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Mali: Selected Issues and Statistical Appendix

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MALI

Selected Issues and Statistical Appendix

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Approved by the African Department

January 28, 1999

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Mali: Basic Data ¹

Area, population, and GDP per capita

Area	1,240,190 square kilometers
Population (1995)	9.2 million
Growth rate	3.2 percent
GDP per capita (1996)	US\$260

	1992	1993	1994	1995	1996	1997 Prel.
Gross domestic product at current prices						
	(In billions of CFA francs)					
Total (at current prices)	753.5	755.2	1,028.7	1,231.0	1,360.7	1,467.6
	(In percent of nominal GDP)					
Consumption	95.6	93.6	92.9	89.1	89.3	86.5
Gross domestic savings	4.4	6.4	7.1	10.9	10.7	13.5
Investment	21.9	21.9	26.0	26.0	26.0	23.3
Resource gap	-17.5	-15.5	-18.9	-15.1	-15.3	-9.8
	(In percent of real GDP)					
Primary sector	49.3	46.0	48.2	49.5	48.4	46.7
Secondary sector	16.2	17.1	16.8	17.0	17.9	20.5
Tertiary sector	34.5	36.9	35.0	33.5	33.7	32.8
	(Annual change in percent)					
Real GDP	8.4	-2.3	2.2	6.3	4.0	6.7
Nominal GDP	10.5	0.2	36.2	19.7	10.5	7.9
Prices						
GDP deflator	1.9	2.6	33.2	12.5	6.3	1.1
Index of consumer prices in Bamako	-5.9	-0.6	24.8	12.4	6.5	-0.7

Mali: Basic Data ¹ (continued)

	1992	1993	1994	1995	1996	<u>1997</u> Prel.
(In billions of CFA francs)						
Government finance						
Revenue	100.7	104.7	122.3	157.1	205.9	229.7
Budgetary revenue	89.1	94.0	109.3	140.5	185.0	207.9
Annexed budgets and special funds	11.6	10.7	12.9	16.6	20.9	21.8
Grants	53.6	42.0	97.8	92.4	96.5	84.2
Expenditure and net lending	184.0	177.3	265.2	287.4	314.0	345.2
Budgetary expenditure	161.8	161.2	268.4	291.9	303.9	328.6
<i>Of which</i> : externally financed investment	60.0	58.5	115.0	133.5	137.3	124.5
Annexed budgets and special funds	11.6	10.5	11.7	14.5	20.7	21.8
Extrabudgetary	8.9	5.6	0.0	0.0	0.0	0.0
Net lending	1.7	0.0	-14.9	-19.0	-10.6	-5.2
Overall deficit, commitment basis						
Excluding grants	-83.3	-72.6	-142.9	-130.3	-108.1	-115.5
Including grants	-136.9	-30.6	-45.1	-37.9	-11.5	-31.3
Overall deficit, cash basis	-24.2	-22.5	-74.8	-51.9	-30.5	-39.7
Financing (net)	24.2	22.5	74.8	51.9	30.6	39.7
External (net)	32.8	25.5	76.7	90.9	82.1	49.0
Banking system (net)	-5.4	-1.3	-4.6	-39.6	-46.0	-1.9
Privatization receipts	0.0	0.0	1.8	1.3	0.3	1.4
Other	-3.2	-1.7	0.9	-0.6	-5.9	-8.7
Monetary survey (end of year)						
Net foreign assets 2/	67.8	76.8	110.3	147.4	212.7	211.2
Net domestic assets	95.6	99.3	143.8	146.1	116.0	150.4
Credit to the government (net)	20.7	28.3	49.2	16.6	-23.7	-23.9
Credit to the economy	68.7	71.4	88.1	132.6	171.2	195.9
Other items (net)	6.1	-0.4	6.5	-3.1	-30.8	-21.6
Medium- and long-term external liabilities	-6.2	-5.7	-11.1	-8.9	-10.3	-15.2
Money and quasi money	157.2	170.4	237.0	283.5	317.9	345.3

Mali: Basic Data ¹ (continued)

	1992	1993	1994	1995	1996	<u>1997</u> Prel.
(In millions of SDRs)						
Balance of payments						
Exports, f.o.b.	257.1	250.2	235.0	291.2	298.6	413.1
Imports, c.i.f.	-510.8	-485.6	-439.4	-495.1	-531.9	-552.3
Services (net)	-128.3	-78.5	-73.3	-84.9	-89.5	-86.5
<i>Of which</i> : interest	-29.2	-24.2	-27.5	-21.4	-18.7	-16.6
Private transfers (net)	52.5	66.9	59.2	63.1	61.9	52.9
Current account (excluding grants)	-329.6	-247.0	-218.5	-225.7	-260.9	-172.8
Unrequited public transfers (net)	254.7	170.2	169.0	147.1	167.1	120.0
Current account (including grants)	-74.8	-76.7	-49.4	-78.5	-93.8	-52.8
Capital (net)	3.0	-17.7	57.5	80.7	97.1	32.4
Official capital (net)	9.1	-12.9	31.2	60.9	55.5	42.5
Disbursements	103.8	76.7	115.3	145.4	137.4	91.7
Amortization	-94.7	-89.6	-84.1	-84.5	-82.0	-49.2
Private capital (net)	-6.2	-4.8	26.3	19.8	41.6	-10.1
Debt relief	78.9	77.5	65.2	59.2	55.2	0.0
Errors and omissions	-12.6	20.7	12.2	-16.7	29.5	0.0
Overall balance	-5.6	3.8	85.5	44.6	87.9	-20.4
Foreign assets (net) (increases -)	-5.4	-17.2	-60.6	-49.0	-87.9	1.9
<i>Of which</i> : IMF (net)	5.6	3.3	22.3	24.3	15.7	15.8
Revaluation adjustment	1.1	0.8	0.0	4.4	0.0	0.0
Debt under negotiation/moratorium	0.0	0.0	0.0	0.0	0.0	18.4
Changes in payments arrears Reduction (-)	9.9	12.6	-24.9	0.0	0.0	0.0
Official foreign reserves and liabilities (end of year)						
Gross reserves	227.5	256.8	149.2	217.7	304.9	304.5
Gross liabilities	-56.5	-54.3	-84.4	-106.3	-113.9	-128.1

Mali: Basic Data ¹ (concluded)

	1992	1993	1994	1995	1996	<u>1997</u> Prel.
(In millions of SDRs)						
Outstanding external debt						
(end of period)	1,989.8	2,017.0	1,825.1	1,876.6	2,011.0	2,123.6
<i>Of which</i> : Fund credit	47.6	51.4	74.1	99.0	113.5	130.2
(In percent) ²						
Debt-service ratio						
Scheduled debt service ³	18.5	18.8	22.8	15.0	14.4	11.1
Excluding the Fund	16.3	16.4	20.1	14.6	12.6	8.6
(CFA francs per SDR and per U.S. dollar)						
Exchange rates						
Period average						
SDR	372.7	395.3	795.0	757.1	742.8	793.4
U.S. dollar	264.7	283.2	555.2	499.1	511.6	583.7
End of period						
SDR	378.6	404.9	780.4	728.4	753.1	807.9
U.S. dollar	275.3	294.8	534.6	490.0	523.7	598.8
(1990 = 100)						
Trade-weighted effective exchange rate index						
Nominal	102.2	103.7	53.4	55.3	55.1	53.0
Real (CPI-based)	90.9	88.9	55.1	62.0	64.1	60.2

¹ Data may not add up owing to rounding.

² Excluding SDR allocation and medium-and long-term liabilities.

³ In percent of exports of goods and nonfactor services; after debt cancellation; before debt relief; excluding debt service due to the People's Republic of China and Russia.

Mali: Selected Social and Demographic Indicators ¹

Area		Gross national product (1996)		
Total (sq. km.)	1,240,190	Per capita (US\$)	260	
Agricultural (percent of total)	26.4	<i>(World Bank Atlas methodology)</i>		
<i>Of which</i> : under irrigation	0.24			
Population (1997)		Population density		
Total (million)	10.3	General density (per sq. km)	7.4	
Average rate of growth (percent a year) (1990-97)	2.8	Density per sq. km. of agricultural land	26.5	
Population characteristics		Health		
Crude birth rate (per thousand; 1996)	48.8	Population per physician (in thousands)	19.4	
Crude death rate (per thousand; 1996)	16.2	Population per hospital bed (1970-75 estimate)	1,400.0	
Life expectancy at birth (years; 1996)	50.0	Infant mortality rate (per thousand live births) (1977)	118.0	
Urban population (percent of total; 1996)	27.4			
Access to safe water		Education		
	<u>1988</u>	<u>1996</u>		
In percent of population			Enrollment rates (in percent of school Age population)	
Total	22.7	37.0	Primary (1996-97)	46.7
Urban	48.0	36.0	Secondary (1994)	9.0
Rural	17.0	38.0	Pupil-teacher ratio (in percent)	
Nutrition			Primary (1994)	61.0
Per capita supply of			Secondary (1994)	16.0
Calories (per day)		2,314.0		
Proteins (grams per day)		64.0		

Sources: World Bank, *Social Indicators of Development*, 1996, and *African Development Indicators*, 998/99, and *World Development Indicators*, 1998 CD-ROM; and staff estimates.

¹ Latest single year between 1990 and 1997, unless otherwise indicated.

I. STRUCTURAL ADJUSTMENT: ACHIEVEMENTS AND PROSPECTIVE AGENDA¹

A. Introduction

1. Mali is one of the least developed countries in the world, ranking 171st out of 174 countries included in the 1998 UNDP Human Development Index (HDI).² A landlocked Sahelian nation, Mali opted for a state-controlled model of economic development shortly after gaining independence in 1960. Subject to cyclical drought and highly dependent upon three principal export commodities (cotton, livestock, and gold), Mali's social and economic development remained extremely tenuous from 1960 until the early 1990s.³ Prompted by disappointing economic performance, which was exacerbated by a serious drought over the 1982-85 period, the Malian government decided in 1986 to begin implementing structural adjustment policies. These efforts received the financial support of the IMF and the World Bank, beginning in 1988. Implementation of adjustment policies has largely been uninterrupted since then, focusing primarily on the following key areas: macroeconomic stabilization, through fiscal consolidation and tax reform; liberalization of price and trade policies; regulatory reform; and public enterprise and agricultural sector reform. Mali is a member of the West African Economic and Monetary Union (WAEMU) and participates actively in all regional economic integration initiatives that involve important reforms in areas of common interest to the Union.⁴ Overall, Mali has made important progress under its economic adjustment and reform programs, although the economic situation continues to be fragile and a substantial unfinished reform agenda remains.

2. Mali's adjustment efforts gained the financial support of the Fund in 1988, with the adoption of a policy framework paper and strong medium-term macroeconomic policies designed to stabilize the economy, prepared in consultation with the staffs of the IMF and the World Bank. Since then, Mali's collaboration with the Fund has included the successful implementation of a Stand-By Arrangement (August, 1988), two annual arrangements under the Structural Adjustment Facility (SAF), and two three-year arrangements under the Enhanced Structural Adjustment Facility (ESAF). Mali's current three-year ESAF-supported

¹Prepared by John Cady.

² The 1998 HDI is based on 1995 data.

³ In the decade 1982-92, real per capita GDP declined by 7 percent, or approximately 0.7 percent per annum on a compound basis.

⁴ For a discussion of the institutional arrangements, recent developments and policy issues in the WAEMU, see Ernesto Hernández-Catá and others, *The West African Economic and Monetary Union: Recent Developments and Policy Issues*, Occasional Paper No. 170 (Washington: International Monetary Fund, 1998).

adjustment program will conclude at the end of March 1999. The World Bank has supported Mali's adjustment effort over this period through structural and sectoral lending operations. In addition, in September 1998, Mali was deemed eligible by the Executive Boards of the IMF and the World Bank to benefit from the Heavily Indebted Poor Country (HIPC) Initiative, with a completion point at end-December 1999.

3. Over the past decade of economic reform, Mali has transformed its economy into a largely market-based system and made the transition to a democratic form of government in 1992. In early 1994, the Malian government significantly strengthened its medium-term adjustment strategy through a 50 percent devaluation of the CFA franc, a decision taken in concert with its WAEMU partners. The devaluation significantly improved Malian competitiveness and resulted in a strong rebound in economic growth and rising per capita incomes. In 1998, Mali held its second presidential elections, solidifying its commitment to democratic principles. Thus, with a renewed mandate and prospects of another three-year ESAF program and debt relief under the HIPC Initiative, the government intends to pursue the adjustment process while consolidating progress already achieved in the areas of liberalization and macroeconomic stability. Having completed a number of critical structural reforms over the past decade, Mali is now set to enter a new phase of adjustment, focusing on reforms designed to stimulate high and durable economic growth, reduce economic fragility, and alleviate poverty.

4. The next section briefly surveys the progress achieved by Mali in the area of economic adjustment in the decade since 1988. This is followed by a discussion of the principal areas where the Malian government is considering the implementation of new reforms in the period ahead.

B. Structural Reform Policies and Macroeconomic Adjustment, 1988-98

5. Mali's adjustment efforts since 1988 have been supported by the IMF and the World Bank through financial and technical assistance, and have generally been sustained. There were, however, two exceptions: an interruption in 1991-92 during the transition to a democratically elected government; and between August 1993 and April 1994, owing to prevailing social tensions and the need to develop policies designed to accompany the change in the CFA franc parity in January 1994. Since 1994, the government has completed the remainder of the first three-year ESAF program; negotiated and implemented a successor ESAF arrangement.

Structural reform policies

6. The transformation and modernization of the Malian economy from a state-controlled system into one increasingly governed by market forces involved extensive structural reforms across a broad spectrum. In line with the authorities' objective of increasing sustained economic growth, structural reforms have focused on promoting private sector activities

through improving the legal and regulatory environment, increasing productivity and diversifying production in the agricultural sector, and reducing the size and fiscal burden of the public enterprise sectors, while increasing its efficiency. Outlined below is the sequencing of the most significant reforms implemented over the past decade by the Malian authorities.

7. **Price and trade policy liberalization (Box 1).** Early in the adjustment process, priority was given to the removal of legal constraints on private sector activities, including the abolishment of price and quantitative controls on trade. Until 1986, the Malian authorities maintained a system of rigid price controls over a wide range of domestic and imported products. In 1986, a policy of price and marketing liberalization was initiated, with price controls limited to 58 "strategic products." By January 1990, only 4 product prices were subject to control, and by July 1, 1992, when controls on petroleum product prices were eliminated, almost all prices in Mali were market determined.⁵ Subsequently, Mali has maintained a liberalized pricing system, including during the period of significant price pressures immediately following the devaluation of the CFA franc in early 1994.

8. Private sector development was also encouraged through the reform of trade policies. In 1986 all export monopolies were eliminated, followed in 1988 by the elimination of all import monopolies (with the exception of cigarettes and pharmaceuticals); the pharmaceutical import monopoly was subsequently eliminated in 1991. In 1990, the export and import licensing system was replaced with a simpler registration system, and the independent preshipment inspection and verification of imports was initiated. All taxes and restrictions on exports (with the exception of those on gold) were also abolished in 1990.

Box 1. Mali: Chronology of Price and Trade Policy Reforms

- Limiting of price controls to 58 "strategic products" (1986)
- Elimination of all export monopolies (1986)
- Elimination of all but two import monopolies (1988)
- Institution of preshipment inspection/verification of imports (1990)
- Limiting of price controls to 4 products (1990)
- Replacement of import/export licensing with registration system (1990)
- Abolition of all taxes and restrictions on exports (1990)
- Limiting of price controls to only petroleum products (January 1991)
- Elimination of price controls on petroleum products (July 1992)
- Maintenance of a liberalized pricing system (July 1992 to the present)

⁵ Public utility tariffs (water, electricity, and telecommunications) remain regulated, as do producer prices for cotton.

9. **Legal and regulatory reform (Box 2).** In line with the objective of fostering private sector development, the government has implemented a number of significant legal and regulatory reforms. With a view to developing gold mining, the mining code was revised in 1991, limiting the government's equity position in new mining operations to 20 percent, ensuring uniform treatment of exemptions, and simplifying procedures for obtaining prospecting and mining operation licenses. In order to promote job creation, the national labor and employment agency, which exercised a hiring monopoly, was abolished in 1991. In September 1992, a revised labor code providing greater flexibility in private and public hiring and dismissal procedures was adopted. At the same time, the commercial code was revised, simplifying the regulation of private firms. Also in 1992, the creation of private enterprises by domestic and foreign investors was facilitated with the streamlining of administrative procedures at the "one-stop investment window," which has been established in 1990. The legal environment was improved with the strengthening of commercial courts and the establishment of administrative tribunals in 1995.

10. An important element of the WAEMU regional integration strategy is the harmonization of business laws through the Treaty on the Harmonization of Business Laws in Africa (OHADA), adopted in October 1993 by 15 African countries (representing the African franc zone countries). The initiative is designed to unify business laws, promote arbitration to resolve contractual conflicts, and improve the professional training of magistrates. WAEMU members states, including Mali, have made significant progress toward achieving the OHADA objectives, with the entry into force of five uniform acts, directly enforceable in all member countries, by January 1, 1999. These acts establish, inter alia, a regional court of justice, simplified procedures for loan recovery, a framework for settling liabilities in cases of bankruptcy, and accounting laws applicable to enterprises operating in signatory countries. Of particular significance in the context of the Malian financial system is the implementation of the uniform act on collateral, which should significantly improve the enforcement of obligations stemming from collateralized bank loans.

Box 2. Mali: Chronology of Regulatory and Legal Reforms

- Creation of one-stop investment window for business registration (1990)
- Adoption of revised mining code (1991)
- Abolition of national labor and employment agency (1991)
- Revision of labor code, liberalizing hiring and dismissal procedures (1992)
- Adoption of new commercial code, simplifying regulations applicable to private firms (1992)
- Streamlining of administrative procedures at the "one-stop" investment window for creation and registration of new private enterprises (1992)
- Establishment of administrative tribunals in three regions and strengthening of commercial courts (1995)
- Establishment of a regional court of justice and arbitration (1997)
- Implementation of five OHADA uniform acts, including an act regarding the recovery of collateral in the context of defaulted bank loans (1998)

11. **Agricultural reform.** In view of Mali's high export concentrations for cotton and livestock, a key governmental objective has been to increase agricultural efficiency and diversify production while ensuring the security of food supply. Mali's reform efforts concentrated on establishing appropriate incentive systems and strengthening the role of market mechanisms. Starting with the 1988/89 crop season, all producer prices for food crops were liberalized, and most state-owned production companies were privatized, most notably in the rice sector. The Office du Niger lost its rice marketing monopoly in the late 1980s, and in 1994 a new Office du Niger was created, limiting the former rice producers' responsibilities to water management and the maintenance of irrigation facilities. Similarly, in 1990 the Office des Produits Agricole du Mali (OPAM) was stripped of its marketing monopoly, and its activities limited to the management of security food stocks and the distribution of food aid.

12. Mali's traditional cash crop and most important export commodity is cotton. Beginning in 1989, efforts were initiated to increase productivity in the cotton sector through a restructuring program financed by the World Bank and other donors. Measures were introduced to improve competitiveness by increasing ginning yields, reduce costs, and introduce new, higher-quality varieties of cotton. As a result, seed cotton output increased significantly rising from 229,000 metric tons in the 1988/89 crop year to 320,000 metric tons in 1992/93. However, the cost-cutting measures instituted at the cotton marketing agency, Compagnie Malienne pour le Développement des Textiles (CMDT), were insufficient to offset the sharp decline in world cotton prices since 1991, and its financial viability deteriorated significantly. In response, output in the 1993/94 crop year fell by 25 percent to 240,000 metric tons of seed cotton, and the CMDT began to delay maintenance and shelve investment plans.

13. The cotton sector benefited considerably from the devaluation of the CFA franc in January 1994, as cotton export receipts doubled in CFA franc terms while production costs increased by only about 30 percent, allowing the CMDT to regain its financial viability. In June 1994, a performance contract between the government, the CMDT, and producers was signed, linking producer prices to world market prices and providing a floor price and a premium for first-quality seed cotton. Benefiting from the devaluation and a recovery in world cotton prices, the CMDT's investment plans have been reinstated, and four new ginning factories have been built since 1994, permitting a significant increase in the CMDT's production zone and a concomitant increase in the number of Malians with access to the international cotton market. In 1997/98, seed cotton production reached a record 523,000 metric tons. Producer prices have been increased from CFAF 85 in 1993/94 to CFAF 185 for the 1998/99 crop year, significantly improving the incomes of cotton producers. The Malian government, conscious of the importance of cotton to the economy, is presently considering new reform measures for the cotton sector aimed at enhancing efficiency and the role of the private sector.

14. **Public enterprise reform.** Under the previous development model, Malian economic policies were characterized by state intervention in virtually all spheres of economic activity. This was evidenced in the public enterprise sector, which in the mid-1980s included over

90 enterprises, most of which were dominant in the sectors in which they were operating. Management of these enterprises was generally poor, leading to ill-conceived investment decisions, overstaffing, and lax financial control, which, in turn, resulted in severe financial imbalances and resource misallocation, with concomitant pressures on the public finances.

15. In 1988, the government launched a comprehensive reform program, the Public Enterprise Sector Adjustment Program (PESAP), with the support of the World Bank and other donors. Under this program, 35 enterprises were targeted for privatization, liquidation, or restructuring by 1992. The PESAP proved successful and was instrumental in reducing the financial imbalances of the public enterprise sector, primarily through liquidating loss-making firms but also through strengthening the management of those firms that remained in the government's portfolio. The government's price and trade policy liberalization policies also played a role in enhancing financial viability, permitting prices to be set so as to reflect production costs.

16. Since the completion of the PESAP in 1992, public enterprise reform continued, but at a slower pace. Between 1992 and 1996, 8 enterprises were privatized, 5 others liquidated, and several other restructured; in June 1996, the government adopted a new action plan for the public enterprise sector, targeting 40 enterprises for privation, liquidation, or restructuring.

17. All in all, starting in 1996, but especially between 1988 and 1998, the Malian authorities made significant progress in reducing the size of the public enterprise sector and in improving the financial performance of those enterprises remaining in the government's portfolio. State involvement in the economy was significantly diminished, with the number of public enterprises declining from 90 to 36 at end-1998 (26 eliminated through liquidation and 28 through privatization) and the share of GDP produced by public enterprises falling from about 12 percent in 1987 to an estimated 7 percent in 1997. The aggregate operating results of the largest public enterprises improved significantly, moving from losses amounting to about 1 percent of GDP in the mid-1980s to surpluses on the order of 2 percent of GDP in recent years. Prior to the PESAP, public enterprises were accumulating payments and tax arrears, whereas by 1995 payments arrears were rare. Furthermore, procedures for divestiture were simplified and codified in a draft public enterprise privatization law; capacity to monitor the performance of public enterprises was developed and institutionalized; and a National Privatization Commission was established in late 1998 to develop priorities and prepare future privatizations. At end-1998, 36 public enterprises remained in the government's portfolio, still representing a significant unfinished agenda, some details of which are noted below (Section C).

18. **Civil service reform.** Civil service reform and, in particular, control of the wage bill, have played a significant role in Mali's adjustment programs. In 1988, the civil service wage bill absorbed over 75 percent of tax revenue (Table 1) and accounted for 6.4 percent of GDP and over 60 percent of current budgetary expenditure, leaving little room for expenditures on the social sectors and public investment. Since 1988, the government has taken several

measures to downsize public sector employment, including a cautious recruitment policy, a voluntary departure program to assist public servants in leaving the civil service and establishing themselves in the private sector, the privatization of several public enterprises and conversion of staff from public to private status, and the computerization of the civil service payroll in 1990. Between 1988 and 1993, employment in the civil service declined by about 30 percent.

19. Following the devaluation, the authorities were successful in controlling the civil service wage bill; with two general pay increases in 1994 (10 percent in April and 5 percent in October), the wage bill as a percentage of tax revenue decline from 49 percent in 1993 to 43 percent in 1994, and to 36 percent in 1995.

20. Since 1995, the government has continued its cautious policies with respect to the civil service: recruitment has been prudent, favoring the health and education sectors, and wage increases have been modest. As of end-1998, the wage bill accounted for 3.7 percent of GDP, 27 percent of tax revenue, and 35 percent of government current expenditure, representing a much more sustainable situation than existed at the outset of the adjustment process.

21. **Reform in money and banking.** (See Section II, The Financial Sector in Mali, for a description of the evolution of the banking system over the past decade). The conduct of monetary policy in the WAMU underwent significant reform in the period 1989-93. Previously, the BCEAO relied on administrative and credit controls to implement monetary policy. The principal objectives of the reform of monetary policy instruments was to foster more efficient and flexible monetary policy using indirect, market-oriented instruments. As of October 1, 1993, all lending and deposit rates were deregulated, with the exception of passbook savings rate, a system of reserve requirements was introduced, and the functioning of the money market, and particularly the interbank market, was strengthened. In 1996, the BCEAO began using open market type operations to implement monetary policy.

22. Banking supervision in the WAEMU was strengthened in 1990 with the establishment of a Regional Banking Commission, headquartered in Abidjan. The commission has a mandate to conduct audits of all banks operating in the union. In June 1991, the commission introduced prudential regulations with which all commercial bank operating in the WAEMU must comply or face sanctions.

23. In the mid-1980s, the banking system of Mali comprised, besides the national agency of the BCEAO, six commercial banks. At that time, Malian banks faced serious problems, owing largely to the deteriorating loan portfolio of the Banque du Développement du Mali (BDM), the largest bank that was wholly owned by the government. In late 1987, over 75 percent of the BDM's loan portfolio was nonperforming, a situation that arose out of the BDM's continued financing of the public enterprise sector's heavy losses, inappropriate management and banking practices, and an inability to recover collateral on defaulted loans. During the period 1988-89, steps were taken to restructure the BDM, including its

transformation into a mixed capital company, as government participation was limited to 20 percent, the staff was downsized and operations computerized, and management was contracted to a foreign private bank. The related financial restructuring operations involved financing from the government of Mali, the BCEAO, the World Bank, and other cofinanciers under the PESAP. Following the restructuring, the newly created BDM-SA successfully resumed normal banking operations.

24. The government of Mali participates in the ownership of several other commercial banks, including most notably the Banque Malienne de Crédit et de Dépôts (BMCD) and the Banque Internationale pour le Mali (BIM-SA). It intends to disengage from participation in these banks; the restructuring of the BIM-SA and the opening-up of the capital of the BMCD are planned for the first half of 1999.

Box 3. Mali: Chronology of Key Financial Sector Reforms

- Mali joins WAMU (1984)
- BCEAO adopts use of indirect instruments to implement monetary policy (1989-93)
- Regional Banking Commission, charged with zone-wide banking supervision, is established (1990)
- Regional Banking Commission issues prudential guidelines (1991)

25. **Tax and tariff reforms.** In the early 1980's the sources of government revenue were heavily weighted toward indirect taxes, especially taxes on international trade. The tax system was characterized by excessive dependence on specific excise taxes and export and import taxes assessed on administrative values. It was also characterized by a large tax-exempt sector, whose imports and domestic turnover accounted for a significant share of industrial and commercial activity, as well as excessive ad hoc exemptions. These factors contributed to the government's relatively weak revenue performance throughout most of the 1980s.

26. In 1989, a comprehensive tax reform attempted to lay the basis for a rationalized tax system and improved tax administration, with a view to producing a sustained improvement in government revenue performance. Key measures included the strengthening of the customs administration through computerization, the assessment of import duties on actual rather than administrative values, the verification of import value by a reputable international firm to reduce underinvoicing, the reduction of ad hoc exemptions, the opening of additional tax centers and the improved monitoring of tax obligations and payments. In the event, these discretionary reforms increased tax revenue only marginally, from 9½ percent of GDP in 1988 to 9.8 percent of GDP in 1990, insufficient vis-à-vis the improvement in revenue performance sought by the authorities.

27. In 1991, additional reforms were implemented to improve the efficiency of the tax system, notably including the replacement of the sales tax with a value-added tax (VAT) and a special tax on services (TPS) similar to the VAT; the rationalization of customs duties; and the replacement of the domestic tax on petroleum products with a customs duty. These reforms met with substantial resistance, ultimately resulting in the abolition of the poll tax. Tax revenue as a percentage of GDP rose to 12.3 percent in 1991, but declined to 10.4 percent in 1992, largely owing to social disruptions that led to the destruction of customs facilities.

28. Immediately following the devaluation of the CFA franc, important measures were taken to broaden the tax base, durably strengthen tax collection, and reduce exemptions and tax evasion. At the same time, to limit domestic cost increases in the wake of the devaluation, certain duties and income tax rates were reduced. In particular, the maximum cumulative import tariff rate was reduced from 61 percent to 36 percent, personal and corporate income tax rates were lowered, and the normal VAT rate was reduced from 17 percent to 15 percent. In 1995, the number of goods exempted from the VAT or subject to the reduced rate was significantly lowered. In addition, a large taxpayer's unit was established to improve monitoring of the largest enterprises beginning in 1996, and computerization was introduced. In 1997, a common taxpayer identification number system was implemented for use by all tax collection agencies, with a view to enhancing compliance. Also in 1997, a duty drawback system for petroleum imports was introduced, increasing compliance and reducing fraud.

29. As a result of these measures, revenue performance has improved over the past few years; over the past decade, tax revenues as a percentage of GDP increased from 9.5 percent in 1988 to an estimated 13.6 percent of GDP in 1998 (See Table 1).

30. In late 1997, the WAEMU decided to proceed with the initiative for a union-wide common external tariff (CET), defining a precise calendar for implementation. The ultimate objective is to put in place by January 1, 2000, a tariff structure consisting of four rates: zero percent, 5 percent, 10 percent, and 20 percent. The initial phase of the CET began July 1, 1998, when all import duties were subject to an overall ceiling of 30 percent and tariffs on intracommunity trade were reduced by 60 percent. A second phase, implemented as of January 1, 1999, limits the number of tariff rates to four: zero percent, 5 percent, 10 percent, and a temporary maximum rate of 25 percent. Additionally, provision has been made for a statistical tax that would not exceed 1 percent. For Mali, implementation of the CET involves a reduction in average tariff rates, as well as potential revenue losses estimated at some $\frac{1}{4}$ of 1 percentage point of GDP in 1999 and close to 1 percent of GDP in 2000.

Macroeconomic stabilization and adjustment

31. As mentioned above, economic growth and per capita income, on average, declined in Mali in the 1980s. By contrast, after the implementation of initial structural reforms, real GDP grew by about $2\frac{3}{4}$ percent per annum over the period 1988-94. Since 1994, real economic growth has further accelerated, averaging about 6 percent per annum, and real per capita GDP

growth has resumed at a rate of about 2 percent per year.⁶ The rate of consumer price inflation (on an end of period basis), after peaking at about 32 percent in 1994 owing to the devaluation, returned to the very low inflation rates prevailing prior to the devaluation.

32. Mali's macroeconomic adjustment efforts have focused to a large extent on gaining control over the public finance situation through enhanced revenue mobilization efforts and the implementation of tight expenditure policies. The overall government deficit (on a commitment basis and excluding grants) declined from 10½ percent of GDP in 1988 to 8½ percent in 1990. It rose during the period 1991-92 (owing to social disturbances) and again as a result of the devaluation, peaking at 13.7 percent of GDP in 1994. In the period 1995-98, the deficit was reduced by over 6 percentage points of GDP, reaching an estimated 7½ percent of GDP in 1998, and the domestic primary balance has been in surplus over the past few years. In the 1980s and early 1990s, the government was accumulating external and domestic payments arrears. The stock of external payments arrears was cleared at the end of 1994; none have been accumulated since that date. Domestic payments arrears have not been incurred since 1993, and the accumulated stock of arrears at end-1992 has since been reduced in an orderly fashion and should be fully cleared by mid-1999. Furthermore, in 1995 the government ended its use of statutory advances from the BCEAO.

33. As noted above, the tax reforms and administrative measures implemented over the past decade have increased government tax revenues by over 4 percentage points of GDP. Over the same period, total government revenue increased from 14½ percent of GDP in 1988 to 15.4 percent of GDP in 1998. From 1988 to 1998, total government revenue and grants has remained in the range of 20-23 percent of GDP, as a diminishing share of foreign grants was replaced by an increasing share of domestic tax receipts.

34. Total expenditure was reduced from 25 percent of GDP in 1988 to 23 percent in 1998. However, as the government has moved to control the civil service wage bill and low-priority expenditure, resources have been freed for use in the social sectors and for public investment. Social sector spending (health and education) was increased from a low of 4 percent of GDP in 1993 to about 5½ percent of GDP in 1998, and domestic financing of investment expenditures rose from 1¼ percent of GDP in 1993 to almost 2½ percent in 1998. Finally, the social safety net expenditures, previously nonexistent as a budgetary item, were established in 1994 and accounted for 0.8 percent of GDP in 1998.

⁶Economic growth in 1997 benefited from a tripling in gold exports due to the opening of a new gold mine.

Table 1. Mali: Fiscal Trends, 1988-98
(In percent of GDP, unless otherwise indicated)

	1988	1990	1992	1994	1996	1998 Est.
Total revenue and grants	20.3	23.1	20.5	23.0	22.2	20.0
Total revenue	14.5	17.2	13.4	13.5	15.1	15.4
Tax revenue	9.5	9.8	10.4	10.0	12.7	13.6
Total expenditure and net lending	25.0	26.8	24.4	25.9	23.1	22.8
Current expenditure	10.3	9.9	11.4	12.8	10.1	10.6
Wages and salaries	6.4	5.7	5.5	4.3	3.7	3.7
(as percent of tax revenue)	75.2	58.0	53.1	43.1	29.2	27.3
Capital expenditure	9.4	9.2	8.7	12.5	11.9	11.9
Overall fiscal balance, excluding grants	-10.5	-9.6	-11.0	-13.7	-8.0	-7.5
Domestic primary balance ¹	4.0	-1.1	-1.2	1.1	3.2	2.2
Basic fiscal balance ²	4.0	-1.1	-3.0	-2.5	2.1	1.3

Sources: Malian authorities; and staff estimates.

¹Defined as total revenue minus total expenditure and net lending, excluding interest payments and foreign-financed capital expenditure.

²Defined as total revenue minus total expenditure and net lending, excluding foreign-financed capital expenditure.

35. The external current account deficit (excluding transfers) was reduced to an estimated 8.8 percent of GDP in 1998, down significantly from 16.3 percent in 1988. The 50 percent devaluation of the CFA franc vis-à-vis the French franc resulted in a 38 percent decline in the real effective exchange rate in 1994, leading eventually to a strong increase in exports and a shift in private consumption from imported goods to domestic products. Exhibiting J-curve effects, the current account deficit (excluding grants) rose significantly in 1994 to 16.9 percent of GDP, before declining to 13.9 percent in 1995. The current account adjustment continued over the period 1996-98, as import growth remained moderate, and Mali succeeded in substantially maintaining the improvement in international competitiveness gained through the devaluation, and cotton fiber exports continued to expand. Additionally, gold exports have increased significantly following the opening of a large new gold mine in 1997.

C. The Agenda Ahead

36. Having implemented basic structural adjustment policies over the past decade, Mali is now in a position to seek higher, more durable economic growth. In order to do so, further deepening of structural reforms is required, as is the implementation of so-called second-generation reforms, particularly in the areas of health, education, and the judicial system. The government must more fully disengage itself from economic activities that are best performed by the private sector and continue to concentrate on private sector development efforts.

37. Over the period ahead, the government should focus on the following areas that it has identified as priorities:

- **Privatization and public enterprise reform.** It is essential that the electricity and telecommunications industries be put on a proper footing. Current government plans call for the electricity and water company (EDM) to be offered for sale by mid-1999, the telecommunications industry to be opened to free competition in early 1999, and SOTELMA, the telecommunications company, to be privatized in the year 2000. In the banking sector, the restructuring of the BIM-SA and the opening of the BMCD's capital to private participation should be accomplished by mid-1999. The government is also preparing a final action plan for public enterprise reform covering the 1999-2001 period.
- **Cotton sector reform.** The government has recently concluded a comprehensive technical audit of the cotton industry in Mali, with a view to identifying practical measures that could increase productivity in the sector and raise the incomes of farmers. The audit should also enable the government to define its position regarding increased competition and private sector participation in the sector.
- **Financial sector reform.** Another government priority for the period ahead is to improve financial intermediation in the financial sector. In addition to its commitment to disengage government from ownership of banks, other initiatives will likely be forthcoming as a result of a financial sector review recently conducted in collaboration with the World Bank.
- **Civil service reform.** A comprehensive civil service employment policy is being prepared that will allow the government to rejuvenate and modernize the civil service without resorting to net new recruitment or relaxing its strict control over the wage bill. In the area of general employment, the government will be developing youth training and apprenticeship programs.
- **Judicial reform.** Over the past several years, domestic and foreign investors have convinced the Malian government of the need to reform the judicial system. Thus, in

the period ahead, the government should develop plans to overhaul the judicial system with a view to making it impartial, fair, and more transparent.

- **Social initiatives.** In seeking to foster higher-quality growth, the Malian government plans to focus attention and devote increased resources to health and education. With regard to education, the government intends to improve enrollment and the quality of education. In the health sector, its objectives are to improve access to, and the quality of, basic health care. Specific goals and objective for the education and health sectors have been fixed in the context of the HIPC Initiative.

II. THE FINANCIAL SECTOR IN MALI⁷

A. Introduction

38. Efficient financial intermediation improves financial savings mobilization and resource allocation, by evaluating and selecting the most promising and competitive entrepreneurs and projects, while providing a vehicle for diversifying risks and fostering technological innovation to enhance efficiency. In Mali, the financial sector, which is dominated by the banking sector, has played an increasing role in economic development, as evidenced by the increase of the ratio of broad money to GDP from less than 3 percent in 1970 to 15.6 percent in 1980, and further to 22.6 percent in 1998. Compared, however, with neighboring and other developing countries, Mali still has a long way to go in developing its financial sectors.

39. Since the entry of Mali into the West African Monetary Union (WAMU) on June 1, 1984, its financial sector operates within the regional CFA franc zone framework. In the late 1980s, the financial sector, in particular the banking system, faced a major liquidity and solvency crisis characterized by a high level of nonperforming loans. The banking crisis mainly stemmed from poor management, government involvement leading to poor lending decision, low interest rates, and a heavy exposure to inefficient public enterprises, which were unable to service their obligations to the banking system. In response to the crisis, the government, supported by the World Bank and other donors, adopted in 1988 a Public Enterprise Sector Adjustment Program (PESAP), with a view to decreasing the burden of the public enterprise sector on Mali's economy and public finances by reducing its scope and improving its financial performance. Following the implementation of reforms, which led to the restructuring, privatization, or liquidation of almost all state-owned banks and the strengthening of the supervisory institution and prudential regulations at the regional level, the banking system is now somewhat healthier, and bank activity has become profitable again. The sector remains, however, relatively small, with a high concentration in the urban areas and limited financial services. In contrast, microfinance institutions have developed rapidly. This paper provides a summary of the major features of the Malian banking sector and the microfinance institutions.⁸

⁷Prepared by Marie-Ferdinande Desclercs and Ekué G. Kpodar.

⁸ In 1998, the financial sector in Mali included, besides the national agency of the Central Bank of the West African States (BCEAO), 9 commercial banks, 2 financial institutions, 2 pensions funds, and 239 microfinance institutions.

B. The Banking Sector

40. In 1998, the banking sector in Mali was composed of nine banks and two financial institutions.⁹ The government has a majority share in three banks and a minority share of at least 20 percent in three other banks. The remaining three banks are privately owned. Details relating to the size, structure and ownership of Mali's banks are provided in Statistical Appendix Table 26.

41. The banking sector played a relatively important role in supporting Mali's economic development, as evidenced by the increasing monetization of the economy. The ratio of financial savings to GDP increased from 5.4 percent in 1980 to 14.4 percent in 1998, and the stock of money grew from 15.6 percent of GDP to 22.6 percent during the same period (Table 2).

Table 2. Mali: Key Indicators of Financial Intermediation, 1980-1998							
	1980	1990	1994	1995	1996	1997	1998
(In billions of CFA francs)							
Credit to the economy	82.0	84.4	83.1	132.6	171.1	195.9	206.6
Money supply (M2)	62.8	135.0	237.0	283.5	317.9	345.3	361.9
Bank deposits	21.8	83.9	146.6	176.2	197.5	215.9	230.9
Currency in circulation	40.6	46.9	90.4	107.4	120.4	129.5	131.0
GDP	403.5	674.5	1028.7	1231.0	1360.7	1467.6	1599.2
(In percent of GDP; unless otherwise indicated)							
Credit to the economy/GDP	20.3	12.5	8.1	10.8	12.6	13.3	12.9
Money supply/GDP	15.6	20.0	23.0	23.0	23.3	23.5	22.6
Bank Deposits/GDP	5.4	12.4	14.2	14.3	14.5	14.7	14.4
Currency in circulation/M2	64.6	34.7	38.1	37.9	37.9	37.5	36.2

Source: Data provided by the BCEAO; and Fund staff estimates.

⁹The banks are Banque de Développement du Mali (BDM-SA); Banque de l'Habitat du Mali (BHM-SA); Banque Commerciale du Sahel (BCS-SA); Banque Internationale pour le Mali (BIM-SA); Banque Malienne de Crédit et de Dépôts (BMCD); Banque Nationale de Développement Agricole (BNDA); Banque of Africa (BOA-Mali); Banque Internationale pour le Commerce et l'Industrie du Mali (BICIM); and Ecobank. The financial institutions are Crédit Initiative du Mali (CI-SA); and Société Malienne de Financement (SOMAFI).

42. Despite the deepening of the financial sector, financial intermediation is still underdeveloped, and bank services are concentrated in the urban areas, as indicated in Table 3.

Table 3. Mali: Geographic Distribution of Bank Network, June 1998

City	Area (Sq. km.)	Population (1995)	Branches	Population per Branch
Bamako	252	793,642	18	44,091
Kayes	119,743	1,261,842	8	157,730
Koulikoro	95,848	1,414,931	4	353,732
Sikasso	70,280	1,568,775	16	98,048
Segou	64,281	1,339,631	7	191,376
Mopti	79,017	1,452,912	3	484,304
Tombouctou	496,611	505,506	4	126,377
Gao	322,002	422,823	3	140,941

Source: Groupe de Réflexion sur le Système Financier au Mali (GRSF); Rapport sur le Système Bancaire, Septembre 1998.

Financial reform

43. Against the background of the continuing deterioration of the banking system in late 1980s, the government implemented reform measures aimed at restoring the financial viability of banks through recapitalization; improving their management; and strengthening the collection of nonperforming loans. At the same time, at the regional level, reforms were undertaken to liberalize monetary policy, notably moving from direct instruments to indirect instruments for monetary control, and to enhance prudential ratios and bank supervision. A number of prudential regulations were introduced in 1991, including the setting of the following ratios: a minimum risk-weighted capital ratio of 4 percent; a ratio of long-term bank resources to long-term credits (medium- and long-term maturity matching) of 75 percent; a minimum liquidity ratio of 60 percent; a ratio of loans and commitments to a single borrower to a bank's capital base of 100 percent; and a portfolio structure ratio that requires 60 percent of bank credit to enterprises to be rated by the central bank as financially sound. Commercial banks and other financial institutions must seek a creditworthiness rating (*accords de*

classement) from the central bank after extending loans to borrowers to which they have exposures in excess of CFAF 200 million.¹⁰

44. Almost all the state-owned banks were restructured. In particular, the Banque de Développement du Mali (BDM), the bank with the most capital and deposits and the largest number of branches, was restructured in 1988-89, in response to the financial difficulties in the public enterprise sector in the 1980s, weak management and banking practices, mounting defaults by private borrowers, and the inability to recover the collateral of defaulting loans, which by mid-1987, had caused 75 percent of the BDM's total credit to be classified as nonperforming. The restructuring involved the streamlining and modernization of its operations, the opening of its equity to private shareholders, and the hiring of foreign management. At the same time, a financial restructuring of the BDM, involving CFAF 62.5 billion of nonperforming loans, was carried out with the support of the World Bank and other cofinanciers under the PESAP, the French Caisse Centrale de Coopération Economique (CCCE), the Malian government, and the Central Bank of West African State (BCEAO). As a result of the restructuring, the BDM-SA was established in June 1989 as a mixed capital company in which the government holds 20 percent of the shares. Since then, the BDM-SA has resumed normal activity and improved its financial situation. Its deposits increased by almost 40 percent to reach CFAF 74.2 billion in 1997.

45. The Banque Internationale pour le Mali (BIM-SA) is the second-largest bank in Mali in terms of lending activity. Previously owned by the Banque Internationale pour l'Afrique de l'Ouest (BIAO), the BIM-SA was established following the bankruptcy of the Meridien-BIAO in 1995. The government assumed the shares of the Meridien-BIAO, and presently holds 61.5 percent of the shares of the BIM-SA, with private Malians holding the remaining 38.5 percent. Under the ongoing restructuring program, the government intends to withdraw completely from the BIM-SA and open the bank to foreign participation in its capital (49 percent) and management in order to improve its banking practices. The private Malian sector is programmed to increase its share to 51 percent. The bank's deposits amounted to CFAF 68.4 billion in 1997.

46. The Banque Nationale de Développement Agricole (BNDA) was established in 1981, with a view to improving the quality of financial services and their access to rural development agencies and individual farmers. The BNDA has expanded significantly over the past years, with an increased participation in its capital by the French CCCE and the German foreign aid agency, DEG (Deutsche Investitions and Entwicklungsgesellschaft). The BNDA's financial

¹⁰ For more details on the regional monetary policy issues, see Ernesto Hernández-Catá and others, *West African Economic and Monetary Union: Recent Developments and Policy Issues*, IMF Occasional Paper No. 170 (Washington: International Monetary Fund, 1998).

situation is relatively sound, and its total deposits increased by 86.7 percent to CFAF 24.5 billion in 1997, confirming the bank's third-place position in the Malian banking system.

47. The Banque de l'Habitat du Mali (BHM-SA) was established in 1996 from the Société des Chèques Postaux et de la Caisse d'Épargne, which took over the operations of the insolvent postal checking system in 1995. The reform was implemented with financing from the World Bank and the CCCE, with a view to restoring the liquidity of CFAF 4.3 million of nongovernment deposits that, except for the purpose of settling payments to the treasury, could not be accessed. Since then, the activity of the bank has expanded, and its deposits almost doubled between 1996 and 1997. The capital base of the BHM-SA was increased from CFAF 1.3 billion in 1996 to CFAF 4 billion in 1998, with the Malian private sector obtaining the majority. Owing to the broad network it inherited from the postal system, the BHM-SA is playing a major role in Mali's payments system.

48. The Banque Malienne de Crédit et de Dépôts (BMCD) was established in 1961, with a capital of CFAF 1 billion (51 percent held by the government and 49 percent by the Crédit Lyonnais). The bank suffered from capital inadequacy and experienced management problems that culminated in the withdrawal of the Crédit Lyonnais in 1995. Subsequently, the government became the sole owner of the BMCD; steps are being taken to attract a foreign partner of good standing in the context of opening up its capital to the private sector. The BMCD held deposits of CFAF 33.9 billion in 1997.

49. As a result of the implementation of the reform measures, the financial position of the banking system has significantly improved, and most of the banks have resumed normal activity and profitability. Despite these improvements, the overall situation remains fragile. In continued efforts to consolidate the gains obtained so far, the authorities set up, in 1997, a Groupe de Réflexion sur le Secteur Financier, which, supported by the World Bank, completed a diagnostic review of the financial sector in September 1998. A specific action plan, based on the recommendations of the Groupe de Réflexion, is being prepared to improve the institutional and judicial environment, strengthen financial intermediation, and enhance savings mobilization by diversifying financial products. At the same time, the government is implementing some measures to facilitate loan recovery procedures, including the implementation of the OHADA uniform act on collaterals and the elimination of the requirement that the Minister of Justice authorize foreclosures on mortgages.

Recent developments in bank activity

50. Between 1994 and 1997, the assets of the banking sector increased by CFAF 123.1 billion to CFAF 266.9 billion, mainly owing to a threefold expansion in gross credit to the economy. During the same period, bank resources grew from CFAF 249.8 billion to CFAF 318.4 billion through increases in deposits, lines of credit, and the bank's own funds, in particular capital. The share of short-term credits remains large (57 percent in 1997) as banks are cautious about extending long-term credits for investment because of the paucity of

bankable projects and the structure of their resources, which is characterized by a high proportion of short-term deposits (56.2 percent of total deposits in June 1998).

51. The rapid expansion in credit activity in a still fragile economic environment with a weak legal and judicial framework poses risks. The ratio of nonperforming loans to total outstanding bank credit fell, however, from 68.9 percent in 1994 to 28 percent at end-June 1998, mainly owing to more efficient recovery actions and better risk assessment in extending new credits (Table 4). The still high level of nonperforming loans is partly due to the carryover by the BDM-SA of a stock of bad loans from the liquidated bank (BDM) amounting to about CFAF 13 billion in 1997, or 20.7 percent of the stock of nonperforming loans. Provisions made by the banks amounted to CFAF 39.6 billion in 1997, representing 63.0 percent of the nonperforming loans. At end-June, 1998, the average provision ratio was about 66 percent.

Table 4. Mali: Banking System Performance, 1994-97
(In billions of CFA francs; unless otherwise indicated)

	1994 ¹	1995 ²	1996	1997
Assets	123.1	240.2	232.8	266.9
<i>Of which: gross credits to the economy</i>	83.1	180.1	204.9	241.2
Resources	249.8	305.2	276.0	318.4
<i>Of which: deposits and lines of credit</i>	193.4	232.2	237.5	269.8
Gross operating profit	3.4	8.2	8.8	...
Net operating profit	-1.8	3.4	5.6	...
Gross nonperforming loans	55.8	56.8	56.2	62.9
Provisions	32.0	33.6	33.8	39.6
Gross non performing loans as a ratio of total credit (in percent)	68.9	31.5	27.4	26.1
Average provision rate (in percent)	57.3	59.1	60.1	63.0

Source: Data provided by the BCEAO.

¹ Data at end-September.

² Fifteen months of operations.

52. Despite recent improvements, some banks still face difficulties in respecting some of the prudential ratios established by the Regional Banking Commission, in particular the medium- and long-term maturity matching ratios and the portfolio structure ratio. The situation regarding the observance of the prudential ratios is summarized in Table 5.

Table 5. Mali: Prudential Regulation Situation at End-June 1998¹

Prudential rule	Number of Banks ¹	Deteriorated	Improved	Are in violation
Own funds		1	6	1
Risk concentration ²		5	1	0
Medium- and long-term maturity matching		1	5	3
Portfolio structure ³		1	5	6
Capital adequacy ratio ⁴		4	2	0
Liquidity ratio		3	3	1
Insider lending		4	2	2

Sources: Data provided by the BCEAO; and Fund staff calculations.

¹The data cover 7 banks; two newly established banks are not reported. Situation as compared to end-1997.

²In the West African Economic and Monetary Union (WAEMU), the limit on loans to a single borrower is 100 percent of own funds, compared with 25 percent according to international standards.

³This ratio is specific to the WAEMU, it measures the percentage of borrowers that have been "previewed" by the BCEAO in the loan portfolio of the banks. It is set at a minimum of 60 percent.

⁴In the WAEMU, this minimum ratio has been set at 4 percent, versus 8 percent under the Basle Core Principles.

C. Microfinance Institutions

53. Microfinance institutions act as bridges between the informal sector and the banking system. The banks have developed partnerships with these institutions and sometimes are financing their activities and providing them with training. The development of microfinance institutions has been encouraged by the reluctance of the banking system to finance small businesses operating in the informal and rural sectors, and many of them received technical and financial support from donors and nongovernmental organizations (NGOs).

54. Microfinance institutions include a variety of savings and credit institutions that are differentiated from commercial banks by size, structure, objectives, and technical and financial capacity. These have emerged in Mali since the mid-1980s to mobilize small savings and finance microprojects in the informal sector in both urban and rural areas. At present, there are 239 such institutions in Mali. Total membership is about 229,683 individuals compared with 159,654 in 1996, of which more than half are from the mutual savings institutions.

55. The major objectives of microfinance institutions are to: (i) mobilize and secure savings, and meet the credit needs of informal and small-scale operators, in particular in the rural population; (ii) provide education and training, especially in the management and economic areas, in the context of a rural-based strategy for human resources development; and (iii) support community development by increasing investment possibilities for local populations and, therefore, contribute to raising their income. Facilitating the informal sector's access to financial services is a powerful factor in fighting poverty, which is one of the priority objectives of the Malian government.

56. The microfinance institutions in Mali can be classified in four main categories: (i) mutual savings institutions whose main activity is to mobilize savings, and, which take the form of mutual or cooperative systems; (ii) direct credit institutions, whose main activity is to provide credit to meet the needs of small borrowers, along the lines of the Grameen Bank; (iii) financial institutions, whose activities are linked to development projects; and (iv) traditional finance institutions, which include various rural associations and tontines operating as savings and rotating credit institutions.

57. The diversity of microfinance institutions and their various practices raise the problem of the appropriate definition of legal and supervision frameworks. Recently, efforts have been made to define and enforce prudential regulations to control these institutions' operations. Other microfinance institutions that are not mutual savings institutions but collect savings or grant credit fall under the banking law (Loi Bancaire) in the West African Monetary Union (WAMU) or under specific regulations set by the Ministry of Finance.

58. Three institutions are currently involved in controlling and supervising microfinance operations in the WAMU. First, the Ministry of Finance, which approves, delivers, and withdraws the licenses of microfinance institutions, is also in charge of other operations, such as liquidation and merging, and receives information related to the financial activities of these institutions. Second, the BCEAO is mainly in charge of the control and surveillance of umbrella organizations of microfinance institutions. Also, in cooperation with the Regional Banking Commission, the BCEAO defines prudential ratios, assesses requests for licenses and controls the financial operations. To carry out these activities, the BCEAO has set up two projects with foreign technical and financial assistance: the *Projet d'Appui à la Réglementation des Mutuelles d'Épargne et de Crédit dans l'UMOA (PARMEC-UMOA)* and the *Projet d'Appui aux Structures Mutualistes ou Cooperatives d'Épargne et de Crédit (PASMEC)*.

Third, the Regional Banking Commission of the WAMU conducts surveillance operations and proposes disciplinary sanctions when microfinance institutions do not observe regulations.

59. Microfinance institution activity has grown rapidly. Between 1996 and 1997, savings collected by these institutions increased by 30 percent from CFAF 5 billion to CFAF 6.5 billion (US\$11.1 million). Lending operations amounted to CFAF 9.5 billion (US\$16.3 million) at end-1997. The gap in resources was financed by borrowing from the banking sector and external resources. The average loan amount per client is about CFAF 36,000. The credit granted by the microfinance institutions mainly finances the needs of rural or semirural sectors (agriculture, handicrafts, etc.), with a strong preference shown for low-income groups. Some microfinance institutions tend to target specific entities or groups, such as women. Interest rates vary between 3 percent and 72 percent for short-term credits, depending on the amount of the credit and its maturity, as well as on commitment mechanisms such as "solidarity clauses" between participants in savings and credit schemes. For medium-term credits, the interest rates are about 12 percent, broadly in line with the lending rates of the banking sector.

60. The overall performance of microfinance institutions is satisfactory, with a credit recovery rate between 81 percent and 99 percent. This result could be linked to their close knowledge of the members and the environment, and the quick disbursement conditions. The clientele of these institutions represented 1.6 percent of the Malian population in 1996 (159,654 members); total credits granted (CFAF 5.8 billion) and savings collected (CFAF 5.0 billion) represented respectively 0.43 percent and 0.37 percent of GDP in that year. Microfinance institution credits were equivalent to 3.4 percent of all private sector credits granted by the formal banking system during 1996, while microfinance institution savings accounted for 2.1 percent of deposits in the banking system. The microfinance institutions remain small, but their growth is encouraging. However, the structure of these institutions remains fragile, and they are experiencing some difficulties owing to a shortage of medium- and long-term resources and a lack of banking skills. As the rapid expansion of the microfinance institutions without the required legal, institutional, and supervisory systems could further undermine this situation, the government intends to assist their further expansion on the basis of an action plan for microfinance development, prepared with external technical and financial assistance.

Table 6. Mali: Gross Domestic Product at Constant 1987 Prices, 1993-98 ¹

	1993	1994	1995	1996	1997 Prel.	1998 Est.
(In billions of CFA francs)						
Primary sector	305.3	328.2	357.9	362.1	372.5	384.6
Food crops	119.0	142.9	159.9	147.1	155.1	151.3
Industrial crops ²	52.9	44.4	53.2	63.8	67.6	77.8
Livestock	88.0	93.3	96.1	100.9	98.3	102.8
Fishing	9.4	9.8	9.8	10.2	10.3	10.5
Forestry	36.0	37.8	38.9	40.1	41.1	42.3
Secondary sector	113.3	114.6	123.6	134.3	163.3	174.5
Industry	46.9	47.8	51.4	54.3	58.0	60.0
Mining	15.4	14.0	15.4	17.8	43.0	48.2
Handicrafts	16.8	17.3	18.1	19.3	19.0	19.8
Construction and public works	34.3	35.5	38.7	42.9	43.4	46.5
Tertiary sector	245.3	238.4	242.3	252.0	261.9	275.3
Transportation	33.3	32.4	33.1	34.9	38.0	39.9
Trade	117.6	116.8	120.2	127.4	132.1	138.2
Public administration	48.1	38.0	35.9	37.6	37.9	38.3
Other services	46.2	51.2	53.1	52.1	53.9	58.9
GDP (at factor cost)	663.9	681.3	723.8	748.5	797.7	834.4
Import taxes	34.0	31.6	34.2	35.9	38.9	40.5
GDP (at market prices)	697.9	712.9	758.0	784.3	836.6	874.9
(Annual percentage change)						
Primary sector	-8.5	7.5	9.0	1.2	2.8	3.1
Food crops	-23.9	20.1	11.9	-8.0	5.4	-1.7
Industrial crops ²	7.2	-16.1	19.7	20.0	5.9	13.2
Livestock	5.1	6.0	3.0	5.0	-2.5	4.6
Fishing	-0.3	5.0	0.0	4.0	1.1	1.6
Forestry	3.4	5.1	3.0	3.0	2.5	2.9
Secondary sector	3.8	1.2	7.8	8.7	21.6	6.8
Industry	5.8	2.1	7.5	5.5	6.8	3.5
Mining	-0.7	-9.0	10.0	15.5	141.5	12.3
Handicrafts	4.4	2.8	4.6	6.8	-1.5	4.3
Construction and public works	2.9	3.6	9.0	11.0	1.1	7.0
Tertiary sector	3.2	-2.8	1.6	5.6	3.9	5.1
Transportation	3.4	-2.6	2.0	5.5	8.8	5.0
Trade	4.0	-0.7	2.9	6.0	3.7	4.6
Public administration	0.1	-21.0	-5.6	4.7	0.8	1.0
Other services	4.3	10.7	3.8	5.5	3.5	9.2
GDP (at factor cost)	-2.4	2.6	6.2	3.9	6.6	4.6
Import taxes	0.1	-7.0	8.0	5.0	8.4	4.0
GDP (at market prices)	-2.3	2.2	6.3	4.0	6.7	4.6
<i>Memorandum items:</i>						
GDP deflator ³	2.6	33.2	12.5	6.3	1.1	4.2
GDP at current market prices ⁴	755.2	1028.7	1231.0	1360.7	1467.6	1599.2

Sources: Data provided by the Malian authorities; and Fund staff estimates.

¹ Data may not add up because of rounding.

² Includes cotton, groundnuts, tobacco, fruits, vegetables, and others. Cotton accounted for approximately 85 percent of the total over the period 1993-98.

³ Annual percentage change.

⁴ In billions of CFA francs.

Table 7. Mali: Origin and Use of Resources, 1993-98¹

	1993	1994	1995	1996	1997 Prel.	1998 Est.
(In billions of CFA francs)						
Gross domestic product	755.2	1028.7	1231.0	1360.7	1467.6	1599.2
Consumption	706.5	955.6	1097.2	1214.7	1268.7	1364.8
Government	97.4	124.4	135.7	146.6	175.0	170.9
Non-government	609.1	831.2	961.5	1068.1	1093.7	1193.9
Domestic savings	48.7	73.1	133.9	146.0	198.8	234.4
Government	7.3	14.5	41.6	59.3	54.7	74.2
Non-government	41.4	58.6	92.3	86.7	144.1	160.2
Investment	165.4	267.5	320.1	353.8	341.9	383.8
Government	70.3	133.8	154.4	164.1	158.5	181.1
Non-government	95.1	133.7	165.7	189.7	183.4	202.7
Resource gap	-116.7	-194.4	-186.2	-207.8	-143.1	-149.4
Exports of goods and nonfactor services	120.1	225.1	259.9	262.9	375.6	383.6
Imports of goods and nonfactor services	-236.8	-419.5	-446.1	-470.7	-518.7	-533.0
(In percent of GDP)						
Gross domestic product	100.0	100.0	100.0	100.0	100.0	100.0
Consumption	93.6	92.9	89.1	89.3	86.5	85.3
Government	12.9	12.1	11.0	10.8	11.9	10.7
Non-government	80.7	80.8	78.1	78.5	74.5	74.7
Domestic savings	6.4	7.1	10.9	10.7	13.5	14.7
Government	1.0	1.4	3.4	4.4	3.7	4.6
Non-government	5.5	5.7	7.5	6.4	9.8	10.0
Investment	21.9	26.0	26.0	26.0	23.3	24.0
Government	9.3	13.0	12.5	12.1	10.8	11.3
Non-government	12.6	13.0	13.5	13.9	12.5	12.7
Resource gap	-15.5	-18.9	-15.1	-15.3	-9.8	-9.3
Exports of goods and nonfactor services	15.9	21.9	21.1	19.3	25.6	24.0
Imports of goods and nonfactor services	-31.4	-40.8	-36.2	-34.6	-35.3	-33.3
<i>Memorandum items:</i>						
Current account deficit (excl.off.grants)	-97.6	-182.6	-180.2	-193.8	-137.1	-139.9

Sources: Data provided by the Malian authorities; and Fund staff estimates.

¹ Data may not add up because of rounding.

Table 8. Mali: Agricultural Production, and Average
 Producer Prices, 1992/93-1997/98 ¹

	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98 Est.
(In thousands of metric tons)						
Production (gross)						
Cotton	319	240	293	406	452	523
Groundnuts	127	149	215	157	134	138
Millet	582	708	898	707	739	641
Sorghum	602	777	746	710	541	559
Maize	193	283	322	264	294	341
Paddy rice	410	428	469	463	627	589
Marketing ²						
Cotton	307	240	277	364	370	...
Groundnuts	3	...	9	...	...	...
Millet/sorghum/maize	11	3	1	...	...	...
Paddy rice	28	9	2	...	...	...
(In CFA francs per kilogram)						
Average producer prices						
Cotton ³	85	97.5	130	155	155	170
Floor price	85	85	125	125	125	140
Rebate from profit sharing	0	12.5	5	30	30	30
Groundnuts	102	179	162	180	249	...
Millet	45	45	51	97	77	...
Sorghum	45	38	59	99	77	...
Maize	38	33	55	83	69	...
Paddy rice	66	85	87	118	105	...

Sources: Data provided by the Malian authorities; and Fund staff estimates.

¹ The crop year is April/March. The marketing year is November/October.

² Except for cotton, the marketing of agricultural products by official agencies was discontinued in

³ Actual price for first quality cotton, including rebate based on profit of CMDT.

Table 9. Mali: Cereals -- Cultivated Area and Rainfall, 1992/93-1996/97

	Average 1960-90	1992/93	1993/94	1994/95	1995/96	<u>1996/97</u> Prél.
(In thousands of hectares)						
Cultivated area						
Millet/sorghum	1,423	1,994	2,377	2,380	2,137	1,476
<i>Deviation</i> ¹		40	67	67	50	4
Maize	97	192	257	284	205	181
<i>Deviation</i> ¹		98	165	193	111	87
Paddy rice	159	233	246	284	303	324
<i>Deviation</i> ¹		47	55	79	91	104
(In millimeters; April-October) ²						
Rainfall						
Millet/sorghum	720	649	553	593	525	...
<i>Deviation</i> ¹		-10	-23	-18	-27	...
Maize	880	1,382	1,148	1,208	1,033	...
<i>Deviation</i> ¹		-57	-30	-37	-17	...
Paddy rice	557	425	358	386	399	...
<i>Deviation</i> ¹		-24	-36	-31	-28	...

Sources: Data provided by the Malian authorities and staff estimates; and Fund staff estimates.

¹ Deviation in percent from the annual average of the 1960-90 period.

² The rainfall is measured for the specific area where each cereal is grown.

Table 10. Mali: Quarterly Retail Prices for Cereals, 1991-98¹
(In CFA francs per kilogram)

	Millet/Sorghum	Maize	Rice (RM 40)
Annual averages			
1991	89.0	81.3	207.0
1992	76.5	74.3	188.3
1993	81.5	76.0	185.0
1994	77.3	75.5	218.8
1995	109.6	114.8	258.8
1996	151.3	139.3	266.5
1997	121.3	121.5	244.8
1991			
I	101.0	91.0	220.0
II	95.0	80.0	208.0
III	80.0	80.0	200.0
IV	80.0	74.0	200.0
1992			
I	75.0	76.0	191.0
II	75.0	75.0	189.0
III	76.0	75.0	189.0
IV	73.0	71.0	184.0
1993			
I	72.7	69.3	183.0
II	78.5	72.7	181.7
III	94.3	87.0	188.0
IV	81.3	73.0	188.7
1994			
I	76.0	72.0	195.0
II	76.5	74.0	206.0
III	78.0	79.0	234.0
IV	78.5	77.0	240.0
1995			
I	88.0	98.0	227.0
II	91.5	112.0	264.0
III	132.0	127.0	274.0
IV	127.0	122.0	270.0
1996			
I	114.0	114.0	254.0
II	151.0	144.0	277.0
III	184.0	172.0	285.0
IV	156.0	127.0	250.0
1997			
I	127.0	123.0	248.0
II	125.0	124.0	241.0
III	118.0	125.0	249.0
IV	115.0	114.0	241.0
1998 ²			
I	113.0	117.0	227.0
II	151.0	143.0	250.0

Source: Data provided by the Malian authorities.

¹ Free market prices represent the average of prices prevailing in the 13 markets of Bamako

² Estimates

Table 11. Mali: Office du Niger: Indicators of Activity, 1992/93-1996/97

	<u>Cultivated land</u>	<u>Production</u>	
	Rice	Harvested	Paddy Rice Marketed by O.N.
	(In hectares)	(In metric tons)	
1992/93	44,843	208,541	27,000
1993/94	45,442	210,000	0.0 ¹
1994/95	46,740	209,979	0.0 ¹
1995/96	50,911	238,803	0.0 ¹
1996/97	54,102	267,980	0.0 ¹

Source: Data provided by the Malian authorities.

¹The marketing of rice by the Office du Niger has stopped since the 1993/94 crop year, following the reform of the institution.

Table 12. Mali: Implementation of the Public Investment Program, 1992-97¹

(In billions of CFA francs)

	1992	1993	1994	1995	1996	1997 Prél.
Rural development	29.9	27.8	44.1	53.1	57.8	63.9
Agriculture	24.9	22.5	35.8	43.1	45.8	53.8
Livestock	2.3	2.5	3.5	4.3	5.0	5.3
Fisheries	0.1	0.0	0.0	0.1	0.1	0
Forestry	2.6	2.8	4.7	5.7	6.9	4.8
Secondary sector	9.1	6.6	23.1	20.9	26.0	39.3
Mines and geology	0.6	0.8	1.1	0.5	1.2	1.2
Water	6.1	3.5	14.5	13.4	16.9	18.2
Energy	2.4	2.2	7.3	6.9	7.6	18.7
Industry and handicrafts	0.1	0.0	0.2	0.2	0.3	1.1
Tourism	0.0	0.0	0.0	0.0	0.0	0.0
Infrastructure	13.1	17.8	20.8	24.2	32.2	39.8
Roads	7.6	11.1	8.9	13.1	21.7	23.5
Railroads	1.2	0.5	1.6	0.1	0.0	0.0
Air transport and meteorology	0.9	0.8	0.7	0.6	0.2	0.6
Post and telecommunications	1.0	1.2	1.9	3.8	3.4	4.4
Surveying and mapping	0.0	0.1	0.0	0.1	0.2	0.2
Buildings and equipment	0.9	2.4	5.6	4.6	5.2	5.5
Urban development and housing	1.4	1.7	2.0	1.7	1.2	5.3
Transport and storage	0.1	0.0	0.0	0.2	0.4	0.4
Human resources	10.9	13.6	33.8	39.2	45.8	33.6
Employment	1.3	3.0	4.2	6.7	7.1	2.3
Education	4.3	3.0	7.6	9.9	9.4	10.4
Sports, arts, and culture	0.2	0.1	0.4	0.4	0.4	0.5
Health	3.5	4.0	11.0	11.8	13.7	9.9
Information	0.5	0.6	1.0	0.6	1.1	1.5
Administration	1.1	2.9	9.6	9.9	14.1	8.9
Total	63.0	65.8	121.8	137.4	161.9	176.6

Source: Data provided by the Malian authorities.

¹ Data may not add up because of rounding.

Table 13. Mali: The 1995-98 Investment Budget,
and Existing Commitments for Public Investment, 1998-2000,^{1 2}

(In billions of CFA francs)

	1995	1996	1997	1998	1998-2000 Existing Commitments
Rural development	67.1	65.9	68.0	60.6	152.1
Agriculture	53.5	52.8	54.0	49.3	131.1
Livestock	7.4	7.7	8.0	5.9	11.4
Fisheries	0.1	0.1	0.0	0.0	2.1
Forestry	6.1	5.3	6.0	5.4	7.5
Secondary sector	27.4	27.4	29.4	55.0	146.2
Mines	1.4	1.1	1.2	0.7	1.6
Water	12.1	12.4	13.0	21.9	48.0
Energy	13.6	13.6	15.0	31.9	95.6
Industry	0.1	0.1	0.1	0.5	1.0
Tourism	0.1	0.2	0.1	0.0	0.0
Infrastructure	30.1	34.9	38.7	63.5	164.0
Roads	20.5	26.2	28.0	28.1	70.4
Railroads	2.6	4.9	6.2	6.4	9.6
Air transport	0.8	0.3	0.0	1.9	10.0
Post & telecommunicat	2.8	1.5	2.0	5.6	9.7
Surveying	0.1	0.0	0.0	0.2	0.3
Buildings	2.7	1.7	2.0	5.4	9.9
Urban development	0.3	0.0	0.0	14.5	49.3
Transport and storage	0.2	0.3	0.5	1.2	4.8
Human resources	42.7	36.0	42.2	40.1	77.2
Employment	3.6	3.6	4.8	1.1	1.1
Education	9.5	8.1	9.0	12.6	25.3
Sports, arts	0.3	0.1	0.4	0.2	0.6
Health	16.6	17.8	20.0	13.9	21.1
Information	1.0	1.8	2.0	3.7	6.9
Administration	11.5	4.6	6.0	8.5	22.2
Total	167.3	164.2	178.3	219.3	539.5
Financing	167.3	164.2	178.3	219.3	539.5
External financing	140.8	137.3	144.0	177.3	443.1
Loans	74.2	67.5	78.0	92.7	262.0
Grants	66.6	69.8	66.0	84.6	181.1
Domestic financing	26.5	26.9	34.3	42.0	96.4
Budget	20.0	18.6	24.3	25.8	54.0
Self-financing	5.2	6.5	8.0	12.9	33.1
Other	1.3	1.8	2.0	3.3	9.3

Source: Data provided by the Malian authorities.

¹ Data differ from those included in tables on Government Financial Operations, as an implementation rate of less than 100 percent is assumed in the projections.

² Data may not add up because of rounding.

Table 14. Mali: Livestock Exports, Slaughtering, and Herd Size, 1993-98

(in thousands of head)

	1993		1994		1995 ¹		1996 ¹		1997 ¹		1998 ¹	
	Cattle	Sheep and goats	Cattle	Sheep and goats	Cattle	Sheep and goats	Cattle	Sheep and goats	Cattle	Sheep and goats	Cattle	Sheep and goats
Exports	<u>205</u>	<u>272</u>	<u>440</u>	<u>738</u>	<u>418</u>	<u>925</u>	...	...	...	...	...	...
Controlled	41	128	176	340	107	426	...	...	...	...	...	...
Uncontrolled	164	144	264	398	311	499	...	...	...	...	...	...
Slaughtering	<u>528</u>	<u>1950</u>	<u>531</u>	<u>1912</u>	<u>547</u>	<u>2007</u>	...	...	...	...	...	...
Controlled	185	312	186	306	192	321	...	...	...	...	...	...
Uncontrolled	343	1,638	345	1,606	355	1,686	...	...	...	...	...	...
Estimated herd size (end of period)	5,380	11,954	5,542	12,552	5,708	13,179	5,882	13,809	6,058	14,500	6,240	15,224
<i>Memorandum items:</i>												
Net birth rate	868	2,726	1,132	3,248	1,131	3,560	...	...	...	...	...	...
Offtake rates (in percent)	12.0	15.7	14.9	17.4	14.5	18.2	...	...	...	...	...	...

Source: Data provided by the Malian authorities.

¹ Provisional data.

Table 15. Mali: Index of Industrial Production, 1993-97

	1991	1992	1993	1994	1995	1996	<u>1997</u> Prel.
	(1983=100)						
Chemicals and construction materials	115.3	120.7	114.1	116.8	127.5	139.7	135.8
Energy and machinery	171.0	180.0	158.6	174.7	211.8	224.9	227.4
Food processing	124.4	150.6	130.4	134.3	133.7	142.5	147.2
Textiles	109.2	155.0	176.9	149.0	166.6	180.4	230.5
Overall index	125.0	153.6	135.3	143.6	155.9	167.4	191.1
	(Percentage change)						
Chemicals and construction materials	-20.8	4.7	-5.5	2.4	9.2	9.6	-2.8
Energy and machinery	0.6	5.3	-11.9	10.2	21.2	6.2	1.1
Food processing	-13.3	21.1	-13.4	3.0	-0.4	6.6	3.3
Textiles	-20.4	41.9	14.1	-15.8	11.8	8.3	27.8
Overall index	-14.0	22.9	-11.9	6.1	8.6	7.4	14.2

Source: Data provided by the Malian authorities.

Table 16. Mali: Quarterly Index of Consumer Prices in Bamako, 1995-98

(Index: July 1986-June 1987=100)

	1995				1995 (Annual)	1996				1996 (Annual)	1997				1998 ²		
	I	II	III	IV		I	II	III	IV		I	II	III	IV	(Annual) Prél.	I	II
Food	132.1	145.2	153.5	154.1	146.2	149.6	162.2	167.2	158.5	159.4	152.9	156.7	159.5	158.1	156.8	95.2	103.5
Clothing	137.7	147.3	148.0	152.7	146.4	156.1	158.7	157.3	157.4	157.4	156.0	156.2	155.8	155.3	155.8	104.1	105.0
Housing, water, and energy	131.8	135.7	136.4	133.2	134.3	132.8	137.7	133.1	132.0	133.9	138.5	132.2	132.1	132.5	139.8	97.7	99.4
Furniture and household articles	138.2	141.2	143.1	145.1	141.9	144.1	145.0	146.5	145.8	145.3	146.2	148.3	149.7	149.7	148.4	101.7	101.7
Health	144.5	150.8	155.7	156.6	151.9	156.8	159.0	165.1	165.2	161.5	165.2	166.1	167.5	168.1	166.7	101.9	102.8
Transport and communications	153.1	154.4	154.8	154.6	154.2	154.6	154.3	154.2	154.2	154.3	154.2	154.5	154.6	154.5	154.4	99.9	100.0
Leisure and entertainment	150.9	149.6	151.0	151.5	150.8	155.6	158.1	158.1	157.6	157.3	157.6	157.9	158.2	159.0	158.3	102.6	102.8
Other goods and services	152.8	155.1	155.0	160.1	155.7	164.2	172.0	174.4	176.0	171.7	179.1	179.6	182.9	182.6	181.1	114.3	104.5
Total 1/	137.3	146.4	151.2	152.1	146.8	150.3	158.2	160.6	155.8	156.2	153.3	155.0	156.6	155.9	155.2	98.6	103.0

Source: Data provided by the Malian authorities.

¹ Weighted total.

² New Harmonized Index in WAMU countries (December 1996=100)

Table 17. Mali: Evolution of Minimum Wages and Salaries in the Public Sector, 1993-98

(In CFA francs per month)

	1993	1994		1995	1996	1997	1998 Oct.
		April	Oct.				
Contractual workers							
Minimum wage for unskilled agricultural workers (SMAG)							
	<u>18,190</u>	<u>19,970</u>	<u>21,015</u>	<u>21,015</u>	<u>21,613</u>	<u>22,206</u>	<u>22,828</u>
Basic wage	8,440	10,220	11,265	11,265	11,863	12,456	13,078
Special allowance	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Cost of living allowance	2,250	2,250	2,250	2,250	2,250	2,250	2,250
Solidarity allowance	6,500	6,500	6,500	6,500	6,500	6,500	6,500
Minimum wage for unskilled workers outside agriculture (SMIG)							
	<u>19,230</u>	<u>20,350</u>	<u>20,965</u>	<u>20,965</u>	<u>21,638</u>	<u>22,228</u>	<u>22,848</u>
Basic wage	9,403	10,523	11,138	11,138	11,811	12,401	13,021
Special allowance	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Cost of living allowance	2,250	2,250	2,250	2,250	2,250	2,250	2,250
Adjustment of March 1980	77	77	77	77	77	77	77
Solidarity allowance	6,500	6,500	6,500	6,500	6,500	6,500	6,500
Government employees							
Grade 100							
	<u>31,525</u>	<u>32,600</u>	<u>33,800</u>	<u>33,800</u>	<u>34,040</u>	<u>34,040</u>	<u>35,340</u>
Base salary	22,525	23,600	24,800	24,800	26,040	26,040	27,340
Housing allowance	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Special allowance	1,000	1,000	1,000	1,000	0	0	0
Solidarity allowance	6,500	6,500	6,500	6,500	6,500	6,500	6,500
Grade 316							
	<u>71,368</u>	<u>78,076</u>	<u>81,868</u>	<u>81,868</u>	<u>85,786</u>	<u>85,786</u>	<u>89,894</u>
Base salary	67,868	74,576	78,368	78,368	82,286	82,286	86,394
Housing allowance	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Solidarity allowance	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Grade 650							
	<u>143,103</u>	<u>156,900</u>	<u>164,700</u>	<u>164,700</u>	<u>172,760</u>	<u>172,760</u>	<u>181,210</u>
Base salary	139,603	153,400	161,200	161,200	169,260	169,260	177,710
Housing allowance	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Solidarity allowance	2,000	2,000	2,000	2,000	2,000	2,000	2,000

Source: Data provided by the Malian authorities.

Table 18. Mali: Evolution of Employment in the Central and Regional Governments and the Public Enterprise Sector, 1993-98

(Numbers of Employees)

	1993	1994	1995	1996	1997	1998 Est.
Central and regional governments	36,055	32,719	32,527	36,138	37,340	37,661
Civil servants ¹	31,690	29,141	29,067	31,961	33,235	33,534
Contractual employees and other	4,365	3,578	3,460	4,177	4,125	4,307
Public enterprises ²	7,902	7,699	7,041	6,228	...	...

Source: Data provided by the Malian authorities.

¹ Beginning in 1994, excluding 2,129 employees of semi-public institutions no longer on the civil service payroll.

² The public enterprises included here are:

Compagnie Malienne de Navigation (COMANAV),
 Energie du Mali (EDM),
 Entreprise Malienne de Maintenance (EMAMA),
 Office d'Exploitation des Ressources Hydrauliques du Haut Niger (OERHN),
 Office National des Postes (ONP),
 Office de Radio et Télévision (ORT),
 Société d'Équipement du Mali (SEMA),
 Société Nationale des Tabacs et Allumettes du Mali (SONATAM),
 Usine Malienne de Produits Pharmaceutiques (UMPP).

Table 19. Mali: Operating Results of Major Public Enterprises, 1993-97¹

(In millions of CFA francs; end of period)

Enterprise	Activity	1993	1994	1995	1996	1997
EDM	Electricity	-1,453.7	710.2	2,012.7	-3,610.4	4,439.4
SONATAM	Tobacco	52.0	79.5	75.4	59.0	58.0
OERHN	Dam on the Niger River	1,531.0	-95.1	... ²	... ³	... ³
PPM	Pharmaceutical sales	55.5	-85.3	-95.4	65.9	48.2
SEMA	Public works	21.7	85.2	28.5	124.1	308.1
EMAMA	Maintenance	-39.4	-51.3	-37.0	1.0	... ²
ITEMA	Textiles	-958.4	-4,093.1	58.0	-426.7	... ²
COMATEX	Textiles	0.0 ^{3/}	-13.5	735.2	982.6	1,267.60
COMANAV	Inland water transport	-488.0	-404.5	-196.3	59.0	-150.7
RCFM	Railways	-239.0	44.5	325.9	249.0	221.0
ONP	Postal services	-253.8	-158.1	-357.8	-121.1	-33.6
UMPP	Pharmaceutical products	141.8	495.4	236.5	98.2	19.7
ORT	Hotels	-286.4	2.1	15.5	1.7	328.3
SOTELMA	Telecommunications Services	1,098.5	2,844.7	3,570.0	10,228.0	11,158.0

Sources: Data provided by the Malian authorities; and Fund staff estimates.

¹ The list of the acronyms of the enterprises is given in Appendix II.² Data not available³ Activity interrupted.

Table 20. Mali: Consolidated Government Operations, 1993-98¹

	1993	1994	1995	1996	1997	1998 Est.
(Milliards de francs CFA)						
Revenue and grants	146.7	220.1	249.5	302.5	313.9	320.1
Revenue	104.7	122.3	157.1	205.9	229.7	245.6
Budgetary revenue	94.0	109.3	140.5	185.0	207.9	227.7
Tax revenue	83.7	103.2	131.5	172.8	196.3	216.8
Nontax revenue	10.3	6.1	9.0	12.2	11.6	10.9
Special funds and annexed budgets	10.7	12.9	16.6	20.9	21.8	17.9
Grants	42.0	97.8	92.4	96.5	84.2	74.4
Expenditure and net lending	177.3	265.2	287.4	314.0	345.2	365.3
Budgetary expenditure	161.2	268.4	291.9	303.9	328.6	351.4
Current expenditure	88.1	132.1	134.8	137.1	167.7	168.8
Personnel	40.9	44.5	48.0	50.6	56.8	59.2
Scholarships	4.8	4.2	3.9	4.3	4.3	4.3
Interest ²	12.2	23.9	17.6	14.5	13.8	15.3
Other expenditure	30.2	59.5	65.2	67.7	92.8	90.0
Capital expenditure, PESAP, VDP, and NP ³	73.1	136.3	157.1	166.8	160.9	182.6
Capital expenditure	67.5	128.7	152.1	161.6	156.4	179.1
Externally financed	58.5	115.0	133.5	137.3	124.5	140.1
Loans	28.5	60.0	70.5	67.5	61.1	80.1
Grants	30.0	55.0	63.0	69.8	63.4	60.0
Domestically financed	9.0	13.7	18.6	24.3	31.9	39.0
PESAP and public enterprise reform	2.8	5.1	2.3	2.5	2.1	2.0
Voluntary departure program (VDP)	1.4	0.8	0.3	0.0	0.6	0.1
National Pact (NP)	1.4	1.7	2.4	2.7	1.8	1.4
Special funds and annexed budgets	10.5	11.7	14.5	20.7	21.8	17.9
Extrabudgetary expenditure	5.6	0.0	0.0	0.0	0.0	0.0
Net lending	0.0	-14.9	-19.0	-10.6	-5.2	-4.0
Deficit (commitment basis)	-30.6	-45.1	-37.9	-11.5	-31.3	-45.2
Changes in payments arrears	8.6	-29.7	-10.1	-18.0	-7.0	-10.0
Domestic payments arrears	3.6	-9.9	-10.1	-18.0	-7.0	-10.0
External payments arrears	5.0	-19.8	0.0	0.0	0.0	0.0
Adjustment (cash basis)	-0.5	0.0	-3.9	-1.0	-1.4	0.0
Deficit (cash basis)	-22.5	-74.8	-51.9	-30.5	-39.7	-55.2
Financing (net)	22.5	74.8	51.9	30.5	39.7	55.2
External financing	25.5	76.7	90.9	82.1	49.0	70.2
Loans (gross)	30.3	91.7	110.1	102.1	72.7	96.0
Amortization ^{2/}	-35.4	-66.9	-64.0	-60.9	-39.0	-25.8
Debt rescheduling	5.8	7.1	2.3	2.0	0.7	0.0
Debt relief from debt cancellation ⁴	0.0	2.3	2.0	0.0	0.0	0.0
Debt moratoria and debt under negotiation	24.8	42.5	40.5	38.9	14.6	0.0
Domestic financing	-3.0	-1.9	-39.0	-51.6	-9.3	-14.9
Banking system	-1.3	-4.6	-39.6	-46.0	-1.9	-2.1
Privatization receipts	0.0	1.8	1.3	0.3	1.4	1.9
Other	-1.7	0.9	-0.6	-5.8	-8.7	-14.7
Financing gap	0.0	0.0	0.0	0.0	0.0	0.0
(In percent of GDP, unless otherwise indicated)						
Deficit (commitment basis)						
Excluding grants	-9.6	-13.9	-10.6	-7.9	-7.9	-7.5
Including grants	-4.1	-4.4	-3.1	-0.8	-2.1	-2.8
Deficit (cash basis)						
Excluding grants	-8.5	-16.8	-11.7	-9.3	-8.5	-8.1
Including grants	-3.0	-7.3	-4.2	-2.3	-2.7	-3.5
<i>Memorandum item:</i>						
Military spending (CFAF billion) ⁵	15.7	20.7	24.7	25.3	26.6	28.8

Sources: Data provided by the Malian authorities; and Fund staff estimates.

¹ Data may not add up because of rounding.² Scheduled; after debt cancellation obtained through 1993.³ PESAP, Public Enterprise Sector Adjustment Program, financed by the World Bank and cofinanciers.⁴ Based on the ODA debt cancellation obtained in 1994.⁵ Expenditure by the Ministry of National Defense.

Table 21. Mali: Government Revenue, 1993-98 ¹

(In billions of CFA francs)

	1993	1994	1995	1996	1997	1998 Est.
Taxes on net income and profits	11.6	16.2	26.6	34.5	37.8	35.8
Enterprises	4.8	5.7	10.8	19.7	20.9	19.7
<i>Of which:</i> public enterprise	0.7	1.3	0.8	0.1	2.9	1.2
private enterprise	4.1	4.4	10.0	19.6	18.0	18.5
Individuals	5.4	8.6	14.2	12.6	14.5	13.7
Tax on transporters	0.7	1.1	0.6	1.0	1.1	1.1
Rental income tax	0.7	0.8	1.0	1.2	1.3	1.3
Payroll tax	2.1	2.6	2.5	3.7	3.9	4.2
Property taxes	3.1	2.6	3.4	6.4	4.9	4.6
Taxes on goods and services	12.4	15.0	17.0	25.4	26.5	29.9
Value-added tax ²	9.2	11.8	13.8	22.8	23.0	23.7
<i>Of which:</i> public enterprises	2.6	2.7	4.5	3.0	2.6	4.2
private enterprises	6.6	9.1	9.3	19.8	20.4	19.5
Excise duties ³	1.0	1.7	1.4	0.7	1.8	2.1
Other	2.2	1.5	1.8	1.9	1.8	4.1
Taxes on international trade	47.4	55.1	73.0	94.5	112.6	122.8
Customs duties ³	2.6	2.7	5.4	6.6	7.8	7.4
Other import charges ³	16.6	17.2	23.0	29.0	35.4	36.1
Value-added tax on imports ²	11.5	13.3	20.8	31.6	34.2	34.6
Petroleum import duties ³	14.5	19.2	21.2	24.6	29.2	36.8
Payment of deferred taxes	1.0	1.3	0.7	1.2	1.7	0.9
Export duty ⁴	0.0	0.0	0.1	0.1	2.1	2.5
Other	1.2	1.4	1.9	1.5	2.0	4.6
Other tax revenue	7.1	11.8	9.0	8.4	10.6	19.5
Poll tax	0.8	0.0	0.0	0.0	0.0	0.0
Stamp duties	2.1	3.6	4.8	5.3	5.3	5.0
Payment of tax arrears	3.4	6.5	2.8	2.0	1.9	9.2
Other taxes	0.8	1.7	1.4	1.1	3.4	5.3
Tax revenue	83.7	103.2	131.5	172.8	196.3	216.8
Nontax revenue	10.3	6.1	9.0	12.2	11.6	10.9
Budgetary revenue	94.0	109.3	140.5	185.0	207.9	227.7
Special funds and annexed budgets	10.7	12.9	16.6	20.9	21.8	17.9
Total revenue	<u>104.7</u>	<u>122.3</u>	<u>157.1</u>	<u>205.9</u>	<u>229.7</u>	<u>245.6</u>

Source: Data provided by the Malian authorities.

¹ Data may not add up because of rounding.² Introduced in 1990 and replaced turnover tax.³ Beginning in 1991, tax revenues included in this category, which were previously earmarked for special funds, have been consolidated in the budget.⁴ Customs service fee on gold exports.

Table 22. Mali: Government Revenue Performance, 1993-98¹

	1993	1994	1995	1996	1997	1998 Est.
(In billions of CFA francs)						
Taxes on net income and profits	11.6	16.2	26.6	34.5	37.8	35.8
Taxes on goods and services	12.4	15.0	17.0	25.4	26.5	29.9
Payroll tax	2.1	2.6	2.5	3.7	3.9	4.2
Property taxes	3.1	2.6	3.4	6.4	4.9	4.6
Taxes on international trade	47.4	55.1	73.0	94.5	112.6	122.8
Other tax revenue	7.1	11.8	9.0	8.4	10.6	19.5
Tax revenue	83.7	103.2	131.5	172.8	196.3	216.8
Nontax revenue	10.3	6.1	9.0	12.2	11.6	10.9
Budgetary revenue	94.0	109.3	140.5	185.0	207.9	227.7
Special funds and annexed budgets	10.7	12.9	16.6	20.9	21.8	17.9
Total revenue	104.7	122.3	157.1	205.9	229.7	245.6
(Annual percentage change)						
Taxes on net income and profits	-5.7	39.7	64.2	29.7	9.6	-5.3
Taxes on goods and services	2.5	21.0	13.3	49.4	4.3	12.8
Taxes on international trade	9.7	16.2	32.5	29.5	19.2	9.1
Other tax revenue	2.9	66.2	-23.7	-6.7	26.2	84.0
Tax revenue	7.2	23.3	27.4	31.4	13.6	10.4
Nontax revenue	-6.4	-40.8	47.5	35.6	-4.9	-6.0
Budgetary revenue	5.5	16.3	28.5	31.7	12.4	9.5
Special funds and annexed budgets	-7.8	20.9	28.3	25.9	4.3	-17.9
Total revenue	4.0	16.8	28.5	31.1	11.6	6.9
(In percent of budgetary revenue)						
Taxes on net income and profits	12.3	14.8	18.9	18.6	18.2	15.7
Taxes on goods and services	13.2	13.7	12.1	13.7	12.7	13.1
Taxes on international trade	50.4	50.4	52.0	51.1	54.2	53.9
Other tax revenue	7.6	10.8	6.4	4.5	5.1	8.6
Tax revenue	89.0	94.4	93.6	93.4	94.4	95.2
Nontax revenue	11.0	5.6	6.4	6.6	5.6	4.8
(In percent of total government revenue)						
Budgetary revenue	89.8	89.4	89.4	89.8	90.5	92.7
Special funds and annexed budgets	10.2	10.6	10.6	10.2	9.5	7.3
(In percent of GDP)						
Taxes on net income and profits	1.5	1.6	2.2	2.5	2.6	2.2
Taxes on goods and services	1.6	1.5	1.4	1.9	1.8	1.9
Taxes on international trade	6.3	5.4	5.9	6.9	7.7	7.7
Other tax revenue	0.9	1.1	0.7	0.6	0.7	1.2
Tax revenue	11.1	10.0	10.7	12.7	13.4	13.6
Nontax revenue	1.4	0.6	0.7	0.9	0.8	0.7
Budgetary revenue	12.4	10.6	11.4	13.6	14.2	14.2
Special funds and annexed budgets	1.4	1.3	1.3	1.5	1.5	1.1
Total revenue	13.9	11.9	12.8	15.1	15.7	15.4

Sources: Data provided by the Malian authorities; and Fund staff estimates.

¹ Data may not add up because of rounding.

Table 23. Mali: Government Expenditure, 1993-98¹

	1993	1994	1995	1996	1997	1998 Est.
(In billions of CFA francs)						
Expenditure and net lending	177.3	265.2	287.4	314.0	345.2	365.3
Budgetary expenditure	161.2	268.4	291.9	303.9	328.6	351.4
Current expenditure	88.1	132.1	134.7	137.1	167.7	168.8
Personnel	40.9	44.5	48.0	50.6	56.8	59.2
Supplies	8.8	14.2	18.6	20.1	25.2	25.1
Scholarships	4.8	4.2	3.9	4.3	4.3	4.3
Interest ²	12.2	23.9	17.6	14.5	13.8	15.3
Other current expenditure	21.4	45.3	46.6	47.6	67.6	64.9
Capital expenditure, PESAP, VDP, and NP ³	73.1	136.3	157.2	166.9	160.9	182.6
Capital expenditure	67.5	128.7	152.1	161.7	156.4	179.1
Externally financed	58.5	115.0	133.5	137.3	124.5	140.1
Equipment and investment	9.0	13.7	18.6	24.3	31.9	39.0
PESAP	2.8	5.1	2.3	2.5	2.1	2.0
Voluntary departure program (VDP)	1.4	0.8	0.3	0.0	0.6	0.1
National Pact (NP)	1.4	1.7	2.4	2.7	1.8	1.4
Special funds and annexed budgets	10.5	11.7	14.5	20.7	21.8	17.9
Extrabudgetary expenditure	5.6	0.0	0.0	0.0	0.0	0.0
Reconstruction expenditure	0.0	0.0	0.0	0.0	0.0	0.0
Net lending	0.0	-14.9	-19.0	-10.6	-5.2	-4.0
(Annual percentage change)						
Expenditure and net lending	-3.3	49.6	8.4	9.3	9.9	5.8
Budgetary expenditure	-0.4	66.5	8.8	4.1	8.1	6.9
Current expenditure	2.4	49.9	2.0	1.8	22.3	0.7
Personnel	-1.4	8.8	7.9	5.4	12.3	4.2
Supplies	8.6	61.4	31.0	8.1	25.4	-0.4
Scholarships	-4.0	-12.5	-7.1	10.3	0.0	0.0
Other expenditure	18.9	111.7	2.9	2.1	42.0	-4.0
Capital expenditure, PESAP, VDP, and NP ³	-3.6	86.5	15.3	6.2	-3.6	13.5
Capital expenditure	3.1	90.7	18.2	6.3	-3.3	14.5
Externally financed	-2.5	96.6	16.1	2.8	-9.3	12.5
Equipment and investment	63.6	52.2	35.8	30.6	31.3	22.3
Special funds and annexed budgets	-4.5	11.4	23.9	42.8	5.3	-17.9
Extrabudgetary expenditure	-37.1	-100.0	0.0	0.0	0.0	0.0
Net lending	0.0	0.0	27.5	-44.2	-50.9	-23.1
(In percent of total budgetary expenditure)						
Current expenditure	54.7	49.2	46.1	45.1	51.0	48.0
Personnel	25.4	16.6	16.4	16.7	17.3	16.8
Supplies	5.5	5.3	6.4	6.6	7.7	7.1
Scholarships	3.0	1.6	1.3	1.4	1.3	1.2
Other expenditure	13.3	16.9	16.0	15.7	20.6	18.5
Capital expenditure, PESAP, VDP, and NP ³	45.3	50.8	53.9	54.9	49.0	52.0
Capital expenditure	41.9	48.0	52.1	53.2	47.6	51.0
Externally financed	36.3	42.8	45.7	45.2	37.9	39.9
Equipment and investment	5.6	5.1	6.4	8.0	9.7	11.1
PESAP, VDP, and NP	3.5	2.8	1.7	1.7	1.4	1.0
(In percent of total expenditure and net lending)						
Budgetary expenditure	90.9	101.2	101.6	96.8	95.2	96.2
Special funds and annexed budgets	5.9	4.4	5.0	6.6	6.3	4.9
Extrabudgetary expenditure	3.2	0.0	0.0	0.0	0.0	0.0
Reconstruction expenditure	0.0	0.0	0.0	0.0	0.0	0.0
Net lending	0.0	-5.6	-6.6	-3.4	-1.5	-1.1
(In percent of GDP)						
Expenditure and net lending	23.5	25.8	23.3	23.1	23.5	22.8
Budgetary expenditure	21.3	26.1	23.7	22.3	22.4	22.0
Current expenditure	11.7	12.8	10.9	10.1	11.4	10.6
Personnel	5.4	4.3	3.9	3.7	3.9	3.7
Supplies	1.2	1.4	1.5	1.5	1.7	1.6
Scholarships	0.6	0.4	0.3	0.3	0.3	0.3
Other expenditure	2.8	4.4	3.8	3.5	4.6	4.1
Capital expenditure, PESAP, VDP, and NP ³	9.7	13.2	12.8	12.3	11.0	11.4
Capital expenditure	8.9	12.5	12.4	11.9	10.7	11.2
Externally financed	7.7	11.2	10.8	10.1	8.5	8.8
Equipment and investment	1.2	1.3	1.5	1.8	2.2	2.4
PESAP, VDP, and NP	0.7	0.7	0.4	0.4	0.3	0.2
Special funds and annexed budgets	1.4	1.1	1.2	1.5	1.5	1.1
Extrabudgetary expenditure	0.7	0.0	0.0	0.0	0.0	0.0
Reconstruction expenditure	0.0	0.0	0.0	0.0	0.0	0.0
Net lending	0.0	-1.4	-1.5	-0.8	-0.4	-0.3

Sources: Data provided by the Malian authorities; and Fund staff estimates.

¹ Data may not add up because of rounding.² Scheduled; after debt cancellation obtained through 1993.³ PESAP, Public Enterprise Sector Adjustment Program, financed by the World Bank and cofinanciers.

Table 24. Mali: Consolidated Operations of the Special Funds
and the Annexed Budgets, 1993-98

(In billions of CFA francs)

	1993	1994	1995	1996	1997	<u>1998</u> Est.
Revenue	10.7	12.9	16.6	20.9	21.8	17.9
OSRP ¹	0.0	0.0	0.0	0.0	0.0	0.0
Social Security Fund (INPS)	9.7	11.8	15.0	19.1	20.1	16.3
Other revenue ²	1.0	1.1	1.6	1.8	1.7	1.6
Expenditure and net lending	10.5	11.7	14.5	20.7	21.8	17.9
OSRP ¹	0.0	0.0	0.0	0.0	0.0	0.0
Social Security Fund (INPS)	9.5	10.6	12.9	18.9	20.1	16.3
Other expenditure ²	1.0	1.1	1.6	1.8	1.7	1.6
Surplus/Deficit	0.2	1.2	2.1	0.2	0.0	0.0

Source: Data provided by the Malian authorities.

¹ OSRP, Office de Stabilisation et de Régulation des Prix.

² Includes the National Housing Fund (FNL), the Central Veterinary Laboratory (LCV), the National Lottery (LONAMA), and the National Institute of Research in Public Health (INRSP).

Table 25. Mali: Government Wage Bill and Employees, 1993-98

	1993	1994	1995	1996	1997	1998 Est.
Wage bill (in billions of CFA francs)	40.9	44.5	48.0	50.6	56.8	59.2
Annual change in wage bill (in percent)	-1.4	8.8	7.9	5.4	12.3	4.2
Wage bill (in percent of current budgetary expenditure)	46.4	33.7	35.6	36.9	33.9	35.0
Wage bill (in percent of total budgetary expenditure)	25.4	16.6	16.4	15.6	17.3	16.9
Wage bill (in percent of GDP)	5.4	4.3	3.9	3.7	3.8	3.7
Total government employees as of end-December	36,055	32,719	32,527	36,138	37,340	37,661
<i>Of which:</i> civil servants	31,690	29,141	29,067	31,961	33,235	33,534
Annual change in total government employees (in percent)	-5.2	-9.3	-0.6	11.1	3.3	0.9

Source: Data provided by the Malian authorities.

Table 26. Mali — Deposit Money Banks, December 1997

	Shareholders (Percent of total shares)	Creation years	Capital (Millions of CFA francs)	Deposits (Millions of CFA francs)			Number of branches	
				Public	Private	Total		
Banque de Développement du Mali (BDM-SA) ¹	Government	20.0	1968	3,000	45,679	37,363	83,042	13
	BCEAO	20.0						
	BOAD	20.0						
	Private national shareholders	23.3						
	Moroccan bank	16.7						
Banque Nationale de Développement Agricole (BNDA)	Government	39.5	1981	8,871	6,904	15,680	22,584	22
	BCEAO	16.8						
	Caisse Française de Développement	19.6						
	Deutsche Entwicklungs- Gesellschaft (Fed. Rep. of Germany)	18.5						
	BDM-SA	5.6						
Banque Internationale du Mali (BIM-SA) ²	Government	61.5	1980	4,255	3,311	60,633	63,944	7
	Private national shareholders	38.5						
Banque Malienne de Crédit et de Dépôts (BMCD)	Government	100.0	1961	1,000	4,109	48,780	52,889	6
Bank of Africa-Mali (BOA)	Private national shareholders	75.6	1982	1,400	1,937	34,711	36,648	5
	Private foreign shareholders	24.4						
Banque Commerciale du Sahel (BCS; ex-BALIMA)	Government	49.5	1982	1,100	2,445	10,874	13,319	1
	Foreign Arab banks	50.0						
	Private national shareholders	0.5						
Banque de l'Habitat du Mali (BHM) ³	Government	14.8	1991	1350	3,795	7,456	11,251	1
	INPS ⁴	37.1						
	ACI ⁵	25.9						
	BIM-SA	7.4						
	Private national shareholders	14.8						
Banque Internationale pour le Commerce et l'Industrie du Mali (BICIM) ⁶	Private national and foreign shareholders							
Ecobank ⁶	Private national and foreign shareholders							

Source: Data provided by the BCEAO.

¹ Restructured into a société anonyme on June 30, 1989.

² Formerly the Banque Internationale pour l'Afrique Occidentale au Mali (BIAO-Mali)

³ Was changed to a Bank from the Société des Chèques Postaux et de la Caisse d'Épargne (SCPCE) in March 1996.

⁴ Institut National de Prévoyance Sociale.

⁵ Agence Cession Immobilière.

⁶ Banks established in 1998 for which data were not available.

Table 27. Mali : Monetary Survey, 1993-98

	1993		1994	1995	1996	1997			1998			
	Dec.	Dec. adj. ¹				Mar.	June	Sept.	Dec.	Mar.	June	Sept.
(In billions of CFA francs, end of period)												
Foreign assets (net) 3/	76.8	62.1	110.3	147.4	212.7	213.8	204.5	183.6	211.2	208.7	197.6	179.5
BCEAO	75.8	60.0	52.7	81.0	143.8	144.5	134.5	114.2	142.5	152.3	142.6	118.2
Deposit money banks	1.0	2.1	57.6	66.4	68.9	69.4	70.0	69.4	68.7	56.4	55.0	61.3
Net domestic assets	99.3	119.2	143.8	146.1	116.9	154.3	155.5	165.8	150.4	200.1	177.4	177.1
Of which: BCEAO 4/	68.1	87.9	67.3	50.7	10.8				24.0	39.0	39.1	41.8
Credit to the government (net)	28.3	48.2	49.2	16.6	-23.7	-17.2	-12.0	-5.9	-23.9	-19.5	-17.9	-20.9
Central bank 5/	59.3	79.2	63.1	53.4	26.7	46.4	31.8	40.9	29.2	38.1	43.8	40.8
Commercial banks	-29.5	-29.5	-11.8	-35.2	-48.4	-62.0	-42.1	-44.0	-48.6	-52.6	-58.0	-57.6
Other	-1.5	-1.5	-2.1	-1.5	-2.0	-1.6	-1.7	-2.8	-4.5	-5	-3.7	-4.1
Credit to the economy	71.4	71.4	88.1	132.6	171.2	202.8	194.8	198.6	195.9	239.8	216.6	210.4
Crop credit	5.2	5.2	0.4	4.6	2.9	34.4	32.7	14.1	1.0	43.6	45.4	20.1
Ordinary credit	66.2	66.2	87.7	128.0	168.3	168.4	162.1	184.5	194.9	196.2	171.2	190.3
Other items (net) 6/	-0.4	-0.4	6.5	-3.1	-30.8	-31.3	-27.3	-26.9	-21.6	-20.2	-21.3	-12.4
Central bank	8.7	8.7	4.2	-2.6	-15.9	-11.5	-11.6	-12.2	-5.2	-10.5	-4.7	-2.0
Commercial banks	-9.1	-9.1	2.4	-0.5	-19.8	-19.8	-15.7	-14.7	-16.4	-9.7	-16.6	-10.4
Medium- and long-term external liabilities	-5.7	-9.8	-11.1	-8.9	-10.3	-12.7	-11.6	-11.6	-15.2	-13.2	-12.7	-12.9
Revaluation account	0.0	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
BCEAO	0.0	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1
Deposit money banks	0.0	-3.0	-3.0	-3.0	-3.0	-3.0	3.0	3.0	3.0	3.0	3.0	3.0
Money supply (M2)	170.4	170.4	237.0	283.5	317.9	354.4	347.3	336.7	345.3	394.5	361.3	342.6
Currency in circulation	65.1	65.1	90.4	107.4	120.4	138.0	139.5	127.1	129.4	146.7	137.5	124.1
Bank deposits	105.3	105.3	146.6	176.1	197.5	216.4	207.8	209.6	215.9	247.8	223.8	218.5
(Percentage change in relation to the beginning-of-year money stock)												
Foreign assets (net) 3/	5.7	56.2	28.3	15.7	23.0	0.3	-2.6	-9.2	-0.5	-0.7	-3.9	-9.2
BCEAO	7.9	57.7	-4.3	11.9	22.2	0.2	-2.9	-9.3	-0.4	2.8	0.0	-7.0
Deposit money banks	-2.2	-1.5	32.6	3.7	0.9	0.2	0.3	0.2	-0.1	-3.6	-4.0	-2.1
Net domestic assets	2.4	15.0	11.5	1.0	-10.3	11.8	12.1	15.4	10.5	14.4	7.8	7.7
Credit to the Government (net)	4.8	17.4	0.6	-13.8	-14.2	2.0	3.7	5.6	-0.1	1.3	1.7	0.9
Central bank 5/	2.6	15.2	-9.4	-4.1	-9.4	6.2	1.6	4.5	0.8	2.6	4.2	3.4
Commercial banks	2.7	2.7	10.4	-9.9	-4.7	-4.3	2.0	1.4	-0.1	-1.2	-2.7	-2.6
Other	-0.5	-0.5	-0.3	0.3	-0.2	0.1	0.1	-0.3	-0.1	-0.1	0.2	0.1
Credit to the economy 7/	3.9	3.9	16.4	50.5	29.1	18.5	13.8	16.0	14.4	22.4	10.6	7.4
Crop credit 7/	-1.8	-1.8	-2.8	1050.0	-37.0	1086.2	1027.6	386.2	-65.5	4260.0	4440.0	1910.0
Ordinary credit 7/	9.4	9.4	24.9	54.8	31.5	0.1	-3.7	9.6	15.8	0.7	-12.2	-2.4
Other items (net) 6/	-4.2	-4.2	4.1	-4.1	-9.8	-0.2	1.1	1.2	2.9	0.4	0.1	2.7
Medium- and long-term external liabilities	0.3	-2.3	-0.8	0.9	-0.5	-0.8	-0.4	-0.4	-1.5	0.6	0.7	0.7
Money supply	8.4	8.4	39.1	19.6	12.1	11.5	9.2	5.9	8.6	14.2	4.6	-0.8
Currency in circulation	2.7	2.7	14.8	7.2	4.6	5.5	6.0	2.1	2.8	5.0	2.3	-1.5
Bank deposits	5.8	5.8	24.2	12.4	7.5	5.9	3.2	3.8	5.8	9.2	2.3	0.8
Velocity of M2	4.4	4.4	4.3	4.3	4.3	4.1	4.2	4.4	4.3	4.1	4.4	4.7
Nominal GDP (CFA franc billions)	755.1	755.1	1,028.7	1,231.0	1,360.7	1,467.6	1,467.6	1,467.6	1,467.6	1,599.2	1,599.2	1,599.2

Sources: Data provided by the BCEAO; and Fund staff estimates.

1/ Data may not add up because of rounding. Including transactions and reclassifications resulting from the restructuring of the Banque de Développement du Mali and reclassification of deposits resulting from other bank audits. Data are not comparable with the previous RED tables for 1990 as these were adjusted to a 1987 accounting base to provide comparability with previous years.

2/ Accounts revalued at the new exchange rate of CFA franc 100 per French franc.

3/ Excluding SDR allocations and medium- and long-term liabilities.

4/ Defined as base money minus net foreign assets.

5/ Including SDR/CFA franc exchange rate revaluation on pre-June 1984 Fund purchases. Including the stabilization for the cotton sector and, before December 1994, the consolidation of debit balances of BDM at the BCEAO. For December 1994, these claims are included in credit to the government from commercial banks.

6/ Including nonstatutory advance to the Treasury resulting from the consolidation of the former Central Bank's debt of CFA franc 41.8 billion, including interest thereon.

7/ Percentage change from beginning of period.

Table 28. Mali: Summary Accounts of the Central Bank, 1993-98 ¹.

(In billions of CFA francs; end of period)

	1993		1994	1995	1996	1997	1998 Est.
	Act.	Act. adj. 2/					
Foreign assets (net)	75.8	60.0	52.7	81.0	143.8	142.5	140.3
Assets	97.8	101.5	118.6	158.6	229.6	246.0	235.1
Liabilities ³	-22.0	-41.5	-65.9	-77.7	-85.8	-103.5	-94.8
Net domestic assets	68.1	87.9	67.3	50.7	10.8	24.0	32.9
Claims on the government (net)	59.3	79.2	63.1	53.4	26.7	29.2	34.9
Claims	64.9	84.7	75.8	80.5	90.3	99.8	102.3
Consolidated claims ⁴	23.9	23.9	0.0	4.7	3.0	0.0	0.0
Liabilities ⁵	-5.5	-5.5	-12.8	-27.1	-63.6	-70.6	-67.4
Other items (net)	8.7	8.7	4.2	-2.6	-15.9	-5.2	-2.0
Claims on deposit money banks (net)	-78.7	-78.7	-25.5	-20.2	-30.0	-32.9	-38.1
Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Advances to money market	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rediscounts and other advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities	78.7	78.7	25.5	20.2	30.0	32.9	38.1
Deposits in money market	57.1	57.1	3.7	2.4	0.0	0.0	0.0
Other deposits	18.4	18.4	14.5	10.9	19.4	21.6	24.9
Currency held by banks	3.2	3.2	7.3	6.9	10.6	11.3	13.2
Revaluation account	0.0	4.1	4.1	4.1	4.1	4.1	4.1
Currency outside banks	65.1	65.1	90.4	107.4	120.4	129.5	131.0

Sources: Data provided by the BCEAO; and Fund staff estimates.

¹ Data may not add up because of rounding.² Accounts revalued at the new exchange rate of CFAF 100 per French franc.³ Excluding SDR counterpart.⁴ These claims were securitized and sold to Malian commercial banks in 1994.⁵ Including cash held by the Treasury.

Table 29. Mali: Summary Accounts of the Deposit Money Banks, 1993-98^{1 2}
(In billions of CFA francs; end of period)

	1993		1994	1995	1996	1997	1998
	Act.	Act. adj. 3/					
Foreign assets (net)	1.0	2.1	57.6	66.4	68.9	68.7	65.7
Assets	7.8	14.2	65.6	74.8	75.8	70.4	73.4
Liabilities (short-term)	-6.8	-12.1	-8.0	-8.4	-6.9	-1.7	-7.7
Net domestic assets	110.7	110.7	97.7	115.6	135.9	159.3	175.1
Claims on the government (net)	-29.5	-29.5	-11.8	-35.2	-48.4	-48.6	-55.1
Claims	3.4	3.4	28.0	19.0	23.1	19.6	14.8
Deposits	-33.0	-33.0	-39.9	-54.3	-71.5	-68.2	-69.9
Credit to the private sector ⁴	69.9	69.9	81.0	131.1	169.1	191.4	202.5
Crop credit	5.2	5.2	0.4	4.6	2.9	1.0	9.0
Other	64.7	64.7	80.6	126.5	166.2	190.4	193.5
Other items (net)	-9.1	-9.1	2.4	-0.5	-14.8	-16.4	-10.4
Reserves	79.4	79.4	26.1	20.2	30.0	32.9	38.1
Money market position (net)	57.1	57.1	3.7	2.4	0.0	0.0	0.0
Deposits	57.1	57.1	3.7	2.4	0.0	0.0	0.0
Advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other reserves	22.3	22.3	22.4	17.8	30.0	32.9	38.1
Currency holdings	3.2	3.2	7.3	6.9	10.6	11.3	13.2
Deposits at central bank	19.1	19.1	15.1	10.9	19.4	21.6	24.9
Medium- and long-term external liabilities	-5.7	-9.8	-11.1	-8.9	-10.3	-15.1	-12.9
Revaluation account	0.0	-3.0	-3.0	-3.0	-3.0	-3.0	-3.0
Deposits	105.3	105.3	146.6	176.2	197.5	215.9	230.9
Demand	52.7	52.7	83.7	100.0	119.4	126.5	135.3
Of which: public enterprises	5.7	5.7	9.0	7.0	7.0	10.0	10.6
Time	52.6	52.6	62.9	76.2	78.1	89.4	95.6
Of which: public enterprises	3.1	3.1	5.3	8.3	6.3	6.2	6.6

Sources: Data provided by the BCEAO; and Fund staff estimates.

¹ Data may not add up because of rounding.

² Including transactions and adjustments resulting from the restructuring of the Banque de Développement du Mali, and reclassifications of deposits resulting from other bank audits.

³ Accounts revalued at the new exchange rate of CFAF 100 per French franc.

⁴ Does not match the credit to the private sector shown in table 22 due to a different classification of collateralized bonds.

Table 30. Mali: Claims on the Government, 1993-98^{1 2}
(In billions of CFA francs; end period)

	1993		1994	1995	1996	1997	1998 Est.
	Act.	Act. adj. 3/					
Central bank, net claims	59.3	79.2	63.1	53.4	26.7	29.2	34.9
Claims	64.9	84.7	75.8	80.5	90.3	99.8	102.3
Treasury overdraft	21.1	21.1	18.4	0.0	0.0	0.0	0.0
Trust Fund on-lent	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IMF credit on-lent	19.8	39.7	57.4	75.8	87.3	99.8	102.3
Consolidated claims ⁴	23.9	23.9	0.0	4.7	3.0	0.0	0.0
Liabilities	5.5	5.5	12.8	27.1	63.6	70.6	67.4
Treasury currency holdings	3.0	3.0	3.0	5.2	6.6	7.6	7.3
Government deposits	2.5	2.5	9.8	21.9	57.0	63.0	60.1
Deposit money banks, net claims	-29.5	-29.5	-11.8	-35.2	-48.4	-48.6	-55.1
Claims ⁴	3.4	3.4	28.0	19.0	23.1	19.6	14.8
Liabilities	33.0	33.0	39.8	54.3	71.5	68.2	69.9
Counterparts	-1.5	-1.5	-2.1	-1.5	-2.0	-4.5	-4.1
Customs duty bills held by the Treasury	1.5	1.5	2.1	1.5	2.0	4.5	4.1
Net claims on the government ⁵	28.3	48.1	49.2	16.6	-23.7	-23.9	-24.3

Sources: Data provided by the BCEAO; and Fund staff estimates.

¹ Data may not add up because of rounding.

² Including transactions and adjustments resulting from the restructuring of the BDM, and reclassifications of deposits resulting from other bank audits.

³ Accounts revalued at the new exchange rate of CFAF 100 per French franc.

⁴ Up to end-1993, the consolidated debit balances of the BDM at the BCEAO are included in claims of the central bank on the government. These claims were securitized in 1994 and for 1994 are included in claims of the deposit money banks on the government.

⁵ Includes the cotton stabilization fund.

Table 31. Mali: Foreign Assets and Liabilities of the Banking System, 1993-98 ¹

(In billions of CFA francs; end period)

	1993		1994	1995	1996	1997	1998
	Act.	Act. adj. 2/					
Banking system (net) ³	71.1	52.3	99.2	138.5	212.7	211.2	206.0
Foreign assets	105.5	115.7	184.2	238.5	315.7	331.5	321.0
Foreign liabilities	34.4	63.4	85.0	100.1	103.0	120.3	115.0
Central bank (net)	75.8	60.0	52.7	81.0	143.8	142.5	140.3
Foreign assets	97.8	101.5	118.6	158.6	229.6	246.0	235.1
Foreign exchange	94.4	94.8	111.4	151.4	226.3	239.0	228.3
Special drawing rights	0.0	0.1	0.1	0.2	0.2	0.1	0.1
Reserve position in the Fund	3.3	6.6	7.1	7.0	3.1	6.9	6.7
Foreign liabilities	22.0	41.5	65.9	77.7	85.8	103.5	94.8
Use of Fund resources	19.5	39.0	60.0	76.6	83.8	101.2	92.7
Trust Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	2.5	2.5	5.9	1.1	5.0	2.3	2.1
Deposit money banks (net) ³	-4.7	-7.7	46.5	57.5	68.9	68.7	65.7
Foreign assets	7.8	14.2	65.6	74.8	86.1	85.5	85.9
Foreign liabilities ³	12.4	21.9	19.1	17.3	17.2	16.8	20.2
Short-term	6.8	12.1	8.0	8.4	6.9	1.7	7.3
Medium- and long-term	5.7	9.8	11.1	8.9	10.3	15.1	12.9

Sources Data provided by the BCEAO; and Fund staff estimates.

¹ Data may not add up because of rounding.² Accounts revalued at the new exchange rate of CFAF 100 per French franc.³ Differs from net foreign assets in Tables 22 and 24, which exclude medium- and long-term foreign liabilities.

Table 32. Mali: Interest Rates, 1993-98

(In percent per year)

	April 26,1993- Sept. 30, 1993	Oct. 1, 1993- Dec. 19,1993	Dec. 20, 1993- Jan. 17, 1994	Jan. 18, 1994- June 26,1994	June 27, 1994- July 31,1994	Aug. 1, 1994- Aug. 31, 1994	Sept. 1, 1994- Jan. 22, 1995	Jan. 23, 1995- June 4,1995	June 5,1995- Dec. 25, 1995	Dec. 26, 1995- Aug. 4, 1996	Aug. 5, 1996- Aug. 18, 1996	Aug. 19, 1996 to present
Central bank												
Discount rate	12.5	12.5	10.5	14.5	12	11	10	9	8.5	7.5	7.25	7.00 ¹
Money market advances	11.225-10.225	10.225-7.35	7.25-8.00	8.00-9.25	8.00-6.50	6.25-5.75	5.75-5.00	5.50	5.50-5.75	6.00-5.00	5.00-4.75	4.00 ²
Lending rates												
Crop financing and agricultural export credit												
Public enterprises	17.5 max	free	free	free	free	free	free	free	free	free	free	free
Private enterprises	17.5 max	free	free	free	free	free	free	free	free	free	free	free
Deposit rates												
Sight ³	free	free	free	free	free	free	free	free	free	free	free	free
Savings deposits	8.5	4.5	4.5	8	8.00-5.00	5	5	4.5	4.5	4.5-3.5	3.5	3.5
Time deposits⁴												
Less than six months	8.5	TMM-2% ⁵	TMM-2%	TMM-2%	TMM-2%	TMM-2%	TMM-2%	TMM-2%	TMM-2%	TMM-2%	TMM-2%	TMM-2%
Six months-one year	9.5	TMM-2%	TMM-2%	TMM-2%	TMM-2%	TMM-2%	TMM-2%	TMM-2%	TMM-2%	TMM-2%	TMM-2%	TMM-2%
Over one year	10.5	free	free	free	free	free	free	free	free	free	free	free

Source: Data provided by the BCEAO.

¹ See table 33.² See table 34.³ Since January 1, 1985, deposit money banks have no longer been required to remunerate sight deposits.⁴ Minimum rates for deposits above CFAF 2 million; from October 2, 1989, minimum rates for deposits above CFAF 500,000. Since October 1, 1993, minimum rates for deposits equal or less than CFAF 5 million; rates on larger deposits are free.⁵ Average monthly money market rate minus 2 percent.

Table 33. Mali: Rediscount Rates Applied by the Central Bank, 1989-98¹

(In percent per year)

	Normal discount rate ²	Preferential discount rate ³	Discount rate ⁴
March 30, 1989	10.00	9.00	...
October 2, 1989	abolished	abolished	10.50
November 27, 1989			11.00
August 20, 1992			13.00
November 9, 1992			12.50
December 20, 1993			10.50
January 18, 1994			14.50
June 27, 1994			12.00
August 1, 1994			11.00
September 1, 1994			10.00
January 23, 1995			9.00
June 5, 1995			8.50
December 26, 1995			7.50
August 5, 1996			7.25
August 19, 1996			7.00
September 2, 1996			7.25
September 16, 1996			7.00
October 21, 1996			6.50
February 17, 1997			6.25
September 8, 1997			6.00
August 31, 1998			6.25

Source: Information provided by the BCEAO.

¹ Rates applied to short-term credit of 1 year or less and to medium-term credit of up to 10 years, and 15 years since October 1, 1989. The BCEAO will also rediscount long-term credit which at the time of rediscounting, has no more than 15 years to maturity.

² Applied also to advances against government and private paper, to rediscount of customs duty bills, and to repurchase agreements (prise en pension).

³ Applied to crop credit, credit to the government and local authorities, small national enterprises with total credit outstanding not exceeding CFAF 30 million, and nationals for the borrower's first primary residence (maximum CFA million with maturities shorter than ten years). Also applied overdrafts by the Treasury.

⁴ The central bank's discount rate will remain above the rates applied in the money market. A special rate, equal to the money market rate minus 1 percentage point, applies to the statutory advances to the government under Article 16 of the Statutes of the BCEAO. The special rate is a quarterly average, calculated by BCEAO headquarters and communicated on a quarterly basis to the national agencies.

Table 34. Mali: Interest Rates in the Money Market, 1993-98

(In percent per year)

	Overnight		One month		Three months	
	Deposits	Advances	Deposits	Advances	Deposits	Advances
1993						
April 26	9.350	11.225	9.475	11.350	9.600	11.475
May 10	8.850	10.725	8.975	10.850	9.100	10.975
May 24	8.350	10.225	8.475	10.350	8.600	10.475
October 14 ¹	0.000	9.500	8.475	10.350	8.600	10.475
October 21	0.000	9.375	8.475	10.350	8.600	10.475
October 28	0.000	9.000	8.475	10.350	8.600	10.475
November 4	0.000	8.750	8.475	10.350	8.600	10.475
November 11	0.000	8.500	8.475	10.350	8.600	10.475
November 18	0.000	8.000	8.475	10.350	8.600	10.475
November 25	0.000	7.750	8.475	10.350	8.600	10.475
December 2	0.000	7.625	0.000	0.000	8.600	0.000
December 9	0.000	7.500	0.000	0.000	8.600	0.000
December 16	0.000	7.350	0.000	0.000	8.600	0.000
December 30	0.000	7.250	0.000	0.000	8.600	0.000
1994						
January 6	0.000	7.500	0.000	0.000	0.000	0.000
January 13	0.000	8.000	0.000	0.000	0.000	0.000
January 20	0.000	9.000	0.000	0.000	0.000	0.000
January 27	0.000	9.250	0.000	0.000	0.000	0.000
June 20	0.000	8.250	0.000	0.000	0.000	0.000
June 27	0.000	8.000	0.000	0.000	0.000	0.000
July 4	0.000	7.500	0.000	0.000	0.000	0.000
July 11	0.000	7.000	0.000	0.000	0.000	0.000
July 18	0.000	6.750	0.000	0.000	0.000	0.000
July 25	0.000	6.500	0.000	0.000	0.000	0.000
August 1	0.000	6.250	0.000	0.000	0.000	0.000
August 8	0.000	6.000	0.000	0.000	0.000	0.000
August 15	0.000	5.850	0.000	0.000	0.000	0.000
August 22	0.000	5.750	0.000	0.000	0.000	0.000
September 19	0.000	5.600	0.000	0.000	0.000	0.000
September 26	0.000	5.500	0.000	0.000	0.000	0.000
December 5	0.000	5.000	0.000	0.000	0.000	0.000
December 26	0.000	5.500	0.000	0.000	0.000	0.000
1995						
December 11	0.000	5.750	0.000	0.000	0.000	0.000
December 18	0.000	6.000	0.000	0.000	0.000	0.000
1996						
January 2	0.000	5.500	0.000	0.000	0.000	0.000
April 30	0.000	5.250	0.000	0.000	0.000	0.000
June 3	0.000	5.000	0.000	0.000	0.000	0.000
June 17	0.000	5.500	0.000	0.000	0.000	0.000
July 29	0.000	5.250	0.000	0.000	0.000	0.000
August 5	0.000	5.000	0.000	0.000	0.000	0.000
August 12	0.000	4.750	0.000	0.000	0.000	0.000
August 19	0.000	4.000	0.000	0.000	0.000	0.000

Source: Information provided by the BCEAO.

¹ On October 14, 1993 the money market started to operate through a system of weekly two-way auctions. The two-way auctions were abolished in July 1996 and replaced by alternative injections of liquidity and issue of central bank bonds based on the degree of banks' liquidity.

Table 34 (continued). Mali: Interest Rates in the Money Market, 1993-98

(In percent per year)

Auctions	Value date	Marginal	Minimum proposed	Maximum proposed	Weighted Average
	<u>1996</u>				
Injection of liquidity	7/15/96	5.500	...	...	5.961
Injection of liquidity	7/22/96	5.250	...	...	5.250
Injection of liquidity	7/29/96	5.250	...	...	5.250
Issue of BCEAO bonds	8/5/96	5.000	1.000	6.000	4.145
Issue of BCEAO bonds	8/12/96	4.750	4.000	5.250	4.513
Issue of BCEAO bonds	8/19/96	4.000	3.500	5.250	3.725
Issue of BCEAO bonds	8/26/96	4.000	2.500	5.500	3.577
Issue of BCEAO bonds	9/2/96	4.000	2.500	5.000	3.609
Issue of BCEAO bonds	9/9/96	4.000	2.500	5.424	3.698
Issue of BCEAO bonds	9/16/96	4.000	2.500	5.424	3.740
Issue of BCEAO bonds	9/23/96	4.000	2.800	5.424	3.741
Issue of BCEAO bonds	9/30/96	4.000	3.000	5.424	3.740
Issue of BCEAO bonds	10/7/96	4.000	3.000	5.424	3.759
Issue of BCEAO bonds	10/14/96	4.250	3.000	5.424	3.771
Issue of BCEAO bonds	10/21/96	4.250	3.000	5.000	3.645
Issue of BCEAO bonds	10/28/96	4.000	3.000	5.000	3.795
Injection of liquidity	11/25/96	5.000	...	...	5.474
Injection of liquidity	12/2/96	5.250	...	...	5.444
Injection of liquidity	12/9/96	5.000	...	...	5.441
Injection of liquidity	12/16/96	5.000	...	...	5.407
Injection of liquidity	12/23/96	5.000	...	...	5.411
Injection of liquidity	12/30/96	5.000	...	...	5.389
	<u>1997</u>				
Injection of liquidity	1/13/97	5.000	5.000	6.000	5.164
Injection of liquidity	1/20/97	5.000	5.000	5.750	5.369
Injection of liquidity	1/27/97	5.250	4.900	5.500	5.430
Injection of liquidity	2/3/97	5.200	5.200	5.750	5.386
Injection of liquidity	2/10/97	5.200	5.200	5.500	5.416
Injection of liquidity	2/17/97	5.000	5.000	5.000	5.000
Injection of liquidity	2/24/97	5.000	5.000	5.000	5.000
Injection of liquidity	3/3/97	5.000	5.000	5.400	5.049
Injection of liquidity	3/10/97	5.000	5.000	5.350	5.031
Injection of liquidity	3/17/97	5.000	5.000	5.300	5.015
Injection of liquidity	3/24/97	5.000	5.000	5.250	5.014
Injection of liquidity	4/1/97	5.000	5.000	5.250	5.011
Injection of liquidity	4/7/97	5.000	5.000	5.250	5.031
Injection of liquidity	4/14/97	5.000	4.500	5.250	5.023
Injection of liquidity	4/21/97	5.000	4.500	5.250	5.043
Injection of liquidity	4/28/97	5.000	4.500	5.250	5.039
Injection of liquidity	5/5/97	5.000	5.000	5.250	5.076
Injection of liquidity	5/12/97	5.000	4.250	5.250	5.124
Injection of liquidity	5/19/97	5.000	5.000	5.500	5.173
Injection of liquidity	5/26/97	5.020	5.020	5.500	5.188
Issue of BCEAO bonds	6/16/97	4.740	2.800	6.000	3.857
Issue of BCEAO bonds	6/23/97	4.700	3.250	5.250	4.159
Issue of BCEAO bonds	6/30/97	4.650	3.230	4.650	4.436
Issue of BCEAO bonds	7/7/97	4.600	3.500	5.125	4.404
Issue of BCEAO bonds	7/14/97	4.600	3.250	4.900	4.209
Issue of BCEAO bonds	7/21/97	4.750	3.500	5.150	4.327
Issue of BCEAO bonds	7/28/97	5.000	4.500	5.000	4.641
Issue of BCEAO bonds	8/4/97	4.000	4.000	4.000	4.000
Issue of BCEAO bonds	8/11/97	4.000	4.000	4.000	4.000
Issue of BCEAO bonds	8/18/97	4.000	4.000	4.000	4.000
Issue of BCEAO bonds	8/25/97	4.000	4.000	4.000	4.000
Issue of BCEAO bonds	9/1/97	4.000	4.000	4.000	4.000
Issue of BCEAO bonds	9/8/97	3.800	3.800	3.800	3.800
Issue of BCEAO bonds	9/15/97	3.800	3.800	3.800	3.800
Issue of BCEAO bonds	9/22/97	3.800	3.800	3.800	3.800
Issue of BCEAO bonds	9/29/97	3.800	3.800	3.800	3.800
Issue of BCEAO bonds	10/6/97	3.800	3.800	3.800	3.800
Issue of BCEAO bonds	10/13/97	3.800	3.800	3.800	3.800
Issue of BCEAO bonds	10/20/97	3.800	3.800	3.800	3.800
Issue of BCEAO bonds	10/27/97	3.800	3.800	3.800	3.800
Issue of BCEAO bonds	11/3/97	3.800	3.800	3.800	3.800
Issue of BCEAO bonds	11/10/97	3.800	3.800	3.800	3.800
Issue of BCEAO bonds	11/17/97	4.000	3.500	4.500	3.853
Issue of BCEAO bonds	11/24/97	4.000	3.800	4.500	3.896
Injection of liquidity	12/29/97	4.500	4.000	5.350	4.830
Injection of liquidity	1/5/98	4.500	4.250	5.150	4.739

Source: Information provided by the BCEAO

Table 34 (concluded). Mali: Interest Rates in the Money Market, 1993-98

(In percent per year)

Auctions	Value date	Marginal	Minimum proposed	Maximum proposed	Weighted Average
	<u>1998</u>				
Injection of liquidity	1/12/98	4.500	4.250	5.100	4.694
Injection of liquidity	1/19/98	4.550	4.500	5.100	4.701
Injection of liquidity	1/26/98	4.500	4.500	5.100	4.672
Injection of liquidity	2/2/98	4.500	4.500	5.150	4.671
Injection of liquidity	2/9/98	4.500	4.500	5.100	4.649
Injection of liquidity	2/16/98	4.500	4.500	5.100	4.650
Injection of liquidity	2/23/98	4.500	4.500	5.000	4.646
Injection of liquidity	3/2/98	4.500	4.500	5.100	4.671
Injection of liquidity	3/9/98	4.520	4.400	5.000	4.667
Injection of liquidity	3/16/98	4.500	4.500	5.000	4.666
Injection of liquidity	3/23/98	4.600	4.550	5.000	4.684
Injection of liquidity	3/30/98	4.650	4.650	5.000	4.733
Injection of liquidity	4/6/98	4.650	4.500	5.000	4.773
Injection of liquidity	4/13/98	4.500	4.500	5.000	4.776
Injection of liquidity	4/20/98	4.500	4.500	5.000	4.771
Injection of liquidity	4/27/98	4.500	4.500	5.000	4.786
Injection of liquidity	5/4/98	4.750	4.500	5.000	4.824
Injection of liquidity	5/11/98	5.000	4.250	5.250	5.124
Injection of liquidity	5/18/98	4.900	4.750	5.000	4.983
Injection of liquidity	5/26/98	4.950	4.700	5.150	5.016
Issue of BCEAO bonds	6/8/98	4.600	2.800	4.800	4.074
Issue of BCEAO bonds	6/15/98	4.600	3.750	5.000	4.371
Issue of BCEAO bonds	6/22/98	4.500	4.000	4.500	4.426
Issue of BCEAO bonds	6/29/98	4.500	4.250	4.500	4.440
Issue of BCEAO bonds	7/6/98	4.500	3.800	4.500	4.432
Issue of BCEAO bonds	7/13/98	4.500	4.000	4.750	4.444
Issue of BCEAO bonds	7/20/98	4.500	4.000	4.750	4.481
Issue of BCEAO bonds	7/27/98	4.500	4.000	4.525	4.446
Issue of BCEAO bonds	8/3/98	4.500	4.250	4.700	4.487
Issue of BCEAO bonds	8/10/98	4.500	4.000	4.500	4.379
Issue of BCEAO bonds	8/11/98	4.500	4.200	4.750	4.466
Issue of BCEAO bonds	8/17/98	5.250	5.250	5.250	5.250
Issue of BCEAO bonds	8/24/98	4.500	4.000	5.000	4.461
Issue of BCEAO bonds	8/31/98	4.500	4.310	4.750	4.473
Issue of BCEAO bonds	9/7/98	4.750	4.000	5.000	4.466
Issue of BCEAO bonds	9/7/98	5.250	5.250	5.250	5.250
Issue of BCEAO bonds	9/14/98	4.750	4.380	4.750	4.483
Issue of BCEAO bonds	9/21/98	4.750	4.400	5.000	4.553
Issue of BCEAO bonds	9/28/98	4.750	4.500	4.750	4.696
Issue of BCEAO bonds	10/5/98	4.750	4.500	4.850	4.733
Issue of BCEAO bonds	10/12/98	4.750	4.500	4.750	4.740

Source: Information provided by the BCEAO

Table 35. Mali: Lending Rates Applied by Commercial Banks, 1986 - 98

(In percent per year)

	24-Mar 1986		22-Sep 1986		23-Dec 1988		30-Mar 1989		2-Oct 1989 4/	27-Nov 1989	20-Aug 1992	9-Nov 1992	From Oct. 1 1993
	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Max.	Max.	Max.	Max.	
Rates													
Short- and medium-term credit													
Crop financing and export credit	8.0	9.0	7.0	8.0	8.5	9.5	10.0	11.0	15.5	16.0	18.0	17.5	free ⁵
Financing of storage of agricultural products	8.0	9.0	7.0	8.0	8.5	9.5	10.0	11.0	15.5	16.0	18.0	17.5	free ⁵
Credit to small and medium-sized national enterprises ¹	8.0	10.0	7.0	9.0	8.5	10.5	10.0	12.0	15.5	16.0	18.0	17.5	free ⁵
Credit to nationals ² for construction of first primary residence	8.0	10.0	7.0	9.0	8.5	10.5	10.0	12.0	15.5	16.0	18.0	17.5	free ⁵
Other credits	9.5	14.5	8.5	13.5	9.5	14.5	10.0	15.0	15.5	16.0	18.0	17.5	free ⁵
Long-term credit ³													
Credit to small and medium-sized national enterprises ¹	8.0	10.0	7.0	9.0	8.5	10.5	10.0	12.0	15.5	16.0	18.0	17.5	free ⁵
Credit to nationals ² for construction of first primary residence	8.0	10.0	7.0	9.0	8.5	10.5	10.0	12.0	15.5	16.0	18.0	17.5	free ⁵
Other credits	9.5	14.5	8.5	13.5	9.5	14.5	10.0	15.0	15.5	16.0	18.0	17.5	free ⁵

Source: Information provided by the BCEAO.

¹ Originally not exceeding CFAF 20 million; since May 1, 1979, not exceeding CFAF 30 million.² Of any member state of WAMU.³ Originally, with maturity of more than 2 years and less than 10 years, and less than 15 years since October 2, 1989.⁴ Minimum abolished on October 2, 1989.⁵ Cannot exceed the legal usury rate, set at twice the prevailing discount rate. Since 1998, it has been set at 18 percent.

Table 36. Mali: Deposit Rates Applied by Commercial Banks, 1988-98¹

	December 1988- October 1989						November 1989-October 1993				January 1994- Present			
	From			From			From				From			
	Dec.23 , 1988	Mar.30 , 1989	Sept.22 , 1989	Dec.23 , 1988	Mar.30 , 1989	Oct.2, 1989	Nov.27, 1989	Aug.20, 1992	Nov.9, 1992	Oct.1, 1993	Jan.18, 1994	July 8, 1994	Sept.26, 1994	April 1, 1996
(In percent per year)														
	(Up to CFAF 200,000 FCFA)			(CFAF 200,001 -FCFA 500,000 FCFA)			(Up to CFAF 500,000)				(Up to CFAF 5 million)			
	Determined by agreement			Determined by agreement			Determined by agreement							
Other deposits														
Demand deposits	--	--	.. ⁴	.. ⁴	.. ⁴	.. ⁵	.. ⁵	.. ⁵	.. ⁵	.. ⁵	.. ⁵	.. ⁵	.. ⁵	.. ⁵
Time deposits														
Less than six months	5.00	5.00	4.75	5.50	6.00	.. ⁵	.. ⁵	.. ⁵	.. ⁵	TMM-2 ⁶	TMM-2 ⁶	TMM-2 ⁶	TMM-2 ⁶	TMM-2 ⁶
Six months - less than one yea	6.00	6.50	5.75	6.50	7.00	.. ⁵	.. ⁵	.. ⁵	.. ⁵	TMM-2 ⁶	TMM-2 ⁶	TMM-2 ⁶	TMM-2 ⁶	TMM-2 ⁶
One year and more	7.25*	7.75*	7.00*	8.00*	8.50*	.. ⁵	.. ⁵	.. ⁵	.. ⁵	.. ⁵	.. ⁵	.. ⁵	.. ⁵	.. ⁵
Certificates of deposit														
Six months - less than one yea	6.00	6.50	5.75	6.50	7.00	.. ⁵	.. ⁵	.. ⁵	.. ⁵	TMM-2 ⁶	TMM-2 ⁶	TMM-2 ⁶	TMM-2 ⁶	TMM-2 ⁶
One year and more	7.25*	7.75*	7.00*	8.00*	8.50*	.. ⁵	.. ⁵	.. ⁵	.. ⁵	.. ⁵	.. ⁵	.. ⁵	.. ⁵	.. ⁵
Savings deposits ³	7.00	7.50	6.50	7.00	7.50	6.50	7.00	9.00	8.50	4.50	8.00	5.00	4.50	3.50
	(CFAF 500,000- FCFA 2,000,000)			(Above CFAF 2,000,000)			(Above CFAF 500,000)				(Above CFAF 5 million)			
Public deposits ²	Fixé par accord			Determined by agreement			Determined by agreement				free			
Other deposits														
Demand deposits	.. ⁴	.. ⁴	.. ⁴	.. ⁴	.. ⁴	.. ⁵	.. ⁵	.. ⁵	.. ⁵	.. ⁵	.. ⁵	.. ⁵	.. ⁵	.. ⁵
Time deposits														
Less than six months	6.00	6.50	5.75*	6.50*	7.00	6.50*	7.00*	9.00*	8.50*	.. ⁵	.. ⁵	.. ⁵	.. ⁵	.. ⁵
Six months - less than one yea	7.25	7.75	7.00*	7.75*	8.25	7.50*	8.00*	10.00*	9.50*	.. ⁵	.. ⁵	.. ⁵	.. ⁵	.. ⁵
One year and more	8.50*	9.00*	8.00*	9.00*	9.50*	8.50*	9.00*	11.00*	10.50*	.. ⁵	.. ⁵	.. ⁵	.. ⁵	.. ⁵
Certificates of deposit										.. ⁵	.. ⁵	.. ⁵	.. ⁵	.. ⁵
Six months - less than one yea	7.25	7.75	7.00*	7.75	8.25*	7.50*	8.00*	10.00*	9.50*	.. ⁵	.. ⁵	.. ⁵	.. ⁵	.. ⁵
One year and more	8.50*	9.00*	8.00*	9.00*	9.50*	8.50*	9.00*	11.00*	10.50*	.. ⁵	.. ⁵	.. ⁵	.. ⁵	.. ⁵
Savings deposits ³	7.00	7.50	6.50	7.00	7.50	6.50	7.00	9.00	8.50	4.50	8.00	5.00	4.50	3.50

Source: Information provided by the BCEAO.

¹ Fixed rates, unless marked with an asterisk (*), in which case it is a minimum rate.

² Includes deposits of the Treasury, Post Office Savings Bank, and other government agencies, public and mixed enterprises, and special private sector deposits resulting from

³ Applicable to savings deposits of less than CFAF 5 million.

⁴ The requirement that banks pay interest on demand deposits was suspended beginning January 1, 1985.

⁵ Deposit rates no longer fixed by the BCEAO.

⁶ Average monthly money market rate published by BCEAO minus 2 percent.

Table 37. Mali: Balance of Payments, 1992-97^{1 2}
(In billions of CFA francs)

	1992	1993	1994	1995	1996	1997 Est.
Exports, f.o.b.	95.8	98.9	186.8	220.5	221.8	327.7
<i>Of which:</i> cotton (fiber)	37.8	39.4	81.5	126.9	132.6	158.7
Imports, c.i.f.	-190.4	-191.9	-349.3	-374.8	-395.1	-438.2
<i>Of which:</i> petroleum	-22.2	-21.0	-29.1	-42.4	-52.2	-61.1
Trade balance	-94.6	-93.0	-162.5	-154.4	-173.3	-110.5
Services (net)	-47.8	-31.0	-58.3	-64.3	-66.5	-68.6
<i>Of which:</i> interest due ³	-10.9	-9.6	-21.9	-16.2	-13.9	-13.2
Private transfers (net)	19.6	26.5	47.1	47.8	46.0	42.0
Official transfers (net)	94.9	67.3	134.4	111.4	124.1	95.2
<i>Of which:</i> in kind	5.8	3.9	13.1	5.5	6.1	3.0
budgetary	22.6	12.0	42.8	29.4	26.7	20.8
project-related	38.0	30.0	55.0	63.0	69.8	63.4
Current account balance (including official transfers)	-27.9	-30.3	-39.3	-59.5	-69.7	-41.9
(excluding official transfers)	-122.8	-97.6	-173.7	-170.9	-193.8	-137.1
Nonmonetary capital (net)	1.1	-7.0	45.7	61.1	72.1	25.7
Private (net)	-2.3	-1.9	20.9	15.0	30.9	-8.0
Official (net)	3.4	-5.1	24.8	46.1	41.2	33.7
Disbursements (net)	38.7	30.3	91.7	110.1	102.1	72.7
<i>Of which:</i> budgetary	9.7	1.8	31.7	39.6	34.6	11.6
project-related	29.0	28.5	60.0	70.5	67.5	61.1
Amortization due	-35.3	-35.4	-66.9	-64.0	-60.9	-39.0
Debt relief ⁴	29.4	30.6	51.8	44.8	41.0	14.6
Errors and omissions	-4.7	8.2	9.8	-12.7	21.9	0.0
Overall balance	-2.1	1.5	68.1	33.8	65.3	-1.5
Financing	2.1	-1.5	-68.1	-33.8	-65.3	-1.5
Foreign assets (net)	-2.0	-6.8	-48.2	-37.1	-65.3	1.5
<i>Of which:</i> IMF (net)	2.1	1.3	17.7	18.4	11.6	12.5
Revaluation adjustment	0.4	0.3	0.0	3.3	0.0	0.0
Payments arrears	3.7	5.0	-19.8	0.0	0.0	0.0
Accumulation	4.8	9.0	0.0	0.0	0.0	0.0
Reduction	-1.1	-4.0	-19.8	0.0	0.0	0.0
<i>Memorandum items:</i>						
External current account balance as a percent of GDP:						
Including official transfers	-3.7	-4.0	-3.8	-4.8	-5.1	-2.9
Excluding official transfers	-16.3	-12.9	-16.9	-13.9	-14.2	-9.3
Outstanding payments arrears (end-of-period) ⁵	4.8	9.8	0.0	0.0	0.0	0.0

Sources: Data provided by the Malian authorities; and Fund staff estimates.

¹ Data may not add up because of rounding.

² Including debt service due to the People's Republic of China and Russia.

³ After debt cancellation obtained through 1996, including the 1994 cancellation of debt by France, Italy, and Switzerland equivalent to FCFA 114.7 billion.

⁴ Reflects agreements on debt rescheduling and moratoria, as well as debt under negotiation.

⁵ The end-of-period stock includes the net change in payments arrears, as well as the change in the value of the stock owing to exchange rate movements.

Table 38. Mali: Balance of Payments, 1992-97^{1 2}

(In millions of SDRs)

	1992	1993	1994	1995	1996	1997 Est.
Exports, f.o.b.	257.1	250.2	235.0	291.2	298.6	413.1
<i>Of which:</i> cotton (fiber)	101.3	99.6	102.5	167.6	178.5	200.0
Imports, c.i.f.	-510.8	-485.6	-439.4	-495.1	-531.9	-552.3
<i>Of which:</i> petroleum	-59.7	-53.0	-36.6	-56.0	-70.2	-77.0
Trade balance	-253.8	-235.4	-204.4	-203.9	-233.3	-139.3
Services (net)	-128.3	-78.5	-73.3	-84.9	-89.5	-86.5
<i>Of which:</i> interest due ³	-29.2	-24.2	-27.5	-21.4	-18.7	-16.6
Private transfers (net)	52.5	66.9	59.2	63.1	61.9	52.9
Official transfers (net)	254.7	170.2	169.0	147.1	167.1	120.0
<i>Of which:</i> in kind	15.6	9.9	16.5	7.3	8.2	3.8
budgetary	60.6	30.4	53.8	38.8	35.9	26.2
project-related	102.0	75.9	69.2	83.2	94.0	79.9
Current account balance (including official transfers)	-74.8	-76.7	-49.4	-78.5	-93.8	-52.8
(excluding official transfers)	-329.6	-247.0	-218.5	-225.7	-260.9	-172.8
Nonmonetary capital (net)	3.0	-17.7	57.5	80.7	97.1	32.4
Private (net)	-6.2	-4.8	26.3	19.8	41.6	-10.1
Official (net)	9.1	-12.9	31.2	60.9	55.5	42.5
Disbursements (net)	103.8	76.7	115.3	145.4	137.4	91.7
<i>Of which:</i> budgetary	26.0	4.6	39.9	52.3	46.6	14.7
project-related	77.8	72.1	75.5	93.1	90.9	77.0
Amortization due	-94.7	-89.6	-84.1	-84.5	-82.0	-49.2
Debt relief ⁴	78.9	77.5	65.2	59.2	55.2	18.4
Errors and omissions	-12.6	20.7	12.3	-16.7	29.5	0.0
Overall balance	-5.6	3.8	85.6	44.6	87.9	-1.9
Financing	5.6	-3.8	-85.6	-44.6	-87.9	-1.9
Foreign assets (net)	-5.4	-17.2	-60.6	-49.0	-87.9	1.9
<i>Of which:</i> IMF (net)	5.6	3.3	22.3	24.3	15.7	15.8
Revaluation adjustment	1.1	0.8	0.0	4.4	0.0	0.0
Payments arrears	9.9	12.6	-24.9	0.0	0.0	0.0
Accumulation	12.9	22.8	0.0	0.0	0.0	0.0
Reduction	-3.0	-10.1	-24.9	0.0	0.0	0.0
<i>Memorandum items:</i>						
Outstanding payments arrears (end-of-period) ⁵	12.9	24.8	0.0	0.0	0.0	0.0
Exchange rate: CFAF/SDR (period average)	372.7	395.3	795.0	757.1	742.8	793.4

Sources: Data provided by the Malian authorities; and Fund staff estimates.

¹ Data may not add up because of rounding.² Including debt service due to the People's Republic of China and Russia.³ After debt cancellation obtained through 1997, including the 1994 cancellation of debt by France, Italy, and Switzerland, equivalent to CFAF 114.7 billion.⁴ Reflects agreements on debt rescheduling and moratoria, as well as debt under negotiation.

Table 39. Mali: Composition of Exports, f.o.b., 1992-97

(Values in billions of CFA francs, volumes in metric tons,
unit values in CFA francs per kilogram)

	1992	1993	1994	1995	1996	1997 Est.
Cotton						
Value	40.1	41.7	85.0	129.2	135.0	161.2
Cotton fiber						
Value	37.8	39.4	81.5	126.9	132.6	158.7
Volume	110,844.5	133,278.5	109,272.7	148,122.8	168,053.4	203,159.0
Unit value	340.7	295.3	729.5	856.8	823.3	781.0
Cotton cakes						
Value	0.4	0.4	0.5	0.5	0.5	0.5
Volume	10,000.0	10,500.0	10,500.0	11,025.0	11,168.3	11,615.00
Unit value	40.0	40.0	48.0	43.1	44.2	44.0
Cotton threads and materials						
Value	1.4	1.4	2.2	1.1	1.2	1.2
Volume	2,650.0	2,650.0	2,700.0	1,372.0	1,402.2	1,458.0
Unit value	530.0	540.0	825.0	802.2	822.2	831.0
Cottonseed oil						
Value	0.5	0.5	0.8	0.7	0.7	0.8
Volume	3,100.0	3,100.0	3,100.0	3,131.0	3,149.8	3,276.0
Unit value	170.0	170.0	255.0	229.2	235.0	242.0
Livestock						
Value	25.0	27.0	51.8	40.0	30.0	30.7
Volume	31,446.0	29,600.0	43,700.0	37,582.0	28,599.0	29,300.0
Unit value	794.8	911.0	1,184.3	1,064.6	1,049.0	1,049.0
Hides and leathers						
Value	1.8	2.1	2.9	1.6	2.0	3.1
Volume	2,550.0	2,627.0	2,725.0	1,672.0	2,087.3	2,976.0
Unit value	723.9	810.0	1,053.0	957.5	970.3	1,032.0
Fish						
Value	1.1	1.1	1.7	0.8	0.9	0.9
Volume	1,508.0	1,568.3	1,750.0	802.0	826.1	850.8
Unit value	700.0	700.0	950.0	997.5	1,030.0	1,050.4
Shelled groundnuts						
Value	0.4	0.3	0.4	0.2	0.2	0.2
Volume	5,333.3	3,666.7	3,941.7	1,754.0	1,789.1	1,816.0
Unit value	75.0	75.0	113.0	113.0	115.8	116.0
Other oilseeds						
Value	2.0	2.0	3.0	0.1	0.3	0.3
Volume	20,000.0	20,000.0	21,500.0	714.0	2,142.0	1,850.0
Unit value	100.0	100.0	140.0	140.0	140.0	148.0
Gold						
Value	15.8	15.2	27.8	35.6	39.8	117.2
Volume	6,099.0	5,184.0	4,599.0	6,157.0	6,584.0	18,478.0
Unit value	2,592.2	2,932.3	6,036.3	5,776.6	6,037.8	6,340.4
Other						
Value	9.6	9.5	14.3	13.0	13.7	14.2
Total	95.8	98.9	186.8	220.5	221.8	327.7

Sources: Data provided by the BCEAO; and Fund staff estimates.

Table 40. Mali: Composition of Imports, c.i.f., 1992-97

(Values in billions of CFA francs, volumes in metric tons,
unit values in CFA francs per kilogram)

	1992	1993	1994	1995	1996	1997 Est.
Foodstuffs						
Value	25.7	27.4	47.8	55.4	58.0	63.5
Cereals						
Value	6.0	7.2	7.2	10.9	12.8	12.2
Volume	45,705.6	57,777.0	35,100.0	49,840.0	58,528.0	59,500.0
Unit value	131.8	124.6	205.0	218.7	218.7	205.5
Sugar						
Value	5.2	4.2	15.2	16.8	17.2	17.6
Volume	46,024.8	33,537.0	51,000.0	56,950.0	63,042.6	62,857.1
Unit value	113.0	125.7	298.2	295.0	272.8	280.0
Milk						
Value	6.2	7.0	10.1	11.9	9.9	12.2
Volume	10,840.0	12,234.8	8,938.1	10,258.6	8,497.9	9,368.0
Unit value	575.0	575.0	1,130.0	1,160.0	1,165.0	1,303.0
Tea and coffee						
Value	1.5	1.9	3.1	2.7	5.0	7.0
Volume	1,751.0	2,014.0	1,611.0	1,641.3	3,594.5	4,191.6
Unit value	877.9	950.2	1,930.0	1,645.0	1,391.0	1,670.0
Other beverages						
Value	0.4	0.4	0.8	0.7	0.8	0.9
Volume	2,575.0	2,652.3	2,546.2	2,622.5	2,701.0	2,782.0
Unit value	136.5	143.3	296.0	266.1	292.0	306.0
Cola nuts						
Value	1.3	1.3	1.6	1.5	1.6	1.8
Volume	7,725.0	7,956.8	7,906.0	8,222.2	8,551.1	8,723.0
Unit value	165.0	166.0	205.0	184.3	190.0	202.0
Other						
Value	5.0	5.3	9.8	10.9	10.7	11.9
Volume	31,930.0	32,887.9	29,599.1	30,783.1	31,706.6	32,568.0
Unit value	158.1	161.2	331.9	354.0	338.0	364.0
Machines and vehicles						
Value	53.1	51.7	107.0	123.0	115.4	129.1
Volume	31,209.0	29,640.0	30,300.0	35,000.0	32,190.0	35,050.0
Unit value	1,702.0	1,743.3	3,531.0	3,513.0	3,585.8	3,682.0
Petroleum products						
Value	22.2	21.0	29.1	42.4	52.2	61.1
Volume	232,816.8	200,095.5	226,004.0	289,905.0	332,843.0	400,156.0
Unit value	95.5	104.7	128.9	146.3	156.8	152.6
Construction materials						
Value	21.0	18.6	33.7	39.6	39.8	47.08
Volume	44,528.0	40,100.0	34,474.0	40,000.0	41,000.0	43,472.0
Unit value	470.9	464.6	976.4	985.0	970.0	1,083.0
Chemical products						
Value	20.3	20.0	33.9	35.2	36.8	39.2
Volume	85,302.0	85,300.0	74,077.0	77,780.0	81,281.0	84,126.0
Unit value	237.4	234.1	457.2	453.0	453.0	466.0
Textiles and leather						
Value	13.5	14.3	22.5	21.7	23.3	25.7
Volume	26,522.5	27,318.2	21,854.5	22,510.2	23,410.6	24,113.0
Unit value	509.9	525.1	1,029.7	965.0	995.0	1,067.0
Other						
Value	34.6	39.0	75.4	57.7	69.6	72.6
Total	190.4	191.9	349.3	374.8	395.1	438.2

Sources: Data provided by the BCEAO; and Fund staff estimates.

Table 41. Mali: Direction of Trade, 1992-97¹

(In millions of U.S. dollars)

	1992		1993		1994		1995		1996		1997	
	Value	Percent	Value	Percent	Value	Percent	Value	Percent	Value	Percent	Value	Percent
Exports	216.53	100.00	218.44	100.00	175.26	100.00	236.77	100.00	281.70	100.00	262.89	100.00
Industrial countries	108.01	49.88	77.77	35.60	97.06	55.38	91.92	38.82	105.07	37.30	103.06	39.20
<i>Of which:</i>												
Belgium-Luxembourg	34.28	15.83	5.56	2.55	25.96	14.81	17.76	7.50	12.39	4.40	...	...
France	8.96	4.14	8.42	3.85	7.38	4.21	6.91	2.92	4.94	1.75	7.03	2.67
Germany	9.61	4.44	5.94	2.72	3.84	2.19	3.73	1.58	2.87	1.02	3.77	1.43
Spain	1.96	0.91	2.74	1.25	4.48	2.56	7.76	3.28	7.82	2.78	7.2	2.74
United Kingdom	3.38	1.56	2.13	0.98	0.66	0.38	0.32	0.14	0.96	0.34	0.91	0.35
Developing countries	106.25	49.07	138.16	63.25	75.46	43.06	141.87	59.92	173.41	61.56	156.3	59.45
<i>Of which:</i>												
Africa	26.30	12.15	27.82	12.74	15.95	9.10	20.10	8.49	27.63	9.81	20.58	7.83
<i>Of which: Côte d'Ivoire</i>	7.97	3.68	7.91	3.62	2.07	1.18	2.90	1.22	4.23	1.50	4.65	1.77
Asia	78.47	36.24	64.61	29.58	45.83	26.15	98.14	41.45	137.46	48.80	116.79	44.43
<i>Of which: People's Republic of China</i>	31.73	14.65	0.00	0.00	8.27	4.72	33.04	13.95	12.37	4.39	24.98	9.50
Others ²	1.48	1.05	45.73	20.93	13.68	7.81	23.63	9.98	8.32	2.95	...	...
Imports	739.16	100.00	736.99	100.00	710.6	100.00	987.94	100.00	1106.64	100.00	1125.65	100.00
Industrial countries	317.89	43.01	297.73	40.40	245.91	34.61	393.12	39.79	429.86	38.84	431.66	38.35
<i>Of which:</i>												
Belgium-Luxembourg	27.79	3.76	23.36	3.17	33.15	4.67	33.81	3.42	33.89	3.06	...	...
France	153.73	20.80	131.22	17.80	105.14	14.80	191.52	19.39	218.82	19.77	199.45	17.72
Germany	22.71	3.07	24.20	3.28	15.94	2.24	17.00	1.72	26.82	2.42	21.7	1.93
Spain	10.80	1.46	10.50	1.42	6.09	0.86	12.42	1.26	15.48	1.40	17.5	1.55
United Kingdom	21.74	2.94	15.62	2.12	18.27	2.57	41.71	4.22	41.71	3.77	43.3	3.85
Developing countries	391.52	52.97	405.02	54.96	425.00	59.81	549.66	55.64	626.15	56.58	637.89	56.67
<i>Of which:</i>												
Africa	323.23	43.73	324.96	44.09	361.86	50.92	449.22	45.47	528.85	47.79	561.39	49.87
<i>Of which: Côte d'Ivoire</i>	133.27	18.03	121.42	16.48	118.69	16.70	166.21	16.82	202.51	18.30	222.76	19.79
Asia	55.87	7.56	66.54	9.03	53.45	7.52	82.18	8.32	77.75	7.03	55.64	4.94
<i>Of which: People's Republic of China</i>	5.98	0.81	12.71	1.72	11.89	1.67	27.61	2.79	16.75	1.51	15.28	1.36
Others ²	12.42	1.68	13.52	1.83	9.69	1.36	18.26	1.85	19.55	1.77	20.86	1.85
<i>Memorandum items:</i>												
Share of total trade												
France	162.69	17.02	139.65	14.62	112.52	12.70	198.43	16.20	223.76	16.12	206.48	14.87
Côte d'Ivoire	171.32	17.93	203.80	21.33	232.39	26.23	298.40	24.36	206.74	14.89	227.41	16.38
Germany	32.32	3.38	30.14	3.15	19.78	2.23	20.73	1.69	29.69	2.14	25.47	1.83

Source: IMF, Direction of Trade Statistics database (December 1, 1998).

¹ Data may not add up because of rounding.² Including the former U.S.S.R., Eastern European countries, and others.

Table 42. Mali: Terms of Trade Indices, 1992-97

	Index (1985=100)					
	1992	1993	1994	1995	1996	<u>1997</u> Est.
Export indices						
Value	121.1	125.0	236.2	278.7	280.4	414.3
Volume	164.3	168.0	170.3	198.6	202.9	303.8
Unit value 1	73.7	74.4	138.7	140.4	138.2	136.3
Import indices						
Value	90.3	91.0	165.7	172.8	187.4	207.9
Volume	98.7	97.1	94.4	101.3	107.3	118.9
Unit value 1	91.5	93.8	175.4	175.5	174.6	174.7
Terms of trade	80.6	79.4	79.0	80.0	79.1	78.0

Sources: Data provided by the Malian authorities; and Fund staff estimates.

¹ Unit value indices for exports and imports are Fisher indices calculated in terms of CFA francs.

Table 43. Mali: Foreign Aid, 1992-97 ¹

(In billions of CFA francs)

	1992	1993	1994	1995	1996	1997
Total foreign aid	133.6	97.6	228.6	221.5	226.2	156.9
Grants	94.9	67.3	136.9	111.4	124.1	84.2
Loans	38.7	30.3	91.7	110.1	102.1	72.7
Project aid	67.0	58.5	115	133.5	137.3	124.5
Grants	38.0	30.0	55.0	63.0	69.8	63.4
Loans	29.0	28.5	60.0	70.5	67.5	61.1
Budgetary aid ²	32.3	13.8	74.5	69.0	61.3	32.4
Grants	22.6	12.0	42.8	29.4	26.7	20.8
Loans	9.7	1.8	31.7	39.6	34.6	11.6
Aid in kind	5.8	3.9	13.1	5.5	6.1	3.0
Grants	5.8	3.9	13.1	5.5	6.1	3.0
<i>Of which: cereal</i>	1.5	1.1	2.4	1.7	...	...
Technical assistance						
Grants	28.5	21.4	23.5	13.5	21.5	8.0

Sources: Data provided by the Malian authorities; and Fund staff estimates.

¹ In the balance of payments, grants are included under official transfers; loans are included in nonmonetary capital receipts.

² Includes budgetary aid channeled both through the Treasury and outside the Treasury.

Table 44. Mali: External Disbursed Public Debt Outstanding by Creditor, 1992-97¹

	1991	1992	1993	1994	1995	1996	1997
(In millions of US dollars, unless otherwise indicated; end of period)							
Suppliers' credits	4.4	2.0	0.8	0.0	0.0	0.0	0.0
<i>Of which:</i>							
Germany	1.5	0.8	0.8	0.0	0.0	0.0	0.0
United Kingdom	2.9	1.2	0.0	0.0	0.0	0.0	0.0
Financial institutions ²	7.4	4.0	3.2	2.1	2.3	0.0	0.0
<i>Of which:</i>							
Netherlands	1.4	3.3	1.9	2.1	2.3	0.0	0.0
Multiple lenders	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Switzerland	0.0	0.6	1.3	0.0	0.0	0.0	0.0
United Kingdom	5.8	0.0	0.0	0.0	0.0	0.0	0.0
Multilateral loans	1000.2	1061.7	1105.0	1252.8	1399.1	1477.6	1488.9
<i>Of which:</i>							
African Development Bank	12.7	11.0	10.1	9.7	8.6	11.2	8.0
African Development Fund	248.9	253.8	259.9	285.3	333.5	359.6	339.4
BADEA	22.6	19.6	17.8	17.1	16.4	12.3	11.2
BEC	10.0	8.3	7.7	8.4	8.8	8.4	7.5
European Development Fund	21.8	27.3	25.1	27.1	28.4	26.5	22.8
European Investment Bank	16.6	29.7	28.0	29.7	35.0	33.7	31.4
FIDA	29.7	32.0	35.1	37.6	39.0	42.9	43.8
IDA	569.3	611.1	655.7	769.6	863.0	915.2	935.3
Islamic Development Bank	30.4	30.3	30.7	32.6	31.6	32.3	35.7
League of Arab States	5.5	5.0	6.4	3.8	3.1	1.3	0.8
OPEC Special Fund	30.4	27.8	23.0	26.4	23.3	21.4	18.9
West African Development Bank	0.0	0.0	0.0	0.0	3.2	8.0	30.2
African Solidarity Fund	2.5	2.5	2.5	2.5	2.5	2.5	2.0
ECOWAS	0.0	3.4	3.1	3.0	2.7	2.3	1.9
Bilateral loans	1581.6	1668.6	1635.7	1250.2	1297.7	1266.7	1219.5
<i>Of which:</i>							
Algeria	26.0	23.2	25.9	22.6	20.5	18.2	15.9
Switzerland	43.4	71.0	91.9	0.0	0.0	0.0	0.0
China, People's Republic of	136.6	120.8	119.3	117.4	137.3	139.3	135.9
Côte d'Ivoire	0.0	0.0	0.0	0.0	8.0	7.5	2.2
Egypt, Arab Republic of	3.7	3.7	3.7	3.6	3.6	0	0.0
France	596.3	628.3	562.9	293.0	318.6	288.1	283.4
Iraq	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Italy	4.4	6.8	7.4	2.8	2.7	1.3	1.1
Japan	6.3	38.4	42.8	47.6	64.1	80.8	71.8
Kuwait	46.4	41.1	39.2	35.9	35.2	35.0	33.1
Libya	4.6	8.0	7.7	7.2	7.2	6.0	4.8
Netherlands	4.0	4.0	4.5	5.0	5.4	2.5	2.1
Saudi Arabia	82.1	101.2	106.7	96.7	84.6	78.6	73.4
United Arab Emirates	36.4	34.5	36.7	33.5	26.1	23.6	21.4
United Kingdom	16.7	16.7	16.7	16.7	16.6	18.0	6.7
Russia	549.7	549.7	549.0	548.3	547.6	547.6	547.6
Subtotal	2593.6	2736.3	2744.7	2505.1	2699.0	2744.3	2708.3
Use of IMF resources	60.1	65.4	70.6	108.2	147.1	164.8	175.7
Total	2653.7	2801.7	2815.3	2613.3	2846.1	2909.1	2884.0
<i>Memorandum items:</i>							
(In percent of total debt outstanding)							
Suppliers	0.2	0.1	0.0	0.0	0.0	0.0	0.0
Financial institutions	0.3	0.1	0.1	0.1	0.1	0.0	0.0
Multilateral loans including IMF Trust Fund	40.0	42.0	43.1	45.1	54.2	56.5	57.7
Bilateral loans							
China, People's Republic of	59.6	59.6	58.1	47.8	45.6	43.5	42.3
France	5.1	4.3	4.2	4.5	4.8	4.8	4.7
Russia	22.5	22.4	20.0	11.2	11.2	9.9	9.8
IMF	2.4	2.6	2.7	4.0	5.2	5.7	6.1
Exchange rate: CFAR/U.S. dollar ³	259.0	275.3	294.8	534.6	490.0	523.7	598.8

Sources: IBRD, Debtor Reporting System; IMF, International Financial Statistics, and Malian authorities.

¹ Data may not add up because of rounding.² Includes export credits.³ End of period.

Table 45. Mali: Structure and Terms of New Loan Commitments, 1992-97

(In millions of U.S. dollars, unless otherwise specified)

	1991	1992	1993	1994	1995	1996	1997
Category of lender							
Bilateral loans	2.761	23.870	20.265	5.802	61.903	7.682	0.000
Multilateral loans	185.228	133.840	80.122	128.980	100.699	230.383	123.397
Suppliers' credits	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Financial institutions	0.000	0.000	0.706	0.000	0.000	0.000	0.000
Total	<u>187.989</u>	<u>157.710</u>	<u>101.093</u>	<u>134.782</u>	<u>162.602</u>	<u>238.065</u>	<u>123.397</u>
Average terms							
Interest rate (percent)	0.889	2.337	1.537	0.848	1.465	1.298	0.864
Maturity (years)	40.9	29.2	33.4	37.1	30.7	35.9	43.8
Grace period (years)	9.7	8.2	7.9	9.7	8.8	9.3	9.9
Grant element (percent)	78.8	59.0	63.5	77.7	68.6	73.3	79.7

Sources: IBRD, Debtor Reporting System and Malian authorities.

Table 46. Mali: Debt Service on Medium- and Long-Term External Public Debt, 1992-97^{1,2}

	1992	1993	1994	1995	1996	1997
(In billions of CFA francs)						
Total scheduled debt service ³	47.9	47.5	94.1	83.8	78.8	56.3
Interest	10.9	9.6	21.9	16.2	13.9	13.2
Principal	37.0	37.9	72.3	67.6	64.9	43.1
Debt service with China	4.6	4.7	10.4	10.8	11.6	11.8
Interest	0.0	0.0	0.0	0.0	0.0	0.0
Principal	4.6	4.7	10.4	10.8	11.6	11.8
Debt service with Russia	21.8	20.2	32.1	29.8	27.4	2.9
Interest	2.9	2.5	2.8	2.3	1.4	0.7
Principal	18.8	17.7	29.3	27.5	26.0	2.2
IMF	2.6	2.9	6.2	4.5	4.9	4.7
Charges and interest	0.9	0.4	0.8	0.9	0.9	0.6
Repurchases and repayments	1.7	2.5	5.4	3.6	4.0	4.1
Scheduled debt service (excluding China, Russia, and IMF) ³	18.9	19.7	45.4	38.7	34.9	36.8
Interest	7.1	6.7	18.2	13.0	11.6	11.9
Principal	11.8	13.0	27.2	25.7	23.3	25
Scheduled debt service ³ (excluding China and Russia, but including IMF)	21.5	22.6	51.6	42.8	39.8	41.6
Interest	7.9	7.1	19.0	13.9	12.5	12.5
Principal (excluding IMF)	11.8	13.0	27.2	25.3	23.3	25.0
Repurchases to IMF	1.7	2.5	5.4	3.6	4.0	4.1
(In percent of exports of goods and nonfactor services)						
Debt service ratio (including China and Russia) ³	41.1	39.6	41.8	32.2	30.0	15.0
Interest	9.4	8.0	9.7	6.2	5.3	3.5
Principal	31.8	31.6	32.1	26.0	24.7	11.5
Debt service ratio vis-à-vis the IMF	2.2	2.4	2.8	1.7	1.9	1.3
Debt service ratio (excluding China and Russia, but including IMF) ³	18.5	18.8	22.9	16.4	15.1	11.1
Interest	6.8	5.9	8.4	5.3	4.7	3.3
Principal	11.6	12.9	14.5	11.1	10.4	7.8
(In billions of CFA francs)						
Debt rescheduling ⁴	3.0	5.8	7.1	2.3	2.0	0.0
Debt cancellation	0.0	0.0	2.3	2.0	0.0	0.0
Exports of goods and nonfactor services	116.5	120.1	225.1	259.9	262.9	375.6

Sources: Data provided by the Malian authorities; and Fund staff estimates.

¹ Data may not add up because of rounding.² After debt cancellation until 1993; before debt rescheduling.³ Excluding payment of arrears on external debt.⁴ On current debt service obligations.

Table 47. Mali: Nominal and Real Effective Exchange
Rate Indices, 1992-98¹

(Index: 1990=100)

	Nominal	Real
1992		
First quarter	99.52	91.74
Second quarter	100.59	89.37
Third quarter	103.91	90.53
Fourth quarter	104.80	91.52
1993		
First quarter	104.62	89.90
Second quarter	104.91	89.44
Third quarter	102.42	87.78
Fourth quarter	102.95	87.82
1994		
First quarter	52.76	50.94
Second quarter	52.98	53.65
Third quarter	53.97	57.17
Fourth quarter	54.03	58.14
1995		
First quarter	54.62	59.01
Second quarter	55.27	61.62
Third quarter	55.51	62.55
Fourth quarter	55.78	64.39
1996		
First quarter	55.51	63.97
Second quarter	55.02	64.49
Third quarter	55.19	64.67
Fourth quarter	54.80	63.35
1997		
First quarter	53.69	61.88
Second quarter	53.09	59.94
Third quarter	52.16	58.55
Fourth quarter	53.33	60.65
1998		
First quarter	53.23	60.85
Second quarter	53.65	61.77
Third quarter	54.22	64.29

Source: IMF, Information Notice System (INS).

¹ Period averages, based on the following average trade weights (in percent): France (25.81), Germany (10.55), United States (8.57), Italy (8.38), United Kingdom (6.36), Belgium (6.34), Japan (5.61), the Netherlands (4.84), People's Republic of China (4.80) and other countries (18.74).

Mali: Summary of Tax System as of September 30, 1998

Tax	Nature of Tax	Exemptions and Deductions	Rates
1. Tax on Income and Profits			
1.1 Tax on industrial, commercial, and professional profits (BIC; BNC)	Tax on net income of enterprises, whether set up as companies or not, of some cooperatives, and of liberal professions and public sector enterprises. Nonresident companies are taxed on that part of their profits derived in Mali. There are special provisions for the extractive industries. Losses in deficit years may be carried forward and deducted from the results of the following three years.	<u>Exemptions:</u> nonprofit consumer cooperatives without sales outlets, mutual agricultural credit funds. Profits subject to IRF and IRVM, taxpayers subject to business license fees (<u>patente</u>), small transport enterprises, retirement funds, and initial investments in agriculture research, are also exempt. <u>Special deductions:</u> under certain conditions, investment expenditure of up to 50 percent of profits.	Limited liability companies (SA & SARL): 35 percent Partnerships and individual enterprises: 15 percent Craftsmen: 10 percent
1.2 Minimum presumptive tax	Constitutes a minimum assessment for enterprises subject to corporate tax.		0.75 percent on turnover.
1.3 Schedular tax on agricultural profits 1/	Levied on agricultural profits and established on a lump-sum basis; option exists for taxation on actual profits.	Exemption of five years for new agricultural enterprises.	10 percent.
1.4 Schedular tax on rental income (IRF)	Levied on rental income from real estate. A withholding is required each month on monthly rentals exceeding CFAF 50,000 at the following rates: - 18 percent on rentals from durable or semidurable construction; - 12 percent on rentals from nondurable construction.	Various exemptions are allowed for in the Tax Code, e.g., a 5-year exoneration for new or reconstructed buildings.	20 percent.
1.5 Tax on road transporters (TTR)	Final tax on road transporters (whose turnovers do not exceed CFAF 5,000,000 or own fewer than 4 vehicles) in lieu of the following taxes: - general income tax; - business license fees; - tax on vehicles; - payroll tax for their employees; - general income tax withholding for their employees; and - service tax (TPS).		Variable rates from CFAF 88,000-414,000 based on vehicles' capacity and age.

Mali: Summary of Tax System as of September 30, 1998 (continued)

Tax	Nature of Tax	Exemptions and Deductions	Rates	
1.6 Tax on capital income (IRVM)	Schedular tax on payments of dividends and interest. Enterprises paying such income must withhold the tax at source.	Cooperatives, mutual agricultural credit funds, savings bank accounts, agricultural cooperatives, government bonds, loans from the Banque de développement du Mali (BDM).	Standard rate: 18 percent	
			Special rate: 25 percent for prizes (lots) paid to bearers of bonds;	
			Reduced rate: 9 percent for interest on savings accounts, interest-bearing bonds issued by Malian companies and on dividend payments related to the first three financial years, the maximum duration of which is 42 months of operations.	
1.7 General income tax (IGR)	Annual progressive tax on household income from all sources, including benefits in kind. The tax is withheld at source for wages and salaries and for nonexempt pensions. Agricultural, industrial, commercial and professional profits, and rental and capital incomes are also subject to this tax in addition to their schedular taxes (See 1.1, 1.3, 1.4 and 1.6 above).	Salaries of foreign diplomats are exempt on a reciprocal basis. A deduction of CFAF 100,000 is applied to the global taxable income. Total income is split into parts (<u>quotient familial</u>): one part for taxpayer; one part for the spouse; a quarter of a part for each dependent child (a full part for invalid child). Schedular taxes paid on income and profits and on paid interest are deductible from the taxable base.	Income brackets (in CFA francs)	
			Rates (in %)	
			0 to 25,000	0
			25,001 to 100,000	8
			100,001 to 200,000	12
			200,001 to 325,000	18
			325,001 to 500,000	25
			500,001 to 750,000	30
			750,001 to 1,000,000	35
			1,000,001 to 1,500,000	40
1,500,001 to 2,000,000	45			
Over 2,000,000	50			
2. Contributions for Social Security				
2.1 Family allowances	Employer contribution		8 percent.	

Mali: Summary of Tax System as of September 30, 1998 (continued)

Tax	Nature of Tax	Exemptions and Deductions	Rates
2.2	Sickness and occupational accidents	Employer contribution.	Sickness: 2.0 percent Accidents: 4.0 percent
2.3	Retirement	Contributions from employers and employees.	Employers: 3.4 percent Employees: 3.6 percent
3. Payroll Taxes			
3.1	Payroll tax due from employer	Levied on the wage bill of enterprises, including the real value of remunerations in kind.	Exemption of 3 years for employers recruiting university graduates; and graduates from fundamental, secondary, general, and technical education; exemption of 2 years for employers recruiting employees laid off for economic reasons. 7.5 percent.
3.1.1	Vocational training tax.	Levied on wages paid by enterprises including the real value of payments in kind.	0.5 percent.
3.2	Housing tax	Levied on the wage bill and earmarked for the Ministry of Housing.	1 percent.
4. Taxes on Property			
4.1	Real estate tax	Tax applicable to company-owned buildings, including those owned by religious missions. The tax base is the imputed rent; the same qualifications as for the IRF apply (See 1.4 above).	Public buildings; real estate companies; charitable organizations; rural production and development companies; cooperatives; mutual agricultural credit funds; medical institutions; religious mission buildings used for teaching purposes, health care, and religious activities. Real estate of religious missions: 0.5 percent Other: 20.0 percent
4.2	Registration fees	Applies among others to transfers of real estate, business capital; and rental and lease contracts.	50 percent deduction if the building was destroyed and other conditions as specified in the Tax Code. Sale of buildings and transfer of rental contract: 20 percent Rental contract fees: 3 percent Sale or rental of furniture: 10 percent Transfer of business: 20 percent

Mali: Summary of Tax System as of September 30, 1998 (continued)

Tax	Nature of Tax	Exemptions and Deductions	Rates
4.3 Livestock tax	Levied according to the size of herds.	<u>Exemptions:</u> Certain farm animals.	Gift and inheritance duties: rates varying from 8 percent to 20 percent for transfers between spouses and direct ascendants and descendants; and from 20 percent to 50 percent for other heirs. Tax varies according to species from CFAF 50-800 per head.
5. <u>Tax on Goods and Services</u>			
5.1 Value-added tax (VAT)	Tax on imports, as well as sales of goods and construction work. The base does not include the value-added tax itself.	Exports, agricultural equipment and inputs, drugs.	<u>Reduced rate:</u> 10 percent Basic food items. Medical supplies, fertilizers, school supplies, chemicals, and agricultural equipment. <u>Normal rate:</u> 15 percent All other products that are not exempt. <u>Zero rate:</u> 0 percent All exports.
5.2 Tax on services (TPS)	Tax on all services.	Social or agricultural credit operations, credit and saving cooperatives, receipts from education and rental of unfurnished apartments.	<u>Normal rate:</u> 15 percent All other services that are not exempt. <u>Reduced rate</u> 7 percent Water supply operations, equipment leasing, drugs, transportation, and telephones

Mali: Summary of Tax System as of September 30, 1998 (continued)

Tax	Nature of Tax	Exemptions and Deductions	Rates
5.3 Selective excises	Assessed on imported products and local manufactures.		<u>Normal rate:</u> Milk 10% Alcoholic beverages 40,50 or 80% Sparkling beverages 10% Tobacco 20,40 or 80% Kolas 15% Vehicles 10% Ammunitions 20% Sea salts 50%
5.4 Ad valorem tax on gold	Levied on crude gold sales at production stage.	Refining costs included in sale proceeds.	3 percent.
5.5 Business license fee (Patentes)	Levied on all individuals or legal entities engaged in commerce, industry, or a profession in Mali. This comprises a proportional business license fee, calculated on the rental value of business premises, and a fixed fee established by area and type of activity.	<u>Exemptions:</u> certain craftsmen, central government and other administrators, livestock exports, etc.... <u>Partial exemptions:</u> recent university graduates during the first three years of activity on their own account on a declining basis (100 percent, 50 percent, 25 percent). Idem for civil servants who leave their jobs under the voluntary departures program, as well as for workers laid off for economic reasons.	<u>Proportional rate:</u> 10 percent <u>Flat rates:</u> variable from CFAF 7,200 to CFAF 1,000,000.
5.6 Special business licences fees (Licences)	Levied on enterprises engaged in wholesale or retail sale of alcoholic beverages. They are established at flat rates by two regions (Bamako and other areas).		Flat rates vary from CFAF 9,000 to 150,000.
5.7 Motor vehicles tax	Tax on vehicles in use.	<u>Exemptions:</u> agricultural trucks and vehicles belonging to the civil and military authorities.	Based on vehicle power; varies from CFAF 7,000 to CFAF 75,000.
5.8 Taxes on firearms	Annual levy on firearms owners.	<u>Exemptions:</u> arms held by officers and arms in stock.	Variable rates from CFAF 625 to CFAF 7,500 according to type of firearms.
5.9 Tax on insurance contracts	Levied on premiums paid for insurance contracts.	Reinsurance contracts and export credit and life insurance contracts.	4 percent for land, sea, river and air transport risks. 20 percent for all other insurance contracts.

Mali: Summary of Tax System as of September 30, 1998 (continued)

Tax	Nature of Tax	Exemptions and Deductions	Rates
6. Taxes on International Trade			
6.1 Customs duties on imports	Levied on the c.i.f. value of all imports from all countries.	Productive capital goods, agricultural inputs, pharmaceutical products, and solar energy equipment.	Ad valorem duties at the rates of zero or 5 percent.
6.2 Fiscal duty on imports	Levied on the c.i.f. value of all imports from all countries.	Productive capital goods and selected raw materials used for local production.	Ad valorem duties at the rates of zero, 10, or 25 percent.
6.3 VAT on imports	See 5.1 above.	See 5.1 above.	See 5.1 above.
6.4 Regional cooperation tax (TCR) 2/	Levied on imports of products originating in a WAEC member country, if the enterprise or product is covered by the TCR agreement. Replaces customs duties and fiscal duties.		Duty levied in accordance with TCR tariff, the rate of which is lower than the customs duty, VAT, and excises on imports.
6.5 Variable tax on imports (TCI) 3/	Levied on imported sugar and rice to protect local production.		Rates vary according to world prices of sugar and rice. At present, rates are: 55 percent, on imported sugar and 25 percent on imported rice.
6.6 Selective excises on imported goods.	See 5.3 above		See 5.3 above.
6.7 Declining protection tax 3/	Levied on 73 import products competing with local products for a period of four years beginning 1992.		Maximum rate: 40 percent (1992) This rate is reduced by 10 percentage points each year: 30 percent (1993) 20 percent (1994) 10 percent (1995) 0 percent (1996)
6.8 Communal solidarity tax	Levied on the c.i.f. value of goods imported from nonmember countries of the WAEC.	Petroleum products.	1 percent.
6.9 Customs service fee	Levied on the c.i.f. value of imported goods from all countries for customs clearance services provided by the Customs Department.		Petroleum products: 3 percent Other imports: 5 percent

Mali: Summary of Tax System as of September 30, 1998 (concluded)

Tax	Nature of Tax	Exemptions and Deductions	Rates
6.10	Special tax on petroleum imports	Levied on petroleum products in lieu of VAT, excises and import duties, and other import levies except customs services fee consolidated in June 1992. Tax base is a standard value determined by the Customs Department.	Six variable rates by product: 2, 3, 10, 25, 90, and 125 percent.
7. Other Taxes			
7.1	Regional and local development tax (TDRL)	Levied on individuals	Children under 14 years and students.
7.2	Stamp duties	Applies to legal instruments, correspondence with the Government, drivers' licenses, and import and export licenses.	Rates are fixed according to the nature of the legal document.

Source: Information provided by the Malian authorities.

- 1/ Suspended since 1979.
- 2/ Suspended since August 1993.
- 3/ Suspended since February 1994.