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ECONOMIC AND POLITICAL OVERVIEW

ECONOMIC OVERVIEW

Over the past few years, Mali has faced significant upheavals, including two coups d'état, the COVID-19 pandemic, acute security threats, and a cost-of-living crisis stemming from Russia's invasion of Ukraine. A stringent embargo imposed by regional partners in the first half of 2022 limited international economic transactions for both the government and private sector. Despite the embargo, GDP growth was estimated at 3.7% in 2022, with a further acceleration to 4.5% in 2023, supported by a strong recovery in the agricultural sector and high gold export revenues. According to the IMF, the economy is expected to experience sustained growth over the forecast horizon, at 4.8% this year and 5.3% in 2025.

In 2022, the government's fiscal deficit, standing at just under 5% of GDP, highlights a swift rise in security expenditures, public wages, and interest payments. These factors have led to a crowding-out effect on growth-friendly spending, particularly on social safety nets and capital investments. Mali is experiencing tightening financing conditions, primarily due to the absence of external budget support, which ceased following the two coups d'état in 2020 and 2021. It is unlikely to resume until after elections are held in 2024. Additionally, higher global interest rates further exacerbate the situation. The public deficit decreased slightly in 2023 due to the implementation of the new mining code, which was promulgated in August 2023. This boosted revenues by increasing the maximum participation of the State and local investors in mining projects from 20% to 35%, while eliminating tax exemptions previously granted to companies during exploitation. However, fiscal consolidation, relying on administrative reforms and rationalization of spending, remained limited as the junta had to increase military and security spending following the withdrawal of Western forces. Additionally, spending continued to be constrained by public workers' salaries, which accounted for 55% of tax revenues, and by the implementation of the National Strategy for the Stabilization of Central Regions and its three-year action plan (2022-2024), with a total budget of XOF 956 billion. The public debt-to-GDP ratio was stable at around 51.8% of GDP in 2023 and should continue its upward trajectory (IMF). The inflation rate was estimated at 5% in 2023 and is seen decelerating to 2.8% this year and 2% in 2025 also due to a stronger agricultural output (IMF).

Mali is classified as a heavily indebted poor country (HIPC) and, as such, it benefited from debt cancellation under the IMF's HIPC Initiative. With an average income per capita of USD 2.20 per day, it ranks among the 20 poorest countries globally. It also faces one of the highest population growth rates, alongside elevated levels of illiteracy and unemployment, particularly among the youth. Notably, the informal sector significantly contributes to the national economy. According to the World Bank's figures, 19.1% of Malians were living in extreme poverty in 2022, 3.2% more than one year earlier due to the erosion of the purchasing power of the most vulnerable, owing to soaring consumer prices and weak economic growth. Poverty is concentrated in rural areas (90% of all poor) and in the south of the country. According to ILO estimates, almost three-quarters of the economically active population work in the informal economy; whereas the unemployment rate in 2023 stood at around 3.3% of the total workforce (World Bank, latest data available). The same source estimated the country's GDP per capita (PPP) at USD 2,519 in 2022.

Main Indicators	2022	2023 (E)	2024 (E)	2025 (E)	2026 (E)
GDP (billions USD)	19.17	21.31	23.07	24.62	26.18

Main Indicators	2022	2023 (E)	2024 (E)	2025 (E)	2026 (E)
GDP <i>(Constant Prices, Annual % Change)</i>	3.7	4.5	4.8	5.3	5.1
GDP per Capita <i>(USD)</i>	847	913	957	990	1,019
General Government Gross Debt <i>(in % of GDP)</i>	51.7	51.8	52.6	52.9	52.7
Inflation Rate <i>(%)</i>	n/a	5.0	2.8	2.0	2.0
Current Account <i>(billions USD)</i>	-1.32	-1.38	-1.32	-1.17	-1.06
Current Account <i>(in % of GDP)</i>	-6.9	-6.5	-5.7	-4.8	-4.1

Source: IMF – World Economic Outlook Database , October 2021

Country Risk

See the country [risk analysis](#) provided by [La Coface](#).

MAIN SECTORS OF INDUSTRY

Breakdown of Economic Activity By Sector	Agriculture	Industry	Services
Employment By Sector <i>(in % of Total Employment)</i>	67.7	10.0	22.3
Value Added <i>(in % of GDP)</i>	36.4	20.0	35.6
Value Added <i>(Annual % Change)</i>	3.1	3.8	3.8

Source: World Bank - Latest available data.

Monetary Indicators	2016	2017	2018	2019	2020
CFA Franc BCEAO (XOF) - Average Annual Exchange Rate For 1 USD	593.01	582.09	555.72	585.90	575.59

Source: World Bank - Latest available data.

FOREIGN TRADE

Mali has an open economy in which trade equals around 69% of the country's GDP (World Bank, latest available data). Customs duties are relatively low, and there are very few legal or regulatory trade barriers. The country is a member of **WTO**, the Economic Community of West African States (**ECOWAS**) and the West African Economic and Monetary Union (**WAEMU**), whose objective is to reduce trade barriers through the creation of a common market. One of Mali's primary objectives was to reach self-sufficiency regarding cereal production and to become the leading grain supplier for countries in West Africa. However, although it has achieved satisfactory results, Mali is yet to become a net exporter of cereals. Cotton production, on the other hand, has been on the rise over the last agricultural seasons, allowing Mali to become the largest supplier of cotton in Africa. The adoption of economic sanctions by ECOWAS and UEMOA in early 2022, including a trade and financial embargo and border closures, negatively impacted trade.

According to data by ITC, in 2022, Mali's exports comprised almost exclusively precious stones (78.1%, down by 9% year-on-year – mainly gold), followed by cotton (11.3%), and live animals (2.5%); whereas imports were led by mineral fuels and oils (39.2% of total imports), nuclear reactors (6.6%), electrical machinery and equipment (5.5%), cereals (4.8%), and pharmaceutical products (4.1%).

In the same year, the bulk of Mali's exports went to the UAE (77.7% of total exports), followed by Switzerland (14.4%), Australia (3.5%), China (1.4%), and Turkey (0.6%). Senegal (which accounts for 23.8% of Mali's total imports) was the biggest supplier, followed by Ivory Coast (18.9%), China (12.4%), India (5.5%), and France (4.9% - ITC, latest data available).

Mali's trade balance is structurally in deficit and is largely dependent on commodity prices. According to figures by the WTO, in 2022, the country's exports of merchandise increased to USD 5 billion (from USD 4.7 billion in 2021), while imports of merchandise were stable at USD 6.1 billion. Mali is also a net service importer: the value of commercial services imports stood at USD 2.2 billion against USD 371 million in exports. Estimates by the World Bank show that, in 2022, the country's trade balance was negative by 10.7% of its GDP (from 11.5% one year earlier).

Foreign Trade Values	2018	2019	2020	2021	2022
Imports of Goods <i>(million USD)</i>	4,722	5,134	5,107	6,108	6,185
Exports of Goods <i>(million USD)</i>	3,584	3,675	4,794	4,750	5,069
Imports of Services <i>(million USD)</i>	2,113	2,246	2,049	2,433	2,205
Exports of Services <i>(million USD)</i>	601	767	402	523	371

Source: World Trade Organisation (WTO) ; Latest available data

Foreign Trade Indicators	2018	2019	2020	2021	2022
Foreign Trade <i>(in % of GDP)</i>	60.1	63.7	67.0	67.2	68.8
Trade Balance <i>(million USD)</i>	-383	-638	504	-305	n/a
Trade Balance (Including Service) <i>(million USD)</i>	-1,895	-2,117	-1,144	-2,215	n/a
Imports of Goods and Services <i>(Annual % Change)</i>	-12.1	5.9	-2.9	14.1	3.5
Exports of Goods and Services <i>(Annual % Change)</i>	-0.1	2.3	0.5	-1.0	4.0
Imports of Goods and Services <i>(in % of GDP)</i>	35.6	38.0	36.3	39.3	39.8
Exports of Goods and Services <i>(in % of GDP)</i>	24.5	25.7	30.7	27.9	29.1

Source: World Bank ; Latest available data

Foreign Trade Forecasts	2023	2024 (e)	2025 (e)	2026 (e)	2027 (e)
Volume of exports of goods and services (Annual % change)	-3.4	0.7	3.9	2.8	3.7
Volume of imports of goods and services (Annual % change)	18.5	4.8	5.6	5.0	4.6

Source: IMF, World Economic Outlook ; Latest available data

Note: (e) Estimated Data

International Economic Cooperation

Member of [West African Economic and Monetary Union \(WAEMU\)](#)

Member of [Economic Community of West African States \(ECOWAS\)](#)

Main Partner Countries

Main Customers (% of Exports)	2019
South Africa	36.5%
Switzerland	35.6%
Bangladesh	7.1%
Ivory Coast	4.2%
Burkina Faso	2.8%
See More Countries	13.8%

Main Suppliers (% of Imports)	2019
Senegal	22.5%
China	15.8%
Ivory Coast	10.6%
France	7.9%
India	3.1%
See More Countries	40.1%

Source: Comtrade, Latest Available Data