

# MALI

**Table 1** **2023**

Population, million	23.3
GDP, current US\$ billion	20.2
GDP per capita, current US\$	869.0
International poverty rate (\$2.15) <sup>a</sup>	20.8
Lower middle-income poverty rate (\$3.65) <sup>a</sup>	56.1
Upper middle-income poverty rate (\$6.85) <sup>a</sup>	85.9
Gini index <sup>a</sup>	35.7
School enrollment, primary (% gross) <sup>b</sup>	72.6
Life expectancy at birth, years <sup>b</sup>	59.4
Total GHG emissions (mtCO2e)	52.6

Source: WDI, Macro Poverty Outlook, and official data.

a/ Most recent value (2021), 2017 PPPs.

b/ Most recent WDI value (2022).

GDP growth is projected to reach 3.7 percent in 2024 (0.6 percent per capita), supported by agriculture and services, while continuing electricity shortages are expected to hinder industrial production. The extreme poverty rate is projected to fall to 20.8 percent, supported by lower inflation of 1.2 percent. The outlook is subject to downside risks from rising insecurity, impacts of the Economic Community of West African States (ECOWAS) withdrawal, climate shocks, and continuing high borrowing costs.

## Key conditions and challenges

Mali's economy remains under-diversified with little structural change over the last three decades. Agriculture and low-productivity services dominate the economic and employment landscape, while manufacturing is limited to agro-industries and cotton ginning. Gold and cotton exports expose the economy to commodity prices and climatic shocks. Per capita GDP growth stagnated over the last decade, limiting poverty reduction efforts, while human development indicators show mixed progress.

Persistent insecurity, a weakened social contract, and limited investments are key bottlenecks to inclusive and sustainable growth. In combination with the absence of the State in remote areas, this has increasingly disrupted service delivery. The recurrence of conflict represents a political and security risk, which could be potentially mitigated by the successful implementation of the roadmap outlined by the Dialogue Inter-Maliens for Peace and National Reconciliation, concluded in May 2024.

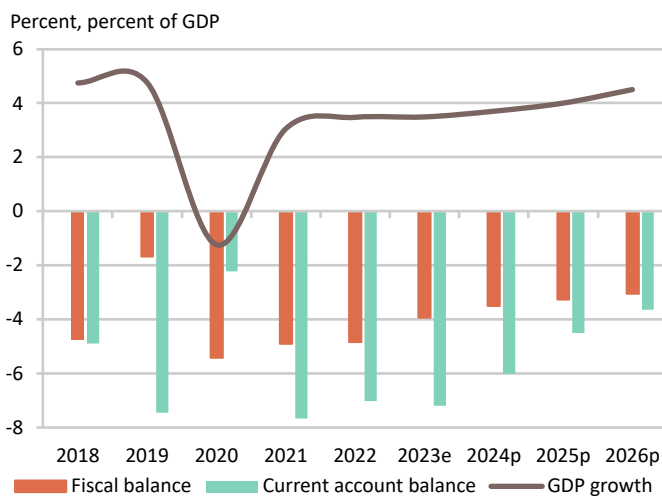
On January 28, 2024, in a joint communiqué, Burkina Faso, Mali and Niger announced their 'immediate' withdrawal from ECOWAS. According to the revised ECOWAS Treaty, a notification period of one year is required to leave ECOWAS. The three countries remain members of WAEMU. Subsequently, on July 6, 2024,

the three countries signed the Treaty establishing the Confederation of Sahel States. These events have contributed to heightened political and policy uncertainty, including the timetable for elections in Mali.

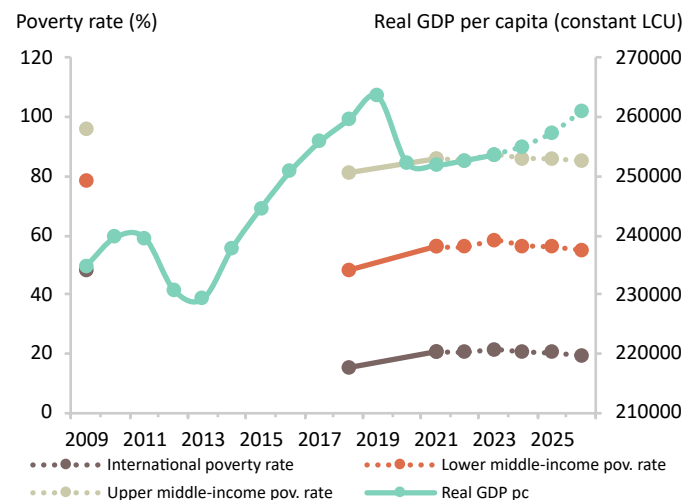
## Recent developments

GDP growth is expected to increase slightly from 3.5 percent in 2023 to 3.7 percent in 2024 (0.6 percent per capita). Services are expected to grow (+4.2 percent), albeit less than in 2023, supported by a stronger than expected telecommunications sector (+11 percent in Q1 y/y). Agriculture is expected to rebound (+3.6 percent), driven by a successful cotton campaign. Industry is projected to slightly recover (+2.5 percent), driven by construction and food manufacturing, while electricity shortages continue to disrupt the production of fertilizers and metallurgy. Private consumption is expected to be the principal driver on the demand side, contributing 3.3 percentage points (pps), followed by private investment (+1.5 pps), especially in telecommunications. The current account deficit is expected to narrow to 6 percent of GDP, driven by the rebound in cotton exports (+ 7.4 percent in Q1 y/y), lithium production, and improved terms of trade.

Inflation is expected to fall to 1.2 percent in 2024, due to stronger agricultural output and lower import costs. These dynamics will help the extreme poverty rate, which had increased to 21.5 percent in 2023, to fall back to 20.8 percent in 2024. However,

**FIGURE 1 Mali / Real GDP growth, current account, and fiscal balances**


Sources: Malian Government and World Bank.

**FIGURE 2 Mali / Actual and projected poverty rates and real GDP per capita**


Source: World Bank. Notes: see Table 2.

the humanitarian situation remains serious, with over 330,000 internally displaced persons, in addition to an estimated 1.4 million people (6 percent of the population) facing severe food insecurity between June and August 2024, a situation being exacerbated by major flooding during the rainy season.

The Central Bank of West African States (BCEAO) has kept its policy interest rates unchanged since December 2023 at 3.5 percent for liquidity calls and 5.5 percent for the marginal lending facility. The WAEMU Inflation rate has been on a downward trend since peaking in 2022 but is currently above the 1 to 3 percent WAEMU target, at 4.4 percent y/y in July 2024, and regional foreign exchange reserves remain low, covering only 3.5 months of import in 2024Q1.

The fiscal deficit is expected to narrow to 3.5 percent of GDP in 2024, supported by higher tax revenues (+20.7 percent in Q1 2024 y/y)—the impact of tax digitalization efforts. On the expenditure side, the large public wage bill is expected to decrease to 9 percent of GDP in 2024. The fiscal deficit will predominantly be financed through domestic borrowing from

the regional market, where Mali has faced a significant surge in interest rates, exceeding 9 percent for 12-month bills. While total public debt is expected to increase to 57 percent of GDP in 2024, the risk of debt distress remains moderate.

## Outlook

Real GDP growth is forecasted to increase to an average of 4.3 percent over 2025-26, supported by agriculture and telecommunication services, and assuming the security situation doesn't deteriorate, some improvement in electricity supply, and an orderly ECOWAS withdrawal that limits negative impacts to lower trade with non-WAEMU ECOWAS states. The Government's fiscal consolidation efforts are expected to enable it to converge to the WAEMU ceiling of 3 percent by 2026. Inflation is forecasted to converge towards the BCEAO target of 2 percent in 2026. The regional inflation rate is projected to align with WAEMU target by 2025, while regional reserves are expected to rise gradually, supported

by the resumption of international bond issuances, recovering exports, and monetary policy easing in the Euro Area.

The extreme poverty rate is expected to decline by 1.1 percentage points over the medium term, reaching 19.7 percent in 2026, but the number of poor is projected to increase by nearly 20,000 people over the period.

The outlook remains subject to downside risks related to a persistent electricity crisis, rising insecurity and displacement, and further climatic shocks. An ECOWAS withdrawal that has gaps in agreements could lead to larger disruptions in the free movement of goods, services, capital, and labor and could have spillover effects onto trade in the WAEMU zone. However, if new trade opportunities are realized, these negative impacts could be mitigated. Mali may also continue to face elevated borrowing costs, which could lead to reductions in growth-enhancing investments, amid increasing demands for defense and security spending. On the upside, strong improvements in electricity trade, production, and supply and reduced regional tensions would ease market uncertainty and support investment.

**TABLE 2 Mali /** Macro poverty outlook indicators

(annual percent change unless indicated otherwise)

	2021	2022	2023	2024e	2025f	2026f
<b>Real GDP growth, at constant market prices</b>	3.1	3.5	3.5	3.7	4.0	4.5
Private consumption	3.0	4.0	3.9	4.0	4.1	4.1
Government consumption	5.8	7.6	16.7	-0.3	0.7	1.9
Gross fixed capital investment	4.8	1.0	-3.6	6.7	6.0	6.7
Exports, goods and services	-1.0	18.1	-3.9	2.8	4.3	5.1
Imports, goods and services	14.1	0.7	2.3	3.9	4.3	4.3
<b>Real GDP growth, at constant factor prices</b>	3.0	4.3	3.4	3.7	4.0	4.5
Agriculture	1.4	2.4	2.3	3.6	4.5	4.5
Industry	1.0	3.7	2.0	2.5	3.5	3.5
Services	5.1	5.8	4.9	4.2	3.9	4.9
<b>Inflation (consumer price index)</b>	4.0	9.7	2.1	1.2	2.0	2.0
<b>Current account balance (% of GDP)</b>	-7.7	-7.0	-7.2	-6.0	-4.5	-3.7
<b>Net foreign direct investment inflow (% of GDP)</b>	3.0	2.6	2.5	3.2	3.1	2.9
<b>Fiscal balance (% of GDP)</b>	-4.9	-4.8	-3.9	-3.5	-3.3	-3.0
<b>Revenues (% of GDP)</b>	22.0	19.8	23.6	23.4	23.7	22.2
<b>Debt (% of GDP)</b>	50.4	51.8	55.9	57.0	57.2	56.1
<b>Primary balance (% of GDP)</b>	-3.5	-3.4	-2.2	-1.5	-1.3	-1.2
<b>International poverty rate (\$2.15 in 2017 PPP)<sup>a,b</sup></b>	20.8	20.7	21.5	20.8	20.4	19.7
<b>Lower middle-income poverty rate (\$3.65 in 2017 PPP)<sup>a,b</sup></b>	56.1	56.0	58.4	56.6	56.0	54.9
<b>Upper middle-income poverty rate (\$6.85 in 2017 PPP)<sup>a,b</sup></b>	85.9	85.6	87.2	86.1	85.7	85.1
<b>GHG emissions growth (mtCO<sub>2</sub>e)</b>	4.1	4.3	2.7	4.2	4.8	5.1
<b>Energy related GHG emissions (% of total)</b>	16.4	17.4	16.6	16.8	17.3	18.0

Source: World Bank, Poverty & Equity and Macroeconomics, Trade & Investment Global Practices. Emissions data sourced from CAIT and OECD.

Notes: e = estimate, f = forecast.

a/ Calculations based on 2021-EHCVM. Actual data: 2021. Nowcast: 2022-2023. Forecasts are from 2024 to 2026.

b/ Projections using microsimulation methodology.