

Mali

The economy grew at the same rate as in 2009, with modest inflation and a contraction in mining. Growth could be impaired if the Côte d'Ivoire political crisis continues.

The government is focusing development policy on agriculture in a bid to make Mali a sub-regional agro-pastoral centre. The Millennium Development Goals are unlikely to be reached by 2015, except for those concerning education and access to safe water. The political scene is starting to reorganise in the run-up to elections in 2012 for president (in April) and parliament (in July).

Mali has strengthened ties with emerging partners, especially China. These partners operate in less formal ways than traditional donors but are not always in tune with the country's growth and poverty reduction plan or its debt policy.

The structure of the economy, dominated by the primary and tertiary sectors (36% and 35.6% of GDP), did not change much in 2010 and should stay largely the same in 2011, with a small decline in the primary and tertiary sectors in favour of the secondary. Real GDP growth in 2010 (4.5%) was the same as in 2009, though lower than expected.

Growth was driven by subsistence farming, transport and telecommunications, which together contributed a third of real GDP growth, and by livestock and commerce. Export crops, including cotton, expanded strongly (up 11.4%) but still made only a marginal contribution to overall growth because of their small share of GDP (2.6%). Mining, especially gold, slumped 16.2% and subtracted 1.1 percentage points from overall GDP growth.

Final consumption (85.1% of GDP) contributed 3.5 percentage points to GDP growth and gross investment (22% of GDP) 1.3 points, while external demand subtracted 0.3 points.

The post-election crisis in Côte d'Ivoire that began in December 2010 slowed Mali's economy, stoked inflation and will undermine prospects until 2012 if it continues. Taking this into account, 2011 growth is forecast as 5.4% if the harvest is good and gold output revives, along with world prices for gold and cotton.

The country strengthened its links with emerging partners, especially China, which was involved in nearly all aspects of economic, social and cultural life. India, Russia, Brazil, Venezuela, Malaysia and Libya also increased their economic and trade ties with Mali, especially in agro-industry, chemicals and construction. Emerging-partner countries' interests are the same as those of traditional partners: they seek access to local and West African regional markets and to natural resources. They are barely active for the moment in the mining sector. The government finds them faster and less formal than traditional partners in carrying out projects, but they are not always in tune with the country's debt policy or anti-poverty programme, the Strategic Framework for Growth and Poverty Reduction (SFGPR).

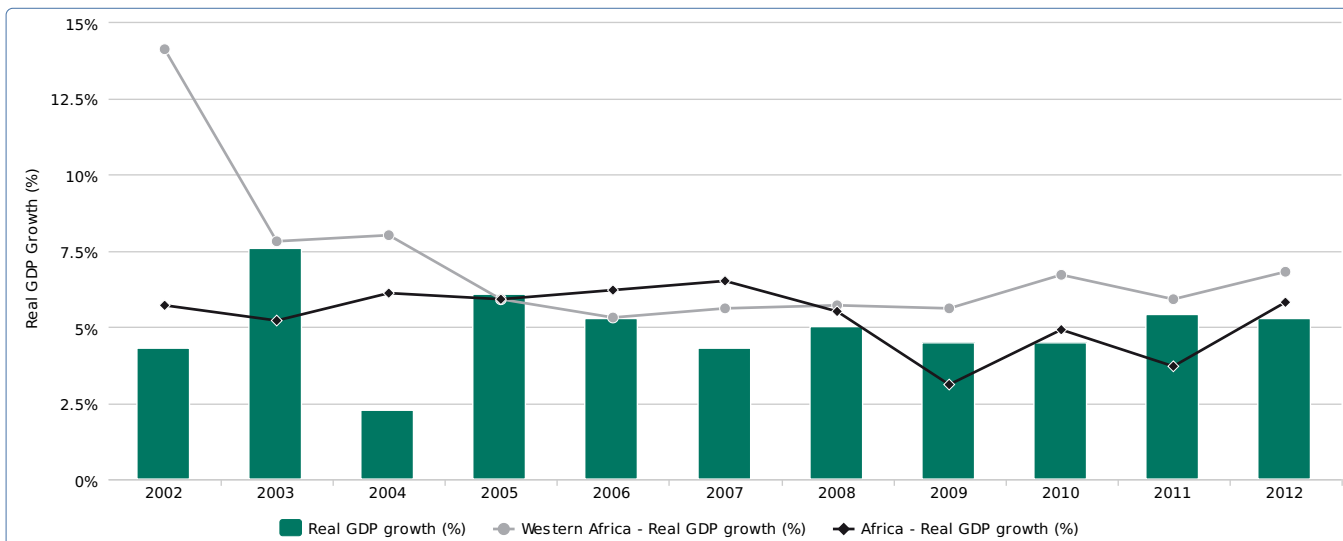
Table 1: Macroeconomic indicators

	2009	2010	2011	2012
Real GDP growth	4.5	4.5	5.4	5.3
CPI inflation	2.2	1.4	4.1	2.5
Budget balance % GDP	-4.2	-4.1	-4.1	-3.9
Current account % GDP	-7.5	-8.8	-9.6	-10.9

Source: National authorities' data; estimates and projections based on authors' calculations.

Figures for 2010 are estimates; for 2011 and later are projections.

Figure 1: Real GDP growth (W)



Source: IMF and local authorities' data; estimates and projections based on authors' calculations.

Figures for 2010 are estimates; for 2011 and later are projections.