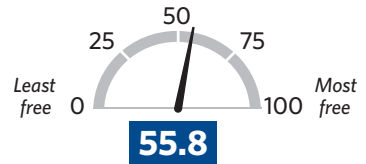


# MALI

## Economic Freedom Score



World Rank: **117**

Regional Rank: **20**

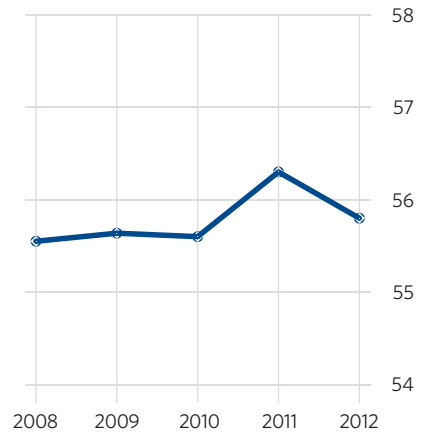
**M**ali's economic freedom score is 55.8, making its economy the 117th freest in the 2012 *Index*. Its score has decreased by 0.5 point from last year, mainly reflecting declines in freedom from corruption and the management of government spending. Mali is ranked 20th out of 46 countries in the Sub-Saharan Africa region, and its score is above the regional average.

Mali has shown little progress in expanding economic freedom over the years and remains mired in the *Index*'s "mostly unfree" category. The lack of dynamism in the domestic economy leaves it highly vulnerable to external economic conditions, and though five-year average growth has been almost 5 percent, the country was hurt significantly by the global economic slowdown.

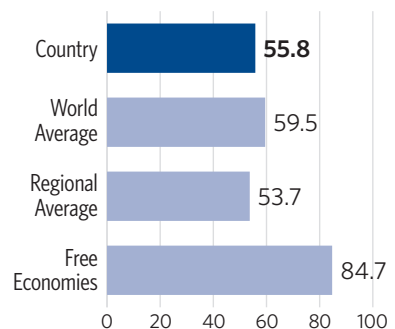
Lingering institutional weaknesses broadly restrict citizens' economic freedom and prevent the dynamic growth of economic activity. In particular, the rule of law, one of the basic foundations of economic freedom, remains fragile due to corruption and an inefficient judicial system that is vulnerable to political interference. Government tariffs and other restrictions reduce the benefits to the population from international trade.

**BACKGROUND:** Mali was a one-party socialist state until multi-party democratic elections were held in 1992 on the heels of a 1991 military coup. Retired General Amadou Toumani Touré, who served as head of state during the transition to democracy in 1991 and 1992, was elected president in 2002 and re-elected in 2007. Tensions continue between the government and nomadic Tuareg tribes in northern Mali over land, cultural, and linguistic rights. Landlocked and located in the heart of the Sahel, Mali is arid and has relatively limited resources. It remains one of the world's poorest countries. Agriculture (mostly subsistence farming), livestock, and fishing in the Niger River occupy 70 percent of the population and accounted for about 33 percent of GDP in 2007. Cotton is a key export. Mining is growing, but mineral resources are generally underexploited, and infrastructure remains inadequate.

## Freedom Trend



## Country Comparisons



## Quick Facts

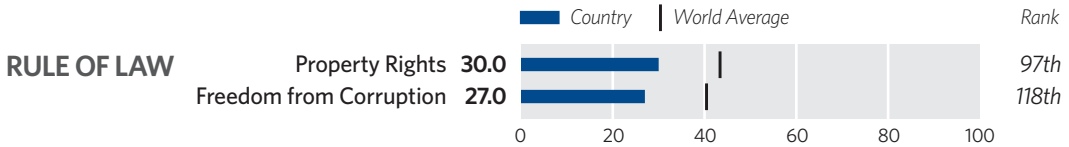
**Population:** 13.4 million  
**GDP (PPP):** \$16.8 billion  
 4.5% growth in 2010  
 5-year compound annual growth 4.7%  
 \$1,252 per capita  
**Unemployment:** 30.0%  
**Inflation (CPI):** 1.2%  
**FDI Inflow:** \$147.6 million  
**Public Debt:** 29.6% of GDP

### How Do We Measure Economic Freedom?

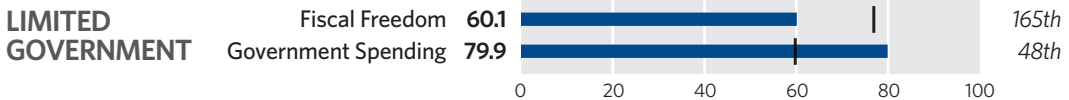
See page 455 for an explanation of the methodology or visit the *Index* Web site at [heritage.org/index](http://heritage.org/index).

2010 data unless otherwise noted.  
 Data compiled as of September 2011.

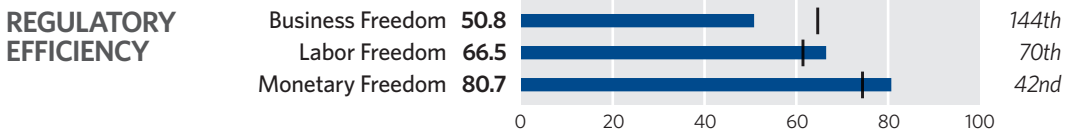
**THE TEN ECONOMIC FREEDOMS**



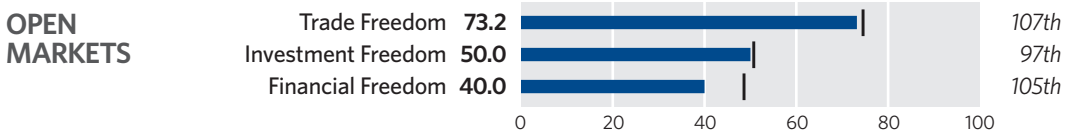
In theory, property rights are protected and the judiciary is constitutionally independent, but Mali’s judicial system is considered notoriously inefficient and corrupt, with bribery and influence-peddling frequently encountered in the courts. Protection of intellectual property rights is inadequate. In the absence of effective anti-corruption measures, bribery remains prevalent in government procurement and dispute settlement.



The top income tax rate is 50 percent, and the top corporate tax rate is 35 percent. Other taxes include a value-added tax (VAT), and overall tax revenue amounts to 16.4 percent of total domestic income. Government spending has increased to a level equivalent to 25.9 percent of total domestic output. The budget has been chronically in deficit, and public debt has reached a level equal to about 30 percent of GDP.



Despite some progress in dismantling bureaucratic barriers, the regulatory framework for business is not efficient in spurring economic diversification or private-sector development. Much private-sector activity takes place outside of the formal economy. Labor regulations, although not fully enforced, are relatively rigid. Inflation has moderated, averaging 2.1 percent between 2008 and 2010.



The trade weighted average tariff rate is high at 8.4 percent, with complex and cumbersome non-tariff barriers considerably increasing the cost of trade. The investment regime remains severely hampered by instability and a lack of reform. Regional conflicts, poor infrastructure, and lack of contract enforcement deter investment. With financial intermediation minimal, the banks lack the capacity to provide adequate access to financing.

**Score Changes**

RULE OF LAW		LIMITED GOVERNMENT		REGULATORY EFFICIENCY		OPEN MARKETS	
Property Rights	0	Fiscal Freedom	-0.4	Business Freedom	-0.4	Trade Freedom	0
Freedom from Corruption	-1.0	Government Spending	-6.6	Labor Freedom	+0.7	Investment Freedom	0
				Monetary Freedom	+3.1	Financial Freedom	0