MALI

Mali’s economic freedom score is 58.1, making its economy the 103rd freest in the 2019 Index. Its overall score has increased by 0.5 point, with higher scores on labor freedom and property rights outpacing a decline in government integrity. Mali is ranked 12th among 47 countries in the Sub-Saharan Africa region, and its overall score is above the regional average but below the world average.

Landlocked Mali’s economy is mostly confined to the area irrigated by the Niger River. The government is encouraging diversification, but a fragile security situation, inadequate infrastructure, and financial and governmental capacity constraints hinder progress. Tax administration has been improved, and the cotton markets are moving toward privatization. Restrained public spending and stable monetary policy have stimulated a growing entrepreneurial sector. More efforts are needed to address endemic corruption. Rigid labor regulations hurt job growth, and lack of access to finance deters investment.

BACKGROUND: After decades of French colonial rule and a brief federation with Senegal, the Republic of Mali was established in 1960. Following a 2012 military coup, Tuareg separatists and militants linked to al-Qaeda took control of northern Mali and declared independence. After military intervention by France, Ibrahim Boubacar Keita won a five-year term as president in 2013. In 2015, the government signed a peace accord with an alliance of Tuareg separatist groups, but separatist clashes with pro-government militias soon resumed, requiring the presence of French and U.N. peacekeeping troops. Keita easily won reelection in a low-turnout 2018 vote amid allegations of fraud. Mali is one of the world’s 25 poorest countries and depends on gold mining and agricultural exports.

ECONOMIC FREEDOM SCORE

RELATIVE STRENGTHS:
Government Spending and Fiscal Health

HISTORICAL INDEX SCORE CHANGE (SINCE 1995):
+5.7

CONCERNS:
Government Integrity and Judicial Effectiveness

FREEDOM TREND

QUICK FACTS

POPULATION: 18.9 million
GDP (PPP): $41.0 billion
5.3% growth in 2017
5-year compound annual growth 5.3%
$2,170 per capita

UNEMPLOYMENT: 7.9%
INFLATION (CPI): 1.8%
FDI INFLOW: $265.6 million
PUBLIC DEBT: 35.6% of GDP

2017 data unless otherwise noted. Data compiled as of September 2018.
12 ECONOMIC FREEDOMS | MALI

Property rights are not adequately protected. The judicial system is nominally independent but inefficient and vulnerable to political influence. Pervasive government corruption was a factor in the short-lived Islamist takeover in northern Mali. Progress in implementing anticorruption reforms is slow, and corruption remains a problem throughout the government, in public procurement, and in both public and private contracting.

The top individual income tax rate is 40 percent, and the top corporate tax rate is 35 percent. Other taxes include a value-added tax. The overall tax burden equals 17.6 percent of total domestic income. Over the past three years, government spending has amounted to 22.1 percent of the country’s output (GDP), and budget deficits have averaged 2.9 percent of GDP. Public debt is equivalent to 35.6 percent of GDP.

Despite some progress, the regulatory framework is not conducive to much-needed economic diversification or private-sector development. Labor regulations, although not fully enforced, are relatively rigid. The government has eliminated fuel subsidies through market pricing, but it maintains extensive subsidies, and price caps for agriculture and staple goods remain in effect.

The combined value of exports and imports is equal to 63.1 percent of GDP. The average applied tariff rate is 7.6 percent. As of June 30, 2018, according to the WTO, Mali had 20 nontariff measures in force. In general, Mali encourages foreign investment, but widespread bureaucratic inefficiency hinders dynamic private-sector growth. About 37 percent of adult Malians have access to a bank account.