

TRADE POLICY REVIEW

MALI

Report by the Government

Pursuant to the Agreement Establishing the Trade Policy Review Mechanism (Annex 3 of the Marrakesh Agreement Establishing the World Trade Organization), the policy statement by the Government of Mali is attached.

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LIST OF ACRONYMS

DNCC: National Directorate for Trade and Competition

MICA: Ministry of Trade, Industry and Crafts

LDC: Least Developed Country

JITAP: Joint Integrated Technical Assistance Programme

UNCTAD: United Nations Conference on Trade and Development

ITC: International Trade Centre

UNDP: United Nations Development Programme

IMF: International Monetary Fund

WAEMU: West African Economic and Monetary Union

ECOWAS: Economic Community of West African States

OHADA: Organization for the Harmonization of Business Law in Africa

BOAD: West African Development Bank

BCEAO: Central Bank of West African States

TCI: Special import tax

RS: Statistical fee

PCS: Community solidarity levy

CET: Common external tariff

AGOA: African Growth and Opportunity Act of the United States

HIPC: Heavily Indebted Poor Countries

PRSP: Poverty Reduction Strategy Paper

CILSS: Interstate Committee to Combat Drought in the Sahel

I. PHYSICAL AND INSTITUTIONAL SITUATION

1. Located in the heart of West Africa, Mali is a landlocked country bounded by Algeria, Mauritania, Senegal, Guinea Conakry, Cote d'Ivoire, Burkina Faso and Niger, and covering an area of 1,241,000 km². Its population was estimated at about 1.7 million in 2001, with a majority of females (51 per cent). Its capital is Bamako. With a population growth rate of some 2.3 per cent per year, it has a population density of 9.4 per km², unequally distributed across the country. The less extensive southern part of the country is densely populated because of its arable soil and relatively favourable rainfall conditions, while the north is vast and thinly populated owing to its arid and semi-arid climate. The country is divided into eight administrative regions (Kayes, Koulikoro, Sikasso, Ségou, Mopti, Tombouctou, Gao, and Kidal) plus the District of Bamako, and the regions are sub-divided into 703 communes. From the south to the north there are three climatic zones: the Soudanian zone, the Sahelian zone, and the Saharan zone. Rainfall is heavy in the south of the country and decreases progressively towards the north.

2. Under the 1992 Constitution, the President of the Republic is the head of State. The President is elected by universal suffrage for a term of five years, renewable only once. The current President, Amadou Toumani TOURE, was sworn in on 8 June 2002 and is in his first term. The President of the Republic appoints the Prime Minister, who is the head of Government.

3. Mali, a sovereign country faithful to its constitution, is a member of several international and regional organizations (UN, WTO, AU, OHADA). It is also a member of sub-regional integration organizations whose purpose is to develop economic and trade relations: WAEMU, ECOWAS, Liptako-Gourma, CLISS, CEN-SAD, etc.

II. PRESENTATION OF THE SOCIO-ECONOMIC FRAMEWORK

(1) ECONOMIC ENVIRONMENT

4. Since Mali's first trade policy review in 1998, the country's economy has been subjected to numerous of factors which affect its development policy. Among the most important of these factors are:

- the climate with irregular rainfall from one year to the next influencing production;
- the international environment, the parameters of which are difficult to control: deterioration in the terms of trade, monetary fluctuations, political instability etc.

All of these factors have a negative impact on the macroeconomic variables.

(2) MACROECONOMIC INDICATORS

5. The primary sector is the pillar of Mali's economy, employing approximately 80 per cent of the active population. Agriculture plays a leading role and supplies most of the basic foodstuffs (millet, rice, maize, sorghum, groundnuts, etc.). Cotton is the main agricultural export product. There is considerable potential in the areas of livestock breeding, fisheries, forestry and "wild" products. The growth rate in the agricultural sector for 2003 was estimated at 3.7 per cent.

6. The secondary sector (industry, mining, etc.), already very fragile, is suffering from the opening up of the domestic market to competition. Its growth rate for 2002 was estimated at -2.6 per cent.

7. The tertiary sector experienced a growth of about 5.9 per cent in 2003 compared to 2002, largely owing to the recovery of the telecommunications sector with the development of mobile telephony. Transport activities were marked by the shifting of goods to other ports of the sub-region in the wake of the crisis in Cote d'Ivoire.

8. Several years of efforts to introduce reforms and macroeconomic adjustments have not enabled Mali to reach a sufficient level of economic and social development to respond to the essential needs of the majority of its population.

9. Per capita GDP was estimated at CFAF 166,300 in 2003, i.e. 255 Euros, while the 2003 growth rate was estimated at 5.6 per cent. Mali is among the low-income countries, and comes under the general classification of least-developed country (LDC). According to the Human Development Index of the United Nations Development Programme (UNDP) for the same year, Mali is among the poorest of the least-developed countries, classified 172nd among 175 countries. More than 64 per cent of the population lives below the poverty line.

10. According to the 4th quarterly report of the National Committee on Economic Policy concerning Mali's economic and financial situation, the annual inflation rate stood at 1.3 per cent in 2003, as compared to 5 per cent in 2002.

11. In the area of public finances, the overall balance, including grants and before the moratorium on payments, stood at CFAF -17.3 billion at the end of December 2003, as against the planned deficit of CFAF 89.6 billion, and the deficit of CFAF 83.8 billion one year earlier.

12. The outstanding foreign debt amounted to CFAF 1,673.8 billion in 2003, and represents approximately 67.1 per cent of GDP. Mali reached the completion point of the enhanced Heavily Indebted Poor Countries (HIPC) Initiative in 2003, and is eligible for relief amounting to some US\$675 million on foreign debt service payments.

13. During the same period, the overall trade balance remained in deficit. A record deficit was recorded in 2001, owing to the preparation of the African Nations Cup (ANC) and to the presidential and legislative elections.

14. The high volume of imports in 2001 led to a decrease in imports in 2002. At the same time, there was a sharp increase in exports, thanks essentially to gold. Consequently, 2002 was an exceptional year, with an unusually small trade balance deficit. The statistical series below shows that imports progressed less rapidly than exports.

CFAF billions

Year	1998	1999	2000	2001	2002
Imports (c.i.f.)	498	507.23	573.52	724.95	646.77
Exports (f.o.b.)	348.34	351.57	373.64	523.10	603.25
Balance	-149.66	-155.66	-199.88	-201.85	-43.52

15. The ratio of the current account balance excluding grants to GDP was -10.9 per cent in 2002 and -7.6 per cent in 2003.

(3) SOCIAL INDICATORS

16. The report on the first year of implementation of the Poverty Reduction Strategy Paper (PRSP) presents the social indicators as follows:

- With respect to health, the degree of fulfilment of the objectives relating to health coverage is reasonably satisfactory. However, other health system indicators that are linked, *inter-alia*, to socio-cultural factors, in particular the quantitative and qualitative weakness of human resources and their lack of motivation, remains a major problem. In 2003, the share of the population with access to health facilities within a radius of 15 kilometres was estimated at 73 per cent. During the same period vaccination coverage (DTCP3) for children less than 1 year old was estimated at 75 per cent.
- In the area of education, the qualitative weakness of the educational system persists in spite of the improvement in the pupil/teacher ratio, which stood at 61 per cent in 2002. There is a shortage of classrooms and professors in the Teacher Training Institutes. The objective of hiring 2500 teachers per year is far from having been attained. The adult literacy or special education rate is very low (34 per cent in 2003). The gross school enrolment ratio at the first stage of basic education was estimated at approximately 68 per cent in 2003.
- Population pressure, poverty, pollution, and infrastructure costs tend to limit access to drinking water. Consequently, water-related diseases are common. Actions undertaken in the sector during 2002-2003 revealed 24,562 modern watering points in 20,512 locations within the country. Thus, the proportion of villages with access to at least one modern water point was estimated at 84 per cent, and the proportion of the population with access to drinking water at 61.6 per cent.

17. Generally speaking, the macroeconomic objectives set in the Poverty Reduction Strategy Paper include the mobilization of public and private savings with a view to achieving an investment rate of at least 25 per cent for the period 2003-2007. This should make it possible to achieve an average growth rate, in real terms, of about 6 per cent starting in 2004, or 9 per cent taking account of inflation, which must not exceed 3 per cent.

18. The priority in attaining these objectives will be to develop the growth and job-creating sectors, focusing in particular on the rural sector. To that end, the priority areas will be:

- Promotion of investment and development of the private sector;
- basic infrastructure development;
- development and optimum use of human resources;
- reform of the political framework, good governance, and decentralization.

III. TRADE POLICIES AND PRACTICES

19. The entire economy is relevant to trade policy, since it is an indivisible whole. Given the interdependence of economic phenomena, a complete trade policy analysis requires a better

understanding of policies relating to sectors with a potential for exploitable supply or indirect effects on trade.

(A) SECTORAL POLICY ANALYSIS

20. The Government's current efforts are guided by the development model that Mali has been advocating for the past few years now. It involves further State withdrawal from certain key areas in favour of the private sector, in conformity with the objectives of the Poverty Reduction Strategy Paper. This has given the private sector a new responsibility and a leading role in the country's economic activity. Thus, in keeping with this spirit, the State is progressively handing over certain key areas of activity to the private sector, and as a result, a number of State enterprises have been privatized or are in the course of being privatized.

21. The Council of Ministers of 16 June 1999 adopted an action plan for the reform of State enterprises for the period 1999-2002 whose objective was to reduce the number of non-banking State enterprises in the Government's portfolio from 33 to 18 between 1998 and 2002.

22. Under this action plan, the following enterprises are currently being privatized: HUICOMA, the Usine Malienne de Produits Pharmaceutiques (UMPP), Aéroports du Mali, SOTELMA, BIM-SA, CMDT and COMANAV.

23. While in the case of some companies the State has sold all of its shares, in the case of others it has retained a minority participation. The ultimate aim of all of these actions is to support trade liberalization measures designed to stimulate production in the different sectors and to boost international confidence in the economy.

(1) RURAL SECTOR

24. The rural sector, accounting for an overwhelming 45 per cent of GDP, plays an important role in the economy. Development and liberalization policy is defined by the Master Plan for Rural Development. The objectives set for the rural development sector for 2010 are in keeping with Mali's general development and poverty reduction objectives, namely:

- to improve the sector's contribution to the country's economic growth through sustainable development of the volume of agricultural and food production;
- to strengthen food security and self-sufficiency by creating a socio-economic and institutional rural sector environment conducive to the sustainable production of goods and services by motivated and organized actors;
- to improve the income and standard of living of rural populations by promoting the agri-food industries and developing appropriate financial intermediation services, and by ensuring access to basic social and agricultural services;
- to protect the environment and improve the management of natural resources by developing a set of laws, rules, and institutions bringing together all of the different players, and by strengthening the capacity of the players.

(a) Agriculture

25. With a 33.8 per cent share of GDP during the 2002/2003 season, agriculture forms the backbone of the Malian economy. It remains highly dependent on the vagaries of the climate.

26. In order to boost agricultural development, the Government intends to develop some 50,000 hectares by 2007, and to build dams.

27. This should lead to a significant increase in the production of sugar, rice, fruit and vegetables. There are also plans to extend the use of seed grain suited to local climatic conditions for dry cereals such as millet, sorghum and maize.

28. For the specific case of fruit and vegetables and certain "wild" products, the long-term objective is to create added value, and hence jobs, through processing, marketing and transport.

29. Cotton is Mali's principal cash crop, and the cotton subsector directly employs some 3 million persons, making it the number one employer in the country. Cotton accounts for some 14 per cent of Mali's GDP, and for 98.8 per cent of its agricultural export revenue.

30. In addition to the jobs relating to its cultivation, cotton indirectly generates a considerable number of jobs in the ginning and textile factories, the oil mills and the cattle feed manufacturing plants, and in the transport and crafts sectors.

31. The development of cotton has contributed to infrastructure development in rural areas in the form of rural tracks, bridges, drinking water points, schools, health centres and other community infrastructures. The cultivation of cotton also contributes to food self-sufficiency by promoting the cultivation of food crops.

32. All of these activities have contributed to improving the standard of living of the populations in the areas concerned and has favoured their integration into the economic and social development process.

33. The production of cottonseed oil and soap limits the importation of those products, and therefore has a positive impact on the balance of payments.

34. Cottonseed cakes play an important role in feeding the country's livestock.

35. These different elements eloquently illustrate the Malian economy's dependence on cotton, and hence the interest shown by the Government of Mali in finding a solution to the distortions affecting world trade in cotton. As a result of the subsidies granted (domestic support and export subsidies), Mali lost, on average, 30 million dollars per year in cotton export revenue between 1997 and 2002, i.e. approximately CFAF 18 billion.

36. Because cotton is so important not only to Mali's exports, but also to its economy as a whole, the authorities have had to reorganize the subsector. Thus, on 6 June 2001 the Government adopted the Policy Letter on the Development of the Cotton Subsector (PDSC), and on 5 November 2003, a revised action plan. The general objective of this plan is to increase the contribution of the cotton subsector to the country's economic and social development. Its specific objectives are:

- To ensure the funding and smooth operation of the subsector during the 2003/2004 season;
- to ensure the smooth functioning of the Malian Textile Development Company (CMDT) during the transitional period;
- to carry out the privatization of the CMDT and the national oil mills (HUICOMA);

- provide essential support in view of the long-term liberalization of the subsector;
- help to build the capacity of producers in order to enhance their role in the subsector.

(b) Livestock breeding and fisheries

37. Livestock breeding plays an important role in Mali's economy, livestock being the third export product after gold and cotton. Seventy per cent of the country's territory lends itself to this activity, which provides a livelihood for 30 per cent of the population. The livestock population consists of bovines, sheep and goats, camels, horses, pigs and poultry.

38. Mali exports live animals to neighbouring countries instead of meat. This is due to lack of processing and transport infrastructure, and prevents the country from taking full advantage of its livestock.

39. On the subregional markets, Sahelian meat faces competition from subsidized European and South American meat, a situation which seriously affects its competitiveness.

40. From the country's independence until the 1970's, fisheries were an important component of Mali's exports. However, the fishing industry went into decline following the years of recurring drought. Today, with an estimated annual production of 100,000 tonnes, the authorities are showing a renewed interest in this activity, as testified by the organization of a "fisheries day" presided over by the Head of State in person.

(2) INDUSTRY

41. The industrial sector is one of the weak links of Mali's economy. According to the Prime Minister's General Policy Statement, the State's industrialization policy will focus on rapidly enhancing the sector's contribution to economic growth. The objective for 2007 is to raise the number of industrial jobs from 14,000 to 30,000 and increase the industrial sector's share in GDP from 8 per cent to 12 per cent. Generally speaking, measures will be taken to promote industrialization and boost industrial production while at the same time strengthening the competitiveness of enterprises and diversifying the industrial development poles.

42. The strategy adopted consists in promoting the development of the SMEs/SMIs that contribute to growth and to the creation of jobs in the sectors in which the country has a comparative advantage, in particular agro-industry and textiles. A spinning mill, FITINA-SA, was inaugurated on 21 February 2004, and ITEMA (Textiles Industries of Mali), which has been closed for several years, will be starting up again by the end of 2004.

43. A vast regional industrialization programme has been organized under the auspices of the WAEMU Commission to enable 25 per cent of the cotton fibre production to be processed locally by 2010. This programme will contribute to increasing the industrial sector's general contribution to the creation of wealth and employment in the West African subregion.

44. The Government plans to diversify the industrial structure by expanding the production of durable goods. However, this calls for the prior organization of a vocational training programme and a strengthening of basic infrastructure, including the development of industrial zones.

45. The specific objectives of the Government's industrial policy are:

- The development of the textile subsector with the creation of at least four spinning mills in order to bring the rate of processing of cotton fibre to about 8 per cent during the 5 year period from 2002 and 2007, as against the current 0.8 per cent;
- implementation of the industrial sugar production project in order to create a new industrial development pool in the country and cover at least domestic needs;
- revival of cement, lime and marble production at the Diamou site.

(3) MINING

46. As Africa's third gold producer after South Africa and Ghana, Mali has performed remarkably well over the past five years. Moreover, during 2002, following the opening of the new gold mines (Sadiola in 1997, Morila in 2000, and Yatela in 2001) the share of mining in GDP, which stood at 6.4 per cent in 1998, reached 15.1 per cent. During the same period, gold production rose from 20.5 to 63.7 tonnes. However, this sharp growth in mining has not had a significant ratchet effect on the rest of the economy.

47. For the period 2003-2007, the Government plans to set up small and medium mining operations at Tabakoto, Sègala, Loulo, etc. The potential of these sites is estimated at 500 tonnes of gold. The Government's action plan provides for measures to consolidate the contribution of gold, which, since 1999 has been the leading export product.

48. The Government also plans to develop and diversify its mineral resources by improving the sector's regulatory environment. Its plans include oil prospecting, the introduction of a mechanism for the regular monitoring, control and assessment of mining and oil activities and projects, the structuring and organization of small-scale mining, and capacity-building among the players involved. The Government has also set itself the goal of determining the causes of geological phenomena in certain parts of the country and rehabilitating the hydrocarbons market.

49. In addition to gold and oil, the Government has undertaken to prospect for gas, base metals (copper, lead, zinc and nickel), industrial minerals (lime, clays, phosphates and gypsum), building materials (clay, marble), and precious stones. A petroleum code will also be adopted.

(4) TOURISM

50. Mali has great potential in the tourism sector, particularly recreational tourism, the chief destinations being the Pays Dogon, Tombouctou, Djenné, Gao, Mopti, Ségou, Sikasso, Kayes and Kidal. Valued at US\$19 million, tourism is the country's leading source of services export revenue.

51. This potential is difficult to exploit because of the weakness of communications and lack of facilities for receiving tourists, the lack of professionally trained human resources, the cost of international transport to Mali, and the difficulties linked to the domestic land, river and air transport systems.

52. Mali received 94,300 tourists in 2001, 95,851 in 2002, and 97,346 in 2003. The number of overnight stays grew from 115,160 in 2002 to 196,118 in 2003. Generally speaking, 60 per cent of recreational tourists visit the Pays Dogon, Tombouctou, Djenné, Mopti and Gao; 10 per cent visit the Sikasso region; 7 per cent, the Ségou region; 2 per cent, Kayes; and 1 per cent the Kidal region.

53. Twenty-five per cent of business tourists visit Bamako and its surroundings, Sélingue and the Mandingue region, etc.

54. In order to stimulate the development of tourism sector the Government adopted, on 3 June 2002, Law No. 02-015 of 3 June 2002 offering special advantages to tourist enterprises, such as:

- Exemption from the trading tax;
- exemption from the tax on business profits;
- exemption from customs duties on equipment.

55. In addition to this Law, the institutional and regulatory environment for tourism has been marked by the adoption of a number of decrees, including:

- Decree No. 96-128 P-RM of 18 April 1996 regulating the approval and operation of tourist establishments;
- Decree No. 96-144 P-RM of 3 May 1996 laying down the conditions for practising the professions of travel organizer and tour operator;
- Decree No. 96-030 P-RM of 25 January 1996 laying down the administrative formalities for setting up enterprises;
- Decree No. 96-129 P-RM of 18 April 1996 laying down the conditions for practising the profession of tourist guide.

56. Mali's principal specific commitments under the General Agreement on Trade in Services (GATS) are the development of tourist sites, external promotion (participation in international events: trade fairs, conferences and other professional encounters), support for the hotel and restaurant subsector, support for travel agencies, and vocational training for government and private sector employees, including tourist guides.

57. In connection with the development of tourism, the Government has drawn up an action plan which aims at promoting handicrafts with a view to their sale on the domestic and international markets. This plan also aims to diversify activities and introduce a reliable system for gathering and processing statistical data.

58. The Government's objective is to considerably increase the number of visitors to Mali by 2007. This will require a strategic orientation plan for development, which is currently being drawn up with a view to:

- Diversifying and strengthening the quality of supply;
- developing vocational training;
- encouraging domestic and foreign private initiative and investment;
- developing co-operation with the private sector and with other partners;
- strengthening the administrative structure of the tourism sector etc.

(5) ENERGY

59. The Government has franchised the public utilities. This franchise involves a programme for the extension of the interconnected distribution network as far as Sikasso via the Office du Niger rice growing area, an extension that will make it possible to interconnect with Côte d'Ivoire, in keeping with the ECOWAS energy exchange programme.

60. The aim of this capacity extension policy is to increase electricity coverage from 8 to 20 per cent of the population in 2007, and to work towards the rapid reduction of water and electricity charges.

61. For populations located outside the electricity network, "new" and "renewable" sources of energy will be developed to cover their needs. The strategy will essentially consist in promoting the dissemination of solar, aeolian and biomass technologies. The Government has set up a specialized agency for the development of local energy and rural electrification.

62. In the hydrocarbons subsector, the challenge lies in the development of storage capacities and the diversification of the country's sources of supply in petroleum products.

63. As regards the water sector, in addition to the investment programme planned in the framework of the concession, the Government's policy, which it has been developing since 2000, aims to provide the largest possible number of Malians with access to drinking water and to enable them to live in a healthier environment. The target should be attained by 2007 with the construction of water conveyance systems to supply water to all population centres of more than 2,000 inhabitants.

64. Policy in the water sector will also involve the monitoring and environmental protection of the country's water resources.

(6) COMMUNICATION AND NEW INFORMATION TECHNOLOGIES

65. The written and audiovisual communications sector experienced a surge following the events of March 1991. Today, there are a multitude of registered newspapers and rural and private radio stations. In fact, Mali is considered a pilot country in the subregion.

66. The Government is determined to consolidate these significant achievements. In the area of audiovisual communication, the policy adopted for the five years to come involves the extension of FM/TV broadcasting networks to the entire country. In the postal services area, the objective is to pursue the consolidation and modernization of the National Post Office through the introduction of new information technologies in order to maintain the public service, while at the same time adapting the current regulatory framework to the national and international environment.

67. Telecommunications is an area in which Mali compares rather badly with the countries of the subregion, its handicap being the limited access of most of the population to the different types of communication technology as well as the cost of using such services.

68. Mali's objective will be to ensure access of households and businesses to quality communication services at competitive rates, in the rural areas as well. By 2007, all settlements of more than 5,000 inhabitants should be connected to the telephone network.

69. The positive impact of the new sectoral telecommunications policy on prices, supply and the development of telecommunications in Mali could already be felt in 2003.

70. The process of opening up the capital of the Société des Télécommunications du Mali (SOTELMA) is currently under way, the objective being to find a reference partner that would be responsible for mobilizing the resources necessary for the company's development. In addition to SOTELMA, a second company, IKATEL, has been established in Mali since 2002 and is operating in the area of mobile telephony. Its terms of reference also provide for fixed telephony.

71. Given the extent of Mali's territory and its land-locked situation, new information technologies represent an opportunity not only at the administrative level, but also for the decentralized communities and for companies.

(7) TRANSPORT

72. The country's transport infrastructure is still far from equal to the enormous challenge posed by the conveyance of agricultural and industrial goods within the country and abroad.

73. The Government's policy in the area of road transport consists of speeding up the development of main roads and agricultural tracks to form an interconnected network linking the production centres to the domestic and subregional markets. The specific objectives in this area will be governed by the continued effort to improve access to remote areas within the country. Measures are also under way to link the country with all of the ports in the neighbouring countries.

74. In the area of rail and air transport, the reforms undertaken involve: the franchising of the national railways (which entered into effect in September 2003); the granting of an operating concession for the airports of Mali (Aéroports du Mali – ADM) to a private company (currently under way); the privatization of current road maintenance, already achieved with the creation of AGEROUTE; and the introduction of a user funding mechanism for such maintenance in the form of a toll system.

75. In the river transport area, policy will focus on improving the navigability of the Niger river, *inter alia* through dredging and the development of ports, docks and other navigational facilities.

(8) INFORMAL SECTOR

76. In reality, a prominent feature of the country's economic activities is the informal sector, whose share in GDP is constantly growing. Its impact is felt above all the tertiary sector, notably trade.

(B) ANALYSIS OF THE TRADE POLICY FORMULATION AND IMPLEMENTATION FRAMEWORK

General and specific trade policy objectives

77. The objectives of Mali's trade policy are determined by the country's overall economic objective: job creation and improvement in the standard of living through a sustainable increase in the economic growth rate and a more efficient allocation of resources.

78. The Malian authorities have pursued their efforts, begun in the 1980's, to liberalize the country's economy, efforts which have resulted in the simplification of the legislative and regulatory framework.

79. As part of this liberalization effort and in keeping with the liberalization measures agreed under the WTO, tariff and non-tariff barriers were eliminated. These measures will be maintained and

consolidated in order to enhance the country's participation in subregional, regional and international activities.

80. The objectives and specific activities pursued under this trade policy include:

- Increasing Mali's export capacity by diversifying its export products;
- improving market access for Malian products and ensuring that commitments undertaken in the framework of multilateral trade are respected;
- regulating and improving markets by clarifying the functions and roles of the players involved;
- taking full advantage of the benefits offered by international trade (technical assistance).

81. The development of Mali's trade policy is the responsibility of various governmental bodies with the participation of private sector entities and non-governmental organizations.

82. The Minister of Industry and Trade is responsible for formulating, evaluating and implementing trade and industrial policy, with the assistance of the Minister of the Economy and Finance responsible, *inter alia*, for customs services.

83. At any time, the Minister of Trade may resort to the services of any of the national bodies involved in the country's trade policy.

84. The National Directorate for Trade and Competition, under the authority of the Ministry of Industry and Trade, is the technical service in charge of developing, implementing and monitoring trade policy.

Trade policy instruments

85. The main trade policy instruments in Mali are the Commercial Code and the Tariff. The texts governing foreign trade also contain a number of other trade regulation provisions.

Legislative and regulatory measures

Domestic and foreign trade

86. The Commercial Code adopted by Law No. 92-002 of 27 August 1992 remains the reference text. It governs trade, trade activities and the institutional framework in which trade activities are conducted in Mali.

87. This Law was amended by Law No. 01-042/AN-RM of 7 June 2001 which stipulates that foreign natural or legal persons may engage in trade activities without prior authorization from the Ministry in charge of trade.

88. Certain trade activities may nevertheless be subject to an authorization without regard to nationality, either by an order of the Minister in charge of trade or by a decree of the Council of Ministers.

89. In Africa, the provisions relating to business law in the different countries have been harmonized in the "Uniform Acts" of the Organization for the Harmonization of Business Law in Africa (OHADA).

90. Since 2000, seven OHADA Uniform Acts have progressively entered into force in Mali. Given their primacy over domestic law, they have replaced all similar or contrary provisions of the Commercial Code.

91. This work has been undertaken with a view to harmonizing the Commercial Code with the OHADA Uniform Acts to produce a single document that is simple to use.

92. Foreign trade is governed by Decree 00-505/P-RM of October 2000 on the regulation of foreign trade. Since 1989, foreign trade has been governed by two regimes: the free trade regime and the prohibition regime.

93. Prohibition may be restrictive or absolute.

94. However, the Government may subject imports or exports of certain goods to other specific provisions, *inter alia* for reasons of:

- Health, security or public morals;
- defence of consumer interests;
- protection of industrial or commercial property;
- protection of origin and of national treasures of artistic, historical or archaeological value.

95. Natural and legal persons registered in the Register of Commerce and Personal Property Transactions and having a tax identification card and a valid licence are eligible to carry out foreign trade operations in Mali.

96. Foreign trade procedures have been simplified and grouped together under a single office known as the "guichet unique" (single window) for foreign trade. This office groups together the various entities involved in foreign trade formalities: The National Directorate for Trade and Competition, The National Directorate of the Treasury and Public Accounting, the National Council of Employers of Mali, the Chamber of Commerce and Industry of Mali and the preshipment inspection company.

97. Import and export transactions are carried out on the basis of a document known as the "certificate of intention to import" or the "certificate of intention to export" which is issued automatically within a maximum period of 24 hours.

98. An Import Verification Programme was introduced in 1989 authorizing a preshipment inspection company to inspect goods prior to their shipment to Mali.

99. The main objectives of the Import Verification Programme are:

- To maintain proper control of foreign trade flows;
- to guarantee customs revenue;
- to protect consumers and the interests of economic operators.

Competition policy

100. Mali has opted for a policy of liberalization involving, inter alia, the liberalization of trade, the liberalization of prices and freedom of enterprise.

101. This policy has led the State to decentralize its activities and to develop its role as regulator and arbitrator, particularly in the area of competition law, in order to ensure healthy and fair competition and to make the market more transparent.

102. Ordinance No. 92-021/PE-CTSP of 13 April 1992 establishing price liberalization and freedom of competition, in force since 1992, has brought about a complete liberalization of prices and introduced competition. It identifies and punishes abuses and practices that restrict competition.

103. WAEMU legislation concerning anti-competitive practices entered into force in Mali in January 2003, supplementing the domestic legislation dealing with unfair competition.

Domestic taxation

104. The streamlining and modernization of procedures has made it easier to maintain control over the tax base. Mali's domestic tax policy is reflected by the introduction of a synthetic tax and a uniform VAT, which replaced the IAS (tax on business and services) within the WAEMU community.

105. The special import tax (TCI) is levied exceptionally on a single product, sugar.

106. Order No. 2034/MEF-SG of 16 September 2003 established reference values for certain products, including wheat flour and meslin, pasta, cotton fabrics (dyed, bleached, printed), etc.

107. The WAEMU Commission has an anti-dumping code and a safeguard code which have not yet entered into force.

Tariff measures

108. The Common External Tariff (CET), in force within the WAEMU since January 2000, remains the reference tool.

109. In the multilateral trade area, Mali has bound its tariffs in accordance with the WTO provisions. However, the applied tariff levels remain below the bound levels.

Trade policy framework agreements

Bilateral trade agreements

110. With the entry into force of the WAEMU, the bilateral trade agreements concluded by each of the member countries of the Union with a third country lapsed. Only the WAEMU Commission has the authority to sign trade and investment agreements with third countries.

111. A non-preferential agreement on the development of trade and investment relations between the United States and the WAEMU was signed on 24 April 2002. Other agreements are currently being prepared with Algeria, Egypt, Lebanon, Morocco and Tunisia.

Regional trade agreements

112. Mali is a Member of ECOWAS, WAEMU and CEN-SAD, which aim to integrate the economies of their members, thereby creating an environment conducive to the development of trade.

113. The WAEMU has made remarkable progress in liberalizing trade. Under the preferential regime, since 1996 duty-free access has been accorded to local products and traditional handicrafts from the Union, and since 2000, to approved originating industrial products.

114. In ECOWAS, these same advantages are granted to local products and traditional handicrafts from the Community.

115. Non-originating products are subject to the CET on the basis of a common tariff and statistics nomenclature and a common customs evaluation regime.

116. Additional duties are levied in the form of a statistical fee (RS) and a community solidarity levy (PCS) in order to help finance the compensation fund for reduced customs revenue. This system comes to an end in 2006.

117. Mali is a party to the ACP-EU Partnership Agreement commonly known as the "Cotonou Agreement", which was signed in Cotonou on 23 June 2000 and entered into force on 1 April 2003. It is also a member of the OHADA Treaty, the African Union, the West African Development Bank (WADB), the Central Bank of West African States (BCEAO), the African Development Bank (ADB) and the Organisation of the Islamic Conference (OIC).

Multilateral trade agreements

118. Mali became an original Member of the WTO on 31 May 1995, and is recognized by the WTO as an LDC Member. It has made commitments under all of the WTO multilateral agreements, but has not made any commitments under the plurilateral agreements.

(1) MALI'S WTO COMMITMENTS

(a) Trade in goods

119. Upon accession to the WTO, Mali bound its tariffs on all agricultural products listed in the Annex to the Agreement on Agriculture at a ceiling of 60 per cent. The products in chapters 44, 81 and 92 of the harmonized system were also bound at the same rate. Other charges and taxes on imports of these products were bound at 50 per cent. The Government of Mali supplied tariff data to the integrated database (IDB) in 1999 and 2003.

120. Pursuant to Regulation No. 5/99/CM/UEMOA of 6 August 1999 on the determination of the customs value of imported goods, Mali has taken steps to implement the transactional value by adopting Order No. 2582/MEF-SG of 31 December 2002 establishing modalities for the determination of the customs value of imported goods. This Order entered into force on 1 January 2004.

(b) Trade in services

121. Mali's commitments in the area of trade in services concern activities related to tourism and adult education.

(c) Trade-related intellectual property rights

122. Mali is a signatory of the revised Bangui Agreement on the creation of the African Intellectual Property Organisation (AIPO). Under that agreement, it registered:

- in 2002: 6 patents, 27 product and service marks, 23 trade names, and 5 industrial designs;
- in 2003: 10 patents, 34 product and service marks, 25 trade names, and 17 industrial designs.

The texts on copyright are currently under review.

(2) OBLIGATIONS**(a) Notifications**

123. In accordance with WTO provisions, Mali has been submitting the required notifications. However, it has faced serious problems in meeting this obligation, owing partly to the constraints it faces in collecting and processing the information, and partly to the insufficient training of human resources responsible for preparing the notifications.

(b) Trade policy review

124. Today, Mali is participating in its second trade policy review. The first took place in 1998, and since then the economic and trade context has undergone significant changes.

(3) PARTICIPATION IN WTO ACTIVITIES

125. Mali opened a permanent mission in Geneva in 2002, and participates regularly in WTO trade negotiations. It was present at all of the WTO ministerial conferences, including Cancun, where, with other African cotton producing countries, it denounced the cotton subsidies granted by certain developed countries. Its negotiating positions are in harmony with those of the African group and ACP countries and the LDCs.

126. Mali participates in the trade policy seminars, workshops and courses organised by the WTO for its member countries.

Trade-related technical assistance

127. Mali, an LDC Member of the WTO, plans to take the fullest possible advantage of the technical assistance offered in order to become more fully integrated in the multilateral trading system.

128. The fact is that it currently suffers from the poor capacity of its human resources and of its means of production. This is a handicap when it comes to understanding the WTO agreements and preparing to face regional and international trade negotiations. At the same time, it limits the country's exportable supply possibilities.

129. At the WTO ministerial conference in Singapore, it was noted that the developing countries were under-represented in international trade. Through the Integrated Framework, managed by the ITC, the WTO, UNCTAD, the World Bank, UNDP and the IMF, the developed countries took the initiative of assisting the developing country Members, from Africa in particular, in improving market

access for their products, and building up their production, human resources and institutional capacities.

130. Mali is participating in the second phase of the Integrated Framework. It has also been included in the Joint Integrated Technical Assistance Programme (JITAP). These initiatives represent an excellent opportunity to foster Mali's integration in the multilateral trading system.

131. To fulfil its commitments and obligations and participate fully in the activities of the WTO and the various subregional and regional development organizations, Mali has created the following bodies and institutions:

- Through Decision No. 10 /MICA-SG of 27 March 1998, a National Commission on Follow-up to the WTO Agreements and Relations with UNCTAD;
- Through Decision No. 16 /MICA-SG of 4 April 1998, a Follow-up Unit for WTO Agreements and Relations with UNCTAD;
- Through Decree No. 03 294../ PM-RM of 22 July 2003, the Inter-Ministerial Follow-up Committee and the Integrated Framework Steering Committee;
- Through Decision No. 30/ MIC-SG of 3 June 2003, the JITAP Steering Committee of the Ministry of Industry and Trade.

132. Since October 2000, Mali has been eligible under the African Growth and Opportunity Act (AGOA) of the United States. It received a visa for textiles in December 2003. The AGOA is in the category of non-reciprocal tariff preferences, and its objective is to promote economic growth in the sub-Saharan African countries, and to foster trade and investment between the United States and the countries of sub-Saharan Africa.

IV. OUTLOOK AND RECOMMENDATIONS

133. From the point of view of trade, Mali is very open to the rest of the world. It believes in the multilateral trading system and considers trade to be a factor of sustainable development.

134. It is determined to enhance its participation in international trade. To that end, it aims to:

- Build up the capacity of its human resources by training domestic trade players;
- increase its exportable supply in the area of trade in goods and services;
- protect its natural intellectual property and traditional know-how.

135. To attain these objectives, Mali will seek to act in cooperation with its multilateral trading partners and the WTO in the following areas:

- Strengthening of technical cooperation through national and regional workshops and seminars with a view to acquiring a better understanding of the multilateral trade agreements;
- implementation of the Integrated Framework in order to enhance and diversify its supply of goods and services;

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- implementation of the WTO agreements and greater justice in international trade through the elimination of bad trade practices, in particular the use of unjustified subsidies and technical barriers to trade.

V. CONCLUSION

136. Mali is in the process of developing a liberal economy. It has introduced many reforms to create an environment conducive to the development of private initiative and to the opening up of its economy to the outside world.

137. At the domestic level, political reforms have produced a democratic regime and greater decentralization, enabling local communities to participate increasingly in the national decision-making process.

138. The ongoing judicial reform is providing a more secure business environment.

139. Reforms are being introduced in different sectors of the economy, alone or in cooperation with sub-regional or regional partners, to develop an efficient and competitive economy.

140. Exportable supply capacity has remained weak and not very diversified. Mali's main export product, cotton, still has to contend with the agriculture subsidies of the rich countries, which are exacerbating Mali's marginalization in the multilateral trading system.

141. The equity that the WTO advocates can only be guaranteed if the LDCs, including Mali, are properly rewarded for their efforts.

142. Mali is relying on technical assistance from its bilateral and multilateral partners in order to acquire a proper mastery of the mechanisms and rules of the multilateral trading system, to boost its production capacity, and to ensure proper implementation of the multilateral trade agreements.

143. It is relying, to a certain extent, on the capacity of the integrated framework and the JITAP to contribute to its integration into world trade.
