



MALI

September 2025

2025 ARTICLE IV CONSULTATION—PRESS RELEASE; STAFF REPORT; AND STATEMENT BY THE EXECUTIVE DIRECTOR FOR MALI

Under Article IV of the IMF's Articles of Agreement, the IMF holds bilateral discussions with members, usually every year. In the context of the 2025 Article IV consultation with Mali, the following documents have been released and are included in this package:

- A **Press Release** summarizing the views of the Executive Board as expressed during its July 30, 2025 consideration of the staff report that concluded the Article IV consultation with Mali.
- The **Staff Report** prepared by a staff team of the IMF for the Executive Board's consideration on July 30, 2025, following discussions that ended on June 13, 2025 with the officials of Mali on economic developments and policies. Based on information available at the time of these discussions, the staff report was completed on July 14, 2025.
- An **Informational Annex** prepared by the IMF staff.
- A **Debt Sustainability Analysis** prepared by the staffs of the IMF and the World Bank.
- A **Statement by the Executive Director** for Mali.

The documents listed below will be separately released.

Selected Issues

The IMF's transparency policy allows for the deletion of market-sensitive information and premature disclosure of the authorities' policy intentions in published staff reports and other documents.

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IMF Executive Board Concludes 2025 Article IV Consultation with Mali

FOR IMMEDIATE RELEASE

Washington, DC – July 31, 2025: The Executive Board of the International Monetary Fund (IMF) concluded the Article IV consultation¹ with Mali on July 30, 2025. The authorities need more time to consider the publication of the Staff Report prepared for this consultation².

Mali's economy has shown some resilience despite significant headwinds. Economic growth is expected to reach 5 percent in 2025, supported by strong agricultural production, the start of lithium extraction and continued growth in services. However, the decrease in foreign aid, lower gold production and the shutdown of the largest mine weigh negatively on the outlook. Contingent on mining activities returning to normal levels, growth is expected to rebound to 5.4 percent in 2026. The fiscal deficit is forecast to widen to 3.4 percent in 2025, driven in part by government spending to mitigate the impact of the flooding. However, the outlook remains uncertain, with considerable downside risks.

Fiscal policy should prioritize achieving fiscal sustainability, particularly by converging toward WAEMU's 3 percent of GDP fiscal deficit ceiling. Key priorities include strengthening domestic revenue mobilization through broadening the tax base and strengthening revenue and customs administration. Moreover, the authorities are encouraged to improve spending efficiency while safeguarding public investment and protecting vulnerable households.

Reducing domestic policy uncertainty and advancing structural reforms are key to unlocking Mali's growth potential. Improving the business climate by improving transparency and stability of the regulatory framework is crucial to improving private investment. Strengthening fiscal governance, improving public financial management, addressing vulnerabilities in State-Owned Enterprises (SOEs), and enhancing their oversight—particularly in the electricity utility, Energie de Mali—are critical.

Executive Board Assessment³

Executive Directors agreed with the thrust of the staff appraisal. They welcomed the resilience of Mali's economy in the face of multiple and entrenched challenges, including ongoing

¹ Under Article IV of the IMF's Articles of Agreement, the IMF holds bilateral discussions with members, usually every year. A staff team visits the country, collects economic and financial information, and discusses with officials the country's economic developments and policies. On return to headquarters, the staff prepares a report, which forms the basis for discussion by the Executive Board.

² Under the IMF's Articles of Agreement, publication of documents that pertain to member countries is voluntary and requires the member consent. The authorities have requested additional time to decide on the publication of the staff report. A final decision is expected not later than 28 days from the Board consideration date.

³ At the conclusion of the discussion, the Managing Director, as Chair of the Board, summarizes the views of Executive Directors, and this summary is transmitted to the country's authorities. An explanation of any qualifiers used in summings up can be found here: <http://www.IMF.org/external/np/sec/misc/qualifiers.htm>.

conflict, food insecurity, severe floods, power outages, aid cutbacks, and the shutdown of its largest gold mine. However, they cautioned that substantial downside risks and vulnerabilities complicate prospects. Against this background, Directors underscored the critical importance of sustaining an ambitious reform momentum and promoting policy predictability, supported by capacity development.

With lower mining revenues expected and elevated spending needs post flooding, Directors supported a temporary fiscal loosening in 2025. They however welcomed the authorities' commitment to reduce the deficit below the WAEMU deficit ceiling of 3 percent of GDP by 2027, and encouraged sustained efforts to strengthen domestic revenue mobilization to help safeguard medium-term fiscal sustainability while creating space for social and growth-friendly capital spending. Noting high poverty levels and the large number of displaced people amid declining foreign aid, Directors highlighted the importance of strengthening the social safety net and scaling up targeted measures to support the most vulnerable. They underscored the importance of bolstering spending efficiency and welcomed progress in advancing public financial management reforms under the staff-monitored program. Directors encouraged the establishment of a medium-term fiscal framework to enhance transparency, predictability, and policy credibility.

Directors encouraged further steps to enhance supervisory capacity and strengthen risk management frameworks to safeguard financial stability. They noted potential vulnerabilities from the growing exposure of Malian banks to government securities as well as the recent halt in credit expansion.

Directors stressed the importance of governance reforms for strengthening fiscal management, the business climate, and investor confidence. They commended the authorities for their progress in enhancing the AML/CFT framework and successfully exiting the FATF grey list. Directors urged sustained efforts to bolster anti-corruption frameworks and operationalize the beneficial ownership register. They encouraged further action on asset declaration enforcement, SOE oversight, judicial integrity, and strengthening mining sector regulatory frameworks.

Directors urged the authorities to implement growth-enhancing reforms to realize their ambitious development goals. They stressed the need to tackle growth bottlenecks, enhance public investment management, spur private sector dynamism, attract foreign investment, address climate adaptation, and diversify the economy.

It is expected that the next Article IV consultation with Mali will be held on the standard 12-month cycle.

Mali: Selected Economic and Financial Indicators, 2022–27

	2022	2023	2024	2025	2026	2027
			Est.	Projections		
National income and prices	(Annual percentage change)					
Real GDP	3.5	4.7	4.7	5.0	5.4	5.2
Consumer price inflation (average)	9.7	2.1	3.2	3.5	2.0	2.0
Money and credit						
Credit to the government	77.7	34.8	0.1	2.4	25.1	16.5
Credit to the economy	14.9	0.3	4.3	-5.2	7.5	7.3
Broad money (M2)	10.7	-1.1	1.8	-1.8	7.5	7.3
Central government finance and public debt	(Percent of GDP, unless indicated otherwise)					
Revenue, o/w	19.3	20.6	22.0	21.5	21.5	21.5
Tax revenue	13.2	14.8	15.8	15.8	15.6	15.6
Grants	0.4	0.7	0.1	0.3	0.3	0.6
Total expenditure and net lending	24.4	24.8	24.7	25.2	25.0	25.1
Overall balance (accrual basis)	-4.7	-3.6	-2.6	-3.4	-3.2	-3.0
Overall balance (cash basis)	-4.6	-2.5	-2.0	-3.4	-3.9	-3.6
Public debt ¹	50.3	51.9	51.7	50.5	49.5	48.8
External public debt	26.2	26.4	24.2	22.6	21.2	20.3
Domestic public debt ²	24.1	25.5	27.5	27.9	28.3	28.5
Debt service	6.4	7.1	6.7	7.1	10.1	12.5
External sector						
Current account balance, including official transfers	-7.7	-7.6	-4.6	-4.8	-2.8	-2.8
Current account balance, excluding official transfers	-10.2	-9.6	-4.8	-5.0	-3.0	-3.1
Exports of goods and services	30.3	28.9	26.3	28.5	30.4	29.9
Imports of goods and services	41.2	38.1	31.8	33.4	33.0	32.4
Overall balance of payments	-3.8	-4.3	2.4	-0.8	1.7	1.9
Terms of trade (deterioration -)	-21.0	12.1	22.2	12.8	1.5	-1.3
Real effective exchange rate (depreciation -)	-0.5	2.1	1.4	...	...	...

Sources: Ministry of Economy and Finance; and IMF staff estimates and projections.

¹ Public debt refers to general government debt

² Includes BCEAO statutory advances, government bonds, treasury bills, and other debts. From 2021 onwards includes SDR allocation in the amount of 1.3 percent of GDP on-lent from the BCEAO.



MALI

STAFF REPORT FOR THE 2025 ARTICLE IV CONSULTATION

July 14, 2025

KEY ISSUES

Context. Mali faced another difficult year in 2024: persistent security attacks, protracted power outages, food insecurity, and catastrophic floods—prompting Fund support under the Rapid Credit Facility (RCF) and a Staff-Monitored Program (SMP) in April 2025. Although the Financial Action Task Force (FATF) has now removed Mali from its grey list, investors still see high policy uncertainty around the implementation of the 2023 mining code reforms, post-ECOWAS exit arrangements, and the suspension of political parties and elections. Adding to the strain, the country’s largest gold mine shut in January 2025 over a tax dispute tied to the new mining code; operations have recently been placed under a six-month court-appointed administrator, but the timing of a full restart—and the return of critical mining revenues—remains unclear.

Outlook and risks. GDP is expected to expand by 5 percent in 2025, lifted by stronger primary and service-sector output but held back by the gold-mine shutdown, aid cutbacks, and heightened global and domestic uncertainty. While power outages have eased somewhat, security incidents remain elevated, and both factors continue to weigh on activity, keeping sizable downside risks in place. After meeting the WAEMU 3-percent ceiling in 2024, Mali’s fiscal deficit is projected to exceed it in 2025—owing to lower mining revenues and emergency spending, mainly for flood recovery—which underscores the need for consolidation to ensure that the increase is temporary and does not undermine fiscal sustainability.

Key Policies. With fiscal revenues curtailed, aid flows sharply reduced, and uncertainty high, Mali is forced to “do more with less.” This means calibrating fiscal tightening that protects growth and shield the poor, stepping up domestic revenue mobilization, improving the quality of spending, and avoiding policy missteps that could exacerbate the situation and jeopardize future growth prospects. Over the medium term, the authorities’ highly aspirational development vision calls for a bold reform agenda, including strengthening governance and the business climate, enhancing public investment management, spurring private sector dynamism, attracting foreign investment, and diversifying the economy. Meeting these needs entails clearing structural bottlenecks, managing risks, and re-engaging development partners for concessional support.

Approved By
Montfort Mlachila
(AFR) and Tokhir
Mirzoev (SPR)

Discussions were held virtually between June 2 and June 4 followed by in-person discussions between June 9 and June 13, 2025, in Bamako, Mali. This report was prepared by a team comprising Wenjie Chen (head), Michele Fornino, Luc Tucker, Nico Valckx (AFR), Firmin Ayivodji (SPR), and Moez Ben Hassine (Resident Representative) with research assistance from Vidhi Maheshwari and editorial support by Vicky Pilouzoue and Fey Derrouis. Abdoulaye Tall (OED) also joined some of the meetings with the authorities. The team met with the Minister of Finance Mr. Alousséni Sanou and the Director of the BCEAO in Bamako Mr. Baréma Bocoum, as well as ministers, directors and staff from other ministries and government agencies. The team also met with development partners and industry bodies from the private sector.

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CONTEXT

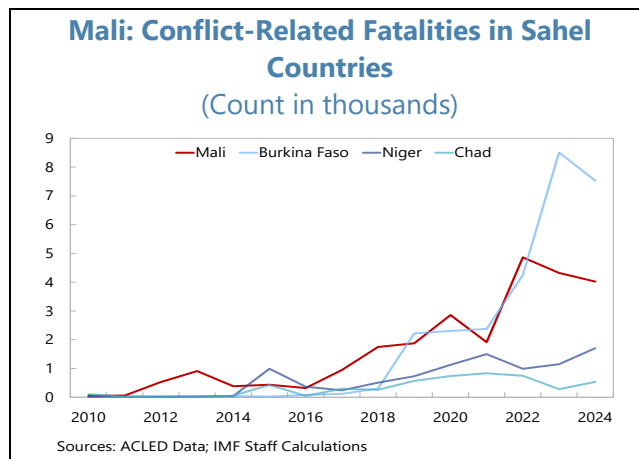
1. In 2024, Mali experienced overlapping economic, security and climate shocks. Since late 2022, the country has been struggling with a severe electricity crisis. Domestic insecurity in the northern and central regions of the country remains elevated and caused internal displacements of nearly 350,000 people in 2024. A severe heatwave in early 2024 and catastrophic flooding in the second half of 2024 have strained health, water, sanitation and road infrastructure, and further added to internal displacements. An audit carried out under the 2023 mining-code reform has prompted a protracted and escalating dispute over taxes and offshore revenues with Mali's top gold producer—responsible for 30 percent of annual output.¹ The government has halted exports, seized its inventory, prompting the company to shut production in January 2025 and filing for ICSID arbitration. A local court named a six-month provisional administrator in June, but legal proceedings are still ongoing. By contrast, negotiations with all other gold producers have reportedly been settled.

2. Political and economic policy uncertainty—domestically and globally—has surged, fueling socio-political tensions amid deep aid cuts. After dissolving all political parties—an action that sparked small protests—the National Transitional Assembly approved a renewable five-year term for the transitional president in July (Annex I). Meanwhile, domestic economic policy uncertainty remains high-driven by Mali's ECOWAS withdrawal, the implementation of the 2023 mining code reforms, and sudden tax hikes on goods and services, including telecom and mobile money providers. Rising geopolitical tensions and global policy uncertainty have exacerbated already declining aid flows. In particular, the cut in USAID funding has severely disrupted World Food Program operations in Mali, causing a 70 percent cut in assistance to food-insecure households. Similarly, funding for UNOCHA humanitarian operations has been reduced by two-thirds this year, from \$780 million to \$260 million.

3. The authorities have launched a development plan designed to lift Mali out of fragility, but it faces an uphill battle in an environment of curtailed resources. The plan sets out goals to transform Mali into a more resilient, diversified economy, targeting 10 percent annual growth by implementing ambitious reforms. However, Mali faces severe development needs: a youthful population—growing at 3 percent annually with a median age of just 15—places severe pressure on savings and public investment. Education and infrastructure lag regional norms—only three-quarters of children enroll in primary school, literacy among 15- to 24-year-olds is under 50 percent (versus 80 percent regionally), roughly half of households lack electricity (in some areas as few as 25 percent are connected), and the percentage of paved roads stands at a mere 4 percent—well below the 18.5 percent median in sub-Saharan Africa. Meanwhile, an economy still dominated by capital-intensive gold exports and over 70 percent informal non-agricultural employment underscores the urgency of diversification.

¹ The audit report has not been made public.

4. Mali’s deep structural fragility was comprehensively laid out in the May 2023 Article IV Country Engagement Strategy, and in the absence of sustained implementation, the core policy prescriptions remain relevant. Mali, like other Sahel countries, continues to suffer from various manifestations of fragility, including conflict-related fatalities. Lifting Mali out of fragility has become all the more daunting amid constrained fiscal resources, protracted insecurity, significant aid cuts, and rising domestic and global policy uncertainty. The \$129 million disbursement in April 2025 under the IMF’s Rapid Credit Facility (RCF), combined with a Staff-Monitored Program (SMP), helped offset some of the strain on the budget, related to the aftermath of the 2024 flooding, with the SMP focused on structural reforms to strengthen fiscal governance and transparency. However, overall needs have increased in recent years, exacerbating Mali’s structural fragility.

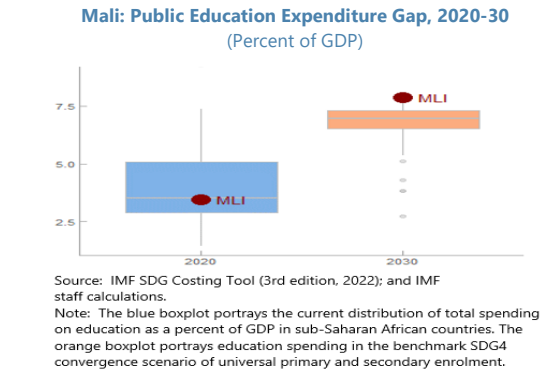
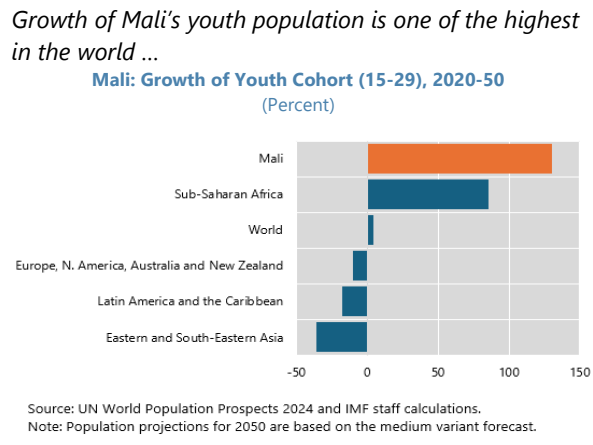
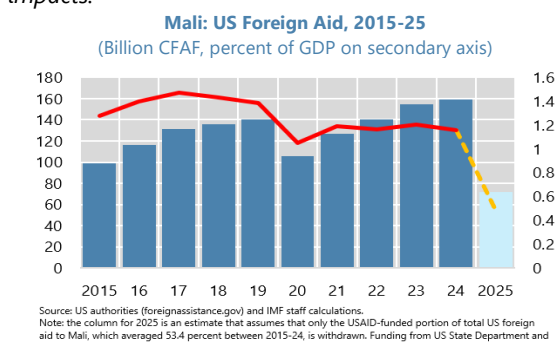
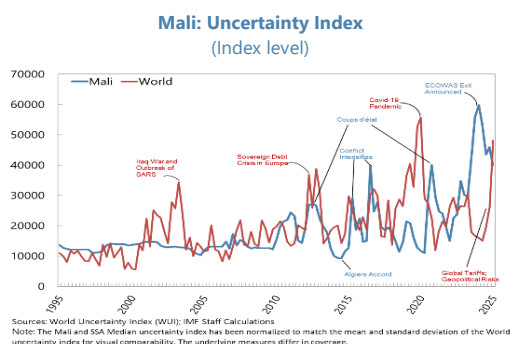


Mali: Conjunctural and Structural Trends

Domestic uncertainty in Mali has been surging since 2023, matched by rising global uncertainty in 2025, ...

... while aid flows to Mali have been on a structural decline, large cuts to US aid will have significant impacts.

... putting huge pressure on education spending.

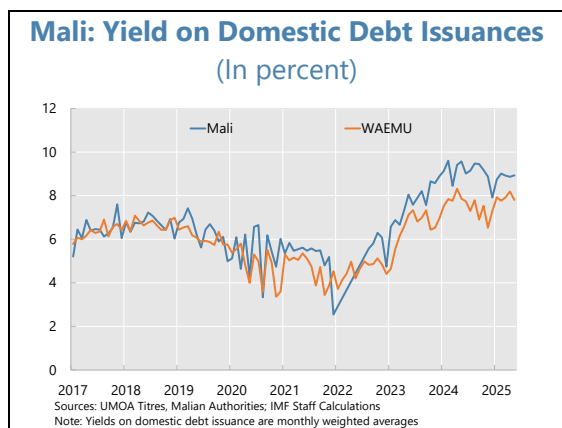


5. Mali scored a major governance win in June 2025 when FATF removed it from the grey list, acknowledging the country’s significant progress in AML/CFT and anti-corruption reforms.² The achievement crowns a broader reform drive over the past several years (Annex II): the July 2023 constitution set up an independent financial-audit body outside the Supreme Court; new directives toughened investigations and prosecutions of economic crimes; specialized prosecutors were created; and a national anti-corruption strategy was launched through 2027. Mali also remains an active member of the UN Convention against Corruption. Parallel efforts to curb the wage bill, digitalize tax collection, and mitigate food insecurity are moving ahead, though deeper structural reforms, wider safety nets, and a clear medium-term action plan are still needed to convert these advances into lasting development gains.

RECENT ECONOMIC DEVELOPMENTS

6. Mali’s economy has shown continued resilience despite significant headwinds, growing by an estimated 4.7 percent in 2024, although inflation has ticked up. A combination of factors, including the electricity crisis (Annex III), the flooding disaster, lower gold mining output and sharper-than-expected fiscal consolidation, dampened activity in 2024, but better than expected agricultural output provided an offset, resulting in broadly similar growth as in 2023. Inflation increased from 2.1 percent in 2023 to 3.2 percent in 2024, driven largely by higher food prices and supply disruptions following the flooding.

7. The authorities reduced the fiscal deficit from 3.6 percent of GDP in 2023 to 2.6 percent in 2024, amid costly and limited financing conditions. With Mali’s interest rates on the regional market frequently approaching 10 percent, the authorities raised only around two thirds (CFAF 975 billion) of their planned financing on the regional market in 2024. Lacking external budget support, the authorities supplemented the remaining financing needs with exceptional payments from mining and telecom companies, and a leaner, albeit still sizeable, public wage bill. Capital expenditure remained at historically low levels relative to GDP.³



8. Management of state-owned enterprises (SOEs), especially the electricity company, remained challenging. Mali’s state-owned electricity company, EDM, continued to face substantial losses in 2024, losing about 0.4 percent of GDP—an improvement from 1.2 percent in 2023. Losses

² <https://www.fatf-gafi.org/fr/countries/liste-noire-et-liste-gris.html>.

³ Domestically financed investment increased from 2.8 percent of GDP in 2023 to 3.7 percent in 2024, while externally financed investment declined, from 0.9 to 0.4 percent. Historically, capital expenditures averaged over 6.5 percent of GDP between 2010 and 2021.

persist because lower sales and higher oil prices cannot be offset by tariff hikes or additional subsidies under current budget constraints. To ease EDM's cash crunch, the government restructured the utility's short-term bank debt in March 2024. It also struck a fuel-supply deal with Niger in April, though implementation has been limited by logistics (Annex III). Other major state enterprises face similar challenges: CMDT finances and processes raw cotton, while SOMAGEP/SOMAPEP handle water services and infrastructure—both have struggled to turn a profit for years.

9. Public debt stabilized in 2024 at nearly 52 percent of GDP after years of rapid growth. However, the debt composition has shifted: the share of external debt in total public debt fell to 46.8 percent in 2024, from 50.8 percent the year before. Debt service costs eased modestly to just under 7 percent of GDP in 2024, reflecting reduced new short-term debt issuances. Arrears remained elevated, with domestic arrears amounting to CFAF 363 billion (2.6 percent of GDP) at end-2024, while external arrears rose between 2022 and 2024, standing at CFAF 99 billion at end-2024 (0.7 percent of GDP).

10. Mali's external position in 2024 was broadly in line with medium-term fundamentals and desirable policies. The current account deficit narrowed to 4.6 percent of GDP in 2024 from 7.6 percent in 2023, driven by lower petroleum and commodity import prices and reduced service imports following the end-2023 MINUSMA departure. Strong private capital inflows, bolstered by exceptional mining payments and increased FDI more than offset the record-low public portfolio inflows and helped turn the overall balance into a 2.4 percent of GDP surplus in 2024, a significant improvement from the 4.3 percent deficit in 2023. The external sector assessment under the Fund's EBA-lite methodology suggests that the current account deficit is about 0.4 percent of GDP lower than what can be explained by fundamentals (Annex IV).

11. The banking system appeared stable in 2024, although credit and deposit growth came to a halt. Risk-weighted capital ratios remained high at 15.2 percent in December 2024, and asset quality remained unchanged from end-2023 to December 2024, with the gross NPL ratio at 11.9 percent. Credit and deposit growth rates on the other hand entered negative territory during 2024, with a slight rebound towards end-2024 and early 2025, especially for households. This negative trend, especially demand deposit growth, likely reflects the withdrawal of available savings to respond to emergencies, while economic uncertainty may have contributed to near-zero credit growth towards the end of 2024, particularly for corporates.

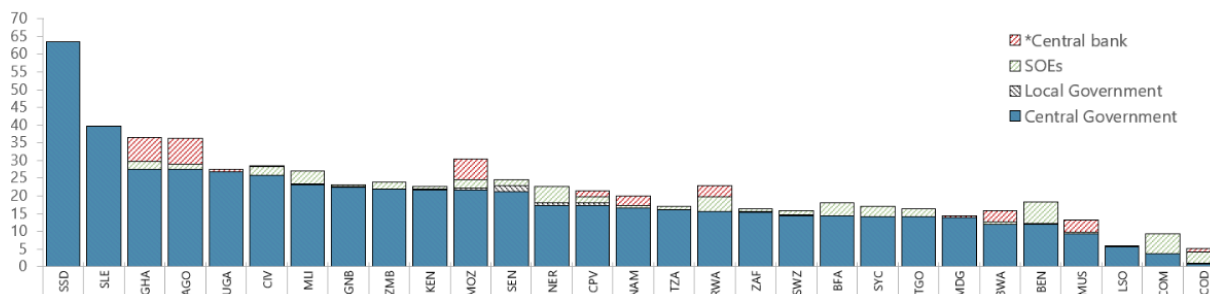
12. The authorities have a more sanguine view of economic developments in 2024. They highlight how GDP growth has been rising since 2021, despite the numerous shocks, and expect that trend to continue. They note the resilience of agricultural production, notwithstanding the flooding—damaging mainly the existing food stocks—the vastly improved security situation, and adaptation of businesses and households to the energy crisis.

Mali: The Bank-Sovereign Nexus

Malian banks have a relatively high exposure to sovereign debt compared with some other sub-Saharan African countries.

Mali: Public Sector Bank Nexus

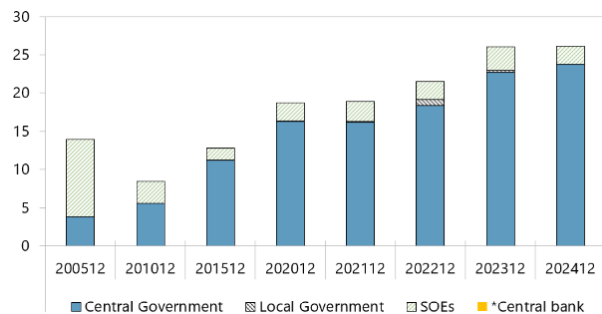
(by public sector entity, including loans and debt securities, percent of banks' assets)



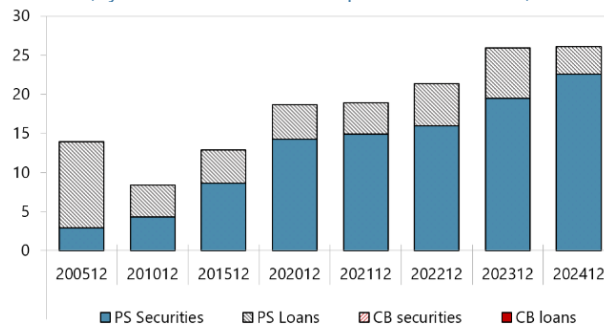
Exposures have risen from 5 to 25 percent of bank assets,

mainly through increased government bond holdings,

Mali: Banks' Exposure to the Public Sector (by public sector entity, percent of assets)



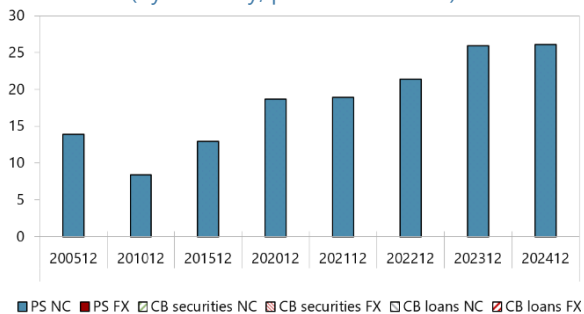
Mali: Banks' Exposure to the Public Sector (by financial instrument, percent of assets)



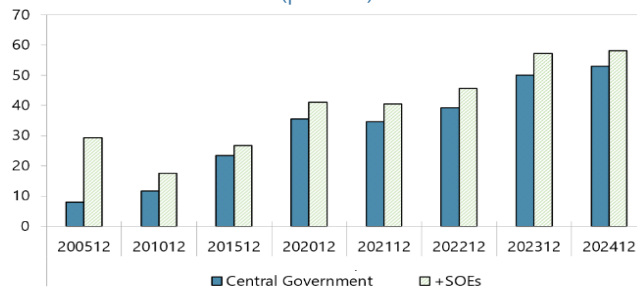
and all denominated in local currency.

This raises the risk of crowding out private sector lending.

Mali: Banks' Exposure to the Public Sector (by currency, percent of assets)



Mali: Claims on Public Sector / Claims on Private Sector (percent)

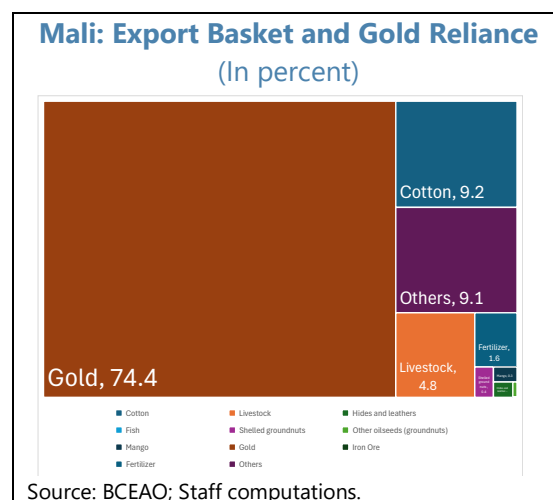


OUTLOOK AND RISKS

13. Growth is expected to increase to 5 percent in 2025. Tailwinds include stronger agricultural output, a rebound in services, and higher-than-expected lithium production. On the other hand, lower gold production from a more prolonged shutdown and the possibility of lower production during the court-appointed administration will weigh negatively on growth. The benefits

of record-high gold prices have been eroded by the observed US dollar depreciation since early 2025 (Figure 1 and 2). Softer oil prices since April 2025 have eased the electricity crisis, although that relief could fade if tensions in the Middle East persist through 2025. Finally, uninterrupted free trade within WAEMU and unrestricted mobility across ECOWAS have muted the impact of Mali's ECOWAS withdrawal.

14. Staff projects medium-term growth of slightly above 5 percent under current policies and amid continued uncertainty. Over the medium term, non-mining output is expected to increase and exploration beyond gold and lithium is likely to grow. However, entrenched bottlenecks and limited diversification—Mali has added just six new agricultural export products since 2008—still constrain Mali's long-run growth potential. Realizing the government's Vision 2063 goals of moving into lithium processing, cotton-to-textiles, and other value chains will therefore hinge on easing those constraints (Annex V).



15. Inflation is projected to rise to 3.5 percent in 2025 but expected to converge to 2 percent from 2026 onward. The rise in 2025 reflects higher year-to-date inflation outturns, mainly from higher food prices, and notable increases for alcohol and tobacco, housing and utilities. Going forward, inflation is expected to moderate as select price increases will taper, reflecting one-off tax increases.

16. The current account deficit is set to narrow to 4.8 percent of GDP in 2025 and further to 2.8 percent in 2026, down from 4.6 percent in 2024. This improvement reflects lower oil prices and a stronger CFA franc vis-à-vis the US dollar (Figure 3), which more than offsets increased imports for flood recovery, weakness in public portfolio inflows, the withdrawal of USAID aid, and subdued gold output. By 2026, the current account is projected to improve markedly to -2.8 percent of GDP, thanks to improved terms of trade driven by higher gold prices, a rebound in gold production, and stronger-than-expected lithium exports. The direct impact from the newly imposed baseline 10 percent tariff on exports to the US is expected to be minimal, considering that exports of Mali to the United States averaged only US\$4.6 million annually between 2015-2024 (less than 0.05 percent of Malian GDP), and its main export, gold, benefits from a sustained global demand. In the medium-term, the current account deficit is projected to widen as gold export volume remains flat amid stabilizing gold prices. Moreover, the baseline foresees multilateral and some bilateral grants and loans resuming gradually from 2027, but inflows would peak at only 0.4 percent of GDP by 2030—well below the 1 percent average in the 2020s.

17. The fiscal deficit is expected to widen to 3.4 percent of GDP in 2025, driven in part by lower mining-related revenues and higher flood recovery spending (Figure 4). Compared to the 3.1 percent fiscal deficit in the April 2025 RCF/SMP staff report, the increase is partly due to the prolonged shutdown of the largest mine during 2025, plus residual uncertainty about production for the rest of the year. While the shortfall in tax receipts is partially offset by other revenue mobilization

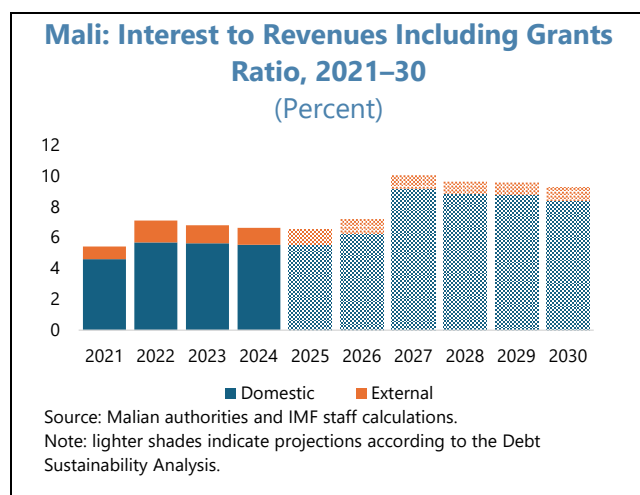
measures including the implementation of the 2023 mining code, and higher production in other smaller mines, non-tax receipts are expected to be lower as a share of GDP. On the spending side, reconstruction outlays to restore roads, bridges, and other damaged infrastructure elevate public investment, while a modest rise in the wage bill—reflecting deferred 2024 recruitment—adds to current spending. Total priority and development spending, which includes expenditure on areas such as education, health and food insecurity, as well as some infrastructure investment, was CFAF 260 billion in the first five months of 2025, or 1.8 percent of GDP, higher than the authorities' projection of CFAF 205 billion, or 1.4 percent of GDP, for the first half of the year. Priority and development spending costs in 2025 will be partly covered by the April 2025 RCF disbursement. Bilateral aid inflows into Mali have been managed largely off-budget, but shortfalls could potentially add to the government's gross financing needs if public spending increases to replace those reduced aid inflows.

18. The fiscal deficit is projected to decrease to 3.2 percent in 2026 and then to return to 3 percent of GDP in 2027, to be consistent with the WAEMU deficit target.

Fiscal revenues are expected to remain unchanged as a share of GDP in 2026, as revenue-mobilizing reforms increase receipts while the exceptional payments from mining companies received in 2024 and 2025 are not expected to continue. Under the baseline, the 2023 Social Stability and Growth Pact is assumed to contain wage growth and limit new hiring, while a presumed gradual

improvement in security conditions allows a modest reduction in goods-and-services spending. These savings are projected to narrow the deficit by roughly 0.2 percentage points of GDP in 2026. With both revenues and spending expected to remain broadly unchanged in 2027 and the anticipated gradual resumption of on-budget donor support, the fiscal deficit is projected to fall back further to 3 percent of GDP. Beyond 2027, continued revenue-mobilization reforms are assumed to fund higher public investment, while current spending is expected to decrease as a share of GDP. The medium-term fiscal projections are anchored by the commitment to maintain the fiscal deficit at or below the WAEMU deficit ceiling of 3 percent of GDP.

19. Public debt is expected to fall slightly as a share of GDP in 2025 and continue to gradually decline over the medium term. Mali's risk of external and overall debt distress is assessed to be moderate, although downside risks have increased since 2023. Mali has accumulated sizable domestic arrears since 2022, following the ECOWAS sanctions and the tightening of financial



conditions. Domestic arrears amounted to CFAF 363 billion (2.6 percent of GDP) at end-2024.⁴ External arrears also rose steadily during 2022-24 and amounted to CFAF 99 billion at end-2024 or 0.7 percent of GDP. The debt-to-GDP ratio will fall slightly in 2025, on the back of the weaker US dollar and is expected to gradually fall over the medium term—assuming significant future fiscal discipline, gradual easing of global financial conditions, and a slow-paced resumption of external support.

20. Risks to the outlook remain significantly tilted to the downside (Annex VI):

- **Ongoing uncertainty around the future of Mali's largest gold mine could deepen revenue loss and weigh on growth.** Uninterrupted operation of this mine would have raised real GDP growth by 0.7 percentage points and fiscal revenues by 0.7 percentage points of GDP in 2025, excluding one-off payments. A longer closure, a protracted transition and ongoing uncertainty could trigger sharper growth downgrades, lower fiscal revenues, and further external imbalances. The local court decision to transfer administrative operation could also deter new foreign investment, especially greenfield exploration, jeopardizing Mali's medium-term growth prospects.
- **An escalation of security risks from ongoing domestic and regional conflicts and socio-political tensions could weigh further on growth.** They would fuel already-elevated uncertainty, food insecurity, and internal displacement. The approval by the National Assembly of a renewable five-year term for the president without elections could deter some international partners from providing financial support.
- **Malian banks' growing exposure to government bonds may point to increasing financial stability risks from the bank-sovereign nexus.** Escalating government financing needs, persistently high security expenditures, poor SOE performance, and increased interest payments—combined with banks' high concentration of domestic debt could potentially strain liquidity and solvency. On the other hand, higher mining revenues from the revised mining code would attenuate these risks.
- **Mali remains highly vulnerable to extreme climate events,** as it has suffered from alternating drought and flooding crises in the past few years, exacerbating poverty and food insecurity.
- **On the upside, lower oil prices may help accelerate relief for the electricity crisis.** It would reduce the operating cost of thermal power plants. New solar and hydropower capacity—along with planned grid upgrades around Bamako—are also due to come online in 2026, promising

⁴ Domestic arrears are defined as payments overdue for more than 90 days. These payments include obligations to private sector suppliers and to other entities of the state or SOEs, which are reported separately. The government continued to make timely repayments of domestic debt issues on the UMOA-Titres exchange since the ECOWAS sanctions of 2022 were lifted. The authorities reaffirmed their commitment to clearing domestic arrears, and they have formulated a plan that foresees the first reduction in net terms by 2026.

further improvements in supply if realized. Oil prices have been volatile in 2025, however, and any increase in oil prices could renew challenges around energy supply.

Authorities' Views

21. The authorities have a more upbeat economic outlook for 2025 and the medium term. They expect the loss of output from Mali's largest gold mine to be compensated by higher extraction at other mines, higher gold prices, and higher lithium production. Starting in 2026, they see Vision 2063 reforms taking hold, continued improvement in the security situation, and further increases in lithium production. They are also more optimistic about fiscal revenues coming from the 2023 revised mining code and from new exploration.

22. The BCEAO National Directorate of Mali noted that credit growth will improve in 2025. They pointed to the recent reduction of the BCEAO monetary policy rate and saw no major risks to financial stability in Mali.

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
				Prelim.	Est.	Projections				
Real GDP growth (percent)	3.1	3.5	4.7	4.7	5.0	5.4	5.2	5.1	5.1	5.1
Consumer price growth (average, percent)	3.8	9.7	2.1	3.2	3.5	2.0	2.0	2.0	2.0	2.0
Public debt (central government, percent of GDP)	51.6	50.3	51.9	51.7	50.5	49.5	48.8	48.1	47.7	47.4
Overall balance (central government, percent of GDP)	-4.9	-4.7	-3.6	-2.6	-3.4	-3.2	-3.0	-3.0	-3.0	-3.0
Tax revenue	15.3	13.2	14.8	15.8	15.8	15.6	15.6	15.7	15.8	15.9
Other revenues	6.0	6.0	5.8	6.2	5.7	5.9	6.0	5.9	6.0	6.0
Grants	0.7	0.4	0.7	0.1	0.3	0.3	0.6	0.9	1.2	1.3
Expenditure	26.9	24.4	24.8	24.7	25.2	25.0	25.1	25.6	25.9	26.1
Current account (percent of GDP)	-7.6	-7.7	-7.6	-4.6	-4.8	-2.8	-2.8	-3.2	-3.6	-4.6
Exports (% of GDP)	25.2	27.9	26.7	24.1	26.3	28.2	27.7	27.1	26.5	25.2
Imports (% of GDP)	-26.7	-29.0	-27.0	-24.3	-25.5	-25.2	-24.8	-24.7	-24.5	-24.1
Overall balance of payments	-0.5	-3.8	-4.3	2.4	-0.8	1.7	1.9	1.7	1.8	0.9

Sources: Malian authorities; and IMF staff estimates and projections.
Note: debt-related numbers in the tables are updated based on using 2023 as the first projection year, instead of 2022 which was the treatment during the 2023 A4 mission.

POLICY DISCUSSIONS

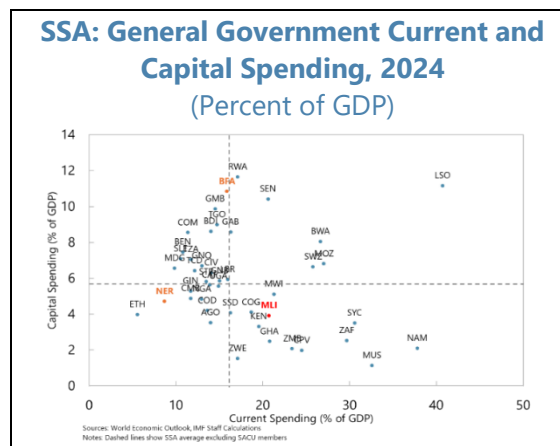
Policy discussion focused on three policy priorities⁵: (i) tailoring short-term fiscal policy to cope with curtailed fiscal revenues and deep aid cuts amidst heightened uncertainty; (ii) advancing structural reforms to underpin medium-term growth and aligning the authorities' ambition with realism; and (iii) deepening governance and PFM reforms—including progress on SMP structural benchmarks.

A. Fiscal Policy: Making Do With Less

23. Following the warranted increase in the fiscal deficit in 2025, discussions focused on how to safeguard fiscal sustainability while protecting growth-friendly capital and social spending amid limited revenues, costly financing, and deep aid cuts. The fiscal deficit was brought below 3 percent of GDP in 2024, but that was achieved by significant cuts to capital

⁵ Monetary policy issues are covered in the WAEMU regional consultation.

spending. Further cuts to capital and social spending risk undermining growth and livelihoods of the poor. The high share of government revenues allocated to military spending, public wages, and interest payments also remains elevated. The increase in the fiscal deficit in 2025 reflects lower fiscal revenues combined with critical spending needs facing Mali, particularly in response to the catastrophic 2024 flooding and foreign aid cuts, which make reducing overall expenditures difficult. The authorities remain committed to reducing the fiscal deficit to below the 3 percent ceiling for WAEMU countries by 2027, while protecting investment and other priority spending. A sustainable, growth-friendly adjustment requires boosting domestic revenue mobilization, and, on the expenditure side, “doing more with less” by curbing waste, improving spending efficiency, prioritizing high-impact social programs, and rationalizing costly subsidies.



24. Discussions around the implementation of the 2023 revised mining code focused on the expected impact on fiscal revenues as well as minimizing policy uncertainty to avoid deterring investors. The 2023 mining code’s statutory regime aims to allocate a greater share of revenues to the government through sliding-scale royalties, higher rates, greater state equity, and priority dividends. Assuming full compliance by mining companies, the revised mining code could increase fiscal revenues, but these measures could also push Mali’s effective tax rate on mining far above that of its peers. The revised mining code is somewhat progressive with regard to gold prices, but the high reliance on quasi-royalties induces a potentially regressive burden with respect to costs. This risks deterring new exploration and could shorten mine lifespans if prices slump. The new regime could also lead to “high-grading” whereby higher cost-per-unit deposits are left unexploited (see also Annex II, IMF Country Report No. 25/106, May 2025). Staff therefore sees a risk that some investors may reduce their investment in Mali, which would have adverse effects on mining revenues in the longer term.

25. Staff suggested that efforts to broaden the tax base should follow the recommendations in the 2023 TADAT assessment. Staff advised that tax-raising measures should focus on accelerating digitalization of tax payments for large and medium enterprises, generalization of the mobile tax payments for small and micro taxpayers, expansion of data sources for tax cross-checking purposes, strengthening of intelligence function and taxpayers’ risks analysis, and completing digital links between tax, customs, and treasury systems (see section on Governance). Other key reforms are VAT exemption rationalization and excise taxes (see Annex II). In the medium term, given the large financing pressure in future years and continued decline in aid flows, staff emphasized that domestic revenue mobilization will be crucial to fund the additional financing needs.

26. Setting out a detailed medium-term fiscal framework, in line with regional recommendations, was seen as a way to reinforce public financial management. Staff voiced support for the WAEMU Commission’s modified 2024 Domestic Revenue Mobilization Action Plan calling for the adoption of a Medium-Term Revenue Strategy for all countries, but noted that for many countries in the region the 2025 deadline seems unlikely to be met.⁶ Staff suggested making use of available technical assistance as necessary.

27. During discussions around controlling public spending, staff identified reforming SOEs, managing the public wage bill and ensuring that subsidies are well targeted as the most important measures. Staff recommended reforming loss-making SOEs—particularly EDM, CMDT, and SOMAGEP/SOMAPEP—through enhanced oversight, strengthening performance management, and cost-effective tariffs, including with World Bank and other technical assistance, including on sequencing of these reforms. Further efforts to contain the wage bill would help to create additional fiscal space and could be achieved through targeted hiring freezes, attrition-based staffing, and a unified, performance-based pay scale to meet the WAEMU’s 35 percent ceiling. Phasing out broad subsidies on fuel and electricity in favor of targeted social transfers would also reduce current spending pressures.

28. Staff viewed the protection of public investment and priority social spending as crucial to avoid curtailing future economic growth. To maximize the impact of capital spending on growth, staff stressed that it will be important to avoid further cuts to capital spending, as well as ensuring the quality and efficiency of public investment. Improving project selection, for example through a centralized asset registry, prioritized pipeline and stronger project management, could all help to improve standards, particularly if paired with deepened PFM reforms. Having increased priority social and development spending in the first half of 2025, staff urged the authorities to continue their efforts to protect the most vulnerable and provide the conditions needed for human capital development—as envisaged under the SMP—for example, by expanding targeted cash transfers to tackle widespread food insecurity, in close coordination with development partners.

Authorities’ Views

29. The authorities emphasized that they remain committed to fiscal discipline and controlling arrears, while maintaining social spending. They expect a significant boost to fiscal revenues from the 2023 revised mining code and expect to see higher mining investments, while noting that Mali compares favorably with other resource-rich countries and emphasizing the progressivity of the mining taxation, with dependency on the level of gold prices and production. They see scope for further revenue mobilization and expenditures control efforts, including further tax measures, and wage bill restraint (see 2025 RCF report, pp. 69-75, for details). They agree on the importance of having a credible fiscal framework and remain open to working with technical assistance providers to build on progress made to date. The authorities are also committed to

⁶ See June 2025 Selected Issues Paper on [Domestic Revenue Mobilization in WAEMU](#) for more details.

poverty reduction in line with the response plan to last year's flooding and Vision 2063 in the long term.

B. Structural Reforms: Unlocking Sustainable, Inclusive Growth

30. A strong private sector, supported by an improved business climate, is needed to support long-term growth prospects. The authorities agreed with staff that Mali's resource wealth and youthful population offer strong growth potential, but persistent security risks, economic policy uncertainty, and climate shocks undermine its prospects.⁷ The authorities also recognized that in this constrained fiscal environment, the private sector needs to lead efforts to reignite growth—creating quality jobs, economic diversification, and enhancing productivity. They are actively working on attracting more FDI, especially in the mining sector. Attracting private investment will require deeper reforms to improve the business climate, more policy predictability, and stronger governance. The structural policy recommendations from the 2023 Article IV consultation remain relevant, but staff has drawn specific attention to policy uncertainty (see SIP and below) and the need for concrete steps to advance the authorities' development plan, while aligning ambition with realism.

31. Further reducing uncertainty will be key to achieving a more stable investment climate. High fixed costs deter investors when the policy outlook is unclear—especially amid tight global financing conditions and shrinking aid, dragging growth. Greater policy stability and transparent regulatory frameworks—especially around mining taxes—along with macroeconomic stability, can encourage long-term capital commitments and boost financial market efficiency. Staff's SIP on uncertainty underlines how greater policy stability translates directly into higher growth and resilience. The authorities additionally noted the importance of a stable security situation.

32. Timely implementation of the national development plan will unlock sustainable and stronger growth, if it manages to overcome challenges that have plagued Mali's development in the past. Earlier this year, the authorities launched Mali's Vision 2063—a plan to reach 10 percent growth over the next 40 years, with phased 10-year implementation periods, initially built around the development of regional economic hubs and key economic sectors, transportation and infrastructure investments, skills development, improved healthcare and strengthened governance. Staff agreed with the authorities' priorities of tackling binding bottlenecks, including the ever-growing demand for electricity, the poor condition of transportation and ICT infrastructure, lack of access to water, sanitation, and education. Staff also stressed the importance of measures to improve the business climate, creating more certainty (see previous paragraph), and governance reforms (see below). The authorities are focused on the expansion of existing sectors (gold, lithium, textiles) to help kickstart the diversification process. Staff cautioned that industrial policies can support diversification by addressing market failures but must be well-designed and effectively

⁷ The authorities have prioritized climate change adaptation policies (see 2025 RCF report, p. 74, for details).

implemented, and the bar to get such policies right is high.⁸ Staff referred to the common lessons from successful industrial policies, including maintaining macroeconomic stability, investing in human capital, and fostering competition. Staff noted the importance of acknowledging the limitations of a government-led development strategy and clarifying the financing constraints and availability of external funding, amid uncertain geopolitical trends.

Authorities Views

33. The authorities maintained that policy uncertainty is contained, pointing to ongoing structural reforms and their long-term growth agenda. They cited continued investment in the mining sector—including the opening of a second lithium mine—and recent judicial reforms as evidence of a stable environment, noting that some international rankings might not fully reflect these advances. Key priorities include a greater focus of education spending on primary, technical and vocational training, improving EDM and energy sector performance, and strengthening social cohesion, governance and the country’s security.

C. Governance Reforms: Sustaining Momentum

34. Strengthening governance is essential to efficient spending, donor trust, and attracting private investment. Following the 2019–22 ECF-supported program and the 2021 Governance Diagnostic (see a 2023 SIP), Mali has implemented a range of anti-corruption, judicial and AML/CFT reforms.⁹ Yet, the policy discussion revealed that some gaps persist, including underreported asset declarations, weak SOE oversight, and undocumented off-budget operations (so-called stock-flow adjustments, documented in a 2023 SIP) that add to public debt. Staff advised the authorities that continued commitment to deepen PFM and governance reforms—leveraging some remaining recommendations from the 2021 Governance Diagnostic Assessment and ongoing IMF technical assistance—are key to narrow these gaps.

35. Mitigating corruption and strengthening the rule of law should help restore investor confidence and spur growth. Recent fraud cases, particularly in SOEs, and historically high arrears to suppliers highlight vulnerabilities in government payment and procurement systems. Staff welcomed the authorities’ efforts of strengthening key governance bodies such as the Auditor General’s office, prosecution services, and courts—resourcing them to clear case backlogs—and strengthening judicial integrity but noted limited progress on asset declarations by high-level

⁸ See the July 2024 IMF Departmental Paper on “Economic Diversification in Developing Countries: Lessons from Country Experiences with Broad-Based and Industrial Policies” (DP/2024/006).

⁹ Governance/judicial reforms include the launch of a National Economic and Financial Pole against financial crimes in 2021 and against cybercrime in 2022; unified specialized anti-corruption bodies under a national strategy; a central register of beneficial ownership information on legal entities – including in the mining sector; the creation of an agency responsible for recovery of seized assets (ARGASC) in 2022; the creation of a special prosecution service in the fight against transnational organized crime in 2023, and of a national directorate of human rights in 2023; and empowerment of the Court of Auditors.

officials.¹⁰ Staff further recommended to strengthen SOE oversight with independent boards and rigorous performance accountability. Progress on asset declarations, however, remains limited—only 74 were filed in 2024 and none have been published. Efforts should focus on near-term improvements on disclosure and publication by high-level officials. Staff also commended Mali’s active role in the UNODC’s corruption review process and its service as a peer reviewer for countries such as Senegal, Albania, and South Africa.

36. There has been solid progress under the SMP, which focuses on initiatives to strengthen public financial management through greater accountability and transparency.

The May 2025 census of public-sector bank accounts has mapped dormant balances and sets the stage for a Treasury Single Account, while integration of tax, customs, and treasury IT systems is on track for end-July completion, promising better data sharing and transparency—both in line with or ahead of, the timetable for completion under the SMP. Finally, the authorities indicated that they will also undertake a first internal review of the initial use of the April RCF disbursement in July 2025 to confirm the funds’ alignment with program goals.

37. Improving fiscal governance of the mining sector could underpin long-term sound public financial management.

Staff cautioned that regulatory uncertainty and reputational damage from the protracted legal dispute with the largest mining company could deter new mining exploration and undermine long-term investment. Certain aspects of the revised mining code such as the state’s right of first refusal could create legal ambiguity for explorers seeking to obtain a subsequent exploitation permit, however, the authorities note that all but one operating mining company has already accepted these terms. Similarly, staff noted that uncertainty remains about the scope of the new state mining entity, SOREM, set up to explore and develop mines. Therefore, staff stressed the need to establish clear, transparent, and stable rules for sector oversight, and on ensuring any new state entities or partnerships operate with strong accountability and transparency that reduce regulatory risk. Staff stressed the importance of insulating the budget from commodity swings by buffering windfall revenues rather than letting them fuel pro-cyclical spending.

38. Sustaining progress in beneficial ownership transparency measures will increase corporate accountability and help combat tax evasion and corruption.

Staff welcomes recent measures such as the operationalization of the centralized beneficial ownership register, with 3,143 declarations made in 2024, and the momentum should be sustained, including by applying administrative sanctions (in line with FATF Recommendation 24 and Law 2023-049 of August 31, 2023) to non-compliant entities; verifying the accuracy of the information provided; and ensuring the information’s availability to competent authorities in a timely manner.

¹⁰ In 2024, Mali took steps to amend the penal code and criminal-procedure code, publicly released annual reports for all courts, undertook routine audits of government agencies, tightened internal controls, and continued the digitalization of payments and filings. In terms of judicial resourcing, the recruitment of 316 court auditors and 245 chief clerks over three years accelerated case processing and bolstered commercial courts.

Authorities Views

39. The authorities share staff’s emphasis on the need for sustained governance reforms and noted the important progress made. Besides all reforms discussed above, they also noted that further reforms are underway, including at the Court of Auditors (responsible for auditing public finances, to be elevated from a section of the Supreme Court), the High Court of Justice (responsible for investigating crimes by state officials, with a clearer anti-corruption mandate) and the Supreme Court (tasked to hear appeals from lower courts and give opinions on draft laws and decrees, with organizational reforms underway to adapt to the new Constitution from 2023). They also emphasized the removal of Mali from the FATF gray list on June 13, 2025, as a tangible sign of the progress made in the fight against money laundering and financing of terrorism.

D. Other Issues

40. The latest safeguards assessment of the BCEAO, completed in August 2023, found that the central bank continues to have well-established audit arrangements and a strong control environment. The BCEAO is in the process of addressing the assessment's recommendation to align its statute with changes in the 2019 cooperation agreement with France.

41. IMF capacity development programs will continue to support the authorities’ ongoing reform efforts. IMF technical assistance will remain focused on the authorities’ top priorities—domestic revenue mobilization, PFM, and governance reforms (Annex VII). With Fund support, Mali is strengthening fiscal reporting for extra-budgetary entities, harmonizing debt records, and upgrading national accounts to SNA 2008 standards. Yet some data gaps in granularity, timeliness, and consistency persist (Annex VIII), underscoring the need for improved real- and external-sector statistics and the publication of quarterly balance-of-payments data. To bolster forecasting, staff and authorities have agreed to launch a new CD workstream on macroeconomic modeling for short- and medium-term growth projections at Mali’s national statistics agency (INSTAT).

STAFF APPRAISAL

42. Growth is expected to reach 5 percent in 2025, reflecting the resilience of Mali’s economy. The improved outlook is due to better-than-expected agricultural production, the start of lithium extraction and continued growth in services, supported by improved electricity supply and fewer outages. The decrease in foreign aid, lower gold production and the shutdown of the largest mine due to a protracted dispute with the government weigh negatively on the outlook. The current account deficit will narrow to 4.8 percent of GDP, reflecting lower oil prices and a stronger CFA franc, while the fiscal deficit is expected to widen to 3.4 percent of GDP.

43. Mali’s economic outlook faces substantial downside risks. The uncertainty around Mali’s largest gold mine weighs heavily on the outlook and could deter new foreign investment. A resurgence of security risks could also weigh down growth, exacerbate food insecurity and cause renewed internal displacements. Similarly, a jump in oil prices could cause the electricity crisis to

reappear. Vulnerabilities in the financial sector should be contained, as external financing conditions remain tight and risks around the bank-sovereign nexus have intensified amid high government financing needs. In addition, climate risks loom large, given Mali's exposure in recent years to drought, damaging floods, and pest outbreaks.

44. Having allowed a warranted increase in the fiscal deficit in 2025, the government will have to “make do with less” to bring the fiscal deficit back below the WAEMU deficit ceiling of 3 percent of GDP by 2027. Staff welcomes the authorities' commitment to reduce the deficit to below the WAEMU deficit ceiling, which they hope to achieve thanks to higher mining revenues under the revised mining code from 2023. As this remains uncertain, staff believes this goal should mainly be pursued through enhanced domestic revenue mobilization and stricter expenditure control, notably by managing the public wage bill, SOE reform and ensuring subsidies are well-targeted. Staff cautions against reductions in capital expenditure which would constrain Mali's long-term development and growth prospects, and calls for protecting the most vulnerable, through targeted social transfers.

45. Over the medium term, structural reforms will be key to develop Mali's growth prospects. As the government is likely financially constrained, the private sector will have to play a larger role to reignite growth. To do so, it will be important that the authorities create a stable and welcoming business environment. Transparency of regulatory frameworks and a commitment to tackling binding bottlenecks to capital, labor and technological progress will be key. The government's long-term growth agenda is ambitious and strategic, but regional collaboration and renewed engagement with bilateral and international partners will be required to help finance and implement that agenda.

46. In addition, governance reforms will need to continue to play an important role to improve Mali's business environment and attract foreign investment. Staff welcomes the progress made in the fight against corruption and reforms to strengthen the rule of law. Similarly, reforms to strengthen public financial management such as digitalization, enhancing the coordination between tax services and adopting a medium-term fiscal framework will result in greater accountability of the government. Staff encourages continued effort to sustain progress in beneficial ownership transparency and on asset declarations, to fight tax evasion and corruption. Finally, transparent implementation of the new mining code will be essential to enhance Mali's attractiveness as a destination for FDI.

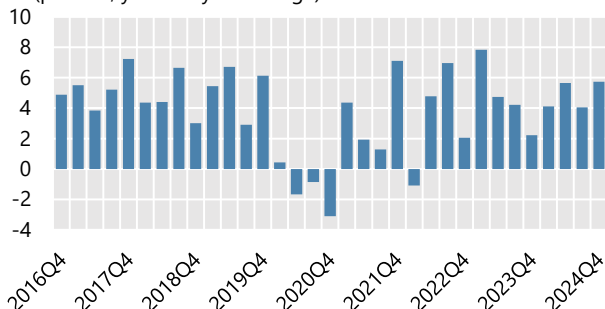
47. Staff recommends that the next Article IV consultation for Mali be held on a 12-month cycle.

Figure 1. Mali: High-Frequency Indicators

Real GDP growth continued at similar levels in 2024 compared with 2023...

GDP Growth

(percent, year-on-year change)

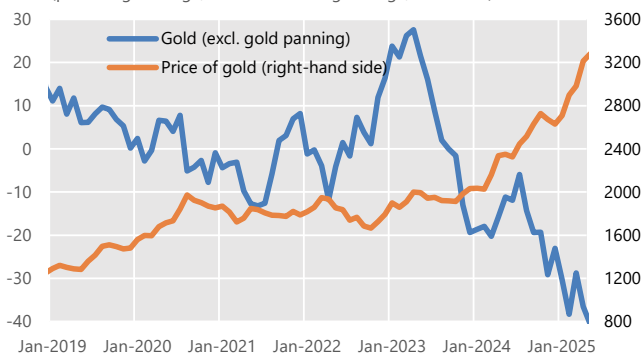


Source: INSTAT, staff calculations

Meanwhile, gold production continued to decline in 2024, despite the steady increase in gold market prices, ...

Gold Production and Gold Price

(percentage change, 4 months moving average, US\$/tr.oz.)

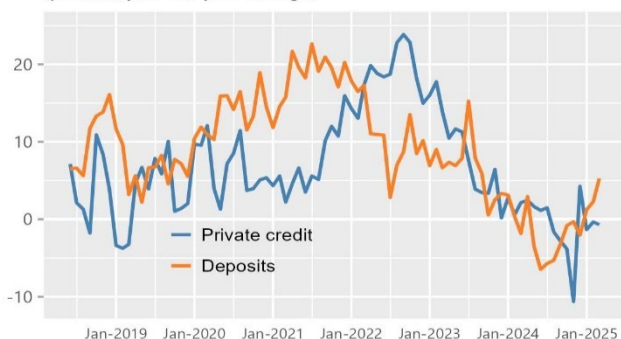


Sources: Malian authorities; London Metal Exchange; IMF Staff Calculations

Credit growth was neutral while deposit growth turned positive, having been negative throughout much of 2024...

Credit and Deposit Growth

(percent, year-on-year change)

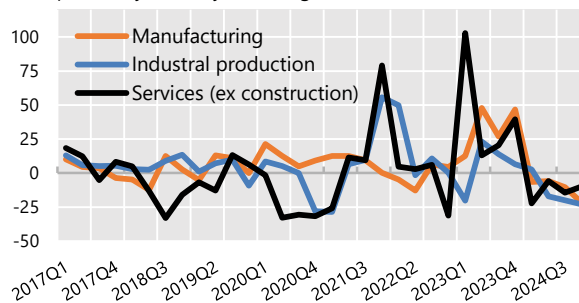


Sources: Malian authorities; IMF staff calculations.

... despite contractions in the secondary and some of the tertiary sector.

Industrial and Services Sector

(percent, year-on-year change)

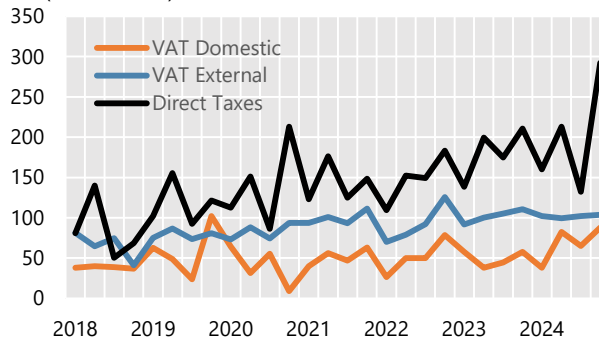


Source: Malian Authorities; IMF Staff Computations

... while direct tax revenues continued their upward trend, buoyed in particular by exceptional payments from mining companies.

Quarterly Tax Revenues

(CFAF billions)

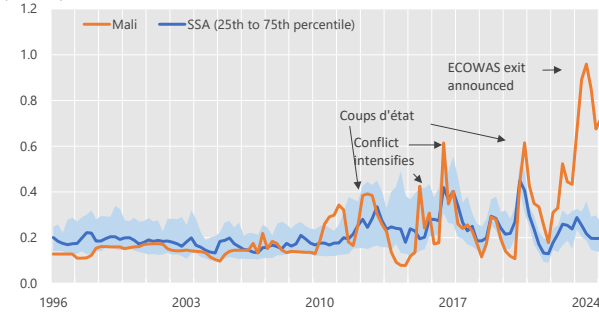


Sources: Malian authorities and IMF Staff calculations

... as domestic policy uncertainty reached an all-time high early in 2024.

Uncertainty in Mali and the Rest of the World

(Percent)



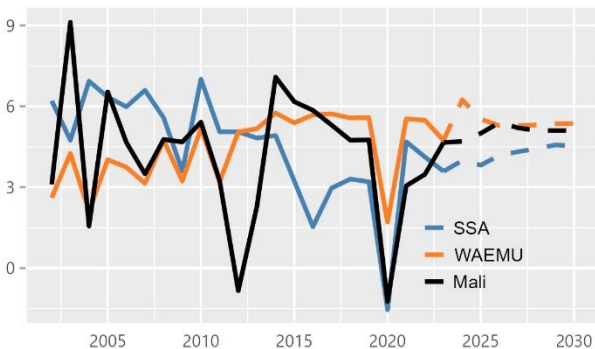
Sources: Ahir, Bloom and Furceri World Uncertainty Index and IMF staff calculations

Figure 2. Mali: Real Sector Developments

Mali's real GDP growth is expected to be a little below the WAEMU average over the forecast period, ...

GDP Growth in SSA

(percent)

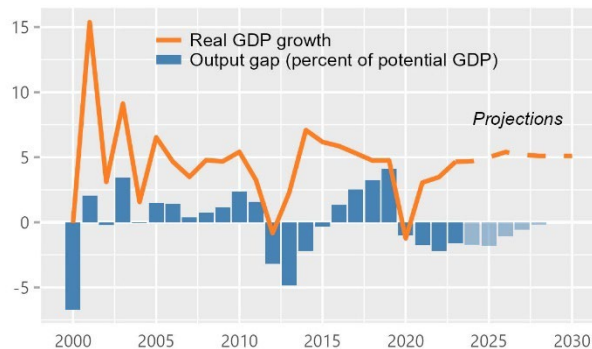


Sources: World Economic Outlook; IMF staff calculations.

... with output expected to grow by 5.1 percent per year between 2028 and 2030.

Output Gap

(percent)

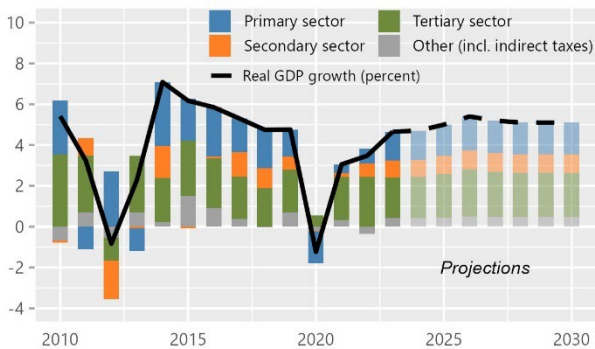


Source: IMF staff calculations.

The expected increase in growth from 2025 is broad-based across sectors...

Contributions to Growth: Supply Side

(year-on-year, percentage points)

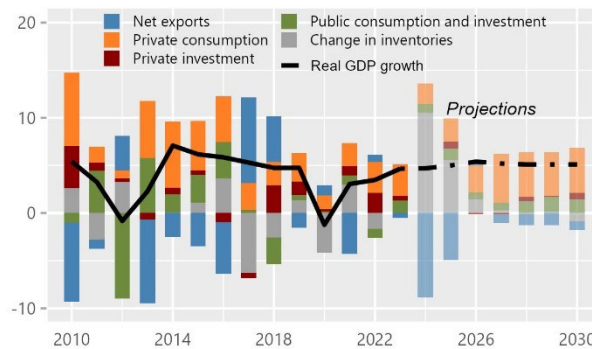


Source: IMF staff calculations.

...while on the demand side, the contributions from private consumption are expected to be larger from 2027 onwards.

Contributions to Growth: Demand Side

(year-on-year, percent)

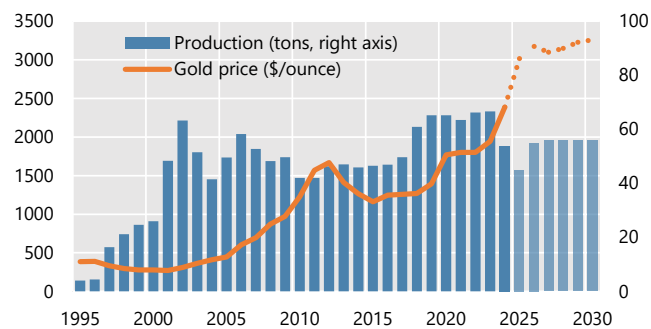


Source: IMF staff calculations.

Gold production is expected to fall back in 2025 and then to recover somewhat over the medium term.

Gold Production and Price

(in \$/troy ounce and in tons)

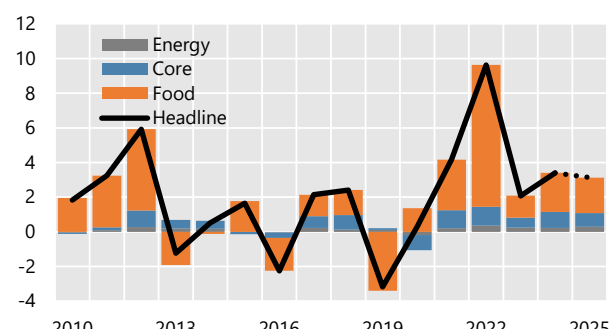


Source: Malian authorities; IMF staff calculations

Inflation peaked in 2022, mainly driven by increased food prices, but has fallen back since 2023.

Consumer Price Inflation and Components

(percent, year-on-year change and contributions)

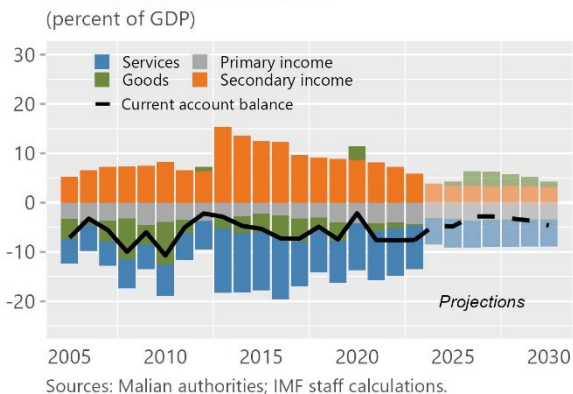


Source: Malian authorities; IMF staff calculations

Figure 3. Mali: External Sector Developments

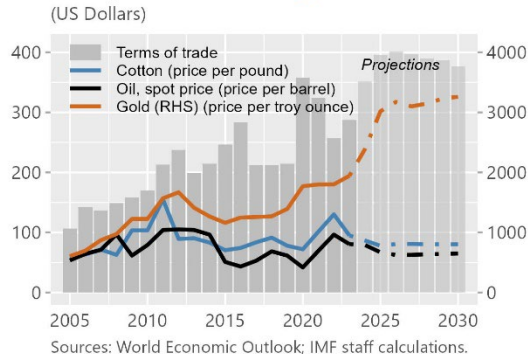
The current account deficit is expected to narrow in 2026, reflecting a larger goods trade surplus ...

Current Account Balance



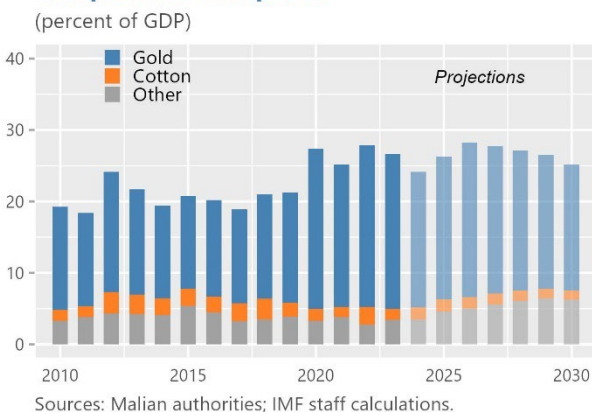
... while the terms of trade is expected to remain broadly unchanged, before worsening over the medium term.

International Commodity Prices



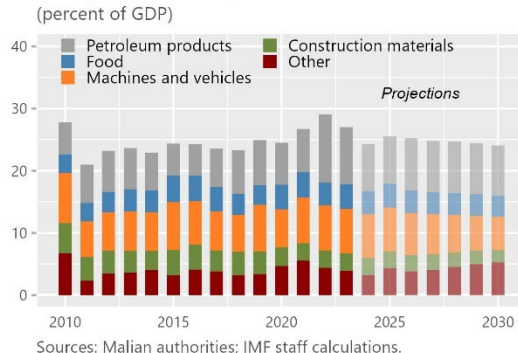
Gold made up almost 80 percent of total exports in 2024 and is expected to remain Mali's key export commodity, ...

Composition of Exports



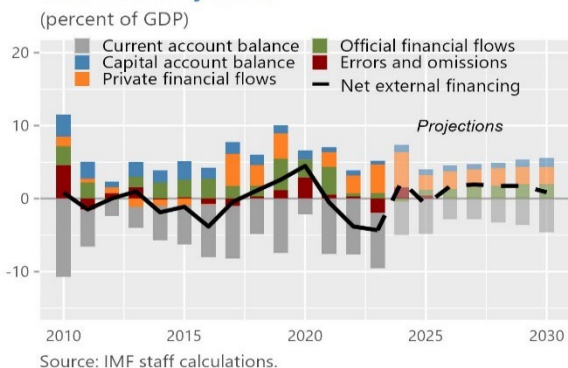
...while imports are expected to recover somewhat in 2025, having fallen as a share of GDP in 2024.

Composition of Imports



Net external financing is expected to be negative in 2025 but should improve over the medium term as gold production increases and budget support returns in outer years.

Balance of Payments



The REER appreciated slightly over 2024 and has appreciated further at the start of 2025.

Exchange Rates

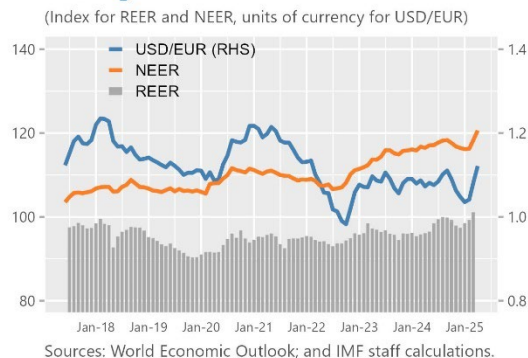
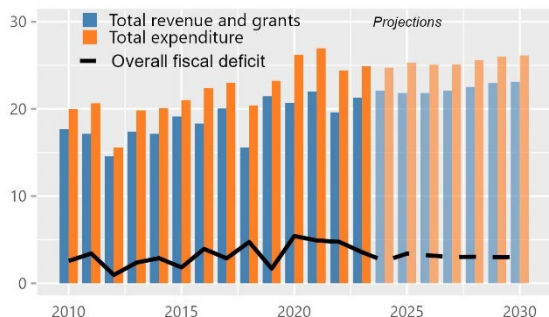


Figure 4. Mali: Fiscal Developments

The fiscal deficit is expected to return to the WAEMU ceiling of 3 percent of GDP in 2027.

Fiscal Balance

(percent of GDP)

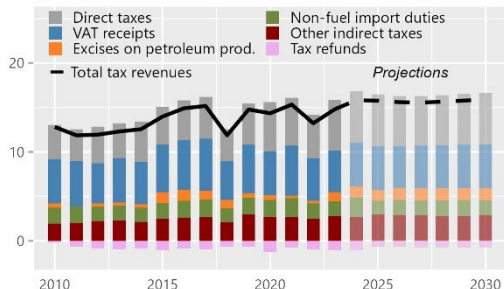


Source: Mali Ministry of Finance; IMF staff calculations.

The tax ratio is estimated to have risen in 2024, and is expected to remain elevated over the medium term, ...

Tax Revenues

(percent of GDP)

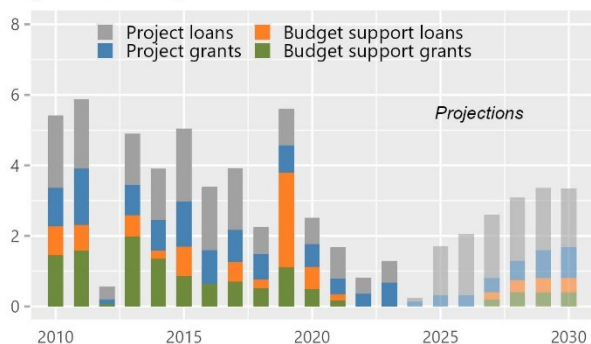


Sources: Mali Ministry of Finance; IMF staff calculations.

External budget support has been at or near zero since 2021, ...

External Public Grants and Loans

(percent of GDP)

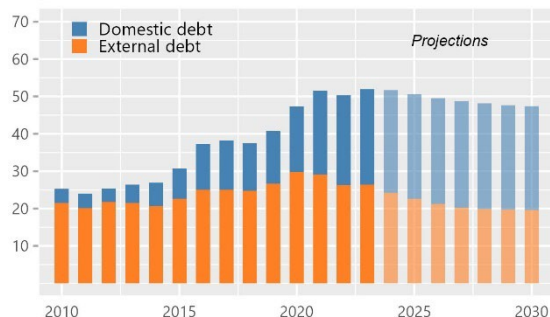


Sources: Mali Ministry of Finance; IMF staff calculations.

Public debt is projected to decrease slightly over the medium term.

Total Public Debt

(percent of GDP)

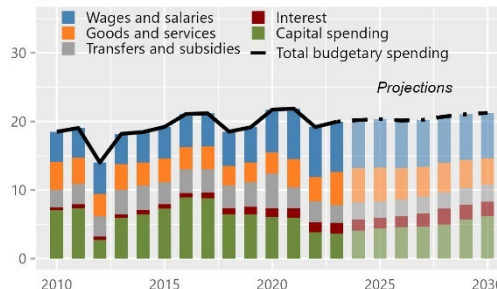


Sources: Malian authorities; IMF staff calculations.

... while the spending ratio increased in 2024 due to a modest recovery in capital spending relative to historical lows.

Government Spending

(percent of GDP)

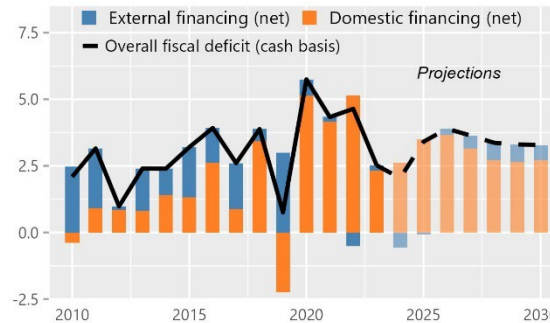


Sources: Mali Ministry of Finance; IMF staff calculations.

... and the authorities have become reliant on expensive domestic financing to fund budget needs.

Financing

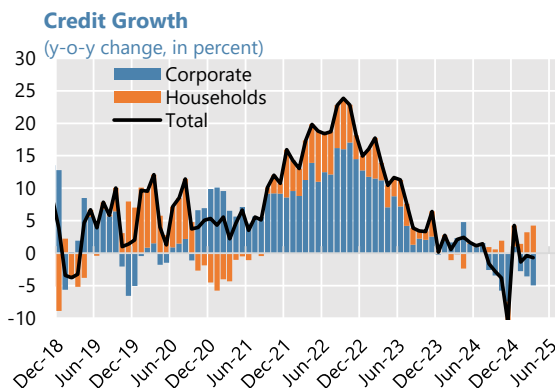
(percent of GDP)



Sources: Mali Ministry of Finance; IMF staff calculations.

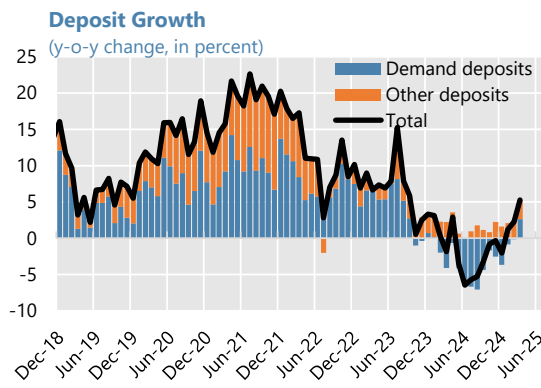
Figure 5. Mali: Monetary and Financial Sector Developments

After declining for much of 2024, private credit growth was broadly neutral in early 2025, ...



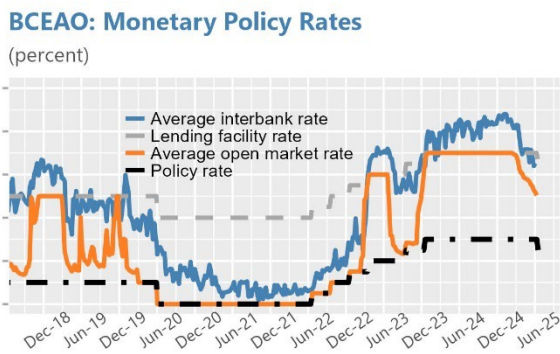
Source: BCEAO; IMF Staff calculations.

... while deposit growth turned slightly positive as the withdrawal of demand deposits halted.



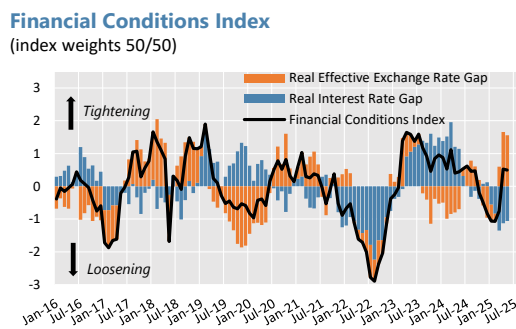
Source: BCEAO; IMF Staff calculations.

The BCEAO (regional central bank) reduced the policy rate in June by 25 bps, with market rates following, ...



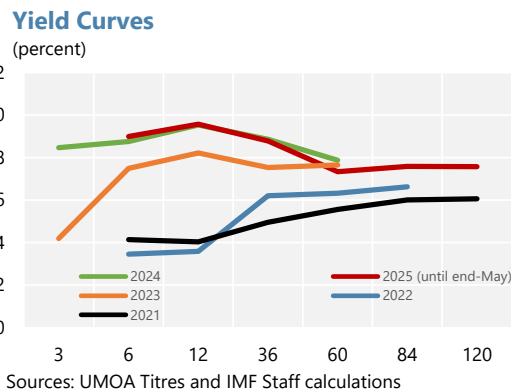
Source: BCEAO; IMF staff calculations.
Note: In April 2020 the BCEAO moved from auctions with fixed amount-variable rate to a fixed rate-variable amount mechanism.

... but the relatively large FX appreciation has caused a modest tightening in financial conditions.



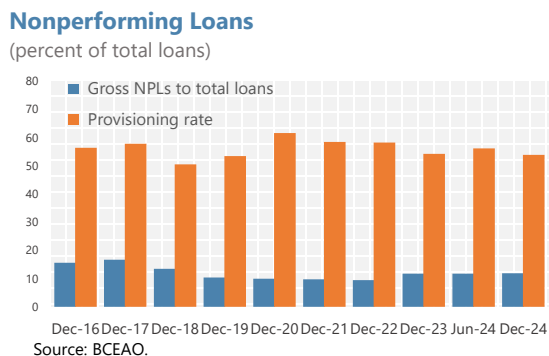
Source: BCEAO; IMF Staff calculations.
Note: Real interest rate and REER gaps are relative to long-term trend.

Mali's debt interest costs remain very elevated, due to high yields on the regional market.



Sources: UMOA Titres and IMF Staff calculations

On the regulatory side, banks' asset quality has remained broadly stable.



Source: BCEAO.

Table 1. Mali: Selected Economic and Financial Indicators, 2021–30

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
				Est.	Projections					
National income and prices										
	(Annual percentage change)									
Real GDP	3.1	3.5	4.7	4.7	5.0	5.4	5.2	5.1	5.1	5.1
GDP deflator	3.4	8.5	2.1	2.7	2.3	2.0	2.0	2.0	2.0	2.0
Consumer price inflation (average)	3.8	9.7	2.1	3.2	3.5	2.0	2.0	2.0	2.0	2.0
Consumer price inflation (end of period)	8.8	8.1	-0.5	4.7	3.2	2.0	2.0	2.0	2.0	2.0
Money and credit										
Credit to the government	38.5	77.7	34.8	0.1	2.4	25.1	16.5	11.5	10.8	11.0
Credit to the economy	15.9	14.9	0.3	4.3	-5.2	7.5	7.3	7.2	7.2	7.2
Broad money (M2)	36.3	10.7	-1.1	1.8	-1.8	7.5	7.3	7.2	7.2	7.2
Central government finance and public debt										
	(Percent of GDP, unless otherwise indicated)									
Revenue, o/w	21.3	19.3	20.6	22.0	21.5	21.5	21.5	21.6	21.7	21.8
Tax revenue	15.3	13.2	14.8	15.8	15.8	15.6	15.6	15.7	15.8	15.9
Grants	0.7	0.4	0.7	0.1	0.3	0.3	0.6	0.9	1.2	1.3
Total expenditure and net lending	26.9	24.4	24.8	24.7	25.2	25.0	25.1	25.6	25.9	26.1
Overall balance (accrual basis)	-4.9	-4.7	-3.6	-2.6	-3.4	-3.2	-3.0	-3.0	-3.0	-3.0
Overall balance (cash basis)	-4.3	-4.6	-2.5	-2.0	-3.4	-3.9	-3.6	-3.4	-3.3	-3.3
Public debt ¹	51.6	50.3	51.9	51.7	50.5	49.5	48.8	48.1	47.7	47.4
External public debt	29.0	26.2	26.4	24.2	22.6	21.2	20.3	19.9	19.7	19.6
Domestic public debt ²	22.5	24.1	25.5	27.5	27.9	28.3	28.5	28.2	27.9	27.8
Debt service	5.5	6.4	7.1	6.7	7.1	10.1	12.5	13.6	13.1	12.8
External sector										
Current account balance, including official transfers	-7.6	-7.7	-7.6	-4.6	-4.8	-2.8	-2.8	-3.2	-3.6	-4.6
Current account balance, excluding official transfers	-10.7	-10.2	-9.6	-4.8	-5.0	-3.0	-3.1	-3.8	-4.2	-5.2
Exports of goods and services	27.9	30.3	28.9	26.3	28.5	30.4	29.9	29.2	28.6	27.2
Imports of goods and services	39.3	41.2	38.1	31.8	33.4	33.0	32.4	32.4	32.1	31.6
Overall balance of payments	-0.5	-3.8	-4.3	2.4	-0.8	1.7	1.9	1.7	1.8	0.9
Terms of trade (deterioration -)	-9.3	-21.0	12.1	22.2	12.8	1.5	-1.3	-1.9	-0.7	-2.6
Real effective exchange rate (depreciation -)	1.4	-0.5	2.1	1.4	...	...	...	...	...	...
Memorandum items:										
Nominal GDP (CFAF billions)	10,708	12,024	12,848	13,815	14,839	15,954	17,119	18,352	19,673	21,090
Nominal GDP (US\$ billions)	19.3	19.3	21.2	22.8	24.4	26.3	28.2	30.2	32.4	34.8
Mining GDP (CFAF billions)	1,251	1,530	1,577	1,422	1,492	1,638	1,806	1,895	1,962	2,039
Public debt (CFAF billions)	5,521	6,053	6,666	7,147	7,495	7,897	8,346	8,830	9,378	9,987
US\$ exchange rate (average)	554	622	606	606	...	...	...	...	...	...
US\$ exchange rate (end of period)	580	619	602	626	...	...	...	...	...	...
WAEMU Pooled Reserves (end of period, US\$ billions)	24.2	18.4	15.8	21.6	...	...	...	...	...	...
WAEMU Pooled Reserves (end of period, CFAF billions)	14,027	11,397	9,484	13,517	...	...	...	...	...	...
Months of imports of goods and services next year	5.0	4.0	3.3	4.5	...	...	...	...	...	...
Percent of broad money	34.1	24.9	20.0	26.2	...	...	...	...	...	...
Gold Price (US\$/fine ounce London fix)	1,800	1,802	1,943	2,387	3,018	3,174	3,100	3,148	3,229	3,260
Cotton price (CFAF/kg)	1,175	1,697	1,207	1,100	992	1,025	1,026	1,027	1,027	1,026
Petroleum price (crude spot)(US\$/bbl)	69	96	81	79	67	62	63	64	64	65

Sources: Ministry of Economy and Finance; and IMF staff estimates and projections.

¹ Public debt refers to general government debt

² Includes BCEAO statutory advances, government bonds, treasury bills, and other debts. From 2021 onwards includes SDR allocation in the amount of 1.3 percent of GDP on-lent from the BCEAO.

Table 2a. Mali: Consolidated Fiscal Transactions of the Central Government, 2021–30
(GFSM86 and CFAF billions)

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
				Est.			Projections			
Revenue and grants	2,355	2,360	2,733	3,056	3,238	3,480	3,785	4,139	4,512	4,878
Total revenue	2,281	2,318	2,645	3,036	3,190	3,429	3,682	3,964	4,276	4,608
Budgetary revenue	1,737	1,687	2,014	2,413	2,462	2,647	2,843	3,064	3,311	3,574
Tax revenue ¹	1,641	1,591	1,902	2,185	2,339	2,488	2,662	2,873	3,104	3,352
Direct taxes	573	595	723	797	874	901	955	1,036	1,123	1,219
Indirect taxes	1,069	996	1,179	1,388	1,465	1,588	1,707	1,837	1,981	2,133
VAT	605	572	606	681	724	752	823	891	964	1,043
Excises on petroleum products	29	36	132	172	179	216	228	250	268	287
Import duties	230	209	218	304	227	270	295	318	341	363
Other indirect taxes	285	295	353	371	441	464	485	512	553	597
Tax refund	-80	-116	-131	-141	-106	-113	-123	-134	-145	-156
Nontax revenue	96	96	112	227	123	158	181	191	207	222
Capital revenue	1	1	2	1	11	12	13	14	15	16
Special funds and annexed budgets	545	631	632	623	728	782	840	900	965	1,034
Grants	74	43	88	20	47	51	103	174	236	270
Projects grants	48	43	88	20	47	51	68	101	157	186
Budgetary support	18	0	0	0	0	0	34	73	79	84
Of which: General	17	0	0	0	0	0	34	73	79	84
Of which: Sectoral	1	0	0	0	0	0	0	0	0	0
Total expenditure and net lending²	2,881	2,932	3,192	3,410	3,743	3,991	4,299	4,697	5,102	5,511
Budgetary expenditure	2,342	2,306	2,566	2,791	3,019	3,213	3,464	3,802	4,142	4,481
Current expenditure	1,699	1,846	2,099	2,230	2,367	2,482	2,670	2,885	3,022	3,166
Wages and salaries	788	878	943	963	1,051	1,110	1,174	1,241	1,312	1,387
Goods and services	436	426	624	697	729	725	745	783	803	827
Transfers and subsidies	328	365	331	343	352	380	410	442	477	514
Interest	147	177	201	228	235	267	340	419	430	438
Capital expenditure	642	460	467	560	652	731	794	917	1,120	1,315
Externally financed	147	95	113	53	253	328	377	430	505	538
Domestically financed	495	365	353	507	399	402	417	486	615	777
Special funds and annexed budgets	545	631	632	623	728	782	840	900	965	1,034
Net lending	-5	-5	-5	-4	-4	-5	-5	-5	-5	-5
Overall balance (accrual basis)	-526	-571	-459	-354	-506	-511	-514	-559	-590	-633
Adjustment to cash basis	62	13	135	80	0	-111	-110	-60	-60	-60
Overall balance (cash basis)	-464	-558	-324	-282	-506	-621	-624	-619	-650	-693
Financing	464	558	324	282	506	621	624	619	650	693
External financing (net)	19	-62	25	-78	-12	37	85	118	130	120
Loans	113	56	79	15	206	277	342	394	426	437
Project loans	95	56	79	15	206	277	308	329	347	353
Budgetary loans	18	0	0	0	0	0	34	64	79	84
Amortization	-103	-127	-89	-98	-223	-240	-258	-276	-296	-317
Debt relief	9	9	5	6	5	0	0	0	0	0
Variation of External Arrears (Principal)	0	0	30	0	0	0	0	0	0	0
Domestic financing (net)	445	620	299	360	518	584	539	501	520	573
Banking system	313	590	254	238	523	467	384	313	326	367
Central bank	250	57	-19	-76	29	-60	-59	-49	-38	-22
Of which: IMF (net)	79	-12	-21	-30	29	-60	-59	-49	-38	-22
Commercial banks	-67	532	457	84	494	527	443	362	364	389
Adjustment ³	123	0	-184	230	0	0	0	0	0	0
Privatization receipts	-12	-4	-5	-1	-15	0	0	0	0	0
Other financing	144	34	50	123	10	117	155	188	195	205
Financing gap	0	0	0	0	0	0	0	0	0	0
Memorandum items:										
Nominal GDP	10,708	12,024	12,848	13,815	14,839	15,954	17,119	18,352	19,673	21,090
Net primary balance (accruals basis)	-379	-394	-258	-127	-271	-244	-173	-140	-161	-195
Tax revenues ex exceptional mining payments	1,641	1,591	1,902	2,001	2,114	2,488	2,662	2,873	3,104	3,352
Mining sector tax revenues ⁴	467	659	544	655	470	723	777	839	908	981

Sources: Ministry of Economy and Finance; and IMF staff estimates and projections.

¹ Tax revenue projections are based on staff projections, and budget expenditure projections are based on the 2024 draft budget adopted by the authorities.

² Accrual basis.

³ Adjustment to account for the difference between the definitions of the government in the fiscal table and the monetary situation.

⁴ Calculated as the sum of the tax contribution of mining companies and their subcontractors to revenues of the Tax Department (DGI) and the mining sector tax contribution to the Customs Department (DGD). Projections are indicative.

Table 2b. Mali: Consolidated Fiscal Transactions of the Central Government, 2021–30
(GFSM86, Percent of GDP, unless otherwise indicated)

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
				Est.	Projections					
Revenue and grants	22.0	19.6	21.3	22.1	21.8	21.8	22.1	22.6	22.9	23.1
Total revenue	21.3	19.3	20.6	22.0	21.5	21.5	21.5	21.6	21.7	21.8
Budgetary revenue	16.2	14.0	15.7	17.5	16.6	16.6	16.6	16.7	16.8	16.9
Tax revenue ¹	15.3	13.2	14.8	15.8	15.8	15.6	15.6	15.7	15.8	15.9
Direct taxes	5.3	4.9	5.6	5.8	5.9	5.6	5.6	5.6	5.7	5.8
Indirect taxes	10.0	8.3	9.2	10.0	9.9	10.0	10.0	10.0	10.1	10.1
VAT	5.7	4.8	4.7	4.9	4.9	4.7	4.8	4.9	4.9	4.9
Excises on petroleum products	0.3	0.3	1.0	1.2	1.2	1.4	1.3	1.4	1.4	1.4
Import duties	2.1	1.7	1.7	2.2	1.5	1.7	1.7	1.7	1.7	1.7
Other indirect taxes	2.7	2.5	2.7	2.7	3.0	2.9	2.8	2.8	2.8	2.8
Tax refund	-0.7	-1.0	-1.0	-1.0	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7
Nontax revenue	0.9	0.8	0.9	1.6	0.8	1.0	1.1	1.0	1.1	1.1
Capital revenue	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1
Special funds and annexed budgets	5.1	5.2	4.9	4.5	4.9	4.9	4.9	4.9	4.9	4.9
Grants	0.7	0.4	0.7	0.1	0.3	0.3	0.6	0.9	1.2	1.3
Projects grants	0.5	0.4	0.7	0.1	0.3	0.3	0.4	0.5	0.8	0.9
Budgetary support	0.2	0.0	0.0	0.0	0.0	0.0	0.2	0.4	0.4	0.4
Of which: General	0.2	0.0	0.0	0.0	0.0	0.0	0.2	0.4	0.4	0.4
Of which: Sectoral	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total expenditure and net lending²	26.9	24.4	24.8	24.7	25.2	25.0	25.1	25.6	25.9	26.1
Budgetary expenditure	21.9	19.2	20.0	20.2	20.3	20.1	20.2	20.7	21.1	21.2
Current expenditure	15.9	15.4	16.3	16.1	16.0	15.6	15.6	15.7	15.4	15.0
Wages and salaries	7.4	7.3	7.3	7.0	7.1	7.0	6.9	6.8	6.7	6.6
Goods and services	4.1	3.5	4.9	5.0	4.9	4.5	4.3	4.3	4.1	3.9
Transfers and subsidies	3.1	3.0	2.6	2.5	2.4	2.4	2.4	2.4	2.4	2.4
Interest	1.4	1.5	1.6	1.6	1.6	1.7	2.0	2.3	2.2	2.1
Capital expenditure	6.0	3.8	3.6	4.1	4.4	4.6	4.6	5.0	5.7	6.2
Externally financed	1.4	0.8	0.9	0.4	1.7	2.1	2.2	2.3	2.6	2.6
Domestically financed	4.6	3.0	2.8	3.7	2.7	2.5	2.4	2.6	3.1	3.7
Special funds and annexed budgets	5.1	5.2	4.9	4.5	4.9	4.9	4.9	4.9	4.9	4.9
Net lending	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance (accrual basis)	-4.9	-4.7	-3.6	-2.6	-3.4	-3.2	-3.0	-3.0	-3.0	-3.0
Adjustment to cash basis	0.6	0.1	1.0	0.6	0.0	-0.7	-0.6	-0.3	-0.3	-0.3
Overall balance (cash basis)	-4.3	-4.6	-2.5	-2.0	-3.4	-3.9	-3.6	-3.4	-3.3	-3.3
Financing	4.3	4.6	2.5	2.0	3.4	3.9	3.6	3.4	3.3	3.3
External financing (net)	0.2	-0.5	0.2	-0.6	-0.1	0.2	0.5	0.6	0.7	0.6
Loans	1.1	0.5	0.6	0.1	1.4	1.7	2.0	2.1	2.2	2.1
Project loans	0.9	0.5	0.6	0.1	1.4	1.7	1.8	1.8	1.8	1.7
Budgetary loans	0.2	0.0	0.0	0.0	0.0	0.0	0.2	0.4	0.4	0.4
Amortization	-1.0	-1.1	-0.7	-0.7	-1.5	-1.5	-1.5	-1.5	-1.5	-1.5
Debt relief	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Variation of External Arrears (Principal)	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Domestic financing (net)	4.2	5.2	2.3	2.6	3.5	3.7	3.1	2.7	2.6	2.7
Banking system	2.9	4.9	2.0	1.7	3.5	2.9	2.2	1.7	1.7	1.7
Central bank	2.3	0.5	-0.1	-0.6	0.2	-0.4	-0.3	-0.3	-0.2	-0.1
Of which: IMF (net)	0.2	-0.1	-0.2	-0.2	0.2	-0.4	-0.3	-0.3	-0.2	-0.1
Commercial banks	-0.6	4.4	3.6	0.6	3.3	3.3	2.6	2.0	1.9	1.8
Adjustment ³	1.1	0.0	-1.4	1.7	0.0	0.0	0.0	0.0	0.0	0.0
Privatization receipts	-0.1	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0
Other financing	1.3	0.3	0.4	0.9	0.1	0.7	0.9	1.0	1.0	1.0
Financing gap	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Memorandum items:										
Nominal GDP (CFBF billions)	10,708	12,024	12,848	13,815	14,839	15,954	17,119	18,352	19,673	21,090
Net primary balance (accruals basis)	-3.5	-3.3	-2.0	-0.9	-1.8	-1.5	-1.0	-0.8	-0.8	-0.9
Tax revenues ex exceptional mining payments	15.3	13.2	14.8	14.5	14.2	15.6	15.6	15.7	15.8	15.9
Mining sector tax revenues ⁴	4.4	5.5	4.2	4.7	3.2	4.5	4.5	4.6	4.6	4.7

Sources: Ministry of Economy and Finance; and IMF staff estimates and projections.

¹ Tax revenue projections are based on staff projections, and budget expenditure projections are based on the 2022 draft budget adopted by the authorities.

² Accrual basis.

³ Adjustment to account for the difference between the definitions of the government in the fiscal table and the monetary situation.

⁴ Calculated as the sum of the tax contribution of mining companies and their subcontractors to revenues of the Tax Department (DGI) and the mining sector tax contribution to the Customs Department (DGD). Projections are indicative.

Table 3. Mali: Gross Fiscal Financing Needs, 2024–26

	2024			2025			2026		
	billion CFAF	million USD	percent of GDP	billion CFAF	million USD	percent of GDP	billion CFAF	million USD	percent of GDP
(1) GFNs = (2) + (3)	1,102	1,817	8.0	1,470	2,413	9.9	1,984	3,275	12.4
(2) Overall deficit (accrual basis)	354	585	2.6	506	830	3.4	511	843	3.2
Primary deficit (excl. grants)	146	241	1.1	319	523	2.1	295	486	1.8
Interest payment	228	376	1.6	235	385	1.6	267	441	1.7
Domestic	195	322	1.4	193	317	1.3	232	383	1.5
Foreign, o/w:	32	53	0.2	41	68	0.3	35	58	0.2
World Bank	10	17	0.1	10	16	0.1	10	16	0.1
(3) Amortization	747	1,233	5.4	964	1,583	6.5	1,474	2,433	9.2
Domestic	619	1,021	4.5	695	1,141	4.7	1,174	1,937	7.4
Foreign, o/w:	128	211	0.9	269	442	1.8	300	495	1.9
World Bank	29	48	0.2	35	57	0.2	38	62	0.2
IMF	30	49	0.2	46	75	0.3	60	99	0.4
(4) Financing = (5) + (6) + (7)	1,102	1,817	8.0	1,471	2,415	9.9	1,984	3,275	12.4
(5) Domestic	1,001	1,652	7.2	1,264	2,075	8.5	1,818	3,001	11.4
Bonds and t-bills	1,029	1,697	7.4	1,244	2,043	8.4	1,818	3,001	11.4
Bank net credit	150	248	1.1	71	116	0.5	-60	-99	-0.4
Central Bank (net), o/w:	-76	-126	-0.6	29	48	0.2	-60	-99	-0.4
IMF on-lending	0	0	0.0	75	123	0.5	0	0	0.0
Other credit	-1	-1	0.0	0	0	0.0	0	0	0.0
SDR	0	0	0.0	0	0	0.0	0	0	0.0
Deposits (- use of deposits)	47	77	0.3	0	0	0.0	0	0	0.0
Commercial banks (net)	226	374	1.6	42	68	0.3	0	0	0.0
Other	-150	-248	-1.1	-50	-82	-0.3	60	99	0.4
(6) External	20	34	0.1	206	338	1.4	277	458	1.7
Project loans	15	24	0.1	206	338	1.4	277	458	1.7
Budget loans	0	0	0.0	0	0	0.0	0	0	0.0
Other	6	9	0.0	0	0	0.0	0	0	0.0
(7) Change in float and arrears	80	132	0.6	0	0	0.0	-111	-183	-0.7
Float	80	132	0.6	0	0	0.0	-111	-183	-0.7
Arrears	0	0	0.0	0	0	0.0	0	0	0.0
(8) Financing Gap = (1) - (4)	0	0	0.0	0	0	0.0	0	0	0.0
Memo:									
Nominal GDP	13,815	22,789	100.0	14,839	24,362	100.0	15,954	26,335	100.0
Overall deficit (accrual basis)	354	585	2.6	506	830	3.4	511	843	3.2
Overall deficit (cash basis)	282	466	2.0	506	830	3.4	621	1,026	3.9
Domestic financing (net)	813	1,341	5.9	559	919	3.8	584	964	3.7
External financing (net)	-108	-178	-0.8	-63	-104	-0.4	-23	-37	-0.1
Cash adjustment	80	132	0.6	0	0	0.0	-111	-183	-0.7
Public debt	7,147	11,789	51.7	7,495	12,304	50.5	7,897	13,036	49.5
Debt service	975	1,608	7.1	1,199	1,968	8.1	1,741	2,873	10.9
Exchange rate (CFAF per USD)	606			609			606		

Sources: Ministry of Economy and Finance; and IMF staff estimates and projections.

Table 4a. Mali: Balance of Payments, 2021–30
(CFAF billions, unless otherwise indicated)

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
				Est.	Projection					
Current account balance										
Excluding official transfers	-1151	-1225	-1234	-659	-735	-472	-539	-689	-823	-1097
Including official transfers	-814	-920	-977	-642	-715	-450	-481	-589	-715	-981
Trade balance	-169	-135	-45	-15	122	479	508	444	402	228
Exports, f.o.b.	2694	3353	3429	3335	3906	4506	4749	4979	5215	5311
Cotton fiber	157	295	197	227	252	255	259	259	262	264
Gold	2129	2726	2790	2623	2973	3450	3537	3594	3687	3721
Other	408	331	443	486	680	801	953	1126	1266	1325
Imports, f.o.b.	-2863	-3487	-3475	-3350	-3783	-4027	-4242	-4535	-4813	-5082
Petroleum products	-751	-1314	-1182	-1044	-1124	-1344	-1408	-1528	-1623	-1721
Foodstuffs	-438	-441	-514	-507	-567	-573	-603	-635	-670	-716
Other	-1675	-1732	-1778	-1799	-2092	-2110	-2231	-2372	-2520	-2646
Services (net)	-1059	-1167	-1129	-733	-853	-890	-948	-1016	-1086	-1146
Credit	290	295	288	304	322	342	364	386	410	435
Debit	-1349	-1462	-1417	-1037	-1175	-1232	-1312	-1402	-1496	-1582
<i>Freight and insurance</i>	-611	-740	-742	-718	-806	-858	-904	-967	-1026	-1083
Income (net)	-456	-488	-561	-434	-498	-571	-601	-634	-669	-723
<i>Interest due on public debt</i>	-38	-41	-28	-32	-41	-35	-37	-39	-43	-49
Transfers (net)	871	869	759	540	513	531	561	617	638	661
Private transfers (net)	534	564	501	522	494	509	502	517	531	545
Official transfers (net) ¹	336	305	258	18	20	23	58	100	108	116
<i>Budgetary grants</i>	18	0	0	0	0	0	34	73	79	84
Capital and financial account	734	479	434	968	594	721	812	910	1060	1165
Capital account (net)	77	77	65	143	115	123	125	140	199	241
<i>Debt forgiveness</i>	9	9	5	6	5	4	4	3	3	9
<i>Project grants</i>	49	39	41	11	47	51	68	101	157	186
Financial account	658	401	369	825	478	598	687	769	861	925
Private (net)	108	349	270	879	358	385	414	443	475	510
Direct investment (net)	324	419	408	492	460	495	531	569	610	654
Portfolio investment private (net)	-4	-1	0	0	-1	-1	-1	-1	-1	-1
Other private capital flows	-211	-69	-138	387	-101	-109	-117	-125	-134	-144
Official (net)	407	52	99	-54	121	213	273	326	386	415
Portfolio investment public (net)	397	123	109	30	138	175	188	209	256	295
Disbursements	113	56	79	15	206	277	342	394	426	437
Budgetary	18	0	0	0	0	0	34	64	79	84
Project related	95	56	79	15	206	277	308	329	347	353
Amortization due on public debt	-103	-127	-89	-98	-223	-240	-258	-276	-296	-317
Errors and omissions	22	-17	-12	0	0	0	0	0	0	0
Overall balance	-58	-459	-555	327	-122	271	331	320	345	185
Financing	58	459	555	-327	122	-271	-331	-320	-345	-185
Reserve assets ²	58	459	555	-327	122	-271	-331	-320	-345	-185
Operations account	181	471	577	-297	92	-211	-272	-272	-307	-163
IMF based on existing and prospective drawing (net)	19	-12	-21	-30	29	-60	-59	-49	-38	-22
SDR allocation	-142									
External trade				(Annual percentage change)						
Export volume index	3.1	10.1	-0.5	-8.2	-0.2	6.2	2.8	1.9	2.1	2.0
Import volume index	11.0	-14.9	8.6	11.2	14.6	1.2	3.8	4.7	4.4	3.2
Export unit value	-5.1	13.0	2.8	6.0	11.1	6.7	0.1	0.2	0.9	-0.4
Import unit value	4.6	43.1	-8.3	-13.3	-1.5	5.1	1.5	2.1	1.6	2.3
Terms of trade	-9.3	-21.0	12.1	22.2	12.8	1.5	-1.3	-1.9	-0.7	-2.6

Sources: Malian authorities; and IMF staff estimates and projections.

¹ Includes financing by the international community for imports of security services in relation to the foreign military intervention in the country.

² Includes reserve position in the Fund

Table 4b. Mali: Balance of Payments, 2021–30
(Percent of GDP, unless otherwise indicated)

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
				Est.	Projection					
Current account balance										
Excluding official transfers	-10.7	-10.2	-9.6	-4.8	-5.0	-3.0	-3.1	-3.8	-4.2	-5.2
Including official transfers	-7.6	-7.7	-7.6	-4.6	-4.8	-2.8	-2.8	-3.2	-3.6	-4.6
Trade balance										
Exports, f.o.b.	25.2	27.9	26.7	24.1	26.3	28.2	27.7	27.1	26.5	25.2
Cotton fiber	1.5	2.5	1.5	1.6	1.7	1.6	1.5	1.4	1.3	1.3
Gold	19.9	22.7	21.7	19.0	20.0	21.6	20.7	19.6	18.7	17.6
Other	3.8	2.8	3.4	3.5	4.6	5.0	5.6	6.1	6.4	6.3
Imports, f.o.b.	-26.7	-29.0	-27.0	-24.3	-25.5	-25.2	-24.8	-24.7	-24.5	-24.1
Petroleum products	-7.0	-10.9	-9.2	-7.6	-7.6	-8.4	-8.2	-8.3	-8.3	-8.2
Foodstuffs	-4.1	-3.7	-4.0	-3.7	-3.8	-3.6	-3.5	-3.5	-3.4	-3.4
Other	-15.6	-14.4	-13.8	-13.0	-14.1	-13.2	-13.0	-12.9	-12.8	-12.5
Services (net)	-9.9	-9.7	-8.8	-5.3	-5.8	-5.6	-5.5	-5.5	-5.5	-5.4
Credit	2.7	2.5	2.2	2.2	2.2	2.1	2.1	2.1	2.1	2.1
Debit	-12.6	-12.2	-11.0	-7.5	-7.9	-7.7	-7.7	-7.6	-7.6	-7.5
Freight and insurance	-5.7	-6.2	-5.8	-5.2	-5.4	-5.4	-5.3	-5.3	-5.2	-5.1
Income (net)	-4.3	-4.1	-4.4	-3.1	-3.4	-3.6	-3.5	-3.5	-3.4	-3.4
Interest due on public debt	-0.4	-0.3	-0.2	-0.2	-0.3	-0.2	-0.2	-0.2	-0.2	-0.2
Transfers (net)	8.1	7.2	5.9	3.9	3.5	3.3	3.3	3.4	3.2	3.1
Private transfers (net)	5.0	4.7	3.9	3.8	3.3	3.2	2.9	2.8	2.7	2.6
Official transfers (net) ¹	3.1	2.5	2.0	0.1	0.1	0.1	0.3	0.5	0.5	0.5
Budgetary grants	0.2	0.0	0.0	0.0	0.0	0.0	0.2	0.4	0.4	0.4
Capital and financial account	6.9	4.0	3.4	7.0	4.0	4.5	4.7	5.0	5.4	5.5
Capital account (net)	0.7	0.6	0.5	1.0	0.8	0.8	0.7	0.8	1.0	1.1
Debt forgiveness	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Project grants	0.5	0.3	0.3	0.1	0.3	0.3	0.4	0.5	0.8	0.9
Financial account	6.1	3.3	2.9	6.0	3.2	3.7	4.0	4.2	4.4	4.4
Private (net)	1.0	2.9	2.1	6.4	2.4	2.4	2.4	2.4	2.4	2.4
Direct investment (net)	3.0	3.5	3.2	3.6	3.1	3.1	3.1	3.1	3.1	3.1
Portfolio investment private (net)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other private capital flows	-2.0	-0.6	-1.1	2.8	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7
Official (net)	3.8	0.4	0.8	-0.4	0.8	1.3	1.6	1.8	2.0	2.0
Portfolio investment public (net)	3.7	1.0	0.8	0.2	0.9	1.1	1.1	1.1	1.3	1.4
Disbursements	1.1	0.5	0.6	0.1	1.4	1.7	2.0	2.1	2.2	2.1
Budgetary	0.2	0.0	0.0	0.0	0.0	0.0	0.2	0.4	0.4	0.4
Project related	0.9	0.5	0.6	0.1	1.4	1.7	1.8	1.8	1.8	1.7
Amortization due on public debt	-1.0	-1.1	-0.7	-0.7	-1.5	-1.5	-1.5	-1.5	-1.5	-1.5
Errors and omissions	0.2	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance	-0.5	-3.8	-4.3	2.4	-0.8	1.7	1.9	1.7	1.8	0.9
Financing	0.5	3.8	4.3	-2.4	0.8	-1.7	-1.9	-1.7	-1.8	-0.9
Reserve assets ²	0.5	3.8	4.3	-2.4	0.8	-1.7	-1.9	-1.7	-1.8	-0.9
Operations account	1.7	3.9	4.5	-2.1	0.6	-1.3	-1.6	-1.5	-1.6	-0.8
IMF based on existing and prospective drawing (net)	0.2	-0.1	-0.2	-0.2	0.2	-0.4	-0.3	-0.3	-0.2	-0.1
SDR allocation	-1.3									
External trade	(Annual percentage change)									
Export volume index	3.1	10.1	-0.5	-8.2	-0.2	6.2	2.8	1.9	2.1	2.0
Import volume index	11.0	-14.9	8.6	11.2	14.6	1.2	3.8	4.7	4.4	3.2
Export unit value	-5.1	13.0	2.8	6.0	11.1	6.7	0.1	0.2	0.9	-0.4
Import unit value	4.6	43.1	-8.3	-13.3	-1.5	5.1	1.5	2.1	1.6	2.3
Terms of trade	-9.3	-21.0	12.1	22.2	12.8	1.5	-1.3	-1.9	-0.7	-2.6

Sources: Malian authorities; and IMF staff estimates and projections.

¹ Includes financing by the international community for imports of security services in relation to the foreign military intervention in the country.

² Includes reserve position in the Fund

Table 5. Mali: Monetary Survey, 2021–30
(CFAF billions, unless otherwise indicated)

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
				Est.	Projections					
Net Foreign Assets	966	512	-44	279	375	645	977	1297	1642	1827
BCEAO	520	12	-308	-194	-163	108	439	759	1104	1289
Commercial Banks	446	500	264	474	538	538	538	538	538	538
Net Domestic Assets	3211	3704	4223	3964	3826	4444	4485	4558	4634	4902
Credit to the government (net)	758	1348	1817	1819	1863	2330	2714	3027	3353	3720
BCEAO	386	443	424	349	331	271	212	163	125	103
Commercial banks, net	-305	447	1041	1018	1097	1507	1795	1969	2138	2322
Other	677	457	352	452	435	552	707	895	1089	1295
Credit to the economy	3028	3480	3491	3641	3453	3712	3983	4270	4578	4907
Other items (net)	-212	-735	-663	-933	-916	-1024	-1639	-2166	-2723	-3152
Money supply (M2)	4328	4791	4737	4820	4734	5090	5461	5855	6276	6728
Currency outside banks	1081	1215	1041	1200	1200	1290	1384	1484	1590	1705
Bank deposits	3247	3576	3696	3620	3534	3800	4077	4371	4686	5023
Memorandum item:										
Base Money (M0)	1651	1717	1373	1596	1524	1622	1726	1836	1954	2080
Contribution to growth of broad money				(annual growth rate)						
Money supply (M2)	36.3	10.7	-1.1	1.8	-1.8	7.5	7.3	7.2	7.2	7.2
Net foreign assets	21.9	-10.5	-11.6	6.8	2.0	5.7	6.5	5.9	5.9	2.9
BCEAO	25.1	-11.7	-6.7	2.4	0.6	5.7	6.5	5.9	5.9	2.9
Commercial banks	-3.2	1.2	-4.9	4.4	1.3	0.0	0.0	0.0	0.0	0.0
Net domestic assets	15.0	11.4	10.8	-5.5	-2.8	13.0	0.8	1.3	1.3	4.3
Credit to the central government	6.6	13.6	9.8	0.0	0.9	9.9	7.5	5.7	5.6	5.9
Credit to the economy	13.1	10.4	0.2	3.2	-3.9	5.5	5.3	5.3	5.3	5.3
Other items net	-3.5	-12.1	1.5	-5.7	0.3	-2.3	-12.1	-9.7	-9.5	-6.8
Memorandum items:				(annual growth rate)						
Money supply (M2)	36.3	10.7	-1.1	1.8	-1.8	7.5	7.3	7.2	7.2	7.2
Base money (M0)	117.8	4.0	-20.1	16.2	-4.5	6.4	6.4	6.4	6.4	6.5
Credit to the economy	15.9	14.9	0.3	4.3	-5.2	7.5	7.3	7.2	7.2	7.2
Velocity (GDP/M2)	2.5	2.5	2.7	2.9	3.1	3.1	3.1	3.1	3.1	3.1
Money Multiplier (M2/M0)	2.6	2.8	3.5	3.0	3.1	3.1	3.2	3.2	3.2	3.2
Currency outside banks / M2	25.0	25.4	22.0	24.9	25.3	25.3	25.3	25.3	25.3	25.3

Sources: BCEAO; and Fund staff estimates and projections.

Table 6. Mali: Financial Soundness Indicators for the Banking Sector, 2020–24
(in percent)

	2020		2021		2022		2023		2024	
	June	Dec.	June	Dec.	June	Dec.	June	Dec.	June	Dec.
Solvency ratios¹										
Regulatory capital to risk weighted assets	13.6	13.5	14.0	13.6	13.0	14.1	13.4	15.1	15.2	15.2
Tier I capital to risk-weighted assets	12.8	12.6	13.0	13.2	12.3	13.4	12.8	14.0	14.3	14.3
Provisions to risk-weighted assets	5.1	5.6	5.1	5.0	4.8	5.1	6.0	5.5	5.7	5.2
Capital to total assets	8.6	8.0	8.8	8.4	9.8	8.4	8.2	9.5	10.0	10.3
Composition and quality of assets										
Total loans to total assets	52.2	50.4	49.8	50.6	53.8	52.3	51.4	52.0	52.3	51.4
Concentration: loans to 5 largest borrowers to capital ²	91.0	94.3	101.5	96.7	90.9	82.8	81.7	73.2	79.8	76.7
Sectoral distribution of loans										
Agriculture	4.0	3.0	2.5	5.8	6.9	6.1	5.8	5.5	6.0	6.0
Extractive industries	2.5	2.4	2.1	2.8	3.1	3.7	3.1	3.7	4.7	4.7
Manufacturing	13.0	11.3	10.5	11.8	11.3	10.4	10.4	11.5	10.5	10.5
Electricity, water and gas	2.2	2.0	1.8	2.1	2.0	2.6	3.8	4.9	6.8	6.8
Construction	8.7	9.6	8.4	9.3	9.1	9.1	8.5	7.2	6.9	6.9
Retail and wholesale trade, restaurants and hotels	43.5	44.7	45.3	42.7	43.1	42.9	46.0	42.7	42.3	42.3
Transportation and communication	11.8	12.2	13.3	10.8	9.8	9.5	7.8	9.7	8.5	8.5
Insurance, real estate and services	9.7	10.3	11.6	11.4	11.1	8.8	8.6	9.4	9.6	9.6
Other services	4.5	4.5	4.5	3.5	3.7	7.0	6.0	5.4	4.6	4.6
Gross NPLs to total loans	10.2	10.0	9.5	9.8	10.3	9.5	13.0	11.8	11.8	11.9
Provisioning rate	57.5	61.6	63.2	59.0	55.7	58.2	51.6	54.2	56.2	53.9
Net NPLs to total loans	4.6	4.1	3.7	4.3	4.8	4.2	6.7	5.8	5.5	5.8
Net NPLs to capital	27.9	25.8	21.0	25.6	29.5	26.0	41.8	30.4	29.1	29.3
Earnings and profitability										
Average cost of borrowed funds	...	0.6	...	1.8	...	1.9	...	2.4	...	2.9
Average interest rate on loans	...	7.4	...	6.8	...	7.3	...	8.1	...	8.3
Average interest margin ³	...	6.8	...	5.0	...	5.6	...	5.7	...	5.4
After-tax return on average assets (ROA)	...	1.1	...	1.3	...	1.5	...	1.2	...	1.3
After-tax return on average equity (ROE)	...	12.1	...	14.6	...	15.8	...	10.8	...	12.5
Noninterest expenses/net banking income	...	57.6	...	55.3	...	55.4	...	54.3	...	59.5
Salaries and wages/net banking income	...	28.6	...	26.8	...	25.9	...	27.6	...	31.3
Liquidity										
Liquid assets to total assets	30.8	28.1	28.1	27.5	30.3	31.6	30.5	30.0	27.9	24.8
Liquid assets to total deposits	49.8	44.1	41.9	40.3	44.7	51.1	49.8	49.3	48.0	40.4
Total loans to total deposits	89.9	84.4	79.0	79.0	84.1	89.7	89.9	91.5	96.3	89.6
Total deposits to total liabilities	61.8	63.6	67.1	68.1	67.8	61.7	61.2	60.8	58.2	61.3
Sight deposits to total liabilities ⁴	36.5	37.0	38.9	38.8	38.6	37.3	36.9	35.7	33.7	35.1
Term deposits to total liabilities	25.2	26.7	28.1	29.3	29.2	24.4	24.4	25.1	24.5	26.2

Source: BCEAO.

¹ First year of data reporting in accordance with Basel II/III prudential standards and the new banking chart of account was 2018.

² Indicators do not account for the additional provisions required by the WAEMU Banking Commission.

³ Excluding tax on bank operations.

⁴ Including saving accounts.

Table 7. Mali: External Financing Needs, 2021–30
(CFAF billions)

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
				Est.	Projections					
Financing need	1105	992	1047	-248	538	260	331	486	605	858
Current account balance (excl. official transfers) ¹	1129	1243	1247	659	735	472	539	689	823	1097
Private capital and financial flows	-127	-378	-289	-1005	-420	-453	-466	-480	-514	-556
Amortization of public loans (excl. IMF)	103	127	89	98	223	240	258	276	296	317
Financing	1105	991	1047	-248	538	260	331	486	605	858
Official loans	113	56	79	15	206	277	342	394	426	437
Project loans	95	56	79	15	206	277	308	329	347	353
Budgetary loans	18	0	0	0	0	0	34	64	79	84
Official transfers	394	353	304	35	72	78	131	204	268	310
Project grants	49	39	41	11	47	51	68	101	157	186
Budget grants	18	0	0	0	0	0	34	73	79	84
Other ²	327	314	263	23	25	27	28	30	32	41
Portfolio investment public, net	397	123	109	30	138	175	188	209	256	295
NFA central bank	58	459	555	-327	122	-271	-331	-320	-345	-185
IMF transactions ³	19	-12	-21	-30	29	-60	-59	-49	-38	-22
SDR Allocation	142									
Financing gap	0	0	0	0	0	0	0	0	0	0

Sources: Malian authorities; IMF staff estimates and projections

¹ The current account balance for outturn years subtracts the errors and omissions line

² Includes MINUSMA financing until 2023 and debt forgiveness

³ Includes the proposed RCF financing.

Annex I. Timeline of Key Political Developments, 2025

This annex gives an overview of major political developments since January 2025. For an overview of events from 2022 onwards, see the 2023 Article IV staff report and the April 2025 report on a combined RCF-SMP facility.

2025	
January 21	Burkina Faso, Mali and Niger created a joint force to fight terrorists.
January 29	Official withdrawal of Burkina Faso, Mali and Niger from ECOWAS, but free exchange of goods, services, and people maintained until further notice.
February 11	The minister for reconciliation, peace and national cohesion launched a program of disarmament, demobilization and reinsertion of ex-combatants in society.
April 30	The Council of Ministers approved a draft law repealing the Law of August 18, 2005, on the Charter of Political Parties and the Law of March 4, 2015, on the Status of the Political Opposition. This draft law is part of the implementation of the recommendations from the National Refoundation Conferences (NRC), which included reducing the number of political parties (around 300) by enforcing stricter conditions for their creation and financing; revising the Charter to reaffirm the status of the leader of the opposition; and banning political defection during a mandate. The Council also noted the NRC's recommendation for the installation of Army General Assimi Goïta as President of the Republic for a renewable five-year term starting in 2025—similar to his peers in the Alliance of Sahel States (AES) and the dissolution of all political parties and tightening requirements for creating political parties.
May 7	The president issued a decree suspending all activities of political parties and associations to preserve public order. Some opposition figures were arrested.
May 12	The National Transition Council (CNT) voted to repeal the political party charter, which established the moral and legal framework for political parties, as well as their operation, creation, and funding. To come into force, the repeal must be promulgated by the President.
May 13	President Goïta promulgated the law on the repeal of the charter of political parties.
May 22	Former opposition leaders filed an appeal against the suspension of political parties before 6 lower courts in Bamako and the Administrative Section of the Supreme Court, calling the government's decision unconstitutional, an attack on the freedom of association and the right to participate in public life.
May 22	ECOWAS and foreign ministers from the AES, the Alliance of Sahelian States comprising Mali, Niger and Burkina Faso, started a consultation on issues of common interest, including political and diplomatic relations, security challenges, and economic and social development.
June 11	The Council of Ministers advised favorably on a draft law to give the interim president a 5-year, renewable mandate, starting in 2025.
July 2	The National Transitional Assembly approved a renewable five-year term for the Transitional President.

Annex II. 2023 Key Policy Recommendations and Follow-Up

This annex lists staff's key policy recommendations from the 2023 Article IV mission and progress made to date by Mali's authorities.

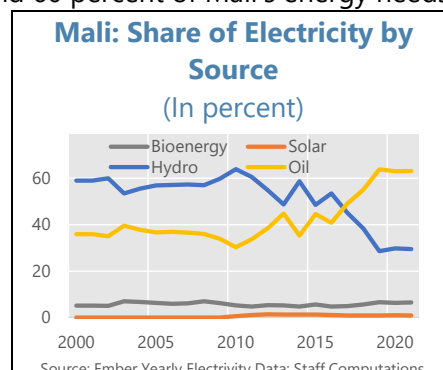
Progress Achieved on Key Policy Recommendations from the 2023 Article IV Consultation		
Recommendation from 2023 Article IV mission	Progress to date	Additional details
Fiscal Policy		
Increase excise duties (initially planned for 2022)	Implemented	Decree with the relevant tax rates was approved in September 2022, then implemented in 2023 and 2024
Eliminate VAT and customs exemptions on basic goods, including reversal of pandemic-related exemptions	Not implemented	Tax base reduced (by 50 percent) and the rate of taxation unchanged
Gradual return to automatic fuel pricing, or switch to targeted transfers	Not implemented	
Tax income from government debt instruments	Not implemented	
Finalize property taxation reforms	In progress	A January 2025 decree marked progress on public land pricing, but the draft property tax law remains unapproved.
Scale up digitalization to improve receipts	Significant progress	E-declarations and e-payments are now effective for both large and medium-sized enterprises. Small enterprises with capacity are able to do so starting end-March. Proof of tax payments (e-quitus) can now be issued automatically. E-registration of new contributors is expected to be implemented by end-2025.
Curb increases in public wages, including limiting ad-hoc wage increases.	Significant progress	Agreement signed with labor unions in 2023. Wage bill as share of revenue has stabilized and declined since the 2023 Article IV.
Strengthen commitment controls and reforming the Treasury Single Account (TSA)	In progress	A census of public sector accounts is currently underway by the Ministry of Finance. Follow-up measures, including an action plan and improved data-sharing between treasury, tax, and customs departments, are expected to strengthen fiscal governance and advance TSA reform.
Implement controls on execution and payments to improve the efficiency of public investment spending	Significant progress	Public investment efficiency efforts advancing through improved procurement and commitment processes.
Improve SOE oversight and reporting	In progress	A dedicated SOE oversight unit has been established within the Ministry of Finance but is not yet fully operational. Ongoing reforms under the SMP, including improvements in public financial management, budget transparency, and procurement, are expected to strengthen SOE monitoring and accountability.

Progress Achieved on Key Policy Recommendations from the 2023 Article IV Consultation (concluded)		
Recommendation from 2023 Article IV mission	Progress to date	Additional details
Protecting the most vulnerable		
Strengthen targeted cash transfer programs (including expediting identification and registration processes and rethinking delivery tools), with help from the World Bank	In progress	Targeted cash transfer mechanisms and social assistance tools are being expanded.
Unlocking Mali's growth potential		
Strengthen the asset declaration regime	In progress	See measure related to digitalization above
Fortify mandates of anti-corruption investigations by judicial and prosecution bodies	In progress	National Prosecutor is established and operationalized. The draft laws related to criminal code are being discussed in Parliament.
Improve transparency in public procurement and the mining industry	In progress	Decree adopted on the disclosure of beneficial owners in the mining sector.
Note: For a detailed overview of recent and ongoing reforms, see the Memorandum of Economic and Financial Policies (MEFP) included in the April 2025 staff report on the combined RCF-SMP arrangement.		

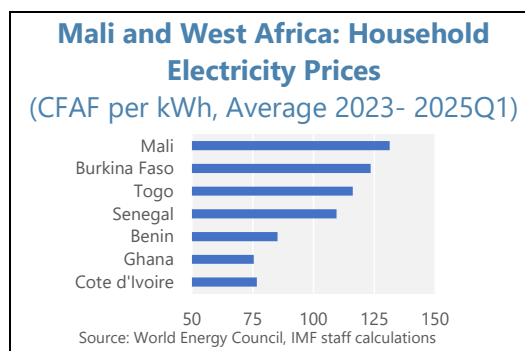
Annex III. Electricity Outages, *Energie du Mali*, and the Future of Electricity in Mali

This annex highlights the challenges related to power outages in Mali and the difficulties faced by the state-owned energy company, *Energie du Mali* (EDM), in maintaining a reliable electricity supply since mid-2023. It also details some of the actions taken by the government to address these challenges.

1. Mali's energy mix has changed dramatically in the past 15 years, shifting towards greater reliance on fossil fuels. Between 2000 and 2010, around 60 percent of Mali's energy needs were fulfilled by hydro-electric power. By 2017, however, oil had become the major source of electricity production, with the share of hydropower dropping to below 30 percent as EDM struggled to maintain the necessary investment to expand hydro-electric capacity to meet the country's growing electricity demand (estimated at 10 percent per year). Consequently, Mali has become increasingly vulnerable to supply disruptions and price swings in the global oil markets.



2. These changes in the energy mix negatively affected EDM's performance. The company incurred losses in the past five years due to rising global oil prices, which increased supply costs. This has led to an accumulation of arrears to suppliers, escalating debt, reaching about CFAF 415 billion (3 percent of GDP), and a negative equity position of around CFAF 482 billion at the end of 2024 (up from CFAF 423 billion in 2023). Apart from mismanagement (as highlighted in a 2019 BVG audit report and more recent follow-ups), the company is also constrained by government-capped electricity tariffs that are significantly below production and distribution costs. Regionally, Mali has one of the highest electricity costs.



3. EDM's financial difficulties have led to frequent load shedding, negatively affecting Mali's economic activity. Rolling power outages have become widespread since mid-2023, forcing many companies and households to resort to onsite generators for power—a solution that is both expensive and difficult to execute at scale. Staff estimates suggest that if outages amount to between 10 and 16 hours daily, as in 2024, this could reduce Mali's GDP growth by 0.5 to 0.8 percentage points annually.¹ These estimates are, however, subject to high uncertainty, stemming from the underlying assumptions and potential non-linearities in the effects of power outages with

¹ The methodology is similar to that applied for [South Africa](#), recalibrated to Mali's economic structure.

respect to their intensity. Thanks to the drop in global oil prices since early 2025 and other remedial measures (see below), outages have decreased in frequency and duration.

4. The government is actively working to expand electricity supply and improve EDM's performance. EDM's current power production capacity is less than 700 MW, inadequate for a population of 22.5 million and growing.² The government's expansion strategy includes scaling up renewable energy, including hydroelectric power and solar energy, and investments in off-grid solutions in rural areas through PPPs and foreign partnerships. To alleviate EDM's financial strains, the government facilitated the restructuring of EDM's short-term banking debt in March 2024, estimated at CFAF 261 billion (2 percent of GDP), spreading debt repayment out over 10 years, including a one-year grace period. Future plans entail a recapitalization of EDM, clearing past dues and prepayment for future electricity use by the administration. The government also benefitted from World Bank projects for the electricity sector in 2019 (a \$150 million commitment) and for the financing of key grid infrastructure and new connections in 2023 (a \$200 million commitment) and continues to receive technical assistance for EDM. Furthermore, the government of Mali signed an agreement with Niger to cover a third of EDM's fossil fuel needs in 2024, but this deal was only partially implemented due to logistical constraints. The local business community has proposed to open up the capital of EDM to private investors and restructure EDM's businesses into three different branches—production, distribution and network services—to create more competition in production and distribution. Officials are doubtful that private enterprise could achieve lower cost production, or would be interested in transportation or distribution, given the low density of the net and the vast territory to cover.

² Of note, mining and cotton industries operate independently with their own power sources.

Annex IV. External Sector Assessment

Overall Assessment: The external position of Mali in 2024 was broadly consistent with medium-term fundamentals and desirable policies.¹ The current account (CA) deficit narrowed from 7.6 percent of GDP in 2023 to 4.6 percent of GDP in 2024. This was due to falling petroleum and other commodity import prices as well as lower service imports. Sustained gold prices compensated for the decline in gold production during the year, leaving gold export value only slightly lower in nominal terms. On the financial account, other private capital flows increased to 2.8 percent of GDP in 2024 (up from -1.1 percent in 2023), FDI reached 3.6 percent of GDP in 2024, and public portfolio investment stood at 0.2 percent of GDP. The overall balance recorded a surplus of 2.4 percent of GDP in 2024. FX reserves at the WAEMU level improved rapidly in November and December 2024 reaching an adequate level of 4.5 months of imports.

Potential Policy Responses: The recent rapid improvement in FX reserves at the WAEMU level is welcome. The monetary policy authorities should remain cautious and continuously assess the sustainability of the recent gains. Strong mining exports are a positive development for the external position of the Mali economy. However, the exposure to fluctuation of the international gold prices, as well as potential disruption to gold extraction constitute important sources of risks. Malian authorities should therefore gradually return to the 3-percent WAEMU deficit ceiling, consistent with the baseline projections. The security situation is assumed to stabilize over the medium term, while domestic and geopolitical uncertainty is reduced. Financing from the regional bond markets is assumed to improve. As indicated by the C rating in the Data Adequacy Assessment (Annex VIII), external sector statistics would benefit from improved granularity and better internal consistency to support future assessments.

Foreign Assets and Liabilities: Position and Trajectory

Background. Mali's net international investment position (NIIP) stood at -72.3 percent of GDP in 2023, deteriorating from -66.3 percent in 2021 and -68.7 percent in 2022. This trend reflects sustained current account deficits and a drawdown of reserves, leading to a sharper decline in external assets than liabilities. Gross assets declined from 25.9 percent of GDP in 2021 to 15.7 percent in 2023, while gross liabilities remained elevated at 88 percent of GDP in 2023. The drop in external assets was primarily driven by a reduction in reserve holdings and other investment assets. Debt assets also declined from 8.2 to 6.5 percent of GDP, while debt liabilities increased slightly to 24.8 percent of GDP in 2023.

Assessment. Mali's NIIP is assessed to be sustainable under the baseline, although the persistent deficits highlight the importance of rebuilding reserve buffers and maintaining prudent borrowing. The deterioration has been largely financed by external public borrowing and private inflows. Over the medium term, projected improvements in the current account supported by strong gold and lithium exports should help stabilize the NIIP. Risks stem from fluctuations in commodity prices, delayed fiscal consolidation, and tightening external financing conditions. Continued fiscal discipline and a prudent external debt management strategy will be essential to reinforce external sustainability.

Data for 2023 (percent of GDP)	NIIP: -72.3	Gross Assets: 15.7	Debt Assets: 6.5	Gross Liab.: 88.0	Debt Liab.: 24.8
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Current Account

Background. Figure 1 shows the evolution of the current account deficit and of its major components since 2016. Mali's current account deficit widened significantly to 7.7 and 7.6 percent of GDP in 2022 and 2023, respectively. This was due primarily to the commodity price shock following the onset of the war in Ukraine, which continued in 2023 as conflicts escalated in the middle east. The narrowing of the deficit to 4.6 percent of GDP in 2024 reflects lower oil prices, sustained gold prices, and reduced service imports following the departure of MINUSMA at the end of 2023.

Assessment. The IMF's EBA-lite current account (CA) model suggests Mali's current account deficit is broadly in line with what can be explained by fundamentals and desirable policies. EBA-lite estimates point to a CA gap of 0.4 percent of GDP (Table 1) and that an appreciation of 2 percent would be required to close the gap. The precise result for Mali should be treated with caution, however, given that gold accounts for 80 percent of Mali's total exports and is not sensitive to exchange rate changes. Staff expects the current account deficit to narrow slightly to

4.8 percent of GDP in 2025, more markedly in 2026 to 2.8 percent, to then finally settle at 4.6 percent in 2030. This reflects several factors:

- The elevated gold price projected over the medium-term will boost gold export performance, even as gold production is expected to be persistently below recent peaks observed between 2022 and 2023.
- The reduction in fuel prices projected over the medium term will keep the overall import bill below recent peaks of 29 and 27 percent of GDP observed in 2022-23 to 24.1 percent of GDP by 2030.
- Lithium exports are expected to pick up gradually over the medium term and compensate for the projected decrease in gold production.
- The departure of MINUSMA has led to a significant reduction in the balance of services but this has also been compensated by a reduction in flows of secondary income, with an overall slightly positive impact on the current account balance. A smaller negative impact is expected from the cuts to USAID disbursements.

Real Exchange Rate

Background: The CFAF depreciated by 4.6 percent between 2015 and 2019, then recovered by 4.5 percent between 2019 and 2024 in real effective terms. Based on this indicator, Mali's export competitiveness has remained largely stable over this period. In contrast, Mali's nominal effective exchange rate has consistently appreciated throughout this period, which implies imports being less expensive and exports of gold and cotton benefitting less from increases in these global commodity dollar prices.

Assessment: The IMF's real effective exchange rate model suggests a REER undervaluation of about 21.3 percent, while the EBA-Lite CA model implies a REER undervaluation of 2 percent, based on a CA gap of 0.4 percent of GDP and an elasticity of the real exchange rate to CA deficit of -0.2. At the WAEMU-wide level, the REER model indicates a more moderate undervaluation of 0.7 percent while the CA model suggests an overvaluation. In this case, the EBA-Lite CA model should be preferred, since Mali has been consistently running current account deficits.

Capital and Financial Accounts: Flows and Policy Measures

Background: The capital and financial account balance has been worsening since 2022, on the back of political instability and ensuing reduction in external support and foreign investment after the 2021 coup d'état. The capital account balance fell to 0.6 percent of GDP in 2022, slightly declined to 0.5 percent in 2023 and rose to 1 percent in 2024, reflecting persistently low project grants. Likewise, the financial account balance declined to 2.9 percent of GDP in 2023, down from an average of 5.5 percent in 2020-21. Taken together, the widening of the CA deficit and the reduction in the surplus of the capital and financial accounts have led to widening deficits in the overall balance of payments, which led to drawdowns of pooled reserves at the WAEMU levels. In 2024, the financial account rose sharply driven by higher private capital inflows related to the exceptional payments made by mining companies to settle tax disputes. Despite this improvement, public portfolio investment was exceptionally weak, at only 0.2 percent of GDP.

Assessment: The capital account balance is projected to stabilize at 0.8 percent of GDP in 2025 and to continue a gradual upward trajectory to reach 1.1 percent of GDP by 2030, while the financial account balance is projected to normalize at 3.2 percent of GDP in 2025 and to reach 4.4 percent of GDP by 2030. The main drivers of these trends are the subdued public portfolio investment and direct investments inflows as well as the reduction in disbursements related to project grants and budget support that are expected to continue until 2027. Sustained fiscal discipline and continued engagement with donors are necessary to improve investor confidence and external stability, while strengthening policy certainty and fiscal reforms will be critical to sustaining the recovery in the financial account.

FX Intervention and Reserves Level

Background: At end-2023, foreign reserves had fallen to under CFAF 10 trillion, roughly equivalent to 3.2 months of projected imports at the WAEMU level. In early 2024, after a relatively small uptick due to the Eurobond issuances of Benin and Côte d'Ivoire, reserves broadly stabilized. The fall in FX reserve coverage reflected a variety of factors, including: (1) a relatively loose stance of monetary policy; (2) increasing and still-high food and fuel import prices driving up imports; (3) continued large fiscal deficits; and (4) tightened global financial conditions. However, in November and December 2024, reserves rose to 4.5 months of imports, reflecting a remarkable rebound driven by favorable hydrocarbon and commodity exports from Senegal and Niger, windfall gain from the annual cocoa harvest, as well as significant flows from IMF disbursements.

Assessment: The outlook has improved significantly as of late 2024. This recovery marks a sharp turnaround from earlier lows, with projections indicating that reserves will improve further to 5 months of imports by 2025, provided continued fiscal discipline is maintained and BCEAO sustains its cautious monetary policy stance. Notably, reserves reached 4.9 months of imports during the first two months of 2025, indicating a faster-than-expected recovery. Despite these positive developments, national authorities should ensure medium-term compliance to a reinstated fiscal rule in the context of the Convergence Pact.

Authorities' Views

The authorities at the BCEAO National Directorate of Mali broadly agreed with the assessment of the external sector position of Mali. They concurred with staff that the current account will remain stable in 2025, while they remain more sanguine on financial account flows and on the overall balance for the year. On gold exports, the BCEAO National Directorate of Mali agreed with staff that the evolution of the international price of gold during 2025 has significantly improved the outlook on the contribution of gold exports, particularly over the medium term. However, they expect a restart of production at the largest gold mine in the third quarter, while staff sees significantly lower output through 2026. On lithium, positive news on the pace of production in the second half of 2025 and prospects for the opening of a second mine in 2026 resulted in similar views on export value between staff and the BCEAO National Directorate through the medium term.

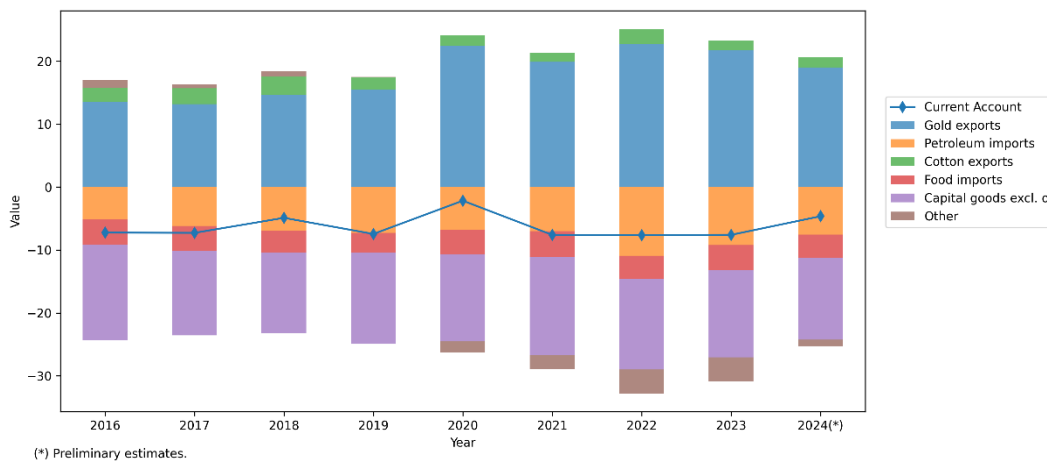
Authorities maintained a positive outlook for foreign direct investment in Mali, while staff sees difficulties in maintaining the recent high inflows amid the ongoing mining dispute. Authorities are more sanguine than staff on public portfolio investment flows.

¹ The assessment of the union-wide external position is discussed in the 2025 WAEMU Staff Report on Common Policies for Member Countries.

Annex IV. Figure 1. Mali: External Sector Developments

Mali's current account deficit has been volatile in the past three years and stood at 4.6 percent of GDP in 2024.

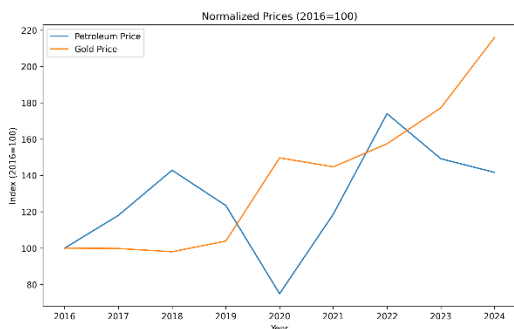
Current Account and Trade Flows of Major Goods (Percent of GDP)



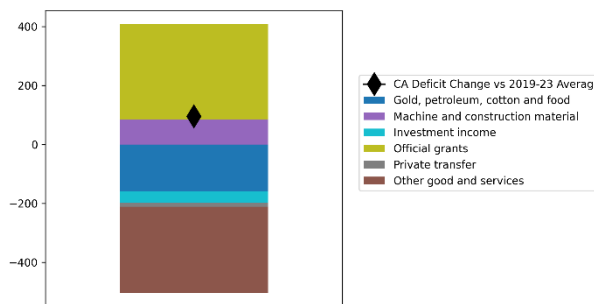
The last three years partly reflect elevated gold and oil prices...

...with trade deficit and lower grants driving the trend.

Gold and Petroleum Prices (Index, 2016 = 100)



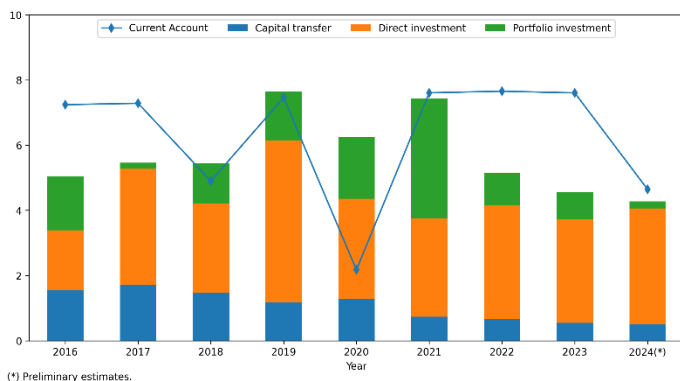
Current Account Deficit and Components (2024, relative to 2018-23 average, billion CFAF)



Official portfolio investment declined in 2022 and 2023.

Models suggest a sizable gap relative to fundamentals.

Current Account Deficit and Capital Account Flows (Percent of GDP)



Model Estimates for 2024 (Percent of GDP)

	CA model 1/ (in percent of GDP)	REER model 1/ (in percent of GDP)
CA-Actual	-4.6	
Cyclical contributions (from model) (-)	0.4	
Additional temporary/statistical factors (-) 2/		
Natural disasters and conflicts (-)	0.0	
Adjusted CA	-5.0	
CA Norm (from model) 3/	-5.5	
CA Gap	0.4	4.6
o/w Relative policy gap	2.0	
Elasticity	-0.2	
REER Gap (in percent)	-2.0	-21.3

1/ Based on the EBA-lite 3.0 methodology
2/ Cyclically adjusted, including multilateral consistency adjustments.

Annex V. Vision 2063 Growth and Mali's Development Strategy

This annex summarizes the Mali Vision 2063, which aims to tackle socio-economic and security challenges while promoting sustainable development through 2063. The Vision focuses on inclusive governance and economic transformation, setting ambitious growth targets with a phased implementation.

1. The *Stratégie nationale de développement à moyen terme du Mali (SNEDD 2024-33)* outlines a comprehensive approach to tackle the country's multidimensional crisis, which has severely impacted its socio-economic fabric since 2012. The strategy emphasizes the importance of restoring national cohesion and peace through inclusive governance and a participatory process involving various stakeholders, including the administration, civil society, and the private sector. This collaborative effort aims to establish a clear set of priorities that will guide Mali's development over the medium term, aligning with its long-term vision for 2063.

2. A significant aspect of the strategy is its focus on creating a vision for Mali's development, which identifies key resources and infrastructure needs necessary for driving economic growth. The plan is structured into four ten-year strategies (2024-2033, 2034-2043, 2044-2053, 2054-2063), ensuring phased implementation that allows for adaptability and responsiveness to changing circumstances. The government aims to achieve an average growth rate of up to 10 percent annually over the next forty years, leveraging the country's potential.

3. Policy priorities in the SNEDD 2024-33 revolve around five main axes. The first axis, "Sovereignty and Security," focuses on restoring peace and stability, deemed essential for an environment conducive to high sustainable growth. The second axis, "Governance Reform," emphasizes the importance of strengthening institutions, promoting transparency, and combating corruption to enhance public trust and engagement. The third axis, "Economic Transformation and Growth," aims to diversify the economy, boost productivity, and create jobs by leveraging Mali's natural resources and agricultural potential. The fourth axis, "Human Capital and Resilient Territories," prioritizes education, health, and social services to improve the quality of life and build resilient communities. Finally, the fifth axis, "Sustainable Environmental Management," underscores the necessity of integrating environmental considerations into development planning to ensure the sustainable use of resources and address climate change challenges, thereby promoting a balanced and sustainable growth trajectory. A General Directorate of Economy and Planning (DGEP) is being established within the Ministry of Finance to oversee the development planning and effectively manage public development policy.

4. Financing is critical for the successful implementation of its goals and objectives. The strategy outlines a multi-faceted approach to mobilize financial resources, including public investment, private sector participation, and international partnerships. The government aims to enhance fiscal management and attract foreign direct investment to stimulate growth, while also seeking support from development partners and institutions to secure funding for key projects. The SNEDD 2024-33 presents several growth scenarios that explore different pathways for economic

development based on varying assumptions regarding resource mobilization, investment levels, and external conditions. Each growth scenario aims to project potential GDP growth rates, which in turn affects the level of financing needs. In the optimistic scenario, the fiscal deficit is expected to gradually decline to about 1 percent of GDP by 2033, thanks to strong revenue mobilization and efforts to contain current spending.

Mali: Total Financing Needs of SNED, 2024–33				
(CFAF Billion, Percent of GDP)				
	Optimistic growth trend		Current growth trend	
	CFAF billion	Percent of 2024 GDP	CFAF billion	Percent of 2024 GDP
Axis 1 Sovereignty and Security	14353	104	10938	79
Axis 2 Governance Refoundation	9762	71	8642	63
Axis 3 Economic Transformation and Growth	17947	130	8826	64
Axis 4 Human Capital and Resilient Territories	18509	134	13159	96
Axis 5 Sustainable Environmental Management	662	5	526	4
Total	64414	468	45886	333

Source: Malian authorities and IMF staff calculations.
Note: The optimistic growth trend assumes an average real GDP growth of about 9.5 percent between 2024-33, while the current growth trend averages 6 percent real GDP growth.

Annex VI. Risk Assessment Matrix ¹

Source of Risk	Relative Likelihood	Expected Impact if Realized / Time Horizon	Policies to Mitigate Risks
Global Risks / Conjunctural Shocks			
Trade policy and investment shocks. Higher trade barriers or sanctions reduce external trade, disrupt FDI and supply chains, and trigger further U.S. dollar appreciation, tighter financial conditions, and higher inflation.	High	High Reduced trade and investment flows may weaken Mali's external position, slow economic activity, and put pressure on inflation and fiscal accounts. Tighter financial conditions could further limit access to external financing.	<ul style="list-style-type: none"> • Diversify trade and investment partners. • Strengthen domestic value chains. • Build fiscal buffers to absorb shocks.
Sovereign debt distress. Higher interest rates, stronger U.S. dollar, and shrinking development aid amplified by sovereign-bank feedback result in capital outflows, rising risk premia, loss of market access, abrupt expenditure cuts, and lower growth in highly indebted countries.	High	High A spike in risk premia could lead to sovereign debt distress as the DSA already points to limited space to absorb shocks.	<ul style="list-style-type: none"> • Create fiscal buffers to absorb risk premia shocks
Tighter financial conditions and systemic instability. Higher-for-longer interest rates and term premia amid looser financial regulation, rising investments in cryptocurrencies, and higher trade barriers trigger asset repricing, market dislocations, weak bank and NBFIs distress, and further U.S. dollar appreciation, which widens global imbalances, worsens debt affordability, and increases capital outflow from EMDEs.	Medium	High Higher-for-longer rates in response to inflation could reinforce a wage-price spiral, especially in the public sector. Higher-for-longer could also put downward pressure on gold prices and export revenues. Cotton prices may also fall in response to the global recession.	<ul style="list-style-type: none"> • Create fiscal space for priority spending through revenue mobilization and gradual cuts in non-targeted subsidies, while protecting growth-enhancing capital spending as much as possible • Avoid real increases in the public sector wage bill • Longer term, diversify economy away from mining and the narrow agricultural base

¹ The Risk Assessment Matrix (RAM) shows events that could materially alter the baseline path as of June 2025. The relative likelihood is the staff's subjective assessment of the risks surrounding the baseline ("low" is meant to indicate a probability below 10 percent, "medium" a probability between 10 and 30 percent, and "high" a probability between 30 and 50 percent). The RAM reflects staff views on the source of risks and overall level of concern as of the time of discussions with the authorities. Non-mutual exclusive risks may interact and materialize jointly. The conjunctural shocks and global/domestic risks scenario highlight risks that may materialize over a shorter horizon (between 12 to 18 months) given the current baseline. Structural risks are those that are likely to remain salient over a longer horizon. The risks identified in the Global RAM reflect a staff assessment from February 2025 and was used for the IMF's April 2025 World economic Outlook.

Source of Risk	Relative Likelihood	Expected Impact if Realized / Time Horizon	Policies to Mitigate Risks
Regional conflicts. Intensification of conflicts (e.g., in the Middle East, Ukraine, Sahel, and East Africa) or terrorism disrupt trade in energy and food, tourism, supply chains, remittances, FDI and financial flows, payment systems, and increase refugee flows.	Medium	Medium Further sanctions on Russia/Belorussia could cause supply shortages for fertilizer but have less of an impact on agricultural imports. Higher commodity prices could raise consumer price inflation.	<ul style="list-style-type: none"> • Create fiscal space to scale up social spending, especially toward the most vulnerable • Bolster trade links with alternative suppliers • Raise domestic food supply and request aid from international partners for food/energy needs
Commodity price volatility. Supply and demand volatility (due to conflicts, trade restrictions, OPEC+ decisions, AE energy policies, or green transition) increases commodity price volatility, external and fiscal pressures, social discontent, and economic instability.	Medium	High The effect will depend on the size and direction of changes in commodity prices. Higher food and energy prices could cause social and economic tensions by raising Mali's food and energy imports bill. Lower gold prices could negatively affect exports and fiscal revenues.	<ul style="list-style-type: none"> • Create fiscal space to scale up social spending • Raise domestic food supply and request aid from international partners for food/energy needs • Enhance resilience against commodity price shocks by updating revenue projections in multi-year fiscal framework
Global growth acceleration. Easing of conflicts, positive supply-side surprises (e.g., oil production shocks), productivity gains from AI, or structural reforms raise global demand and trade.	Low	Medium Higher global demand could boost gold and cotton exports, improve fiscal revenues, and increase remittances. Stronger investor sentiment may support capital inflows.	<ul style="list-style-type: none"> • Maintain sound macroeconomic policies. • Enhance export competitiveness. • Channel capital inflows into productive sectors.
Global Structural Risks			
Deepening geoeconomic fragmentation. Persistent conflicts, inward-oriented policies, protectionism, weaker international cooperation, labor mobility curbs, and fracturing technological and payments systems lead to higher input costs, hinder green transition, and lower trade and potential growth.	High	Medium Weaker international cooperation and rising protectionism could limit market access, disrupt supply chains, and reduce development aid, increasing economic uncertainty.	<ul style="list-style-type: none"> • Promote domestic industries to reduce import dependence. • Maintain engagement with development partners.
Cyberthreats. Cyberattacks on physical or digital infrastructure (including digital currency and crypto assets), technical failures, or misuse of AI technologies trigger financial and economic instability.	High	High Cyberattacks could disrupt financial transactions, weaken public institutions, and reduce trust in digital infrastructure, affecting investment and economic stability.	<ul style="list-style-type: none"> • Strengthen cybersecurity frameworks. • Improve digital resilience and risk monitoring. • Enhance public-private cooperation in cyber defense.

Source of Risk	Relative Likelihood	Expected Impact if Realized / Time Horizon	Policies to Mitigate Risks
Climate change. Extreme climate events driven by rising temperatures cause loss of life, damage to infrastructure, food insecurity, supply disruptions, lower growth, and financial instability.	Medium	Medium Extreme drought or rainfall could adversely affect food production and livelihoods, particularly given that a large share of Mali's agriculture is for self-sustenance.	<ul style="list-style-type: none"> • Build resilience to climate change in agriculture • Longer term, broaden the economic base and expand non-agricultural activities • Enhance post-disaster response
Social discontent. Real income loss, spillovers from conflicts, dissatisfaction with migration, and worsening inequality ignite social unrest, populism, polarization, and resistance to reforms or suboptimal policies. This weakens growth and leads to policy uncertainty and market repricing.	Medium	High Social discontent may rise if the cost of living escalates further, in an environment of large food insecurity and heightened violence. The postponement of the presidential election, combined with broader political developments, may contribute to increased uncertainty, weigh on confidence, and delay the resumption of IFI budget support and broader engagement.	<ul style="list-style-type: none"> • Address food insecurity and the cost-of-living crisis • Restore national unity to stem regional conflict • Collaborate with international and regional security partners • Agree on election timetable to see resumption of IFI budget support • Maintain constructive dialogue around the transition process and continue communicating reform priorities
Domestic/Regional Risks			
Significant deterioration of security situation. An increase in terrorist attacks across the country and a rise in the internally displaced population.	High	High A deterioration in the security situation could lead to a rise in military spending, crowding out other developmental priorities. Internal refugee flows would put emergency aid procedures under strain.	<ul style="list-style-type: none"> • Restore collaboration with international and regional security forces and aid organizations
Energy crisis and power outages. Inadequate energy infrastructure, coupled with increasing demand and external supply challenges, has led to frequent and prolonged power outages. These disruptions hinder economic productivity, limit public services, exacerbate social unrest, and undermine investor confidence, creating further economic instability.	Medium	High Persistent power outages disrupt economic activities, hinder public services, and exacerbate social discontent. Businesses face operational challenges, leading to economic losses, while households endure reduced quality of life. The energy crisis also undermines investor confidence, potentially affecting future investments in the country.	<ul style="list-style-type: none"> • Enhance energy infrastructure: invest in upgrading and expanding the electricity grid to improve reliability and meet growing demand. • Diversify energy sources: develop renewable energy projects, such as solar and hydroelectric power, to reduce dependence on imported fuels and increase energy security. • Improve EDM management: implement reforms to enhance the efficiency and financial stability of EDM, including addressing pricing discrepancies and reducing operational losses. • Regional cooperation: explore energy import agreements with neighboring countries to alleviate shortages.

Annex VII. Capacity Development Strategy

This annex provides an overview of the capacity development strategy for Mali, building on in-depth analysis in the context of Mali's Article 2023 IV report.

1. Capacity development priorities should be oriented towards maintaining macroeconomic stability in a challenging context and with constrained external financing. The priorities can be classified into three main areas: (i) improving domestic revenue mobilization; (ii) improving efficiency of public expenditure and public financial management; (iii) strengthening transparency and governance; and (iv) improving quality of statistics. Following discussions with the authorities, CD assistance on macroeconomic modeling in support of modernization of INSTAT's forecasting program was identified as an additional and new priority area. This could help raise Mali's share of CD spending, which has dropped in recent years, relative to the average for Sub Saharan Africa countries (see charts).

2. Improving domestic revenue mobilization is essential for long-term fiscal sustainability given the increasing financing needs and significant financing constraints:

- **Developing revenue administration capacity remains a priority that has the potential to bring significant benefits.** The tax administration diagnostic and assessment tool (TADAT) assessment conducted in May 2023 showed good progress made since the first TADAT assessment (2019) with ten indicators scoring an A against only two in 2019. The authorities prepared an action plan to implement the 2023 TADAT recommendations and progress is being made to implement it. Priorities are to accelerate progress toward digitalization of Tax and customs procedure particularly by strengthening departments for large and medium-sized enterprises and fostering information sharing between Tax, Customs and the Treasury. Efforts to improve revenue collection should also include: (i) rationalizing tax expenditures, as exemptions continue to heavily impact revenues, (ii) strengthening mining taxation, (iii) improving land taxation, (iv) strengthening the tax intelligence function, (v) developing risks analysis and implementing a data warehouse, (vi) capturing e-commerce flows at customs level, and (vii) acquisition of AI and data science skills for customs purposes.

3. There is scope for more reforms, geared at improving the efficiency of public expenditures and public financial management. Progress has been made in recent years on expenditure and public financial management reform, despite the lack of continuity of IMF programs.

- **Expenditure reforms.** Given the growing share of the wage bill in the budget, the efficiency of public expenditure would be greatly enhanced by the reform of public wage policies. Improving the efficiency of the subsidy system and reforming SOEs would also lessen the need for costly transfers and subsidies and reduce associated fiscal risks.
- **Enhancing capacity to address weaknesses in public financial management.** Improving expenditure chain transparency and strengthening budget preparation, execution and control is a priority in order to control spending and prevent the accumulation of arrears. Improving

treasury and cash management, with a focus on the treasury single account (TSA) has been one of the priorities in recent years. The sanctions imposed on Mali caused a setback for TSA reforms and more effort is needed to implement this important reform. Building on the Public Investment Management Assessment (PIMA) prepared in 2021, public investment management could be improved, including appraisal, prioritization and execution of projects. Further strengthening capacity to manage PPPs and fiscal risks should be a priority. Finally, improving automatic data sharing between the Treasury and the revenue-collecting agencies would make the PFM system, especially budgeting, more efficient.

4. Improving data quality for national accounts, fiscal and debt statistics, should remain a priority. Given the fragility of the country, there are still somewhat significant data availability and quality issues in national accounts and fiscal- and debt statistics, which complicates surveillance and program design.

- **Improving real and external sectors statistics.** Continued technical assistance following the rebasing of national accounts will be instrumental for the production of consistent quarterly national accounts data, and for improving the methodology for the compilation of consumer price index statistics and external sector statistics.
- **Improving fiscal and debt statistics.** There are some gaps in fiscal and debt statistics that hamper timely monitoring and correct reporting. These include mainly debt flow-stock discrepancies and data on contingent liabilities. Some minor concerns remain around reliability and timely provision of external and domestic debt data, the government's position in the banking sector by level of government, and classification and registration of public arrears. Work is also underway to improve data consolidation and expand the institutional coverage of TOFE data to include other public entities and local governments.

5. Given the high exposure of Mali to climate change, an important medium-term priority would be to gradually build up capacity to manage the economic and fiscal fallout of climate shocks and develop climate adaptation and mitigation strategies. This may include diagnostic tools such as the Climate-Public Investment Management Assessment or support debt management capacity in dealing with green debt instruments, if and when Mali qualifies for such assessment.

6. Close cooperation with development partners and coordination of TA delivery across agencies (World Bank, United Nations, African Development Bank, EU etc.) will be of utmost importance to avoid overlaps and deliver consistent advice without overburdening authorities.

Annex VIII. Data Issues

Annex VIII. Table 1. Mali: Data Adequacy Assessment for Surveillance

Data Adequacy Assessment Rating 1/							
C							
Questionnaire Results 2/							
Assessment	National Accounts	Prices	Government Finance Statistics	External Sector Statistics	Monetary and Financial Statistics	Inter-sectoral Consistency	Median Rating
	B	A	C	C	B	C	C
Detailed Questionnaire Results							
Data Quality Characteristics							
Coverage	B	A	C	C	B		
Granularity 3/	B		C	C	B		
			C		B		
Consistency			C	C		C	
Frequency and Timeliness	B	A	C	C	B		
<p>Note: When the questionnaire does not include a question on a specific dimension of data quality for a sector, the corresponding cell is blank.</p> <p>1/ The overall data adequacy assessment is based on staff's assessment of the adequacy of the country's data for conducting analysis and formulating policy advice, and takes into consideration country-specific characteristics.</p> <p>2/ The overall questionnaire assessment and the assessments for individual sectors reported in the heatmap are based on a standardized questionnaire and scoring system (see <i>IMF Review of the Framework for Data Adequacy Assessment for Surveillance</i>, January 2024, Appendix I).</p> <p>3/ The top cell for "Granularity" of Government Finance Statistics shows staff's assessment of the granularity of the reported government operations data, while the bottom cell shows that of public debt statistics. The top cell for "Granularity" of Monetary and Financial Statistics shows staff's assessment of the granularity of the reported Monetary and Financial Statistics data, while the bottom cell shows that of the Financial Soundness indicators.</p>							
A	The data provided to the Fund is adequate for surveillance.						
B	The data provided to the Fund has some shortcomings but is broadly adequate for surveillance.						
C	The data provided to the Fund has some shortcomings that somewhat hamper surveillance.						
D	The data provided to the Fund has serious shortcomings that significantly hamper surveillance.						
<p>Rationale for staff assessment. Overall, the data provided to the Fund has some shortcomings that somewhat hamper surveillance, mostly related to granularity, timeliness and consistency. In the fiscal sector, reconciliation between stocks and flows could be improved, and more granularity on debt stocks and public expenditure would be welcome. In the external sector, granularity, frequency of reporting and timeliness could be improved. Staff would welcome debt statistics of SOEs, including a detailed list of government guarantees. Inter-sectoral consistency could be improved.</p>							
<p>Changes since the last Article IV consultation. GDP statistics have been rebased historically and new statistics are now available, covering the most recent years. INSTAT also is producing quarterly GDP statistics and is working on improving the timeliness of the release.</p>							
<p>Corrective actions and capacity development priorities. Work is ongoing with the assistance of STA, AFRITAC West and AFRISTAT to expand the coverage of the TOFE to public agencies and local governments, and to finalize historical series for the rebased GDP statistics.</p>							
<p>Use of data and/or estimates different from official statistics in the Article IV consultation. The Staff Report includes data from Cadre Harmonisé (CH), which provides relevant, consensual, rigorous and transparent analysis on current and projected food and nutrition situations; from the Internal Displacement Monitoring Centre (IDMC), which is the world's leading source of data and analysis on internal displacement. Climate change data are drawn from the IMF climate dashboard.</p>							
<p>Other data gaps. N/A</p>							

Annex VIII. Table 2. Mali: Data Standards Initiatives

Mali participates in the Enhanced General Data Dissemination System (e-GDDS) and first posted its metadata in September 2001 but is yet to disseminate the data recommended under the e-GDDS.

Annex VIII. Table 3. Mali: Table of Common Indicators Required for Surveillance
As of June 28, 2025

	Data Provision to the Fund				Publication under the Data Standards Initiatives through the National Summary Data Page			
	Date of Latest Observation	Date Received	Frequency of Data ⁶	Frequency of Reporting ⁶	Expected Frequency ^{6,7}	Mali ⁸	Expected Timeliness ^{6,7}	Mali ⁸
Exchange Rates	Current	Current	D	M	D	D	...	D
International Reserve Assets and Reserve Liabilities of the Monetary Authorities ¹	Mar-2025	May-2025	M	M	M	M	1M	3M
Reserve/Base Money	Mar-2025	May-2025	M	M	M	M	2M	3M
Broad Money	Mar-2025	May-2025	M	M	M	M	1Q	3M
Central Bank Balance Sheet	Mar-2025	May-2025	M	M	M	M	2M	3M
Consolidated Balance Sheet of the Banking System	Feb-2025	May-2025	M	M	M	M	1Q	3M
Interest Rates ²	Apr-2025	Apr-2025	W	M	M	W/M	...	1W
Consumer Price Index	May-2025	Jun-2025	M	M	M	M	2M	10D
Revenue, Expenditure, Balance and Composition of Financing ³ –General Government ⁴	NA	NA	NA	NA	A	...	3Q	...
Revenue, Expenditure, Balance and Composition of Financing ³ –Central Government	2024Q4	Feb-2025	A,Q,M	A,Q,M	Q	A	1Q	3M
Stocks of Central Government and Central Government-Guaranteed Debt ⁵	Dec-2024	Feb-2025	I	A	Q	M	2Q	6M
External Current Account Balance	2023	Feb-2025	A	A	Q	A	1Q	12M
Exports and Imports of Goods and Services	2023	Jan-2025	A	A	M	M	12W	1Q
GDP/GNP	2024Q3	Jan-2025	A,Q	A,Q	Q	A	1Q	6M
Gross External Debt	2024	Jan-2025	A	A	Q	A	2Q	7M
International Investment Position	2023	Jan-25	A	A	A	A	3Q	12M

¹ Includes reserve assets pledged or otherwise encumbered, as well as net derivative positions.

² Both market-based and officially determined, including discount rates, money market rates, rates on treasury bills, notes and bonds.

³ Foreign, domestic bank, and domestic nonbank financing.

⁴ The general government consists of the central government (budgetary funds, extra budgetary funds, and social security funds) and state and local governments.

⁵ Including currency and maturity composition.

⁶ Frequency and timeliness: ("D") daily; ("W") weekly or with a lag of no more than one week after the reference date; ("M") monthly or with lag of no more than one month after the reference date; ("Q") quarterly or with lag of no more than one quarter after the reference date; ("A") annual; ("SA") semiannual; ("I") irregular; ("NA") not available or not applicable; and ("NLT") not later than;.

⁷ Encouraged frequency of data and timeliness of reporting under the e-GDDS and required frequency of data and timeliness of reporting under the SDDS and SDDS Plus. Any flexibility options or transition plans used under the SDDS or SDDS Plus are not reflected. For those countries that do not participate in the IMF Data Standards Initiatives, the required frequency and timeliness under the SDDS are shown for New Zealand, and the encouraged frequency and timeliness under the e-GDDS are shown for Eritrea, Nauru, South Sudan, and Turkmenistan.

⁸ Based on the information from the Summary of Observance for SDDS and SDDS Plus participants, and the Summary of Dissemination Practices for e-GDDS participants, available from the IMF Dissemination Standards Bulletin Board (<https://dsbb.imf.org/>). For those countries that do not participate in the Data Standards Initiatives, as well as those that do have a National Data Summary Page, the entries are shown as "..."



MALI

STAFF REPORT FOR THE 2025 ARTICLE IV CONSULTATION— INFORMATIONAL ANNEX

July 14, 2025

Prepared By

African Department (in Consultation with other
Departments)

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RELATIONS WITH THE FUND

(As of May 31, 2025)

Membership Status: Joined: September 27, 1963; Article VIII

General Resources Account:

	SDR Million	%Quota
Quota	186.60	100.00
IMF's Holdings of Currency (Holdings Rate)	153.28	82.14
Reserve Tranche Position	33.33	17.86

SDR Department:

	SDR Million	%Allocation
Net cumulative allocation	268.21	100.00
Holdings	295.77	110.27

Outstanding Purchases and Loans:

	SDR Million	%Quota
RCF Loans	239.97	128.60
ECF Arrangements	171.63	91.97

Latest Financial Commitments:

Arrangements:

Type	Date of Arrangement	Expiration Date	Amount Approved (SDR Million)	Amount Drawn (SDR Million)
ECF	Aug 28, 2019	Aug 21, 2022	139.95	80.00
ECF	Dec 18, 2013	Dec 17, 2018	186.60	186.60
ECF	Dec 27, 2011	Jan 10, 2013	30.00	6.00

Outright Loans¹:

Type	Date of Commitment	Date Drawn/Expired	Amount Approved (SDR Million)	Amount Drawn (SDR Million)
RCF	Apr 16, 2025	Apr 18, 2025	93.30	93.30
RCF	Apr 30, 2020	May 04, 2020	146.67	146.67
RCF	Jun 10, 2013	Jun 18, 2013	10.00	10.00
RCF	Jan 28, 2013	Feb 04, 2013	12.00	12.00

¹ Undrawn outright disbursements (RFI and RCF) expire automatically 60 days following the date of commitment, i.e. Board approval date.

Overdue Obligations and Projected Payments to Fund²**(SDR Million; based on existing use of resources and present holdings of SDRs):**

			Forthcoming		
	2025	2026	2027	2028	2029
Principal	43.29	72.35	70.65	57.99	45.33
Charges/Interest		0.00	0.00	0.00	0.00
Total	43.29	72.35	70.65	57.99	45.33

Implementation of HIPC Initiative:

	Original Framework	Enhanced Framework	Total
I. Commitment of HIPC assistance			
Decision point date	Sep 1998	Sep 2000	
Assistance committed			
by all creditors (US\$ Million)	121.00	417.00	
Of which: IMF assistance (US\$ million)	14.00	45.21	
(SDR equivalent in millions)	10.80	34.74	
Completion point date	Sep 2000	Mar 2003	
II. Disbursement of IMF assistance (SDR Million)			
Assistance disbursed to the member	10.80	34.74	45.54
Interim assistance	--	9.08	9.08
Completion point balance	10.80	25.66	36.46
Additional disbursement of interest income ³	--	3.73	3.73
Total disbursements	10.80	38.47	49.27

Decision point - point at which the IMF and the World Bank determine whether a country qualifies for assistance under the HIPC Initiative and decide on the amount of assistance to be committed.

Interim assistance - amount disbursed to a country during the period between decision and completion points, up to 20 percent annually and 60 percent in total of the assistance committed at the decision point (or 25 percent and 75 percent, respectively, in exceptional circumstances).

Completion point - point at which a country receives the remaining balance of its assistance committed at the decision point, together with an additional disbursement of interest income as defined in footnote 2 above. The timing of the completion point is linked to the implementation of pre-agreed key structural reforms (i.e., floating completion point).

² When a member has overdue financial obligations outstanding for more than three months, the amount of such arrears will be shown in this section.

³ Under the enhanced framework, an additional disbursement is made at the completion point corresponding to interest income earned on the amount committed at the decision point but not disbursed during the interim period.

Implementation of Multilateral Debt Relief Initiative (MDRI):

I. MDRI-eligible Debt (SDR Million) ⁴	75.07
Financed by: MDRI Trust	62.44
Remaining HIPC resources	12.63

II. Debt Relief by Facility (SDR Million)

Delivery Date	Eligible Debt		Total
	GRA	PRGT	
January 2006	N/A	75.07	75.07

Implementation of Catastrophe Containment and Relief (CCR):

Date of Catastrophe	Board Decision Date	Amount Committed (SDR million)	Amount Disbursed (SDR million)
N/A	Apr 13, 2020	7.30	7.30
N/A	Oct 30, 2020	7.50	7.50
N/A	Apr 01, 2021	7.70	7.70
N/A	Oct 06, 2021	5.70	5.70
N/A	Dec 15, 2021	1.80	1.80

As of February 4, 2015, the Post-Catastrophe Debt Relief Trust has been transformed to the Catastrophe Containment and Relief (CCR) Trust.

Safeguards Assessments:

The Central Bank of West African States (BCEAO) is a common central bank of the countries of the West African Economic and Monetary Union (WAEMU). The most recent safeguards assessment conducted in August 2023 confirmed that the BCEAO continues to maintain a robust audit framework and a strong control environment. Progress has been made in aligning its operational practices with evolving institutional frameworks, including the 2019 cooperation agreement with France. All recommendations from the 2018 safeguards assessment have been implemented.

Exchange Rate Arrangements:

Mali is a member of the West African Economic and Monetary Union (WAEMU). Effective January 1, 1999, the CFA franc was pegged to the Euro at a rate of CFAF 655.96 = EUR 1. The de jure and de facto exchange rate arrangements are classified as a conventional peg.”

As of June 1, 1996, Mali and other members of WAEMU accepted the obligations of Article VIII, Sections 2, 3, and 4 of the Fund’s Articles of Agreement. Mali’s exchange system has no restrictions

⁴ The MDRI provides 100 percent debt relief to eligible member countries that qualified for the assistance. Grant assistance from the MDRI Trust and HIPC resources provide debt relief to cover the full stock of debt owed to the Fund as of end-2004 that remains outstanding at the time the member qualifies for such debt relief.

on making payments or transfers for current international transactions and the country does not engage in multiple currency practices.

Sharing a common trade policy with other members of WAEMU, Mali has shifted key trade policy-making to the sub-regional level. The common external tariff (CET) was adopted in January 2000. Mali complies with the union's tariff rate structure and has effectively dismantled internal tariffs. Between 1997 and 2003, WAEMU tariff reform reduced the simple average custom duty from 22 percent to 15 percent; the maximum rate is currently 20 percent on most items. Imports to Mali are not subject to quantitative restrictions.

Mali's exports to the European Union generally enjoy non-reciprocal preferential treatment in the form of exemption from import duties under the Everything but Arms initiative. Malian goods enjoy nonreciprocal preferential access to the markets of developed countries other than the European Union under the Generalized System of Preferences. Mali is also eligible to benefit from the United States' African Growth and Opportunity Act. Mali imposes no de jure restrictions on exports.

Article IV Consultations:

Mali's Article IV consultation cycle is governed by the provisions of the decision on consultation cycles, Decision No. 14747–(10/96) (9/28/2010), as amended. The Executive Board completed the last Article IV consultation (Country Report No. 2023/209) on May 26, 2023.

Resident Representative Ben Hassine, Moez

Mr. Moez Ben Hassine has been the Fund Resident Representative in Bamako since November 2024.

RELATIONS WITH OTHER INTERNATIONAL FINANCIAL INSTITUTIONS

- World Bank: <https://www.worldbank.org/en/country/mali>
- African Development Bank: <https://www.afdb.org/en/countries/west-africa/mali>
- Regional Technical Assistance Center for West Africa 1: <https://www.afritacouest.org/>

TECHNICAL ASSISTANCE¹

Purpose	Dates	Department
Improving quality and frequency of national accounts, balance of payment statistics and government finance statistics	4 TA missions in FY24 5 TA missions in FY25	Statistics
Public financial management, including: - Budget preparation, macro-fiscal and PIM - TSA, accounting, asset and liability management	2 TA missions in FY24, 1 TA mission in FY25 4 TA missions in FY24, 2 TA missions in FY25	Fiscal Affairs
Revenue and tax administration	8 TA missions in FY24 5 TA missions in FY25	Fiscal Affairs
Debt management: Training on issuance calendar preparation and implementation, DSA training	1 TA mission in FY 24 1 TA mission in FY25	Monetary and Capital Markets
Source: Staff calculations based on Capacity Development Management and Administration Program. Note: FY24 = May 2023-April 2024, FY25 = May 2024-April 2025. Snapshot as of March 5, 2025.		

¹ Since 2023 Article IV.



MALI

STAFF REPORT FOR THE 2025 ARTICLE IV CONSULTATION— DEBT SUSTAINABILITY ANALYSIS

July 14, 2025

Approved By
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Prepared by the Staff of the International Monetary Fund
and the International Development Association.

Mali: Joint Bank-Fund Staff Debt Sustainability Analysis	
Risk of external debt distress	<i>Moderate</i>
Overall risk of debt distress	<i>Moderate</i>
Granularity in the risk rating	<i>Substantial space to absorb shocks</i>
Application of judgment	<i>No</i>

Mali's risk of external and overall debt distress is assessed to be moderate, although downside risks have increased since the 2023 debt sustainability analysis (DSA).¹ For external debt, no breaches occur in either the baseline scenario or in any of the stress tests when the conventional currency-based definition is adopted. However, the debt service-to-exports and debt service-to-revenue indicators persistently breach their respective thresholds under a customized scenario where external debt is classified as quasi-residency-based to better account for ownership of regional debt. For overall debt, the present value of public debt-to-GDP ratio remains below the relevant threshold in the baseline scenario. However, it incurs a prolonged and substantial breach of its benchmark under several stress tests, including a commodity price shock stress test and a contingent liability stress test designed to account for the possibility that the largest SOEs may add to the public debt burden. Mali's space to absorb shocks is assessed to be substantial. Nonetheless, the country is subject to several downside risks arising from both domestic and geopolitical challenges, including tighter regional and global financing conditions. To ensure debt sustainability, making progress on security and domestic political issues, improving the profitability and financial situation of SOEs, maintaining a reliable and stable regulatory environment and continued fiscal discipline will be important for restoring investor confidence and creating a more conducive business environment. Finally, it is crucial to engage with creditors to clear external and domestic arrears in a timely fashion.

¹ The DSA analysis reflects a debt carrying capacity of medium considering Mali's composite indicator index of 2.87, based on the IMF's April 2025 World Economic Outlook and the 2023 World Bank Country Policy and Institutional Assessment (CPIA).

PUBLIC DEBT COVERAGE

1. Mali’s public debt covers the external and domestic obligations of the central government (Text Tables 1 and 2).² Local government entities do not borrow on their own. A detailed and updated breakdown of the debt of all state-owned enterprises (SOEs) is currently not available. Total SOE liabilities are estimated to be large, and staff is therefore supporting the authorities’ efforts to broaden public debt reporting coverage to include the debt of SOEs and other public institutions.³ Improvements in debt recording and reporting are critical for a robust evaluation of debt sustainability. Owing to data limitations, and consistent with the practice of all countries in the WAEMU, external debt is classified by currency denomination.⁴ Nevertheless, estimates based on auction data suggest that the amount of external debt as defined by creditor residency is likely to be significantly larger (see ¶12 for more details). Consequently, the DSA’s model-based output for external debt sustainability is complemented with a fully customized scenario designed to broaden the definition of external debt, to better account for risks.

2. A contingent liability test with tailored magnitude of shocks is applied to reflect the potential impacts of additional liabilities (Text Table 2). The component of the contingent liability shock related to SOEs, which fall outside public sector coverage, is assumed to be 12 percent of GDP, 10 percentage points higher than the default setting of 2 percent of GDP. The size of this shock reflects the possibility that SOE liabilities (outside of those for which an explicit guarantee from the Malian government already exists) could add to public debt.⁵ Liabilities of loss-making and highly indebted SOEs in Mali include:

- **The balance-sheet liabilities of *Energie du Mali* (EDM) amounted to over 7.5 percent of GDP at end-2024.** Debts of EDM, including towards banks and to key suppliers of electricity and fuel, amounted to CFAF 562 billion or almost 4.1 percent of GDP, while the provisional balance sheet at end-2024 reveals a negative equity position amounting to about 3.5 percent of GDP. In

² The coverage of public debt in this DSA is the same as in the 2023 Article IV DSA and in the 2025 RCF-SMP DSA. To note, the former is chosen as the basis for the “previous DSA” in the charts and tables.

³ Efforts have been made with the support from the IMF (AFRITAC mission on debt reporting) and the World Bank. Under the World Bank Sustainable Development Finance Policy (SDFP) Policy Priority Actions (PPA), the government has published the debt situation of the ten largest SOEs with financial risks for 2021.

⁴ The only exception to this rule is borrowing from the West African Development Bank (BOAD), which is considered external debt despite being local-currency-denominated. Note that information on the residency of the banks subscribing Malian issues of regional debt on the UMOA-Titres exchange is available from quarterly reports. However, this information only pertains to flows at origination, while the ownership of the entire stock may be different due to trading on secondary market. To note, one of the FY2025 SDFP PPAs requires publication of a debt bulletin of recent issuances with information on the residency of holders.

⁵ The latest available information on the debt of the 10 largest SOEs points to an exposure to outstanding debts of about CFAF 750 billion at end-2021, considering the equity share owned by the government. Total debt of these SOEs amounted to almost CFAF 2,600 billion. Since then, the financial situation of EDM, SOMAGEP, and SOMAPEP has worsened considerably, while more updated data on outstanding debt is not available.

2024, the Ministry of Finance spearheaded a restructuring of some of EDM's debt with commercial banks.⁶

- **The *Société Malienne de Gestion de l'Eau Potable (SOMAGEP)* and the *Société Malienne de Patrimoine de l'Eau Potable (SOMAPEP)* had debts amounting to about 0.7 percent of GDP at end-2024.** Chronic underinvestment, inadequate tariff levels, uncompensated quasi-fiscal activities, and electricity shortages have dented the operations and profitability of SOMAGEP and SOMAPEP, which are the SOEs tasked with potable water pumping and distribution. This has led to a deterioration of their profitability and debt positions.⁷

3. The shock from the financial sector is set at the default level of 5 percent of GDP.

According to the World Bank's Public-Private Partnerships (PPP) database, the capital stock of PPPs in Mali is estimated to be 3.7 percent of GDP, so the PPP component of the contingent liability stress test is calibrated to be 1.3 percent of GDP. As a result, total contingent liabilities are therefore assumed to be 18.3 percent of GDP for the purposes of the stress test.

Text Table 1. Mali: Coverage of Public Debt

Subsectors of the public sector	Sub-sectors covered
1 Central government	X
2 State and local government	X
3 Other elements in the general government	
4 o/w: Social security fund	
5 o/w: Extra budgetary funds (EBFs)	
6 Guarantees (to other entities in the public and private sector, including to SOEs)	
7 Central bank (borrowed on behalf of the government)	
8 Non-guaranteed SOE debt	

Text Table 2. Mali: Size of Contingent Liability Shock

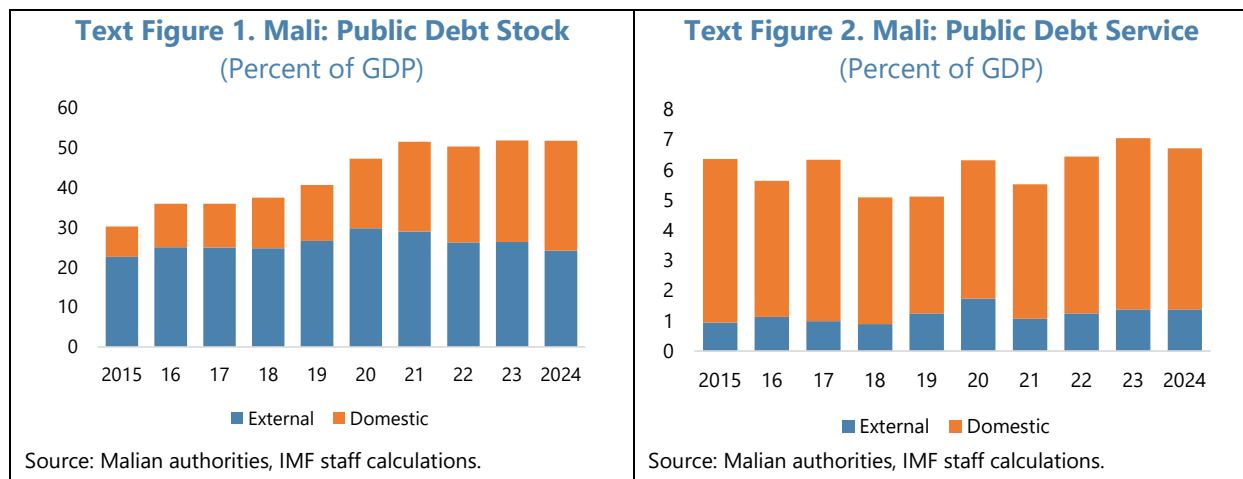
1 The country's coverage of public debt	The central, state, and local governments	
	Default	Used for the analysis
2 Other elements of the general government not captured in 1.	0 percent of GDP	0.0
3 SoE's debt (guaranteed and not guaranteed by the government)	2 percent of GDP	12.0
4 PPP	35 percent of PPP stock	1.3
5 Financial market (the default value of 5 percent of GDP is the minimum value)	5 percent of GDP	5.0
Total (2+3+4+5) (in percent of GDP)		18.3

⁶ EDM is structurally loss-making, which is attributed to a negative operating margin with high production costs, as well as alleged mismanagement and corruption. The total debt position at end-2024 comprised CFAF 241 billion of bank debt and CFAF 321 billion of debt to suppliers. In June 2024, the Ministry of Economy and Finance implemented an agreement between EDM and prominent domestic banks to reprofile CFAF 241 billion of short-term debt into a 10-year maturity at 6 percent nominal rate, with an initial 1-year grace period on principal and interest repayment. The remainder of EDM's debt consists of both short-term bank debt and debt to suppliers. At end-2023, the government proceeded to compensate EDM's losses by a total amount of CFAF 144 billion, by reducing tax and other credits outstanding. This effectively recapitalized the company, but without injecting new funds. The rate of accumulation of losses has slowed significantly in 2024, but the negative equity of the company has risen over the past year.

⁷ SOMAGEP and SOMAPEP were created after a reform of the water sector in 2010. SOMAGEP is tasked with the distribution and commercialization of potable water, while SOMAPEP is in charge of the infrastructure.

DEBT BACKGROUND

4. At end-2024, Mali’s public debt stock stood at 51.7 percent of GDP, with external debt at 24.2 percent of GDP (Text Figure 1 and Text Table 3). External debt amounted to CFAF 3,347 billion (24.2 percent of GDP), of which CFAF 2,611 billion (18.9 percent of GDP) was owed to multilateral creditors and CFAF 735 billion (5.3 percent of GDP) to bilateral creditors. The main external creditors—accounting for over 90 percent of the external debt stock— included the IMF, World Bank, African Development Fund, West African Development Bank, Islamic Development Bank, as well as the governments of France (French Development Agency), China, India, and Abu Dhabi (Abu Dhabi Development Fund) (Text Table 3). Around 30 percent of Mali’s external debt is denominated in euros, which is not exposed to exchange rate risk given the CFAF’s peg to the euro. External debt is generally contracted on concessional terms, with an average weighted interest rate of 1 percent and a maturity exceeding 10 years. Public debt service stood at 6.7 percent of GDP in 2024 (Text Figure 2).



5. Domestic public debt consists mostly of short- and medium-term treasury securities. These instruments are predominantly held by banks in Mali and in the rest of the West African Economic and Monetary Union (WAEMU).⁸ Domestic debt has built up rapidly, increasing from a low base of 7.6 percent of GDP in 2015 to 27.5 percent of GDP in 2024 (Text Figure 1). This trend was driven by a variety of factors including, among others: (1) the development of regional debt markets in this period and deeper regional financial integration; (2) several shocks hitting Mali’s economy that generated a need for additional financing, including security issues, the COVID-19 pandemic, and reductions in budget support and sanctions; (3) the issue of stock-flow adjustments, where below-the-line operations generate financing needs not properly accounted for by the fiscal deficit. Domestic debt primarily comprises treasury bills and bonds issued on the WAEMU regional market, but also includes syndicated bonds from groups of regional banks. The increasing share of Mali’s

⁸ The Bank-Sovereign nexus has strengthened in recent years in Mali, with the banks’ exposure to the public sector rising from 15 percent of assets in 2015 to about 25 percent of assets in 2023. Beyond increasing the risk of a financial crisis, this trend may also have reduced the availability of financing to the private sector.

debt servicing costs for domestic debt is due to its average effective interest rate, which is significantly higher than that paid on external debt (Text Figure 2). Over 90 percent of Mali's domestic debt stock issued by the Treasury consists of bonds or syndicated loans with a maturity of more than one year. In 2021, the SDR allocation was received by the regional central bank (BCEAO) and then on lent to WAEMU member countries in CFA francs, and it is recorded as domestic debt for the purpose of the DSA.

6. Mali has accumulated sizable domestic arrears and relatively smaller external arrears (Text Table 3). Domestic arrears on payments to suppliers amounted to 2.6 percent of GDP at end-2024, a substantial increase since the end of 2023.⁹ Domestic arrears to suppliers contributed significantly to the increase in the debt stock in recent years. Arrears on payments of external debt are much lower and reported at approximately 0.7 percent of GDP in 2024, higher than the estimate of 0.1-0.2 percent of GDP observed during the 2023 Article IV consultation. As of February 28, 2025, about 76 percent of this amount was due to official bilateral lenders for payments of either principal or interest, including China, France, India, Iraq, Kuwait, Libya, Saudi Arabia, and the United Arab Emirates.¹⁰ The remainder of the external arrears were due to multilateral and international financial institutions, including the Arab Bank for Economic Development, the European Investment Bank, the Islamic Development Bank, the ECOWAS Investment and Development Bank, the West African Development Bank, the International Fund for Agricultural Development, the OPEC Development Fund. The authorities have formulated a credible plan to clear external arrears to IFIs contingent on available financing to be raised on the regional debt market.

7. The government of Mali faced considerable liquidity pressures in 2022 and 2023. The ECOWAS sanctions in the first half of 2022 cut Mali off from the regional securities market (Text Figure 3), and more broadly from the regional payments and financial system. Its gross financing needs in 2022 and 2023 were 9.7 and 9.1 percent of GDP, respectively, which it had to meet largely through regional markets and syndicated bonds given the drying up of most external financing in the aftermath of the socio-political turmoil.¹¹ Even after the sanctions were lifted in July 2022, it was difficult to meet the large annual financing needs within the span of the remaining six months. Therefore, Mali accumulated sizable arrears in 2022. Despite substantial efforts to repay its debts to major external and domestic creditors, which allowed it to regain access to the regional market, domestic arrears to suppliers accumulated quickly and persisted in 2023.

⁹ Domestic arrears are defined as outstanding payments that are more than 90-day past due, and their outstanding value at end-2024 constitutes the relevant outturn data used as starting point for the debt projection. They are recorded as part of domestic debt following the same methodology adopted during the 2023 Article IV consultation. At end-2024, domestic arrears comprised CFAF 283 billion to the private sector, and CFAF 80 billion of arrears to other entities of the state or SOEs.

¹⁰ The Fund's Non-Toleration Policy applies in this case, and it requires the non-objection of bilateral creditors.

¹¹ Note that syndicated loans issuances declined substantially in 2023 after their large increase in 2022 (Text Table 3). Given this reduction in issuances, the domestic debt projection does not separately account for syndicated loans, although the refinancing assumptions implicitly account for higher interest rates on longer-term debt (see footnote 14 below for more details).

8. Financing conditions tightened in 2023, and remained constrained in 2024, following consecutive rate hikes and waning investor demand for Mali's debt issuances.¹² In response to high inflation and global monetary policy tightening, the BCEAO raised the WAEMU policy rate from 2 percent in 2022 to 5.5 percent in 2024. Despite BCEAO purchasing almost CFAF 2 trillion of regional debt in the secondary half of 2023, financing conditions in the regional securities market remained tight.¹³ Many of Mali's recent debt issuances have been significantly undersubscribed (Text Figure 3.B), often with short maturities and at significantly elevated interest rates (Text Figure 3.A). Immediately following the ECOWAS exit announcement in January 2024, debt issuances have generally been fully subscribed, albeit in relatively small amounts. However, interest costs have increased sharply, with rates on three-year bonds exceeding 8 percent and spreads on regional market average yields widening. The heavy reliance on domestic banks underwriting most of these issuances has raised risks around the bank-sovereign nexus.

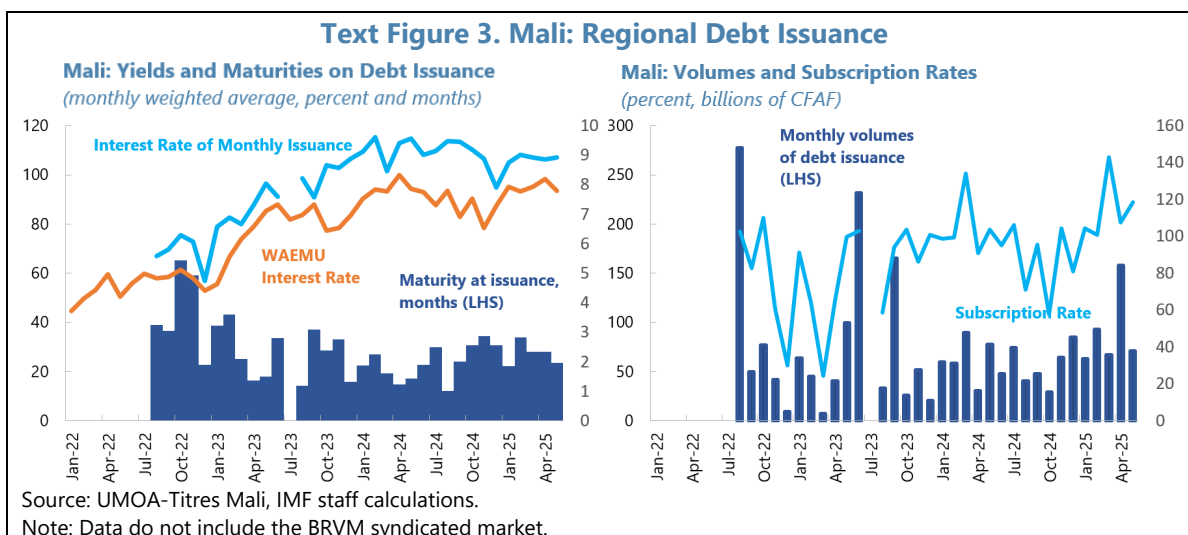
Text Table 3. Mali: Debt Stock at Year-End, 2019-2024 (Billions of CFAF)

	2019	2020	2021	2022	2023	2024	2024
							(percent of GDP)
Total	4,123	4,758	5,521	6,053	6,666	7,147	51.7
(percent of GDP)	41	47	52	50	52	52	
External	2,699	2,995	3,107	3,156	3,389	3,347	24.2
Multilateral	2,061	2,313	2,370	2,384	2,601	2,611	18.9
IMF	190	297	331	323	294	271	2.0
World Bank	1,086	1,153	1,180	1,177	1,382	1,429	10.3
African Development Fund	410	437	451	449	482	503	3.6
West African Development Bank	122	151	142	138	161	149	1.1
Islamic Development Bank	98	130	123	156	143	130	0.9
Others	155	145	143	142	139	130	0.9
Official Bilateral	638	682	737	772	788	735	5.3
Paris Club	87	136	141	196	176	164	1.2
France	73	98	104	122	139	130	0.9
Korea	8	33	33	3	33	30	0.2
Austria	3	3	3	2	2	2	0.0
Belgium	2	2	2	68	2	1	0.0
Non-Paris Club	551	546	596	576	612	571	4.1
China	249	270	281	291	282	245	1.8
India	58	53	61	33	69	61	0.4
Abu Dhabi	165	150	162	171	169	171	1.2
Kuwait	27	31	34	31	33	42	0.3
Others	53	41	59	50	59	52	0.4
Arrears ¹	0	0	0	7	64	99	0.7
Domestic	1,424	1,763	2,414	2,897	3,277	3,800	27.5
Treasury	1,424	1,763	2,272	2,567	2,966	3,295	23.8
Short term (1 year or less)	127	119	128	94	244	304	2.2
Long term (more than 1 year)	1,298	1,644	2,145	2,473	2,722	2,991	21.6
Syndicated bonds	389	579	671	944	953	n.a.	n.a.
SDR Onlending	0	0	142	142	142	142	1.0
Arrears ²	0	0	0	188	169	363	2.6

Sources: Malian authorities, Cbonds, and staff calculations.
1 \ Arrears on external debt include principal and interest repayments.
2 \ Domestic arrears include unpaid bills to suppliers of the Government more than 90-day past due.

¹² Tightened financial conditions affected all WAEMU countries, and were driven by several factors: WAEMU-wide monetary policy tightening; BCEAO's withdrawals of COVID-related support; risk-off sentiments complicating Eurobond issuance and persistent undersubscription in the WAEMU-wide regional securities market; and BCEAO's restoration of liquidity provision under revised refinancing criteria (variable rate, fixed allotment), which restricted Mali and regional banks' access to central bank funds; and, following the ECOWAS exit announcement, interest rates on Mali's regional debt issuances reached record highs, similar to those of Burkina Faso and Niger.

¹³ This monetary easing led to a significant increase in the monthly auction volume in the regional securities market, which leapt to a record CFAF 1.7 trillion in June 2023, or nearly three times the average of the previous three months. The long-run impact of this monetary easing appeared muted, however, as the auction volume fell back to normal levels in July, 2023 and the interest rate of sovereign securities fell only marginally from 7.3 percent to 6.8 percent.



UNDERLYING MACROECONOMIC ASSUMPTIONS

9. The baseline scenario reflects the impact of recent developments. In particular:

- Growth is estimated to have slowed to 4.7 percent in 2024, and to increase slightly to 5 percent in 2025.** In 2023, GDP growth improved to 4.7 percent after averaging 1.8 percent annually during 2020-2022, on the back of robust gold production and improving terms of trade. Inflation was higher in 2024, averaging 3.2 percent for the year, and is expected to average 3.5 percent in 2025. In 2024, continued increases in gold prices slowed the reduction in export revenues as gold production declined sharply in volume terms. However, several shocks hit the economy, including the flooding, worsening electricity outages, escalating security incidents and the departure of MINUSMA in December 2023. Specifically, the flooding contributed to lower growth by about 0.3 percentage points, with the bulk of the negative impact through damage to agriculture. The contribution of the services sector to growth, while still high compared to the primary and secondary sectors, was lower in 2024 compared to 2023. The modest recovery for 2025 is predicated on the expectation that electricity outages will ease, and that lithium production, which started in December 2024, proceeds as planned—and could outperform earlier expectations—partially offsetting the negative effects of the 2024 flooding (through higher import needs) and by the protracted suspension of operations at the largest gold mine. In the medium term, the economy is assumed to grow at its potential, which is assumed to be 5.1 percent in real terms, concentrated in the secondary and tertiary sectors. Finally, Mali has been shown to be particularly exposed to the detrimental effects of climate shocks, with food insecurity exacerbated by higher temperatures, floods and droughts. In turn, this generates a need to invest in critical adaptation measures (see [Selected Issues Paper for the 2023 Article IV consultation](#)). These higher expenditures are not explicitly factored into the baseline scenario.
- The impact on growth from the ECOWAS exit is assessed to be relatively small.** In January 2024, Mali, Burkina Faso, and Niger announced their exit from the ECOWAS trading bloc, a

decision that became fully effective in January 2025. As Malian authorities declared in multiple instances their commitment to remain in the WAEMU, the baseline scenario for the framework assumes this will be the case going forward. The assessed impacts from the ECOWAS exit appear to be small. The announcement in early 2024 and lack of clarity on implementation details that persisted during the 1-year negotiation period are assessed to have contributed to policy uncertainty, adversely affecting financing conditions. Importantly, negative effects from trade disruptions are expected to be minimal, given the low share of Mali's foreign trade with non-WAEMU ECOWAS countries.

- The fiscal deficit was above the 3-percent WAEMU convergence criteria at 3.6 of GDP in 2023, but came down to 2.6 percent of GDP in 2024.** A combination of external and domestic shocks created a challenging fiscal environment in recent years. While some measures have been undertaken to boost tax revenues, no major policy changes are currently envisaged to cut current spending in the near term. Financing needs stood at 7.9 percent of GDP in 2024, with financing conditions remaining challenging amid reduced support from the international community and limited investor demand for domestic debt issuances. Going forward, staff envisions a loosening of the fiscal position in 2025 to 3.4 percent of GDP, driven by higher flood-related expenditure and lower mining-related revenues. However, the impact on the deficit will be partially offset by revenue administration measures and the activation of delayed reforms to broaden the tax base and improve compliance.¹⁴ Since the adoption of the revised 2023 mining code, several foreign mining companies have made one-off payments related to past taxes that bolstered fiscal revenues in 2024, and similar payments are expected to boost revenues in 2025. From 2026 onwards, the implementation of the revised code is expected to account for about half of the medium-term increase in revenue collection. Total revenues—including grants—are expected to rise from 20.6 to 21.5 percent of GDP between 2023–26, while budgetary expenditure is projected to remain broadly flat, from 24.8 to 25 percent of GDP in the same period. As a result, the fiscal deficit is expected to return to 3 percent of GDP in 2027.¹⁵
- Gross financing needs are assumed to be met in large part by domestic issuances through 2025, while the share of external financing is expected to recover in the medium term.** Between 2022 and 2024, Mali has not received external budget support, with available external financing entirely allocated to project support. Despite considerable uncertainty, external budget support is expected to return only gradually starting in 2027. This implies that gross financing

¹⁴ Specific policy changes include changes in taxation of coffee, perfumes and cosmetics. Extra revenue mobilization comes through various legislative and administrative reforms including the 2023 mining code, reducing tax exemptions, as well efforts to tax the agricultural and informal sectors. In some cases, revenue mobilization measures represent improved implementation of existing measures, for example boosting compliance through ongoing digitalization. Notably, efforts on digitalization are supported by technical assistance provided by the World Bank.

¹⁵ This DSA assumes that domestic arrears will be reduced starting in 2026, at a pace of CFAF 60bn over a period of 6 years. This is broadly consistent with the plans outlined by the authorities. As for external arrears, the total amount is assumed to remain stable at end-2025 compared to end-2024, at 0.7 percent of GDP, and to decrease by about CFAF 49bn by end-2026 (or half of the end-2024 value) to 0.3 percent of GDP to be finally cleared in 2027.

needs will have to be met in large part by domestic sources.¹⁶ In the medium term, external financing is projected to rise, partly reflecting the IDA credit disbursements from the World Bank under new IDA borrowing terms.¹⁷ In the long term, external funding is projected to decline as a share of total financing, in part because fewer IDA credit disbursements are expected to be required as Mali's economic and social conditions improve.

- **External imbalances are expected to ease over the medium term, with the current account deficit narrowing to reach 3.2 percent of GDP in 2028.** Based on preliminary data for 2024, the current account deficit is expected to have decreased from 7.7 percent of GDP in 2022 to 4.6 percent of GDP in 2024. This improvement is mainly driven by a decline in the import bill of petroleum products, which more than offsets the decline in exports as a share of GDP. In 2025, record-high gold prices, despite some offset from the recent depreciation of the U.S. dollar and the lost production from Mali's largest mine will buoy gold exports, while shipments of lithium-rich minerals are expected to further contribute to higher exports. Higher exports will be offset by higher projected imports of construction materials, machinery, food, and services related to the reconstruction efforts following the flooding, while petroleum products imports are forecast to be much lower in value following the substantial reduction in global oil prices and the US dollar depreciation observed in recent months. However, oil prices could reverse course if tensions in the Middle East persist. Over the medium term, the deficit is projected to decline gradually on the back of strong exports of lithium-rich minerals, sustained high prices of gold, and, more generally, improved terms of trade. The differences in the current account projections between the current and past versions of the DSA arise mainly from updated assumptions on the path of gold and lithium exports.

10. Realism tool comparisons show that projections are broadly in line with historical precedent and the experiences of comparable countries (Figures 3 and 4).¹⁸

- **Debt dynamics.** The dynamics of public debt as a percentage of GDP show a gradual decline in the near to medium term relative to the past five years, due to the projected growth rebound relative to 2020-22, and to the reduction in the pressures arising from primary deficits which offset the negative contribution of the higher real interest rates (Figure 3). Past debt increases

¹⁶ Considering the observed tight financing conditions in 2023-24, the assumed interest rates for domestic financing has been revised upward for 2024 and 2025 relative to the May 2023 DSA, in the range of 50-240 basis points depending on the maturity. Specifically, interest rates on short-term domestic debt of maturity less than or equal to 1 year are assumed to be 9 percent on average for 2024, and 8.5 percent on average for 2025. For longer-term domestic debt, interest rates range between 9-9.5 percent in 2024 and 2025. This is consistent with yields observed in recent domestic debt issuances, especially on shorter maturities, as well as global developments in financial conditions. Despite the projected decline in EUR interest rates based on market-implied indicators for the year 2025 onward, financing conditions are assumed to be conservatively tight for the DSA.

¹⁷ As Mali is classified as an IDA-only country with a moderate risk of debt distress, it has access to concessional 50-year credits and Shorter-Maturity Loans (SMLs). The former has 50-year final maturity, a 10-year grace period, and zero interest or service charge; the latter (12 percent of the country allocation) a 12-year final maturity, a 6-year grace period, zero interest or service charge.

¹⁸ Realism tools help scrutinize baseline macroeconomic and debt projections, for example by comparing them to previous outturns or to cross-country experiences. These are used as a cross-check for the baseline projections to ensure that the assessment of debt sustainability is based on credible assumptions.

are partly due to a residual which can be attributed to “stock-flow adjustments,” a common phenomenon across WAEMU countries, whereby government spending not captured by the fiscal deficit contributes to debt accumulation. Higher growth and favorable price and exchange rate effects are also expected to contribute to the reduction in external debt as a percentage of GDP.

- **Fiscal adjustment.** The projected three-year change in the primary balance as a share of GDP is broadly flat over 2024-26, consistent with the realism tool shown in Figure 4. This indicated no significant fiscal adjustment over the projection period, in line with experience of many LICs under Fund-supported programs. Furthermore, growth projections in the context of the assumed fiscal consolidation are largely consistent with a variety of assumptions about the size of the fiscal multiplier.
- **Public investment and growth.** Public investment as a share of GDP is lower than previously forecast for 2025 onwards, reflecting capital spending cuts undertaken in 2023 and 2024 due primarily to the difficult financing conditions (Figure 4). Outturns for 2022 and 2023 private investment are higher than previously anticipated.

COUNTRY CLASSIFICATION AND DETERMINATION OF STRESS TESTS

11. Mali’s debt carrying capacity is assessed as “medium.” Based on the April 2025 WEO and World Bank’s 2023 CPIA, Mali’s composite indicator score is 2.87. Any score below 2.69 would be classified as “Weak,” and any score above 3.05 would be “Strong,” with the relevant thresholds used to assess the external debt risk rating portrayed below (Text Table 5). The assessment is largely unchanged from the 2023 Article IV DSA and the is similar to the 2025 RCF-SMP DSA.

12. The debt sustainability analysis relies on six standardized stress tests. It includes a tailored commodity price shock,¹⁹ a separate customized scenario using residency-based definition of external debt, and another separate customized scenario with stock-flow adjustments for below-the-line fiscal operations. It also uses a historical scenario as a robustness check for the baseline scenario. The standardized stress tests use the default settings except for the size of the SOE debt shock, set at 12 percent of GDP rather than the default of 2 percent of GDP to account for the specific situation of EDM, and other state-owned enterprises (see ¶2 above) . The historical scenario produces the path of debt with key macroeconomic variables in the baseline projection that are permanently replaced by their 10-year historical averages.

13. The customized scenario for external debt sustainability analysis relies on a residency-based definition of external debt. Due to data limitations, and consistent with the practice adopted for WAEMU countries, staff has applied a currency-based definition of external debt in DSA in the baseline assessment. Government securities issued in the WAEMU regional market are treated

¹⁹ The magnitude of shocks used for the commodity price shock stress test are based on the commodity prices outlook prepared by the IMF research department.

as domestic debt. According to auction data from UMOA-Titres, the regional exchange, slightly less than two thirds of Mali government securities are bid by banks resident in other WAEMU member countries.²⁰ To assess external debt sustainability under a quasi-residency-based definition, a customized scenario is constructed where two thirds of government securities are classified as external debt. This scenario allows to better appraise external debt sustainability by taking into account the higher debt service costs associated to issuances on regional markets.

14. The customized scenario for public debt sustainability analysis takes into account “stock-flow adjustments,” where below-the-line operations contribute to debt increases.

Across WAEMU countries, public debt has increased beyond the level that can be explained by the overall fiscal deficits in recent years. These “stock-flow adjustments” (SFA) can be caused by several factors, including extra-budgetary funds, differences in accounting methods between the fiscal balance and public debt, valuation effects, government guarantees, or a materialization of contingent liabilities. SFAs have averaged 1.5 percent of GDP across the currency union, and about 0.9 percent of GDP in Mali.²¹ Since such discrepancies between below and above the line fiscal accounts may be difficult to project going forward, staff assesses the likelihood of continued stock-flow adjustments (SFA) by assuming that the true overall deficits are consistently 0.9 percent of GDP higher than reported each year over the forecasting horizon.

DEBT SUSTAINABILITY ANALYSIS

A. External Debt Sustainability

15. External debt is projected to decline as a share of GDP between 2025-30 (Table 1).

Under the baseline scenario, the public and publicly guaranteed (PPG) external debt-to-GDP ratio is projected to fall in 2025 relative to the previous year, driven primarily by the continued reduction in bilateral and multilateral lending. External debt is projected to stabilize around 19.7 percent of GDP by 2030, as official aid as a share of GDP will remain far below its values in the 2023 Article IV DSA until at least 2030 (Text Table 4). The ratio is also slightly lower than in the previous DSA, partly reflecting valuation effects from the recent depreciation of the U.S. dollar. In the long term, the ratio gradually converges to 15.2 percent of GDP at the end of the projection period in 2045, as growth reaches its potential and reliance on domestic debt continues to rise relative to the available supply of concessional official loans.

²⁰ For reference, the median share of domestic buyers of sovereign issuances on regional markets is 36.5 percent in 2023Q4.

²¹ The estimate of this historical average is slightly higher than the number used in the May 2023 DSA. This estimate is based on more updated data used for the analysis in the Selected Issues Paper published as part of the 2023 IMF Article IV Consultation Staff Report.

Text Table 4. Mali: Evolution of Selected Projected Macroeconomic Indicators

	2024	2025	2026	2027	2028	2029	2030-42 Avg
Real GDP Growth							
<i>Current DSA</i>	4.7	5.0	5.4	5.2	5.1	5.1	5.2
<i>Previous DSA</i>	5.1	5.3	5.1	5.0	5.0	5.0	5.0
GDP Deflator							
<i>Current DSA</i>	2.7	2.3	2.0	2.0	2.0	2.0	2.0
<i>Previous DSA</i>	2.8	2.0	2.0	2.0	2.0	2.0	2.0
Overall fiscal balance (including grants, percent of GDP)							
<i>Current DSA</i>	-2.6	-3.4	-3.2	-3.0	-3.0	-3.0	-3.0
<i>Previous DSA</i>	-4.3	-3.6	-3.0	-3.0	-3.0	-3.0	-3.0
Export of goods and services (percent of GDP)							
<i>Current DSA</i>	26.3	28.5	30.4	29.9	29.2	28.6	22.8
<i>Previous DSA</i>	27.7	28.7	27.7	26.8	26.0	23.5	18.2
Import of goods and services (percent of GDP)							
<i>Current DSA</i>	31.8	33.4	33.0	32.4	32.4	32.1	29.9
<i>Previous DSA</i>	37.1	36.8	36.3	35.8	35.2	34.5	32.4
Current account (including grants, percent of GDP)							
<i>Current DSA</i>	-4.6	-4.8	-2.8	-2.8	-3.2	-3.6	-11.6
<i>Previous DSA</i>	-5.5	-3.4	-3.7	-4.0	-4.4	-6.4	-13.8
Official aid¹ (percent of GDP)							
<i>Current DSA</i>	0.2	1.7	2.1	2.6	3.1	3.4	3.0
<i>Previous DSA</i>	2.4	4.0	4.1	4.6	4.1	4.0	3.5
of which							
Grants (percent of GDP)							
<i>Current DSA</i>	0.1	0.3	0.3	0.6	0.9	1.2	1.3
<i>Previous DSA</i>	0.9	1.6	1.6	1.6	1.6	1.6	1.6
Loans (percent of GDP)							
<i>Current DSA</i>	0.1	1.4	1.7	2.0	2.1	2.2	1.7
<i>Previous DSA</i>	1.6	2.5	2.6	3.0	2.5	2.5	1.9

Sources: Malian authorities; and IMF Staff estimates and projections.

Note: The "previous DSA" vintage is 2023, attached to the Staff Report for the 2023 AIV Consultation. The projection years for the 2023 DSA are 2022-2042.

1/Defined as the sum of concessional grants and loans.

16. The risk of external debt distress is moderate, with substantial space to absorb shocks.

All external debt indicators remain below their corresponding indicative thresholds under the baseline scenario and standardized stress tests (Figure 1). Under the baseline scenario, the PV of the external debt-to-GDP ratio is projected to decline from 16.9 percent of GDP in 2025 to 13.4 percent of GDP in 2035. This is well below the indicative threshold of 40 percent. The PV of the external debt-to-exports ratio is projected at 58.4 percent in 2025. It will then gradually moderate to 50.6 percent in 2030 before rising again to 57.3 percent in 2035, due to declining exports as a share of

GDP in the medium to long term, a trend largely driven by assumed capacity constraints to gold extraction. Nevertheless, this indicator remains comfortably below the 180 percent threshold.

Text Table 5. Mali: Debt Carrying Capacity and Thresholds				
Country	Mali			
Country Code	678			
Debt Carrying Capacity	Medium			
Final	Classification based on current vintage	Classification based on the previous vintage	Classification based on the two previous vintages	
Medium	Medium 2.87	Medium 2.84	Medium 2.85	
Calculation of the CI Index				
Components	Coefficients (A)	10-year average values (B)	CI Score components (A*B) = (C)	Contribution of components
CPIA	0.385	3.242	1.25	44%
Real growth rate (in percent)	2.719	3.965	0.11	4%
Import coverage of reserves (in percent)	4.052	43.398	1.76	61%
Import coverage of reserves^2 (in percent)	-3.990	18.834	-0.75	-26%
Remittances (in percent)	2.022	4.963	0.10	4%
World economic growth (in percent)	13.520	2.973	0.40	14%
CI Score	2.87			100%
CI rating	Medium			
Applicable thresholds				
APPLICABLE				
EXTERNAL debt burden thresholds				
PV of debt in % of				
Exports	180			
GDP	40			
Debt service in % of				
Exports	15			
Revenue	18			
APPLICABLE				
TOTAL public debt benchmark				
PV of total public debt in percent of GDP				55
New framework				
Cut-off values				
Weak	CI <	2.69		
Medium	2.69 ≤ CI ≤	3.05		
Strong	CI >	3.05		

17. Indicators of external debt service costs are all stable and below their corresponding threshold limits. Under standardized stress tests, which include the most extreme shock scenarios, the PV of external debt-to-GDP and debt-to-exports ratios, and the debt service-to-exports and debt service-to-revenue ratios also remain comfortably below their respective thresholds. By contrast, in the customized scenario using a residency-based definition of external debt, the

expected paths of debt service-to-exports ratio and debt service-to-revenue ratio exceed their corresponding thresholds for a prolonged period from 2025 onward, respectively (Table 3). Because of higher interest rates of government securities, the impact on debt service indicators is disproportionately strong, compared to the impact on the PV of external debt under this definition. Indeed, the PV of debt-to-GDP and PV of debt-to-export indicators also rise close to their respective thresholds toward the end of the projection horizon without causing a breach. Breaches of relevant thresholds in this customized scenario highlight the sensitivity of the debt sustainability assessment to the definition of external debt. According to the moderate risk tool, which relies on the baseline currency-based definition of external debt to provide a more granular assessment, there is substantial space to absorb shocks (Figure 5).

B. Public Debt Sustainability

18. The public debt-to-GDP ratio is projected to decline to about 47.4 percent by 2030 from 50.5 percent in 2025. For 2022 and 2023, the public debt-to-GDP ratio decreased compared to the 2023 Article IV DSA. This is primarily driven by upward revisions to nominal GDP in 2022-23 and the reduction in newly accumulated external debt. This occurred despite the accumulation of domestic and external arrears between 2022-24 (see ¶16 and ¶17 above). In 2025, public debt is projected to remain broadly stable at 50.5 percent of GDP, with the assumed fiscal deficit at 3.4 percent of GDP. The expected fiscal consolidation and return to the 3-percent WAEMU deficit ceiling in 2027 implies a sizable reduction in the primary fiscal deficit and a steady decline in public debt over the medium term. Robust projected growth in nominal GDP will also contribute to lowering the debt-to-GDP ratio over the medium term.

19. The risk of public debt distress is moderate. Under the baseline scenario, the PV of the public debt-to-GDP ratio is expected to be below the 55 percent indicative threshold throughout the projection period (Figure 2). By contrast, stress tests indicate potential breaches of the threshold. In the default adverse scenario of the combined contingent liability shock, the PV of the public debt-to-GDP ratio would breach the 55 percent threshold in 2026 and remain above the threshold through 2035. The commodity price shock, which is chosen as the most extreme shock by virtue of the higher terminal PV of public debt-to-GDP ratio, would generate a persistent increase in the debt ratio and cause a breach by 2030. Finally, in the customized scenario of stock-flow-adjustments, the public debt-to-GDP ratio is also set on an upward trajectory, but does not breach the threshold (Table 4). These stress tests clearly outline key risks to public debt sustainability in Mali.^{22,23} These include the financial conditions of SOEs, the exposure to fluctuations in global commodity prices, and the crucial benefits arising from a conservative fiscal stance.

²² The design of DSA stress test can overstate the persistency of commodity price shocks by assuming zero elasticity of expenditure relative to GDP in the long run.

²³ Note that the combined contingent liability shock, despite the sizable contribution of the SOE debt shock, is not selected as the most extreme shock. While it has a larger short-run impact on the debt-to-GDP ratio (Table 4), the commodity price shock eventually pushes this metric at a higher level in the projection horizon and is mechanically selected as the most extreme shock.

20. Domestic debt has increased substantially in recent years. The most salient feature of Mali's debt evolution since the onset of the COVID-19 pandemic has been its rapid buildup, with the debt-to-GDP ratio increasing from 41 percent of GDP in 2019 to almost 52 percent at end-2024. This increase was achieved primarily by relying on regional debt financing (Figure 6), with domestic debt rising from 14 to 27.5 percent of GDP during the same timeframe (including domestic arrears). While the ability to issue debt on regional markets should be interpreted as a sign of healthy financial development for WAEMU member countries, it also carries important risks to debt sustainability, as the refinancing costs and maturities are typically worse than for the more traditional concessional debt that Mali has contracted in the past. This trend has been exacerbated since the onset of the 2022 ECOWAS sanctions and the ensuing tightening of financial conditions in 2023-24. As Figure 6 shows, despite the projected stabilization of the domestic debt-to-GDP ratio over the medium term, and the projected fall in net domestic debt issuance, the domestic debt-service-to-revenue ratio is projected to increase sharply in future years, absorbing a rising share of public resources. To note, both the domestic debt-to-GDP and the debt service-to-GDP ratios are substantially above the median of LIC-DSF countries for the projection horizon. Furthermore, the projection assumes that financing on domestic debt markets will be available, albeit at high rates, from the usual market participants, which traditionally include commercial banks from across the WAEMU. However, as discussed in ¶7 and footnote 8 specifically, recent auctions on UMOA Titres have been undersubscribed and mostly participated by Malian banks given that tight financing conditions have affected all countries to some extent. This shortfall poses a key downside risk to the ability of Mali to finance its expenditures and clear both domestic and external arrears.

C. Risk Rating and Vulnerabilities

21. Mali's risk of external and overall debt distress is assessed as moderate.²⁴ Although the four external debt indicators remain comfortably below their respective thresholds under the baseline scenario and standardized stress tests, two indicators breach their thresholds under the customized scenario that uses a residency-based definition of external debt. Therefore, the risk of external debt distress is assessed to be moderate. As for public debt, no breach of the PV of the public debt to GDP ratio is observed in the baseline scenario. In the adverse scenario of the combined contingent liability shock, the projected path of the PV of the public debt-to-GDP ratio diverges and breaches the 55 percent indicative benchmark threshold between 2025 and 2035. Therefore, the risk of overall debt distress is assessed as moderate. While the overall economic situation in Mali has arguably worsened since the last published DSA in May 2023, several mitigating factors have contributed to maintaining an unchanged rating. These include the authorities' commitment to reducing the fiscal deficit, the limited accumulation of external debt due to the retrenchment of traditional partners, actions taken to tackle the financial difficulties of EDM,

²⁴ According to the LIC-DSF Guidance Note (¶90), external arrears do not trigger a debt distress rating if they can be considered *de minimis*, that is, if they amount to less than one percent of GDP. This is the case for Mali using the latest available information on external arrears. As for domestic arrears, they only trigger a debt distress rating under very limited circumstances. Since the majority of Mali's domestic arrears are unpaid bills to suppliers, these do not trigger a debt distress rating.

including the restructuring of its short-term debt—which arguably lowers the short-term risk of EDM substantially increasing public debt—and the progress in clearing domestic arrears.

22. Protracted policy uncertainty, still-tight financing conditions, and the difficult financial situation of EDM and other SOEs pose medium-term risks around debt sustainability.

Mali’s continued isolation from its traditional development partners and the heavy reliance on expensive regional debt for financing poses significant fiscal risks. Such risks are assessed as further tilted to the downside, compared to the previous DSA. Specifically:

- **Political and economic policy uncertainty have led to higher risk premia.** The postponement of Mali’s presidential elections, escalating security risks, the withdrawal of MINUSMA, the abrupt announcement of the ECOWAS exit and lack of clarity on its implementation, ongoing electricity shortages and intensifying climate risks have heightened the risk of negative impacts on economic activity.
- **Tight financing conditions at the WAEMU level continue to lead to high borrowing costs amid a lack of concessional financing.** High interest rates and frequent undersubscription have curtailed Mali’s access to funding and pose a significant risk to debt sustainability. These developments are especially worrisome given that under the most extreme scenario for overall public debt, the PV of public debt-to-revenue and debt service-to-revenue ratios rise to high levels, with the latter rising to about 50 percent over the medium term. This implies that a significant portion of revenues needs to be spent on covering recurrent expenditures (see also ¶20 above). Given the baseline assumption of no resumption of budget support until 2027, Mali’s reliance on the regional debt markets as the main source of financing constitutes a continued liquidity risk that the government has to contend with.
- **The large debt, extant need for recapitalization, and structural losses of EDM also pose significant emerging downside risks.** Frequent power cuts have led to a reduction in economic activity and, at the very least, increased production costs across many industries and households. Furthermore, in the contingent liability stress test, the PV of the debt-to-revenue ratio increases substantially as early as 2025. While the recent debt restructuring at EDM has averted further financial repercussions in the short term, the authorities need to address the persistent operating losses arising from a tariff structure that fails to cover production and other operational costs, as well as other operational inefficiencies.

23. To reduce risks to debt sustainability, resolving disputes with regional partners, making progress on security and domestic political issues, improving the profitability of EDM and working towards reducing electricity outages, and maintaining fiscal discipline will be important. These elements are also conducive to rebuilding investor confidence and restoring a more conducive business environment. The adoption of the 2023 mining code and the related tax audits of mining companies resulted in significant uncertainty. Enhancing transparency around the application of the new code and ensuring a stable regulatory environment going forward will be crucial to safeguard the economic viability of the mining sector, which is a large source of revenues for the government. These elements are key to attracting financing and investment. Existing external and domestic arrears should be cleared in a timely manner and communication with relevant

creditors should continue. In addition, the authorities could consider debt management operations, where, feasible, to alleviate potential liquidity pressures and smooth the debt service profile.

Authorities' Views

24. The authorities generally agreed with the outcome of the debt sustainability analysis. They maintain that Mali's debt is sustainable and remain committed to ensuring debt sustainability going forward. They underscored the impact of tight financial conditions, which have led to high interest costs and increased pressure on the future path of public debt. In particular, they identified refinancing as the main risk affecting Mali's public debt, including both external and domestic components. Regarding potential debt management operations, the Treasury indicated that it is engaging with the banking system to assess demand for longer-maturity bonds, while syndicated loan issuances have been used as an alternative tool to secure financing at extended maturities. The authorities acknowledged that financial difficulties faced by SOEs, as well as negative commodity price shocks, could have sizable adverse impacts on debt sustainability.

Figure 1. Mali: Indicators of Public External Debt Under Alternative Scenarios, 2025–35



Customization of Default Settings			Borrowing assumptions on additional financing needs resulting from the stress tests*		
	Size	Interactions		Default	User defined
Tailored Stress			Shares of marginal debt		
Combined CL	Yes		External PPG MLT debt	100%	
Natural disaster	n.a.	n.a.	Terms of marginal debt		
Commodity price	No	No	Avg. nominal interest rate on new borrowing in USD	1.3%	1.3%
Market financing	n.a.	n.a.	USD Discount rate	5.0%	5.0%
			Avg. maturity (incl. grace period)	28	28
			Avg. grace period	5	5

Note: "Yes" indicates any change to the size or interactions of the default settings for the stress tests. "n.a." indicates that the stress test does not apply.

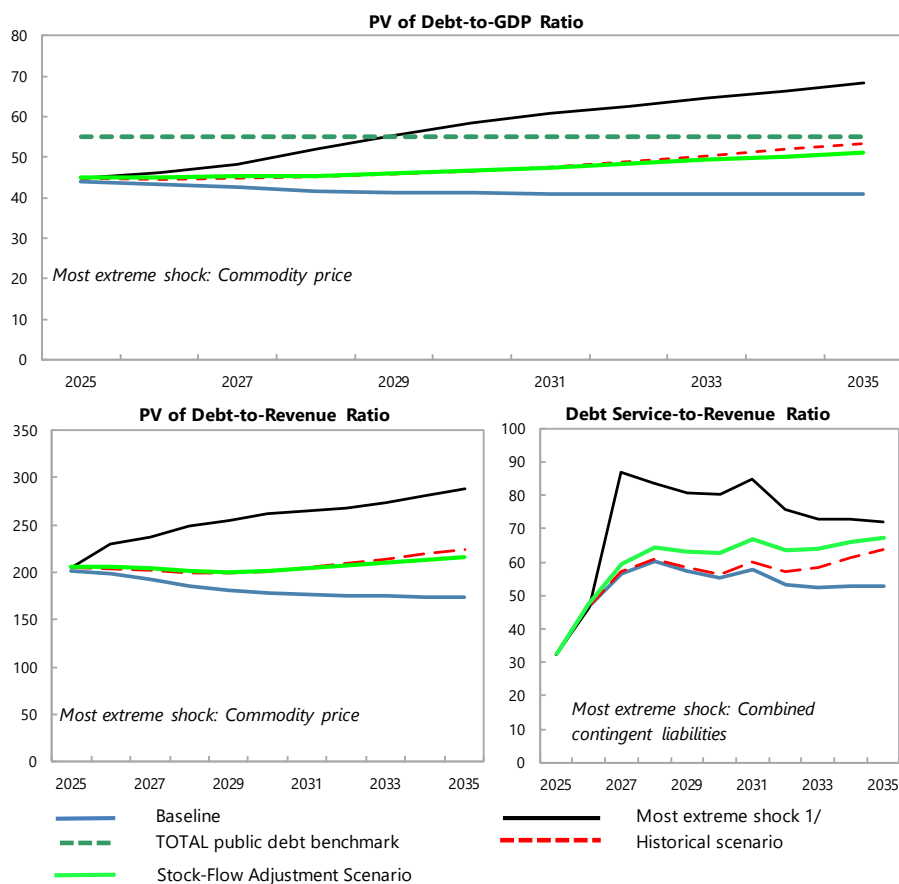
* Note: All the additional financing needs generated by the shocks under the stress tests are assumed to be covered by PPG external MLT debt in the external DSA. Default terms of marginal debt are based on baseline 10-year projections.

Sources: Country authorities; and staff estimates and projections.

1/ The most extreme stress test is the test that yields the highest ratio in or before 2035. The stress test with a one-off breach is also presented (if any), while the one-off breach is deemed away for mechanical signals. When a stress test with a one-off breach happens to be the most extreme shock even after disregarding the one-off breach, only that stress test (with a one-off breach) would be presented.

Note: 1) The customized scenario is based on residency-based definition of external debt; and 2) the magnitude of shocks used for the commodity price shock stress test are based on the commodity prices outlook prepared by the IMF research department.

Figure 2. Mali: Indicators of Public Debt Under Alternative Scenarios, 2025–35



Borrowing assumptions on additional financing needs resulting from the stress tests*	Default	User defined
Shares of marginal debt		
External PPG medium and long-term	15%	15%
Domestic medium and long-term	66%	66%
Domestic short-term	19%	19%
Terms of marginal debt		
External MLT debt		
Avg. nominal interest rate on new borrowing in USD	1.3%	1.3%
Avg. maturity (incl. grace period)	28	28
Avg. grace period	5	5
Domestic MLT debt		
Avg. real interest rate on new borrowing	6.0%	6.0%
Avg. maturity (incl. grace period)	5	5
Avg. grace period	0	0
Domestic short-term debt		
Avg. real interest rate	5.1%	5.1%

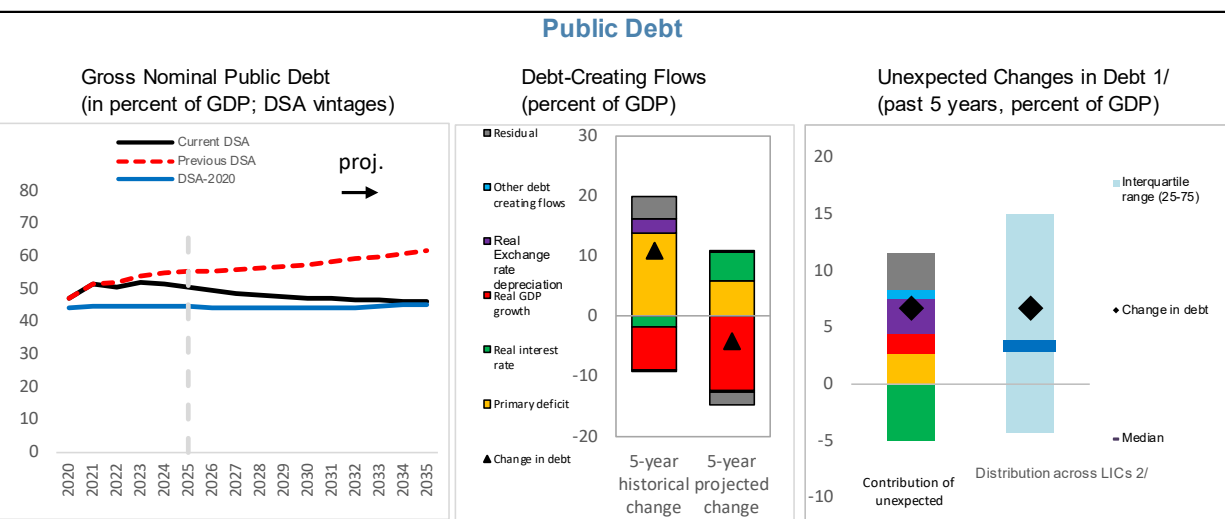
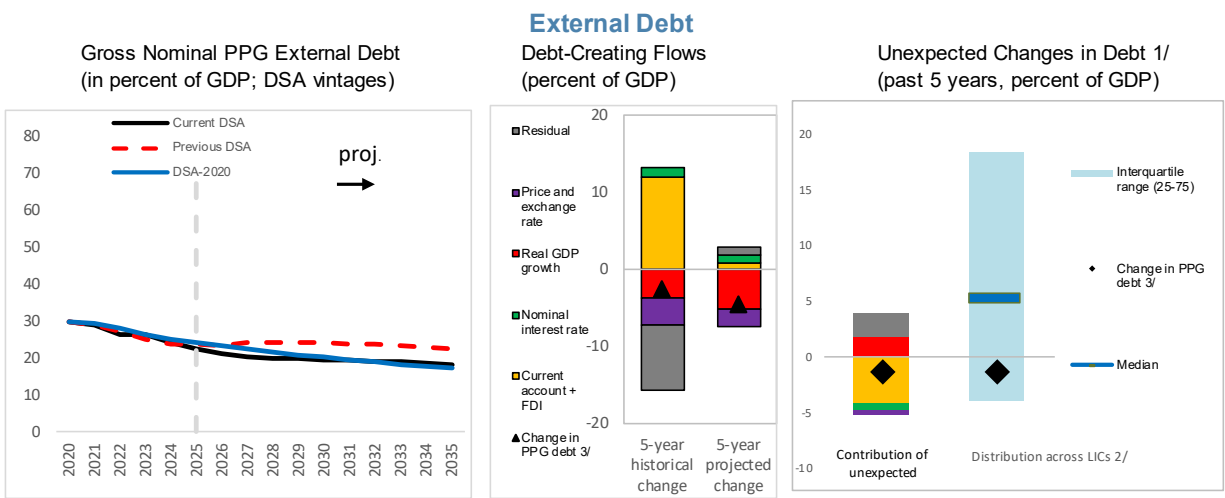
* Note: The public DSA allows for domestic financing to cover the additional financing needs generated by the shocks under the stress tests in the public DSA. Default terms of marginal debt are based on baseline 10-year projections.

Sources: Country authorities; and staff estimates and projections.

1/ The most extreme stress test is the test that yields the highest ratio in or before 2035. The stress test with a one-off breach is also presented (if any), while the one-off breach is deemed away for mechanical signals. When a stress test with a one-off breach happens to be the most extreme shock even after disregarding the one-off breach, only that stress test (with a one-off breach) would be presented.

Note: The customized scenario is the stock-flow adjustment scenario.

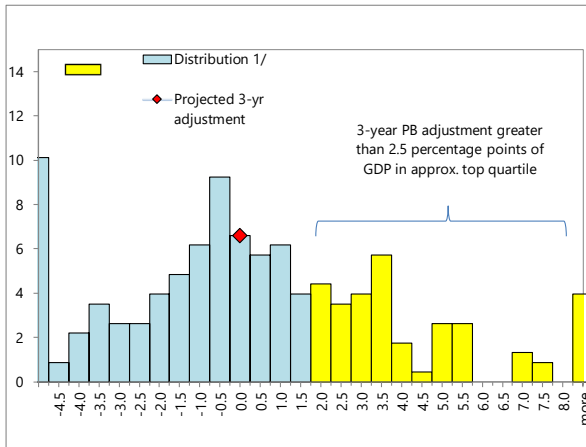
Figure 3. Mali: Drivers of Debt Dynamics—Baseline Scenario



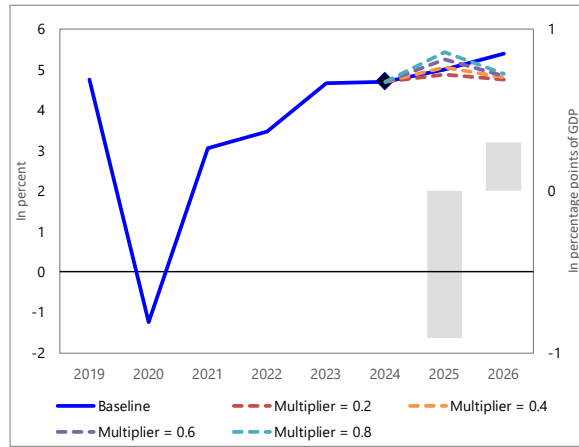
1/ Difference between anticipated and actual contributions on debt ratios.
 2/ Distribution across LICs for which LIC DSAs were produced.
 3/ Given the relatively low private external debt for average low-income countries, a ppt change in PPG external debt should be largely explained by the drivers of the external debt dynamics equation.
 Sources: Malian authorities and staff estimates and projections.

Figure 4. Mali: Realism Tools

3-Year Adjustment in Primary Balance
(Percentage points of GDP)



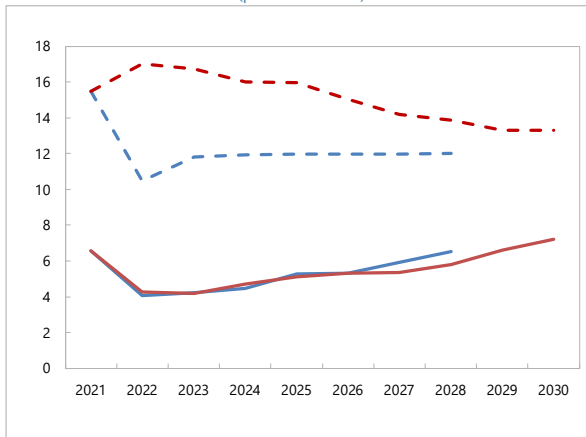
Fiscal Adjustment and Possible Growth Paths 1/



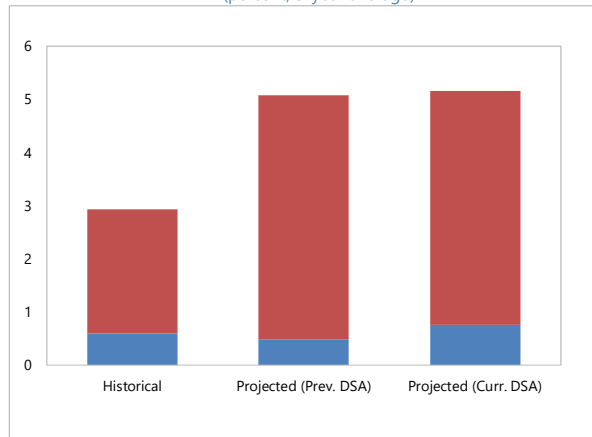
1/ Data cover Fund-supported programs for LICs (excluding emergency financing) approved since 1990. The size of 3-year adjustment from program inception is found on the horizontal axis; the percent of sample is found on the vertical axis.

1/ Bars refer to annual projected fiscal adjustment (right-hand side scale) and lines show possible real GDP growth paths under different fiscal multipliers (left-hand side scale).

Public and Private Investment Rates
(percent of GDP)



Contribution to Real GDP growth
(percent, 5-year average)



— Gov. Invest. - Prev. DSA — Gov. Invest. - Curr. DSA
 - - - Priv. Invest. - Prev. DSA - - - Priv. Invest. - Curr. DSA

■ Contribution of other factors
 ■ Contribution of government capital

Sources: Malian authorities and staff estimates and projections.

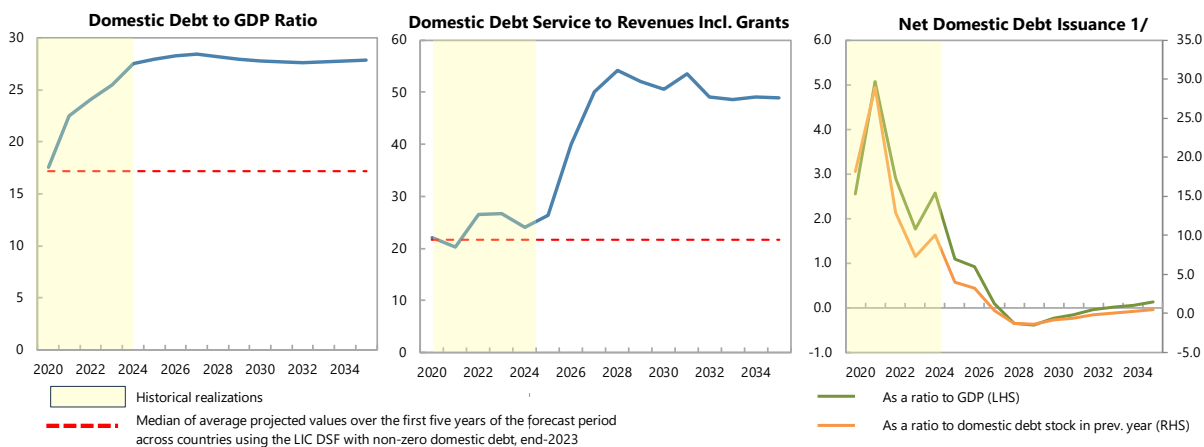
Figure 5. Mali: Qualification of the Moderate Category, 2025–35¹



Sources: Country authorities; and staff estimates and projections.

1/ For the PV debt/GDP and PV debt/exports thresholds, x is 20 percent and y is 40 percent. For debt service/Exports and debt service/revenue thresholds, x is 12 percent and y is 35 percent.

Figure 6. Mali: Indicators of Domestic Public Debt, 2020–34
(Percent)



Borrowing Assumptions (average over 10-year projection)		Value
Shares in new domestic debt issuance		
Medium and long-term		77%
Short-term		23%
Borrowing terms		
Domestic MLT debt		
Avg. real interest rate on new borrowing		6.0%
Avg. maturity (incl. grace period)		5
Avg. grace period		0
Domestic short-term debt		
Avg. real interest rate		5.1%

Sources: Country authorities; and staff estimates and projections.

1/ Net domestic debt issuance is an estimate based on the calculated public gross financing need net of gross external financing, drawdown of assets, other adjustments and domestic debt amortization. It excludes short-term debt that was issued and matured within the calendar year.

Table 1. Mali: External Debt Sustainability Framework. Baseline Scenario, 2022–45
(In percent of GDP, unless otherwise indicated)

	Actual										Projections										Average 8/ Projections	Currency-based Yes			
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2035	2045	2022	2023	2024	2025	2026	2027	2028	2029	2030			2035	2045	
External debt (nominal) 1/	26.2	26.4	24.2	24.2	24.2	20.3	19.9	19.7	19.6	18.3	15.1	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	19.8	19.8	Yes
<i>of which: public and publicly guaranteed (PPG)</i>	26.2	26.4	24.2	24.2	24.2	20.3	19.9	19.7	19.6	18.3	15.1	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	19.8	19.8	Yes
Change in external debt	-2.8	0.1	-2.2	-1.6	-1.3	-1.0	-0.4	-0.2	-0.2	-0.3	-0.3	1.9	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	Yes
Identified net debt-creating flows	4.2	2.1	-0.8	0.6	-1.4	-1.3	-0.9	-0.4	0.6	2.3	7.0	1.9	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	Yes
Non-interest current account deficit	7.4	7.4	4.4	4.6	2.6	2.6	3.0	3.5	4.5	7.5	12.2	5.9	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	Yes
Deficit in balance of goods and services	10.8	9.1	5.4	4.9	2.6	2.6	3.1	3.5	4.4	6.9	10.5	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3	Yes
Exports	30.3	28.9	26.3	28.5	30.4	29.9	29.2	28.6	27.2	23.3	17.3	30.3	30.3	30.3	30.3	30.3	30.3	30.3	30.3	30.3	30.3	30.3	30.3	30.3	Yes
Imports	41.2	38.1	31.8	33.4	33.0	32.4	32.4	32.1	31.6	30.2	27.8	41.2	41.2	41.2	41.2	41.2	41.2	41.2	41.2	41.2	41.2	41.2	41.2	41.2	Yes
Net current transfers (negative = inflow)	-7.2	-5.9	-3.9	-3.5	-3.3	-3.3	-3.4	-3.2	-3.1	-2.6	-1.8	-8.6	-8.6	-8.6	-8.6	-8.6	-8.6	-8.6	-8.6	-8.6	-8.6	-8.6	-8.6	-8.6	Yes
<i>of which: official</i>	-2.5	-2.0	-0.1	-0.1	-0.1	-0.1	-0.3	-0.5	-0.5	-0.6	-0.6	-3.1	-3.1	-3.1	-3.1	-3.1	-3.1	-3.1	-3.1	-3.1	-3.1	-3.1	-3.1	-3.1	Yes
<i>Other current account flows (negative = net inflow)</i>	3.8	4.1	2.9	3.1	3.4	3.3	3.3	3.2	3.2	3.2	3.4	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.4	3.3	3.3	Yes
Net FDI (negative = inflow)	-3.5	-3.2	-3.6	-3.1	-3.1	-3.1	-3.1	-3.1	-3.1	-3.1	-4.6	-3.1	-3.1	-3.1	-3.1	-3.1	-3.1	-3.1	-3.1	-3.1	-3.1	-4.6	-3.1	-3.1	Yes
<i>Endogenous debt dynamics 2/</i>	0.3	-2.1	-1.6	-0.9	-0.9	-0.8	-0.8	-0.8	-0.8	-0.8	-0.7	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	-0.5	0.2	0.2	Yes
Contribution from nominal interest rate	-1.0	-1.1	-1.2	-1.1	-1.1	-1.0	-1.0	-0.9	-0.9	-0.9	-0.7	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-0.7	-1.0	-1.0	Yes
Contribution from real GDP growth	1.0	-1.2	-0.7	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	Yes
Residual 3/	-6.9	-2.0	-1.4	-2.2	0.1	0.4	0.5	0.2	-0.8	-2.6	-7.3	-1.6	-1.6	-1.6	-1.6	-1.6	-1.6	-1.6	-1.6	-1.6	-1.6	-7.3	-1.6	-1.6	Yes
<i>of which: exceptional financing</i>	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	...	...	...	...	...	...	...	...	...	...	0.0	...	...	Yes
Sustainability indicators																									
PV of PPG external debt-to-GDP ratio	...	...	17.6	16.9	15.5	14.5	14.0	13.8	13.7	13.3	11.5	...	...	...	...	...	...	...	...	...	...	11.5	...	...	Yes
PV of PPG external debt-to-exports ratio	...	...	66.7	59.2	50.9	48.5	47.8	48.3	50.3	57.1	66.5	...	...	...	...	...	...	...	...	...	...	66.5	...	...	Yes
PPG debt service-to-exports ratio	4.1	4.8	5.1	4.8	4.7	4.8	4.6	4.2	4.0	4.0	5.2	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	5.2	4.1	4.1	Yes
PPG debt service-to-revenue ratio	6.5	6.8	6.1	6.4	6.6	6.6	6.2	5.5	5.0	4.2	4.1	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	4.2	6.5	6.5	Yes
Gross external financing need (Million of U.S. dollars)	994.2	1180.3	496.3	698.3	245.9	266.4	384.6	506.1	853.3	1920.0	8463.7	...	...	...	...	...	...	...	...	...	...	...	...	...	Yes
Key macroeconomic assumptions																									
Real GDP growth (in percent)	3.5	4.7	4.7	5.0	5.4	5.2	5.1	5.1	5.1	5.1	5.2	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	5.2	4.1	4.1	Yes	
GDP deflator in US dollar terms (change in percent)	-3.4	4.8	2.7	1.8	2.6	1.9	1.9	2.0	2.0	2.0	2.0	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	2.0	0.8	0.8	Yes	
Effective interest rate (percent 4/)	1.0	1.0	1.0	1.0	1.0	0.9	0.9	0.9	1.0	1.2	1.6	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.6	1.1	1.1	Yes	
Growth of exports of G&S (US dollar terms, in percent)	8.8	4.6	-2.1	15.6	15.3	5.3	4.9	4.8	2.2	4.0	4.3	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	4.3	6.6	6.6	Yes	
Growth of imports of G&S (US dollar terms, in percent)	4.6	1.4	-10.3	12.5	6.6	5.5	6.9	6.2	5.7	6.3	6.5	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	4.3	3.2	3.2	Yes	
Grant element of new public sector borrowing (in percent)	...	...	...	47.7	50.2	48.1	46.7	39.6	38.9	34.8	31.8	...	...	...	...	...	...	...	...	...	...	31.8	...	...	Yes
Government revenues (excluding grants, in percent of GDP)	19.3	20.6	22.0	21.5	21.5	21.5	21.6	21.6	21.7	22.4	22.3	18.8	18.8	18.8	18.8	18.8	18.8	18.8	18.8	18.8	22.3	18.8	18.8	Yes	
Aid flows (in Million of US dollars) 5/	68.5	144.4	32.3	208.2	227.0	394.1	545.7	628.5	710.2	928.5	1615.4	...	...	...	...	...	...	...	...	...	...	...	...	...	Yes
Grant-equivalent financing (in percent of GDP) 6/	...	...	...	1.2	1.2	1.6	2.0	2.1	2.1	1.9	1.7	...	...	...	...	...	...	...	...	...	...	...	...	...	Yes
Grant-equivalent financing (in percent of external financing) 6/	...	...	...	55.2	58.0	60.1	63.1	61.2	62.2	63.1	63.8	...	...	...	...	...	...	...	...	...	...	63.8	...	...	Yes
Nominal GDP (Million of US dollars)	19,319	21,184	22,789	24,362	26,335	28,228	30,243	32,416	34,762	49,452	100,080	...	...	...	...	...	...	...	...	...	...	...	...	...	Yes
Nominal dollar GDP growth	0.0	9.7	7.6	6.9	8.1	7.2	7.1	7.2	7.2	7.3	7.3	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9	7.3	4.9	4.9	Yes	
Memorandum items:																									
PV of external debt 7/	...	...	17.6	16.9	15.5	14.5	14.0	13.8	13.7	13.3	11.5	...	...	...	...	...	...	...	...	...	...	11.5	...	...	Yes
In percent of exports	...	...	66.7	59.2	50.9	48.5	47.8	48.3	50.3	57.1	66.5	...	...	...	...	...	...	...	...	...	...	66.5	...	...	Yes
Total external debt service-to-exports ratio	4.1	4.8	5.1	4.8	4.7	4.8	4.6	4.2	4.0	4.0	5.2	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	5.2	4.1	4.1	Yes	
PV of PPG external debt (in Million of US dollars)	...	...	400.11	410.7	407.68	408.56	423.03	447.64	476.27	657.59	11497.4	...	...	...	...	...	...	...	...	...	...	...	...	...	Yes
(PV*PV-1)/GDP-1 (in percent)	...	...	0.5	-0.1	0.0	0.5	0.8	0.9	0.8	0.7	0.7	...	...	...	...	...	...	...	...	...	...	...	...	...	Yes
Non-interest current account deficit that stabilizes debt ratio	10.1	7.2	6.6	6.2	3.9	3.6	3.4	3.7	4.6	7.9	12.4	...	...	...	...	...	...	...	...	...	...	...	...	...	Yes

Sources: Country authorities and staff estimates and projections.

1/ Includes both public and private sector external debt.

2/ Derived as $(1 - g) - p(1 + g)/(1 + g + p)$ times previous period debt ratio, with $r =$ real interest rate; $g =$ real GDP growth rate, and $p =$ growth rate of GDP deflator in U.S. dollar terms.

3/ Includes exceptional financing (i.e., changes in arrears and debt relief); changes in gross foreign assets; and valuation adjustments. For projections also includes contribution from price and exchange rate changes.

4/ Current-year interest payments divided by previous period debt stock.

5/ Defined as grants, concessional loans, and debt relief.

6/ Grant-equivalent financing includes grants provided directly to the government and through new borrowing (difference between the face value and the PV of new debt).

7/ Assumes that PV of private sector debt is equivalent to its face value.

8/ Historical averages are generally derived over the past 10 years, subject to data availability, whereas projections averages are over the first year of projection and the next 10 years.

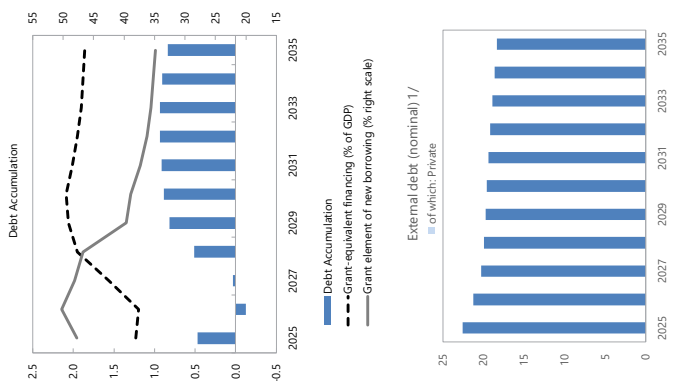


Table 2. Mali: Public Debt Sustainability Framework. Baseline Scenario, 2022–45
(In percent of GDP, unless otherwise indicated)

	Actual											Projections											Average 6/ Projections
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2035	2045	2022	2023	2024	2025	2026	2027	2028	2029	2030	2035	2045	
Public sector debt 1/	50.3	51.9	51.7	50.5	49.5	48.8	48.1	47.7	47.4	46.2	46.1	43.7	47.7	47.7	43.7	47.7	47.7	47.7	47.7	47.7	47.7	47.7	
of which: external debt	26.2	26.4	24.2	22.6	21.2	20.3	19.9	19.7	19.6	18.3	15.1	26.0	19.8	19.8	26.0	19.8	19.8	19.8	19.8	19.8	19.8	19.8	
Change in public sector debt	-1.2	1.5	-0.1	-1.2	-1.0	-0.7	-0.6	-0.4	-0.3	-0.2	0.1	1.2	-0.3	-0.3	1.2	-0.4	-0.1	-0.3	-0.2	-0.1	-0.1	-0.1	
Identified debt-creating flows	0.7	-0.5	-0.3	-1.0	-0.4	-0.1	-0.3	-0.2	-0.1	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Primary deficit	3.3	2.0	0.9	1.8	1.5	1.0	0.8	0.8	0.9	0.9	0.9	2.5	1.0	1.0	2.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	
Revenue and grants	19.6	21.3	22.1	21.8	21.8	22.1	22.6	22.9	23.1	23.7	23.6	20.0	22.9	22.9	20.0	22.9	22.9	22.9	22.9	22.9	22.9	22.9	
of which: grants	0.4	0.7	0.1	0.3	0.3	0.6	0.9	1.2	1.3	1.3	1.3	22.5	23.9	23.9	22.5	23.9	23.9	23.9	23.9	23.9	23.9	23.9	
Primary (noninterest) expenditure	22.9	23.3	23.0	23.6	23.3	23.1	23.3	23.8	24.1	24.6	24.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Automatic debt dynamics	-2.5	-2.5	-1.2	-2.9	-1.9	-1.1	-1.1	-1.0	-1.1	-1.0	-0.8	1.3	-0.3	-0.3	1.3	-0.5	-0.6	-0.3	-0.2	-0.1	0.0	0.0	
Contribution from interest rate/growth differential	-3.9	-2.1	-2.1	-2.2	-2.0	-1.2	-1.1	-1.1	-1.1	-1.1	-0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
of which: contribution from average real interest rate	-2.2	0.1	0.2	0.3	0.6	1.3	1.2	1.3	1.2	1.2	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
of which: contribution from real GDP growth	-1.7	-2.2	-2.3	-2.5	-2.6	-2.4	-2.4	-2.3	-2.3	-2.3	-2.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Contribution from real exchange rate depreciation	1.4	-0.4	0.9	...	...	...	...	...	...	...	...	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other identified debt-creating flows	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Privatization receipts (negative)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Recognition of contingent liabilities (e.g. bank recapitalization)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Debt relief (HIPC and other) ^{2/}	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other debt creating or reducing flow (please specify)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Residual	-1.9	2.0	0.1	-0.9	-0.5	-0.6	-0.3	-0.2	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Sustainability indicators																							
PV of public debt-to-GDP ratio 2/	...	...	45.0	44.1	43.2	42.5	41.8	41.4	41.2	41.0	42.5	43.7	47.7	47.7	43.7	47.7	47.7	47.7	47.7	47.7	47.7	47.7
PV of public debt-to-revenue and grants ratio	...	...	203.4	202.2	198.2	192.1	185.2	180.4	178.0	173.3	180.2	26.0	19.8	19.8	26.0	19.8	19.8	19.8	19.8	19.8	19.8	19.8
Debt service-to-revenue and grants ratio 3/	32.9	33.2	30.1	32.6	46.5	56.6	60.2	57.2	55.3	52.9	59.1	43.7	47.7	47.7	43.7	47.7	47.7	47.7	47.7	47.7	47.7	47.7	
Gross financing need 4/	9.7	9.1	7.5	8.9	11.7	13.5	14.3	13.9	13.7	13.4	14.9	26.0	19.8	19.8	26.0	19.8	19.8	19.8	19.8	19.8	19.8	19.8	
Key macroeconomic and fiscal assumptions																							
Real GDP growth (in percent)	3.5	4.7	4.7	5.0	5.4	5.2	5.1	5.1	5.1	5.2	5.2	4.1	5.2	5.2	4.1	5.2	5.2	5.2	5.2	5.2	5.2	5.2	
Average nominal interest rate on external debt (in percent)	1.0	1.0	1.0	1.0	1.0	0.9	0.9	0.9	1.0	1.2	1.6	1.1	1.0	1.0	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	
Average real interest rate on domestic debt (in percent)	-2.7	3.1	2.4	2.5	3.2	5.6	5.4	5.6	5.4	5.2	5.3	2.5	4.9	4.9	2.5	4.9	4.9	4.9	4.9	4.9	4.9	4.9	
Real exchange rate depreciation (in percent, + indicates depreciation)	5.4	-1.5	3.8	...	...	...	...	...	...	...	...	1.9	...	...	1.9	...	...	...	...	...	...	...
Inflation rate (GDP deflator, in percent)	8.5	2.1	2.7	2.3	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.7	2.0	2.0	2.7	2.0	2.0	2.0	2.0	2.0	2.0	2.0	
Growth of real primary spending (deflated by GDP deflator, in percent)	-7.2	6.4	3.6	7.8	4.0	4.2	6.0	7.1	6.4	5.6	5.1	6.2	5.8	5.8	6.2	5.8	5.8	5.8	5.8	5.8	5.8	5.8	
Primary deficit that stabilizes the debt-to-GDP ratio 5/	4.5	0.5	1.1	3.1	2.5	1.8	1.4	1.3	1.2	1.1	0.8	2.0	1.5	1.5	2.0	1.5	1.5	1.5	1.5	1.5	1.5	1.5	
PV of contingent liabilities (not included in public sector debt)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	

Sources: Country authorities; and staff estimates and projections.

1/ Coverage of debt: The central, state, and local governments. Definition of external debt is Currency-based.

2/ The underlying PV of external debt-to-GDP ratio under the public DSA differs from the external DSA with the size of differences depending on exchange rates projections.

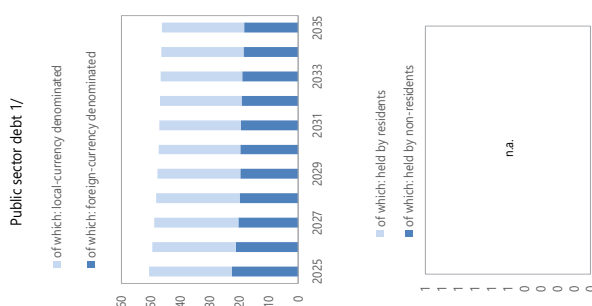
3/ Debt service is defined as the sum of interest and amortization of medium and long-term, and short-term debt.

4/ Gross financing need is defined as the primary deficit plus debt service plus the stock of short-term debt at the end of the last period and other debt creating/reducing flows.

5/ Defined as a primary deficit minus a change in the public debt-to-GDP ratio (-): a primary surplus, which would stabilize the debt ratio only in the year in question.

6/ Historical averages are generally derived over the past 10 years, subject to data availability, whereas projections averages are over the first year of projection and the next 10 years.

* CCRT-related debt relief is included in the revenue as a capital grant in the fiscal account, and thereby included in the primary deficit but not in the "debt relief (HIPC and other)".



■ of which: held by residents
■ of which: held by non-residents

na.



Definition of external/domestic debt	Is there a material difference between the two criteria?	Currency-based
...	...	Yes

Public sector debt 1/

■ of which: local-currency denominated
■ of which: foreign-currency denominated

Table 3. Mali: Sensitivity Analysis for Key Indicators of Public External Debt, 2025–35

	Projections 1/										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
PV of Debt-to-GDP Ratio											
Baseline	16.9	15.5	14.5	14.0	13.8	13.7	13.6	13.6	13.5	13.4	13.3
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	17	18	19	21	22	23	24	24	24	24	24
Customized scenario: residency-based definition of external debt	23	27	30	33	34	35	35	35	35	35	35
B. Bound Tests											
B1. Real GDP growth	17	16	16	15	15	15	15	15	15	15	15
B2. Primary balance	17	16	15	15	15	15	15	15	15	15	15
B3. Exports	17	18	20	20	19	19	19	19	18	18	17
B4. Other flows 3/	17	18	19	18	18	18	17	17	17	16	16
B5. Depreciation	17	19	16	15	15	15	15	15	15	15	15
B6. Combination of B1-B5	17	20	20	19	19	19	19	18	18	18	17
C. Tailored Tests											
C1. Combined contingent liabilities	17	17	17	17	17	17	17	18	18	18	18
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	17	18	19	19	19	18	18	18	17	16	16
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Threshold	40	40	40	40	40	40	40	40	40	40	40
PV of Debt-to-Exports Ratio											
Baseline	59	51	48	48	48	50	52	53	54	56	57
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	59	59	64	71	77	85	90	94	98	102	103
Customized scenario: residency-based definition of external debt	81	84	101	112	121	127	133	136	139	144	148
B. Bound Tests											
B1. Real GDP growth	59	51	48	48	48	50	52	53	54	56	57
B2. Primary balance	59	52	50	50	51	54	55	57	59	61	62
B3. Exports	59	69	85	84	84	87	89	90	90	91	91
B4. Other flows 3/	59	58	63	62	62	65	66	67	68	68	69
B5. Depreciation	59	51	43	42	43	45	46	47	49	51	52
B6. Combination of B1-B5	59	69	60	68	69	71	73	74	75	76	76
C. Tailored Tests											
C1. Combined contingent liabilities	59	56	56	57	59	63	66	69	72	75	78
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	59	67	72	70	69	70	70	70	70	70	69
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Threshold	180	180	180	180	180	180	180	180	180	180	180
Debt Service-to-Exports Ratio											
Baseline	5	5	5	5	4	4	4	4	4	4	4
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	5	5	5	5	5	5	5	5	6	6	7
Customized scenario: residency-based definition of external debt	8	10	16	20	24	29	32	33	34	35	36
B. Bound Tests											
B1. Real GDP growth	5	5	5	5	4	4	4	4	4	4	4
B2. Primary balance	5	5	5	5	4	4	4	4	4	4	4
B3. Exports	5	5	6	6	6	5	5	6	6	6	7
B4. Other flows 3/	5	5	5	5	4	4	4	4	5	5	5
B5. Depreciation	5	5	5	4	4	4	4	4	3	3	4
B6. Combination of B1-B5	5	5	6	6	5	5	5	5	5	5	6
C. Tailored Tests											
C1. Combined contingent liabilities	5	5	5	5	4	4	4	4	4	4	4
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	5	5	6	5	5	5	4	5	5	5	5
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Threshold	15	15	15	15	15	15	15	15	15	15	15
Debt Service-to-Revenue Ratio											
Baseline	6	7	7	6	6	5	5	4	4	4	4
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	6	7	7	7	7	6	6	6	6	7	7
Customized scenario: residency-based definition of external debt	10	14	21	27	32	36	38	39	38	38	38
B. Bound Tests											
B1. Real GDP growth	6	7	7	7	6	6	5	5	4	4	5
B2. Primary balance	6	7	7	6	6	5	5	4	4	4	4
B3. Exports	6	7	7	7	6	5	5	5	6	6	6
B4. Other flows 3/	6	7	7	7	6	5	5	5	5	5	5
B5. Depreciation	6	8	8	8	7	6	6	5	4	4	5
B6. Combination of B1-B5	6	7	8	7	7	6	5	6	6	5	6
C. Tailored Tests											
C1. Combined contingent liabilities	6	7	7	6	6	5	5	5	4	4	5
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	6	7	8	7	7	6	5	5	5	5	5
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Threshold	18	18	18	18	18	18	18	18	18	18	18

Sources: Country authorities; and staff estimates and projections.

1/ A bold value indicates a breach of the threshold.

2/ Variables include real GDP growth, GDP deflator (in U.S. dollar terms), non-interest current account in percent of GDP, and non-debt creating flows.

3/ Includes official and private transfers and FDI.

Table 4. Mali: Sensitivity Analysis for Key Indicators of Public Debt, 2025–35

	Projections 1/										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
PV of Debt-to-GDP Ratio											
Baseline	44	43	42	42	41	41	41	41	41	41	41
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	45	45	45	45	46	47	48	49	50	52	53
Customized scenario: stock-flow adjustment	45	45	45	45	46	47	47	48	49	50	51
B. Bound Tests											
B1. Real GDP growth	45	47	51	52	54	56	57	59	61	63	65
B2. Primary balance	45	46	48	47	46	46	46	46	45	45	45
B3. Exports	44	46	48	48	47	47	46	46	46	45	45
B4. Other flows 3/	44	45	47	46	45	45	45	45	44	44	44
B5. Depreciation	45	45	43	41	39	37	36	35	34	33	32
B6. Combination of B1-B5	45	44	45	44	43	43	43	42	42	42	42
C. Tailored Tests											
C1. Combined contingent liabilities	45	61	60	59	58	57	57	56	56	56	56
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	45	46	48	52	55	58	61	63	65	66	68
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
TOTAL public debt benchmark	55	55	55	55	55	55	55	55	55	55	55
PV of Debt-to-Revenue Ratio											
Baseline	202	198	192	185	180	178	176	175	175	174	173
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	205	204	202	200	199	201	205	209	214	219	225
Customized scenario: stock-flow adjustment	33	47	59	64	63	63	67	64	64	66	67
B. Bound Tests											
B1. Real GDP growth	205	216	229	230	233	239	245	252	259	266	273
B2. Primary balance	205	210	215	208	202	199	197	195	194	192	191
B3. Exports	202	210	219	211	205	202	199	197	194	192	189
B4. Other flows 3/	202	208	211	203	198	195	193	191	188	186	185
B5. Depreciation	205	208	193	181	170	163	156	151	146	141	137
B6. Combination of B1-B5	205	204	204	194	188	185	183	182	180	179	178
C. Tailored Tests											
C1. Combined contingent liabilities	205	279	270	260	253	248	245	242	239	237	234
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	205	229	237	250	255	261	266	267	274	281	288
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Debt Service-to-Revenue Ratio											
Baseline	33	46	57	60	57	55	58	53	52	53	53
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	33	47	57	61	58	56	60	57	58	61	64
Customized scenario: stock-flow adjustment	33	47	59	64	63	63	67	64	64	66	67
B. Bound Tests											
B1. Real GDP growth	33	49	65	72	71	72	78	76	78	81	84
B2. Primary balance	33	47	60	68	64	62	65	60	59	59	59
B3. Exports	33	46	57	61	58	56	58	54	54	54	54
B4. Other flows 3/	33	46	57	61	58	56	58	54	53	54	54
B5. Depreciation	33	44	55	56	54	52	54	49	49	49	49
B6. Combination of B1-B5	33	46	57	63	60	58	60	56	55	55	55
C. Tailored Tests											
C1. Combined contingent liabilities	33	47	87	83	81	80	85	76	73	73	72
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	33	51	63	69	72	73	79	77	80	84	86
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Sources: Country authorities; and staff estimates and projections.

1/ A bold value indicates a breach of the benchmark.

2/ Variables include real GDP growth, GDP deflator and primary deficit in percent of GDP.

3/ Includes official and private transfers and FDI.

**Statement by Mr. Wautabouna, Executive Director for Mali, Mr. Diakite, Alternate Executive Director and Mr. Tall, Senior Advisor to the Executive Director
July 30, 2025**

I. Introduction

On behalf of our Malian authorities, we would like to thank Executive Directors, Management, and Staff for the Fund's renewed commitment and constructive engagement with Mali. The authorities are particularly appreciative of **Ms. Wenjie Chen and her team** for the productive policy dialogue during the 2025 Article IV consultation held in Bamako, and the close and active engagement on Mali. They value the more frequent engagement with the Fund, with the February mission for the Staff Monitoring Program (SMP) and Rapid Credit Facility (RCF) discussions, closely followed by the Board meeting on RCF/SMP in April, the discussions held on the side of the 2025 IMF-World Bank Spring meetings, the June Article IV discussions, and the upcoming July Board meeting on the 2025 Article IV consultations.

II. Recent Economic Developments

The Malian economy continues to recover and has shown remarkable resilience amid difficult challenges, including high insecurity, electricity shortages, and climate related disasters. Growth in 2024 was strong at 5 per cent, albeit lower than expected, due to the series of shocks. Inflation increased from 2.1 per cent in 2023 to 3.2 per cent in 2024 due to higher food prices and supply chain disruptions from the floodings. Notwithstanding increased spending pressures, the authorities managed to lower the fiscal deficit to 2.6 per cent in 2024 from 3.2 per cent in 2023, owing to significant expenditure restraint. The current account position improved from a deficit of 7.6 per cent in 2023 to 4.6 per cent in 2024 driven by improved terms of trade and increased FDI flows.

The authorities continued to improve the security situation and to address the pressing humanitarian needs with the support of some partners. Owing to their efforts, Mali has now regained full sovereign control of its territory. The authorities spare no effort to promote peace and social cohesion. The **National Charter for Peace and Reconciliation**, unveiled on July 22nd, 2025, aims at building social cohesion, restoring peace, and combating terrorism.

The authorities have also made significant strides in socio-economic development, focusing on improving the quality of life for Mali's citizens. In this respect, the government adopted **Mali Vision 2063**, a long-term national development framework designed to guide the country's transformation over the next four decades.

This long-term vision is due to be implemented sequentially, with the **National Strategy for Emergence and Sustainable Development (SNEDD 2024–2033)** as first phase.

SNEDD 2024-2033 aims at strengthening security and sovereignty of the state. This is fundamental to undertake reforms and enhance the structural transformation of the economy. To achieve this objective, the Government identified 11 major structuring projects which will ultimately support inclusive and sustainable growth. Major projects include: i) the promotion of agricultural value chains; ii) industrialization and modernization; iii) leveraging the contribution of the mining sector to growth and poverty reduction; iv) investing in human capital; and v) trade integration

III. Policies for 2025 and the Medium-Term

Mali's economic outlook is promising. The authorities anticipate GDP growth to continue to increase, driven by a rebound in output in the primary and the services sectors. Their medium-term growth projections are supported by the authorities' strong ownership and forceful implementation of Mali's Vision 2063, the demographic dividend yield expected from a dynamic and young population, increased female participation in the labor force, and a recovery from the adverse shocks currently holding back the economy

Cognizant of the downside risks to the outlook arising from domestic and external factors, the authorities are taking proactive measures, including rebuilding fiscal buffers, increasing power supply, creating the fiscal space for development and priority security spending, and by deepening structural reforms. Further, the authorities are accelerating efforts to resume the production of the largest gold mine. At the same time, they are taking steps to strengthen engagements with development partners, including the IMF, to support the economy's transformation drive. On the withdrawal from the Economic Commission of West African States (ECOWAS), the authorities are working closely with Burkina Faso and Niger to maintain close diplomatic, security and economic cooperation with their peers, with the view to preserve the acquired rights and interests of all the populations in the regional space. They also reiterate their firm adhesion to their commitments under the West African Economic and Monetary Union (WAEMU).

Fiscal Policy

The authorities are committed to creating the fiscal space needed to implement their ambitious Vision for Mali, while safeguarding fiscal and debt sustainability. In this vein they are determined to achieve again the regional fiscal deficit target by 2027. After reaching the target in 2024, emergency expenditures related to security, the recovery from the devastating 2024 flood, lower than anticipated revenues from the mining sector, and high borrowing costs within the WAEMU caused temporary deviations from the target.

The authorities' fiscal strategy remains focused on enhancing domestic revenue mobilization and improving the efficiency of public spending. Tax administration reforms and digitalization of revenue collection are yielding early gains. Additional

reforms are planned, including broadening the tax base by removing tax exemptions, and leveraging the interconnection between tax, customs, and treasury agencies. The implementation of the medium-term domestic revenue mobilization plan will further support the authorities' objectives. On the expenditure side, the government is prioritizing security, social sectors and infrastructure while containing non-essential spending. The authorities will seek to strengthen the medium-term fiscal frameworks as well.

Public financial management reforms have been ongoing, with the help of IMF technical assistance provided over the past few years, after the termination of the last arrangement under the Extended Credit Facility (ECF). This includes the completion ahead of the SMP schedule of the census of public-sector bank accounts, a critical step towards a Treasury Single Account, and the rollout of the Integrated Public Financial Management System (SIGFIP) to improve budget execution and transparency.

On spending, the authorities are prioritizing education, healthcare, and social protection programs to address the needs of the population and reduce poverty, while providing for critical security needs. In the education sector, policies will aim at increasing access to quality education for all children, with investments in building new vocational schools, training teachers, and providing learning materials. Healthcare priorities include enhancing infrastructure, increasing the availability of essential medicines, and expanding access to healthcare services, particularly in rural and underserved areas. The authorities will also seek to strengthen social protection systems to support vulnerable populations through social safety nets such as cash transfer programs and food assistance to vulnerable households. To improve spending efficiency further, the authorities plan, amongst others, to continue implementing sound public procurement rules, reducing untargeted subsidies including by strengthening the financial situation of state-owned enterprises, and continuing to improve public investment selection and management.

Debt policies

Mali's outstanding debt now represents 49.7 percent of GDP and debt service accounts for 33 percent of tax revenues. The share of bilateral and multilateral partners is steadily decreasing, now standing at 51.6 per cent, while the remainder consists of domestic debt.

The authorities focus on rigorous and transparent management of public debt, while embracing Mali's long-term vision 2063. This vision relies on principles of sovereignty and good governance, outlining the necessary reforms for the development of domestic resources. Mali prioritizes the financing of strategic sectors that drive sustainable growth and have a positive impact on the population. Additionally, investment in security and in the fight against the impacts of climate change holds an important place in these efforts. The implementation of this strategic vision continues to ensure that Mali maintains a moderate risk of debt distress and a sustainable debt, as evidenced by the 2024 World Bank and 2025 IMF reports.

Nonetheless, the decline in concessional resources and the non-economic conditionality often required by some partners for access to financing compels our authorities to resort to more expensive domestic debt, a cost often unrelated to the regional economic environment. In addition to the reduced availability of concessional financing, the increased burden of debt service shrinks the fiscal space, thereby reducing the ability to address strategic expenditures such as defense, high-growth sectors, and human development.

The authorities are keen to channel borrowing to strategic, high value-added projects that deliver sustainable social and economic returns and create quality jobs.

Monetary and Financial Sector policies

Monetary policy is conducted by the Central Bank of West African States (BCEAO), which maintained a restrictive monetary stance to curb inflation and help buttress the region's reserve position. As the regional inflation targets are reached, the Central Bank recently reduced the policy rate by 25 base points to support recovery.

The banking sector's balance sheets strengthened with capital adequacy ratios comfortably above the regional requirements. The banks remained profitable, and their asset quality remained stable, with the ratio of net non-performing loans of 5.8 per cent of total loans. The authorities continue nevertheless to monitor closely the banking sector for full compliance with regional norms including concentration ratios, and exposure to the sovereign.

Mali has made notable progress under the National Financial Inclusion Strategy 2021–2025, particularly in expanding access to financial services for underserved populations. In addition to the national strategy, a regional financial inclusion strategy led by the BCEAO aims at: i) strengthening legal and regulatory frameworks notably to improve the supervision of financial institutions to ensure stability while promoting inclusive lending practices for women, youth, SMEs, and rural populations; and encouraging fast interoperable payment systems.

Structural Reforms

Under Mali's Vision 2063, the authorities are determined to implement an ambitious structural reform agenda aimed at fostering the structural transformation of Mali. Drawing on in-depth sectoral diagnostics, the authorities identified the main obstacles to Mali's competitiveness such as insecurity, weak infrastructure, and limited access to finance. The private sector remains underdeveloped, with a high concentration in

informal activities. Electricity shortages, especially in urban centers, continue to hinder industrial productivity.

After national consultations, Vision 2063 aims to improve the business climate through: i) structural reforms to improve governance, transparency, and public service delivery; ii) investment in infrastructure, particularly energy and transport, to support private sector growth; and iii) digital transformation and support for SMEs through innovation hubs and access to finance. Flagship projects like “Yeelen Kura”-Expanding energy access to power economic zones, and “Sankoré”- Developing skilled human capital for a competitive workforce, aim to create a more competitive and inclusive economy. The authorities are also stepping up efforts to streamline investment procedures and offer incentives.

On trade and economic integration, the authorities are working to better integrate Mali into regional and global markets, with a focus on trade facilitation and value chain development. A new regional development bank with a CFA 500 billion capital was launched to support regional projects within the Sahelian States alliance (AES), in key areas such as energy and transportation. The authorities are also working to leverage membership within WAEMU and AfCFTA to attract regional and international investors.

On the mining sector, the authorities started implementing the 2023 Code with the view of making the most of Mali’s abundant natural resources. The mining sector has been rapidly growing, with new gold production expected soon. Lithium production is also ramping up, with early confirmation of significant reserves of high-grade lithium. The authorities welcome Staff’s recommendations to ensure that Mali’s mining potential is realized while reducing uncertainty in the implementation of the 2023 Mining code.

Governance reforms remain a cornerstone of the authorities’ development agenda. The institutional reforms outlined in the **National Charter for Peace and Reconciliation** are designed to rebuild the state’s governance framework and restore public trust. Key components include i) accountability and transparency in public administration; ii) measures to combat nepotism and favoritism in government appointments; iii) strengthening of public financial management systems; iv) judicial system overhaul to ensure judicial independence and equal access to justice.

On Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT), Mali has made significant strides in strengthening its AML/CFT framework. The Financial Action Task Force (FATF) acknowledged this progress in June 2025, with Mali’s removal from the FATF gray list.

On combatting corruption, the authorities have been focused on strengthening oversight institutions, including the Court of Auditors, staffing of the prosecutors’ offices, and enhancing anti-corruption frameworks. As a result, Afrobarometer surveys of

perception of corruption show significant improvements in Mali's rankings. Mali's Vision 2063 spells out even more demanding governance targets. The recently adopted National Charter features significant elements on promoting sound governance and fighting corruption. Anti-Corruption measures in the Charter include: i) the creation and strengthening of anti-corruption bodies; ii) implementation of asset declaration systems for public officials; and iii) public awareness campaigns to promote ethical governance.

The authorities recognize well that continued capacity building and civic engagement are essential to reinforce accountability and public trust. In this respect, OCLEI, the government agency in charge of preventing and suppressing illicit enrichment, has stepped up outreach efforts to deter corruption and improve compliance with asset declaration laws. Additionally, a manual was disseminated to the public to raise awareness on the importance of good governance in the management of public finances and the fight against corruption.

On state-owned enterprises (SOEs), the authorities plan significant reforms in the management and governance of SOEs as part of a broader effort to improve public sector efficiency and economic resilience. The government owns whole or part of strategic enterprises like EDM, SOMAGEP and SOMADEP, as well as CDMT. The authorities' reforms agenda aims at improving governance and transparency and reducing fiscal risks from poorly performing SOEs. In this respect, a SOE unit has been established within the Ministry of Finance, and a comprehensive review of the SOE portfolio is underway. Policies to strengthen the governance framework including through enhancing the role of SOEs' Boards of Directors, improving financial reporting, and enhancing oversight, as well as capacity building to improve the performance of SOE managers and government oversight bodies are being contemplated.

In the key electricity sector, the authorities made progress in improving electricity generation and considerably reduced outages. They also sought to strengthen the financial situation of EDM, by helping to lengthen its debt maturities. Further reforms are envisioned to achieve cost recovery and ensure that EDM can meet its financial obligations and provide affordable and reliable electricity.

IV. Conclusion

Our Malian authorities have adopted a resolutely ambitious vision for development, anchored in sound fiscal policy, structural transformation, and improved governance, to provide a credible path toward macroeconomic stability and inclusive growth.

The authorities are engaging with international partners that are willing to help them in this endeavor, including the IMF. They are also reinforcing the partnerships that are essential to address the challenges they confront.

The authorities are committed to the targets and benchmarks under the SMP and are looking forward to concluding a successor arrangement under the ECF to provide an anchor for upper-credit tranche policies, and in support of the medium-term balance of payment needs.

We call for Directors' support to help mobilize the needed financial and technical assistance to successfully implement the IMF-supported reforms, as well as the 11 flagship projects retained by the authorities for the structural transformation of Mali.