Licences should, in principle, be granted on demand in an objective, non-discriminatory and transparent manner. According to the authorities, no application has been refused so far, but the Government may, in some cases, decide to grant a licence after issuing an invitation to tender when it considers that such a procedure is preferable for the development of the telecommunications subsector in Mali. This procedure must be followed for setting up and operating a mobile telephone network and service. A decree adopted by the Council of Ministers ratifies the procedure for granting, withdrawing and assigning licences, as well as the provisions on their duration. Operators must negotiate amongst themselves the technical and financial criteria for supplying the principal interconnection services. If there is any disagreement, the CRT is empowered to determine the interconnection details. For example, in the dispute between SOTELMA and Orange Mali concerning the revision of the interconnection rates, the CRT established the interconnection charges in 2008.

224. All branches of telecommunications services are open to competition. SOTELMA owns the fixed network. No cross-subsidization by operators in a dominant position is allowed. Operators must organize their accounts in such a way that the operating results for the various telecommunications services they provide are recorded separately.



225. SOTELMA was originally a State-owned enterprise and had a monopoly, but is currently being privatized. In July 2009, Maroc Telecom (Vivendi Group) bought 51 per cent of its capital for CFAF 180 billion. As to the remaining 49 per cent, the privatization strategy provides that 19 per cent should be sold to the public and 10 per cent kept for the company's employees. At the end of the privatization process, the State will have a residual share of 20 per cent of the capital.

226. A fund for access to universal services under the responsibility of the CRT is being set up and will be financed by a 1 per cent levy on the net turnover of operators.

227. Mali did not make any specific commitments on telecommunications services under the GATS and did not take part in the WTO negotiations on basic telecommunications services, concluded in 1997.

228. The National Post Office (ONP) is a State-owned institution set up in 1989. It is present throughout Mali with 130 "contact points" (95 post offices, seven outlets and 28 postal sales points). Private companies also supply courier services. The ONP has the status of an industrial and commercial public institution (EPIC) and has been given a postal monopoly by the State. Accordingly, it may approve concessions for monopolies for natural or legal persons who so request and who meet the predetermined criteria.

229. All users have the right to universal service consisting of the supply of basic postal services, provided on a permanent basis throughout Mali at affordable prices. Postal universal service includes the collection, franking, sorting, transporting and distribution of letters, postcards, parcels weighing up to 2 kg., printed matter and newspapers. In order to ensure that universal service is always available, some services are restricted to the ONP, for example, collection, franking, transport and distribution of letters, postcards, parcels up to 10 kg., printed matter and newspapers, as well as the operation of post box services and letter boxes.

### (iii) Transport

230. Transport services chiefly consist of land and air transport and account for some 6.7 per cent of GDP. Mali has no access to the sea. Most of its international traffic goes through the ports of Dakar and Abidjan, which are, respectively, 1,471 km. and 1,225 km. from Bamako. As a result, Mali has to pay the cost of bringing goods by rail or by road from the sea ports in neighbouring countries. These costs, together with those for inland transport, appear to be one of the major handicaps to the country's trade and industrialization. Lowering transport costs is therefore a priority challenge for Mali's economic development. As a comparison, in 2004, the total cost of freight as a percentage of the value of imports was an average of 3.6 per cent worldwide, 5.9 per cent in developing countries, 9.9 per cent in Africa, 14.1 per cent in Burkina Faso, and 24.4 per cent in Mali.<sup>81</sup>

231. Mali is far from the shipping ports and the low density of railway lines, the poor navigability on the Niger River and the lack of air links mean that internal and external transport essentially goes by road. In 2006, 47.3 per cent of international traffic in solid goods went along the Senegalese corridor (36.3 per cent of it by road and 11 per cent by rail); 27 per cent along the Ivorian corridor; 8 per cent through Ghana; 7.5 per cent through Togo; 7.5 per cent through Benin; 2.7 per cent through Guinea; and 0.1 per cent through Mauritania.<sup>82</sup>

<sup>81</sup> UNCTAD (2007).

<sup>82</sup> Koné, M. (2007).

232. In the GATS, Mali was given exemptions from MFN treatment (Article II of the GATS) in relation to maritime transport, namely: cabotage rights granted to trading partners on a reciprocal basis under agreements; sharing of 80 per cent of liner trade with the national shipping company of the State at the other end of a particular traffic (implementation of the UNCTAD Code of Conduct for Liner Conferences); and sharing of all cargo (in bulk and specialized) between the State shipping companies at both ends of a particular traffic, based on provisions in agreements.<sup>83</sup>

(a) Road transport

233. The most commonly used mode of transport for persons and goods in Mali is the road, even though the road network is little developed and mainly consists of unsealed roads, with obsolescent vehicles and a very poor level of road safety. Mali's road network consists of 20,330 km., of which 4,125 are sealed.

234. Several programmes are being implemented to improve and expand the road network. Under the project to improve transport corridors, the road and rail transport corridors between Mali and West African coastal countries have been upgraded. Since 2008, the city of Bamako has been linked to the ports of Abidjan, Dakar, Conakry, Cotonou, Lomé, Nouakchott and Tema by sealed roads, thereby making it easier to obtain supplies. This programme also plans to maintain accessibility to regions situated in the north of Mali.

235. Mali has signed bilateral agreements on road transport and transit with neighbouring coastal or landlocked countries, notably with Côte d'Ivoire, Senegal, Togo, Ghana, Guinea, Mauritania, Benin, Burkina Faso, Niger, Gambia, Algeria and Tunisia. These agreements reaffirm the principle of Mali's free access to the sea. They define, *inter alia*: the terms for transit by road; the transport routes; the freight-sharing terms between carriers from the two countries and from third countries; the terms for sharing passengers between carriers from the two countries and from third countries; and the products that are excluded. Mali gives cabotage rights on a reciprocal basis.

236. Road hauliers in the subregion belong to the Confederation of Truck Drivers Unions of West Africa (CSCRAO). The CSCRAO convened a meeting on 15 and 16 May 2009 in Sikasso, Mali, in order to draw the attention of the 15 ECOWAS member States, in particular Mali, Benin and Côte d'Ivoire, to the abnormal practices affecting inter-State road traffic, in particular unauthorized road blocks, extortion and other abnormal practices.<sup>84</sup> The authorities have indicated that Mali collaborates fully with the Irregular Practices Observation Centre (OPA), set up jointly by ECOWAS and WAEMU in 2005 to identify and combat obstacles to the flow of inter-State road traffic in the West African region.

(b) Rail transport

237. Mali's railway network consists of a single line of 729 km. between Koulikoro and the Senegalese frontier. As it links Dakar (Senegal) and Bamako, it is mainly used to transport goods. Until October 2003, passengers and goods were carried by the Senegalese National Railway Company (SNCS) and the Mali Railway Board (RCFM). In October 2003, Senegal and Mali gave responsibility for managing the network for 25 years to a French-Canadian consortium, Transrail, whose capital is shared between the Canadian buyer (51 per cent), the Senegalese and Malian States (20 per cent), employees (9 per cent) and private Malian and Senegalese investors (20 per cent). Transrail SA is also responsible for maintaining, renewing and upgrading the rail infrastructure.

<sup>83</sup> WTO document GATS/EL/53 of 30 August 1995.

<sup>84</sup> *L'Inter*, "Tracasseries routières: La destination Côte d'Ivoire décourage les camionneurs". Viewed at: [http://actu.atoo.ci/article.php?id\\_ar=7730](http://actu.atoo.ci/article.php?id_ar=7730).

Since it was set up, Transrail has reportedly faced major cash flow difficulties as well as delays in rehabilitating the railway lines and modernizing the rolling stock, and has been under preventive settlement since November 2009. It operates the passenger service in the name of and on behalf of the State of Mali, which pays it for its services. Almost all its locomotives and the rail line itself are in a bad state of repair so trains are frequently derailed (in 2008, Transrail had 164 trains derailed in Senegal and 52 in Mali).

(c) River transport

238. River transport is provided by the Malian Navigation Company (COMANAV), a State-owned enterprise, as well as by small operators of canoes and fishing smacks. Most river transport is on the Niger River and marginally on the Senegal River. For several years, COMANAV has suffered financial losses because its period of navigability has been reduced from six months to four and it also has difficulty in maintaining and modernizing its fleet. This fleet comprises three very old mail boats for carrying goods and passengers, one petrol boat, a tug, a push boat and 18 barges with a capacity of 200 tonnes.

(d) Maritime transport

239. Mali does not have any sea coast or maritime fleet. Nevertheless, in order to monitor and transport goods for export and import, it has warehouses in six African ports. These Malian warehouses (EMA) are external services of the National Directorate of Land, Maritime and River Transport (DNTTMF) and are the result of maritime transport and transit agreements signed between the Malian State and the countries of transit. The personnel in these warehouses provide transport administration services by facilitating the transit of Malian goods and collecting statistical data. They carry out the following tasks: registration (identification, type, weight, origin, destination); monitor the services for the goods provided by trade associations; collect, enter and disseminate statistical data on the transport and transit of Malian goods; and assist Malian operators if there are penalties and/or disputes with the trade associations. Its services are invoiced at CFAF 500/tonne. Storing Malian goods in these warehouses is also payable after a 20-day exemption period.

(e) Air transport

240. Mali has 26 airports and airfields, including the international airport of Bamako-Sénou, which opened to traffic in 1974. All these airports and airfields belong to the State. In 2008, 27 airlines flew to Bamako airport. As part of the airport's renovation, it is planned to build new passenger and cargo terminals. Passenger traffic has shown a steep rise in recent years (Table IV.10).

**Table IV.10**  
**Indicators of activity in Bamako airport, 2004-2009**

|   | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|------|------|------|------|------|------|
| Domestic passenger traffic (thousands)      | 26   | 24   | 34   | 32   | 36   | 38   |
| International passenger traffic (thousands) | 503  | 520  | 533  | 599  | 628  | 601  |
| International freight (thousands of tonnes) | 6.0  | 6.4  | 6.6  | 6.5  | 6.3  | 6.1  |

Source: National Civil Aviation Agency.

241. The task of the National Civil Aviation Agency (ANAC), created in September 2005, is to draw up the national policy on civil aviation and to ensure that it is implemented. It is responsible in particular for: (i) participating in drawing up civil aviation regulations in conformity with the rules of the International Civil Aviation Organization and community provisions; (ii) monitoring observance

of the civil aviation safety and security rules; and (iii) overseeing air navigation services. The Aviation Code adopted in 1993 is being revised.

242. Air Mali (formerly Compagnie aérienne du Mali) was set up in April 2005 and is the country's leading airline; it flies to 13 African and European capitals. In 2008, it transported 122,000 passengers. The Aga Khan Fund for Economic Development (AKFED) owns 51 per cent and the Malian State 20 per cent, with the remainder of the capital being held by Malian private citizens. In addition, African companies (Air Senegal, Kenya Airways and Ethiopian Airlines) fly to Dakar from Bamako and thus have at least fifth freedom rights under the Yamoussoukro Declaration (joint report, Chapter IV(5)(ii)).<sup>85</sup>

243. Airports are managed by Mali Airports (ADM), a State-owned company set up in 1970. There is only one company, the Mali Airport Handling Company (ASAMSA) providing handling services. "Self handling" and "mutual handling" among airlines are not authorized.

**(iv) Financial services**

244. One of the major obstacles to Mali's economic development is the low level of development of financial services. Their contribution to Mali's GDP is still relatively low, some 0.8 per cent of GDP. Accordingly, developing this subsector is one of the Government's priority axes.

245. At the end of 2008, Mali's financial subsector consisted of 13 banks (including one agricultural bank and one housing bank), four financing establishments, two retirement funds (including a social security fund for private sector employees, and a retirement fund for civil servants), 97 microfinance institutions and six insurance companies. In 2008, outstanding loans by loan institutions (banks and financing establishments) amounted to CFAF 974 billion.

246. Mali did not make any specific commitments on the financial subsector under the GATS and did not take part in the WTO negotiations on financial services, concluded in 1998.

**(a) Banking services**

247. The banking subsector is subject to the WAEMU common banking regulations and the prudential provisions of the WAEMU Banking Commission, which also has a monitoring role (joint report, Chapter IV(5)(iv)). Microfinance establishments, or decentralized financial systems (DFS), are also subject to WAEMU common regulations, which must be applied in member States.

248. The State holds between 3.36 to 36.5 per cent of the capital of nine banks. For the time being, no privatization is under way in the banking subsector.

249. The rate of the tax on financial activities (TAF) is set at 15 per cent and they are exempt from VAT. The TAF applies to banking or financial activities and, in general, to trade in securities and money. The financial institutions subject to this tax are banks, financing establishments, foreign exchange dealers and other persons principally engaged in banking or financial operations.

250. As a result of strong mobilization of savings, microfinance ensures access to credit for farmers and micro, small and medium-sized enterprises. There are a large number of microfinance establishments in Mali. Most of them are mutual funds, savings and loan cooperatives or

<sup>85</sup> Schlumberger, C. (2009).

DFS establishments, or are financed by NGOs or the State. In 2006, the density of microfinance institutions among the population was 14.6 per cent and the stock of deposits was CFAF 38 billion.<sup>86</sup>

251. The main objective of the national microfinance strategy is to give a large majority of the poor or low-income population and small and medium-sized enterprises better access to diversified and innovative financial services, on equitable terms, throughout Mali by 2012.<sup>87</sup> Responsibility for supervising the DFS lies with the Unit for the control and monitoring of DFS, set up in 2006. The task of the DFS Promotion and Support Centre is to promote and support all the components of microfinance.

252. The project to develop the financial sector (PDSF), which ended in 2008, was one of the measures taken by the Government to combat poverty. Its objective was to improve the viability of the sector and make it more efficient and competitive, notably by providing technical assistance services and building capacity.

(b) Insurance services

253. The insurance subsector is not yet very developed in Mali. Nine insurance companies have been authorized to operate on the Malian market, including seven all-risk companies and one life insurance company. In 2008, the subsector's turnover was CFAF 20 billion. Automobile third-party insurance, which is mandatory, alone accounts for almost half this turnover. Other mandatory types of insurance are the insurance of goods at importation and construction insurance. The insurance subsector is supervised by the National Directorate of the Treasury and Public Accounts. Insurance services are subject to the tax on insurance contracts.

254. Mali has signed the CIMA Code, which came into force on 15 February 1995. This governs insurance services in the 14 African countries in the franc zone. Only authorized companies, established in accordance with national law (irrespective of the origin of the capital) may operate in Mali. Authorization is given by the Minister of Finance after receiving a favourable opinion from the Regional Insurance Monitoring Commission, whose headquarters are in Libreville (joint report, Chapter IV(5)(iv)). The Code requires that life and non-life insurance (fire, accident, technical and other risks) should be separate.

(v) Tourism

255. There has been strong growth in tourism in Mali in recent years and it has become the foremost source of income from the export of services, earning CFAF 115.5 billion in 2008. Mali received 189,511 foreign tourists in 2008 (Table IV.11). Nevertheless, the average stay in hotels was only 2.36 days. Mali had 514 hotels in 2008 (including 47 with one to five stars according to ECOWAS standards), providing a total of 7,846 rooms and 9,768 beds. In 2007, there were 107 travel agencies, and the figure rose to 154 in 2008. A classification commission, composed of representatives of the Government and the hotel industry, is responsible for classifying hotels.

256. Mali has a wide variety of attractive cultural and natural sites such as the cities of Djenné and Timbuktu and Dogon country. Other attractions include the ancient cave paintings on the Bandiagara cliff, boat excursions on the Niger and authentic handicrafts. This tourism potential is not exploited, however, because of the high cost of flights to Mali as well as transport problems within the country.

<sup>86</sup> UNDP Mali (2008).

<sup>87</sup> Ministry of the Economy, Industry and Trade (2008).

257. Mali considers the tourism sector to be a priority axis for development. The Ministry of Handicrafts and Tourism and the Malian Tourism and Hotel Board (OMATHO) are responsible for promoting tourism in Mali. In order to encourage its development, a Tourism and Hotel Investment Code gives potential investors benefits such as exemption from the business tax, the BIC tax, and customs duty on equipment for up to ten years.<sup>88</sup> Tourism establishments and travel agents must obtain an authorization to engage in the activity from the single window.<sup>89</sup>

**Table IV.11**  
**Key tourism indicators, 2003-2009**

|  | 2003    | 2004    | 2005    | 2006    | 2007    | 2008    | 2009    |
|--|---------|---------|---------|---------|---------|---------|---------|
| Number of hotels                                   | 244     | 242     | 251     | 358     | 439     | 514     | 551     |
| Number of rooms                                    | 3,927   | 4,659   | 4,811   | 5,182   | 6,012   | 7,846   | 8,361   |
| Number of visitors entering through Bamako airport | ..      | ..      | 126,303 | 129,876 | 132,373 | 135,902 | 115,500 |
| Number of arrivals in hotels                       | 147,958 | 145,188 | 186,918 | 200,003 | 221,328 | 234,490 | 204,006 |
| Number of nights                                   | 288,711 | 343,114 | 404,874 | 433,215 | 507,810 | 552,784 | 448,093 |
| Average duration of stay (number of days)          | 1.95    | 2.36    | 2.03    | 2.17    | 2.35    | 2.36    | ..      |
| Tourism earnings (CFAF millions)                   | 74,331  | 76,540  | 80,000  | 91,000  | 110,000 | 115,500 | 103,950 |
| Tourism investment (CFAF millions)                 | 1,931   | 2,469   | 9,219   | 16,545  | 8,235   | 7,796   | 9,114   |
| Direct jobs  | 3,650   | 3,900   | 4,150   | 4,804   | 5,700   | 6,555   | 6,982   |
| Indirect jobs                                      | 7,300   | 7,800   | 8,300   | 9,608   | 11,400  | 13,110  | 13,324  |
| Total jobs   | 10,950  | 11,700  | 12,450  | 14,412  | 17,100  | 19,665  | 20,298  |

.. Not available.

Source: Malian Tourism and Hotel Board (OMATHO).

258. Under the GATS, Mali bound without limitations the supply of adult education services in the crafts subsector; hotel and restaurant services were also bound, with the exception of cross-border supply (not bound because of lack of technical feasibility according to the authorities).<sup>90</sup>

#### (vi) Professional and business services

259. In general, engaging in professional services at the national level is subject to the following conditions: possession of a State diploma or equivalent diploma in the service for which the application is made; Malian nationality or citizenship of a State granting reciprocity.

260. The owner of a law firm must be a lawyer. In Mali, there are some 300 lawyers. In order to plead before the courts, the lawyer must be domiciled in Mali. The fees for legal services can be freely fixed.

261. In order to engage in the medical or midwifery professions, the candidate must have a State diploma or other diploma recognized as equivalent, be over 21 years of age, of Malian nationality or a

<sup>88</sup> Law No. 02-015 of 3 June 2002.

<sup>89</sup> Decree No. 96-128/P-RM of 18 April 1996 on the approval and operation of tourism establishments; Decree No. 96-144/P-RM of 3 May 1996 on conditions for engaging in the profession of travel agent; Decree No. 96-030/P-RM of 25 January 1996 laying down the administrative formalities for creating enterprises; Decree No. 96-129/P-RM of 18 April 1996 on conditions for engaging in the profession of tourist guide; and Decree No. 04-124/P-RM of 21 April 2004 on conditions for engaging in the profession of travel agent.

<sup>90</sup> WTO document GATS/SC/53 of 30 August 1995.

citizen of a State granting reciprocity, and be registered with the national medical or midwifery association.<sup>91</sup>

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<sup>91</sup> Order No. 91-4319 MSPASPF CA8 of 3 October 1991.

## V. AID FOR TRADE

### (1) OVERVIEW

262. The objective of Mali's Growth and Poverty Reduction Strategy Paper (GPRSP) 2007-2011 is to achieve average annual growth of 7 per cent (Chapter I). For this purpose, Mali has decided to integrate trade into its development strategy, in accordance with the recommendations in the Diagnostic Trade Integration Study (DTIS) with a view to implementing the Integrated Framework (IF). Mali thus considers trade to be a tool for growth and poverty reduction.

263. Mali's GPRSP receives support from major bilateral and multilateral donors grouped together since 2008 in the Joint Country Assistance Strategy (JCAS)<sup>92</sup> in order to bring their financial support into line with the priorities defined by Mali, including those relating to trade. According to OECD statistics, Mali was given support estimated at US\$4,864 million between 2005 and 2008, of which Aid for Trade (AFT) represented 37 per cent. Mali is the foremost beneficiary of this aid in the West African region.

264. Mali has also benefited from the Enhanced Integrated Framework (EIF) after establishing its Implementation Unit, through which external resources were mobilized to finance trade-related projects. Mali has become a pilot country for the IF's TFPs.

265. For the time being, the 2008 report on the implementation of the GPRSP shows that the major obstacles constraining Mali's macroeconomic performance were mainly failure to diversify production, financing problems in the economy, fluctuations in the price of its main export and import products, and the country's landlocked situation.<sup>93</sup> AFT<sup>94</sup> has therefore become extremely important for building trade capacity.

### (2) INTEGRATION OF TRADE INTO THE NATIONAL DEVELOPMENT STRATEGY

266. Integrating trade into the national development strategy is one of the principles that formed the basis for the strategy itself; other principles include accelerating growth by removing major constraints, implementing new sources of growth and integrating the Millennium Development Goals (MDG).

#### (i) National development strategy

267. The GPRSP proposes three strategic orientations which together help to achieve strong and sustainable growth that reduces poverty (Chapter I): (i) development of infrastructures and productive sectors; (ii) continuation and consolidation of structural reforms; and (iii) strengthening of the social

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<sup>92</sup> The JCAS was adopted at the round-table of Mali's donors on 12 and 13 June 2008, in Bamako, and signed on 7 December 2009. The following TFPs have signed this document so far: Germany, World Bank, African Development Bank, Belgium, Canada, Denmark, European Union, Spain, France, Luxembourg, Netherlands, Sweden, Switzerland and UNDP for all the United Nations system agencies.

<sup>93</sup> Government of the Republic of Mali (2008c), paragraph 40, page 16.

<sup>94</sup> AFT aims to help developing countries to increase their exports of goods and services and to become integrated in the multilateral trading system. Projects and programmes whose activities have been identified as trade-related development priorities in the national strategies of the beneficiary countries are deemed to be AFT activities. Six categories have been identified as coming under AFT: (i) trade policy and regulation; (ii) trade development; (iii) trade-related infrastructure; (iv) building up production capacity; (v) trade-related adjustment; and (vi) other trade-related needs.



sector. These three strategic orientations correspond to 14 priority areas<sup>95</sup> on which the strategy for accelerating growth is based.<sup>96</sup> Trade has therefore been given a key role to play that emerges in two ways: firstly, as one of the axes for priority intervention<sup>97</sup>, by implementing the recommendations in the DTIS and then by identifying trade as an engine for accelerating growth. The Government states in this connection that the objective sought is to strengthen the role of trade in economic and social development through better integration of the country into the regional and international market, which means supplying more Malian products.<sup>98</sup> In this context, the private sector would have a decisive role to play in catalysing economic growth.

268. The GPRSP's objectives and priorities are comprehensively included in the 2008-2012 Project for Economic and Social Development (PDES) of the President of the Republic<sup>99</sup>, which is the cornerstone for government action.

### **(ii) Integrated framework**

269. As an LDC, Mali has been a beneficiary under the Integrated Framework for Trade-Related Technical Assistance.<sup>100</sup> One of the important steps in this mechanism is the DTIS, which was conducted in Mali by the World Bank in 2003-2004. The DTIS identified the main constraints on the expansion of Mali's trade and identified its technical assistance needs. In its conclusions, the study proposes a series of regulatory, institutional and sectoral reforms comprising three major types of measure to enhance Mali's competitiveness: (i) cross-sectoral measures to improve the transport sector and infrastructure services (road, rail and air), modernization of Customs and trade facilitation; (ii) sectoral measures for agriculture and agro-industry, cultural and tourism activities; and (iii) measures aimed specifically at poverty reduction.<sup>101</sup> These measures are based on a series of 75 measures contained in the action matrix, to be implemented in the short and medium terms.

270. The DTIS and its action matrix were endorsed by an interministerial committee in February 2005<sup>102</sup> and its recommendations were integrated into Mali's latest GPRSP 2007-2011. Mali has submitted a Tier 1 project to update and implement the DTIS in 2010.

### **(iii) Supply-side constraints**

271. Despite the economic reforms undertaken since its previous TPR, Mali is still facing many constraints and problems that hamper development of its trade and industrialization (Chapter IV).

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<sup>95</sup> (i) Food security and rural development; (ii) development of small and medium-sized enterprises; (iii) protection and sustainable management of natural resources; (iv) consolidation of public administration reform; (v) continued reform of the business environment; (vi) development of the financial sector; (vii) development of infrastructures; (viii) promotion of democratic governance and public freedoms; (ix) capacity building for civil society; (x) strengthening of regional and sub-regional integration initiatives; (xi) creation and promotion of long-term jobs; (xii) improved access to basic social services; (xiii) HIV/AIDS control; and (xiv) integration into the multilateral trading system.

<sup>96</sup> Mali ODA online information, "Document de stratégie de croissance accélérée au Mali sur la période 2008-2012". Viewed at: <http://www.mali-apd.org/spip.php?article108>.

<sup>97</sup> Government of the Republic of Mali (2006), paragraph 8.14.

<sup>98</sup> Government of the Republic of Mali (2006), paragraph 9.2.2.

<sup>99</sup> Government of the Republic of Mali (2007).

<sup>100</sup> This mechanism was set up to help LDCs build up their trade capacity and integrate their trade priorities into their national global development strategies. Implementation of the IF comprises four stages: (i) preparatory activities; (ii) a DTIS; (iii) a plan to integrate trade strategy into the national development strategy; and (iv) implementation of this plan.

<sup>101</sup> World Bank (2004), pages vii-xvi.

<sup>102</sup> World Bank (2004).

The following are some of the constraints on its development: (i) the inadequacy of the basic infrastructure (road and rail transport) and its high cost; (ii) low productivity and high cost of production factors; (iii) insufficient diversification of exports; (iv) the low level of skills among the labour force and the lack of training, information for traders and managers; (v) limited access to bank financing; (vi) the ubiquitous informal trade, particularly with neighbouring countries; (vii) poor quality control; (viii) lack of expertise in exporting to foreign markets; (ix) obsolescent production equipment and materials; (x) a business climate that is still unattractive (weak judicial and fiscal system); and (xi) limited institutional and administrative capacity.

**(iv) Aid-for-Trade needs**

272. Mali's trade strategy is based on developing exports through a subsector approach. Accordingly, achieving such an objective requires a sufficiently high level of AFT to remove the constraints on trade by building up capacity.

273. In the AFT questionnaire<sup>103</sup> the Government identified the areas for intervention which it deemed to be priorities. In order of importance these are: (i) diversifying exports; (ii) competitiveness; (iii) analysis of trade policies, negotiations and implementation of trade agreements; and (iv) network infrastructure (electricity, water and telecommunications). These choices are consistent with the priority areas for intervention in its GPRSP.

274. The major stakeholders, the State (government departments and government entities responsible for trade) and the private sector have also drawn up a list of their technical assistance needs, laying particular emphasis on building human and institutional capacity, including training, which are still among the major obstacles to the country's development. The technical assistance provided by the WTO is acknowledged to play an essential role in this regard. Despite the efforts made by the Government to implement the WTO Agreements, the need for training on these Agreements and on matters relating to the DDA negotiations is still felt among actors in the public and private sectors. Contacts with the customs authorities have shown that training in implementing the Customs Valuation Agreement is necessary in order to familiarize customs officers with its use (Chapter III). Likewise, observance of sanitary and phytosanitary standards and rules still raises problems for the national standardization bodies, and there is a need for training in applying the SPS and TBT Agreements and on notifications in these areas. Mali continues to find it difficult to meet its notification obligations (Chapter II). Overall, support from the WTO Secretariat on these various issues is indispensable.

275. Some public bodies (those responsible for trade and tourism) and institutions providing trade-related support have also drawn attention to the need for equipment in order to fulfil their responsibilities. In addition, the forthcoming creation of Mali's export promotion agency (APEX-Mali<sup>104</sup>) will require financial and technical backing from Mali's TFPs, as well as the State, in order to provide support for all its activities.

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<sup>103</sup> OECD online information, "Questionnaire sur l'Aide pour le commerce destiné aux pays partenaires, 2009 - Mali". Viewed at: <http://www.oecd.org/dataoecd/26/3/43193056.pdf>.

<sup>104</sup> The draft texts on the creation, organization and rules for the operation of APEX-Mali were awaiting ratification at the time this report was drawn up (law and decree).

**(3) AID-FOR-TRADE ASSISTANCE TO MALI****(i) Overview of development aid flows in the economy**

276. OECD statistics show that the volume of official development assistance (ODA) more than doubled between 2005 and 2008, from US\$711 million to US\$1,461 million in 2007, a 105 per cent increase. There has, however, been a slight fall in ODA to US\$1,266 million. More than 40 donors are present in Mali.<sup>105</sup> A large share of this aid goes to the health, education and rural development sectors. For donors, the main channels of financing are projects/programmes, which remain the most commonly used method, absorbing 73 per cent of aggregate financing over the period 2008-2011, while budget support currently accounts for 25 per cent of the aggregate volume of aid for 2008-2011.<sup>106</sup> The Government would, however, like to see more generalized budget support in order to make it a preferred financing instrument.<sup>107</sup>

277. Mali's GPRSP has received extensive backing from its TFPs. This was expressed at the end of the 6<sup>th</sup> Round Table Conference of Donors in May 2008<sup>108</sup>, when donors undertook to support Mali by announcing financing of US\$6.4 billion for the period 2008-2012.<sup>109</sup> Support for the GPRSP can also be seen in the adoption of the JCAS<sup>110</sup> by Mali's TFPs, the main objective of which is to give Mali support in the implementation of its GPRSP by bringing their financial backing into line with the country's priorities.

278. Mali benefited on several occasions from special financial aid programmes under the HIPC initiative between 2003 and 2009 and the MDRI (Chapter I(2)).

**(ii) Overview of Aid for Trade**

279. According to the database on aid activities in the OECD's Creditor Reporting System (CRS) (Table V.1), the total amount of AFT commitments for Mali was US\$886 million<sup>111</sup> over the period 2005-2008.

**Table V.1**  
**Flows of Aid for Trade: CRS auxiliary data<sup>a</sup>, 2005-2008**  
(ODA: US\$ million, 2008 constant prices)

| CRS code   | Commitments |      |      |       |
|--|-------------|------|------|-------|
|  | 2005        | 2006 | 2007 | 2008  |
| <b>Trade policy and regulation, and trade-related adjustment</b> |             |      |      |       |
| 33110  | 7.21        | 5.41 | 0.37 | 6.56  |
| 33120  | 6.47        |      | 7.21 | 5.14  |
| 33130  | 0.00        | 0.69 | 0.00 | 26.20 |

<sup>105</sup> Online information from the Round Table Conference of Mali's Donors. Viewed at: <http://www.tablerondemali2008.org/html/participants.htm#2>.

<sup>106</sup> Government of the Republic of Mali (2008d), page 31.

<sup>107</sup> Government of the Republic of Mali (2008c). Framework or specific agreements on budget support have been signed since 2007. To date, ten donors have signed: African Development Bank, World Bank, European Union, France, Netherlands, Sweden, Spain, Germany, Switzerland and Luxembourg.

<sup>108</sup> Online information from the Round Table Conference of Mali's Donors. Viewed at: <http://www.tablerondemali2008.org/>.

<sup>109</sup> Round table communiqué, 2008.

<sup>110</sup> Government of the Republic of Mali (2008d), page 20.

<sup>111</sup> Figures obtained by adding the amounts of the commitments under "Total Aid for Trade" in the OECD table for the Creditor Reporting System. The amount for the period 2002-2005 has been multiplied by four.

| CRS code                                     | Commitments                                |               |               |               |               |
|--|--|---------------|---------------|---------------|---------------|
|  | 2005                                       | 2006          | 2007          | 2008          |               |
| 33140  | Multilateral trade negotiations            | 0.00          | 0.00          | 0.00          | 0.00          |
| 33150  | Trade-related adjustment                   | 0.00          | 0.00          | 0.00          | 0.00          |
| 33181  | Trade education/training                   | 0.00          | 0.00          | 0.1           | 0.09          |
|  | <b>Subtotal</b>                            | <b>13.69</b>  | <b>6.10</b>   | <b>7.68</b>   | <b>38</b>     |
| <b>Economic infrastructure</b>               |  |               |               |               |               |
| 21010 to 21081                               | Transport and storage                      | 61.46         | 9.69          | 243.26        | 363.96        |
| 22010 to 22040                               | Communications                             | 1.51          | 0.47          | 0.21          | 0.47          |
| 23010 to 23082                               | Energy generation and supply               | 7.25          | 37.57         | 13.49         | 35.45         |
|  | <b>Subtotal</b>                            | <b>70.22</b>  | <b>47.73</b>  | <b>256.96</b> | <b>399.88</b> |
| <b>Building productive capacity</b>          |  |               |               |               |               |
| 25010  | Business support services and institutions | 26.46         | 1.16          | 39.59         | 6.44          |
| 24010 to 24081                               | Banking and financial services             | 21.77         | 6.13          | 25.38         | 24.69         |
| 31110 to 31195                               | Agriculture                                | 142.86        | 88.83         | 332.79        | 114.85        |
| 31210 to 31291                               | Forestry                                   | 0.00          | 0.00          | 2.07          | 0.00          |
| 31310 to 31391                               | Fishing                                    | 0.20          | 0.06          | 0.05          | 0.52          |
| 32110 to 32182                               | Industry                                   | 13.30         | 4.42          | 114.06        | 4.69          |
| 32210 to 32268                               | Mineral resources and mining               | 6.66          | 0.00          | 0.00          | 0.00          |
| 33210  | Tourism                                    | 0.11          | 0.03          | 0.33          | 0.39          |
|  | <b>Subtotal</b>                            | <b>211.36</b> | <b>100.63</b> | <b>514.27</b> | <b>151.58</b> |
| <b>Total Aid for Trade</b>                   |  | <b>295</b>    | <b>154</b>    | <b>779</b>    | <b>589</b>    |
| <b>Share of total ODA (%)</b>                |  | <b>27</b>     | <b>14</b>     | <b>53</b>     | <b>46</b>     |
| <b>Memorandum item: Total ODA</b>            |  | <b>1,083</b>  | <b>1,054</b>  | <b>1,461</b>  | <b>1,266</b>  |
| <b>Memorandum item: Population (million)</b> |  | <b>13.5</b>   | <b>31.06</b>  | <b>31.62</b>  | <b>32.18</b>  |

a The AFT commitments may differ from the actual payments for several reasons, including the time-frame for payment.

Source: OECD online information. Viewed at: [http://www.oecd.org/document/21/0,3343,en\\_2649\\_34665\\_43230357\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/21/0,3343,en_2649_34665_43230357_1_1_1_1,00.html).

280. The six major AFT donors in 2006-2007 were the United States of America (US\$198.4 million), the World Bank (US\$48.8 million), Denmark (US\$28.1 million), the African Development Bank (US\$21.6 million), France (US\$17.4 million) and the European Union (US\$17.3 million). These alone contributed 90.4 per cent of total AFT for Mali. Table V.2 gives an overview of donors' action for Mali.

**Table V.2**  
**Operations by donors**

| Donors  | Overview  |
|---|---|
| United States:<br>United States Agency for International Development (USAID), Millennium Challenge Account (Millennium Challenge Corporation) | The USAID assistance programme between 2007 and 2009 focused on four sectors: (i) accelerated economic growth with emphasis on rural development; (ii) health; (iii) education; and (iv) governance and communication. USAID is the donors' facilitator for the EIF. Mali has been eligible for the Millennium Challenge Account (MCC) since 2007. The MCC has signed an agreement with Mali for US\$460 million for the period 2007-2012. This programme is built around three major projects: (i) the modernization of Bamako-Sénou airport; (ii) development of the corridor for regional and international trade; and (iii) development of the agricultural potential of the Niger River. |
| World Bank:<br>Country Assistance Strategy (CAS) 2008-2011  | The World Bank's portfolio, financed by the International Development Association (IDA), supports a number of projects for a total commitment of US\$594.3 million. Its intervention focuses on: (i) growth catalyzed by the private sector by tackling the major constraints such as productivity, energy, transport and finance; (ii) governance; and (iii) capacity building. The World Bank participates in the joint budget support.   |
| Denmark:<br>Bilateral cooperation for the period 2006-2011  | Bilateral cooperation focuses on three priority sectors: (i) agriculture (20 to 25 per cent); (ii) job promotion in the private sector (20 to 25 per cent); and (iii) water and sanitation (25 to 35 per cent). It has a financial envelope of Dkr 800 million, or CFAF 70 billion for the period 2006-2011 and is based on the strategic orientations of Mali's GPRSP. Denmark also participates in the joint budget support.  |

| Donors   | Overview   |
|--|--|
| African Development Bank (AfDB):<br>Country Strategy Paper (CSP) 2005-2009                           | The Bank Group's assistance strategy for Mali is based on two pillars: (i) enhancing competitiveness and private investment; and (ii) building capacity and participation by the poor in growth. The expected results from the RBCSP are: (i) greater macroeconomic stability and good governance; (ii) a more attractive business and investment climate in the private sector; (iii) continuation of the deconcentration and decentralization process; (iv) better access by vulnerable groups to production factors and jobs; and (v) improved access to basic social services for vulnerable groups. The AfDB also participates in the joint budget support.                                   |
| France:<br>France-Mali Framework Partnership Agreement 2006-2010 and French Development Agency (AFD) | In accordance with the direction given in the Framework Partnership Agreement signed between France and Mali in July 2006, AFD focuses on three sectors for action: (i) development of the productive sector by removing obstacles to development of the private sector, supporting the development of agriculture, <i>inter alia</i> , to ensure food security; (ii) water and sanitation, giving the population permanent access to public drinking water services, and developing public sanitation services; and (iii) education, by improving access to education, the quality of teaching and supporting the vocational training sector. France also takes part in the joint budget support. |
| European Union:<br>Country Strategy Paper for Mali and European Development Fund                     | The European Union gives Mali support through the European Development Fund (EDF). For the period 2008-2013, the 10 <sup>th</sup> EDF earmarked €60 million to finance two particular sectors: (i) governance; and (ii) economic development of the Niger delta regions. The European Union also participates in the joint budget support.   |

Source: WTO Secretariat.

281. Between 2005 and 2008, the three areas that received the majority of AFT were: agriculture, with US\$679 million, followed closely by transport and storage, with US\$678 million, and manufacturing, with US\$136 million. The sectors that received the most aid correspond in part to the priority areas for action identified by Mali in its replies to the AFT questionnaire in order to improve its capacity to take advantage of the expansion of trade and its integration into the global economy.<sup>112</sup>

282. In addition, the share of AFT rose considerably between 2005 and 2007, from 27 to 53 per cent of ODA. There was, however, a slight fall in 2008. This raises the recurring problem of the predictability of aid. In the light of these figures, Mali for its part considered that it was unable to indicate whether the OECD profile (CRS) correctly quantified AFT received in 2006-2007<sup>113</sup> in the absence of a clear definition of AFT.

283. At the same time, as part of its reform of the cotton subsector, which aims at making it more competitive, Mali received specific development aid for cotton amounting to US\$75 million.<sup>114</sup>

### (iii) Trade-related technical assistance

284. Capacity building is one of Mali's main concerns in the reform of a large number of its sectors as part of the country's strategy to diversify its export products and markets. The technical assistance given by Mali's bilateral and multilateral partners is in line with these goals.

#### (a) Technical assistance to build institutional and human capacity

285. The WTO Secretariat has provided Mali with numerous technical assistance and capacity-building activities. For example, since 2005 Mali has taken part in 41 activities at both national and regional levels. Activities at the national level related in particular to agriculture (2008), evaluation of trade facilitation needs (2008), and the TRIPS Agreement (2009). Training seminars have also been organized on trade negotiating techniques (2007), competition policy (2007), trade and

<sup>112</sup> OECD online information, "Questionnaire sur l'Aide pour le commerce destiné aux pays partenaires, 2009 - Mali". Viewed at: <http://www.oecd.org/dataoecd/26/3/43193056.pdf>.

<sup>113</sup> *Idem*.

<sup>114</sup> Director-General's Consultative Framework Mechanism on Cotton, evolving table, 8<sup>th</sup> version, WT/CFMC/6/Rev.7 of 9 November 2009, page 16.

development (2008), as well as on trade, the financial crisis and development (2009). Parliamentarians and the private sector took part in a workshop on subsidies and countervailing measures in 2009. At the regional level, Mali participated in a number of workshops and seminars on WTO-related topics.<sup>115</sup> A number of Malian officials have received training in Geneva at special thematic courses<sup>116</sup>, the three-month trade policy courses and introductory courses for LDCs.

286. Mali has also benefited from capacity-building programmes provided by other multilateral and regional organizations such as the African Development Bank, the Islamic Development Bank, WAEMU and ECOWAS, the International Organisation of la Francophonie (OIF), and the Economic Commission for Africa (ECA). Most of these activities were in the form of trade policy courses, focusing mainly on the Doha Development Agenda. Since 2006, Mali has also benefited from the presence of a national trade policy counsellor under the OIF Hub & Spokes project.

(b) Technical assistance to build export capacity

287. Since 2005, a number of projects in the DTIS action matrix have been implemented through the Integrated Framework Programme Implementation Unit (IF-PIU). Most of the projects submitted under Window II focus on the building of export capacity. The majority have been carried out by Mali's development partners when implementing the EIF.<sup>117</sup> They include the mango marketing support project, which began in January 2007<sup>118</sup> with the overall objective of enhancing the competitiveness of the mango subsector. The completion of this project will increase the volume of mango exports<sup>119</sup>, raise producers' incomes and provide better training for producers in good agricultural practices and techniques. Another complementary and equally important project for building export capacity is project STDF 146 on upgrading the application of sanitary and phytosanitary measures for the development of Mali's trade in fruit and vegetables. This project has two objectives: (i) to develop Mali's capacity for phytosanitary control of plant products in order to comply more fully with international standards for imports and exports; and (ii) to raise the incomes of producers in the south of Mali by diversifying products, thereby helping to improve the market quality of mangoes.<sup>120</sup>

<sup>115</sup> The topics covered by these regional activities included, inter alia, agriculture, non-agricultural market access (NAMA), services, trade negotiating techniques, dispute settlement, trade facilitation, TRIPS, trade and development, and regional trade agreements.

<sup>116</sup> These concern the following themes: trade negotiations course; agricultural notifications; trade and environment; TRIPS and public health; technical barriers to trade (international standards, good practice, trade information); sanitary and phytosanitary measures (transparency); and trade facilitation.

<sup>117</sup> WTO, World Bank, IMF, ITC and UNDP, French Development Agency (AFD), OIF, European Union and USAID.

<sup>118</sup> This project was formerly called "Support to improve the quality of mangoes for export". Viewed at: [http://www.integratedframework.org/project\\_3.php](http://www.integratedframework.org/project_3.php).

<sup>119</sup> The volume of mango exports rose from 2,915 tonnes in 2005 to 4,521 tonnes in 2006, 8,517 tonnes in 2007 and 12,676 tonnes in 2008, an increase of 330 per cent over the period.

<sup>120</sup> Integrated Framework, online information. Viewed at: [http://www.integratedframework.org/project\\_5.php](http://www.integratedframework.org/project_5.php).

**(4) MATCHING NEEDS AND ASSISTANCE****(i) National coordination mechanisms****(a) Official development assistance<sup>121</sup>**

288. Mali receives a large volume of ODA, which is coordinated overall by several ministries: the Ministry of the Economy and Finance, the Ministry of Industry, Investment and Trade, the Ministry of Foreign Affairs and International Cooperation, and the Prime Minister's Office. In practice, the dispersion of decision-making centres for managing aid among these ministries has highlighted the weaknesses of the coordination mechanism and the lack of leadership in the Government. In order to overcome these weaknesses, Mali has accordingly taken measures to implement the principles of the Paris Declaration on Aid Effectiveness, pursuant to which a National Action Plan for Aid Effectiveness 2007-2009<sup>122</sup> has been adopted. The principal objective of this plan is to strengthen the national coordination mechanism through joint implementation by Mali and its TFPs. It has been used as the basis for introducing an institutional aid management mechanism, which has led to the creation of the Aid Harmonization Secretariat (SHA)<sup>123</sup>, responsible for programming, allocating and monitoring aid.<sup>124</sup> Another of the Secretariat's tasks is to foster dialogue with TFPs in order to achieve better coordination of aid by the Government. Alongside this, a technical donors' forum has been set up to harmonize the aid and follow up the action plan in liaison with the SHA. The coordination mechanism among donors has also been reinforced by the adoption of the Common Country Assistance Strategy (CCAS) for the period 2008-2011<sup>125</sup>, intended to help to bring the support into line and in harmony with the GPRSP.<sup>126</sup>

**(b) Aid for Trade**

289. The Integrated Framework Steering Committee is responsible for coordination and implementation of the strategy to integrate trade into the national development policy. The Steering Committee is chaired by the Ministry of Industry, Investment and Trade and brings together all the sectoral ministries<sup>127</sup>, represented by their secretaries-general, representatives of the private sector<sup>128</sup>, the National Directorate for Development Planning, the Public Debt Service and the SHA.<sup>129</sup> The purpose of the Steering Committee is therefore to coordinate all major trade-related technical assistance programmes. Accordingly, it follows up implementation of the sectoral action plans and

<sup>121</sup> Mali ODA, online information. Viewed at: <http://www.mali-apd.org/index.php>.

<sup>122</sup> Government of the Republic of Mali (2008b).

<sup>123</sup> An interministerial body chaired by the Ministry of Finance and created by Order No. 07 1486/MEF-SG of 12 June 2007.

<sup>124</sup> Government of the Republic of Mali (2008a), page 8.

<sup>125</sup> Online information from the Round Table Conference of Mali's Donors. Viewed at: <http://www.tablerondemali2008.org/>.

<sup>126</sup> The CCAS has four objectives: (i) to support implementation of the GPRSP by bringing donors' support into line with the priorities defined in the GPRSP and the ten-year MDG implementation plan; (ii) to improve the overall effectiveness of aid to the Government of Mali; (iii) to develop a framework for dialogue based on partnership by improving the existing coordination/consultation frameworks and mechanisms; and (iv) to develop a coordinated approach to capacity building (systems/procedures) at the national level.

<sup>127</sup> The secretaries-general of the Ministries responsible for the economy, industry and trade, finance, agriculture, livestock and fisheries, handicrafts and tourism, infrastructure and transport, mining, energy and water resources, and communication and new information technology.

<sup>128</sup> The professional chambers, namely, the Chamber of Commerce and Industry, the National Council of Malian Employers and other trade associations.

<sup>129</sup> OECD online information, "Questionnaire sur l'Aide pour le commerce destiné aux pays partenaires, 2009 - Mali". Viewed at: <http://www.oecd.org/dataoecd/26/3/43193056.pdf>.

capacity-building programmes adopted by Mali and its partners. It also coordinates action by government departments, the private sector and civil society for the implementation of the EIF and, when necessary, evaluates the integration of trade into the strategic framework for poverty reduction. In practice, the implementation of trade-related technical assistance programmes is carried out by the IF-PIU, supervised by the national focal point (the national director of trade and competition) through the national coordinator of the IF project. In addition, Mali has submitted an EIF Tier 1 project intended, *inter alia*, to build human capacity in the PIU.

290. Dialogue between Mali and its TFPs concerning the trade integration strategy takes place in several different consultation frameworks, including the annual review of the GPRSP at the bilateral or regional level, and also in connection with the World Bank's CAS. Nevertheless, Mali prefers the round-table process with donors (held in 2004, 2006 and 2008) to deal specifically with its trade priorities.

**(ii) Monitoring and evaluation**

**(a) Aid monitoring**

291. Between 2005 and 2008, the flow of ODA to Mali was an average of US\$1,216 million, making it the largest beneficiary of ODA before Burkina Faso and Benin. The aid is still considered to be insufficient, however, by the authorities, in order to achieve the GPRSP and MDG objectives. Although 80 per cent of Mali's development projects are financed by external aid, aid management comes up against constraints that prevent it from being absorbed by the GPRSP's priority sectors. The constraints identified by Mali include the limited capacity of government departments to implement the GPRSP and the sectoral programmes, which can be seen in the lack of control over disbursement and government procurement procedures. There is also no aid management system. On the donor side, emphasis has been laid on the complex disbursement procedures, which vary from one donor to another and are sometimes linked to conditionality, for example the numerous triggers which, according to the authorities, are sometimes difficult to achieve.

292. Bearing in mind all these recurring factors, which do not give the Malian authorities any real predictability for ODA, the so-called "traditional" TFPs have drawn up a medium-term 2010-2012 resources framework (CRMT)<sup>130</sup>, which sets out their action and financing in support of the GPRSP, giving a timetable for estimated disbursement over this period, in line with Mali's own financing timetable. On the Government side, the SHA is responsible for setting up a national aid management system, as envisaged in its 2010 work programme, in order to ensure better and more efficient management of external aid.

**(b) Evaluation of development tools**

293. The latest annual mid-term review of the GPRSP conducted during the first half of 2010<sup>131</sup> is the subject of an evaluation report that mainly focuses on an examination of the main possible sources of growth to reduce poverty, as well as the constraints on growth. In any event, the report noted that the objectives set in the GPRSP have only been met in part. It therefore put forward a number of recommendations for the Government and the TFPs. Among these, it is suggested that in the short term the Government should better classify the priorities for its accelerated growth strategy. The Government and the TFPs should also facilitate access to credit by the private sector by setting up a guarantee fund and a national investment fund. It is further proposed that investment be encouraged in sectors that are labour intensive, for which Mali has comparative advantages (agricultural and

<sup>130</sup> Mali ODA, online information. Viewed at: <http://www.mali-apd.org/spip.php?article81>.

<sup>131</sup> Mid-term review of the GPRSP, "Growth" ad hoc Group, provisional text of 5 May 2010.



agri-food sectors) and that export subsectors that have a direct impact on producers' incomes should be developed. In the medium term, the report also recommends the development of vocational training in promising sectors; surcharges on environmentally unfriendly activities; the promotion of environmentally friendly activities; and a better institutional environment for business.

294. The implementation of the projects/programmes in the DTIS action matrix has not yet been evaluated. This is planned, however, in connection with the Tier 1 project recently submitted by Mali, which includes among its actions updating of the DTIS and its action matrix.

#### **(5) OUTLOOK FOR AID FOR TRADE**

295. Although Mali is the largest beneficiary of AFT in West Africa, AFT only represents 37 per cent of ODA and is deemed insufficient in view of Mali's substantial trade development needs. Indeed, Mali continues to face overwhelming structural and external constraints. Because of the efforts made in its national aid reform policy since 2006, the TFPs have responded favourably to its concerns by bringing their financial support into line with the GPRSP. As a result, the CRMT for 2010-2012 envisages that an average of 43.1 per cent of all financial support will be devoted to developing infrastructure and the production sector, and then to reinforcing the social sector (28 per cent) and pursuing structural reform (13.8 per cent). The Government noted with satisfaction in the AFT 2009 questionnaire the effectiveness of this aid in building trade capacity in three priority areas: (i) diversification of exports; (ii) competitiveness; and (iii) analysis of trade policies, negotiations and implementation of trade agreements.<sup>132</sup> The Government emphasizes that the AFT it receives would be more effective if its financing were more predictable and directed more towards budget support.

296. In order to give Mali more effective support in implementing its GPRSP, its traditional donors endorsed the 2008-2011 JCAS document.<sup>133</sup> This assistance strategy is a collective response involving financial support for Mali and is the culmination of a coordination process begun by donors in 2002 with the preparation of the CSLP for 2002-2006 and underpinned by the Aid Effectiveness Action Plan in 2007.

297. As regards the choice of financial instruments for aid, donors have stated that they prefer to see an increase in budget support as the Government's preferred method of financing, while leaving room in the JCAS for other approaches (project support) and additional forms of financing.<sup>134</sup> In this document, the donors also state that external aid will not suffice to meet Mali's considerable needs so Mali must make efforts to mobilize internal resources.<sup>135</sup>

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<sup>132</sup> OECD online information, "Questionnaire sur l'Aide pour le commerce destiné aux pays partenaires, 2009 - Mali". Viewed at: <http://www.oecd.org/dataoecd/26/3/43193056.pdf>.

<sup>133</sup> Government of the Republic of Mali (2008d).

<sup>134</sup> *Ibid.*, pages 25-26.

<sup>135</sup> *Ibid.*, page 37.



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**APPENDIX TABLES**



**Table A1.1**  
**Structure of imports, 2002-2008**  
 (US\$ million and per cent)

|  | 2002               | 2003    | 2004    | 2005    | 2006    | 2007    | 2008    |
|--|--------------------|---------|---------|---------|---------|---------|---------|
| Total imports (US\$ million)   | 927.2              | 1,271.1 | 1,364.4 | 1,543.6 | 1,819.8 | 2,184.8 | 3,338.9 |
|  | (Percentage share) |         |         |         |         |         |         |
| Total primary products   | 36.7               | 37.2    | 36.0    | 41.6    | 42.1    | 38.0    | 34.9    |
| Agriculture  | 18.4               | 18.7    | 14.2    | 17.0    | 17.7    | 15.3    | 12.9    |
| Food   | 17.7               | 18.0    | 13.7    | 16.5    | 17.3    | 14.8    | 12.4    |
| 0423 Rice, semi-milled or wholly milled  | 3.6                | 3.0     | 1.5     | 3.9     | 2.2     | 1.8     | 2.0     |
| 0612 Other beet or cane sugar and pure sucrose, in solid form                    | 2.9                | 2.8     | 1.1     | 1.9     | 1.7     | 1.6     | 1.3     |
| 4222 Palm oil and its fractions  | 0.4                | 0.5     | 0.5     | 0.5     | 0.8     | 1.4     | 1.3     |
| 0985 Soups and broths and preparations therefor                                  | 1.3                | 1.8     | 1.3     | 1.0     | 1.1     | 1.1     | 1.0     |
| 0222 Milk and cream, concentrated or sweetened                                   | 1.1                | 1.1     | 1.0     | 1.0     | 1.4     | 1.2     | 0.9     |
| 1222 Cigarettes containing tobacco   | 1.4                | 1.0     | 1.8     | 1.6     | 1.2     | 1.0     | 0.9     |
| 0989 Food preparations, n.e.s.   | 1.9                | 1.7     | 1.1     | 1.3     | 1.1     | 1.3     | 0.8     |
| Agricultural raw materials   | 0.6                | 0.7     | 0.6     | 0.5     | 0.4     | 0.5     | 0.4     |
| Mining   | 18.3               | 18.5    | 21.7    | 24.6    | 24.4    | 22.7    | 22.1    |
| Fuels  | 17.5               | 17.6    | 21.1    | 24.1    | 23.9    | 22.2    | 21.4    |
| Manufactures   | 63.0               | 62.5    | 63.7    | 58.2    | 57.4    | 61.7    | 64.9    |
| Iron and steel   | 3.3                | 3.9     | 3.6     | 4.4     | 3.8     | 4.1     | 4.3     |
| 6761 Bars and rods, hot-rolled, in irregularly wound coils, of iron or steel     | 0.8                | 1.1     | 0.5     | 1.6     | 1.5     | 1.5     | 1.4     |
| Chemicals  | 17.9               | 15.5    | 17.4    | 16.6    | 13.9    | 15.5    | 14.1    |
| 5429 Medicaments (including veterinary medicaments), n.e.s.                      | 3.5                | 3.2     | 4.5     | 2.8     | 3.2     | 4.6     | 2.6     |
| 5621 Mineral or chemical fertilizers, nitrogenous                                | 2.0                | 1.4     | 1.1     | 3.0     | 2.0     | 1.0     | 2.6     |
| 5629 Fertilizers, n.e.s.   | 3.5                | 2.6     | 2.9     | 2.9     | 2.4     | 1.5     | 1.1     |
| 5416 Glycosides; glands or other organs; antisera, vaccines and similar products | 0.5                | 0.4     | 0.9     | 0.5     | 0.2     | 0.7     | 0.8     |
| Other semi-manufactures  | 11.9               | 11.6    | 13.0    | 12.8    | 11.8    | 11.7    | 14.1    |
| 6612 Hydraulic cements, whether or not coloured or in the form of clinkers       | 5.2                | 5.1     | 6.6     | 5.3     | 4.3     | 5.3     | 5.3     |
| 6996 Articles of iron or steel, n.e.s.   | 0.6                | 0.4     | 0.6     | 0.6     | 0.9     | 0.7     | 1.1     |
| Machinery and transport equipment  | 24.2               | 26.0    | 22.4    | 19.1    | 22.4    | 24.5    | 25.8    |
| Power-generating machinery   | 0.4                | 0.4     | 0.5     | 0.8     | 0.8     | 1.4     | 1.7     |
| 7165 Generating sets   | 0.2                | 0.2     | 0.2     | 0.6     | 0.5     | 0.6     | 0.9     |
| Other non-electrical machinery   | 8.8                | 9.0     | 6.0     | 7.4     | 7.2     | 8.3     | 10.4    |
| 7239 Parts, n.e.s., of the machinery of group 723 and of subgroup 744.3          | 1.9                | 1.8     | 1.6     | 1.3     | 1.5     | 2.1     | 1.9     |
| 7283 Machinery (other than machine tools) for sorting earth, stone, etc.         | 0.9                | 0.8     | 0.3     | 0.4     | 0.6     | 0.9     | 0.9     |
| Office machines and telecommunications equipment                                 | 2.3                | 3.6     | 4.7     | 2.6     | 4.4     | 3.5     | 2.4     |
| Other electrical machinery   | 2.6                | 2.3     | 1.8     | 1.4     | 1.8     | 3.3     | 3.4     |
| Automotive products  | 7.7                | 8.3     | 6.5     | 5.3     | 6.4     | 5.9     | 5.6     |
| 7812 Motor vehicles for the transport of persons, n.e.s.                         | 3.1                | 3.0     | 3.3     | 2.2     | 2.6     | 2.4     | 2.2     |
| 7821 Motor vehicles for the transport of goods                                   | 3.0                | 3.4     | 1.5     | 1.8     | 2.3     | 2.0     | 1.8     |
| Other transport equipment  | 2.4                | 2.4     | 2.9     | 1.7     | 1.9     | 2.0     | 2.1     |
| Textiles   | 1.5                | 1.4     | 1.8     | 1.5     | 1.3     | 2.3     | 1.8     |
| Clothing   | 0.5                | 0.6     | 1.0     | 0.7     | 0.8     | 0.6     | 0.8     |
| Other consumer goods   | 3.7                | 3.5     | 4.4     | 3.1     | 3.4     | 3.2     | 4.0     |
| Other  | 0.3                | 0.3     | 0.4     | 0.2     | 0.5     | 0.2     | 0.2     |

Source: WTO Secretariat calculations based on data from the UNSD Comtrade database (SITC Rev. 3).

**Table A1.2**  
**Structure of exports, 2002-2008**  
(US\$ million and per cent)

| Description  | 2002               | 2003    | 2004  | 2005    | 2006    | 2007    | 2008    |
|--|--------------------|---------|-------|---------|---------|---------|---------|
| Total exports (US\$ million)   | 852.2              | 1,007.4 | 987.5 | 1,075.1 | 1,526.1 | 1,440.6 | 1,918.3 |
|  | (Percentage share) |         |       |         |         |         |         |
| Total primary products   | 24.4               | 40.5    | 43.2  | 31.0    | 23.2    | 21.5    | 19.4    |
| Agriculture  | 23.3               | 39.9    | 42.8  | 30.4    | 22.5    | 20.8    | 17.7    |
| Food   | 5.2                | 5.1     | 6.8   | 6.0     | 5.8     | 7.0     | 7.0     |
| 0011 Bovine animals, live  | 2.4                | 3.2     | 4.0   | 1.0     | 2.8     | 4.1     | 4.1     |
| 0012 Sheep and goats, live   | 2.0                | 0.7     | 1.5   | 2.1     | 0.6     | 1.3     | 1.7     |
| 0579 Fruit, fresh or dried, n.e.s.   | 0.1                | 0.1     | 0.1   | 0.1     | 0.2     | 0.2     | 0.2     |
| Agricultural raw materials   | 18.1               | 34.8    | 35.9  | 24.5    | 16.7    | 13.8    | 10.6    |
| 2631 Cotton (other than linters), not carded or combed   | 17.9               | 34.6    | 35.7  | 24.4    | 16.6    | 13.8    | 10.6    |
| Mining   | 1.0                | 0.6     | 0.4   | 0.6     | 0.6     | 0.7     | 1.7     |
| Ores and other minerals  | 0.0                | 0.0     | 0.0   | 0.0     | 0.0     | 0.2     | 0.2     |
| Fuels  | 1.0                | 0.6     | 0.4   | 0.6     | 0.6     | 0.5     | 1.5     |
| Manufactures   | 4.0                | 3.0     | 5.1   | 4.3     | 2.4     | 3.2     | 5.5     |
| Iron and steel   | 0.0                | 0.0     | 0.2   | 0.3     | 0.1     | 0.1     | 0.1     |
| Chemicals  | 0.3                | 0.3     | 0.3   | 0.3     | 0.5     | 0.5     | 1.5     |
| 5629 Fertilizers, n.e.s.   | 0.0                | 0.0     | 0.0   | 0.0     | 0.0     | 0.1     | 0.9     |
| Other semi-manufactures  | 0.5                | 0.3     | 0.2   | 0.3     | 0.2     | 0.2     | 0.2     |
| Machinery and transport equipment  | 2.5                | 1.9     | 2.9   | 2.4     | 1.3     | 1.9     | 3.1     |
| Power-generating machinery   | 0.0                | 0.2     | 0.0   | 0.1     | 0.0     | 0.0     | 0.0     |
| Other non-electrical machinery   | 1.0                | 0.5     | 1.4   | 1.2     | 0.5     | 1.1     | 1.5     |
| 7232 Mechanical shovels, excavators and shovel-loaders, self-propelled   | 0.1                | 0.0     | 0.2   | 0.1     | 0.0     | 0.1     | 0.3     |
| 7239 Parts, n.e.s., of the machinery of group 723 and of subgroup 744.3  | 0.1                | 0.1     | 0.3   | 0.5     | 0.2     | 0.3     | 0.3     |
| 7231 Bulldozers, angledozers, graders and levellers, self-propelled  | 0.0                | 0.1     | 0.3   | 0.2     | 0.1     | 0.3     | 0.3     |
| 7233 Machinery for moving, grading, levelling or scraping, etc., self-propelled, n.e.s.  | 0.2                | 0.0     | 0.2   | 0.1     | 0.1     | 0.2     | 0.1     |
| Office machines and telecommunications equipment   | 0.1                | 0.1     | 0.1   | 0.2     | 0.1     | 0.1     | 0.2     |
| Other electrical machinery   | 0.5                | 0.8     | 0.7   | 0.0     | 0.1     | 0.2     | 0.1     |
| 7781 Batteries and electric accumulators, and parts thereof  | 0.5                | 0.7     | 0.7   | 0.0     | 0.1     | 0.1     | 0.1     |
| Automotive products  | 0.6                | 0.3     | 0.4   | 0.7     | 0.4     | 0.3     | 1.1     |
| 7821 Motor vehicles for the transport of goods   | 0.4                | 0.1     | 0.2   | 0.3     | 0.1     | 0.1     | 0.9     |
| Other transport equipment  | 0.3                | 0.1     | 0.2   | 0.1     | 0.1     | 0.0     | 0.2     |
| Textiles   | 0.2                | 0.1     | 1.2   | 0.8     | 0.1     | 0.2     | 0.2     |
| 6523 Other woven fabrics, containing 85% or more by weight of cotton, bleached, dyed, printed or otherwise finished, weighing not more than 200 g/m <sup>2</sup> | 0.0                | 0.0     | 0.1   | 0.1     | 0.0     | 0.1     | 0.1     |
| Other consumer goods   | 0.5                | 0.3     | 0.3   | 0.2     | 0.3     | 0.3     | 0.4     |
| 8933 Floor coverings, wall or ceiling coverings and household and toilet articles of plastics  | 0.1                | 0.1     | 0.1   | 0.1     | 0.1     | 0.1     | 0.1     |
| Other  | 71.6               | 56.4    | 51.7  | 64.7    | 74.4    | 75.3    | 75.2    |
| Gold   | 71.4               | 56.2    | 51.1  | 64.5    | 74.2    | 75.1    | 74.9    |
| 9710 Gold, non-monetary (excluding gold ores and concentrates)   | 71.4               | 56.2    | 51.1  | 64.5    | 74.2    | 75.1    | 74.9    |

Source: WTO Secretariat calculations based on data from the UNSD Comtrade database (SITC Rev. 3).



**Table A1.3**  
**Origin of imports, 2002-2008**  
 (US\$ million and per cent)

|  | 2002               | 2003    | 2004    | 2005    | 2006    | 2007    | 2008    |
|--|--------------------|---------|---------|---------|---------|---------|---------|
| World (US\$ million)                     | 927.2              | 1,271.1 | 1,364.4 | 1,543.6 | 1,819.8 | 2,184.8 | 3,338.9 |
|  | (Percentage share) |         |         |         |         |         |         |
| America                                  | 6.8                | 8.3     | 6.1     | 8.4     | 8.3     | 6.3     | 9.3     |
| USA                                      | 3.6                | 4.8     | 3.4     | 4.7     | 5.0     | 3.7     | 6.6     |
| Other America                            | 3.1                | 3.4     | 2.7     | 3.6     | 3.3     | 2.6     | 2.6     |
| Brazil                                   | 2.3                | 2.7     | 1.3     | 2.6     | 2.1     | 1.7     | 1.8     |
| Europe                                   | 34.5               | 32.5    | 31.5    | 21.9    | 26.2    | 25.7    | 27.8    |
| EU(27)                                   | 33.9               | 32.0    | 30.9    | 21.3    | 25.6    | 25.1    | 26.1    |
| France                                   | 18.5               | 18.0    | 15.9    | 12.6    | 15.2    | 14.9    | 13.9    |
| Belgium                                  | 3.4                | 2.8     | 3.2     | 2.9     | 2.5     | 3.1     | 2.6     |
| Germany                                  | 2.7                | 2.7     | 3.4     | 1.9     | 2.9     | 2.4     | 2.4     |
| Austria                                  | 0.0                | 0.0     | 0.0     | 0.1     | 0.1     | 0.3     | 1.2     |
| Italy                                    | 1.9                | 1.5     | 2.5     | 0.8     | 1.2     | 1.0     | 1.1     |
| Spain                                    | 1.9                | 1.3     | 1.4     | 0.0     | 0.6     | 0.3     | 1.1     |
| United Kingdom                           | 2.3                | 1.5     | 1.5     | 0.7     | 0.6     | 0.6     | 0.9     |
| EFTA                                     | 0.3                | 0.2     | 0.2     | 0.2     | 0.2     | 0.3     | 1.4     |
| Switzerland and Liechtenstein            | 0.3                | 0.2     | 0.2     | 0.2     | 0.2     | 0.2     | 1.3     |
| Other Europe                             | 0.2                | 0.4     | 0.3     | 0.4     | 0.4     | 0.2     | 0.4     |
| Commonwealth of Independent States (CIS) | 1.7                | 1.6     | 0.8     | 2.8     | 2.5     | 0.8     | 3.6     |
| Russia, Federation of                    | 1.4                | 0.9     | 0.5     | 1.1     | 0.6     | 0.2     | 2.3     |
| Ukraine                                  | 0.3                | 0.7     | 0.3     | 1.8     | 1.9     | 0.6     | 1.1     |
| Africa                                   | 42.0               | 41.8    | 46.1    | 49.3    | 46.4    | 51.0    | 39.2    |
| Senegal                                  | 9.5                | 9.9     | 12.2    | 11.5    | 12.1    | 19.8    | 17.2    |
| Côte d'Ivoire                            | 21.4               | 8.7     | 9.4     | 10.2    | 10.9    | 12.7    | 10.4    |
| South Africa                             | 2.4                | 2.3     | 3.3     | 4.1     | 3.7     | 3.6     | 4.5     |
| Benin                                    | 1.0                | 4.8     | 7.4     | 9.3     | 9.0     | 4.5     | 2.2     |
| Ghana                                    | 0.7                | 1.7     | 2.0     | 3.3     | 2.5     | 3.0     | 1.7     |
| Togo                                     | 5.0                | 11.8    | 8.5     | 6.5     | 5.0     | 4.0     | 1.4     |
| Middle East                              | 1.2                | 1.6     | 2.2     | 1.5     | 1.2     | 0.9     | 1.4     |
| United Arab Emirates                     | 0.9                | 1.1     | 1.7     | 1.1     | 1.0     | 0.7     | 1.2     |
| Asia                                     | 13.8               | 13.6    | 13.3    | 14.6    | 15.2    | 14.8    | 18.6    |
| China                                    | 2.4                | 3.1     | 4.9     | 4.9     | 6.1     | 5.9     | 10.2    |
| Japan                                    | 4.0                | 3.5     | 2.6     | 2.3     | 2.6     | 1.9     | 2.8     |
| Six East Asian Traders                   | 2.4                | 2.8     | 2.5     | 2.4     | 1.8     | 1.2     | 2.6     |
| Thailand                                 | 1.0                | 1.1     | 0.6     | 1.3     | 0.9     | 0.5     | 1.2     |
| Other Asia                               | 5.0                | 4.2     | 3.2     | 5.0     | 4.6     | 5.8     | 3.0     |
| India                                    | 3.1                | 2.9     | 2.0     | 2.4     | 2.2     | 3.6     | 2.0     |
| Other                                    | 0.0                | 0.4     | 0.0     | 1.4     | 0.1     | 0.6     | 0.0     |

Source: WTO Secretariat calculations based on data from the UNSD Comtrade database (SITC Rev. 3).

**Table A1.4**  
**Destination of exports, 2002-2008**  
(US\$ million and per cent)

|  | 2002               | 2003    | 2004  | 2005    | 2006    | 2007    | 2008    |
|--|--------------------|---------|-------|---------|---------|---------|---------|
| World (US\$ million)                     | 852.2              | 1,007.4 | 987.5 | 1,075.1 | 1,526.1 | 1,440.6 | 1,918.3 |
|  | (Percentage share) |         |       |         |         |         |         |
| America                                  | 0.7                | 0.7     | 0.6   | 0.4     | 1.0     | 0.7     | 1.0     |
| USA                                      | 0.3                | 0.1     | 0.4   | 0.2     | 0.2     | 0.3     | 0.8     |
| Other America                            | 0.4                | 0.6     | 0.2   | 0.2     | 0.8     | 0.4     | 0.2     |
| Europe                                   | 82.0               | 72.5    | 29.2  | 36.3    | 5.5     | 10.4    | 5.3     |
| EU(27)                                   | 23.8               | 14.3    | 8.7   | 5.8     | 4.0     | 5.9     | 2.7     |
| France                                   | 13.7               | 4.8     | 1.3   | 2.2     | 1.1     | 0.9     | 1.3     |
| Germany                                  | 1.6                | 2.5     | 1.6   | 1.7     | 0.3     | 0.2     | 0.4     |
| Belgium                                  | 1.2                | 2.1     | 0.9   | 0.4     | 0.3     | 2.1     | 0.3     |
| Italy                                    | 1.5                | 1.3     | 2.0   | 1.2     | 0.4     | 0.5     | 0.3     |
| EFTA                                     | 58.2               | 58.2    | 20.4  | 30.3    | 1.5     | 4.6     | 2.6     |
| Switzerland and Liechtenstein            | 58.2               | 58.2    | 20.4  | 30.3    | 1.5     | 4.6     | 2.6     |
| Other Europe                             | 0.0                | 0.0     | 0.0   | 0.2     | 0.0     | 0.0     | 0.0     |
| Commonwealth of Independent States (CIS) | 0.1                | 0.0     | 0.0   | 0.0     | 0.0     | 0.0     | 0.0     |
| Africa                                   | 9.8                | 11.7    | 46.7  | 46.0    | 79.1    | 77.2    | 86.4    |
| South Africa                             | 0.2                | 1.8     | 30.9  | 34.9    | 71.0    | 67.1    | 72.5    |
| Senegal                                  | 3.7                | 2.9     | 6.3   | 6.9     | 2.7     | 4.2     | 6.8     |
| Côte d'Ivoire                            | 3.1                | 2.3     | 4.7   | 1.3     | 1.2     | 2.5     | 2.6     |
| Burkina Faso                             | 0.9                | 0.8     | 0.5   | 0.2     | 0.8     | 0.8     | 1.0     |
| Togo                                     | 0.1                | 0.4     | 0.4   | 0.0     | 0.1     | 0.1     | 1.0     |
| Benin                                    | 0.1                | 0.2     | 0.1   | 0.5     | 0.1     | 0.1     | 0.8     |
| Guinea                                   | 0.9                | 1.1     | 0.6   | 0.3     | 0.7     | 0.8     | 0.6     |
| Morocco                                  | 0.1                | 0.1     | 0.5   | 0.2     | 0.5     | 0.5     | 0.3     |
| Niger                                    | 0.1                | 0.9     | 0.8   | 0.2     | 0.1     | 0.1     | 0.3     |
| Middle East                              | 0.0                | 0.1     | 1.2   | 0.8     | 0.2     | 0.0     | 0.0     |
| Asia                                     | 7.3                | 15.0    | 22.3  | 16.5    | 14.1    | 11.5    | 7.3     |
| China                                    | 0.2                | 1.2     | 4.8   | 5.8     | 6.2     | 2.2     | 1.8     |
| Japan                                    | 0.0                | 0.1     | 0.1   | 0.2     | 0.1     | 0.1     | 0.4     |
| Six East Asian Traders                   | 3.1                | 8.9     | 6.4   | 4.6     | 3.0     | 2.6     | 1.7     |
| Thailand                                 | 1.9                | 3.4     | 2.7   | 2.0     | 1.7     | 1.9     | 1.4     |
| Other Asia                               | 3.9                | 4.8     | 11.0  | 5.9     | 4.8     | 6.6     | 3.4     |
| Viet Nam                                 | 1.6                | 0.4     | 2.6   | 2.0     | 2.3     | 1.6     | 1.1     |
| Pakistan                                 | 0.1                | 0.5     | 3.3   | 0.7     | 0.2     | 2.1     | 0.9     |
| Indonesia                                | 0.2                | 0.9     | 1.5   | 0.7     | 1.4     | 1.8     | 0.6     |
| India                                    | 1.3                | 1.2     | 1.2   | 0.2     | 0.1     | 0.2     | 0.5     |
| Bangladesh                               | 0.2                | 0.4     | 2.0   | 2.0     | 0.8     | 0.8     | 0.3     |
| Other                                    | 0.0                | 0.0     | 0.0   | 0.1     | 0.0     | 0.0     | 0.0     |

Source: WTO Secretariat calculations based on data from the UNSD Comtrade database (SITC Rev. 3).