

MALI

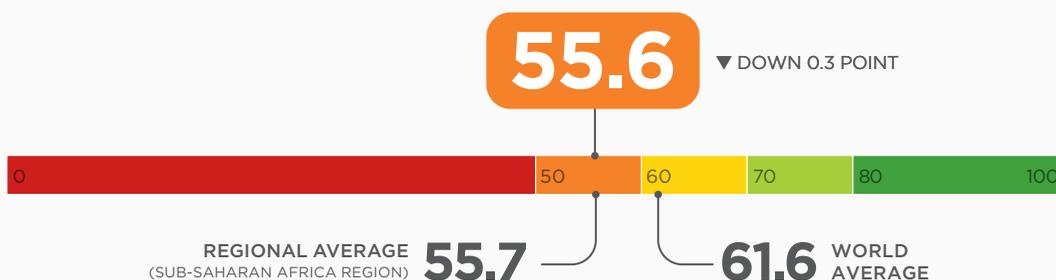
Mali's economic freedom score is 55.6, making its economy the 133rd freest in the 2021 *Index*. Its overall score has decreased by 0.3 point, primarily because of a decline in **judicial effectiveness**. Mali is ranked 26th among 47 countries in the Sub-Saharan Africa region, and its overall score is below the regional and world averages.

The economy of Mali has been mostly unfree for nearly two decades. The country's lack of effective rule-of-law institutions presents an almost overwhelming impediment to development. In the absence of property rights protection or an honest and transparent judicial system, and with a seeming cultural tolerance for corruption, it is virtually impossible to achieve greater economic freedom.

IMPACT OF COVID-19: As of December 1, 2020, 160 deaths had been attributed to the pandemic in Mali, and the economy was forecast to contract by 2.0 percent for the year.

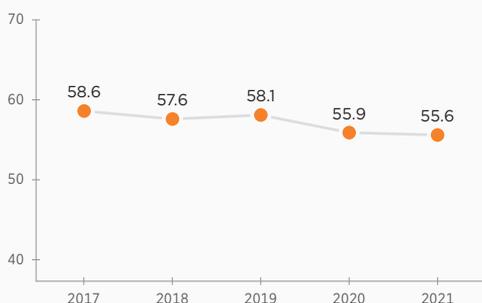


ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +3.2

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
19.7 million

GDP (PPP):
\$47.4 billion
5.1% growth in 2019
5-year compound annual growth 5.6%
\$2,424 per capita

UNEMPLOYMENT:
7.2%

INFLATION (CPI):
-0.6%

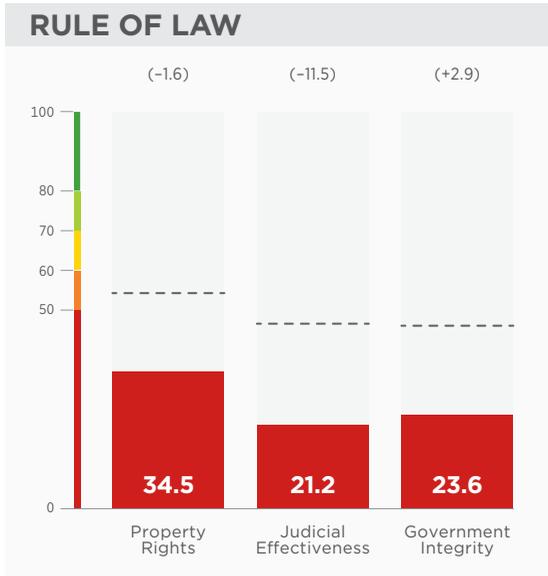
FDI INFLOW:
\$493.8 million

PUBLIC DEBT:
40.5% of GDP

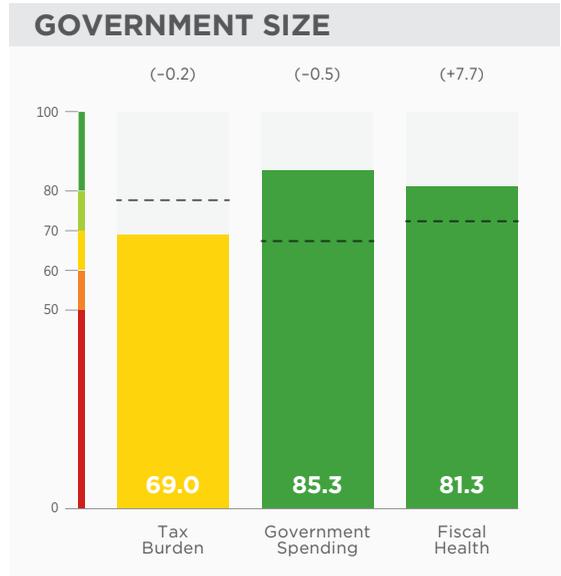
2019 data unless otherwise noted. Data compiled as of September 2020

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, prompting a French military intervention. Terrorist attacks and tribal violence are common in central and northern Mali. Ibrahim Boubacar Keita easily won a second five-year term in a low-turnout 2018 vote amid allegations of fraud. Political turmoil escalated after a court overturned some 2020 legislative election results that were unfavorable to the ruling party, and the large-scale protests that followed were brutally suppressed. One of the world's 25 poorest countries, Mali depends on gold mining and agricultural exports.

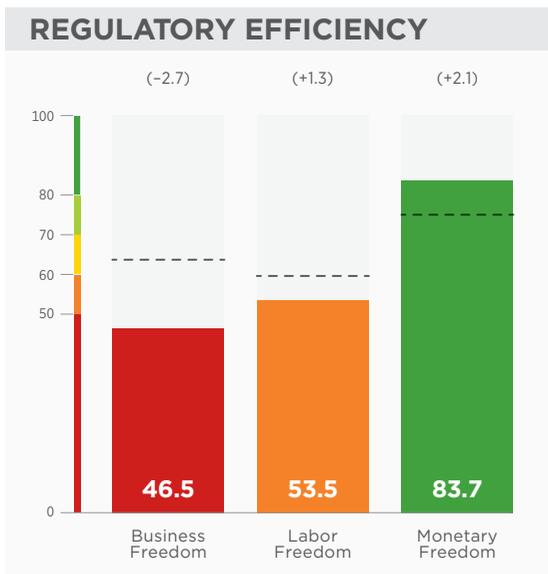
12 ECONOMIC FREEDOMS | MALI



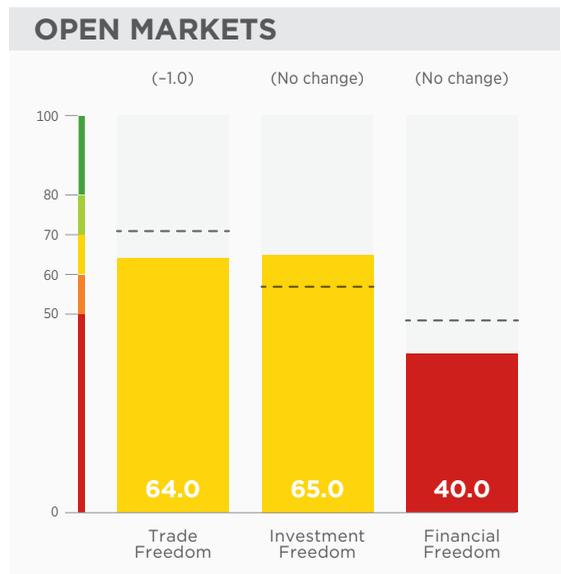
The protection of property rights is inadequate. Mali currently lacks a nationwide land registry. The judicial system is nominally independent but in practice is inefficient and vulnerable to political influence. The mayor of Bamako was arrested on charges of corruption in October 2019, and corruption remains widespread in the public sector. Bribery and embezzlement of public funds are common, and impunity for corrupt officials is the norm.



The top individual income tax rate is 40 percent, and the top corporate tax rate is 35 percent. The overall tax burden equals 16.7 percent of total domestic income. Government spending has amounted to 22.1 percent of total output (GDP) over the past three years, and budget deficits have averaged 3.1 percent of GDP. Public debt is equivalent to 40.5 percent of GDP.



A new tax called the solidarity contribution that is levied at a rate of 0.5 percent on business turnover has made an already hazardous landscape for private businesses still more difficult to navigate. Forced labor and the worst forms of child labor are rampant, and labor rights are not respected. According to the IMF, government subsidies are often poorly targeted and benefit mainly the wealthiest Malians living in urban centers.



Mali has two preferential trade agreements in force. The trade-weighted average tariff rate is 10.5 percent, and 20 non-tariff measures are in effect. The government is encouraging economic diversification and broader economic development, but progress is limited by inadequate financial infrastructure and the fragile security situation. The high cost of credit in the underdeveloped financial sector deters entrepreneurial growth.