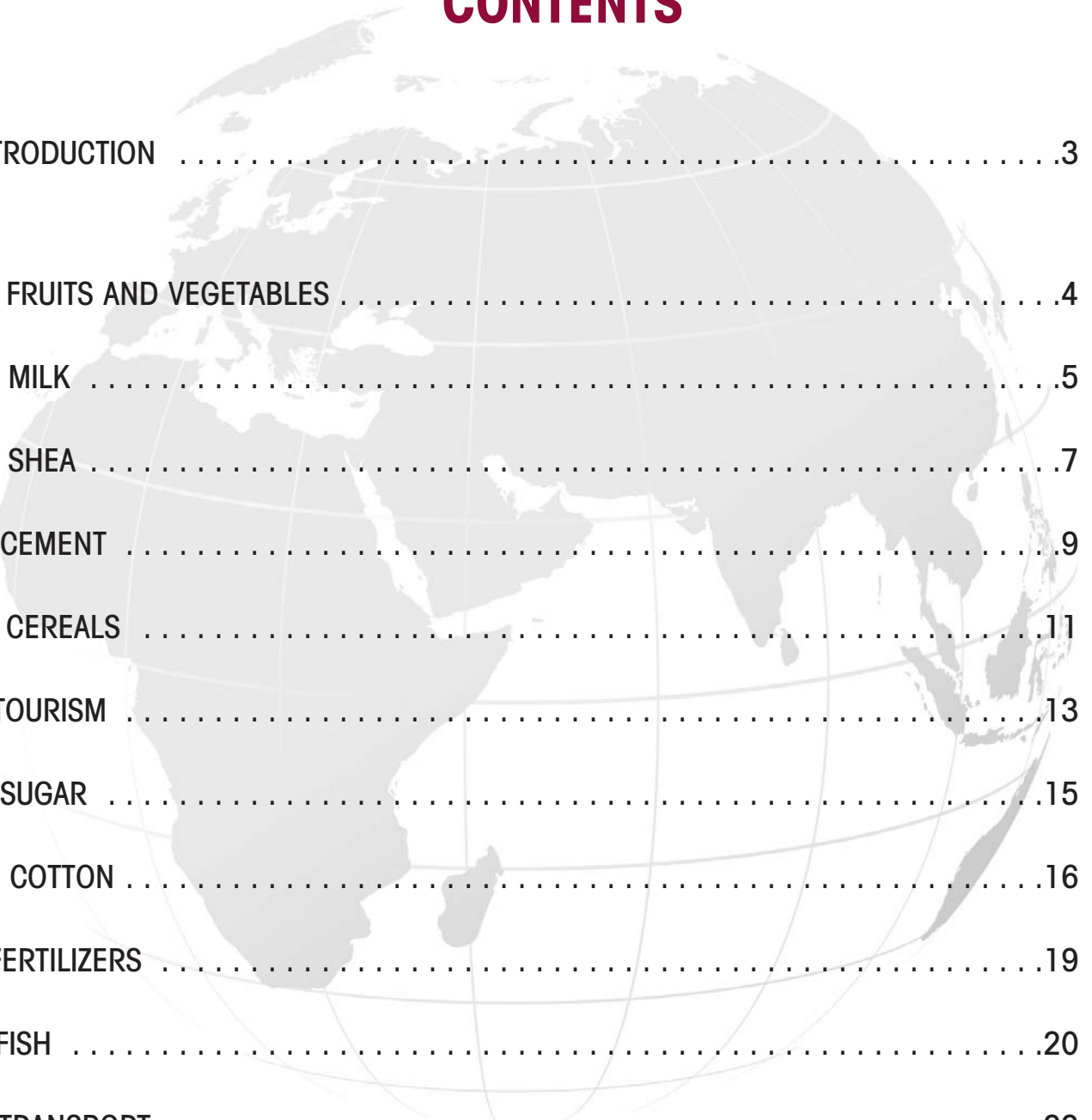


A GUIDE FOR GROWTH- ORIENTED SECTORS



A Guide for Growth-Oriented Sectors

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INTRODUCTION

This document is specially designed and made available to all business promoters, mainly to those who have decided to come to Mali. It gives an overview of the investment opportunities in some growth-oriented and priority sectors, namely:

- Fruits and Vegetables,
- Milk,
- Shea,
- Cement,
- Cereals,
- Tourism,
- Sugar,
- Fertilizers,
- Cotton,
- Fish, and
- Transport.

In general, the concise information on those sectors concerns:

- the availability of raw materials or general information on the sector,
- the demand and supply,
- the projects completed or the existing companies engaged in activities in the sector,
- the different areas of investment opportunities for each sector

A. FRUITS AND VEGETABLES

1. General information on the sector

Mali is a major producer of fruits and vegetables, which can be exported. The export capacities of the main crops are as follows:

- Mangoes (87 varieties), 200,000 tons ;
- Green beans, 400 tons ;
- Tomatoes, 24,000 tons ;
- Potatoes, 95,000 tons, with the second highest output in ECOWAS region after Nigeria.
- Sugar snap peas, 6,500 tons ;
- Green onion, 100,000 tons ;
- Hibiscus, 400 tons

The area of land covered by fruits and vegetables is estimated at 8,000 ha. Only 1,000 tons of mangoes were exported in 2005 to Europe, whose needs are estimated at 150,000 tons.

Malian mangoes and beans are exported to Europe, more specifically to France and the Netherlands, potatoes and hibiscus to Ivory Coast, and sugar snap peas to Spain.

Other markets can be explored, because mango exports to the Netherlands started recently and are profitable.

2. Existing Companies

- Mango packaging plant of "Mali Primeurs" in Sikasso,
- Collection, sorting and packaging station for fruits and vegetables in the 3rd region (Sikasso) for young graduates,
- Small private fruit and vegetable processing plants,
- Plants for processing sugar snap peas into juice at the "Centre International de Commerce" (CIC), Sikasso,
- The National Federation of Agricultural Products Processing (FENATRA): MAM-Cocktail, YANGO, NAAKO, etc.

3. Investment Opportunities

- Processing of mangoes into juice, nectar and pulp.
- Processing of fresh tomatoes into tomato paste for the local market.
- Processing of sugar snap peas into milk and/or export at natural stage.

B. MILK

1. General information on the sector

Measures taken to develop the local milk sector since 1985 in Mali have not produced the expected results. Local production systems have remained essentially extensive. Processing is very limited, and concerns only some 33 small plants which process little quantities of local milk under conditions that do not always meet hygiene and quality standards. The existing dairy industries are located mainly in Bamako. For lack of sufficient local raw milk, the industries process imported powdered milk.

In Mali, milk is produced by cattle, sheep, goats and camels. The dairy species of this livestock are bred in the pure pastoral system (transhumance and nomadic), in the agro-pastoral system (transhumance and sedentary), or in semi-urban systems.

In order to provide the Malian population with an annual milk output of 40 litres per capita, the country needs to collect and process all the available milk estimated at 500,000,000 litres per year (DNPIA, 2007). To increase the quantity of available milk, it will be necessary to intensify herd management, particularly stall part of the herd to professionalize milk production. Furthermore, the strategy should be accompanied by collection, conservation and processing structures.

2. Strengths of the local raw milk sector

In Mali, the strengths of the dairy sector are considerable, namely:

At the policy and institutional levels, a Ministry has been created exclusively for Livestock and Fisheries, as well as the Permanent Assembly of Chambers of Agriculture and its network of regional chambers of agriculture.

At the technical level, the National Directorate of Animal Production and Industries, the National Directorate of Veterinary Services, the Institute of Rural Economy, its Regional Directorates and Stations in Sotuba, Niono, and Kayes, the Central Veterinary Laboratory, livestock projects in general, International NGOs (VSF Switzerland, VSF Belgium, etc.) and national NGOs (CAB-DEMESSO, ICD, etc.).

The traditional skills of stockbreeders: In addition to maintaining and specializing in some races known for their milk production, the breeders have developed techniques for processing milk.

Table 1: Milk Processing Plants in Mali

PLANT	LOCATION	CAPACITY (in litres/day)
MALI –LAIT	Bamako	45,000
Euro Lait	Bamako	1,000
GAM	Bamako	3,000
SOLAIMA	Bamako	10,000
Diaby Lait	Bamako	600
Mam Cocktail	Bamako	850
Sanuya Nono KOUMANTOU	Koumantou	150
MINI LAITERIE DANAYA KOUTIALA	Koutiala	500
MINI LAITERIE DANAYA NIONO	Niono	500
MINI LAITERIE DANAYA SAN	San	500
Mini LAITERIE DANAYA FANA	Fana	500
TOTAL		62,600

Source : Ministry of Livestock and Fisheries

3. Investment Opportunities

Table 2: Development Prospects for Milk Production and Collection (x 1000 litres)

Stockbreeding Systems	Quantity of Milk	2008	2009	2010	2011	2012
Trend of total available milk in Mali		500,000	625,000	781,250	976,563	1,220,703
Trend of milk production and collection under the proposed strategy						
Traditional (Cattle and small ruminants)	Accessible output/year	300,000	375,000	468,750	585,938	732,422
	Collected output/year	150,000	187,500	234,375	292,969	366,211
Crossbreeds*	Produced / year				5,145	6,431
	Collected/ year				2,573	3,216
Camels	Produced/year	30	38	47	59	73
	Collected/ year	15	19	23	29	37
All systems	Produced/year	300,030	375,038	468,797	591,142	738,926
	Collected/year	150,015	187,519	234,398	295,571	369,464

Source : Ministry of Livestock and Fisheries.

- Local raw milk processing plants.
- Milk Collection Center.

C. SHEA

1. Availability of raw materials

Mali is the highest producer of shea in Africa. According to different studies, the number of shea trees is estimated at 150 million, and the tapped potential is 80,000 tons, while the real potential is estimated at 250,000 tons of dry almonds. Furthermore, only 25% of the tapped potential is processed into butter.

2. Supply

Almost all shea butter produced in Mali is extracted by women and women's groups using traditional techniques.

"Karité-Mali" company, located in Zantiébougou, Bougouni district, is engaged in the semi-industrial production of shea butter. It has a trituration capacity of 3,000 tons of almonds for a production of about 1,200 tons/year.

Many other women's groups, particularly in Siby, are very active, and contribute to the development of the sector.

3. Demand

Most of the marketed almonds are exported to Great Britain, Denmark, Sweden and Japan. As for the butter, negotiations are conducted in Abidjan with the Export Warehouses, which constitute the link between Malian operators and European and Japanese importers.

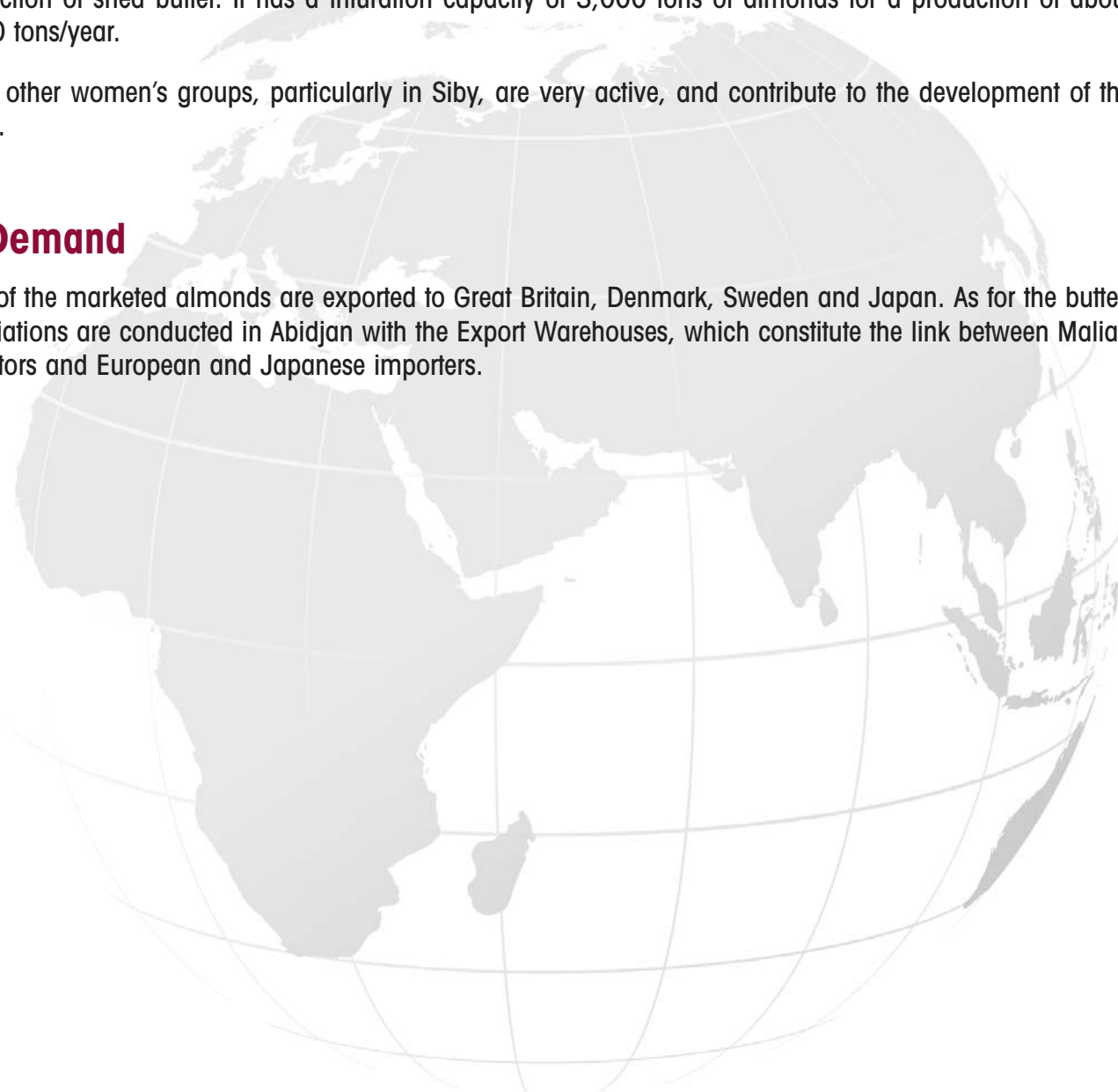


Table 3: Estimates of the best scenario of production and use of shea almonds (metric tons per year)

Countries	Total Potential Production Estimates ⁴	Real Collection Estimates	Consumption Estimates	Total Export	Export as Shea Almonds	Export as Shea Butter
Benin	80,000	50,000 ⁵	14,900	350,100	35,000	100
Burkina Faso	150,000	75,000	35,000	40,000	37,000	3,000
Côte d'Ivoire	150,000	40,000	15,000	25,000	15,000	10,000
Ghana	200,000	130,000	70,000	60,000	45,000	15,000
Mali	250,000	150,000	97,000	53,000	50,000	3,000
Nigeria	250,000	100,000	80,000 ⁶	20,000	20,000	0
Togo	50,000	40,000	10,000	30,000	15,000	15 000
Major WATH Exporters Sub-Total	1,130,000	585,000	321,900	263,000	217,000	46,100
Gambia	100	0	0	0	0	0
Guinea Conakry	25,000	5,000	4,500	500	450	50
Guinea-Bissau	1,000	100	100	0	0	0
Niger	5,000	5,000	4,000	1,000	0	1,000 ⁷
Senegal	10,000	500	490	10	0	10
Sierra Leone	100	0	0	0	0	0
Cameroon	30,000	5,000	2,500	2,500	2,500	0
Chad	10,000	2,000	2,000	0	0	0
Secondary WATH Exporters Sub-Total	81,200	17,600	13 590	4,010	2,950	1,060
Ethiopia	1,000	100	100	0	0	0
Sudan	100,000	10,000	9,800	200	0	200
Uganda	70,000	6,000	5,900	100	0	100
Central African Republic (CAR)	15,000	2,500	2,500	0	0	0
Dem. Republic of Congo (DRC)	5,000	750	750	0	0	0
Non WATH Sub-Total	191,000	19,350	19,050	300	0	300

Source : *Shea Butter Export Guide (USAID-2005)*

4. Investment Opportunities

- Production of shea butter for the European Union market, which has authorized the use of 5% shea butter in the manufacture of chocolate;
- Production of shea butter-based cosmetic products;
- Export of shea almonds.

D. CEMENT

1. Availability of raw materials

The raw materials, namely limestone, clay and gypsum, are available in Mali.

- **Limestone** is available in Kayes Region (1st region), more precisely in the deposits of Sélinkégni in Sélinkégni (10.6 million tons of reserves), Gangonterey (8.6 million tons of reserves) and Kareya and Gao Region (Hombori).
- **Clay** is available in the first region (Kayes) in Balandougou (50,000 tons of reserves), and Farako (2.5 million tons of reserves).
- **Gypsum** is available in Kidal and Tombouctou Regions (35 million tons of reserves).

2. Supply

- Local production by “Industrie des Matériaux de Construction” (IMACO- SA) fell steadily from year to year, until the company finally closed in 1996. The plant capacity was 72,000 tons of cement per year.
- The bagging plant for “Ciments et Matériaux du Mali” (CMM) of the French Cement Company “Vicat Industries” and the Malian company “IKSA” costs more than CFAF 2 billion. The annual production is 90,000 tons. The CMM employs 120 persons.
- Three major ongoing projects concern the Diamou cement factory (Kayes) with a capacity of 1,000,000 tons/year, the Hombori cement factory (Mopti) with a capacity of 500,000 tons/year, and the Dandresso cement factory (Sikasso) with a capacity of 300,000 tons.

Table 4: Cement Imports for 2001-2007

Year	Quantities Imported (tons)
2001	599,423
2002	558,039
2003	642,563
2004	803,188
2005	955,794
2006	1,137,395
2007	1,500,000

Source : DNSI

The main cement importing countries are:

- In **Africa**: Ivory Coast, Senegal, Ghana, South Africa, Tunisia, Morocco, Algeria and Togo.

- In **Europe**: France, Federal Republic of Germany, Belgium, Spain and Portugal.
- In **Asia**: the People's Republic of China, Hong Kong, Indonesia, Thailand, etc.

3. Demand

Considering an average annual rate of 10% and in light of the annual growth rate of the BPW sector which is about 6-8%, the estimated cement demand for the next four years are as follows:

Table 5: Estimated cement demand

Year	2005	2006	2007	2008	2009	2010
Demand (tons)	777,502	855,252	940,777	1,034,855	1,138,340	1,252,174

4. Ongoing Projects

Three major projects are ongoing, and concern the Diamou cement factory (Kayes) with a capacity of 1,000,000 tons/year, the Hombori cement factory (Mopti) with a capacity of 500,000 tons/year and the Dandresso cement factory (Sikasso) with a capacity of 300,000 tons.

5. Investment Opportunities

Production plants for construction materials such as cement, whitewash, plaster, floor tiles, roof tiles, etc.

E. CEREALS

1. Availability of Land and Water

a- Availability of Land:

Table 6: Land available

Developed Land (ha)	Land that can be Developed (ha)
108,000	1,124,676

The table shows that more than 1,000,000 hectares of arable land are not yet developed which means that there are still considerable investment opportunities in developing the arable land.

The different crop zones are: the Niger Authority, the Ségou Rice Authority, the Mopti Rice Authority, and the Senegal River Valley.

b- Water supply:

Two large rivers flow across Mali, the Niger River and Senegal River, and their tributaries (the Bani, the Bafing, and the Bakoy). There are also three large dams, namely the Markala dam, the Manantali dam, and the Sélingué dam.

2. Supply

The 2008/2009 season recorded cereal production as follows:

Table 7: Production (tons)

Crop	Area (ha)	Yield (Kg/ha)	Production (tons)
Millet	1,833,563	798	1,463,183
Sorghum	1,016,954	1,045	1,063,000
Maize	379,404	1,896	719,296
Rice	609,583	2,665	1,624,246
Fonio	69,908	611	42,714
Wheat/barley	5,394	2,441	13,166
Total	3,914,806		4,925,605

Source : CPS/ Ministry of Agriculture.

3. Strengths¹

- Regular and adequate rainfall over time and space, sustained by the artificial rain program;
- The political that has accompanied the implementation of the crop season plan by granting fertilizer (50%) and seed (60%) subsidies ;

1- Ministry of Agriculture, Provisional results of the 2008/2009 cereal crop season.

- The keen interest of farmers in the Rice Initiative;
- Reinforcement of the support and advisory services mechanism through recruitment of 102 workers and provision of 200 motor-cycles for the Rice Initiative;
- Measures taken by the Government under the Rice Initiative to facilitate access by farmers to production and post-harvest equipment;
- Visibility given to the crop season by the public and private media.

4. Investment Opportunities

- New cereal processing plants,
- Taking over non-operational rice farms and increasing their processing capacity,
- Development of arable land on about 1,000,000 ha of developable land.

F. TOURISM

1. General Information on the Sector

Mali has a huge tourism potential based on rich and diversified resources. In Mali, only 4% of the land is arable, with the rest available for Tourism. The country has a wide range of historic, cultural and natural resources, which fully correspond to the trend of preferences in the tourism industry. Mali offers opportunities for cultural adventure and experiences, considered to be among the most interesting in Africa.

Several of the Malian tourist sites are on the World Heritage list of the United Nations Education, Scientific and Cultural Organization (UNESCO).

The main tourist attractions are:

- The natural and cultural sanctuary of the Bandiagara escarpment,
- The old town of Djenné,
- The historic town of Timbuktu,
- The Tomb of Askia,
- The Dogon Plateau,
- The old mosques of Djenné and Mopti,
- The biosphere reserve of the Baoulé Loop,
- The Gourma elephant reserve,
- The eco-tourism sites made up of the Senegal and Niger river basins, and the Central Niger Delta resources,
- The desert in the north of the country,
- The parks, forests and reserves (Bafing reserve, in particular), etc.

Tourism in Mali consists mainly of cultural and business tourism with many international meetings of all types (Summits, Seminars, Workshops, Conferences, etc.). Even though it is difficult today to assess the economic importance of the tourism sector, it is nevertheless evident that it has a huge development potential.

In 2008, Mali received about 135,905 tourists, with an average stay of 2.36 days. International visitors account for nearly 70%, with 30% from the sub-region. The 2008 statistics indicate:

- 514 hotels (7,846 rooms for 9,768 beds),
- 234,490 arrivals,
- Nights = about 552,784 per year,
- 154 travel and tourism agencies,
- Investment : CFAF 7,796,000,
- Earnings in 2008 estimated at CFAF 115,500,000,
- Jobs: 19,665 of which 6,555 direct and 13,110 indirect.

Source : OMATHO.

However, despite all these facilities and resources, the attendance is very low mainly because of the difficult access to some sites, the low accommodation capacity of hotel structures and the inadequate quality of their services.

2. Investment Opportunities

- Construction or rehabilitation of hotels ;
- Construction of restaurants, and recreation and conference centers Development of domestic air traffic to facilitate access to some tourist sites;
- Improvement of road infrastructure;
- Development of travel agencies and improvement of the quality of services ;
- Construction of specialized training infrastructure for the different sectors of tourism;
- Investment in adequate and more appropriate transport systems for the sector.

G. SUGAR

1. General Information on the Sector

Today, the sugar sector is one of the priority sectors for the Government of Mali.

According to a recent study conducted at the request of the Ministry of Industry, Investments and Trade, Mali is one of the two or three African countries that can undertake a new profitable sugar project, like the "Kanana" sugar factory in Sudan.

2. Supply

Sugar supply in Mali consists of domestic production and imports.

As regards to the domestic production, Mali has only one company: "SUKALA", with an annual production not exceeding 35,000 tons, at the Séribala and Dougabougou plants. As for imports, they come mainly from Brazil, Ivory Coast and European countries. They stand at about 100,000 tons/year, and drain a lot of foreign exchange from the country.

The "Société sucrière de Markala" (Sosumar) will be constructed near Ségou, thanks to the Markala dam on the north bank of the Niger River. The project, worth US\$ 216 million, will be financed by a group of investors led by a South African company. In its agricultural component, provision is made for the growing of sugar cane on an irrigated land covering 15,000 hectares, for a production of 1,453,786 tons of sugar cane per year. The industrial component provides for an annual production of 165,000 tons of sugar and 61,000 tons of molasses to produce electricity.

3. Demand

The demand for sugar in Mali is estimated at an average of 140,000 tons / year, representing 13 kg/person/year, for a total population of about 14.5 million inhabitants.

4. Investment Opportunities

A recent study conducted at the request of the Malian Government shows the possibility of constructing a sugar factory in the Niger Authority zone (which will produce molasses and alcohol) of a capacity of 170,000 tons on 14,100 hectares of land, with the creation of 5,000 permanent and temporary jobs. It should be noted that in this zone, production costs are fairly competitive because of the flow irrigation, and particularly the availability of skilled labor quite familiar with the growing of sugar cane.

In addition, there are other investment opportunities, namely the development of activities related to that of the sugar factory, such as bakeries, schools, repair workshops, trade and other services.

H. COTTON

1. General Information on the Sector

Cotton, as a cash crop, is produced in the South of Mali (Sikasso, Koulikoro, and Ségou) and Kayes (Kita). All these production areas are called CMDT Zones. Indeed, the "Compagnie Malienne de Développement Textile" (CMDT) is responsible for the organization, supervision, production, and marketing of seed cotton, as well as the ginning and sale of cotton lint and seed. Cotton is also produced, but in less quantity in the Niger Authority zone.

The cotton sector in Mali represents:

- 180,000 km², or 12% of the national territory;
- 3.5 million people, or 30% of the country's population;
- 201,462 tons of seed cotton and 1,221,000 tons of dry cereals, or 38% of the national total;

For the past ten years, cotton cultivation in Mali increased significantly in terms of production until 2003-2004, with more than 600,000 tons of seed cotton and placing the country in the forefront of African cotton producing countries.

From that time to date, Mali has recorded a steady decline in production, without affecting the yield per hectare, which stood at 1,022 kg/hectares in 2008/2009.

In Mali, only 2 to 3% of the seed cotton output are processed by the local textile industries, which was about 3,000 tons out of 85,170 tons in 2008/2009

Table 8: Trend of number of cotton farms, areas, production and yield from 2002/2003 to 2008/2009

Season	02-03	03-04	04-05	05-06	06-07	07-08	08-09
Farm	153,515	165,204	172,353	174,749	163,420	117,933	83,993
Area (ha)	449,293	548,895	564,971	550,532	480,474	283,927	196,712
Prod. (T)	439,722	620,605	589,780	534,143	414,965	242,238	201,462
Yield (Kg/ha)	979	1,131	1,044	970	864	853	1,024
Lint (T)	181,274	255,705	243,630	223,501	220,000	100,940	85,170

Source : CMDT (Workshop on trade and investment in the cotton sector in OCI member States)

QUALITY OF MALIAN COTTON

Malian cotton is graded in terms of local standards or types of commercial sale in correlation with African and international standards: average silk = 1" 1/8; (95.6%), Micronaire = 3.7 to 4.2. Resistance between 28 and 30g/tex is satisfactory.

Mali has 10 types of cotton sale:

Top grades:

1. SARAMA : GM (good Middling) of zero extra standard
2. JULI/S: GM VLt Sp (GM Very Light Spotted)
3. NERE : GM Sp
4. JULI : SM (Strict Middling White)
5. KATI : Middling

Middle grades :

6. 6. KATI/C: SLM Lt Sp (Strict Low Middling)
7. LIBA: GO VLt Tg (Good Ordinary)

Low grades:

8. LIBA/C: SLGO Ys (Yellow Stained)
9. KOLA: GO Tg
10. BATA: BG Ys (BG 85Yellow Stained)

SELLING PRICE OF INPUTS

Table 9: Selling price of Inputs

Description	Season 07/08	Season 08/09	Forecasts 09/10
Area (ha)	283,927	196,712	278,000
Cotton lint (T)	100,942	85,170	105,000
Price (CFAF/kg)	171	200	170
Cost of NPK bag	12,000	17,210	12,500
Cost of Urea bag	10,275	17,690	12,500
Cost insecticides (L)	4,200	4,200	4,200

Source : CMDT (Workshop on trade and investment in the cotton sector in OCI member States)

The Government of Mali sustained the selling prices of fertilizers (NPK complex cotton, complex cereals and urea) at CFAF 11,850 billion or US\$ 24,684,500 for the 2009/2010 season.

2. Existing companies

Cotton lint is currently used by:

- The "Compagnie Malienne de Textile" (COMATEX): produces thread of various colours for handicraft, and « FANCY » and « Koba » fabric imitations. It was established as a State corporation in 1967 with the assistance of the Chinese Government. It has been privatized, and 80% of the capital of COMATEX is currently held by COVEC (Republic of China) and 20% by the Government of Mali. Its plant capacity is 2,400 tons of lint per year. Its current production on 650 looms is about 10 million square metres of printed fabric. It also produces dyed thread for handicraft.
- "Fils et Tissus Naturels d'Afrique" (FITINA – SA) is a factory that was inaugurated in February 2004. It is governed by Malian law, and its share capital is owned by the Malian private sector, Mauritians and Europeans. FITINA – SA has a production capacity of 5,000 tons of raw cotton per year in combed and open – end threads. Production is expected to reach 15,000 tons within five years following start of operations. Its cost is estimated at CFAF 5 billion and it will, at start-up, employ 160 persons. The factory is located in Banankoroni, about 20 km from Bamako. It will be extended to include a weaving plant in the next few years.
- BATEX-CI SAU "BAKARY TEXTILE COMMERCE INDUSTRIE" is the former "Industrie Textile du Mali" (ITEMA), which produced printed fabrics. It was taken over by Mr. Bakary Cissé, a Malian living abroad, who resumed its operation in 2005, after more than 7 years of stoppage. The investment for the rehabilitation amounts to CFAF 32,580,464,000. The rehabilitation will create 777 jobs. Once rehabilitated, it will export at least 80% of its production. The products targeted by the rehabilitation are threads, gray fabrics, printed fabrics, and Tee-shirts. However, at start-up, 14,000 tons of threads and 28.8 million linear metres of printed fabrics will be produced. BATEX-CI is located in the Bamako industrial zone.
- MASEDA Industries is a plant for processing cotton lint into sanitary towels for women, cotton seed stalk and absorbent cotton. The plant, which is managed by a Malian businessman, has received investments of more than CFAF 800 million, and started operating in 2009.
- HUILERIE ABOU WORD YACOUBA TRAORE – Edible cotton seed oil refinery in Sikasso.

3. Investment Opportunities

- Industrial plants for the production of cotton threads for local consumption and exports;
- Weaving and tailoring plants;
- Production plants for gray fabrics, furniture fabrics, sanitary towels, tee-shirts, etc;
- Cotton seed oil mills;
- Cattle feed factory.

I. FERTILIZERS

1. Availability of raw materials

The main raw materials used in the production of phosphate fertilizers are rock phosphate from Tilemsi and acids (sulfuric and phosphoric).

Rock phosphate deposits from Tilemsi (PNT) are located in the north-east of Mali in a desert zone where the average annual rainfall does not exceed 200 mm. The reserves are estimated at 20 million tons, and the phosphate layer is between 0.5 and 2.2m. The acids and other raw materials are imported.

2. Supply

Supplies mainly come from imports by licensed import-export companies and individuals. The major fertilizer importing countries are Ivory Coast, Senegal, Nigeria, Togo, France, Sweden, Belgium, Netherlands and the People's Republic of China.

"Société d'Exploitation des Phosphates de Tilemsi" has been taken over by TOGUNA SARL company, which intends to construct a new phosphates processing plant worth CFAF 15 billion, and that will ultimately create 400 jobs.

3. Demand

In Mali, the highest demand for fertilizers comes from the zone supervised by CMDT, the Niger Authority (ON) zone, and the Upper Niger Valley Authority (OHVN) zone where supervision systems are available for the cash crops grown there. Recent surveys show that the use of fertilizers is increasing by about 10% per year.

Based on this assumption and considering the quantities of fertilizers bought for the 1999/2000 season in the zones: CMDT (167,000 tons), ON (24,000 tons) and OHVN (9,055 tons), the fertilizer requirements for the zones over the next few years are as follows:

Table 10: fertilizer requirements

Description / Season	Seasons							
	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2003/2007	2007/2008
Fertilizer requirements (tons)	220,000	242,000	266,200	292,820	322,109	354,320	389,752	428,728

4. Investment Opportunities

- Crushed PNT production plants.
- Phosphate fertilizer production plants.

J. FISH

1. General Information on the Sector

Mali has one of the largest fishing grounds in the Sahel, which provides more than 40% of the fresh water fish production in the West African sub-region thanks to the Niger and Senegal rivers which flow across most of the national territory, with more than 150 species identified. The two major fishing zones are:

- the lake zone (Sélingué and Manantali),
- the flood zone (Central Niger Delta).

More than 200,000 people are engaged in fishing at various levels, from production to marketing, with about 70,000 active fishermen. Fishing accounts for 4.2% of GDP.

For some time now, fish production has been disrupted by drought and inadequate rainfall from one year to another. The fish products are not processed industrially.

About 80% of the fish caught is processed by the producers into smoked, dried and burnt fish. Despite the weaknesses (low level of financing and supervision for the producers, poor organization of production) of the sector, there are significant strengths, including the availability of fish in the above-mentioned waterways, mastery of fishing techniques by the fishermen, the existence of industrial plants in the sector.

The major achievements in the development of the fisheries sector are: (i) the existence of an institutional framework (Ministry of Livestock and Fisheries, the National Directorate of Fisheries and its services), (ii) the existence of fishery development policy guidelines in the Fisheries and Fish Farming Development Master Plan, adopted by the Malian Government in 1997 and updated in 2006, (iii) organization of the fish marketing channel to satisfy domestic demand, and (iv) the practical and technical possibility of demonstrating aquaculture and the interest of the people in this technology².

2. Supply

As a result of drought over the past 30 years, fish production has fallen considerably. Out of a potential estimated at 175,000 to 200,000 tons, production was estimated at 150,000 tons of fish in 2002.

The main production zones are the Central Delta, Sélingué and Manantali.

3. Strengths of the sector³

Mali is a mainland country, covering 1,241,238 km² with a dense hydrographic network of about 4,500 kilometres. The hydrography of Mali mainly comprises the basins of the Senegal and Niger rivers, and partly the Volta river. The hydrographic system has a number of lakes, particularly in Tombouctou region in the north of the country. In addition, there are also lakes Magui (Kayes), Wegnan (Koulikoro) and Kambo (Kadiolo). This gives Mali a huge potential in terms of zones that can be developed (ponds, borrow pits, and mine quarry sites) in Kayes, Koulikoro, Sikasso, Ségou, Mopti, Tombouctou and Gao regions.

2- Five Year Fish Farming Development Programme in Mali

3- Five-Year Fish Farming Development Programme in Mali

Fishing is carried out on virtually all the water bodies of the country: rivers, lakes, and ponds. However, there are three main production zones: the Inner Niger Delta, Sélingué lake and Manantali lake. In addition to these large fishing zones, there are also other water bodies.

Fishing is an important sub-sector of the national economy. Its contribution to the national economy is very significant. In 2004, it was estimated at more than CFAF 90 billion, or 4.2% of GDP. Fish production stands at about 100,000 tons/year, making Mali one of the leading African fresh water fish producing countries. Fish consumption is estimated at 10.5 kg/year /inhab. The number of fishermen is estimated at 73,000, grouped in about 33,000 compound households of seven members on average.

Employment generated upstream and downstream the fisheries sector is estimated at between 285,000 and 500,000 jobs, or about 7.2% of the working population. Fishing is carried out on virtually all the water bodies of the country: rivers, lakes, and ponds. However, there are three main production zones: the Inner Niger Delta, Sélingué lake and Manantali lake. In addition to these large fishing zones, there are also many ponds, waterways and a huge potential of lands that can be developed in Kayes, Koulikoro, Sikasso, Ségou, Mopti, Tombouctou and Gao regions.

4. Investment Opportunities

- Establishment of industrial net production plants suitable for species such as: the bagrus "samu", the gynecarcus "horse fish" and the heterobranchus "polio" (Mopti, Bamako, Sélingué).
- Creation of modern fish production, processing, transportation, conservation and marketing companies.



K. TRANSPORT

1. General Information on the Sector

Mali has about 19,912 km of highways and roads: 3,717 km tarred roads, 11,498 km of modern earth roads, 4,707 km of improved feeder and seasonal roads.

The national railway network comprises 642 km of railway (Koulikoro-Senegal border) out of a total of 1,225 km (Koulikoro-Dakar).

As regards to the airport facilities, Mali has 13 airports, out of which six are international (Bamako, Gao, Kayes, Sikasso, Tombouctou, Mopti) and ten are principal.

The river network has 2,334 km of navigable waterways for low tonnage boats with 18 ports of call, including 5 main ports. The network is more developed on the Niger River.

In the adjustment program known as the Transport Sector Project (TSP) implemented in 1994, various measures were initiated to restructure and liberalize the sector.

As regards to the road network, emphasis is laid on intensifying routine and periodic maintenance, which will be entrusted to the private sector, and on the construction of new roads to provide access to the hinterland and diversify road corridors with foreign countries (Mauritania, Senegal and Guinea) so as to ensure better sub-regional integration.

Today, the railway network is managed by a private company known as "TRANSRAIL", 60% of whose capital is owned by private shareholders.

In the Government's liberalization policies, the airports of Mali will be transferred to joint-venture companies, and their management will be privatized.

2. Investment Opportunities

- Creation of travel companies,
- Creation of road transport companies,
- Rehabilitation of some transport companies,
- Development of the river network and improvement of the quality of services,
- Construction and improvement of road infrastructure,
- Development of the railway network, and
- Development of airport zones.

CONCLUSION

In addition to the investment opportunities identified within the various sectors in this document, partners are sought for the rehabilitation and upgrading of some companies selected for the restructuring program.





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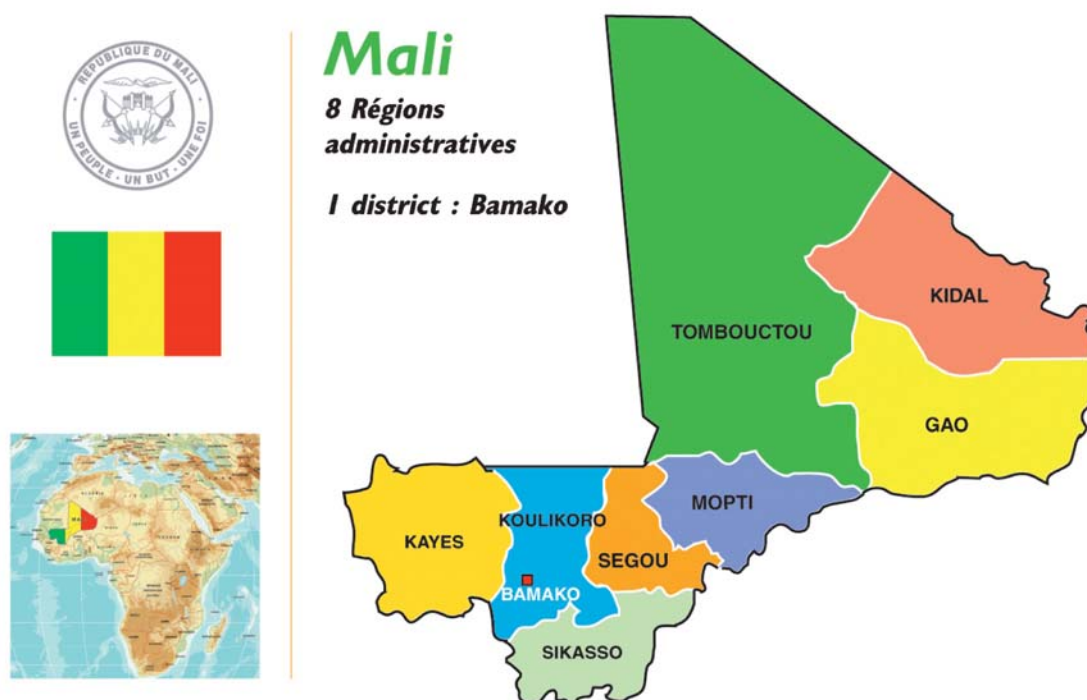
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I. GENERAL PRESENTATION

A. Presentation of the country

Recognized to be a well-known civilization, Mali is a great country by its history, culture and geographical expanse. It takes its name from the Empire which most fascinated its epoch as a country with fabulous wealth.



Map of Mali

Information Sheet			
Area in km ²	1,241,238	Direct Foreign Investments (DFI) in CFAF billion (2007)	87.7
Population (in millions of inhabitants)	14.5 (2009)	Crude enrolment rate	77.6%
Population growth rate in %	2.2	Official language	French
Local currency	CFA Franc € 1 = CFAF 655.957	Local time	GMT
GDP Per capita in CFA F	284,145 (2009)	Legal work week	40 hours
GDP growth rate	3.6% (2009)	Measurement	Metric system
Lowest guaranteed wage in CFA F	28,460	Voltage	220 volts, Alternate current

MALI: a pre-eminently hospitable country...

As the cradle of a well-known civilization, Mali is a great country on account of its history, its culture and its geographic expanse. The charm and authenticity of its tourist sites and the wealth of its ethnic diversity are known beyond its borders.

Famous for its hospitable customs, Mali has built its young democracy on a model of good governance aimed at ensuring strong and sustained economic growth, which will foster the social development of the country.

Mali is politically stable, and offers investors infrastructure and a constantly improving business environment.

History

Several prosperous empires and royalties have succeeded each other in Mali, a phenomenon that shows the natural, economic and socio-cultural wealth of the country. They include the Empire of Ghana (3rd-13th century), the Empire of Mali (13th-16th century), and the Songhai Empire (16th-17th century).

Mali was subsequently colonized by France in 1895. It acceded to its independence on the 22nd of September 1960. From the 1960s to the 1990s, the country moved from a socialist regime to a dictatorial regime based on the existence of a single party. In 1991, this regime was overthrown, and replaced with a new and ambitious democracy.

Today Mali stands as one nation where peace, democracy, freedom of speech and human rights are respected.

Geography

With an area of 1,241,238 km², Mali is the largest West African country. Its vast territory presents various landscapes. Most of the territory is situated in the Niger valley, and can be characterized by having low plains and sedimentary basins. In the center, the Inner Niger Delta forms the Macina region, a basin with frequent floods.

In the south, deeply cut ancient blocks mark the border with Ivory Coast. Further to the west, emerges the Mandingo Plateau where the capital town, Bamako, is located. The highlands reappear in the center, on the right bank of the Niger: the Bandiagara cliff overlooks the plain; it is extended by the Hombori mountains, which peak at the Hombori Tondo (1,155 m). In the north-west, at the borders with Algeria and forming the south Sahara, stands the Adrar of the Iforas, a crystalline highland of average height (600 m). Lastly, in the north, is located the Taoudenni basin.

The south and center of Mali are irrigated by two rivers: the Senegal river (formed in Bafoulabé by the confluence of the Bafing and the Bakoy) and the Niger river (takes its rise from Guinea in the Fouta-Djalón), which forms a large arc throughout the country and occupies a very important position in the space organization and economic development of the country.

Population and Culture

Mali has a population of 14,500,000 inhabitants. The population is young and lives mainly in rural areas. The languages spoken are French (official language), Bambara (most widely spoken language), Songhai, Fulfulde, Tamasheq, Sarakolé, and Dogon. The majority of the population practice Islam, which coexists in perfect harmony in Mali with Christianity and Animism.

Malian culture is rich and diversified. More than twenty ethnic groups live in Mali. Each ethnic group has its own culture. Griots, also known in Bambara as "Djéli", are the custodians of the past history, and transmit it faithfully from one generation to the other. The architecture and handicraft from the north of the country in Tombouctou, Mopti and Gao regions are designed from Arabic arts and drawings, inherited from the passage of great Semitic pilgrims. Malian music is well renounce around the world through famous musicians such as Salif Keïta, the late Ali Farka Touré, Oumou Sangaré, Rokia Traoré, etc.

B. Economic Activities

The Malian economy is mainly based on Agriculture and Livestock (44% of GDP, 80% of the working population). Fishing and harvesting are other subsistence activities of the population. The reforms initiated from the early 1990s and the development of the mining sector, especially gold, contributed to the economic boost that has recorded an average growth of 5% since 1994.

Cereal production was revitalized during the 2008-2009 crop season when 94.3% of the production targets were achieved. Government efforts focused on investments in irrigation development, particularly in the rice sector through the Rice Initiative policy by the Prime Minister, Head of Government. The objective of the initiative is to cover the domestic food requirements and generate a surplus for exports.



Rice Fields

Cotton has been, for a long period of time, the main crop of the country. Despite the decline in production since 2006, good prospects are forecasted through the privatization of the "Compagnie Malienne pour le Développement du Textile" (CMDT) and the revitalization of the cotton sector by the various government policies. .

Mali is the largest stockbreeding country in the sub-region, in terms of the size of its cattle population and the scope of the activity throughout the country. Stockbreeding accounts for **10% of GDP** and is the **third export product** of the country.



Cattle crossing the river

The secondary sector, which accounts for about **25% of GDP**, is driven by the extractive industry, particularly gold which, with a production of **55.8 tons in 2007**, is the **leading export product of the country**.

Mining Potential:

Gold: 800 tons
Phosphates: 20 million tons - (Tilemsi)
Limestone: 40 million tons - (Bafoulabé, Hombori)
Mined salt: 53 million tons (Taoudéni)
Bauxite: 1.2 billion tons (Kayes, and West Bamako)
Iron: 2 billion tons (Kayes)
Manganese: 10 million tons (Ansongo)
Bituminous shale: 10 billion tons
Marble: 60 million tons
Lignite: found in Gao region
Gypsum: 405,000 tons

Within a decade and a firmly managed economy, Mali has been deeply transformed by a liberalization policy focused on:

- the liberalization of prices and trade;
- tax reform;
- reform of business regulations;
- rehabilitation of the public sector; and
- State divestiture from the competitive sector

Mali is currently **the third gold-producing African country**, after South Africa and Ghana.



Contributing for nearly 45% of the GDP, the tertiary sector is growing rapidly as a result of the dynamism of the transport and telecommunications sector, particularly the development of mobile telephony following the extension of the GSM network of the two telecommunication companies (SOTELMA-MALITEL and ORANGE MALI).

The democratization of the country and its economic liberalization helps create an enabling environment for the banking and insurance sectors development.. The insurance market in Mali comprises eight (8) companies, namely CNAR, SONAVIE, LAFIA, COLINA SA, ALLIANZ, Sabu Nyuman, NOOR ASSUR, and NALLIAS.

The country has thirteen (13) national and international banks; namely "Banque de Développement du Mali" (BDM SA), the "Banque Nationale de Développement Agricole" (BNDA), the "Banque Internationale pour le Mali" (BIM -SA), the Bank of Africa (BOA), the "Banque Commerciale du Sahel" (BCS), the "Banque de l'Habitat du Mali" (BHM-SA), the "Banque Régionale de Solidarité" (BRS), the "Banque Malienne de Solidarité" (BMS), ECOBANK, the "Banque Internationale pour le Commerce et l'Industrie du Mali" (BICIM), the "Banque Sahélo-Saharienne pour l'Industrie et le Commerce" (BSIC-SA), the "Banque Atlantique" and the "Banque pour le Commerce et l'Industrie" (BCI).

In addition to these banks, there are also three (3) financial institutions (Equipbail, SOMAFI, and F.G.H.M.) and eight hundred and eighteen (818) grassroots credit unions in ninety-six (96) credit union networks.

Today the banking sector benefits from three efficient funds transfer tools: Western Union, Money Gram, and Money Express

II. GOOD REASONS FOR CHOOSING MALI

A. Political stability of the country

In March 1991, Mali experienced historic events that led to major political changes which ushered the country into multi-party democracy after a very successful transition. As shown by the success of the last parliamentary and presidential elections in 2007, Mali is today a country that enjoys political and social stability with legal and democratic institutions that make it an exemplary country where investment security is guaranteed.

B. A natural hub in West Africa

Mali is ideally located in the heart of West Africa, making the country a necessary hub linking Dakar to Abidjan, Ouagadougou or Lomé. Mali is 1h 30mn by air to all the major capitals of the sub-region. Its membership in the two sub-regional organizations, namely **West African Economic and Monetary Union (wit a market of about 73 million consumers)** and the **Economic Community of West African States (220 million inhabitants)** and its membership in the Organization for the Harmonization of Business Law in Africa(OHADA) make it a very attractive business site.

C. A good business environment

Mali is a politically open country, with a stable macro-economic framework and a positive growth rate, an increasingly streamlined regulatory, legislative and institutional framework, and an economy geared towards regional and sub-regional integration. The country is open to private investment.

The Investment Code, which agreement is obtained through a Single Window, is one of the most attractive codes in West Africa in terms of customs and tax benefits, investment guarantees, and transfer of capital and income.

1. Many trade partners

Mali maintains trade relations with many countries.

Its main partners are Thailand, China, India, Italy, and Great Britain.

Côte d'Ivoire, France, Senegal, Belgium, Netherlands, Spain, Great Britain, USA, Germany, and South Africa are its main suppliers.

2. An open and growing economy

Since 1992, Mali has been implementing various reform programs which have led to significant progress towards the process of economic liberalization, the reduction of macro-economic imbalances, and the restoration of sustainable and sustained economic growth conditions.

The Gross Domestic Product (GDP) has recorded **positive growth rates** in real terms: 7.6% in 2003, 2.2% in 2004, and 5.4% in 2005, 6.1% in 2006, 3.2% in 2007, 5.2% in 2008, and 3.6 % in 2009.

Inflation is under control: -1.3% in 2003, -3.1% in 2004, 1.5% in 2006, and 1.4% in 2007.

As regards to public finance, the favourable trend of the budgetary revenue, coupled with a better control of the expenditures, steadily reduced the overall budget deficit excluding grants.

3. An attractive and constantly improving tax and regulatory environment

The Investment Code

In addition to the usual conditions offered to investors (exemption from trading license and corporate tax as well as trading tax and company tax for 5 to 8 years for systems A and B respectively), the Investment Code offers:

- exemption from import taxes and duties on building equipment and materials required for making investments, and tax benefits during the implementation phase (3 years),
- additional exemption for four (4) years for companies that develop local resources.

Investment Guarantees

Foreign investors enjoy the same benefits as national investors, and have the right to transfer capital and income in the currency used when creating the company.

Approval to the Investment Code also applies the investments guarantees specified in Article 15 of the Treaty establishing the Multilateral Investment Guarantee Agency (MIGA) signed by Mali in October 1990.

Mali has ratified:

- the Convention of 18 March 1965 creating the International Centre for Settlement of Investment Disputes between States and Nationals of Other States (ICSID) established under the World Bank;
- the Treaty of 17 October 1993 establishing the Common Court of Justice and Arbitration (CCJA) of the Organization for the Harmonization of Business Law in Africa (OHADA).

Simplification of procedures

There is a One Stop Shop within the Investment Promotion Agency (API-Mali) to simplify administrative procedures for investment.

4. Good relations with Technical and Financial Partners

Mali maintains excellent relations with the World Bank (WB) and the International Monetary Fund (IMF).

The World Bank, in its efforts to reduce poverty, finances many programmes in Mali in education, health, infrastructure, urban development, electricity production, and the distribution of drinking water.

Taking into account the good performance of the country in macroeconomic reforms and the results obtained, the WB and IMF have declared Mali eligible for the initiative to cancel the debt of heavily indebted poor countries.

Cooperation between the European Union and Mali can be qualified as very satisfactory. Considering the good performance of the country and taking into account the good results of Mali in macroeconomic management and respect for human rights, Mali received € 375 million under the 9th EDF. **And since 2006, Mali has received direct budget support from its partners.** This shows the level of confidence between Mali and its partners.

5. Extension and steady improvement of basic infrastructure

Electricity supply

The surge capacity of the interconnected grid to 13 localities and 20 isolated centres is up to 123 MW. To satisfy the growing demand for electricity, the energy sector development plan, under its electricity component, provides for gradual absorption of the Malian quota on the Manantali power station (416 GWh) and from 2006-2007, the operation of the Kénié hydroelectric power station (56 MW, or 175 GWh) and the importation of energy from Ivory Coast and even Ghana (80 MW or 289 GWh).

Transport

Over the past few years, the development of the Malian road network has been a top priority for the Authorities. Accordingly, Mali has, with the financial support of the European Union, initiated the rehabilitation of the road corridors leading to the main ports of the sub-region: Dakar, Nouakchott and Conakry, for 566 km of roads.

Most of the 2,000 km of internal roads, of which 670 km will be financed by the World Bank, are also expected to be delivered by the end of 2006, and thereby provide Mali with an adequate internal road network.

The railway network links Bamako to Dakar. This railway, which has been modernized following its privatization to the Canadian company "Transrail", runs across Bamako to Koulikoro 57 km away, from where the river network on the Niger is guaranteed by the "Compagnie Malienne de Navigation" (COMANAV) from July to September over an average of 1,500 km. Large engine canoes replace the boats during the dry season.

The airport facilities comprise thirteen (13) airports open to air traffic, six (6) of which are international (Bamako, Kayes, Sikasso, Mopti, Gao, and Tombouctou) and seven (7) national (Goundam, Kéniéba, Kidal, Manantali, Nara, Tessalit and Yélimané), as well as the ongoing project to modernize the Bamako Senou International Airport, which will be delivered in March 2010.

Telecommunications

As regards to communication, the major activities carried out concern the reduction of tariffs, the extension of the telephone network and TV/FM coverage. Efforts will be made to pursue coverage of areas without service or with poor services. Accordingly, the telecommunications network is being modernized, and the fiber optic transmission technology will ultimately replace the electro-magnetic waves system.

Two mobile and fixed telephone operators (Orange Mali and Sotelma/Malitel) share the telecommunication networks in Mali. Orange Mali covers 70% of the national territory, and more than 800 localities are covered by the GSM network, with good technical quality.

D. Enormous Natural Resource Potential

Two large rivers flow across Mali: the Niger and the Senegal. These two waterways offer the possibility of developing irrigation areas throughout the country, which alone accounts for 1/25 of the area of Africa.

Mali's sub-soil has a lot of natural resources such as gold, limestone, bauxite, phosphate, iron, uranium, diamond, promising prospects for oil, etc. Mali is the **3rd gold producing** country of the sub-region.

As an agro-pastoral country, Mali has developed the livestock sector, which has become the third export product, after cotton and gold.

This huge potential, once developed, could significantly enhance the economic and social development of the country.

E. An example of Good Governance

Mali stands out at the international and sub-regional level on account of its policy of good governance, justice and democratic values. As the leader of a country quoted as a symbol of democracy and a model of good governance around the world, the President of the Republic, Head of State of Mali, His Excellency Amadou Toumani TOURE, holds that "a strong democracy is also an administration which functions well and meets the needs of the populations ...

Democracy is not only the right to vote or the organizations of free and fair elections. It is also the possibility given to each citizen to enjoy economic, social, cultural and cultural well-being, and the State has the duty, and even the obligation, to help the citizen to enjoy it". This vision of democracy is reflected in the Government's actions, in particular:

- the Institutional Development Programme (PDI), the Ten Year Justice Development Programme (PRODEJ), etc;
- the stabilization of public finance and the fight against corruption, with the creation of conventional audit corps and the Office of the General Auditor;
- meetings between the Government and the private sector;
- the Democracy Promotion Forum, etc...

III. MANY INVESTMENT OPPORTUNITIES

The Malian economy has a huge potential and many opportunities that, if developed, could significantly enhance the economic and social development of the country.

A. The Agricultural Sector

The arable land potential

The available land for agriculture and stockbreeding covers nearly 46 million hectares. 3.5 million hectares are cultivated out of a total of about 12 million hectares of arable land. Mali has **an irrigable potential of more than 2 million hectares, with more than half using flow irrigation**. The Niger Authority alone has an irrigable potential of nearly one million hectares.

The Central Niger Delta covers nearly 4 million hectares. The Senegal River, along with its tributaries, also offers huge opportunities for agropastoral development in Kayes Region.

The Cereals Sector

There are great opportunities for increasing rice production through irrigation, and for increasing exports to neighbouring markets and beyond.



Maize

Maize could also be an important input in the production of cattle feed for Mali and for export.

The Textile Sector

The processing of cotton is a promising activity in Mali. The country exports raw cotton and less than 1% of the output is processed locally.

Furthermore, the sector offers new opportunities for export to the United States. Since 11 December 2003, Mali has, under AGOA, obtained a visa to export clothes and textile products free of customs duties and without limit to the American market.

The Sugar Sector

Sugar production in Mali is based on the growing of sugar cane in the irrigation areas of the Niger Authority. Possibilities of expanding the crop will depend on the exploitable potential of the entire Niger Authority.

Demand in Mali is estimated at an average of 130,000 tons/year; yet, current local production stands at only 30,000 tons/year. The sugar is produced by "Sukala SA." However, the "Société Sucrière de Markala, Sosumar") in creation near Ségou, will use the Markala dam on the northern bank of the Niger river and provide under its agriculture component, the growing of sugar cane on 15,000 ha of irrigated land to produce 1,530,000 tons of cane per year.

The industrial component is projecting an annual production of 165,000 tons of sugar.

The Fruits and Vegetables Sector

The sector is dominated by mangoes and other citrus fruits, green beans, onion, potatoes and tomatoes. These products are grown almost everywhere in Mali where water is available. However, the crops are concentrated mainly in the southern half of the country, with relative specialization in a few areas such as:

- Tomatoes and green beans in Baguinéda irrigation area;
- Potatoes in Sikasso region, on more than 300 ha of land;
- Green onion in the Niger Authority zone and in the Dogon Plateau, on nearly 4,000 ha of land.
- The number of shea trees is estimated at 150 million in Mali and the tapped potential is about 80,000 tons, while the exploitation potential is estimated at 250,000 tons of dry almonds.



Malian Mangoes

B. The Livestock and Fisheries Sector

The Cattle-Meat Sector

The cattle sector offers investment opportunities not only in the meat processing industry, but also in the development of infrastructure required for local and international distribution.

Mali has a comparative advantage for hides and skins, with a 3.4 index for hide and 2.91 for tanned skin. This is the consequence of specialization and loyalty of its export markets.

The Fisheries Sector

Fishing is the third pillar of the rural economy in Mali. During normal water level, fish production stands at about 100,000 t/year, ranking Mali as the third African fresh water fish producing country. Mali has an apparent fish availability of about 94,000 t/year. Fishing, which provides more than CFAF 30 billion earnings to the country, also comprises a wide range of other activities such as the production of fishing equipment, ice, baskets and other consumer goods, as well as its transportation and handling. The **fishing potential of Mali** is mainly concentrated in the Central Niger Delta, with nearly 80% of the total.

C. The Energy Sector

The water potential

Surface water resources are very significant, comprising the Senegal river with 1,800 km of which 669 km are in Mali, the Niger river with 4,200 km of which 1,780 km are in Mali, and their main tributaries. These waterways flow in large plains. The perennial surface water resources potential is estimated at 50 billion m³ and the renewable groundwater resources potential at 66 billion m³.

The hydroelectricity potential

The hydroelectricity potential is estimated at 1,000 MW. However, less than one-third of this potential is currently tapped.

The operation of Manantali constitutes significant progress towards the development of these water resources. The progress will certainly be sustained by development of all sites under this project.



Manantali Hydroelectric Dam

Significant renewable energy potential

Mali has significant renewable energy resources (solar, wind, biomass and hydroelectricity). However, they are so far not adequately tapped.

The best wind potential of Mali is in the north of the country. In this geographical zone, the speed of wind ranges from 3 to 7 m per second. The region is therefore an appropriate site for a wind farm that could be very profitable.

Insolation is estimated at 2,500 hours per year with a capacity of 5.7 kWh/m²/day. This provides a significant source of energy. Development of this resource will allow for thermal and photovoltaic solar-based applications.

D. The Mining Sector

The extractive industry concerns building materials (marble, clay, sandstone, dolerite, granite, etc.), mined salt, gold, semi-precious stones such as garnet, etc.

Gold Washing in Mali

Furthermore, the sub-soil has a lot of other mineral substances which no foreign company has so far explored or exploited. These mineral substances are identified as follows by the National Directorate of Geology and Mines:

- Diamond : Indices are located in Kéniéba and the "Adrar des Iforas";
- Iron : 1.360 billion tons of reserves;
- Bauxite : 1.2 billion tons of reserves;

- Manganese : 100 million tons of ore reserves;
- Uranium : 5,000 tons of U3O6 and 200 tons of U3O2 at 0.085%;
- Phosphates : 20 million tons of reserves;
- Limestone: 122 million tons of reserves;
- Marbles : 60 million tons of reserves;
- Zinc lead : 1.7 million tons of reserves.

Hydrocarbons are currently explored in Taoudénit basin and Gao graben by five (5) companies (BARAKA VENTURE, MALI PETROLEUM, MALI OIL, MARKMORE and ENERGETIC). **Twenty-two (22) blocks have been awarded out of a total of twenty-seven (27).**



E. Handicraft, Tourism and Culture Sector

Mali, in view of its geographic position, history and culture, is a touristic and handicraft country.

Handicraft Sector

The diversity of products and the legendary skills of men and women have imposed the Malian label on the sub-regional and international markets.

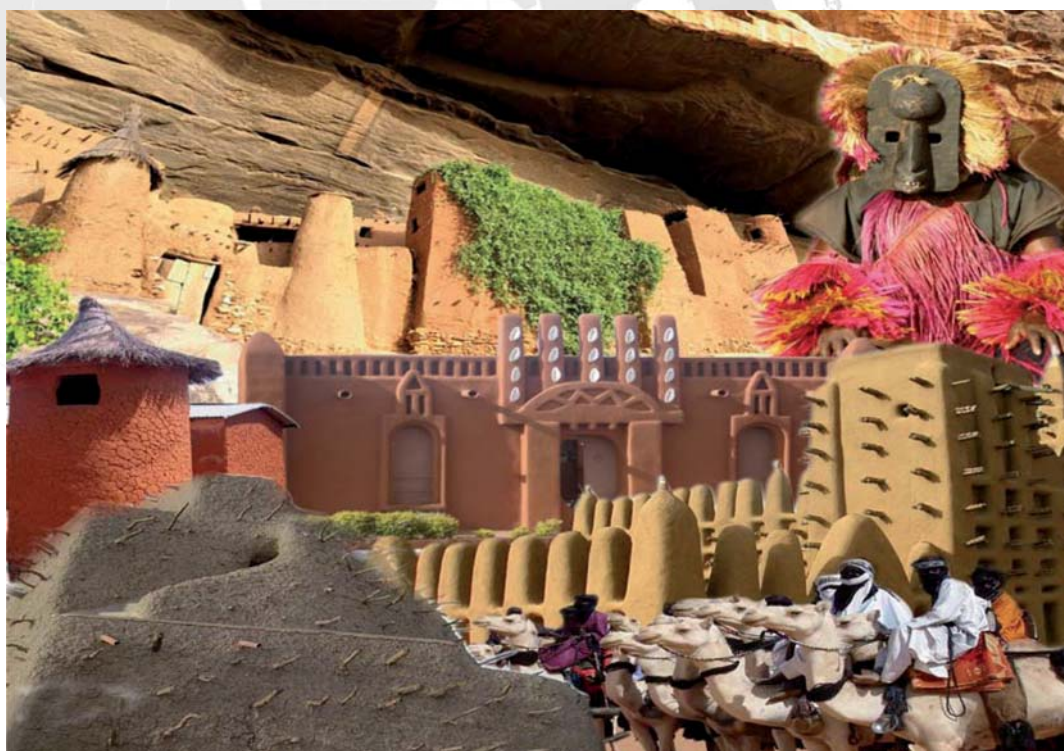
The excellent finishing of leathercraft products and shoes, the variety of sculpted goods, the authenticity and originality of jewelry products, the harmonious blend of tradition and modernity in pottery, and especially the rich symbols on textiles are some of the qualities that give Malian handicraft a difference for consumers and enable it to adapt to new trends.

Tourism and Culture Sector

Tourism is becoming one of the key sectors of the Malian economy. Tourism is primarily cultural, and has recorded exponential growth in the country. Fostered by the strong political will, the activity has received significant financial investments.

The sector, during the last season, earned CFAF 80 billion turnover. This figure is tenfold that of 2002.

Mali has an immense natural, cultural and historic touristic heritage. The major natural attractions are:



- The historic town of Timbuktu,
- Bandiagara escarpment and the Dogon Plateau,
- The Biosphere reserve of the Baoulé Loop,
- the Elephant reserve in Gourma,
- the ecotourism sites made up of the Senegal and Niger river basins and the resources of the Central Niger Delta,
- the dunes and desert in the north of the country,
- the parks, forests and reserves (Bafing reserve, in particular), etc.

F. Industrial Zones to be developed

- Kayes : 140 ha,
- Kita : 84 ha,
- Niono : 50 ha,
- Koutiala : 100 ha ,
- Sikasso : 100 ha,
- Ségou : 238 ha,
- Bougouni : 30.4 ha,
- Mopti : 100 ha,
- Kati : 50 ha,
- Banankoro (Bamako) : 117 ha,
- Bamako Airport Zone – Sénou : 200 ha,
- Dialakorobougou (Bamako): 200 ha.





MINISTRY OF INDUSTRY,
INVESTMENTS AND TRADE



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Republic of Mali
One People - One Goal - One Faith

MINISTRY OF INDUSTRY,
INVESTMENTS AND TRADE

INVESTMENT CODE



REPUBLIC OF MALI
One People – One Goal- One Faith



Ministry of Industry, Investments and Trade



INVESTMENT CODE

**OVERVIEW
OF APPROVAL
PROCEDURES FOR THE
INVESTMENT CODE**

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GENERAL INFORMATION ON THE MALIAN ECONOMY

AREA

The Republic of Mali covers an area of 1,241,238 km², or 1/25 of the total area of Africa. It occupies the heart of West Africa, and shares borders with seven countries: Algeria to the North and North-East, Côte d'Ivoire and Guinea to the South, Senegal and Mauritania to the West, Niger to the East, and Burkina Faso to the South-East.

RELIEF

Though a country without any highlands, Mali has some relief features. Its northern desert area is practically flat, but in the North-East, the Adrar of the Iforas, an extension of Hoggar highlands (900 m) in Algeria.

In the rest of the country, the sedimentary layers have not had any characteristic thrusts, and the relief comprises large level expanses of land interrupted by the Bandiagara Cliffs, which cover nearly 200 km to Mount Hombori (1150 m).

Lastly, the Mandingo highlands, at the Guinean border, face the Sikasso highlands to the South-East.

CLIMATE

The climate has a summer rainy season and a long dry season from November to June, with mild temperatures from December to February.

Mali has three climatic zones:

- the Saharan zone to the North of the 17th parallel; it covers about 500,000 km²; it has very irregular and unsteady rainfall, below 200 mm/year;

- the Sahelian zone, between the 17th and 15th parallels; it covers about 200,000 km². The rainy season lasts for 3 to 4 months (June- July to August - September), with 300 to 500 mm of rainfall;

- the Sudano-Guinean zone between 15th and 13th parallels, with a rainy season for 5 to 6 months and 600 to 1300 mm rainfall.

HYDROGRAPHY

There are two major rivers in the country:

- Senegal River: 669 km long over Malian territory, formed by the confluence of the Bafing and the Baoulé in Bafoulabé.

Its main tributaries are the Kolimbiné on the right bank, and the Falémé on the left bank, which forms the border with the Republic of Senegal.

- Niger River: 1,780 km long over Mali.

Its main tributaries are the Sankarani on the right bank and the Bani in Mopti.

DEMOGRAPHIC DATA

Estimated at more than 14 million, the population of Mali is extremely young (45% of the population under 15), predominantly rural (75%), and has a growth rate of 2%.

POTENTIALS OF THE MALIAN ECONOMY

- Land

The available land, particularly for agriculture, stockbreeding and forests, occupies nearly 46 million hectares. Out of a total of about 12 million hectares of arable land, 3.5 million hectares are currently developed.

- Farming

It forms the basis of the economy, and therefore remains a priority sector. It is the main source of income for more than 80 % of the population of Mali.

- Stockbreeding

Along with farming, it is a significant source of the country's wealth.

- Energy potential

The energy potential of the different hydro-electric plants, constructed or to be constructed, concerns many sites, particularly those in Sélingué, Manantali, Kéniéba, Tossaye, Labezanga, Gouïna and Félou.

Solar energy and other renewable sources of energy offer significant possibilities, which are now being exploited.

- Mining Resources

Mali has identified gold deposits, iron ores (reserves: more than one billion tonnes in Bafing - Makana, Djidian – Kéniéba regions), bauxite (reserves estimated at 1.2 billion tonnes in Kayes region and in the West of Bamako), manganese (10 million tonnes of reserves discovered towards Ansongo), diamond, phosphates, marble, rock salt, and gypsum.

Gold mining has increased significantly. Gold is the second provider of export earnings after cotton.

- Main Exports

- cotton;
- gold; and
- cattle.

- Main Imports:

- machinery;
- food products; and
- other non-food products.

- Tourism Potential:

The tourism sector (hotel trade, catering) is expanding.

In view of its geographic position, history and culture, Mali is a tourist and handicraft country.

The three zones that currently offer tourist services are:

- Bamako and its environs;
- the Interior Delta, Mopti, Djenné and Dogon;
- Tombouctou.

PRESENTATION OF THE INVESTMENT CODE AND APPROVAL PROCEDURES

I. PRESENTATION OF THE INVESTMENT CODE

The Investment Code currently in force in Mali was instituted by Law No. 91-048/AN-RM of 26 February 1991.

It was amended by Law No. 05-050 of 19 August 2005.

The Investment Code introduces a preferential customs and tax system to promote the investment of national and foreign private capital in production activities and services. It offers the guarantees required for investment security.

APPROVAL SYSTEMS

Three approval systems are provided for in the Investment Code, namely:

- **SYSTEM A**, known as the small and medium-scale enterprises system. It concerns investments below or equivalent to CFAF 150 million (228,674 Euros).
- **SYSTEM B**, known as the large enterprises system for investments above CFAF 150 million.
- **FREE ZONE SYSTEM**, for new mainly export-oriented enterprises, which can sell not more than 20% of their production on the domestic market.

BENEFITS GRANTED

Enterprises approved for the Investment Code shall be granted the following customs and tax benefits:

(a) in case of creation of a new activity:

- exemption, for the duration of construction of the enterprise fixed at three (3) years, from import duties and taxes on equipment, machinery, tools, spare parts and building mate-

rials required for implementing the approved programme; this duration shall be the same for systems A and B.

- exemption from company tax, corporation tax, and licence; the duration of the exemption shall be eight (8) years for system B and five (5) years for system A.

(b) in case of development of an existing activity:

- exemption for one (1) year from import duties and taxes on equipment, machinery, tools, spare parts and building materials required for implementing the approved programme; this duration shall be the same for systems A and B.

The purchase, for rehabilitation, of public enterprises by new promoters under the public enterprises privatization programme shall, depending on the amount of investment, be granted the benefits of "System A or B".

Enterprises approved for the free zone system shall, for a period of thirty (30) years, benefit from total exemption from all duties and taxes relating to their activities. However, these enterprises shall be authorized to sell 20% of their production on the local market and pay the duties and taxes normally required.

Enterprises that process local raw materials shall, in addition to the benefits in Systems A and B, be granted exemption from company tax, corporation tax, and licence for four (4) additional financial years. The additional period shall be six (6) years for enterprises located in geographic zones outside Bamako.

Enterprises that develop technological innovation shall be granted 5% reduction of the fixed tax normally paid by employers in respect of the salaries of Malian workers.

GUARANTEES

Foreign investors shall be granted the same privileges as the national investors.

The right to transfer capital and its income shall be guaranteed for natural persons or corporate bodies that have made an investment in Mali financed by a contribution in foreign exchange. In other words, foreigners who make investments or occupy positions in Malian enterprises shall have the right, subject to compliance with foreign exchange regulations, to transfer, in the currency used at the time of constitution of the said investments, profits, all types of proceeds from the invested capital, proceeds from liquidation or realization of their assets and salaries.

Any disputes between foreign investors and the State shall first be settled amicably or in accordance with bilateral foreign investments protection agreements. Where no settlement is reached, the parties shall have recourse to the arbitration procedure defined in the Convention of 18 March 1965 setting up the International Centre for Settlement of Investment Disputes (ICSID) between States and Nationals of other States, established under the supervision of the World Bank and ratified by Mali on 3 January 1978.

Approval for the Investment Code shall imply approval for grant of any guarantee as defined in Article 15 of the Treaty establishing the Multilateral Investments Guarantee Agency (MIGA) signed by Mali in October 1990.

CRITERIA FOR EVALUATING PROJECTS FOR APPROVAL

The value added rate, which should be equivalent to or above 35%, shall be the only basic criterion for evaluating projects.

No minimum investment threshold shall be required for a project to be eligible for the Code.

SCOPE OF THE INVESTMENT CODE

Only exclusively commercial enterprises, as well as oil and mining research and exploitation enterprises shall be exempted from approval for the Investment Code.

These activities shall be governed by the Commercial Code, the Petroleum Code, and the Mining Code.

The time limit for implementing the project shall be three (3) years, with the possibility of extension to four (4) years, following start of implementation.

II. APPROVAL PROCEDURE

The procedure has been simplified with the introduction of the Single Window.

All applications for approval for the Investment Code or applications for prior authorization for the establishment of enterprises shall be centralized at the level of the Single Window.

Every application file for approval for the Investment Code shall comprise the following documents:

- a stamped application addressed to the Minister responsible for the Promotion of Investments;
- a feasibility study in five (5) copies, prepared in conformity with the model of project presentation;
- a copy of the authorization to operate, if necessary.

The approval application forms, as well as the model of project presentation may be obtained from the Single Window.

The time limit for approving a project for the Investment Code shall imperatively be twenty (20) full days following receipt of the application, and refusal of approval shall be pronounced only in case of non conformity with a legal or statutory provision in force. The approval shall be granted by Order of the Minister responsible for the Promotion of Investments.

The time limit for obtaining an authorization to establish an industry without the benefits of the Investment Code shall be ten (10) working days following submission of the application file. The authorization shall be granted by Decision of the Minister responsible for the Promotion of Investments.

LAW No. 91-048/AN-RM OF 26 FEBRUARY 1991 INSTITUTING THE INVESTMENT CODE

THE NATIONAL ASSEMBLY DELIBERATED AND ADOPTED AT ITS SITTING OF 2 FEBRUARY 1991

THE PRESIDENT OF THE REPUBLIC HEREBY ENACTS THE FOLLOWING LAW:

TITLE I

OBJECTIVES

SECTION 1: This Code seeks to promote investments in Mali in order to:

(a) – mobilize domestic savings, as well as capital contributions from abroad;

(b) – create jobs, as well as train officials and skilled labour in the country;

* (c) – create, extend and modernize industrial and agro-silvo-pastoral infrastructure;

(d) – encourage investment in export industries and economic sectors that use raw materials and other local products;

(e) – create small and medium-scale enterprises, and develop micro-enterprises;

(f) - transfer required and appropriate technologies;

(g) – make investments in the least developed regions of the country;

(h) – encourage and promote an additional economic fabric;

* Paragraph c has been amended, see page 28.

(i) – encourage the purchase, for rehabilitation, of public enterprises by new promoters under the public enterprises privatization programme.

TITLE II

DEFINITION AND SCOPE

SECTION 2: The financing of fixed assets and initial working capital of a development project shall be considered as an investment within the meaning of this Code.

SECTION 3: Natural persons or corporate bodies, irrespective of their nationality, regularly established in Mali in accordance with Malian legislation, that exercise or wish to exercise an activity as defined in Article 4 below, shall be granted the guarantees and benefits specified in this Code, provided their projects are eligible in light of the criteria defined by Decree issued by the Cabinet Meeting.

SECTION 4: Exclusively commercial enterprises, mining research and exploitation enterprises, as well as oil exploitation research enterprises shall not be eligible for the benefits of this Code. Their activities shall be governed by the Commercial Code, the Mining Code, the Petroleum Code, and their implementing instruments.

SECTION 5: Enterprises that fall within the scope of this Code shall be eligible for one of the following systems:

- the small and medium-scale enterprises system, known as "SYSTEM A";
- the large enterprises system, known as "SYSTEM B";
- the free zone system.

SECTION 6: The direct value added shall be the basic criterion for evaluating projects. Its minimum rate, as well as its constituent elements shall be determined by Decree issued by the Cabinet Meeting.

SECTION 7: The approval procedure, as well as the evaluation criteria, other than the value added, shall be determined by Decree issued by the Cabinet Meeting.

***SECTION 8:** Industrial investments that do not apply for any benefit from this Code shall nevertheless be required to obtain prior authorization from the Minister responsible for industry.

TITLE III

GENERAL GUARANTEES

SECTION 9: The natural persons and corporate bodies mentioned in Article 3 of this Code shall receive the same treatment under the same conditions of eligibility.

SECTION 10: The right to transfer capital and its income shall be guaranteed for foreign natural persons or corporate bodies that make an investment in Mali financed by a contribution in foreign exchange.

Foreigners, who have made investments or occupy positions in Malian enterprises shall have the right, subject to compliance with foreign exchange regulations, to transfer, in the currency used at the time of constitution of the said investments, profits, all types of proceeds from invested capital, proceeds from liquidation or realization of their assets and salaries.

TITLE IV

BENEFITS GRANTED

***SECTION 11:** Enterprises, with investment below one hundred (100) million francs, shall be approved for "SYSTEM A", and shall be granted the following benefits:

(1)- exemption, for the first five (5) financial years, from corporation tax and licence;

* This article has been amended; see page 28.

* This article has been amended; see pages 28 and 29.

(2)- exemption, for five (5) years and only for new constructions, from land tax and tax on property in mortmain.

The exemption period shall run from the date of completion of the construction of the buildings concerned.

The period of exemption from the land tax and tax on property in mortmain shall be extended to ten (10) years for real estate enterprises.

(3)- the spread, over three (3) years, of the payment of registration dues on company deeds, and exemption from these dues in case of capital increase.

The first third of the dues shall be paid at registration and the two others annually.

***SECTION 12:** Enterprises, with investment equivalent to or above one hundred (100) millions francs, shall be approved for "SYSTEM B", and shall be granted the following benefits:

(1) - exemption, for the first eight (8) financial years, from corporation tax and licence;

(2) - exemption, for five (5) years and only for new constructions, from land tax and tax on property in mortmain.

The exemption period shall run from the date of completion of the construction of the buildings concerned.

The period of exemption from the land tax and tax on property in mortmain shall be extended to ten (10) years for real estate enterprises.

(3) - spreading, over three (3) years, the payment of registration dues on company deeds and exemption from these dues in case of capital increase.

The first third of the dues shall be paid at registration and the other two annually.

***SECTION 13:** The purchase, for rehabilitation, of a public enterprise by new promoters, under the public enterprises pri-

* This Article has been amended; see page 29.

* This Article has been amended; see pages 29 and 30.

vatization programme may, depending on the amount of investment, be granted the benefits of "Systems A and B".

TITLE V

FREE ZONE SYSTEM

SECTION 14: New enterprises which are mainly export-oriented, shall be classified in the free zones systems.

*To that end, these enterprises shall benefit from total and permanent exemption from all duties and taxes relating to the exercise of their activities.

However, the enterprises, if they so desire, may sell, on the local market, up to 20% of their production which shall be subject to the duties and taxes levied on similar imported products.

TITLE VI

SPECIAL PROVISIONS

***SECTION 15:** In addition to the benefits of "Systems A and B", enterprises which establish in areas not yet industrialized or insufficiently industrialized (zones II and III) shall benefit from exemption for two (2) financial years in zone II and for four (4) financial years in zone III, from corporation tax and licence. For the implementation of this provision, the Malian territory shall be divided into zones I, II, and III, as defined by Decree issued by the Cabinet Meeting.

TITLE VII

SPECIAL PROVISIONS

SECTION 16: For each of the benefits specified in this Code, the first financial year considered shall, unless otherwise indicated, be that of the first delivery or sale of products and services, excluding trials.

Approved enterprises shall be required to notify, by registered mail, the starting date of their production to the competent authorities as defined by a Decree issued by the Cabinet Meeting.

SECTION 17: Enterprises governed by this Code shall, before operation, be required to comply with the laws and regulations in force relating to trade and legal status of companies.

SECTION 18: Enterprises established in Mali shall comply with the following obligations:

- keep regular accounts consistent with the approved accounting plan in accordance with the provisions of the Commercial Code;
- promote the recruitment of nationals by organizing professional training at all levels in the enterprise;
- comply with the environmental legislation;
- submit the accounting and financial documents, as well as reports on investment implementation, employment, and national and foreign financing, to the competent authorities in accordance with the fiscal legislation.

SECTION 19: Non compliance with the commitments made by the approved enterprises shall give rise to sanctions in accordance with the regulations in force.

SECTION 20

*The time limit for establishing enterprises approved for this Code shall be five (5) years. A promoter, who has not started implementing his project (civil works, procurement of equipment) within the prescribed period, shall automatically lose eligibility for the benefits defined by the approval instrument.

However, a promoter may be granted a single extension of one (1) year with effect from the expiry date of the approval period if he provides evidence that he has started implementing his project.

* This Article has been amended; see page 30.

TITLE VIII

ARBITRATION

SECTION 21: Disputes between one or more investors and the State relating to the validity, interpretation, application or revision of one or more clauses of the approval shall be settled amicably by the parties.

Where the dispute cannot be settled amicably, the parties shall have recourse to the arbitration procedure.

Where an investor is a national of another State, the arbitration procedure shall be that defined by the Convention of 18 March 1965 setting up the International Centre for Settlement of Investment Disputes (ICSID) between States and Nationals of other States established under the supervision of the World Bank and ratified by the Republic of Mali on 3 January 1978, unless there is a bilateral investment protection agreement concluded with the State of which the investor is a national. Consent shall, as regards the State, be expressed by this Article, and as regards the investor, it shall be explicitly specified in the approval application.

Approval for the Investment Code shall imply approval of the investment for any guarantee as defined in Article 15 of the Treaty establishing the Multilateral Investments Guarantee Agency (MIGA) signed by the Republic of Mali in October 1990.

TITLE IX

FINAL PROVISIONS

SECTION 22: Approvals under way at the time of enactment of this Law, granted under Law No. 62-5/AN-RM of 15 January 1962, Ordinance No. 69-29/CMLN of 23 May 1969, Ordinance No. 76- 31/CMLN of 30 March 1976, Law No. 86- 39/AN-RM of 8 March 1986, and which have not been granted any express waivers, shall remain in force in all their provisions subject to subsequent amendments and modifications.

***SECTION 23:** This law, which repeals all provisions repugnant hereto, in particular Law No. No. 86-39/AN-RM of 8 March 1986, shall be registered and published in the Official Gazette.

* This Article has been amended; see page 31

DECREE No. 95-423/P-RM DEFINING THE CONDITIONS FOR IMPLEMENTING LAW No. 91- 048/AN-RM OF 26 FEBRUARY 1991 INSTITUTING THE INVESTMENT CODE.

THE PRESIDENT OF THE REPUBLIC,

Mindful of the Constitution;

Mindful of Law No. 91-048/AN-RM of 26 February 1991 instituting the Investment Code;

Mindful of Decree No. 96 - 030/P-RM of 25 January 1996 defining the administrative formalities for creating enterprises;

Mindful of Decree No. 94-065/P-RM of 4 February 1994 appointing the Prime Minister;

Mindful of Decree No. 94-333/P-RM of 25 October 1994 appointing the members of Government, as amended by Decree No. 95-097/P-RM of 27 February 1995.

IN THE CABINET MEETING

HEREBY DECREES AS FOLLOWS

ARTICLE 1: The conditions for implementing Law No. 91-048/AN-RM of 26 February 1991 are hereby defined in accordance with the provisions of this Decree.

CHAPTER I: THE APPROVAL PROCEDURE

ARTICLE 2: The application file for approval for the Investment Code shall be submitted to the Single Window.

ARTICLE 3: Every application file shall comprise the following documents:

* - a stamped application addressed to the Minister responsible for Industry;

- a feasibility study, in five (5) copies, prepared in conformity with the model of project presentation;

- a copy of the authorization to operate, if necessary.

ARTICLE 4: The approval application forms, as well as the model of project presentation shall be available at the Single Window.

ARTICLE 5: Promoters whose approval application files for the Investment Code are deemed to conform with the provisions of Article 3 above shall receive a submission receipt within 24 working hours.

The receipt shall mention, in particular, the full name and address of the promoter, the purpose of the activity, the system of the Code requested, the date of submission of the file, and the legal date of grant of approval.

ARTICLE 6: The approval application files shall be subject to preliminary processing which consists in verifying the purpose of the projected activity in relation to the scope of the Investment Code. The files for which the results are not conclusive shall be returned to their promoters within seven (7) working days following receipt of the project.

ARTICLE 7: After receipt of the approval application file for the Investment Code, the Single Window shall prepare a technical information sheet and may use any natural person, corporate body or structure whose competence is deemed necessary for consideration of the said file.

ARTICLE 8

*After favourable opinion of the Single Window, the approval shall be granted by Order of the Minister responsible for Industry within thirty (30) working days following receipt of the file.

* This sub-paragraph has been amended; see page 33.

Refusal of approval shall be pronounced only for non-compliance of the investment project with a legal or statutory provision in force.

***ARTICLE 9:** The approval order shall list the benefits granted to the promoter, the activities for which the enterprise is approved, and shall define the obligations of the promoter.

***ARTICLE 10:** The application file to establish an industry without benefits of the investment Code, addressed to the Minister responsible for Industry, shall be submitted to the Single Window. It shall comprise the following documents:

- a stamped application;
- a feasibility study in two (2) copies.

The authorization of the Minister responsible for Industry shall be granted by Decision within fifteen (15) working days following receipt of the file.

****ARTICLE 11:** Approved enterprises shall be required to notify, by registered mail, the starting date of their activities to the National Directorate of Industries and the National Directorate of Taxes, in accordance with the provisions of Section 16 of Law No. 91-048/AN-RM of 26 February 1991 instituting the Investment Code.

CHAPTER II: EVALUATION CRITERIA

ARTICLE 12: The direct value added shall be the basic criterion for evaluating projects submitted for approval for the Investment Code.

The direct value added of an enterprise shall be defined as the sum of the following elements of the operating account:

- (a) personnel expenditure;
- (b) duties and taxes;

* These Articles and paragraph have been amended; see page 33.

** This article has been amended; see pages 33 and 34.

- (c) depreciation expenses;
- (d) financial expenses; and
- (e) gross operating profit.

Its accepted minimum rate shall be 35% of the turnover.

ARTICLE 13: The evaluation criteria other than those defined in Article 12 above, and used during consideration and assessment of approval applications shall be as follows:

- (a) the benefits which the investment is likely to bring to the State, national contractors and consumers;
- (b) the external financial contribution;
- (c) the location of the headquarters in Mali;
- (d) the degree of integration of the enterprise into the national economy;
- (e) the impact of the investment on the trade balance; and
- (f) the environmental impacts.

CHAPTER III: ZONAL DISTRIBUTION

***ARTICLE 14:** Pursuant to the provisions of Section 15 of Law No. 91-048/AN-RM of 26 February 1991 instituting the Investment Code relating to decentralization, the Malian territory shall be divided into zones as follows:

- zone I: Bamako District;
- zone II: Koulikoro, Sikasso and Ségou regions; and
- zone III: Kayes, Mopti, Tombouctou, Gao and Kidal regions.

* This Article has been amended.

CHAPTER IV: FREE ZONE SYSTEM

ARTICLE 15: Free trade enterprises shall those that are subject to the free trade zones as defined in Section 14 of Law No. 91-048/AN-RM of 26 February 1991 instituting the Investment Code.

The system shall apply to investments made by promoters, irrespective of their nationality, in mainly export-oriented activities.

ARTICLE 16

*Free trade enterprises, in their activities, shall be exempted from all fiscal, incidental and customs taxes and duties.

However, these enterprises shall be subject to the ordinary law system for sales made on the national territory.

ARTICLE 17: Foreign staff recruited by the free trade enterprise shall be subject to a fixed tax on overall income of 15% of their remuneration.

ARTICLE 18: Commercial relations between free trade enterprises and those established on the national territory shall be governed by external trade provisions.

ARTICLE 19: Free trade enterprises, during their operation, shall be bound by the following obligations:

- keeping of a production work sheet;
- monthly declaration of stocks for raw materials, consumables and finished products;
- environmental protection;
- supply, to the Malian market, of products that comply with Malian standards, and if necessary, international standards;
- construction of infrastructure that would enable the Administration to control operations relating to imports, storage, processing of inputs, and export of finished products;

* This paragraph has been amended; see page 34.

- collection and payment of general income tax (GIT);
- keeping of complete, accurate and reliable accounts; and
- keeping of separate accounts for sales on the national market.

ARTICLE 20:

The application file for approval of free trade enterprises shall comprise the following documents:

- *- a stamped application addressed to the Minister responsible for Industry and submitted to the Single Window;
- a feasibility study in seven (7) copies showing the purpose of the activity, the full name and address of the promoter, the location of the enterprise, the market research study, the engineering study, the financial study, and the employment plan.

***ARTICLE 21:** The application file for approval of free trade enterprises shall, after processing, be considered by a committee comprising representatives from the following services:

- The National Directorate of Industries (Chairperson)
- The National Directorate of Taxes (Member)
- The National Directorate of Economic Affairs (Member)
- The General Directorate of Customs (Member)
- The National Directorate of Health (Member)
- The National Directorate of Employment, Labour and Social Security (Member)

The Committee may call on any competent structure, depending on the nature of projects on the agenda.

Secretarial services shall be provided by the Single Window.

* This paragraph has been amended; see pages 34 and 35.

ARTICLE 22: The time limit for approval of a free trade enterprise shall be thirty (30) working days following submission of the file.

*Approval of the free trade enterprise shall be granted by Order of the Minister responsible for Industry.

***ARTICLE 23:** The free trade enterprise shall be registered in Mali at the National Directorate of Industries.

CHAPTER V: MONITORING AND CONTROL

ARTICLE 24: The monitoring of projects approved for the Investment Code and control of commitments made by investors shall be ensured by the National Directorate of Industries which may, if necessary, use any technical service to obtain an opinion on an area within its competence.

***ARTICLE 25:** Non compliance with commitments made by the promoters of approved projects for the Investment Code may, except in case of unavoidable circumstances, lead to partial or complete withdrawal of the benefits granted, following unheeded formal warning.

The benefits granted shall be withdrawn by Order of the Minister responsible for Industry.

CHAPTER VI: FINAL PROVISIONS

ARTICLE 26: This decree repeals all previous provisions repugnant hereto, in particular Decree No. 91-079/P-RM of 4 March 1991 defining the conditions for implementing Law No. 91- 048/AN-RM of 26 February 1991 instituting the Investment Code.

* This paragraph and articles has been amended; see page 35.

ARTICLE 27: The Minister of Industry, Handicraft and Tourism, and the Minister of Finance and Trade shall be responsible, each in his own sphere, for the implementation of this decree, which shall be registered and published in the Official Gazette.

Bamako, 6 December 1995

The President of the Republic
Alpha Oumar KONARE

The Prime Minister
Ibrahim Boubacar KEITA

The Minister of Industry, Handicraft
And Tourism
Madame Fatou HAIDARA

The Minister of Finance
and Trade
Soumaïla CISSE

**LAW No. 05-050
OF 19 AUGUST 2005
AMENDING LAW No. 91-048/AN-
RM OF 26 FEBRUARY 1991 INSTI-
TUTING THE INVESTMENT CODE.**

The National Assembly deliberated and adopted at its meeting of 1 August 2005;

The President of the Republic enacts the following Law:

SINGLE SECTION: The provisions of Sections 1, 8, 11, 12, 13, 14, 15, 20 and 23 of Law No. 91- 48/AN- RM of 26 February 1991 instituting the Investment Code shall be amended as follows:

SECTION 1 (c) (new):

c) create, extend, diversify, and modernize industrial and agro-silvo-pastoral infrastructure and services;

SECTION 8 (new): Industrial investments and services not requiring any benefit from this Code shall nevertheless be required to obtain an authorization from the Minister responsible for the Promotion of Investments.

SECTION 11 (new): Investments for the creation of a new activity or development of an existing activity below or equivalent to one hundred and fifty (150) million francs, exclusive of tax, shall be approved for "System A" and shall, as appropriate, be granted the following benefits:

1. In case of creation of a new activity:

a) exemption, for the duration of construction of the approved enterprise fixed at three (3) years, from import duties and taxes on equipment, machinery, tools, spare parts and building materials required for implementing the approved programme;

b) exemption, for the first five (5) financial years, from company tax, corporation tax, and licence.

2. In case of development of an existing activity:

- exemption, for one (1) year, from import duties and taxes on equipment, machinery, tools, spare parts, and building materials required for implementing the approved programme.

However, the exemption from import duties and taxes shall apply only if the goods are not produced locally.

SECTION 12 (new): Investments for the creation of a new activity or development of an existing activity above one hundred and fifty (150) million francs, exclusive of tax, shall be approved for "System B", and shall be granted the following benefits:

1. In case of creation of a new activity:

a) exemption, for the duration of the construction of the approved enterprises fixed at three (3) years, from import duties and taxes on equipment, machinery, tools, spare parts and building materials required for implementing the approved programme;

b) exemption, for the first eight (8) financial years, from company tax, corporation tax, and licence.

2. In case of development of an existing activity:

- exemption, for one (1) year, from import duties and taxes on equipment, machinery, tools, spare parts and building materials required for implementing the approved programme.

However, the exemption from import duties and taxes shall apply only if the goods are not produced locally.

SECTION 13 (new): Purchase, for rehabilitation, of public enterprises by new promoters, under the public enterprises

privatization programme, shall, depending on the amount of the investment, be granted the benefits of system A or B.

SECTION 14 (2) (new): To that end, these enterprises shall benefit, for a period of thirty (30) years, from total exemption from all duties and taxes relating to their activities.

SECTION 15 (1) (new) : Enterprises which use at least sixty percent (60%) raw materials and consumables of local origin shall be known as enterprises processing local raw materials.

In addition to the benefits specified in "Systems A and B", these enterprises shall benefit from exemption, for four (4) additional financial years, from corporation tax, licence and company tax. The additional period shall be six (6) years for enterprises located in geographic zones outside Bamako.

SECTION 15 (2) (new): Enterprises that develop technological innovation shall be granted five percent (5%) reduction of the fixed tax normally paid by employers in respect of the salaries of employees of Malian nationality.

Any enterprise that fulfills at least one of the following conditions shall be considered an enterprise developing technological innovation:

- invest at least 5% of its turnover in research or carry out research–development internally;
- present an investment programme to use the research results of a Malian organization or an individual Malian researcher.

SECTION 20 (I) (new): The time limit for constructing the enterprises approved for this Code shall be three (3) years. The promoter, who has not started his project (civil works, procurement of equipment) within the prescribed period, shall automatically lose eligibility for the benefits specified in the approval instrument.

SECTION 23 (new): This law which repeals all previous provisions repugnant hereto, in particular those of Law No. 91-048/AN-RM of 26 February 1991, shall be registered and published in the Official Gazette.

Bamako, 19 August 2005

The President of the Republic
Amadou Toumani TOURE

**DECREE No. 05-553/P-RM
OF 27 DECEMBER 2005
AMENDING DECREE No. 95-423/P- RM
OF 6 DECEMBER 1995
DEFINING THE CONDITIONS
FOR IMPLEMENTING THE LAW
INSTITUTING THE INVESTMENT CODE**

THE PRESIDENT OF REPUBLIC,

Mindful of the Constitution;

Mindful of law No. 05-050 of 19 August 2005 amending Law No. 91-048/AN- RM of 26 February 1991 instituting the Investment Code;

Mindful of Decree No. 95-423/P- RM of 6 December 1995 defining the conditions for implementing Law No. 91-048/AN- RM of 26 February 1991 instituting the Investment Code;

Mindful of Decree No. 04-140/P-RM of 29 April 2004 appointing the Prime Minister;

Mindful of Decree No. 04-141/P- RM of 2 May 2004, as amended, appointing the members of Government;

IN THE CABINET MEETING,

HEREBY DECREES AS FOLLOWS:

ARTICLE 1: The provisions of Articles 3, 8, 9, 10, 11, 14, 16, 20, 21, 22, 23, 24 and 25 of the above-mentioned Decree of 6 December 1995 are hereby amended as follows:

ARTICLE 3: Title 1 (new):

- a stamped application addressed to the Minister responsible for the Promotion of Investments;

ARTICLE 8 (l) (new) : After a favourable opinion by the Single Window, approval shall be granted by Order of the Minister responsible for the Promotion of Investments within twenty (20) working days following receipt of the file.

ARTICLE 9 (new): The Approval Order shall specify the benefits granted to the promoter and the activities for which the enterprise is approved, and shall define the obligations of the promoter.

The Approval Order shall indicate, in the Annex, the list and quantity of equipment, machinery, tools, spare parts and building materials that benefit from tax exemption. The list shall, under pain of annulment of exemption, be endorsed by the Ministry responsible for Finance.

ARTICLE 10 (new): Application files for authorizations for the establishment of industries without benefits from the Investment Code, addressed to the Minister responsible for the Promotion of Investments, shall be submitted to the Single Window.

They shall comprise the following documents:

- a stamped application;
- a feasibility study in two (2) copies.

The authorization of the Minister responsible for the Promotion of Investments shall be granted by Decision within ten (10) working days following receipt of the file.

ARTICLE 11: (new): Approved enterprises shall be required to notify, by registered mail, the starting date of their activities to the following services:

- The Investments Promotion Agency of Mali;

- The National Directorate of Industries;
- The General Directorate of Taxes; and
- The General Directorate of Customs.

The notification shall also be sent to the other services, for projects under their sector of activity, in particular those of Transport, Health, Town Planning and Housing, Trade, Culture, Sports, Education, Tourism and Hotel Trade.

ARTICLE 16 (I) (new): New enterprises approved for the free zone system shall, in their activities, be exempted from all fiscal, incidental and customs duties and taxes for thirty (30) years.

ARTICLE 20 Title 1 (new):

- a stamped application addressed to the Minister responsible for the Promotion of Investments and submitted to the Single Window;

ARTICLE 21 (new): The application file for approval of an enterprise for the free zone system shall, after processing, be considered by a committee comprising representatives from the following services:

- The Investments Promotion Agency of Mali
.....Chairperson
- The National Directorate of Industries
.....Member
- The General Directorate of Taxes .
.....Member
- The National Directorate of Trade and Competition
.....Member
- The General Directorate of Customs
.....Member

- The National Directorate of Labour
.....Member
- The National Directorate of Health
.....Member

ARTICLE 22 (2) (new): Approval of an enterprise for the free zone system shall be granted by Order of the Minister responsible for the Promotion of Investments.

ARTICLE 23 (new): Enterprises approved for the free zone system shall be registered in Mali at the Investments Promotion Agency of Mali.

ARTICLE 24 (new): The monitoring of projects approved for the Investment Code and control of commitments made by investors shall be ensured by the National Directorate of Industries in collaboration with the General Directorates of Taxes and Customs, and any other competent structure.

ARTICLE 2 : The Minister for the Promotion of Investments and Small and Medium-scale Enterprises, the Minister of the Economy and Finance, and the Minister of Industry and Trade shall be responsible, each in his own sphere, for the implementation of this decree, which shall be registered and published in the Official Gazette.

Bamako, 27 December 2005

The President of the Republic
Amadou Toumani TOURE

The Minister of the Economy and Finance
Abou-Bakar TRAORE

The Prime Minister
Ousmane Issoufi MAIGA

The Minister of Industry and Trade
Choguel Kokalla MAIGA

The Minister for the Promotion of Investments and Small and Medium-scale Enterprises
Ousmane THIAM

ANNEXE 1

MODEL OF PROJECT PRESENTATION FOR APPROVAL FOR THE INVEST- MENT CODE

1. SUMMARY AND BENEFITS REQUESTED FROM THE INVESTMENT CODE

2. PROJECT CONTEXT AND BACKGROUND:

(a) Project promoter(s): Full name, address and experience in business.

(b) Project background.

(c) Cost of studies and/or research already conducted.

3. CAPACITY OF THE MARKET AND ENTERPRISE:

(a) Demand and Market:

- Estimate of the size and capacity of the enterprise (with indication of the main enterprises of the market), previous growth; estimated subsequent growth (with indication of the main development programmes), local dispersal of the enterprise, major problems and prospects of the enterprise, and general quality of goods;

- Previous imports and future trends, volume and prices.

- Approximate volume of current demand, its previous growth, and major determining factors and indicators.

(b) Sales and Marketing Estimates:

- Probable competition with the project from similar local and foreign products.

- Location of the market(s).

- Sales programme.

- Annual sales estimates (local/foreign) for products and by-products.

(c) Provisional Production Programme:

- Products.
- By-products.
- Estimate of wastes and their annual removal cost.

(d) Determination of Capacity of the Enterprise:

- Practical capacity of the enterprise.
- Quantitative relationship between the sales, the capacity of the enterprise, and materials used.

4. MATERIALS USED:

Estimate of factors of production required, current and future situation of assets, estimate of annual cost of materials of local and foreign origin used:

- (a) Raw materials;
- (b) Industrial materials processed;
- (c) Components;
- (d) Auxiliary materials;
- (e) Workshop supplies; and
- (f) Public services, in particular electric energy.

5. LOCATION:

Pre-selection, indicating, if necessary, the estimated cost of the land.

6. PROJECT TECHNICAL INFORMATION SHEET:

(a) Preliminary determination of scope of project

(b) Technology and equipment

- Applicable technology and processes compared to the capacity of the enterprise.
- Approximate estimate of the cost of the local and foreign technology.
- Main components of the proposed equipment (production equipment, auxiliary equipment, service equipment, spare parts, tools).
- Costs estimate of the above-mentioned equipment.

(c) – Civil, construction and development works:

- Land preparation and development.
- Buildings and special structures.
- Facilities and installations.
- Cost estimate of the above-mentioned civil works.

7. ORGANIZATION OF THE ENTERPRISE AND OVERHEADS

(a) Organization Chart:

Production.

Sales.

Administration.

Management.

(b) Estimate of Overheads:

Manufacturing; Administration; Finance.

8. LABOUR:

(a) Estimate of labour requirements in terms of managerial and operating staff, and the main specialties.

(b) Estimate of annual labour costs, classified as above, including overheads of salaries and remuneration.

9. PROJECT IMPLEMENTATION SCHEDULE:

(a) Proposed project implementation schedule.

(b) Estimate of project implementation costs in light of proposed schedule.

10. FINANCIAL AND ECONOMIC EVALUATION:

(a) Total investment cost

- Estimate of working capital required.
- Estimate of fixed assets.
- Total investment cost (sum of cost estimates for the investments indicated in Chapters 2 to 10).

(b) Project Financing

- Proposed capital structure and financing.
- Interests.

(c) Production Cost: Summary production cost estimates as indicated in Chapters 2 to 10, broken down into fixed expenses and variable costs for a period of at least two months more than the exemption period.

(d) Calculation of selling price:

Financial evaluation based on the estimated values indicated above:

- Break-even point;
- Internal rate of return;
- Value added rate.

ANNEXE 2

SOME CALCULATION DATA

1. CALCULATION OF PERSONNEL EXPENDITURE

(a) **Wage bill:** Total salaries paid to staff

(b) **Social security contribution:** 23% of wage bill

(c) **Personnel Expenditure:** wage bill + social security contribution.

2. CALCULATION OF TAXES

(a) Vehicle tax:

The vehicle tax rates shall be fixed as follows:

- Vehicles:

from 2 HP to 6 HP.....	CFAF 7 000
from 7 HP to 9 HP.....	CFAF 13 000
from 10 HP to 14 HP	CFAF 32 000
from 15 HP to 19 HP.....	CFAF 50 000
as from 20 HP.....	CFAF 75 000

- Two or three wheel vehicles:

above 125 cm³ cubic capacity: 7 000 FCFA

above 51 cm³ cubic capacity: 4 000 FCFA

below 50 cm³ cubic capacity: 2 000 FCFA

(b) **Fixed tax:** 7.0% of wage bill.

(c) **Licence:** fixed tax + proportional tax (PT)

- the fixed tax is based on the zone and class (see General Tax Code);

- the proportional tax is equivalent to 10% of the rental value, which is equivalent to 5% of the assets.

The assets value (AV) = civil works + facilities and installations + fixed production equipment.

Hence $PT = AV \times 5\% \times 10\%$.

Summary of Taxes :

DESCRIPTION	YEAR 1	YEAR 2	YEAR 3	YEAR ...	YEAR 10
- Vehicle tax					
- Fixed tax					
- Professional training tax					
- Licence					
- Housing tax					
TOTAL					

(d) Land Tax :

N.B.: The licence and land tax shall benefit from exemptions (see Investment Code).

The housing and professional training taxes shall be equivalent to 1% and 0.5% respectively of the personnel expenditure.

(e) Other taxes :

- Value Added Tax (VAT) linked to production:
 - single tax applied to the turnover shall be 18%
- The corporation tax shall be:
 - the single tax is 35% of operating income for:
 - companies,
 - sole-proprietor enterprises,
 - joint ventures, EIGs, etc.

For the calculation of operating income, see table on provisional operating account

Table of Annual Depreciation:

DESCRIPTION	DEPRECIATION RATE
Investment cost	33,33%
Civil works – Constructions	5%
Production equipment	10%
Rolling stock (light or heavy)	33,33 ou 20%
Office equipment and furniture	20%

3. PROVISIONAL OPERATING ACCOUNTS

Description	Years						
	1	2	3	4	5...	10	
1. INCOME exclusive of tax							
OPERATING COSTS							
Raw materials							
Packaging							
Personnel expenditure							
Duties and taxes							
Works, supplies and external services							
Miscellaneous management expenses							
Transport and travel							
Depreciation							
Financial expenses							
2. Total expenses							
3. Gross profits (1- 2)							
4. Land income							
5. Operating revenue (3 - 4)							
6. Corporation tax							
7. Land tax							
8. Net income = 3 - (6+7)							

N.B. For income, inclusive of tax, include VAT in the expenses

- Corporation tax: 35% of operating revenue
- Where the gross profit is negative, the corporation tax shall be 0.75% of the turnover;
- Enterprises eligible for the Investment Code shall be granted a period of exemption from corporation tax.

4. PROVISIONAL CASH PLAN

Years	Description	0	1	2	3.....	10
A. RESOURCES						
	Personal capital contribution					
	Loans					
	Depreciation					
	Net income					
TOTAL A						
B. USE OF FUNDS						
	Investments and replenishment of operating capital					
	Operating capital variation					
	Loan repayments					
TOTAL B						
Cash generated = A-B						
Total cash						

N.B. Year 0 corresponds to the investment year.

5. VALUE ADDED RATE

Years	Description	0	1	2	3	4	5.....	10
A. VALUE ADDED								
	• Personnel expenditure							
	• Duties and taxes incl. VAT							
	• Depreciation							
	• Financial expenses							
	• Gross profits							
TOTAL A								
B. TURNOVER								
C. VALUE ADDED RATE ($VAT = \frac{VAT}{TURNOVER} \times 100\%$)								



MINISTRY OF INDUSTRY,
INVESTMENTS AND TRADE



AGENCE POUR LA PROMOTION DES INVESTISSEMENTS



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