

Mali



An Investment Guide to Mali
Opportunities and conditions
October 2006



United Nations



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AN INVESTMENT GUIDE TO MALI

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UNCTAD

The United Nations Conference on Trade and Development (UNCTAD) was established in 1964 as a permanent interGovernmental body. Its main goals are to maximize the trade, investment and development opportunities of developing countries, to help them face challenges arising from globalization, and to help them integrate into the world economy on an equitable basis. UNCTAD's membership comprises 192 States. Its secretariat is located in Geneva, Switzerland, and forms part of the United Nations Secretariat.

ICC

The International Chamber of Commerce (ICC) is the world business organization. It is the only body that speaks with authority on behalf of enterprises from all sectors in every part of the world, grouping together thousands of members, companies and associations from 130 countries. ICC promotes an open international trade and investment system and the market economy in the context of sustainable growth and development. It makes rules that govern the conduct of business across borders. Within a year of the creation of the United Nations, it was granted consultative status at the highest level (category A) with the United Nations Economic and Social Council. This is now known as General Category consultative status.

Notes

The term "country" as used in this study also refers, as appropriate, to territories or areas; the designations employed and the presentation of the material do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. In addition, the designations of country groups are intended solely for statistical or analytical convenience and do not necessarily express a judgement about the stage of development reached by a particular country or area in the development process.

References to "dollars" (\$) are to United States dollars, unless otherwise indicated.
References to "tons" are to metric tons.

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Three good reasons to invest in Mali

- **Political and economic stability**

Since the early 1980s, Mali has been reforming the structure of its economy and public finances. The democratization of the 1990s helped to strengthen this process, which has culminated in a fully liberal economy and a democracy that is often cited as a model in Africa. The security of persons and property is assured; the country is free of political unrest.

- **Access to regional and international markets**

Mali is located at the heart of West Africa and borders on seven other countries, making it an ideal place from which to explore the regional market. Any investment there has access to a market of approximately 73 million consumers living in the West African Economic and Monetary Union (WAEMU) member States and an impressive population of 220 million, in the Economic Community of West African States (ECOWAS) member countries. Furthermore, trade between Mali and its neighbouring States is set to increase significantly as major road, rail and river development projects come on stream: the trans-Saharan highway linking Bamako and Senegal; roads to the ports of Nouakchott, Dakar and Conakry; a rail link between Mali and Nigeria; and river ports in Mali, Senegal and Mauritania, which will open up the country *via* the Senegal River.

Mali also enjoys privileged access to the international market. As a Least Developed Country, Mali has qualified for access to the US market under the African Growth and Opportunity Act (AGOA) since 2002. Mali also enjoys full access to the European Union market, free of duties and quotas, thanks to the EU's Everything-But-Arms initiative.

- **Private initiative and investment opportunities**

Historically, Mali has been a nation of trade and migration. Until now, its entrepreneurial spirit has been reflected largely in trade, the hotel business and distribution. Although foreign direct investment (FDI) remains low in absolute terms, FDI is above average for the region in relative terms. Mali's economic potential is evident in the recent liberalization of the telecommunication sector, which has led to the emergence of private mobile telephone companies, all of which have far exceeded their business forecasts.



Preface

Foreign direct investment has come to be widely recognized as a major potential contributor to growth and development. It can bring capital, technology, management know-how and access to new markets. In comparison with other forms of capital flows, it is also more stable, with a longer-term commitment to the host economy.

This updated English version of the *Guide de l'investissement au Mali* is the seventeenth concrete product of a collaborative venture by the United Nations Conference on Trade and Development (UNCTAD) and the International Chamber of Commerce (ICC). Its objective is to bring together two parties with complementary interests: *companies* that seek new locations and *countries* that seek new investors. This is not always a straightforward exercise, for firms are driven by their global strategies as much as lured by specific opportunities, and countries have economic and social objectives that transcend attracting foreign investment.

The UNCTAD–ICC investment guides are thus properly seen as parts of a process, a long-term process at the heart of which is an ongoing *dialogue* between investors and Governments. The guides *themselves* are the product of a dialogue, including that occurring among and between the representatives of business and Government during the workshops that precede the completion of the guides. It is our hope that the guides will in turn *contribute* to the dialogue, helping to strengthen and sustain it, for we are convinced that in the long run it is this alone that will create conditions increasingly conducive to greater flows of investment.



Supachai Panitchpakdi
Secretary-General
UNCTAD



Guy Sebban
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ICC

Acknowledgements

Many individuals and institutions have contributed to the production of this guide. Although we cannot list each and every contributor, the following merit special mention: the donors who made contributions to the second phase of the investment guide project, specifically the Governments of Finland, Italy, Norway and Sweden; Mali Finance (a project of USAID/Mali) which made a financial contribution to the publication of the English version of the guide; the company executives and Government officials who participated in the consultations in Bamako and provided feedback on an earlier draft; and our consultants in Mali: Massaoly Coulibaly and Mohamed Simpara.

The cooperation of the *Centre National de Promotion des Investissements* (CNPI) and, in particular, its then Executive Director, Oumar Dia, and Deputy Director, Namori Traoré, was essential to the success of this project, as was the interest shown by the Ministry of the Economy and Finance, specifically the Minister for Investment Promotion, Ousmane Thiam.

This guide is an updated version of the original French guide published in 2004, which was prepared by an UNCTAD–ICC project team led by Vishwas P. Govitrikar that included Ludger Odenthal and Sophie Frediani. Anne Miroux provided overall guidance. Katia Vieu provided administrative support. The translation was done by Geneviève Wright. The guide was designed and typeset by Nelson Vigneault.

Note to the reader

This document is part of the UNCTAD–ICC series of investment guides. The publications in this series are intended for the use of foreign investors who are largely unfamiliar with the countries covered. They are thus designed to offer overviews of potential locations for investment, rather than to constitute exhaustive works of reference or provide detailed practical instruction. They do, however, offer pointers to sources of further information in the private as well as the public sector.

There are two other features of these publications that the reader will find worth noting. One is that they are third-party documents, intended to offer a balanced and objective account of investment conditions. Their principal advantage in drawing the attention of investors to the countries they cover is credibility. The other feature is that both their general structure and some of their specific content are the result of consultations with the private sector.

The executive summary is followed by a brief introductory chapter. Then come the three chapters that account for the bulk of the contents. “The Operating Environment” describes the general conditions in which investors must operate: macroeconomic conditions, infrastructure, human resources, etc. “Areas of Opportunity” offers a description of areas of potential interest to foreign investors. “The Regulatory Framework” focuses on regulations governing investment and foreign direct investment in particular. The fifth and final chapter provides a summary of the perceptions of the private sector in the country, both foreign and domestic.

The primary source of further information for an investor wishing to explore investing in Mali is the *Agence pour la promotion des investissements au Mali* (API-Mali) — see the box IV.3 on page 42. Contact details of selected sources of further information, including websites, are provided in appendix 3. Appendix 2 provides a list, including contact details, of some 60 major foreign investors in Mali.

The UNCTAD–ICC series of investment guides**PUBLISHED**

- *An Investment Guide to Ethiopia*, 1999; revised edition in new format, 2004
- *Guide de l'investissement au Mali*, 2000; revised edition in new format, 2004
- *An Investment Guide to Bangladesh*, 2000
- *An Investment Guide to Uganda*, 2001; revised edition, 2004
- *An Investment Guide to Mozambique*, 2002
- *An Investment Guide to Nepal*, 2003
- *An Investment Guide to Cambodia*, 2003
- *Guide de l'investissement en Mauritanie*, 2004
- *An Investment Guide to Mauritania*, 2004
- *An Investment Guide to Kenya*, 2005
- *An Investment Guide to Tanzania*, 2005
- *An Investment Guide to East Africa*, 2005
- *An Investment Guide to Rwanda*, 2006
- *An Investment Guide to Mali*, 2006

(The first editions of the guides to Ethiopia and Mali were published in cooperation with PricewaterhouseCoopers.)

Contents

Three good reasons to invest in Mali	
Preface	iiv
Acknowledgements	iv
Note to the reader	iv
Executive summary	1
I. Introducing Mali	7
Country and people	7
History and Government	7
Market size and access	8
Government priorities	9
Privatization	9
II. The operating environment	13
Economic environment	13
Trade and investment	14
Infrastructure and utilities	16
The financial sector	18
Human resources	19
Taxation	21
The private sector in Mali	24
III. Areas of opportunity	29
Priority areas	29
Other opportunities	35
IV. The regulatory framework	39
Legal and judicial system	39
Institutional framework	40
Entry and exit	40
Ownership, property and management control	42
Investment protection	43
Exchanging and remitting funds	43
Fiscal incentives	43
Special regime related to the mining sector	43
Other issues	44
V. Private-sector perceptions	47
General observations	47
Specific points	48
Appendices	49
1. Priorities and restrictions	49
2. Major foreign investors	50
3. Sources of further information	57
4. Public holidays in 2005 and related information	60
5. Privatization	61
6. Major laws and regulations affecting foreign investment	65
References	67

COVEC-Mali set up shop in this beautiful West African country about ten years ago. Mali is a land of free enterprise, free market economy, good Government and, especially, overall security. The country has been very welcoming to COVEC-Mali, enabling it to operate in a stable environment for buildings, public works (roads, bridges, engineering structures), drilling and rural development.

Liang Ying, General Director, COVEC-Mali



Investors are welcome

The Republic of Mali is a democratization success story. The emergence of multi-party democracy in 1991 was supported by economic reforms and adjustment programmes initiated in the late 1980s, with the help of the International Monetary Fund and the World Bank. Implementation of the new economic policy resulted in price liberalization and freer trade and the State's withdrawal from the production of goods and services through the gradual privatization of public enterprises. At the same time, the Government introduced a series of investment incentives and launched a process of legislative and regulatory reform and tax simplification, with the specific goal of fostering investment.

Advantages

Today, the Republic of Mali can be described as a politically stable country with one of the lowest crime rates in the region. This stable social and political climate is reassuring to any foreign investor.

Mali's fortunate geographic location – it borders on seven States – helps foster trade in the sub-region. Its membership in two regional economic organizations, namely the West African Economic and Monetary Union (WAEMU) and the Economic Community of West African States (ECOWAS), further enhances its trading position.

At the international level, Mali is also a member of the Organization for the Harmonization of Business Law in Africa (OHADA), created to establish legal security for economic activities in order to restore investor confidence and promote trade among members States.

At the national level, there are a number of incentives for foreign investors in Mali. Labour costs are very reasonable, although payroll taxes are high. Private property enjoys strong protection against expropriation.

The Government's new reforms – revised customs, labour and mining codes; restructured public finances; and corporate tax incentives – have helped a great deal in attracting investors. The Government has also set up a public-private consultation framework, established a national commission for competition and implemented environmental protection policies.

Opportunities

Mali is rich in investment opportunities, some of which have yet to be explored. Agriculture, livestock and mining offer the most investment potential.

The cotton industry employs one third of the country's population. Mali is the largest producer and exporter of cotton in West Africa and the second largest producer in Africa as a whole after Egypt. WAEMU provides a market for its agricultural products, including cotton, rice and sugar. Growth in the sugar cane business and, consequently, in alcohol production, represents potential for increased exports to neighbouring countries and to Europe. This export potential is amplified by the European Union's Everything-But-Arms initiative which grants free access to the EU market for products from Least Developed Countries (LDCs), with the exception of bananas, rice and sugar. Between 2006 and 2009, the EU market will open up completely to rice and sugar. The fruit and vegetable industry offers considerable potential as well, as witnessed by the successful mango production and export business.

There are also very good prospects in livestock production, which could be further enhanced through infrastructure improvements (slaughterhouses and cold chains). Mali is the top livestock producer in the sub-region. Oilseeds also offer investment potential. An EU regulation authorizing the use of shea butter in the fabrication of chocolate has maximized the export potential of this product in European markets.

The mining sector continues to be a very profitable area of investment. Gold, which represents 80% of the activity in this sector, has been the leading export item since 2002, ahead of cotton and livestock. Other minerals such as uranium, manganese, iron and diamonds are still underdeveloped and offer definite potential for foreign investors. The mining code has been revised to stimulate investment.

There are also investment opportunities in the tertiary sector, particularly in the development of new communication technologies such as mobile telephones. Mali's unique natural and cultural assets also offer opportunities for investment in tourism. The Djenné Mosque and the prehistoric city of Timbuktu have been designated World Heritage sites by UNESCO. International promotion, improved infrastructure and better services could make Mali a tourist destination of choice.

Difficulties facing investors

Human resources are one of Mali's weak points. Although abundant, the workforce is under-qualified. The 19% literacy rate among adults largely explains this phenomenon. Furthermore, people with good qualifications and experience often seek better employment opportunities abroad. The health sector is among the poorest in the region, with an infant mortality rate of 14% and a ratio of one physician for every 20,000 people.

Inadequate infrastructure is another barrier to Mali's economic development. Road and rail networks are still inadequate, although some progress has been made, notably with the plan to privatize the railroad. The development of communications – both in size and quality – is indispensable for a landlocked country like Mali. The high cost of utilities, particularly electricity, also constitutes a challenge for investors.

Finally, public administration is weak, with endless bureaucracy and a lack of transparency.

FDI trends

Foreign direct investment was virtually non-existent until 1990. Beginning in the early 1990s, it grew steadily, with an exceptional rise in 2002, which can be attributed to a large investment in telecommunications (table II.2). As table II.1 shows, FDI flows are lower in absolute terms in Mali than in several neighbouring countries but significantly higher as a percentage of GDP than in all but one country. Other than telecommunications, areas that have been most attractive to foreign investors in recent years include real estate, hotels, textiles and other manufacturing.

Prospects and challenges

Economic development is a priority for the Government of Mali. Seventy per cent of the population currently lives below the poverty line. However, Mali's successful transition to democracy and the implementation of an economic adjustment plan have vastly improved the situation and Mali is making up for lost time. Privatization of the energy sector, for example, has already contributed a great deal to the country's economic growth and helped improve services and basic infrastructure. It is the Government's intention to spur economic development by reinforcing infrastructure and facilities, developing farmland, opening up certain regions and enhancing tourist sites.

Strengthening the education and health sectors represents a major challenge for Mali. Among other things, better education will eventually help address the shortage of skilled labour. Public administration reforms have been most encouraging and will make for more effective and transparent governance.

Mali's slow but steady economic development is a sign that the Government's continuous efforts in implementing judicial and economic reforms are paying off. The country has now become a much more promising place to invest.

Mali at a glance

Official name	Republic of Mali
Political system	Semi-presidential system of Government. The President and the Assembly are elected by universal suffrage. The Government, led by a Prime Minister, is accountable to the National Assembly
Head of State	President Amadou Toumani Touré, elected on 8 June 2002 with a five-year mandate
Head of Government	Prime Minister Ousmane Issoufi Maiga
Political parties in Parliament	Espoir 2002, a coalition which includes the Patriotic Movement for Renewal (MPR), the National Congress for Democratic Initiatives (CNID), the Rally for Labour Democracy (CDS) and the Rally for Mali (RPM), has 66 seats in the Parliament. The Alliance for Democracy in Mali (ADEMA) has 51 seats and various other parties 30 seats.
Surface area	1,241,238 sq. km
Population	10.9 million
Population density	7.9 per sq. km
GDP per capita (2004)	\$260 (at purchasing power parity, \$1,030)
Main exports in 2002	Gold, cotton lint, live animals
Currency	Franc of the <i>Communauté financière africaine</i> (CFAF), shared with seven other West African states and issued by the Central Bank of West African States (BCEAO)
Exchange rate	Pegged to the euro, at a fixed rate of: €1 = 656 CFAF \$1 = 517 CFAF (as of 01 October 2006)
Official language	French
Other languages	Bambara, Soninke, Peuhl, Dogon, Sonrhai, Malinke, Miniyanka, Senoufo, Khassonke, Tamasheq
Religions	Islam (90%), Christianity (1%), Other (9%)
Time zone	GMT
Climatic conditions	Mali is divided into three climatic zones: the Sudanic in the South (16% of the territory) with 700 to 1,000 mm of annual precipitation; the Sahelian in the Centre and West (44% of the territory) with 200 to 400 mm precipitation and the Saharan in the North (40% of the territory) with little or no rain. There are three main seasons: rainy and humid from June to October, cool and dry from November to February, and hot and dry from March to June.
Main cities/towns	Bamako (1,035,452 inhabitants) Sikasso (136,439 inhabitants) Segou (107,659 inhabitants) Mopti (82,162 inhabitants) Koutiala (78,085 inhabitants) Kayes (68,418 inhabitants) Niono (55,227 inhabitants) Kati (53,959 inhabitants) Gao (52,840 inhabitants) San (47,648 inhabitants) Tombouctou (30,209 inhabitants)



Source: Based on map of Africa by the United Nations Cartographic Section.

Country and people

Mali is a landlocked country, situated at the heart of West Africa. It shares its 7,000 km border with seven other countries: Algeria to the north, the Niger and Burkina Faso to the east, Côte d'Ivoire to the south, Guinea Conakry and Senegal to the west and Mauritania to the northwest. Two-thirds of Mali is desert. There are three climatic zones, the Sudanic, Sahelian and Saharan zones (see Mali at a glance, p. 4). The Niger River flows through Mali for 1,700 km (40% of the total length of the River) and the Senegal River for over 900 km (53% of its length). Geographically, it is made up of plains, plateaus and a few high peaks, the highest of which is Mount Hombori (1,155 m). The country is divided into eight administrative regions and the district of Bamako, and has a population of over 10 million. Seventy per cent of Malians live in rural areas. Under the decentralization policy, regions are subdivided into administrative divisions (circles) and administrative divisions in turn into communes, both urban and rural. The population is ethnically diverse. The ten largest groups are Bambara, Malinka, Soninke, Fulfulde, Dogon, Sonrhāï, Miniyanka, Senufo, Khassonke and Tuareg. Mali is as diverse culturally as it is ethnically.

The predominant religion is Islam, practiced by over 90% of the population, followed by Christianity and other religions. Agriculture and livestock continue to be the main engines of the economy, although trade and industry are growing.

The country has no significant security problems and enjoys the lowest crime rates in the region. However, several Governments (such as France and the UK) currently advise their national citizens not to travel to the north of Timbuktu, the western border area with Mauritania and the eastern border with Niger, because of banditry.

History and Government

Since the beginning of the first millennium A.D., there has been a succession of empires and kingdoms in West Africa, including the Empire of Ghana (3rd to the 13th century), the Mali Empire (13th to the 16th century), the Songhai Empire (16th to the 17th century) and the nationalist Bambara, Khassonke, Fulfulde and Senufo kingdoms (17th to the 19th century). From 1895 until 22 September 1960, when it became independent, Mali was a French colony.

In the recent political history of the Republic of Mali, there have been four phases:

- 1960-1968, the socialist regime of Modibo Kéita's Union soudanaise rassemblement démocratique africain (US-RDA), based on State control of the means of production;
- 1968-1978, the military dictatorship of the Comité militaire de libération nationale (CMLN) led by Lieutenant Moussa Traoré and characterized by a mild liberalization of the economy;
- 1978-1991, General Moussa Traoré's Union Démocratique du Peuple Malien (UDPM), which pushed liberalization further; and
- 1991 to present, multi-party democracy characterized by the withdrawal of the State from most economic activity.

Under the current multi-party political system, executive power is vested in the President of the Republic and the Government, headed by the Prime Minister, who is appointed by the President. Cabinet ministers are also appointed by the President of the Republic on the Prime Minister's recommendation. The Government is accountable to the National Assembly, which consists of representatives elected by direct universal suffrage for a five-year period. Judicial authority is completely independent and is exercised by the Supreme Court and other courts and tribunals. Every incoming Prime Minister submits a statement of general policy to parliament for approval, outlining his Government's priorities.

The President of the Republic plays an important role as a mediator in the event of internal and external conflicts. In fact, it was the direct involvement of the President of the Republic that helped to resolve a recent hostage-taking involving German, Swiss and Dutch nationals, without incident.

Mali is today a peaceful democracy in which free and open elections are held regularly. General elections were held in 2002 (presidential and legislative) and the next elections will be held in June 2007.

Market size and access

Since two thirds of Mali's small population (about 11 million inhabitants) live in poverty, the domestic market (table I.1) is limited. For example, fewer than 15% of Malians have access to electricity, which means that the market for electrical appliances and high-end consumer goods is very limited.

However, investors in Mali have access to a much bigger regional market. Membership in the West African Economic and Monetary Union (WAEMU), with its 70 million inhabitants, and the Economic Community of West African States (ECOWAS), with its 210 million inhabitants, gives Mali large export markets with preferential terms under regional economic integration agreements. Trade agreements among the Sahel States also offer other potential markets.

As a least developed country (LDC), Mali enjoys privileged access to the European market thanks to the ACP-EU agreements and the European Union's Everything But Arms (EBA) initiative and to the US market under the African Growth and Opportunities Act (AGOA).

COUNTRY	REGIONAL MARKET		GDP PER CAPITA		GDP PER CAPITA PPP	
	POPULATION	GDP ^a	GDP PPP ^b			
2004	Millions	2004	2004	2004	2004	2004
Algeria	32	84	210	1 981	6 507	
Burkina Faso	12	5	15	257	1 217	
Côte d'Ivoire	17	15	25	583	1 469	
Guinea	8	3	17	433	2 157	
Mali	12	12	12	1 030		
Mauritania	3	1	6	396	2 241	
Niger	12	3	10	208	837	
Senegal	10	7	18	504	1 745	
Sub-Saharan Africa	719	544	1 309	536	1 960	

Source: Adapted from the World Bank, *World Development Indicators, 2005*, <http://publications.worldbank.org/WDI/> and the UNDP, *World Development Report, 2005*.

^a GDP at market prices (current US\$).

^b GDP at purchasing power parity (current international \$).

Government priorities

Mali introduced economic liberalization two decades ago, resulting in today's price and trade liberalization, the privatization of public corporations, the exposure of former public monopolies to competition, and generally increased participation by the private sector (including foreign companies). The liberal policies pursued thus far have helped to stabilize the macroeconomic situation and reduce the burden of external public debt on public finances. The one-window system has helped promote private investment and attract foreign investors by simplifying and expediting the administrative procedures for bringing investment projects on stream.

Mining, agro-processing, telecommunications, banking and insurance, construction and infrastructure are the areas that attract foreign investors to Mali. As a member of the Organization for the Harmonization of Business Law in Africa (OHADA), Mali is committed to reorganizing its legal and regulatory framework to provide stronger safeguards for private property and effective protection for intellectual property and trademarks.

Privatization

With democratization and the institution of the Third Republic in 1992, the pace of economic liberalization picked up. In August 1994, the Government enacted Bill 94-41, which laid down the basic principles, conditions, modalities and mechanisms for the privatization of public enterprises. Under this legislation, the privatization process is authorized by order-in-council and implemented and monitored by the State assets administration branch. For each privatization, the branch creates a file containing the following information:

- A prospectus legally identifying the enterprise along with any relevant information regarding the business and its environment;
- A technical audit including a detailed list of assets and a description and qualitative and quantitative assessment of such assets;
- A financial audit of accounts with confirmation of the latest net results;
- Rehabilitation measures that may be required to facilitate the privatization process; and
- The method of privatization: asset sale, share sale or lease.

Whatever the method, privatization must go through an international tender process to guarantee open and fair competition for all bidders, without distinction between national and foreign investors. However, in the event that the contract cannot be awarded after two successive invitations to tender, a mutual agreement procedure is authorized by law. Private arrangements are also permissible in the event of assignment of the enterprise to its employees. Privatization has helped to draw some foreign investors, including:

- COVEC (textiles – COMATEX, 80% Chinese equity);
- COVEC (sugar – SUKALA, 60% Chinese equity);
- SAUR International-IPS-WA (electricity – EDM, 60% French and Canadian equity);
- Transrail (railroads – RCFM – a 30-year lease to the Canadian firm CanaRail);
- Avnel Gold (mining, UK).

The agricultural sector is now almost completely liberalized, in terms of both production and marketing. Although the State has retained a minority interest in mining companies, it is mostly in the hands of the private sector. The State does continue to play a part in the economy, particularly in the following areas: cotton (CMDT – Compagnie Malienne pour le Développement des Textiles), telecommunications (SOTELMA – Société des Télécommunications du Mali), pharmaceuticals (UMPP – Usine Malienne de Produits Pharmaceutiques) and airports (ADM – Aéroports du Mali). However, none of these areas is closed to competition. On the contrary, they are all open to private investment, which is already to be found in telecommunications (IKATEL – since 2003). The privatization of CMDT is planned for 2008 and those of ADM and SOTELMA are in process (see appendix 5).

Box I.1. Promoting public-private dialogue

The Government has made a commitment to promoting dialogue between the public and private sectors in order to foster investment. The *cadre de concertation État-secteur privé* (State–private sector coordination framework) has been established to help promote the private sector as the engine of economic growth through open and coordinated dialogue. Its specific goals are as follows:

- To create space for dialogue and consultation between the State and the private sector;
- To implement a participatory method of managing disagreements with a view to encouraging consensual decision-making;
- To provide the State and the private sector with an opportunity to define a shared vision of development; and
- To provide advice and recommendations to enable more enlightened decision-making and more focused action-planning.

The *Cadre de concertation État-secteur privé* comprises two consulting bodies, the *Comité national de coordination économique* (CNCE) – national economic coordination committee and the *Comité de développement du secteur privé* (CDSP – private sector development committee), as well as an operational authority, the *Bureau du modérateur* (moderator's office).

Chaired by the Prime Minister, the *Comité national de coordination économique* has the task of examining all matters related to economic policy and management. To that end, it is responsible, *inter alia*, for evaluating and monitoring the evolution of the private-sector development policy and for involving private-sector representatives in the development and implementation of economic development policies.

The *Comité de développement du secteur privé*, chaired by the Minister for the private sector, examines all matters related to development of the private sector, specifically the evaluation and monitoring of sectoral development policies, the development of a spirit of partnership between the State and the strengthening of professional private sector organizations.

The *Bureau du modérateur* directs the CNCE and CDSP, and acts as vice-chair. Its specific responsibilities include:

- To ensure that the views of the private sector are taken into consideration in all of the Government's major economic decisions;
- To draw the attention of the Government to the impact of its decisions on the private sector and to obstacles to the development of the sector;
- To identify problems that hinder the development of the private sector and propose solutions to the Government; and
- To help the Government coordinate assistance from Mali's partners for private-sector development.

Any economic operator, whether Malian or foreign national, may refer a dispute to the *Bureau du modérateur* in writing. An amalgamation of the *Comité national de coordination économique* and the *Comité de développement du secteur privé* is now planned to establish a single coordination framework and thereby strengthen the partnership between the State and the private sector.

Source: UNCTAD, based on information provided by API-Mali.

After a number of reconnaissance missions to West Africa to explore real estate opportunities, we finally settled on Mali. Mali offers very attractive real estate legislation and a huge potential market. In establishing the business in Mali, our strategy was to partner with a professional in the industry to get a better grasp on the level of risk and to move ahead in a non-threatening environment.

Konrad Guttman General Director, IFA-BAKO
West African Investment Corporation



Economic environment

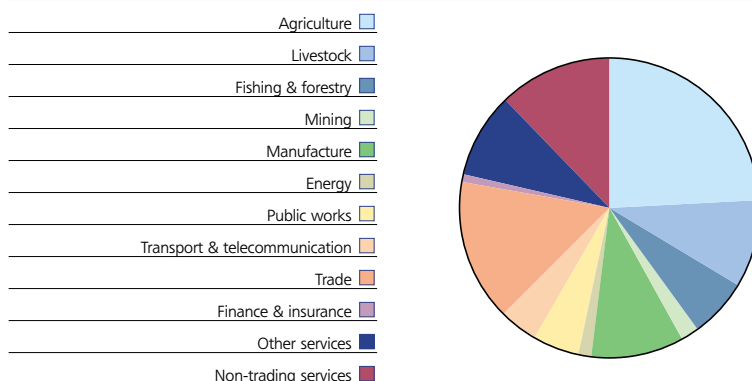
Between 1995 and 2004, Mali's gross domestic product (GDP) grew at an average annual rate of 5%, a rate insufficient to reduce poverty significantly and boost the economy. The *Cadre Stratégique de Lutte contre la Pauvreté* (CSLP – Poverty Reduction Strategy) has targeted a rate of 6–7%.

Since the devaluation of the CFA franc in January 1994, the growth rate has accelerated. Rates of over 6% were recorded in the four years following the devaluation but, starting in 2000, the growth rate slowed, as a result of difficulties in the cotton industry and the decline in the price of gold, the country's two main exports. Poor rainfall and the

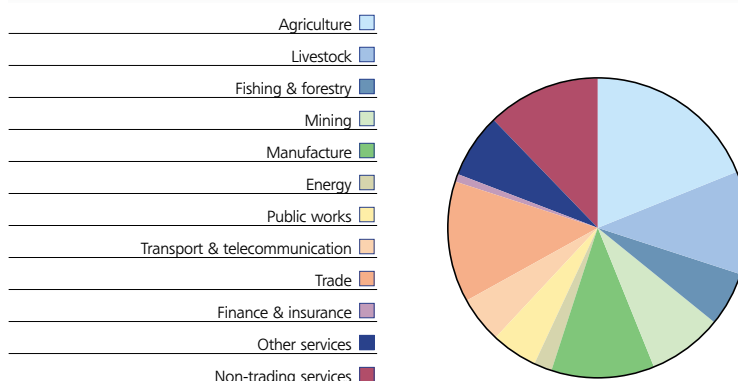
crisis in Côte d'Ivoire in 2002 also had an impact. In 2002, growth recovered significantly thanks to better rainfall, the improved situation in the cotton industry — owing to the privatization of the *Compagnie malienne de développement textile* (CMDT – Mali textile development company) — and higher gold prices.

Domestic production continues to be dominated by agriculture, although the sector's importance declined slightly between 1995 and 2005 (24% of GDP in 1995 and 17% in 2005 (figures II.1 and II.2)). The declining contribution of the agriculture industry to GDP meant a greater share for the mining industry (which increased from 2% of GDP in 1995 to 6% in 2005).

FIGURE II.1. STRUCTURE OF GDP IN 1995



Source: UNCTAD, based on *Comptes économiques du Mali* (economic accounts of Mali) from the *Direction nationale de la statistique et de l'informatique* (DNSI) (national directorate of statistics and data processing), 2005.



Source: UNCTAD, based on *Comptes économiques du Mali* (economic accounts of Mali) from the *Direction nationale de la statistique et de l'informatique* (DNSI) (national directorate of statistics and data processing), 2005.

Trade and investment

Trade

Mali has strengthened its presence in the global economy. For example, its share of global exports increased by about one-fifth during the 1990s, while that of the West African Economic and Monetary Union (WAEMU) decreased by one-fifth. The proportion of Mali's economic activity accounted for by exports also increased from 20% in the mid-1990s to over 25% since 2001. Mali's improved trade profile was offset by a deterioration in exchange terms and a loss of competitiveness in certain key sectors such as cotton, leather goods, skins and hides, and fruit and vegetables.

Since 1995, average annual growth in exports has been 14%, compared with 5% for imports. This led to a fall in the trade deficit from 20% to 2% of GDP between 1995 and 2002.

As part of the WAEMU Customs Union, duties and import taxes have been merged into a single duty entitled the Common External Tariff (CET), which has the following rates:

- 0% on social goods (e.g., medicine, books, etc.)
- 5% on equipment and raw materials;
- 10% on other inputs; and
- 20% on final consumer goods.

The above rates are topped up by 1.5% for a community funding allocation — 1% to WAEMU for the *prélèvement communautaire de solidarité* (PCS – community solidarity levy) and 0.5% to ECOWAS (Economic Community of West African States) for the *prélèvement communautaire* (PC – community levy) — and by 1% for the *redevance statistique* (RS – statistical charge).

Mali's exports are dominated by gold, cotton lint and livestock, which represent over 90% of the value of all exports from the country. Machinery and vehicles form the largest category of imported products (approximately 30%), followed by three groups of products with similar levels (petroleum products, foodstuffs and construction materials).

Geographically, Europe receives a large share of Mali's exports (45% in 2000), followed by Asia (25%), Africa (19%) and the Americas (11%). However, the most dynamic export markets are now China, France and the United States. Imports come from Europe (44% of total imports on average per year), Africa (37%, including 35% from WAEMU) and Asia (11%). Decreasing imports from Europe have meant an increase in market shares for Asia, Africa and the Americas.

Foreign direct investment

Foreign direct investment (FDI) increased in 2002, fell in 2003 and went up again in 2004. Compared with the other countries in WAEMU (especially Côte d'Ivoire and Senegal), however, Mali receives a lesser share of FDI in absolute terms. Nonetheless, relatively speaking, the flow of investment to Mali has generally been higher than to other countries in the sub-region (table II.1).

With planned investment of 113,775 million CFAF, the telecommunication company IKATEL, which began operating in February 2003, is the largest investor during the period 2001–2005 (table II.2).

TABLE II.1. FDI FLOWS TO SELECTED AFRICAN COUNTRIES, 1986-2004

COUNTRY	1986-1990		1991-1995		1996-2000		2002		2003		2004	
	in \$ millions	in \$ per \$1,000 of GDP	in \$ millions	in \$ per \$1,000 of GDP	in \$ millions	in \$ per \$1,000 of GDP	in \$ millions	in \$ per \$1,000 of GDP	in \$ millions	in \$ per \$1,000 of GDP	in \$ millions	in \$ per \$1,000 of GDP
Algeria	0.2	14.8	0.5	22.0	8.0	395.2	18.9	1 065.0	9.7	633.8	10.8	881.9
Benin	15.2	25.1	22.8	44.3	13.9	31.8	5.0	13.5	12.7	44.7	14.7	60.0
Burkina Faso	1.3	2.9	3.4	7.0	5.3	12.3	5.2	15.0	7.6	29.1	6.8	35.0
Côte d'Ivoire	5.6	55.4	11.3	118.4	27.1	324.6	18.1	212.6	11.2	165.4	22.6	360.0
Guinea	5.6	13.4	4.1	12.4	7.4	26.5	9.3	30.0	21.9	79.0	26.5	100.0
Mali	0.2	1.0	10.4	22.5	16.5	41.3	77.5	243.8	34.1	132.3	36.5	180.0
Mauritania	3.9	3.7	6.9	7.0	10.0	9.2	121.5	117.6	194.3	214.1	222.9	300.0
Morocco	4.1	95.3	14.6	423.0	18.1	623.8	13.3	480.7	51.8	2 314.5	17.1	853.1
Niger	7.1	16.2	7.1	15.0	2.9	5.3	1.1	2.4	4.2	11.5	6.4	20.0
Senegal	2.5	14.1	5.7	23.1	20.2	91.8	15.5	78.1	8.1	52.5	9.2	70.0
Tunisia	8.8	89.5	27.4	420.5	25.0	491.9	39.1	821.3	23.2	583.9	22.4	638.9
Memorandum												
Africa	7.0	2 933.0	9.8	4 871.5	16.3	9 440.1	23.8	12 993.8	28.4	18 004.6	22.9	18 090.4
North Africa	7.5	1 284.6	8.8	1 634.6	11.1	2 678.5	16.3	3 872.0	21.3	5 261.6	18.4	5 269.7
Developing countries	8.9	27 633.8	16.5	80 385.8	32.2	203 164.5	23.5	155 528.4	23.2	166 336.6	27.6	233 227.3

Source: UNCTAD, FDI/TNC database.

TOP TEN FOREIGN INVESTMENT

YEAR	DESIGNATION	SECTOR	PLANNED INVESTMENT (MILLION CFAF)	JOBS CREATED	
1	2002	IKATEL	Telecommunications	113 775	94
2	2004	BATEX-CI	Textile	32 580	777
3	2004	TRANSRAIL SA	Transport	19 730	48
4	2005	SOBRA SARL	Food and beverages	18 207	124
5	2005	STN	Transport	12 106	33
6	2003	SERPE-INDUSTRIE SARL	Other industries	11 170	150
7	2005	MARLAN'S FERTILIZER INDUSTRIES			
		MALI SA	Chemical products	10 642	208
8	2005	MARLAN'S TRANSPORT INTERNATIONAUX	Transport	10 562	370
9	2005	SADA SY	Manufacturing of wood	10 025	63
10	2004	SCICO Mali	Construction	8 397	19

Source: UNCTAD, based on information provided by API-Mali, 2005. Exchange rate as of 01 October 2006: \$1 = 517 CFAF.

Infrastructure and utilities

Over the last five years, serious efforts have been made to improve infrastructure and utilities. The electrical network has been extended with the opening of the hydroelectric dam in Manantali, the road network has been expanded and the telecommunications sector has been opened up.

Nonetheless, the state of the infrastructure remains a constraint on investment, including FDI, in areas other than infrastructure and utilities themselves.

Electricity

Since 2000, operational management of the production, transport, distribution and sale of electricity has been awarded to private operators, under concessions granted by the State. The company *Énergie du Mali*—Société anonyme (EDM-SA) was privatized in December 2000. Sixty percent of its share capital is held by a private consortium (SAUR INTERNATIONAL-IPS-WA) and 40% is held by the State. There are plans to sell off the State's remaining share to private operators in Mali and the sub-region.

The peak power of the interconnected network was 283 megawatts (MW) in 2003, compared with 186 MW in 2002. Continued efforts to improve the technical and commercial output and to connect to the Manantali dam, of which Mali has not yet fully absorbed its quota (52% of the 200 MW meant for Mali, Senegal and Mauritania), should allow *Énergie du Mali* to continue to extend the network. Demand for electricity is expected to grow further.

The energy-sector development plan stipulates a phased take-up of Mali's quota from the Manantali plant (416 gigawatt-hours) and starting in 2006–2007, production by the Kenie hydroelectric plant (56 MW, or 175 GWh) and energy imports from Côte d'Ivoire or even Ghana (80 MW or 289 GWh). These measures will make it possible to reduce Mali's electricity shortfall, which was estimated at 40 MW in 2004.

Although access to electricity remains extremely expensive (63 CFAF/kWh), major progress has been made toward improving electricity supply.

Transport

The state of Mali's transport links remains among the poorest in West Africa. The road network covers approximately 13,000 km, of which just 25% is paved, and the rail network comprises a single line between Dakar and Bamako.

However, infrastructure development is a priority for the Government and for regional organizations in general. Major internal and regional construction works designed to open up the country are under way. The trans-Sahel road between Mali and Senegal, part of an ECOWAS project approved by the New Partnership for Africa's Development (NEPAD), should be completed by 2006. In addition, road infrastructure projects have been initiated by the Government to link the country to Mauritania, Senegal and Guinea.

Also the rail network will soon be modernized through the privatization of the *Régie du Chemin de Fer du Mali* (RCFM – Mali railroads authority), expected to be taken over by the Canadian company Transrail. Mali also has 14 airports, including seven international airports (Bamako, Gao and, recently, Mopti, Kayes, Sikasso, Timbuktu and Nioro) and seven domestic ones (Goundam, Kenieba, Kidal, Manantali, Nara, Tessalit and Yelemani).

The river network, navigable five or six months in the year, covers more than 2,000 km and transports over 32,000 tonnes of cargo each year. This network will acquire greater importance as a key part of a project being implemented by the *Organisation pour la Mise en Valeur du Fleuve Sénégal* (OMVS – Senegal River Basin Authority), which will link Kayes to the seaport of Saint-Louis in Senegal.

Telecommunications

Telephone density remains very low in Mali, despite efforts over the past several years to open up the sector to competition and attract foreign investors. The cost of international telephone calls is very high, the highest in the sub-region (table II.3).

The advent of mobile telephony has led to a sharp rise in teledensity. Introduced in 2000, it increased its subscribers from 4,400 in 2000 to 200,000 in 2005, with just one company, Malitel. A new operator, Ikatel SA, began operating in February 2003. It now has over 500,000 subscribers.

Internet access has also increased spectacularly, with about 35,000 Internet subscribers being served by 14 Internet service providers in 2005 (compared with only 7,000 in 2002) and seven companies connected to the Société des télécommunications du Mali (SOTELMA) Internet access node. There are plans to open the capital of SOTELMA to private investors.

COUNTRY	TELECOMMUNICATIONS		AVERAGE COST OF TELEPHONE CALL TO US \$ PER 3 MINUTES	CELLULAR MOBILE SUBSCRIBERS		INTERNET	
	FIXED TELEPHONE LINES PER 100 INHABITANTS			Per 100 inhabitants	As % of total telephone subscribers	Users per 10,000 inhab.	Estimated PCs per 100 inhab.
	2000	2004		2004	2004	2004	2004
Algeria	5.80	6.93	4 ^a	14.48	68.0	261.29	0.90
Burkina Faso	0.47	0.61	2	2.97	83.0	39.72	0.21
Côte d'Ivoire	1.78	1.43	6	9.07	86.6	177.55	1.55
Guinea	0.32	0.34	5	1.44	81.0	575.00	5.50
	<i>0.38</i>	<i>0.68</i>		<i>3.60</i>	<i>84.2</i>		
Mauritania	0.74	1.39	4 ^a	17.53	93.2	46.98	1.41
Niger	0.19	0.19	9	1.19	86	19.33	0.07
Senegal	2.16	2.21	2	9.94	81.8	466.20	2.34

Source: Adapted from the International Telecommunication Union, http://www.itu.int/ITU-D/ict/publications/wtdr_02/index.html and the World Bank, <http://publications.worldbank.org/WDI/>, *World Development Indicators*, 2004.

^a Figure for 1999.

The financial sector

Until 1991, Mali's financial system comprised six commercial banks and no financial institutions. Today, the banking system includes more than 70 teller windows at nine commercial banks and three non-bank financial institutions, which are open to foreign and local capital.

The largest Malian bank, the *Banque de Développement pour le Mali* (BDM) is also one of the ten largest bank in the ECOWAS region, followed by the *Banque Nationale de Développement Agricole* (BNDA). The largest banking group in ECOWAS, ECOBANK, headquartered in Togo, is also present in Mali, as well as the BICIM, an affiliate bank of the French group BNP. A new mutual bank was established in 2002, the *Banque Malienne de Solidarité* (BMS).

Despite improvements to the financial system and the increased availability of resources, businesses continue to lament the difficulties of obtaining credit, especially for long-term investment. These difficulties stem from a scarcity of credit, which banks attribute to the predominance of demand deposits over term deposits.

Capital market and insurance sector

Given the scarcity of long-term resources from the banks, WAEMU's *Bourse régionale des valeurs mobilières* (BRVM – regional stock exchange) is a long-term financing alternative for businesses. This is a regional market on which States and large companies issue bonded loans, which have been extremely popular. The scarcity of Malian companies on the stock exchange (only Bramali and Stelma are listed) limits its scope for long-term financing in Mali.

The *Fonds Africain de Garantie et de Coopération Economique* (FARGACE) and the West African Growth Fund (WAGF) are also financing development projects and securizing loans in the ECOWAS region.

The insurance sector is considered another major source of financing. As of 2003, Mali has six insurance companies and two pension funds, one for the private sector employees and the other for civil service workers. Five provide general insurance (auto, fire, accident, casualty and transport): Colina, CNAR, Lafia, AGM and Sabu Nyuma. One specializes in life insurance: SONAVIE. Two insurance brokers, GRAS Savoye and Safcar Faugères et Jutheau, specialize in consulting, intermediation and insurance investments.

TABLE II.4. BANKS IN MALI

NATIONAL BANKS	
1.	Banque de Développement du Mali (BDM-SA)
2.	Banque Nationale de Développement Agricole (BNDA)
3.	Banque Internationale pour le Mali (BIM)
4.	Banque Commerciale du Sahel
5.	Banque de l'Habitat du Mali (BITM)
6.	Banque Malienne de la Solidarité (BMS) - effective since 2002
FOREIGN BANKS	
	BICIM - affiliate of BNP
	ECOBANK - affiliate of the banking group ECOBANK (Togo)
OTHER FINANCIAL INSTITUTIONS	
	Société Malienne de Financement (SOMAFI)
	Crédit Initiative (CISA)
	Equip Bail Mali (EQUIPBAIL) - created in 1998

Human resources

Using data projections from the general census of 1998, Mali's labour force can be estimated at 4.6 million people for 2002. With a rate of paid employment of approximately 10% (6% for women and 14% for men), this means just 460,000 paid workers. Private entrepreneurship (primarily in agriculture and the informal sector) therefore predominates. The unemployed reportedly represent approximately 15% of the labour force. They consist primarily of young graduates from university or professional training centres, and their numbers increased substantially when the sector of professional training was opened up to private operators.

As a result, there is significant labour available for employment by future investment projects. The main obstacle is the scarcity of skilled labour. Indeed, a substantial portion of Mali's skilled labour force leaves for other African countries, Europe and increasingly the United States. The lack of employment opportunities for highly-skilled labour in Mali (specialized engineers, professors, et al.) has amplified the brain drain problem.

The lack of skills can be explained by the low primary enrolment rate (45%) and the low adult literacy rate (19%) (table II.5). However, notable progress has been made over the last ten years, with the primary enrolment rate increasing from 22% in 1990 to 43% in 2001.

Health services

Some progress has also been observed in the health sector. Life expectancy at birth (63 years for men in 2005) is average in comparison with many neighbouring countries. Only Algeria, Mauritania and Senegal have a higher life expectancy at birth. The infant mortality rate remains high (14.1%) and the number of physicians is very low (five for every 100,000 people).

Work permits and visas

In Mali, expatriates with work contracts must obtain a visa from the *Direction nationale du travail* (national labour directorate), which has a maximum of 15 days to inform applicants of its decision and must provide a reason for denying any application. Work visas are granted without restrictions and the role of the administration is simply to ensure contract compliance with legal, regulatory and contractual provisions.

With the exception of nationals from the Economic Community of West African States (ECOWAS), the French-speaking countries of North Africa, Cameroon and South Africa, for whom any piece of national identification is sufficient, foreigners must have a visa when they arrive in Mali, although an admission visa can be issued upon arrival, subject to acquisition of a visitor's visa within five days. Airlines reserve the right to refuse to allow anyone without a visa on board.

COUNTRY	EDUCATION				ADULT LITERACY RATE % of people 15 and above 2003
	GROSS ENROLMENT RATIO ^a				
	Primary		Secondary		
Total % of relevant age group 2002-2003	Female % of relevant age group 2002-2003	Total % of relevant age group 2002-2003	Female % of relevant age group 2002-2003		
Algeria	95	94	67	69	69,8
Burkina Faso	36	31	9	7	12,8
Côte d'Ivoire	61	54	21	15	41,8
Guinea	66	58	21	13	41
	45	39	..	..
Mauritania	68	67	16	14	51,2
Niger	38	31	6	5	14,4
Senegal	58	54	...	...	39,3

Source: UNDP, *Human Development Report, 2005*, based on data from UNESCO.

^a Gross enrolment ratio is the number of students enrolled in a level of education, regardless of age, as a percentage of the population of official school age for that level.

Industrial relations

Industrial relations in Mali are free of significant conflict. There is generally a cordial relationship between unions and management. Social conflict is rare, but individual conflicts related to termination of employment are on the increase.

Some companies operate in sectors in which there are collective agreements, such as construction, trade, road transport, oil, mining, hotels, finance (see appendix 6).

Unions that participate in tripartite negotiations are grouped into three confederations: the *Union nationale des travailleurs du Mali* (UNTM – National Union of Malian Workers), established in 1963, the *Fédération nationale de l'éducation* (FEN – National Federation of Education), established in 1991, and the *Confédération syndicale des travailleurs du Mali* (CSTM – Confederation of Workers Unions), established in 1998.

In tripartite negotiations, the Government is represented by the Ministry of Labour. Labour disputes (individual or collective) are generally resolved out of court by a labour inspector. When this is not possible, they are resolved through the courts.

Labour costs

In addition to wages, labour costs include a lump sum contribution equalling 7.5% of the wage bill and an employer's payroll tax of 20.4%. Salaries are generally set by collective agreement and do not vary significantly over the short term. Modern-sector enterprises pay well above the minimum wage which, according to the terms of the wage grid for all the collective agreements, was 28,460 CFA francs or \$51 per month in 2005. (Exchange rate as of 15 April 2006: \$1 = 531 CFA francs).

Salary levels are lower than in most other countries in the sub-region, although labour productivity is also lower than in countries like Côte d'Ivoire. Productivity could increase significantly with better equipment and training.

	BENIN	BURKINA FASO	CÔTE D'IVOIRE	MALI	NIGER	SENEGAL	TOGO
Transport (tonne/km)							
- Food freightage	37		18	29	30		
- Non-food freightage	36		29	29	31		
Fuel (litre)							
- Super	343	447	520	529	480	508	338
- Regular	328	389	480	440	393	470	328
- Diesel	276	288	339	325	338	361	293
Capital (%)							
- Min. prime rate	7.5	8.3	8.5	9.0	5.0	8.0	7.0
- Max. prime rate	14.0	15.0	10.5	17.0	15.0	10.0	17.9
Labour							
- Monthly SMIG ^a	25 000	28 557	36 607	20 965	18 898	35 965	13 757
Telecommunications							
- Local (CFAF/min.)	22	25	24	38	38	25	18
Energy/Water							
- Low voltage (kwh)	79	130	61	64	79	82	68
- Medium voltage (kwh)	57	110	44	98	57	73	60
- Water (m3)	214	294	286	311	273	477	270
Land (CFAF/m2)							
- Undeveloped	2 975	500	5 750	1 673	3 000	44 786	

Source: Diagnos, Mali - Rapport de mission Diagnostic, 2001.
Exchange rate as of 01 October 2006: \$1 = 517 CFAF.

^a Guaranteed minimum monthly wage.

Industrial factor costs

The most significant industrial factor costs are rent, electricity and water costs (table II.6).

Compared with the other WAEMU (West African Economic and Monetary Union) countries, Mali ranks in the middle on most industrial factor costs, with the exception of telecommunications and medium voltage energy, which are the highest. In addition, the minimum prime rate is slightly higher in Mali than in the other countries of WAEMU.

Taxation

The latest tax reforms in Mali derive from the adoption of Acts 02-004 and 02-005 in 2002, which came as a result of pressure from the private sector. The reforms amended the *Code général des impôts* (CGI – general tax code) and relate to capital gains tax for individuals. In addition, Acts 99-011 and 99-012 adopted in 1999, which also dealt with a change in the CGI, introduced a few innovations, while leaving intact certain provisions of the old CGI of December 1995. There are three categories of direct taxes and two categories of indirect taxes. In addition to direct and indirect taxation are registration fees and customs duties. The CGI is currently being reviewed with the objective of modernizing and simplifying the legislative framework and harmonizing it with WAEMU rules.

Direct taxes

Direct taxes are summarized in table II.7 and include income taxes, patents and licences and related taxes. In general, amounts are determined by applying a taxation rate to each tax band, with the exception of the global tax and the vehicle tax, which are lump sum amounts.

Indirect taxes

The principal innovation in the tax reform of 2002 is the harmonization of the value-added tax (VAT) at 18% and the exemption of certain manufactured goods, such as:

- Bread for current consumption
- Pharmaceutical products
- Fertilizer and other agricultural inputs
- Books, school brochures and local newspapers
- Agricultural equipment

Indirect taxes (table II.8) also include the *Taxe sur les Activités Financières* (TAF – tax on financial activities) at a single rate of 15% and the *Impôt Spécial sur Certains Produits* (ISCP – special tax on specific products), with a rate varying by product.

TABLE II.7. DIRECT TAX RATES, MALI

	TAX BAND	% RATE	COMMENTS
Income taxes			
Tax on wages and salaries (ITS) ^a Salaire ≤ 175 000	Upto 175 000	0	Taxes reduced by: 10% for married individuals 2.5% per child up to the tenth child 10% per adult child with a disability
	175 001-600 000	5	
	600 001-1 200 000	13	
	1 200 001-1 800 000	20	
	1 800 001-2 400 000	28	
	2 400 001-3 500 000	34	
	Salary > 3 500 000	40	
Tax on agricultural income (IBA) ^b	Agriculture tax	10	
Tax on rental income (IRF)	Gross amount of rental income less property expenses (amortization, maintenance and major repairs) with a ceiling of 40% of rental amount	10	Permanent and semi-permanent construction
		15	
Tax on interest income (IRVM) ^d	Interest on debts, deposits, guarantees and current accounts	9	
	Dividends	10	
	Short-term capital gain: 35% Long-term capital gain: 25%		
	Interest, arrears and other bond products	13	
Tax on business profit and corporate tax (IBIC-IS) ^e	Tax on business profit and corporate tax	35	Individual operators and companies
		35	Corporations (<i>sociétés anonymes</i> and <i>sociétés à responsabilité limitée</i>)
Minimum lump sum tax (IMF) ^f	Minimum lump sum tax	0.75	In case of a loss and when IBIC ≥ 1 200 000 CFAF
Global tax	Global tax	14 700 to 1 200 000 CFAF	Business operators whose sales are less than or equal to 30 million CFAF
Contribution des patentes et licences (CPL) (patents & licences fee): (<i>The CPL includes a fixed fee, a proportional fee, a payment to the Mali Chambre de Commerce et d'Industrie (CCI) (chamber of commerce and industry) and a road tax.</i>)			
CPL	Rental value of professional space or one-quarter of the fixed fee, whichever is greater	10 or 1/4 of the fixed fee	1/ Proportional fee
	Duty free sales	44 500 to 1 000 000 CFAF	2/ Fixed fee, depending on zone (Bamako, regional capitals and other locations) and line of business
	Proportional and fixed fees as above (1+2)	10%	3/ Payment to Mali CCI
	Proportional and fixed fees as above (1+2)	5%	4/ Road tax
Related taxes			
Lump sum contribution) ^g	Wage bill	7.5	Taxpayers liable for the IBIC or IBA
	Vehicle tax:		
	2-6 CV	7 000 CFAF	Depending on whether vehicle under or over 10 years old
	CV	13 000 CFAF	
	10-14 CV	32 000 CFAF	
	15-19 CV	50 000 CFAF	
	20 CV or more	75 000 CFAF	
	Transport tax:		
	Up to 16 seats	88 000 to 128 000 CFAF	
	17-35 seats	116 000 to 168 000 CFAF	
36-45 seats	174 800 to 253 000 CFAF		
Over 45 seats	230 000 to 326 600 CFAF		
Under 10 tonnes	133 400 to 188 600 CFAF		
10-14 tonnes	170 200 to 243 800 CFAF		
15-24 tonnes	220 800 to 317 400 CFAF		
Over 24 tonnes	289 800 to 414 000 CFAF		

Source: Republic of Mali, Code général des impôts - updated 31 December 1995.
Act 99-011 of 1 April 1999 dealing with amendment of the Code général des impôts.
Exchange rate as of 01 October 2006: \$1 = 517 CFAF.

^a Impôt sur traitements et salaires

^b Impôt sur les bénéfices agricoles

^c Impôt sur les revenus fonciers

^d Impôt sur le revenu des valeurs mobilières

^e Impôt sur le bénéfice industriel et commercial et Impôt sur les sociétés

^f Impôt minimum forfaitaire

^g Contribution forfaitaire

Other taxes

Registration fees

Taxes in this category are levied at a single rate of 6,000 CFA francs and deal with deeds of establishment, amalgamation, continuation or dissolution of corporations.

Customs duties

Since the beginning of reforms in 1989, Mali's foreign trade has been liberalized and supply management and prohibition schemes have been cancelled. The only administrative hurdle now is related to the *certificat d'intention d'importer* (CII – import certificate) and *certificat d'intention d'exporter* (CIE – export certificate). Under WAEMU, third-country customs duties and import duties have been unified in the Common External Tariff (CET). Exports are not subject to an exit duty.

The WAEMU Customs Union guarantees free circulation of products wholly obtained or sufficiently processed or manufactured in the States of the Union. However, in order to be approved, the industrial product must be either 60% raw materials originating in WAEMU or 40% value added in WAEMU. The rate was reduced to 30% in January 2003.

TABLE II.8. INDIRECT TAX RATES, MALI

	% RATE	COMMENTS
VAT	18	
Tax on financial activities	15	
Special tax on various products	3	Mining products
	5	Agricultural products and equipment
	10	Soft drinks and rolling stock
	20	Cola and tobacco
	50	Salt and alcohol
	93	Diesel
	128	Gasoline

Source: Republic of Mali, Code général des impôts - updated 31 December 1995.
Act 99-012 of 1 April 1999 dealing with the amendment of the Code général des impôts.

The private sector in Mali

The private sector in Mali has gone through four phases:

- | | |
|-----------------|---|
| 1960–1968 | Centrally planned economy with no room for the private sector. |
| 1969–1988 | Private sector limited to retail trade with a very dominant public sector. |
| 1988–1990 | Discussions of International Monetary Fund and World Bank structural adjustment programmes, which led to an agreement upon: <ul style="list-style-type: none"> • Removal of public monopolies; • Liberalization of trade and pricing; • Privatization of State-owned enterprises (SOEs); • Elimination of non-trade protection; and • Opening up of the health and pharmaceutical sectors to the private sector. |
| 1991 to present | Establishment of the pivotal role of the private sector with: <ul style="list-style-type: none"> • Opening of a one-window system for the establishment of enterprises; • Review of the Investment Code and the Mining Code; • Simplification of taxation system; • Establishment of trade tribunals and labour tribunals; and • Review of the Labour Code. |

Over the last ten years, the number of private enterprises has increased substantially, while the number of SOEs has dropped, with very few remaining today. The private sector is considered the engine of development and the State is completely disengaged from the production side of the economy.

Private economic operators are organized into professional associations gathered under the umbrella of the *Conseil National du Patronat Malien* (CNPM – National Council of Malian Employers) and various sectoral partnerships:

- The *Chambre de Commerce et d'Industrie* (CCI)
- The *Assemblée Permanente des Chambres de Métiers* (Standing Assembly of Trade Councils)
- The *Assemblée Permanente des Chambres d'Agriculture* (Standing Assembly of Chambers of Agriculture)

Aside from these bodies, the *Réseau de l'Entreprise en Afrique de l'Ouest* (West African Business Network) has been established, with a branch in Mali. In addition, with the support of donors, a *Centre du Secteur Privé* (Private Sector Centre) has also come into existence.

Doing business in West Africa

Table II.9 is adapted from the World Bank's website section on Doing Business. Note first that the size of the informal economy is significant in Mali but no greater than the regional or the sub-Saharan African average. Starting a business is much less time-consuming in Mali than in much of the neighbourhood or in sub-Saharan Africa, although there is no particular advantage when it comes to cost. Hiring and firing is about average for the region, although generally more rigid than sub-Saharan Africa. The costs of firing, measured in weeks of wages, are very much higher than those in both the region and the continent. Registering property is relatively straightforward, more expensive than elsewhere but much faster. It takes only a little over a third as much time as in sub-Saharan Africa. In enforcing contracts, Mali again has the advantage of relative speed but no particular advantage in cost. Closing a business is more time-consuming than in the continent but less so by the standards of some of its neighbours. The cost is somewhat higher than elsewhere in the region but about average for sub-Saharan Africa. The recovery rate, at 6.4 cents on the dollar, is very low, much less than half that of sub-Saharan Africa.

TABLE II.9. DOING BUSINESS IN WEST AFRICA

ECONOMY CHARACTERISTICS (2003)					
VARIABLE	MALI	MAURITANIA	NIGER	SENEGAL	SSA ^a AVERAGE
GNI per capita (at PPP) ^b	960	1,870	830	1620	1,750
Informal economy (% GNI, 2003)	41.0	NA	41.9	43.2	42.3
Population (millions)	11.7	2.9	11.8	10.2	19.5

STARTING A BUSINESS (2004)

The challenges of launching a business in West Africa are shown below through four measures: procedures required to establish a business, the associated time and cost, and the minimum capital requirement.

INDICATOR	MALI	MAURITANIA	NIGER	SENEGAL	SSA AVERAGE
Number of procedures	13	11	13	9	11
Time (days)	42	82	35	57	63
Cost (% of income per capita)	190.7	143.6	465.4	108.7	215.3
Minimum capital (% of income per capita)	490.8	877.5	760.8	260.4	297.2

HIRING AND FIRING WORKERS (2004)

The difficulties that employers in West Africa face in hiring and firing workers are measured by three indices covering the availability of part-time and fixed-term contracts, working time requirements, minimum wage laws, and minimum conditions of employment. The overall Rigidity of Employment Index is an average of the three indices. Higher values represent greater rigidity in all indices. Firing costs are calculated on the basis of the number of weeks' worth of salary in severance, notification and penalties that must be paid to dismiss a worker.

INDICATOR	MALI	MAURITANIA	NIGER	SENEGAL	SSA AVERAGE
Difficulty of Hiring Index	78	100	100	61	48.1
Rigidity of Hours Index	60	60	100	60	63.2
Difficulty of Firing Index	60	60	70	70	47.8
Rigidity of Employment Index	66	73	90	64	53.1
Firing costs (weeks of wages)	80.8	30.9	75.6	38.3	53.4

REGISTERING PROPERTY (2004)

The ease with which businesses can secure rights to property is measured below, using the following indicators: the number of procedures necessary to transfer a property title from the seller to the buyer, and the time and the costs as a percentage of the property value.

INDICATOR	MALI	MAURITANIA	NIGER	SENEGAL	SSA AVERAGE
Number of procedures	5	4	5	6	6
Time (days)	44	49	49	114	117
Cost (% of property per capita)	20.0	6.8	14.0	18.0	12.7

ENFORCING CONTRACTS (2004)

The ease or difficulty of enforcing commercial contracts in West Africa is measured below, using three indicators: the number of procedures counted from the moment the plaintiff files a lawsuit until actual payment, the associated time, and the cost (in court and attorney fees), expressed as a percentage of debt value.

INDICATOR	MALI	MAURITANIA	NIGER	SENEGAL	SSA AVERAGE
Number of procedures	28	28	33	33	35
Time (days)	340	410	330	485	434
Cost (% of debt)	34.6	29.3	42.0	23.8	41.6

CLOSING A BUSINESS (2004)

The time and cost required to resolve bankruptcies is shown below. Costs include court costs as well as the fees of insolvency practitioners, lawyers, accountants, etc. The Recovery Rate measures the efficiency of foreclosure or bankruptcy procedures, expressed in terms of how many cents on the dollar claimants recover from the insolvent firm.

INDICATOR	MALI	MAURITANIA	NIGER	SENEGAL	SSA AVERAGE
Time (years)	3.6	8.0	5.0	3.0	3.3
Cost (% of estate)	18	9	18	7	20.0
Recovery rate (cents on the dollar)	6.4	8.1	2.6	19.1	16.1

Source: Adapted from the World Bank, <http://rru.worldbank.org/doingbusiness/>.

^a "SSA" is "Sub-Saharan Africa".

^b "GNI" is "gross national income", while "PPP" is "purchasing power parity"

Investment climate: Key factors for foreign investors**Strengths**

- Political and macroeconomic stability
- Strategic geographic position
- Substantial natural resources
- Abundant low-cost labour
- Four UNESCO World Heritage historical sites

Weaknesses

- Scarcity of skilled labour
- Landlocked country
- Weak infrastructure
- High cost of utilities and bank credit
- Sluggish administrative and judicial processes

Opportunities

- Agriculture and livestock
- Mining
- New information technologies
- Infrastructure development
- Tourism
- Professional training

Threats

- Risk of drought
- Security risks in northern Mali

The macroeconomic and political changes initiated by the Government of Mali many years ago have definitely improved the business climate and made the country more productive and attractive to investors. Mali inspires confidence and a sense of security and offers countless investment opportunities, which is why we decided to establish an international luxury hotel chain here.

Lionel P. Houliat, General Director, Kempinski El Farouk Hotel
Kempinski Hotels and Resorts SA



With its geographic location at the heart of West Africa, Mali is very open to intra-regional trade, whether with WAEMU States (70 million consumers) or ECOWAS States (210 million consumers).

Mali has real export opportunities in the sub-region that have yet to be exploited. Rice is one example: WAEMU imports two-thirds of all the rice it consumes. A 20% expansion of the Office du Niger development area would be sufficient to meet the shortfall. (The *Office du Niger* is an area in the south of Mali which has had an irrigation scheme covering 600,000 ha since 1930). The same is true of livestock: Mali is the largest livestock-farming nation in the sub-region, from the standpoint of both numbers of livestock and of working population engaged in the industry. In addition, with the completion of Mali's third sugar project, in partnership with the American group Schaffer & Associates, the sugar industry will also provide a real opportunity as the project is expected to produce 140,000 tonnes of sugar annually, which equals 70% of WAEMU's estimated imports of 200,000 tonnes per year.

Priority areas

A World Bank study (World Bank 2003b), which provided a snapshot of the trade situation in Mali in 2003, identified a number of promising areas, including cotton, rice, livestock, fruits and vegetables, sugar and tourism.

Agriculture and related activities

Cotton and cotton products

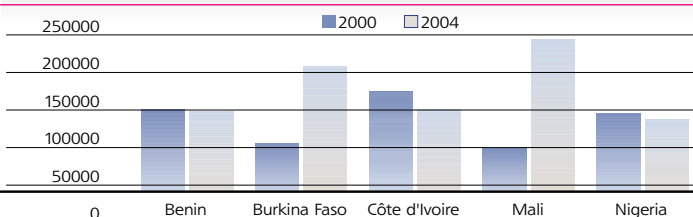
Cotton is grown in Mali in the administrative regions of Kayes, Koulikoro, Segou and Sikasso, and is highly concentrated in the southern part of the country. The south supplies 80% of national production, with a yield greater than one tonne per hectare over a territory of more than 170,000 square kilometres (14% of Malian territory). Three million rural inhabitants (one-third of Mali's population) earn their living more or less directly from the cotton industry. Small operators are supported by the Compagnie Malienne de Développement Textile (CMDT), the largest enterprise in Mali, which is to be privatized by 2006.

The cotton industry represents nearly 15% of GDP. Mali is the largest cotton producer and exporter in West Africa.

Despite a slowdown in cotton production in the 2002–2003 crop year (owing to poor rainfall), cotton production increased significantly between 2000 and 2003 — with cottonseed production nearly doubling over that period — and according to estimates, the growth should continue into the 2003–2004 crop year (table III.1).

FIGURE III.1. MAIN PRODUCERS OF COTTON LINT IN WEST AFRICA

(production in thousands of tonnes)



Source: UNCTAD, based on the Food and Agriculture Organization (FAO), the statistics division, 2005.

TABLE III.1. MAIN INDICATORS OF THE COTTON INDUSTRY IN MALI

Crop year	2000-2001	2001-2002	2002-2003	2003-2004
Surface area, in hectares	227 900	531 490	490 000	525 000
Production of cottonseeds, in tonnes	243 000	570 000	430 000	600 000 (estimates)
Yield kg/ha	1 066	1 091	880	1 140
Production of cotton lint, in tonnes	102 000	240 000	180 000	252 000
Price to the producer, in CFAF/kg	170	200	180	200

Source: Direction des Relations Économiques Extérieures (DREE) (foreign economic relations directorate), Mali, September 2003. Exchange rate as of 01 October 2006: \$1 = 517 CFAF.

Growth in the cotton industry is all the more impressive because Mali, like other African nations, must deal with competition from US producers, who receive subsidies. Responding to that problem, four West and Central African nations, including Mali, have developed an *Initiative sectorielle en faveur du coton* (sectoral cotton initiative). If the initiative were to bear fruit and lead to the elimination or a reduction of protectionist measures, cotton production in Mali — and in all countries in the region — would increase considerably. According to one World Bank study (World Bank 2002), cotton could play a pivotal role in reducing poverty.

Cotton processing is a promising growth area for Mali. Mali exports nearly all the cotton it grows; less than 1% of cotton production is processed locally. Despite competition from Asian imports and the high cost of factors of production, the textile industry in Mali is an investment opportunity. One example is the enterprise COMATEX (80% of which is owned by the Chinese company COVEC), which is the sole textile enterprise established in Mali since the liquidation of ITEMA (*Industrie textile du Mali*) in 1999. In addition, there are now new opportunities to export textiles to the United States. Since December 2003, Mali has been allowed to export unlimited quantities of clothing

and textiles duty-free to the US market, under the African Growth and Opportunity Act (AGOA).

The *Huilerie cotonnière du Mali* (HUICOMA – cotton oil mill of Mali) transforms cottonseeds into oil, soap and livestock feed. A cotton-spinning mill (FITINA-SA, a joint venture with Mauritian investors) began production in 2004 and exports most of its products.

Greater competitiveness in the cotton industry can be achieved through diversification of activities, particularly value-added opportunities, such as spinning, production of loom-state fabric (in great demand in the garment industry) and manufacture of bazin dyed cloth (highly prized in West Africa, particularly for embroidery).

Livestock and animal products

Traditionally a pastoral society, Mali is the largest livestock-farming country in the sub-region. Livestock production takes a variety of forms, from sedentary livestock farming, with or without seasonal movement to fresh pastures, to nomadic or semi-nomadic livestock farming. Along with agriculture, livestock production accounts for 18% of rural income (80% in areas that are exclusively

TABLE III.2. ECONOMIC AND COMMERCIAL IMPORTANCE OF THE LIVESTOCK INDUSTRY

	1996	1997	1998	1999	2000
GDP (\$ millions):	2 550	2 438	2 702	2 829	2 680
• Cattle industry	10.4%	10.1%	10.2%	10.5%	10.6%
Production (\$ millions):	184	173	178	193	182
• Cattle	61%	59%	59%	60%	59%
• Sheep and goats	39%	41%	41%	40%	41%
Total value-added (\$ millions)	265	247	275	296	285
Animal production (1 000 heads):	18 886	19 691	20 557	21 464	22 486
• Cattle	30%	30%	29%	29%	29%
• Sheep and goats	70%	70%	71%	71%	71%
Meat production (tonnes):	18 976	22 255	22 831	43 565	31 928
• Beef	82%	81%	83%	89%	83%
• Sheep and goat meat	18%	19%	17%	11%	17%
Exports (1 000 heads):	534	280	468	366	472
• Cattle	20%	23%	25%	30%	27%
• Sheep and goats	80%	77%	75%	70%	73%

Source: UNCTAD, based on Comptes économiques du Mali from the DNSI (2003).

pastoral) and for approximately 10% of GDP. The main species farmed are cattle, sheep and goats (table III.2).

Livestock is Mali's third largest export, after gold and cotton. The main export markets are Côte d'Ivoire (approximately 80% of cattle and 60% of sheep and goats), Burkina Faso, Senegal, Mauritania, Ghana, Togo and Algeria. To promote exports, terminal markets have been developed in Sikasso, Kayes, Lere (on the Mauritania border), Tessalit (on the Algeria border) and Menaka (on the Niger border).

There is also significant demand for frozen poultry and turkey in WAEMU, as well as dairy products, of which WAEMU is a net importer. (Mali's dairy industry relies mainly on small-scale operations, with two modern industrial enterprises, GAM and Mali-Lait.)

Mali could also increase production and export of pre-packaged meat. Meat processing is a promising market. In 2001, the company Azar Libre Service invested 907,000 CFA francs to set up a meat processing plant in Bamako. The primary export markets would be Mali's neighbours and the European Union, whose "Everything But Arms" initiative grants free access to the EU market for a variety of products.

Livestock industry potential has yet to be fully exploited, owing primarily to deficiencies in the cold storage and bulk transport infrastructure. Bamako's refrigerated slaughterhouse has a low storage capacity of 25 tonnes and slaughterhouses in the country's interior have no cold storage facilities.

As a result, there are new investment opportunities in the livestock industry, not just in the area of meat processing, but also in developing the infrastructure necessary for local and international distribution. Slaughterhouses need to be built and updated and refrigerated trucks made available for the bulk transport of meat.

Fruits and vegetables

Horticulture is a traditional activity with a long-standing history in Mali. Certain varieties of citrus fruits, such as the Amélie mango, were introduced by white missionaries in the late 19th century, while others, such as the Kent and Keitt mangoes, were introduced even later during the fruit research conducted in the early years of independence. There has been considerable growth in the industry over the last ten years as a result of increased local and sub-regional demand and changes in dietary habits, especially in urban areas. This growth also stems from the economic importance of the industry as a source of revenue for low-income families, because persistent drought in the Sahel has meant that families have sought crops like vegetables, which have a short growing period.

The sector is dominated by mangoes, citrus fruit, green beans, onions, potatoes, tomatoes, cabbages and cucumbers. The products are grown throughout Mali wherever water is available. The crops are concentrated in the southern half of the country, with relative specialization in a few areas such as:

- Tomatoes and green beans in the irrigated perimeter of Baguineda;
- Potatoes in the region of Sikasso, over a surface area of more than 300 hectares; and
- Shallots in the Office du Niger and on the Dogon plateau, over a surface area of nearly 4,000 hectares.

Mango trees are more widespread, with 87 varieties grown in Mali and record production in the Sikasso region, the Kati–Bamako–Baguineda perimeter, the entire region of Koulikoro, the Segou region and the Kita circle.

The industry provides a living for an estimated 100,000 market gardeners, planters, merchants and transporters and is valued at over \$90 million.

Tomatoes present a genuine opportunity for Mali. With a production of 55,000 tonnes in 2001, Mali is one of the largest tomato producers in WAEMU, along with Benin, Côte d'Ivoire and Niger. A study by the International Trade Centre noted that, for a landlocked country such as Mali, which must deal

with difficulties in transporting fresh fruits and vegetables, processing tomato paste for regional export is an area that should be exploited.

Exporting of fruits and vegetables accounts for barely 10% of total marketing volume, with the remaining 90% sold locally. The processed fruit and vegetable market is dominated by imports (primarily from Europe), owing to the weakness of local processing, which is practised on a very small scale. The lack of industrialization in fruit and vegetable processing presents a timely investment opportunity. Thus, two foreign investment projects initiated in 2002 (by the company Lafico-Mali) (table II.2) and 2003 (by the company Conservation agroalimentaire) involve the establishment of fruit and vegetable processing units.

Cereal crops

Cereal crops are a major component of Mali's agricultural production — almost all of Mali's farmers grow cereals. It forms the basis of the nation's food supply. The prime production zones are southern, central and west-central Mali. The main crops are rice, millet/sorghum, maize and fonio. With the exception of rice, all of these are traditional crops long grown in Mali. Rice is a relatively recent introduction and is now grown most intensively in the Office du Niger, on over 60,000 hectares. The potential cropland is 960,000

hectares, sufficient to produce half of Mali's national requirements.

Demand for cereals is increasing in Mali. Between 2001 and 2002, imports increased from 74,000 tonnes to 115,000 tonnes, which demonstrates the existence of investment opportunities to meet local demand.

Cereal crops account for 16% of GDP, with rice alone accounting for one-fifth of that percentage. Although greater volumes of other cereals are produced, rice production is trending upwards. In 2002, the value of rice production surpassed that of millet/sorghum (table III.4).

Mali's cereal crops are sold locally at weekly markets held in the production zones and urban centres. Millet/sorghum and maize are increasingly exported to the sub-region (Burkina Faso, Niger and Senegal). Rice has also been exported more actively, especially to Côte d'Ivoire and Senegal. There are real possibilities of increased irrigated rice production and increased exports both to neighbouring markets and further afield. Maize may also become an important input in the manufacture of livestock feed for local needs and for export.

To capitalize on its comparative advantage in rice, Mali must invest more heavily in developing the

TABLE III.3. ECONOMIC AND COMMERCIAL IMPORTANCE OF FRUITS AND VEGETABLES

	1996	1997	1998	1999	2000	2001	2002
GDP (\$ millions):	2 550	2 438	2 702	2 829	2 680	2 630	3 149
Silviculture and picked fruits & veg.	5.6%	5.4%	5.2%	5.4%	5.5%	5.2%	5.0%
Production (\$ millions)	151	139	149	159	154	143	166
Value added (\$ millions)	143	132	141	152	146	136	158
Total sales (tonnes):							
Local sales (tonnes)	11 003	11 418	11 895	12 395	12 901	13 427	13 975
Exports (tonnes):							
Mangoes	756	716	1448	565	2 151	1 889	1 131
Green beans	489	516	626	660	497	521	403
Mali exports (\$ millions):	512	620	620	637	663	790	947
Mango exports (\$ thousands)				217	489	405	443
Potato exports (\$ thousands)							26

Source: UNCTAD, based on Comptes économiques du Mali from the DNSI (2003).

Office du Niger land, where yields are six to seven tonnes a hectare and occasionally up to ten tonnes a hectare, and in installing higher-performance hulling machinery to meet export quality requirements. Limitations on the competitiveness of this sector are mainly on the supply side, especially since all the countries in the sub-region, including Mali, are net rice importers. Côte d'Ivoire, Senegal, Guinea and Ghana imported nearly two million tonnes of rice in 2001. WAEMU imports two-thirds of its rice consumption. To meet the shortfall, production must be increased by expanding the development area of the Office du Niger by 200,000 hectares, which represents only about 20% of the zone's potential area.

Sugar

Mali's sugar production is derived from sugar cane farming on the irrigated perimeters of the Office du Niger. Sugar cane production could be expanded if the entire Office du Niger development potential were developed (out of a total potential

of 1,000,000 hectares of land, only 60,000 has actually been developed). The only sugar manufacturing operation in existence produces 30,000 tonnes of powdered sugar per year at its two plants in Dougabougou and Seribala. In addition to sugar production, there is an average annual production of nearly 200 hectolitres of alcohol and significant molasses production, which is used as a by-product in the manufacture of livestock feed. Other by-products of sugar cane processing can be used in paper manufacturing and energy production.

Local sugar production is primarily sold on the local market and barely meets a third of the total demand. However, there have been some small attempts at exporting sugar to a few markets in the sub-region. Like all of WAEMU, Mali is a net sugar importer (113,180 tonnes in 2003). Indeed, WAEMU produces 300,000 tonnes of sugar per year but consumes over 500,000 tonnes, which means it must import from elsewhere in the world, particularly Brazil and the European Union.

TABLE III.4. ECONOMIC AND COMMERCIAL IMPORTANCE OF CEREAL CROPS

	1996	1997	1998	1999	2000	2001	2002
GDP (\$ millions):	2 550	2 438	2 702	2 829	2 680	2 630	3 149
All cereal crops:	18%	16%	15%	15%	15%	15%	16%
• Rice	3%	3%	3%	3%	4%	3%	4%
Production (\$ millions):							
• Rice	95	103	107	124	129	113	158
• Millet/sorghum	242	168	185	166	174	132	149
• Maize	39	34	42	41	40	19	22
Value added (\$ millions):	468	392	417	437	398	382	516
• Rice	73	81	83	96	102	89	123
Production (thousands of tonnes):							
Rice:	416	553	512	634	722	671	930
• Office du Niger	56%	44%	52%	44%	42%	52%	
Millet/sorghum	1 417	1 279	1 200	1 413	1 508	1 394	1 311
Maize	264	290	338	385	332	223	302
Sales							
Local rice sales (\$ millions)			17	20	20	18	20
Exports (tonne/km):							
• Rice	200	182	109	207			
• Millet/sorghum	7 454	8 083	8 332	12 181	10 846	28 180	
• Maize						373	
Rice consumption (thousands of tonnes):		423	440	489	470	491	
Locally produced		355	392	424	412	433	
Imported		68	48	65	58	58	

Source: UNCTAD, based on Comptes économiques du Mali from the DNSI (2003).

Given the potential expansion opportunities for sugar cane farming in the Office du Niger, the construction of new sugar factories would make it possible to meet local consumption requirements and capture a significant share of the WAEMU market, which has an annual sugar shortfall of over 200,000 tonnes. Indeed, a new American enterprise is scheduled to begin operating soon, with an expected production of 170,000 tonnes of sugar. This will increase Mali's overall production to 200,000 tonnes, and more than half that amount can be exported to the sub-region, WAEMU and Mauritania, which consumes 110,000 tonnes per year and has no local production.

Mali could also expand its sugar exports to the European Union, which will be liberalizing sugar imports from least developed countries (LDCs) between 2006 and 2009, under the "Everything But Arms" initiative. Furthermore, Mali could also develop its alcohol exports to France, which is the third-largest importer of the product worldwide, representing 10% of the market. It is also a dynamic market: between 1997 and 2001, imports into France grew by 7%.

Tourism

Mali has a rich natural, cultural and historical heritage that could be an asset for tourism. Its most important natural features are:

- the Cliffs of Bandiagara,
- the Boucle du Baoulé national park,
- the Gourma wildlife park and
- the Senegal and Niger river basins.

Cultural and historical tourism is centred on the ancient mosques in Djenné and Timbuktu, the tombs of Askia (housing the kings of the Songhai empire) and the prehistoric sites of the Sahara desert.

The principal stakeholders in tourism promotion are travel agencies, hotel groups and guides, which fall under the general guidance of the *Office Malien du Tourisme et de l'Hôtellerie* (OMATHO – Malian tourism and hotel bureau).

Mali's main tourist destinations are the Dogon plateau, the historic town of Timbuktu and the Djenné mosque. Tourism in Mali is focussed on its cultural sites, which sets it apart from other African countries with large tourism sectors, which are best known for their natural features, such as Kenya for its wildlife and Senegal for its coastline and Gorée Island.

COUNTRY	NUMBER OF ARRIVALS THOUSANDS		RECEIPTS			
	1995	2002	Percentage of total exports		Millions of current \$	
			1995	2002	1995	2002
Algeria	520	988	...	...	32	133
Burkina Faso	124	150 ^c	...	10 ^d	...	25 ^d
Côte d'Ivoire	188	301 ^a	2	1	103	56 ^c
Guinea	..	43	0	1 ^d	1	8 ^d
	42		5	10	26	105 ^c
Mauritania	..	30 ^c	...	...	...	...
Niger	35	58	5	...	15	28
Senegal	280	427	11	14	168	210
Sub-Saharan Africa	12 582	19 438	7	10	6 325	7 030 ^c

Source: Adapted from the World Bank, *World Development Indicators*, 2005, <http://publications.worldbank.org/WDI/>.

^a Figure for 1998. ^b Figure for 1999. ^c Figure for 2000. ^d Figure for 2001.

Although there are very few statistics to estimate the true size of the tourism industry, it has much development potential. Mali probably receives only about 100,000 tourists a year, making it a marginal destination when compared with Egypt, Morocco or Senegal. Nonetheless, its sites are unique and could attract much greater interest. The Djenné mosque and the historic town site of Timbuktu are listed among UNESCO's World Heritage sites, which makes them prime tourist attractions and a foundation for Mali's competitive cultural tourism industry.

These sites currently attract few visitors mainly because they are difficult to get to and lacking in hotel accommodation and quality service. Internal air travel has not been sufficiently developed either. However, some hospitality facilities, in particular quality hotels and improved tourist services, were developed when Mali hosted the African Cup of Nations in 2002.

The exploitation of Mali's unique cultural assets thus requires continued development of tourist infrastructure, improved service (with investment in labour training) and steps to facilitate access to sites such as the Dogon plateau.

Other investment opportunities

Mining and hydrocarbons

This sector currently accounts for a significant part of the national economy, contributing almost 12% of GDP. Gold has become Mali's primary export (44,6 tonnes in 2004), from the Syama, Morila (southern Mali) and Sadiola (western Mali) gold mines. In addition to these, there are many other recognized reserves of gold throughout Mali, associated with the Birimian.

There are other minerals as well, although there has been no exploration or development by foreign companies to date. The Direction nationale de la géologie et des mines has identified the following minerals:

- Diamonds: indications in the Kéniéba and Adrar des Iforas areas with the discovery of diamond-bearing kimberlite pipes;
- Iron: iron deposits at Diamou, Djidian and Balé south of Kita (Kayes region) with reserves estimated at 1,360 billion tonnes of ore;
- Bauxite: bauxite deposits in the Kayes region with reserves estimated at approximately 1.2 billion tonnes of ore;

TABLE III.6. UNREFINED GOLD PRODUCTION BY MINING COMPANIES (IN KG)

	2000	2001	2002
Syama Mines	5 640	2 081	0 ^a
Sadiola Mines	16 802	20 794	16 185
Morila Mines	4 208	23 442	38 915
Yatéla Mines	0 ^b	4 991	8 585
Total	26 680	51 308	63 685

Source: Direction nationale de la géologie et des mines (DNGM), Mali.

^a The Syama mine did not produce in 2002. The plan is for Resolute Mining of Australia to sign a contract of option in April 2004, allowing resumption of activities. Source: DNGM.

^b The Yatéla mines began operations in 2001. Source: DNGM.

- Manganese: manganese deposits in Tassiga, Tondibi, Agaula and Ofalikin to the southeast and southwest of Ansongo (Gao region) with estimated reserves of approximately 100 million tonnes of ore;
- Uranium: occurrences at Faléa and Loulo in the Kayes region with approximately 5,000 tonnes of U3O6 and in Samit, northeast of Gao, with reserves estimated at 200 tonnes of U3O2 at 0.085%;
- Phosphates: deposits found in the Tilemsi Valley north of Bourem in the Gao area, with the largest deposit at Tamaguilelt estimated at 20 million tonnes;
- Limestone: limestone deposits and indications concentrated mainly in western (Kayes region) and central Mali, at Goundam and Hombori (Timbuktu and Mopti region) and in the Koulikoro area, with estimated reserves of approximately 122 million tonnes;
- Marble: marble deposits (white, yellow, black) are located in the Kayes region (Bafoulabe, Selinkegni and Madibaya), estimated at 60 million tonnes; and
- Lead/zinc: indications northeast of Bougouni (Sikasso area) and at Fafa southeast of Ansongo (Gao region), with the Tessalit deposit (Kidal region) estimated at 1.7 million tonnes of ore at 5% to 10% Zn, 2% Pb and 1 gram/tonne of gold.

Since 1970, the Government of Mali has allowed private investment in the mining sector and has developed regulations in pace with the growing body of knowledge about Mali's geology and mineral potential. The 1970 Mining Code was updated in 1991 and 1999. The 1969 Petroleum Code was also revised in 2004.

Leather goods, skins and hides

Livestock farmers also produce a wide variety of other animal products, including leather goods, skins and hides. Leather goods, skins and hides account for approximately 2% of total livestock industry production. The sector is dominated by

two tanneries, TAMALI (large ruminants) and TAO (small ruminants), and also includes a large number of small-scale processors. The tanneries export virtually all of their products, while artisans sell their goods exclusively on the local market.

Mali has a comparative advantage in the area of skins and hides, with a specialization index of 3.4 for raw hides and 2.91 for tanned hides. This is due to specialization, particularly in the hides of small ruminants, and to the loyalty of its export markets.

To capitalize on its competitive edge, Mali must continue to specialize and seize export opportunities in certain European Union countries where demand for leatherwork is increasing, primarily Italy and France. In addition, opportunities are opening up in the export of pre-tanned goat hides, which are currently sold only on a declining Spanish market. There is also opportunity to invest in the later stages of the process, in the production of fine skins that can be used directly in leatherwork.

Oilseeds

The oilseeds industry includes cottonseeds, peanuts and shea nuts. Cottonseed meal is a by-product of the process of transforming cottonseed into oil.

Oilseed products are sold mainly on the local markets, with very limited exports of shea nuts to neighbouring countries and Europe. European exports could increase, especially since European standards now allow shea butter by-products in the manufacture of chocolate.

Unfortunately, very little information is available on production volumes, marketing and operating costs for the various components of the industry. However, it is estimated that the annual average value of exports is around \$2 million, with cottonseed meal and shea nuts being the predominant exports. In order to take advantage of opportunities in the oilseeds industry, greater commercial promotion and greater diversification of export markets would be required in order to capitalize on Mali's competitiveness.

Miscellaneous opportunities

Increasing privatization in the past three years has spurred considerable growth in the demand for industrial products, creating interesting opportunities for investors in chemicals, petroleum and construction materials.

The demand for construction materials, 70% of which are imported, is particularly high. Mali has a wealth of raw materials, such as clay and limestone. There was a marked increase in the imports of construction materials in 2001 as Mali prepared to host the African Cup of Nations (CAN) in 2002. Several foreign companies (primarily Chinese) are currently operating in the field of construction materials and infrastructure development, while others are scouting for opportunities in this sector. There has been steady growth in the demand for cement: imports doubled between 1998 and 2002, increasing from 18 billion to 39 billion CFA francs.

Another sign of the country's determination to foster industrial development is the industrial zone planned for Dialakobougou, approximately 10 km from Bamako. Designed to be one of Mali's growth poles, this industrial zone will include five main areas of activity: warehouses, industry, trade and services, SMEs and a residential sector. The first industrial facilities are scheduled to begin locating on this site by June 2005. For additional information, investors can contact the *Agence pour la promotion des investissements au Mali* (API-MALI – contact details in appendix 3).

The Industrial Promotion Services (West Africa) IPS (WA) was created in 1965 by the Aga Khan Fund for Economic Development (AKFED). Its goal is to promote entrepreneurship in the developing world. It established a presence in Mali in 1978, with the creation of TOLMALI. Since then, IPS (WA), in the form of TOLMALI, ALUMALI and, finally, EMBALMALI has performed remarkably well in a non-threatening, peaceful environment. At the time of inception, each of these industrial entities was able to take advantage of the benefits offered by the Investment Code in the Republic of Mali.

I.C. Amadou, General Director, EMBALMALI/TOLMALI



1 The Government has launched a program to fight corruption, and created the position of auditor general to be responsible for controlling the use of public resources by administrations, public enterprises and Government-subsidized associations. The auditor general's office has been operational since 2004.

Legal and judicial system

History and basis

The constitution of 1992 entrenched the independence of the justice system from legislative and executive powers and, at the same time, eliminated special jurisdictions. Since then, all decisions pertaining to the judiciary, such as promotions, removals and transfers, are made by a supreme judicial council called the *Conseil Supérieur de la Magistrature*.

Legislation and regulations, including those pertaining to commercial and industrial matters, are essentially based on French civil law.

Judicial aspects

The highest judicial authority in the land is the Supreme Court of Mali, followed by the courts of appeal and trial courts. Military courts will soon be empowered to try matters involving members of the armed forces, and security and customs officers. Criminal cases are heard by the *Cour d'Assises* (criminal courts). Commercial matters are handled by trade tribunals. The language of the courts is French.

Mali ratified the International Convention on the Settlement of Investment Disputes (ICSID) on 18 March 1965. It is also a signatory to all the instruments of the Organization of the Harmonization of Business Law in Africa Treaty pertaining to the harmonization of business law in Africa.

Legislative aspects

Laws are enacted by the unicameral National Assembly. To become law, bills must be carried by plenary sessions of the Assembly and assented to by the President of the Republic.

Administrative aspects

Despite improvements made in the interests of good governance, the legal system in Mali still suffers from a number of shortcomings that could deter potential investors. These shortcomings include:

- sluggish decision-making and implementation;
- lack of compensation for damages sustained as a result of the system's inefficiencies;
- red tape and corruption¹, and
- excessive weight given to interpersonal relationships, at the expense of professional neutrality.

Strengthening human resources would help to mitigate these institutional deficiencies.

Protection of person and property

The constitution of the Republic of Mali provides for the protection of individual and collective rights and freedoms, including the right to private property. Any expropriation of property must be conducted in accordance with the law and accompanied by fair and reasonable compensation.

Institutional framework

The investment code provides equal treatment to foreign and local investors. Foreign investors can own 100 per cent of any business they create, purchase shares in parastatal privatized companies or start joint-venture operations with Malian enterprises (see U.S. Department of State, *Investment climate statement* – Mali, 2005).

Foreign investors also go through the same screening process as domestic investors. The one-stop business development centre (*Guichet unique de création d'entreprises*), which is part of the new investment promotion agency in Mali, API-MALI (see box IV.3), and the *Direction nationale de la géologie et des mines* (DNGM) for investment in mining, provide the institutional frameworks for both foreign and domestic private investment in Mali.

These organizations are responsible for:

- issuing operating licences;
- granting all the facilities, concessions and incentives set out in the Investment and Mining Codes; and
- providing investors with all the administrative and legal support they require for business development.

Participation in international organizations and treaties

On the international scene, Mali is a member of the World Intellectual Property Organization (WIPO) and the African Intellectual Property Organization (AIPO), as well as the International Convention on the Settlement of Investment Disputes (ICSID) and the Multilateral Investment Guarantee Agency (MIGA). Mali has also signed the Paris Convention for the Protection of Industrial Property of 20 March 1883 and the Patent Cooperation Treaty of 19 June 1970.

In addition, Mali is bound by a number of bilateral agreements that provide for reciprocal guarantees where investment is concerned.

Box IV.1. Bilateral investment treaties, with dates of signing

Algeria	11 July 1996
Cameroon	18 May 2001
Egypt	9 March 1998
Federal Republic of Germany	28 June 1977
France	26 September 1994
Japan	16 September 1964
Malaysia	16 November 1990
Netherlands	13 July 2003
South Africa	4 March 1995
Switzerland, Bamako	8 March 1978
Tunisia	1 July 1990

Source: Registers of bilateral agreements and treaties, from 1960 to 2003, Ministère des affaires étrangères, Bamako.

Box IV.2. Double taxation treaties

Algeria	31 January 1999
France	22 September 1972
Russia	25 June 1996
Tunisia	18 April 2000

Source: Registers of bilateral agreements and treaties, from 1960 to 2003, Ministère des affaires étrangères, Bamako.

Entry and exit

Registration

The main types of permit issued in Mali are:

- Registration for service providers (issued by the Centre National de Promotion des Investissements);
- Provisions governing businesses eligible under the Mining and Petroleum Codes (exploration is authorized by the Director of Mines, mineral prospecting, prospecting permits and authorization to develop small mines, by the Minister of Mines and oil permits are issued by decree).

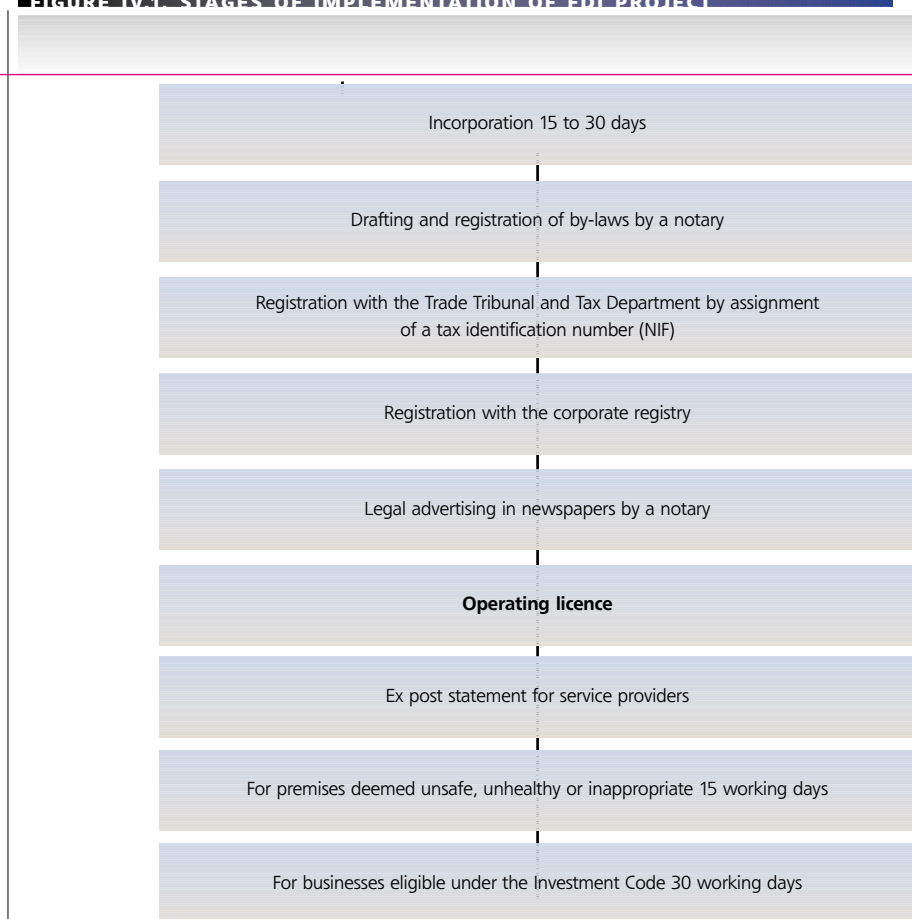
Authorization to operate

Regardless of the amount of investment, failure to meet the deadlines below triggers automatic issuance of licences to operate:

- 15 working days for decisions; and
- 30 working days for certification under the Investment Code.

Decree 97-203/P-RM of 27 June 1997, amending Decree 96-030 of 25 January 1996 establishing the administrative formalities for business development, allows for an *ex post* statement procedure that gives investors not eligible under the Investment Code a registration number when they file their papers, which is the equivalent of a licence to operate.

FIGURE IV.1. STAGES OF IMPLEMENTATION OF EDI PROJECT



Source: API-Mali.

Building permits

A new building is subject to the approval of an architectural plan by appropriate community planning and construction authorities at the local, regional and national levels. Title of ownership is a prerequisite for approval of the site location (award letter, lease document, land title).

Box IV.3. API-Mali: gateway to investment

On 26 September 2005, Order n. 05-019/P-RM came into effect, creating the *Agence pour la promotion des investissements au Mali* (API-MALI). In the past, two separate bodies were in charge of investment promotion in Mali: the *Centre National de Promotion des Investissements* (CNPI), an establishment created in 1996, and the *Agence pour l'aménagement et la gestion des zones industrielles* (AZI-SA). Responding to the criticism of the effectiveness and organization of these two structures, the Ministry responsible decided to replace the two structures with a single body.

The new agency is responsible for promoting foreign and local investment in Mali, improving the business environment, stimulating the creation of SMEs and fostering partnerships between local and foreign companies. As a one-stop investment window, API-Mali is in charge of assisting investors in the realization of their projects and seeing that the appropriate authorizations to operate are issued as required. Finally, as a successor to the former AZI-SA, API-Mali is also required to contribute to the development and regulation of industrial zones, including the provision of appropriate and competitive business infrastructure to investors.

Headquartered in Bamako, API-Mali has an Executive Director and a Deputy Director. Its board of directors consists of public and private sector representatives, including the representatives of the Ministries of Investment, Tourism, Industry, Energy, Finance and Labour from the public sector and the representatives of the *Association des Professionnels des Banques et Etablissements Financiers*, the *Conseil National du Patronat du Mali* and the *Chambre de commerce et d'industrie* of Mali from the private sector.

Source: UNCTAD, based on Ordonnance n. 05-019/P-RM du 26 Septembre 2005 portant création de l'Agence pour la promotion des investissements au Mali, et Décret n.05-427/P-RM du 26 Septembre 2005, fixant l'organisation et les modalités de fonctionnement de l'Agence pour la promotion des investissements au Mali.

Property and landholding

In areas open to foreign investment, there are no restrictions on ownership of equity and property. Foreign direct investment is allowed without restrictions in the privatization of public enterprises as well. The Domain and Land Code recognizes the right of all individual or legal entities, including foreign ones, to own land. Any registered company may buy, own or sell land, as prescribed by law.

Dissolution

Investors may voluntarily decide to terminate their businesses in accordance with their company bylaws. A licensed trustee is appointed by the Trade Tribunal in such instances. The time it takes for legal liquidation depends on the size of the company's assets and liabilities.

Ownership and management control

Investors are free to determine the amount and structure of business capital and there are no requirements regarding local participation.

Intellectual property

As an extension of its membership in the World Intellectual Property Organization (WIPO) and the African Intellectual Property Organization (AIPO), Mali created the *Centre Malien de Promotion de la Propriété Intellectuelle* (CEMAPI – Malian centre for intellectual property) in 2002. The Centre's mandate is to enforce the administrative rules and guidelines for obtaining titles to industrial property as provided in the conventions signed by Mali, including:

- the Paris Convention for the Protection of Intellectual Property;
- the Stockholm Convention establishing WIPO;
- the Patent Cooperation Treaty; and
- the Bangui Agreement (1977) establishing the AIPO.²

CEMAPI is the official agency responsible for protecting industrial property, namely, patents, trademarks for products and services and trade names.

² The 16 member-States of the AIPO are: Benin, Burkina, Cameroon, Central African Republic, Congo, Côte d'Ivoire, Gabon, Guinea, Guinea Bissau, Equatorial Guinea, Mali, Mauritania, Niger, Senegal, Chad and Togo.

Investment protection

Expropriation

No private, national or foreign investor may be expropriated, unless it is for public purposes, in which case there must be fair compensation. To date, there has been no recorded instance of expropriation.

Dispute settlement

Disputes among investors (resident and non-resident) are resolved by the Trade Tribunal. Failing amicable resolution of disputes between foreign investors and the State, settlement is reached following the procedure set out in bilateral investor protection treaties between Mali and the investor's country of origin. As a last resort, both parties can follow the arbitration mechanism defined in the International Convention for the Settlement of Investment Disputes (ICSID).

Exchanging and remitting funds

Capital transfers are regulated in accordance with the provisions of the free-trade zone. Incoming foreign currency is not limited but there are some restrictions on capital leaving the free zone. The interest, dividends and transfer of money required for contractual debt retirement, the repayment of short-term loans used to finance commercial and industrial operations, the product of liquidation and any other periodic return on capital may be transferred freely upon the presentation of vouchers to the authorized agent. Other current settlements over 2,000,000 CFA francs intended for another country are subject to exchange approval by the Minister of Finance.

Fiscal incentives

To boost investment, the 1991 investment code has been amended by Law 91-048/AN-RM adopted on 19 August 2005.

The investment code identifies 3 types of regimes: Regime A, which covers enterprises with investment up to 150 millions CFA; Regime B, which covers investment above 150 million CFA; and the free zones regime.

To promote the creation of new activities in Mali, the 2005 Law establishes special fiscal incentives for investment aimed at creating new activities, as opposed to enterprises developing existing activities.

Where investment creating new activities is concerned:

- Enterprises are exempt from the IBIC (tax on business profit), the IS (corporate tax), and the patents and licences fee for the first five fiscal years if they are subject to Regime A of the code or the first eight fiscal years if they are subject to Regime B of the code.
- In addition, during the time to profitability (3 years), enterprises subject to regimes A and B are exempt from customs duties on machinery, equipment and local inputs necessary for the implementation of the project.
- Where investment developing existing activities is concerned, enterprises subject to regimes A and B are exempt for one year from customs duties on machinery, equipment and local inputs necessary for the implementation of the project, as long as no substitute is locally available.

The new investment law also establishes special fiscal incentives to promote local raw materials and technology innovation. Enterprises using 60% or above of local raw materials are exempt from the IBIC (tax on business profit), IS (corporate tax) and the patents and licences fee for four years in addition to the benefits allowed under regime A or B. This incentive increases to six years for enterprises located outside Bamako. Investors in technology innovation and research are given a 5% reduction on tax of the salaries of Malian nationals.

Finally, the Free Zone Regime applies to enterprises whose business is primarily export-oriented. Such enterprises are given a 30-years exemption from all duties and taxes related to doing business.

Special regime related to the mining sector

As a rule, mining companies reach establishment agreements with the State that exempt the investor from any income tax or other duties for the first three years of production, with the exception of a grant fee and prospecting permit renewal fees, social security taxes and contributions, taxes on wages and salaries, stamp taxes and duties on intentions to import.

Other issues

Trade regime in the West African Economic and Monetary Union (WAEMU)

Within the WAEMU framework, products considered to be of WAEMU origin are those wholly obtained or sufficiently processed or manufactured in a member State.

Products deemed to be sufficiently WAEMU processed or manufactured are those obtained from raw materials that originate in part or full in a third country but whose processing involves either a change in tariff classification in one of the first four digits of the WAEMU Tariff and Import Statistics Nomenclature or a community value added equal to a minimum of 30% of the duty-free, ex-factory cost price of the products.

A certificate of origin is issued by the appropriate authorities and certified by the customs department of the member State in which the goods were wholly obtained or sufficiently processed or manufactured.

Since January 2003, the circulation of processed goods is regulated as follows:

- The WAEMU Commission issues a certificate of origin for products with 30% community value added.
- The State issues the certificate in the following cases:
 - 60% of raw materials for wholly obtained products and
 - Change in tariff classification in the first four digits for sufficiently processed products.

As of 1 January 2006, all certification of origin will be transferred to WAEMU States. There is a plan to extend the Common External Tariff (CET) to all ECOWAS States effective 1 January 2007.³

³ ECOWAS includes all member States of WAEMU (Benin, Burkina Faso, Cote d'Ivoire, Guinea Bissau, Mali, Niger, Senegal and Togo) as well as seven others (Cap Verde, Gambia, Ghana, Guinea, Liberia, Nigeria and Sierra Leone).

Competition and price policy

Since the economic reforms began in 1980, prices are no longer set by the State in Mali.

A National Competition Council (*Conseil National de la Concurrence*) has been created to improve the competitive environment by ensuring compliance with the rules of healthy competition, thereby preventing fraud and the formation of cartels.

However, there continue to be problems with competition between the formal and informal sectors: enterprises in the informal sector enjoy special tax regimes.

Environment

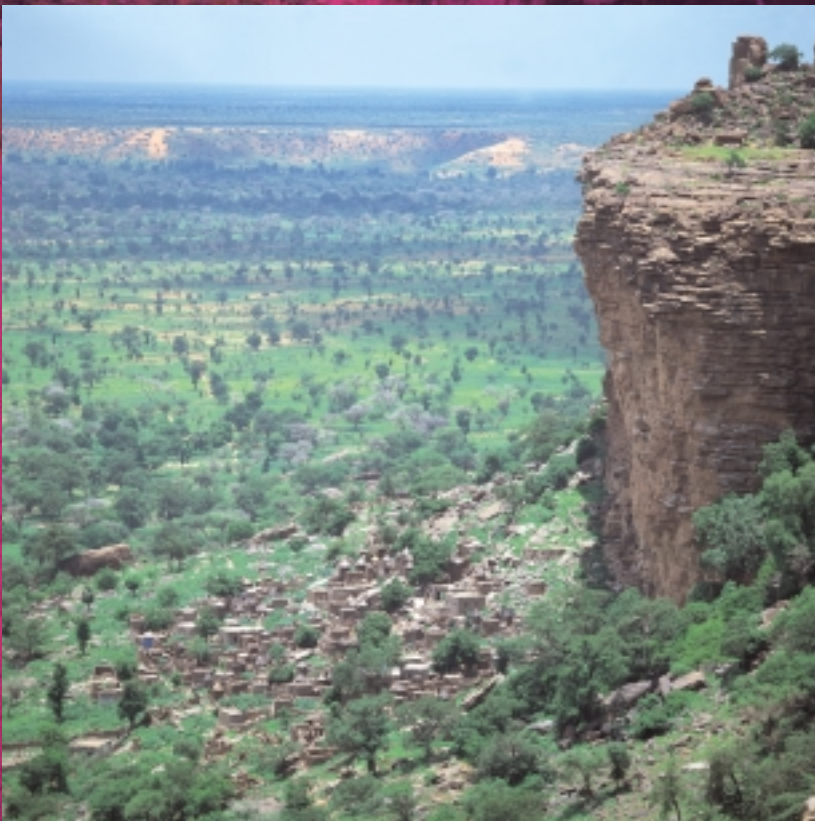
In 1998, Mali adopted a national environmental protection policy, the *Politique nationale de protection de l'environnement* (PNPE), which draws on principles that have their source in agreements ratified by Mali or in domestic legislation.

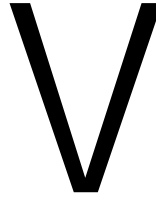
Section 3 of Act 01-020 of 30 May 2001 stipulates that any activity that is potentially harmful to the environment or the quality of life requires prior authorization from the Department of the Environment subject to an Environmental Impact Assessment (EIA). The EIA is meant to be preventive and remedial (through follow-up and surveillance).

Investors require an environmental permit immediately after authorization has been granted by the minister responsible and well before the project is actually carried out.

Mali is a strategically located, landlocked country in the heart of West Africa. One of the priorities for Malian authorities has been to strengthen basic infrastructure. Manutention Africaine has made a contribution in this regard over the last ten years by using its technology to improve working conditions in mining exploration and development and in the construction of roads, dams, industries, etc. We have operated in the kind of stable, non-threatening environment that all businesses seek.

Loïc Courtet, General Director, Manutention Africaine, Mali SA





This chapter summarizes the perceptions of more than 40 business people who took part in the workshop in Bamako on 10-11 November 2003. Both foreign and domestic firms were represented. The results summarized here are based on the discussions that took place at the workshop and the confidential questionnaire completed by participants during the closed session with the private sector.

General observations

Most participants thought that the investment climate in Mali had made considerable progress in recent years. When asked about the country's most attractive features, participants listed Mali's political and economic stability, significant growth and geographical location at the centre of the sub-region, which (at least in theory) provided direct access to the markets of the eight member countries of the West African Economic and Monetary Union (WAEMU). Mali's substantial natural assets, notably in agriculture (especially cotton) and the mining sector, and the Malian entrepreneurial spirit were also mentioned. Although some administrative challenges persisted, considerable progress had been made in enabling foreign companies to do business in Mali. According to workshop participants, the main areas of opportunity were agriculture (particularly in cotton, fruit and vegetables), red meat production, and the mining sector.

When it came to the three things that most needed Government attention, tax administration ranked highest. Workforce skill levels and the legal system came next. Indeed, the legal system in Mali was felt to be cumbersome and dysfunctional, particularly where labour law was concerned. While acknowledging the progress made in access to basic services, participants still pointed to the cost of doing business as a major barrier to industrial production. Although the situation was not ideal when it came to establishing businesses in Mali, the business community agreed that the Government had made great strides.

Specific points

Political and economic climate

Workshop participants viewed public security as one of the country's main assets. The social climate in Mali was peaceful and there was no major political risk involved in doing business there. It was further noted that the country had no radical religious movements. The hostage-taking incident in 2003 – some European tourists were taken hostage in the Algerian Sahara and set free several months later thanks to the intervention of the Malian Government – had been handled in a way that underlined the Government's determination to maintain a peaceful social climate in Mali.

Taxation

On the whole, taxation rates were competitive in relation to neighbouring countries. The problem lay in the enforcement of the tax laws. Participants criticized the lack of transparency in some regulations and complained about frequent visits from tax officials. Workshop participants also pointed to the difference in the way the informal sector and the formal sector were treated. Businesses in the informal sector paid only a synthetic tax based on operators' sales. Tax administration had improved only marginally in recent years.

Human resources

The poorly trained workforce was viewed as one of the most serious problems facing foreign investors in Mali. In virtually every field, it was difficult to find skilled managers. Managers could always be recruited from neighbouring countries but this option had its limits because expatriate workers demanded higher wages. Workshop participants agreed that the situation had improved somewhat, primarily thanks to businesses setting up their own continuous training programs. It was felt that these efforts ought to be better supported by the public sector. Malians tended to be very disciplined people and very keen to learn. Working environments were largely free of labour disputes.

Infrastructure and basic services

Recently, there had been considerable improvement in infrastructure, particularly in telecommunications, air transport and road and rail transport. The arrival of private operators on the scene had significantly improved basic services. In the telecommunication sector as well as in rail transport, services had improved and prices dropped with privatization. Although most of the progress appeared to have occurred in Bamako and a few other large centres, access to reliable infrastructure was no longer a major issue for businesses. The main challenge was the cost of the factors of production, particularly electricity, which was often more costly in Mali than in any other West African country. The Government had realized how urgent the problem had become but businesses were still waiting to see what concrete steps it would actually take.

Priorities and restrictions

Priorities

The Government of Mali particularly welcomes investment in

- Agriculture and related activities including livestock and agro-processing;
- Infrastructure, in particular roads;
- Mining;
- Tourism and
- Services, including health and training.

The investment code establishes a number of special investment incentives (see Chapter IV, Fiscal incentives).

Prohibitions and restrictions

There is no area in which foreign investment is forbidden. There is no restriction on equity: foreign investors can own 100% of any company.

Appendix 2

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Major foreign investors

Name of company	Major foreign ownership	Business	Contact details
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AGRICULTURE AND RELATED

1.	Farako	China	Tea growing and processing	Sikasso Tel: 223 262 03 26
2.	Complexe sucrier du Kala supérieur – SUKALA	China and processing	Sugarcane growing BP. 30, Segou	Dougabougou Tel: 223 234 20 23 Fax: 223 234 21 48

MINING, OIL AND GAS

1.	African Goldfields corporation	Canada	Gold mining	Hippodrome, rue 241 Porte 149 Bamako Tel: 223 221 48 60 Fax: 223 221 48 60 E-mail: agfc@afribone.net.ml
2.	Air Liquide / Maligaz	France	Gas production and distribution	BP. 5 Bamako Tel: 223 221 23 94 Fax: 223 221 47 32 E-mail: maligaz@airliquidemali.com
3.	AngloGold Mali	South Africa	Gold mining	BP. E1194, Bamako Tel: 223 221 47 47 Tel: 223 221 47 23 E-mail: mdiallo@anglogoldmali.com
4.	Ashanti	Ghana	Gold mining	BP. E1015, Bamako Tel: 223 221 23 27 Fax: 223 221 23 28
5.	Barrick gold Mali Ltd	Canada	Gold mining	BP. 1939, Bamako Tel: 223 223 24 80 Fax: 223 223 22 68 E-mail: flap@barrick.malinet.ml
6.	Consolidated mining corporation (CMC) Oliver gold corporation	Canada	Gold mining	BP. 2164, Bamako Tel: 223 222 02 78 Tel: 223 223 89 31 Fax: 223 223 55 56
7.	Iamgold Semos	Canada	Gold mining	Sadiola BP. E240, Kayes Tel: 223 253 40 00

8.	Total Fina Elf Mali	France	Petroleum products	BP. 26, Bamako Tel: 223 222 55 06 Tel: 223 222 29 71 Tel: 223 222 29 76 Fax: 223 222 59 98
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9.	Randgold Somisy	Canada	Gold mining	BP. E1160, Bamako Tel: 223 221 20 15 Fax: 223 221 44 07 E-mail: zdao@randgoldmali.com
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MANUFACTURING

1.	Brasseries du Mali – BRAMALI	France	Beer manufacturing	Route de Bougouni, Sénou BP. 67, Bamako Tel: 223 222 48 42 Fax: 223 223 04 17
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2.	Chrysler – Jeep	Germany	Vehicle manufacturing	Torokorobougou, près du pont Fadh BP. 2520, Bamako Tel: 223 228 51 70, Tel: 223 222 07 72 Fax: 223 222 07 72, Fax: 223 223 19 98
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3.	Ciments Bélier du Mali – CIBEMA	Côte d'Ivoire	Cement production	Faladie, Avenue de l'Oua Porte 6448, BP. 2367, Bamako Tel: 223 220 41 90 Fax: 223 220 37 17 E-mail: jjpumar@cefib.com
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4.	Compagnie Malienne des textiles – COMATEX	China	Textile	Route de Markala BP. 52, Segou Tel: 223 232 01 83 Tel: 223 232 00 78 Fax: 223 232 01 23 Fax: 223 232 03 67
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5.	Embalmali	Côte d'Ivoire	Packaging	Zone industrielle BP. 68, Bamako Tel: 223 221 33 35 Fax: 223 221 53 77
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6.	Générale alimentaire malienne – GAM	Senegal	Food manufacturing	Zone industrielle BP. 3073, Bamako Tel: 223 221 59 08 Fax: 223 221 39 62 E-mail: gam@afribone.net.ml
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7.	Huilerie cotonnière du Mali – HUICOMA2474,	France	Food and cosmetic products manufacturing	BP. du Bamako Tel: 223 221 60 32 Fax: 223 221 53 77 E-mail: huicoma@malinet.ml
8.	Industrie malienne de cycles et cyclomoteurs – IMACY	France	Cycles and motorcycles manufacturing	BP. 95, Bamako Tel: 223 229 22 41 223 229 87 07 Fax: 223 229 32 68 E-mail: imacy@cefib.com
9.	Industries navales et constructions métalliques du Mali – INACOM	Germany	Construction materials	BP. 40, Koulikoro Tel: 223 226 20 61 Fax: 223 226 20 71 E-mail: inacom@afribone.net.ml
10.	Manutention Africaine Mali SA	France	Motor vehicle manufacturing	Zone industrielle, Route de Sotuba Rue 957, Porte 260 BP. 143, Bamako Tel: 223 221 25 49 Fax: 223 221 42 16 E-mail: info@manutafmali.com
11.	Métal-Soudan	France	Construction materials	BP. 137, Bamako Tel: 223 222 53 72 Fax: 223 222 50 14 E-mail: metalsoudan@metalsoudan.com
12.	Société de fabrication de produits insecticides du Mali – PRODIMAL	Senegal	Insecticide products	Zone industrielle, Route de Sotuba BP. E2543, Bamako Tel: 223 221 17 18 Fax: 223 221 17 19 E-mail: prodimal@afribone.net.ml
13.	Société d'émaillage et de galvanisation du Mali – SEGMA	China	Iron and steel	Zone industrielle, Route de Sotuba BP. 1579, Bamako Tel: 223 221 41 73 Fax: 223 221 41 74
14.	Société industrielle de transformation d'acier – SITAM	Senegal, Lebanon	Reinforcing steel	Sogoniko, centre commercial BP. E3655, Bamako Tel: 223 220 99 71 Fax: 223 220 35 40
15.	Société malienne de piles électriques – SOMAPIL	Cameroon	Cell batteries	Zone industrielle BP. 1546, Bamako Tel: 223 221 46 87 223 221 76 61 Fax: 223 221 29 80 E-mail: somapil@cefib.com

16.	Société de transformation d'acier au mali – SOTAMALI	France	Steel	Zone industrielle, rue 839 BP. E2810, Bamako Tel: 223 221 02 86 Fax: 223 221 06 22 E-mail: info@sotamali.com
17.	Société nationale des tabacs et allumettes du Mali – SONATAM	France	Cigarettes and matches	BP. 56, Bamako Tel: 223 221 49 65 Fax: 223 221 23 72 E-mail: sonatam@cefib.com
18.	Tannerie de l'Afrique de l'Ouest – TAO	Spain	Skins, hides and leather goods	Rue 851, porte 124 BP. 2096, Bamako Tel: 223 221 44 70 Fax: 223 221 40 75
19.	Usine céramique du Mali – UCEMA	China	Construction materials	BP. 1099, Bamako Tel: 223 222 55 95 Fax: 223 223 23 60
20.	Usine malienne de produits pharmaceutiques – UMPP	China	Pharmaceuticals	BP. 2286, Bamako Tel: 223 221 51 61 Fax: 223 221 51 69
21.	Verre aluminium import export – ALIMEX	France	Glazing and aluminium manufacturing	ACI 2000, Hamdallaye BP. E896, Bamako Tel: 223 229 39 12 Fax: 223 229 05 55 E-mail: valimex@afribone.net.ml

SERVICES

FINANCIAL

1.	Assurances générales du Mali – AGM	France	Insurance	BP. E4447, Bamako Tel: 223 222 41 65 Tel: 223 223 84 93 Fax: 223 223 00 34 E-mail: agm@cefib.com
2.	Banque Internationale pour le commerce et l'industrie du Mali – BICIM	France	Banking	BP. E72, Bamako Tel: 223 223 33 68 Fax: 223 223 33 73 E-mail: Bicim-sa@cefib.com
3.	Colina Mali	France	Insurance	BP. E154, Bamako Tel: 223 222 57 75 Tel: 223 222 58 18 Fax: 223 223 24 23 E-mail: c-mali@colina-sa.com

4.	Société malienne de financement – SOMAFI	France	Financial institution	Boulevard du 22 octobre 1946 Quartier du Fleuve BP. E3643, Bamako Tel: 223 222 18 66 Fax: 223 222 18 69 E-mail: somafi@malinet.ml
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TOURISM AND TRANSPORT

1.	Air France	France	Air transport	BP. 204, Bamako Tel: 223 222 22 12 Fax: 223 222 47 34 E-mail: bkoduaf@afribone.net.ml
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2.	Hôtel El Farouk – Kempinski SA	Germany	Hotel	Boulevard du 22 octobre 1946 Quartier du Fleuve BP. E5063, Bamako Tel: 223 222 30 30, Tel: 223 223 18 30 Fax: 223 222 61 61
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3.	TransRail SA	Canada	Transport	Immeuble Babemba BP. 260, Bamako Tel: 223 222 51 96 Tel: 223 222 52 73 Fax: 223 222 54 33 E-mail: annemarietraore@transrailsa.com
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BUSINESS SUPPORT

1.	Bull Afrique Mali	France	Computer equipment	BP. E1923, Bamako Tel: 223 222 25 80 Fax: 223 222 25 80 E-mail: bullmali@afribone.net.ml E-mail: bullmali@yahoo.fr
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2.	COPREXIM	France	Information technology services	BP. E220, Bamako Tel: 223 222 21 69 Tel: 223 222 95 63 Fax: 223 222 73 60 E-mail: coprexim@coprexim.com
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3.	EGCC	France	Accounting services	Badalabougou, avenue de l'Oua BP. 3013, Bamako Tel: 223 223 01 53/4/5 Tel: 223 223 64 91 Tel: 223 222 82 18 Fax: 223 222 87 86 E-mail: egcci@afribone.net.ml
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4.	Ingelec Mali	France	Distribution of electronic components	BP. E3398, Bamako Tel: 223 229 84 56 Fax: 223 223 87 93 E-mail: olympien@cefib.com
5.	Maersk Mali	Denmark	Shipping international	Immeuble UATT, Quartier du Fleuve BP. 3259, Bamako Tel: 223 222 97 18 223 222 06 91 Fax: 223 222 86 28 E-mail: bamondimp@maersk.com
6.	Mali Catering	France	In-flight catering	Aéroport de Bamako BP. E3803, Bamako Tel: 223 220 49 49 Fax: 223 220 49 47 E-mail: mali.catering@cefib.com

INFRASTRUCTURE

1.	Afribone	Canada	Internet service provision	BP. E2016, Bamako Tel: 223 228 00 00 Fax: 223 228 00 00 E-mail: info@afribone.net.ml
2.	Diesel électrique service – DES	France	Electric and telecommunication transmission lines	BP. E777, Bamako Tel: 223 222 21 67 Tel: 223 222 27 86 Fax: 223 222 21 67 E-mail: des@datatech.toolnet.org
3.	Énergie du Mali – EDM	France	Electricity and water provision	BP. 69, Bamako Tel: 223 222 30 20 Tel: 223 222 30 60 Tel: 223 222 30 61 Fax: 223 222 84 30 E-mail: edminfo@cefib.com
4.	Experco International SARL	Canada	Internet service provision	Hippodrome, Rue 279, porte 12 BP. E586, Bamako Tel: 223 221 40 13 Fax: 223 221 96 42 E-mail: expercoafrique@experco.com
5.	Ikatel	France	Mobile telecommunication network	BP. E3991, Bamako Tel: 223 223 08 35 Fax: 223 223 08 35
6.	Segibel / SOTELMA	Canada	Telecommunication	Rue Ousmane Bagoyogo, Porte 19 BP. 2984, Bamako Tel/Fax: 223 223 80 62

CONSTRUCTION AND OTHER

- | | | | | |
|----|--|--------|---------------------------------|--|
| 1. | Colas | France | Road construction | Hippodrome, Rue 214, Porte 104
BP. 2496, Bamako
Tel: 223 221 89 63
Fax: 223 221 93 78
E-mail: colasmali@spider.toolnet.org |
| 2. | Société anonyme de travaux outre mer – SATOM | France | Hydraulic and road construction | BP. 77, Bamako
Tel: 223 221 31 40
Fax: 223 221 37 01
E-mail: satom@cefib.com |
| 3. | Société générale d'ingénierie de Chine | China | Hydraulic construction | Badalabougou, BP. E2991, Bamako
Tel: 223 222 54 12
Fax: 223 222 90 81
E-mail: covecmali@hotmail.com |

MISCELLANEOUS

- | | | | | |
|----|---|--------------|------------------------|---|
| 1. | DUPE SA | France | Trading | Zone industrielle, Rue 850
BP. 680, Bamako
Tel: 223 221 52 30
Fax: 223 221 83 01
E-mail: dupe@cefib.com |
| 2. | Groupe beauchemin Editeur / Editions Jamana | Canada | Publishing | Lafiabougou, Avenue Cheikh Zayed
Porte 2694, Bamako
Tel: 223 229 62 89
Fax: 223 229 76 39 |
| 3. | IFA-BAKO, | West African | Investment Corporation | Germany Real estate
Quartier du fleuve, Avenue de l'Yser
Porte 425, BP. E1271, Bamako
Tel: 223 2232323
Fax: 223 2232324 |
| 4. | Hydro Sahel | Canada | Water drilling | Sogoniko, Route de Niamakoro
BP. 1926, Bamako
Tel: 223 220 47 30
Fax: 223 220 14 99
E-mail: hydrosahel@cefib.com |
| 5. | Toyota Diama | France | Automobile dealer | BP. 1655, Bamako
Tel: 223 221 26 53
Fax: 223 221 62 63
E-mail: toyotadiama@afribone.net.ml |
| 6. | Würth Electronik | Germany | Solar energy | Route de Koulikoro, Porte 1277
BP. E3983, Bamako
Tel: 223 221 02 96
Fax: 223 221 02 96 |

Appendix 3

57

Sources of further information

Agence pour la promotion des investissements au Mali (API-MALI)
(formerly, the Centre national de promotion des investissements (CNPI))
BP. 1980, Bamako
Tel: 223 229 22 79 / 229 52 12
Fax: 223 229 80 85
E-mail: cnpi@spider.toolnet.org

Public sector

Ministère des affaires étrangères et des Maliens de l'extérieur
Bamako
Tel: 223 222 50 92 / 222 54 89 / 222 56 33

Ministère de l'agriculture, de la pêche et de l'élevage
BP. 61, Bamako
Tel: 223 222 27 85 / 222 29 79 / 223 30 66
Fax: 223 222 02 95

Ministère de l'artisanat et du tourisme
Bamako
Tel: 223 223 63 43 / 223 64 50 / 223 64 10
Fax: 223 222 93 27

Ministère des domaines de l'État et des affaires foncières
Bamako
Tel: 223 223 05 39

Ministère de l'économie et des finances
BP. 234, Bamako
Tel: 223 222 58 58 / 222 56 87 / 222 51 56
Fax: 223 222 88 53

Ministère de l'équipement et des transports
Bamako
Tel: 223 222 33 80 / 222 29 01 / 223 20 02

Ministère de l'industrie et du commerce
BP. 1781, Bamako
Tel: 223 221 63 99 / 221 43 89 / 221 8058
Fax: 223 221 43 87

Ministère des mines, de l'énergie et de l'eau
Bamako
Tel: 223 222 42 38 / 222 41 84 / 223 85 64 / 223 31 91

Ministère du travail et de la fonction publique
Bamako
Tel: 223 222 34 31 / 222 11 17

Secrétariat général du gouvernement
Bamako
Tel: 223 222 25 72 / 222 33 84 / 222 83 99

Other public institutions

Agence nationale pour l'emploi (ANPE)
BP. 211, Bamako
Tel: 223 222 31 87 / 222 83 54
Fax: 223 223 26 24

Direction générale des douanes (DGD)
BP. 269, Bamako
Tel: 223 220 57 14 / 220 53 94
Fax: 223 220 08 00 / 220 55 61
E-mail: dirdouane@malinet.ml

Direction générale des impôts (DGI)
BP. 776, Bamako
Tel: 223 229 25 29
Fax: 223 229 44 40
E-mail: milsamake@pamorimali.org

Direction nationale du commerce et de la concurrence (DNCC)
BP. 201, Bamako
Tel: 223 221 49 28 / 221 23 14
Fax: 223 221 80 46

Direction nationale des industries (DNI)
BP. 278, Bamako
Tel: 223 222 57 56 / 222 06 63
Fax: 223 222 61 37

Tribunal du commerce de Bamako
BP. 2878, Bamako
Tel/Fax: 223 221 31 66

Private sector

Agence pour l'aménagement et la gestion
des zones industrielles (AZI-SA)
BP. E239, Bamako
Tel/Fax: 223 223 72 93
E-mail: azi@afribone.net.ml

Agence de cession immobilière (ACI)
BP. 2485, Bamako
Tel: 223 229 88 08 / 229 26 43

Association malienne pour la qualité (AMAQ)
Centre du secteur privé ACI-2000
Tel: 223 229 70 14
E-mail: amaq@cefib.com

Chambre de commerce et d'industrie du Mali
(CCIM)
BP 46, Bamako
Tel: 223 222 21 20 / 222 30 01 / 222 57 64

Chambre nationale des huissiers de justice
Cour d'appel de Bamako
BP. E 2336, Bamako
Tel: 223 222 75 56
Fax: 223 223 14 73
E-mail: cabdembele@datatech.toolnet.org

Chambre des notaires
BP. E422, Bamako
Tel/Fax: 223 222 83 76 / 222 36 72
E-mail: etudekanda@datatech.net.ml

Centre du secteur privé
ACI-2000
BP. 912, Bamako
Tel: 223 229 70 06 / 229 70 07
Fax: 223 229 70 06
E-mail: edi.csp@cspmali.org

Ordre des architectes
BP. 2335 Bamako
Tel: 223 223 98 30

Ordre des avocats
Palais de justice de la Commune III
BP. E2231, Bamako
Tel: 223 222 78 63

Ordre des comptables agréés
et experts comptables agréés (OCAECA)
Centre du secteur privé – ACI 2000
BP. E113, Bamako
Tel: 223 229 12 12 / 221 41 02
Fax: 223 229 12 12 / 221 68 36
E-mail: cacisse@buroticservices.net.ml

Ordre des conseillers fiscaux du Mali (OCFM)
Centre du secteur privé – ACI 2000
BP. E2344, Bamako
Tel: 223 221 44 69
Fax: 223 221 42 71
E-mail: fiscalité@afribone.net.ml

Ordre des ingénieurs-conseils du Mali (OICM)
BP. E4486, Bamako
Tel: 223 228 03 35
E-mail: oicm@afribone.net.ml

Ordre des géomètres-experts
BP. 1005, Bamako
Tel: 223 229 6808
Fax: 223 229 05 88
E-mail: setea@buroticservices.net.ml

Ordre des urbanistes
Tel: 223 221 25 70
E-mail: urbafric@yahoo.fr

Les ordres professionnels de la santé
(Ordre des pharmaciens, Ordre des médecins,
des chirurgiens et des chirurgiens dentistes,
Ordre national des sage-femmes)
BP. E674, Bamako
Tel: 223 223 03 20

Others

Fonds d'appui à la formation professionnelle
et à l'apprentissage (FAFPA)
BP. E3597, Bamako
Tel: 223 222 14 72
Fax: 223 222 14 89
E-mail: fafpa@datatech.toolnet.org

Unité de formation et d'appui aux entreprises
BP. E4018, Bamako
Tel: 223 222 75 65
Fax: 223 222 75 67
E-mail: ufae-gcmi@cefib.com

Useful Internet sites

Annuaire malien des affaires (Pages jaunes du Mali): www.malipages.com

Présidence de la République: www.koulouba.pr.ml

Ministère de l'Administration Territoriale et des Collectivités Locales: www.matcl.gov.ml

Ministère Délégué auprès du Ministère des Affaires Étrangères et de la Coopération Internationale chargé des Maliens de l'Extérieur et de l'Intégration Africaine: www.maliensdelexterieur.gov.ml

Direction Nationale de la Géologie et des Mines: www.dngm.com.ml

Fédération Nationale des Artisans du Mali: www.promali.org

Centre national de promotion des investissements: www.cnpi-mali.org

Office malien du tourisme et de l'hôtellerie: www.tourisme.gov.ml

Precedent Afribone Mali: www.afribone.com

Investir en zone franc: www.izf.net

Union économique et monétaire ouest africaine: www.uemoa.int

Banque centrale des États de l'Afrique de l'Ouest: www.bceao.int

Ambassade du Mali aux États Unis: www.maliembassy.us

Appendix 4

60

Public holidays in 2005 and related information

Public holiday	Date	Days	Remarks
New Year's Day	1 January	1	
Armed Forces Day	20 January	1	
Martyrs' Day	26 March	1	
Labour Day	1 May	1	
Africa Day	25 May	1	
National Day	22 September	1	
Christmas	25 December	1	
Easter Monday		1	Monday following Easter Sunday
Ramadan		1	First day of the lunar month of Shawal
Tabaski		1	Tenth day of the lunar month of Zoul Hidjat
Birth of the prophet Mohamed – Maouloud		1	Twelfth day of the lunar month of Rabia Awal
Baptism of the prophet Mohamed		1	Nineteenth day of the lunar month of Rabia Awal

Normal business hours

Public institutions:

- Monday to Thursday –7:30 a.m. to 12:30 p.m. and 1 p.m. to 4 p.m.
- Friday – 7:30 a.m. to 12:30 p.m. and 2:30 p.m. to 5:30 p.m.

During the lunar month of Ramadan, business hours are as follows:

- Monday to Thursday –7:30 a.m. to 12:30 p.m. and 1 p.m. to 4:30 p.m.
- Friday – 7:30 a.m. to 12:30 p.m.
- Private institutions and businesses: Pursuant to section L.131 of Act 92-020 of 23 September 1992 establishing the Labour Code, the work week cannot legally exceed 40 hours per week and working hours are set by decree of the Minister of Labour.

Banks:

- Monday to Thursday –8 a.m. to 11 a.m. and 1 p.m. to 3 p.m.
- Friday and Saturday – 8 a.m. to 11 a.m.

Shops:

Monday to Saturday – Most shops are open from 8 a.m. to 6 p.m., some are open until midnight. The labour code (Act 92-020 of 23 September 1992) establishes a 40-hour work week.

For farming operations, the prescribed number of hours is 2,352 per year, broken down as follows:

- 42 hours per week from March to June;
- 46 hours per week from July to October; and
- 48 hours per week from November to February.

Annual leave is four weeks after 12 months of service. Exceptionally, leave not exceeding 10 days and not deductible from annual leave, may be granted to workers for family events.

Public holidays are established by law.

Privatization**Liquidated public enterprises**

Year	Name of company	Business	Sector
1978	Société des conserves du Mali (SOCOMA)	Canning	Manufacturing
1979	Société des d'exploitation des briqueteries de Magnambougou (SEBRIMA)	Brickmaking	Public works/ civil engineering
1981	Société malienne de bétail et des peaux et cuirs (SOMBEPEC)	Skin and hide operation	Manufacturing
1983	Société de crédit agricole et d'équipement rural (SCAER)	Farm credit	Finance
1984	Société africaine de transport (SAT)	Road transport	Transportation
	Société de construction des radios cassettes du Mali (SOCORAM)	Radios and radio/ cassette recorders	Manufacturing
1985	Société des hôteleries du Mali (SHM)	Hotel	Other services
1987	Air Mali	Air transport	Transportation
1988	Compagnie malienne des transports routiers (CMTR)	Road transport	Transportation
	Société nationale des travaux publics (SONETRA)	Building construction, roads, development	Public works/ civil engineering
	Société malienne d'importation et d'exportation (SOMIEX)	Import and export	Trade
1989	Office cinématographique du Mali (OCINAM)	Film distribution and movie theatres	Services
1995	Société des fruits et légumes du Mali (FRUITEMA)	Fruit and vegetable marketing	Trade
	Pharmacie vétérinaire du Mali (PVM)	Herd protection, distribution of veterinary pharmaceuticals	Services
1996	Office d'exploitation des ressources hydrauliques du haut Niger (OERHN)	Electrical power production, agribusiness, fish farming	Electricity-water
	Opération de développement intégré (ODIMO)	Rural development	Agriculture
1997	CMI	Drilling at the base of Kobalocoro by asset transfer from the Coopération italienne to the State	Electricity-water
1999	Société de location de matériel de travaux publics (SLMTP)	Public works equipment rentals	Services
2000	Office des relais touristiques (ORT)	Hotel management	Services
	Société nationale de recherche minière du Mali (SONAREM)	Mining exploration	Mines
2001	Loterie nationale du Mali (LONAMA)	Gambling	Services

List of privatized public enterprises

Year	Name of company	Business	Sector	% State ownership before privatization	Method of privatization	% State ownership after privatization
1988	Société d'exploitation des produits oléagineux du Mali (SEPOM)	Oil factory	Manufacturing	100	Asset sale	0
1989	Société des conserves du Mali (SOCAM)	Tomato paste	Manufacturing	100	Asset sale	20
	Banque de développement du Mali (BDM)	Financial institution	Finance	100	Share sale	20%
1990	Entreprise malienne de bois (EMAB)	Furniture-making	Manufacturing	100	Asset sale	0
	Société des fruits et légumes du Mali (FRUITEMA)	Fruits and vegetables	Manufacturing	33	Share sale	10
	Industrie textile du Mali (ITEMA)	Textile industry	Manufacturing	33	Share sale	20
	Hôtel Atlantide Gao	Hotel	Services	100	Asset sale	0
	Campement Tombouctou	Hotel	Services	100	Asset sale	0
	Motel Sévaré	Hotel	Services	100	Asset sale	0
	Campement hôtel Mopti	Hotel	Services	100	Asset sale	0
	Trois caïmans	Hotel	Services	100	Asset sale	0
	Ensemble hôtelier Sikasso	Hotel	Services	100	Asset sale	0
	Hôtel Sangha	Hotel	Services	100	Asset sale	0
1991	Edition imprimerie du Mali (EDIM)	Publishing, printing	Manufacturing	100	Asset sale	10
	Librairie populaire du Mali (LPM)	School supplies, stationery	Trade	100	Asset sale	0
	Société d'équipement du Mali (SEMA)	Real estate appraisals, operations	Public works/civil engineering	60	Asset sale	20
	Société malienne d'études et de construction de matériel agricole (SMECMA)	Farming equipment	Manufacturing	53	Asset sale	0
	Société des ciments du Mali (SOCIMA)	Construction materials	Manufacturing	100	Asset sale	0
	Usine céramique du Mali (UCEMA)	Ceramics and lime	Manufacturing	100	Asset sale	0
1993	Base pour l'équipement du transport routier au Mali (BETRAM)	Maintenance, sales	Services	100	Asset sale	0

1993	Société nationale d'études pour le développement (SNED)	Studies	Services	82	Share sale	10
	Tanneries du Mali (TAMALI)	Skin and hide tanning, leather goods	Manufacturing	100	Asset sale	0
1994	Compagnie malienne des textiles (COMATEX)	Textile industry	Manufacturing	100	Asset sale	20
	Grand Hôtel	Hotel industry	Services	100	Asset sale	0
1995	OTER	Rural development	Public works/civil engineering	100	Asset sale	0
	SEPAMA	Oil trade	Manufacturing	49	Asset sale	0
	SOGEMORK	Gold mining	Mines	100	Asset sale	20
	ULB	Milk production and marketing	Manufacturing	100	Asset sale	0
	Motel Bamako	Hotel industry	Services	100	Asset sale	0
1996	PETROSTOCK	Petroleum product storage and distribution	Trade	100	Asset sale	0
	SUKALA	Sugar manufacturing	Manufacturing	100	Asset sale	40
	Camp. Bandiagara	Hotel	Services	100	Asset sale	0
	Camp. Bougouni	Hotel	Services	100	Asset sale	0
	Mali Aqua Viva	Drilling	Electricity-water	100	Asset sale	0
	Rizeries ODN	Rice hulling	Trade	100	Asset sale	0
	Centre Travx Niono	Maintenance, rehabilitation of hydro-agricultural infrastructures	Services	100	Asset sale	0
1997	H. Kanaga	Hotel	Services	100	Asset sale	0
	Atelier Ass. Mat. Agr.	Farm equipment assembly	Manufacturing	100	Asset sale	0
	Rizerie Dioro	Rice hulling	Trade	100	Asset sale	0
1998	CNAR	Insurance and reinsurance	Services	100	Share sale	0
	EMAMA	Pump and other manufacturing	Manufacturing	100	Share sale	0
	Hôtel l'Amitié	Hotel	Services	100	Asset sale	0
2000	EDM	Energy production, distribution	Electricity-water	100	Share sale	40
2005	Huilerie cotonnière du Mali (HUICOMA)	Oil and soap	Agro-proceeding	96	Share sale	0

Source: Direction Générale de l'Administration des Biens de l'État (2002). List of privatized public enterprises.

* The Compagnie Malienne de Développement des Textiles (CMDT) is scheduled for privatization in 2006.

Enterprises being or to be privatized*

Name of company	Business	Status	Method of privatization
Opération Puits	Drilling	Rural development operation	Asset sale to a company with 20% State participation
Usine Malienne de Produits Pharmaceutiques	Pharmaceutical manufacturing	State-owned	Share sale
Société des Télécommunications du Mali (SOTELMA)	Telecommunications sale	State-owned	Share
Aéroports du Mali	Airport management	Public trade and industry enterprise	Sale of assets to a private company
Complexe Sucrier du Kala Supérieur	Sugar and alcohol	Mixed enterprise	Share sale
Compagnie Malienne de Navigation (COMANAV)	River transport	State-owned	Share sale

Source: Direction générale de l'administration des biens de l'Etat (octobre 2003). List of enterprises being or to be privatized.

Appendix 6

Major laws and regulations affecting foreign investment

Name	Area
a) Investment	
Loi no. 05-050 du 19 août 2005 portant modification de la loi no. 91-048/AN-RM du 26 février 1991 portant code des investissements	Law providing a new regime of fiscal incentives
Ordonnance 05-019/P-RM du 26 Septembre 2005 portant creation de l'Agence pour la Promotion des Investissements au Mali	Order related to the creation of the investment promotion agency in Mali
Ordonnance 00-019/PRM du 15 mars 2000 portant organisation du secteur de l'électricité	Order regulating operational management of production, transport, distribution and sales of electricity run by private companies under State franchise
Décret 96-030/P-RM du 25 janvier 1996 fixant les modalités administratives de création d'entreprises modifiées par le décret 97-203/P-RM du 27 juin 1997	Regulation governing the administrative formalities of business development
Loi 94-041 du 22 août 1994 portant Principes fondamentaux de la privatisation des entreprises du secteur public	Legislation regulating the terms and conditions of privatizing public enterprises
Loi 91-048/ANRM du 26 février 1991 portant Code des investissements	Legislation setting out the benefits granted to all investors, based on amount of investment, business location and percentage of production exported.
Décret 91-079/P-RM du 4 mars 1991 fixant les modalités d'application de la loi 91-048/ANRM du 26 février 1991 portant Code des investissements	
b) Labour law	
Loi 92-020 du 23 septembre 1992 portant Code du travail	Legislation governing labour relations, work visas for expatriates, labour disputes and worker representation
Convention collective des entreprises du bâtiment, du 6 juillet 1956	Agreements between trade unions and employers with more favourable provisions than those of current legislation and regulations
Convention collective du commerce, du 16 novembre 1956	
Convention collective fédérale des industries de la mécanique générale, du 8 octobre 1957	
Convention collective des transports routiers, du 7 décembre 1959	
Convention collective des entreprises pétrolières, du 31 décembre 1974	
Convention collective des entreprises hôtelières, du 10 mars 1977	
Convention collective des sociétés et entreprises minières géologiques et hydrogéologiques, du 24 mai 1985	
Convention collective des travailleurs du transit et commissionnaires agréés en douane	
Convention collective des banques, des établissements financiers et des assurances, du 14 décembre 1992.	

c) Commercial law

Actes uniformes de l'Organisation pour l'harmonisation
du droit des affaires en Afrique (OHADA)

Reference legislation on business law

Règlement R09/98/CM/UEMOA du 20 décembre 1998
relatif aux relations financières extérieures des États membres
de l'Union économique et monétaire ouest africaine

Regulation governing currency
transfers outside the free zone

d) Income tax

Code général des impôts – À jour au 31 décembre 1995
Loi 99-011 du 1er avril 1999 portant Modification du code
général des impôts (Impôts directs, droits d'enregistrement,
droits de timbre)

Legislation governing tax in Mali
setting out the nature of income tax,
tax rates, tax bases and taxpayers

Loi 99-012 du 1er avril 1999 portant Modification du code
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