

# EXPORT RÅDDET

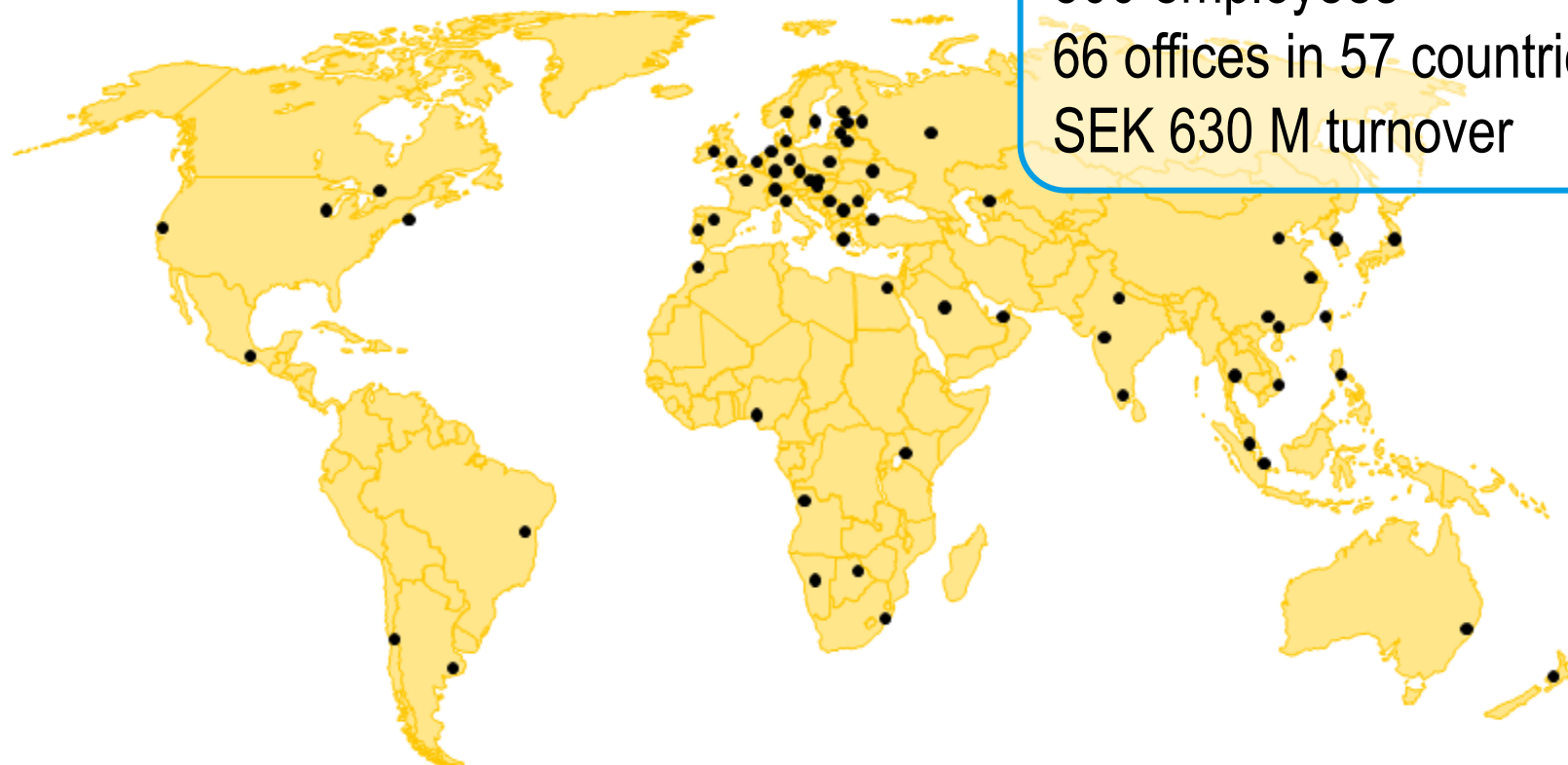
SWEDISH TRADE COUNCIL



WE MAKE IT EASIER FOR SWEDISH  
COMPANIES TO GROW INTERNATIONALLY



## WE ARE AT HOME ON YOUR FOREIGN MARKETS



# MALI – FACT PACK



Swedish Trade Council

Casablanca, March, 2010

# AGENDA

- **Mali - Introduction**
- Economic Environment
- Key Industries
- How can the Swedish Trade Council assist in Mali
- Appendix

## INTRODUCTION:

# MALI IS ONE OF THE WORLD'S POOREST COUNTRIES BUT HAS POTENTIAL FOR GROWTH DUE TO MINING AND CULTURAL ASSETS

- Although Mali's economy is among the ten poorest in the world, it has a good potential for attracting investments thanks to its mining resources and political stability. Mali is a major recipient of foreign aid from many sources, including multilateral organizations, and bilateral programs.
- The economy relies on agricultural products and raw materials; cotton, gold, livestock, which make up 80-90% of the total export. There are considerable reserves of other minerals not exploited.
- Tourism is another unexploited sector, however, a lack of hotels, and the security issues in the north of the country is hindering the growth (280 000 tourists visited Mali in 2008).
- Foreign direct investment inflows rose from an average of US\$78m in 2006-07 to US\$127m in 2008 owing to new investment in the gold mining sector.

Mali is heavily dependent on foreign aid and vulnerable to fluctuations in world prices for gold and cotton

# MALI FACTS

**Government:** Republic since 1960

**Chief of State:** President Amadou Toumani Touré since 2002

**Population:** 13.82 million (2008 )

**Area:** 1,240,000 km<sup>2</sup>

**Capital:** Bamako (1 million inhabitants in 2008)

**GDP real growth:** 5,1% (2006)

**GDP/Capita PPP:** \$ 500 (2007 )

**Inflation:** 9.3% (2008)

**Currency:** 66,92 CFA= 1 SEK (September 2009)

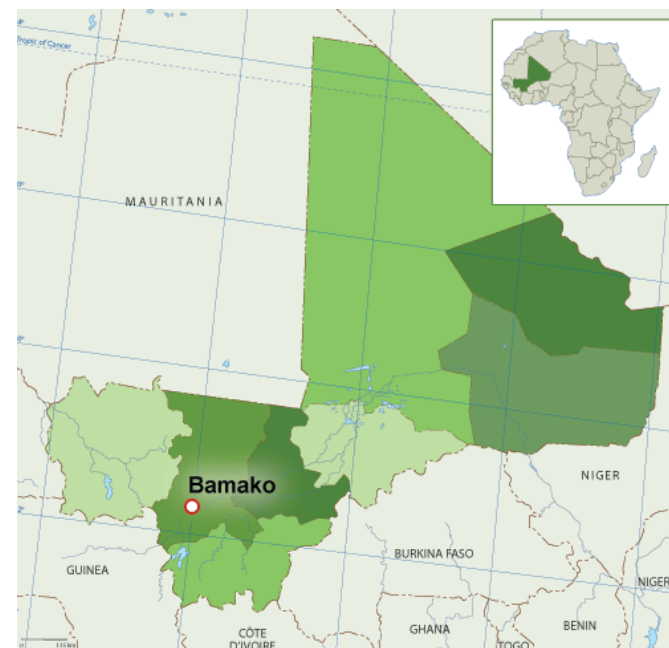
**Religion:** Sunni Islam (90%), Christianity(5%), other (5%)

**Languages:** French (official), Bambara, Senfu, Arabic

**Export goods:** Cotton, Gold, livestock

**Swedish exports 2009:** 19 MSEK

**Swedish imports 2009:** 1.2 MSEK



# MALI ECONOMY FACTORS

Raw material: gold, cotton (only 2% are processed locally ), livestock (meat processing)

65 per cent of its land area is desert or semi desert

Population: 13 million, 10% is nomadic

Currency: CFA(Low cost)  
1 SEK = 66,92 CFA (February 2010)

GDP growth: 4,6% in 2009, % 5,1 in 2010 (est)

Major export partners: South Africa 72%, Senegal 6,8%, Ivory Coast 2,6% (2007)

Mali is the a major receiver of international aid – 600 M USD (2001)

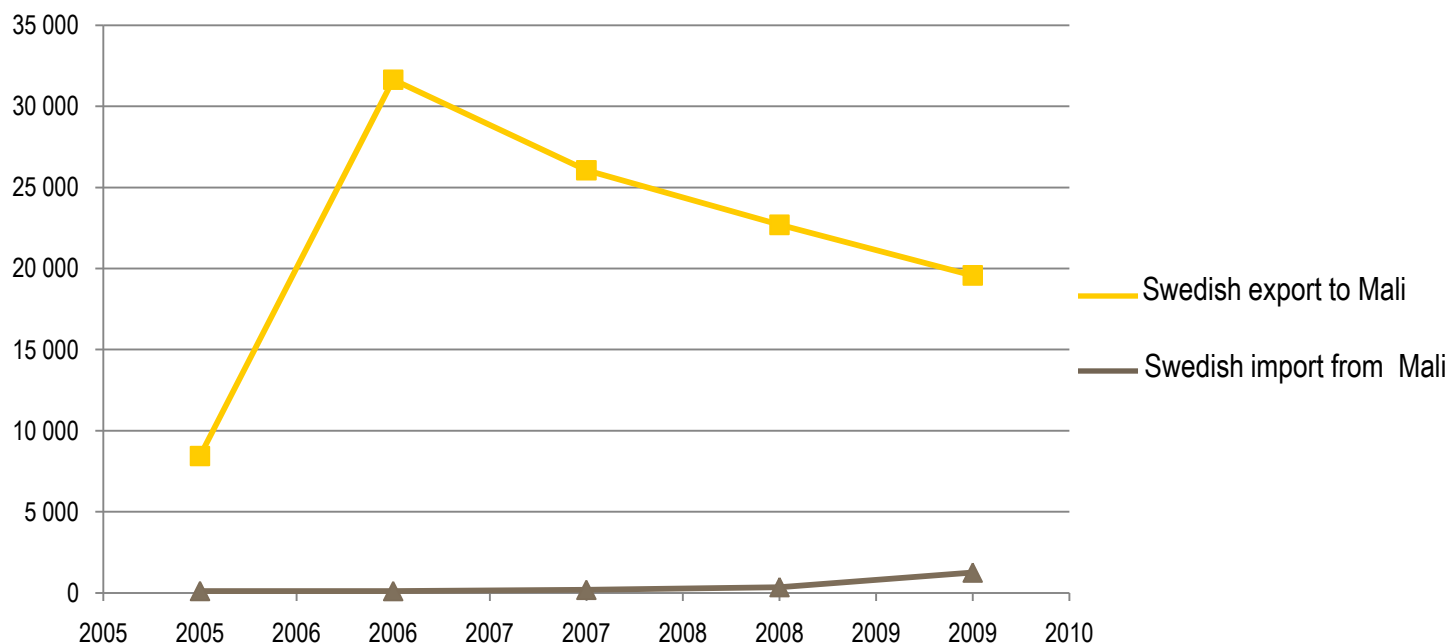
GDP: 9 billion USD in 2009 (est.), per capita: 641 USD (Comparison with Senegal 948 USD per capita)



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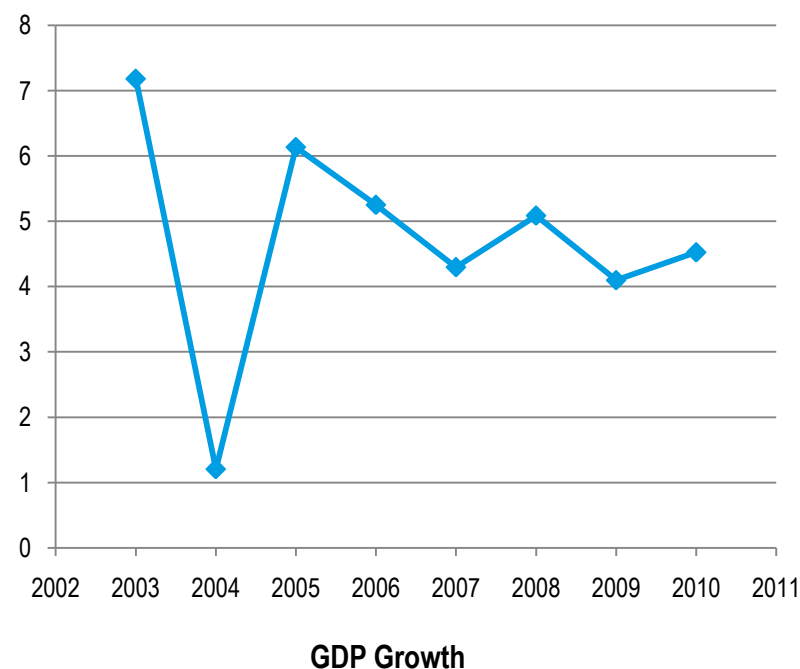
## SWEDISH EXPORT TO MALI HAS INCREASED WITH 131% SINCE 2005 – but is only worth 19 MSEK (Comp. Swedish exports to Senegal: 93 MSEK)



**Mali export to Sweden exceeded 1 MSEK for the first time in 2009**

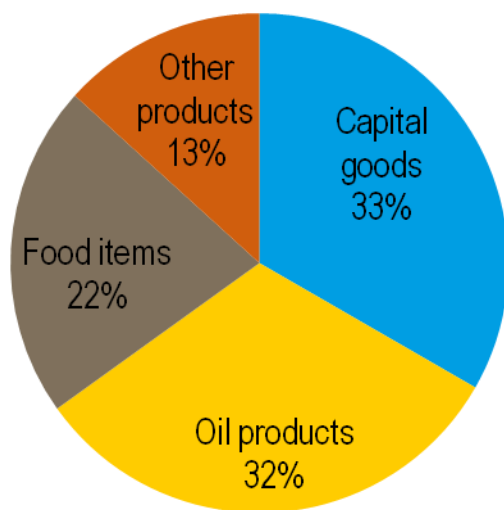
## MALI ECONOMY IS GROWING GRADUALLY, GDP GROWTH RATE HAS BEEN AROUND 4% IN THE LAST FIVE YEARS

- Mali's GDP growth rate has been increasing gradually in the last three years. Looking back at the last 10 years shows that this rate is very dependant on agriculture and mining sector.
- Throughout the 1993-2007 the Malian economy recorded an average growth of 5%, this is due mainly to favorable cereal production and the rise of the world market gold price.
- The inflation rate is relatively low less than 2% , but in 2008 it increased to 9.2% due to the rise of oil products and to food crisis. It went back to below 2 % in 2009.

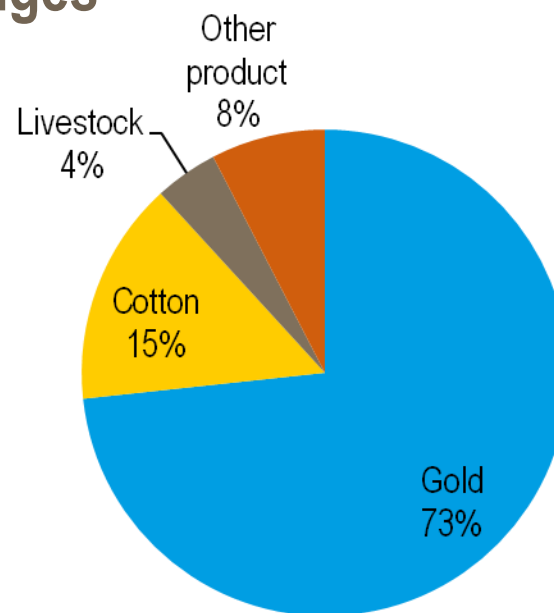


## GOLD AND COTTON ARE THE MAIN EXPORT PRODUCTS

- Mali's dependency on only one export commodity makes the country vulnerable to world market price changes



Import product share



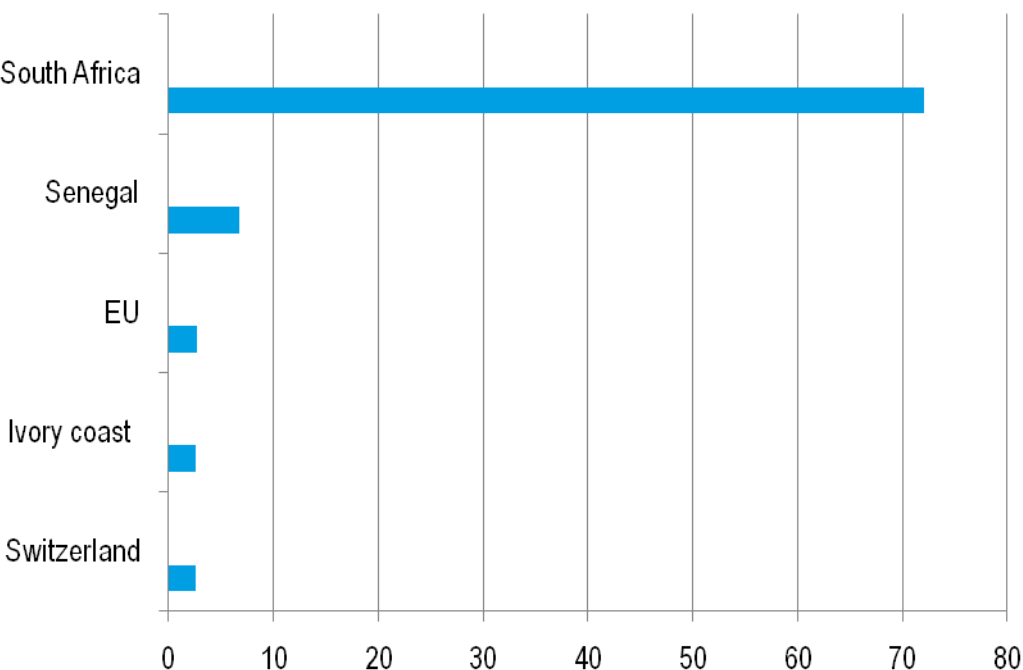
Export Share in 2006

Mali is Africa's third largest exporter of gold after South Africa, and Ghana

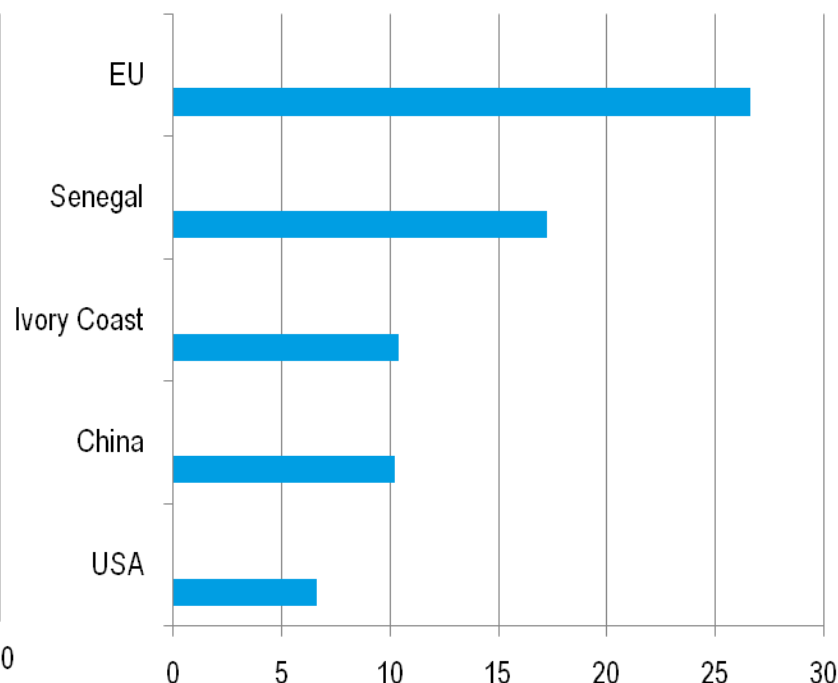
# MOST OF MALI'S EXPORT IS DIRECTED TO AFRICA

- The proportion of export to South Africa makes Mali dependent on one single export market

**Main Export Partners in 2009(%)**



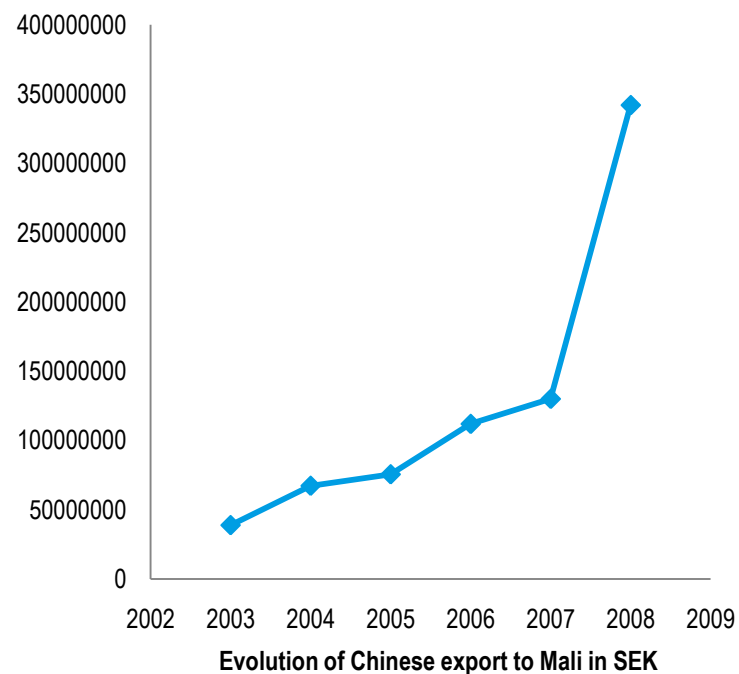
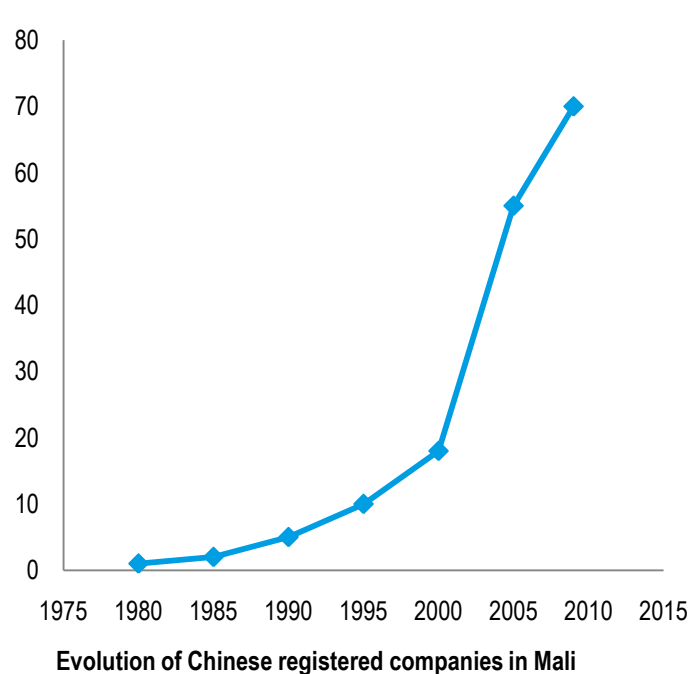
**Main Import Partners in 2009(%)**



South Africa, Senegal, EU are the leading trade partners but China is closing in

## CHINESE EXPORT TO MALI IS IMPRESSIVE

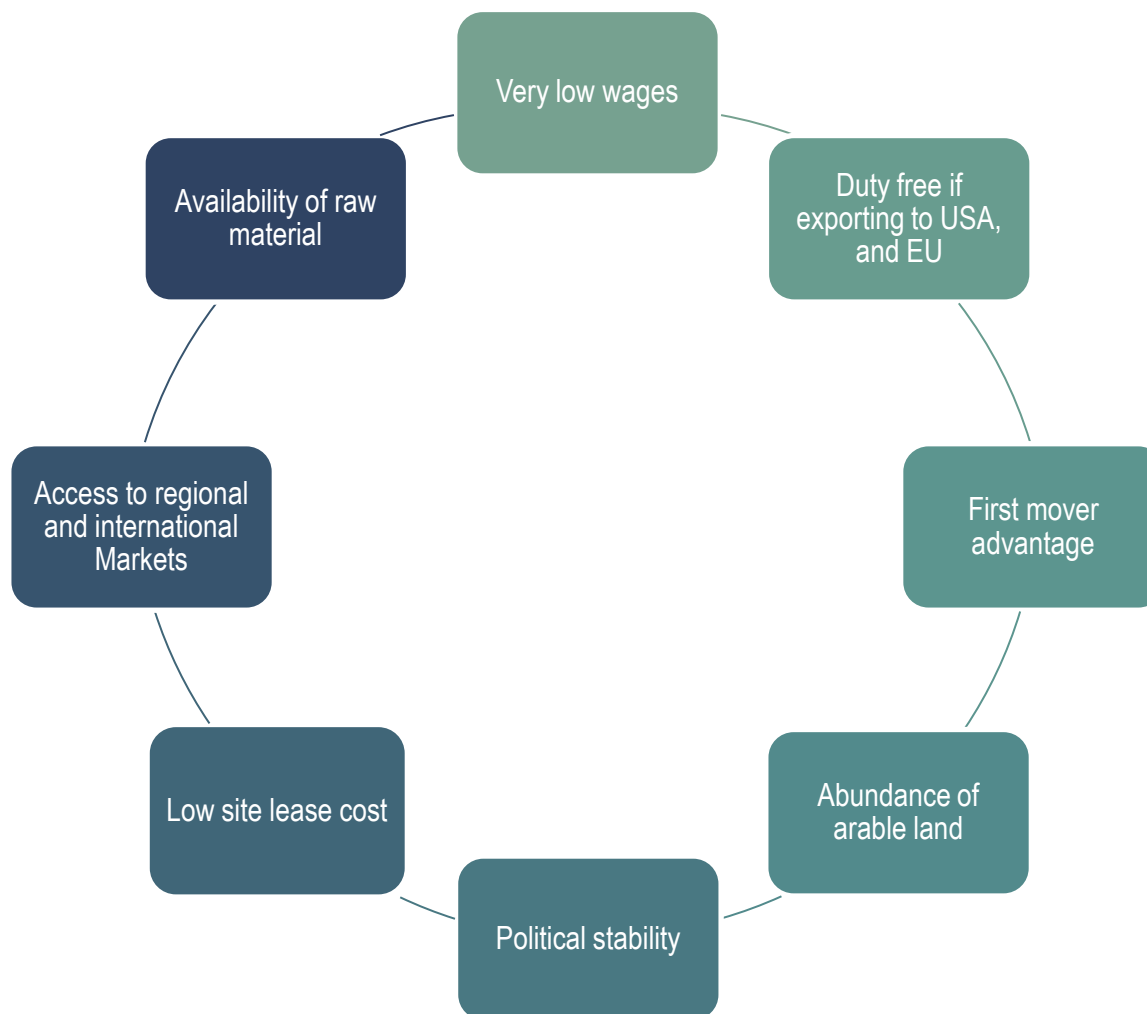
– export to China increases with 50 % annually. China is likely to be the biggest exporter to Mali in a few years



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## WHY IS MALI INTERESTING FOR SWEDISH COMPANIES?



## KEY INDUSTRY WITH POTENTIAL FOR SWEDISH COMPANY

### Mining

Mali is the third producer of gold in Africa, it accounts for 80% of the mining activities in Mali. There are considerable reserve of minerals that are not exploited.

### Agriculture

Apart from cotton and live stock, rice, sorghum, wheat, and peanuts are also grown along the Niger banks. Mali is the leading exporter of mangos to Europe. Mali is a world largest exporter of the Arabic gum.

### Textile

Mali is the fifth largest exporter of cotton in the world, it is reputed to be of a high quality. Less than 2% is processed locally. Given the labour cost of Mali, there is an interesting potential for Swedish company.

### Food & Beverage

In 2004 the Malian president promised to make this sector the priority of Mali's investment program. Due to the livestock there is business opportunity in the meat processing , and milk products.

### Services

Telecom, IT, Hotel, and Tourism(Four of UNISCO world 's heritage sites)

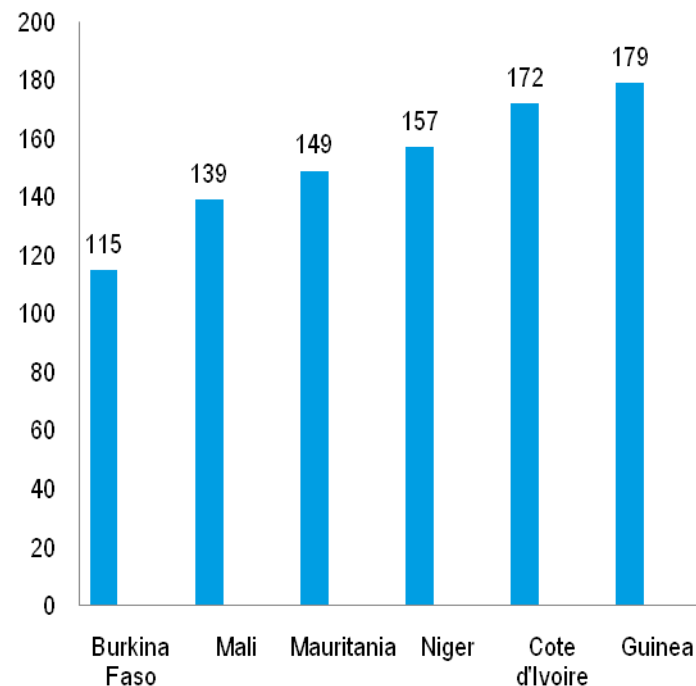
### Oil exploration

The area Taoudeni Basin is believed to hold important reserve of oil . Hence the Malian government is trying to rise interest among foreign companies to exploit this site.

## BUSINESS CLIMATE IN MALI HAS IMPROVED IN THE LAST TWO YEARS - although mali's ranking is still among the worst in the world

- Mali has the second best rank in *Doing Business* among Sub-Saharan countries
- The best ranked country in this group is Burkina Faso
- In an international comparison the countries have a very low ranking

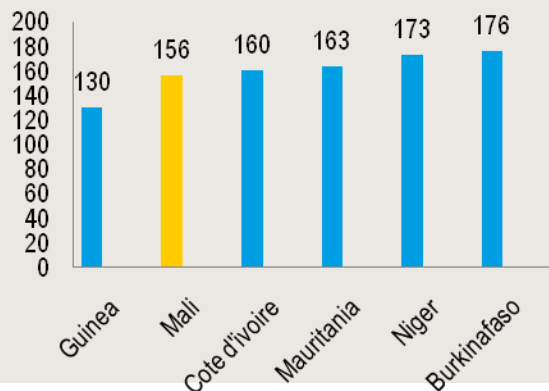
Mali	2008	2009	2010
Rank	...	157	139
Procedures	10	10	7
Time(days)	25	25	15
Cost(% income pp capita)	132.1	121.5	89.2
Min Capital(% of income capita )	434.6	390.4	334.6



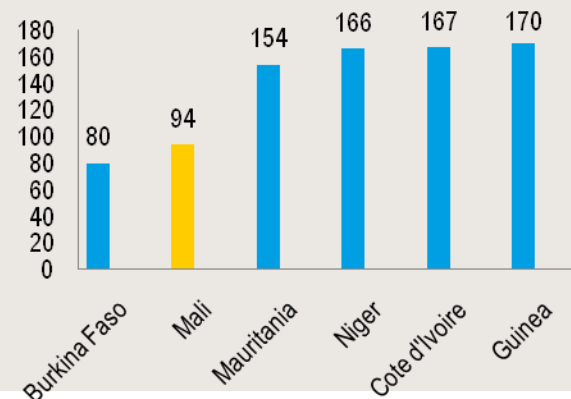
Rank of Sub-Saharien countries  
in climate of business

# EXCEPT TAX, MALI IS RANKED SECOND IN ALL ASPECT IN DOING BUSINESS IN COMPARISON WITH NEIGHBORING COUNTRIES

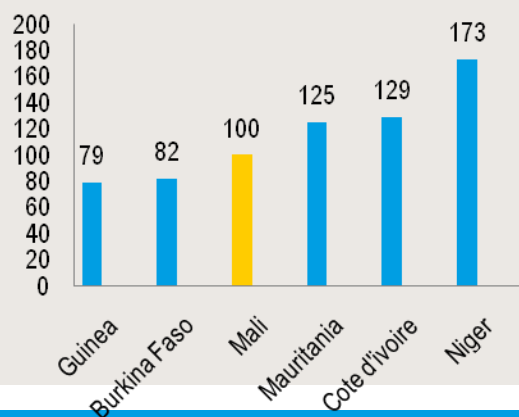
Trade a cross the border- Global rank



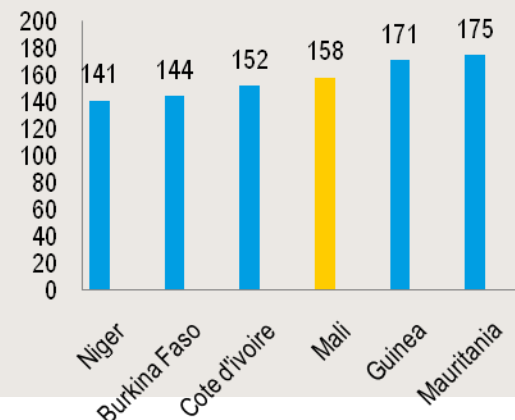
Dealing with construction permit - Global rank



Employing workers –Global rank



Paying tax – Global rank



## SECTOR FOCUS: MINING

### - Reforms in the mining sector, attracted few foreign investors in the last years

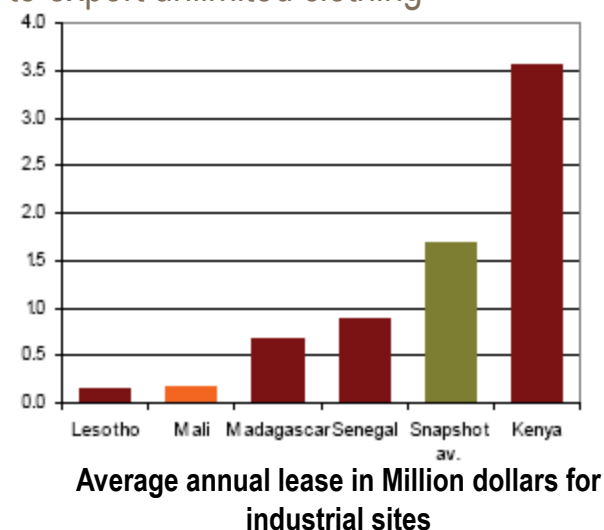
- Unexploited mineral reserves (Diamonds, iron deposits, Bauxite, Uranium).
- Income tax exemption for the first three years.
- A facility of access to the geo-mining documentation, to data and to maps in digital format.
- An attractive mining code.
- The rise in growth of industrial exploitation of gold with the opening of six deposits in 10 years.
- 80% of gold mine foreign investment is South African.



## SECTOR FOCUS: TEXTILE

### - Labor cost in mali is competitive with China, and India but the utility cost is higher in Mali

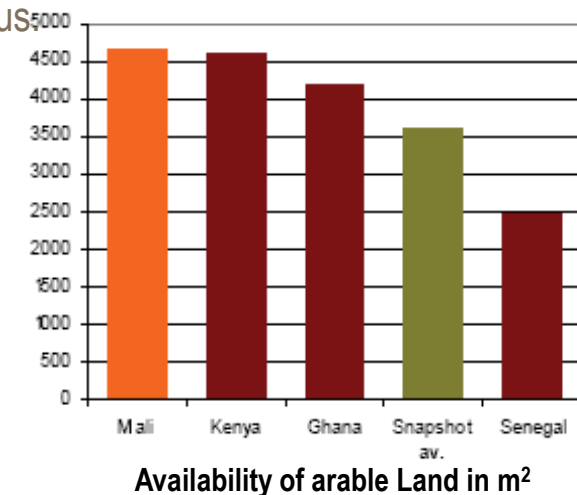
- Availability of raw material; Mali is the fifth largest exporter of cotton in the world, only 1% is processed locally. Leather goods, skins and hides account for approximately 2% of total livestock production.
- High quality of cotton in Mali
- Access to regional and international market; Mali has being allowed to export unlimited clothing and textile duty free to the US Market(AGOA act).
- Low cost of labors and lease site.
- COMATEX (Chinese) is the only textile company in the country.



## SECTOR FOCUS: FOOD AND BEVERAGE

### - Mali has good potential for food and beverage processing operations

- In 2004 the Malian president promise to make this sector the priority of its investment program
- Abundance of arable land, high resources of livestock for milk product and meat processing.
- There is a potential for fruit and food processing driven by the demand of the regional market
- The Most popular sub sector for FDI include cotton oil, soap, animal feed, sugar refinery, fruit juices and other beverages. Investors are from France, China and Mauritius



## SECTOR FOCUS: TOURISM

### - natural resources, biodiversity and historical heritage sites are the main assets for tourism in Mali

- Investors stated that the most desirable hotel locations in Mali are along river sides in Djenné and Mopti, and near Timbuktu.
- Mali has a rich natural, cultural and historical heritage; its most important natural sites are: Bandiagara cliffs, Boulé national park, Gourma wildlife park, and Senegal and Niger basin.
- Tourism in Mali is focused on its cultural sites; Mali has four UNESCO world heritage sites.
- In 2002 the Government of Mali adopted an investment code specific to the tourism.
- There is a need of hotels, restaurants, and tourism infrastructure.



## SECTOR FOCUS: INFRASTRUCTURE

### - **China** has constructed numerous infrastructure projects for Mali

- One of the priorities for Malian authorities has been to strengthen basic infrastructure and water supply. Government initiated many project to connect the country to Senegal, Mauritania, and Guinea.
- Mali is a Major receiver of world financial aid to build its infrastructure; World Bank, African development bank, EU finance few infrastructure projects in Mali.
- Mali has 2000 kilometers of inland waterways, principally the Niger River.
- The demand of the energy will increase in the coming years. There are plans to sell the state share of the “Énergie du Mali” Company.
- Size of the country is relatively big.



# SWOT ANALYSIS MALI

## Strengths

- Political and macroeconomic stability
- Strategic geographic position
- Substantial natural resources
- Abundant low-cost labour
- Four UNESCO World Heritage historical sites

## Opportunities

- Agriculture and livestock
- Mining
- New information technologies
- Infrastructure development
- Tourism
- Professional training

## Weaknesses

- Scarcity of skilled labour
- Landlocked country
- Weak infrastructure
- High cost of utilities and bank credit
- Sluggish administrative and judicial processes

## Threats

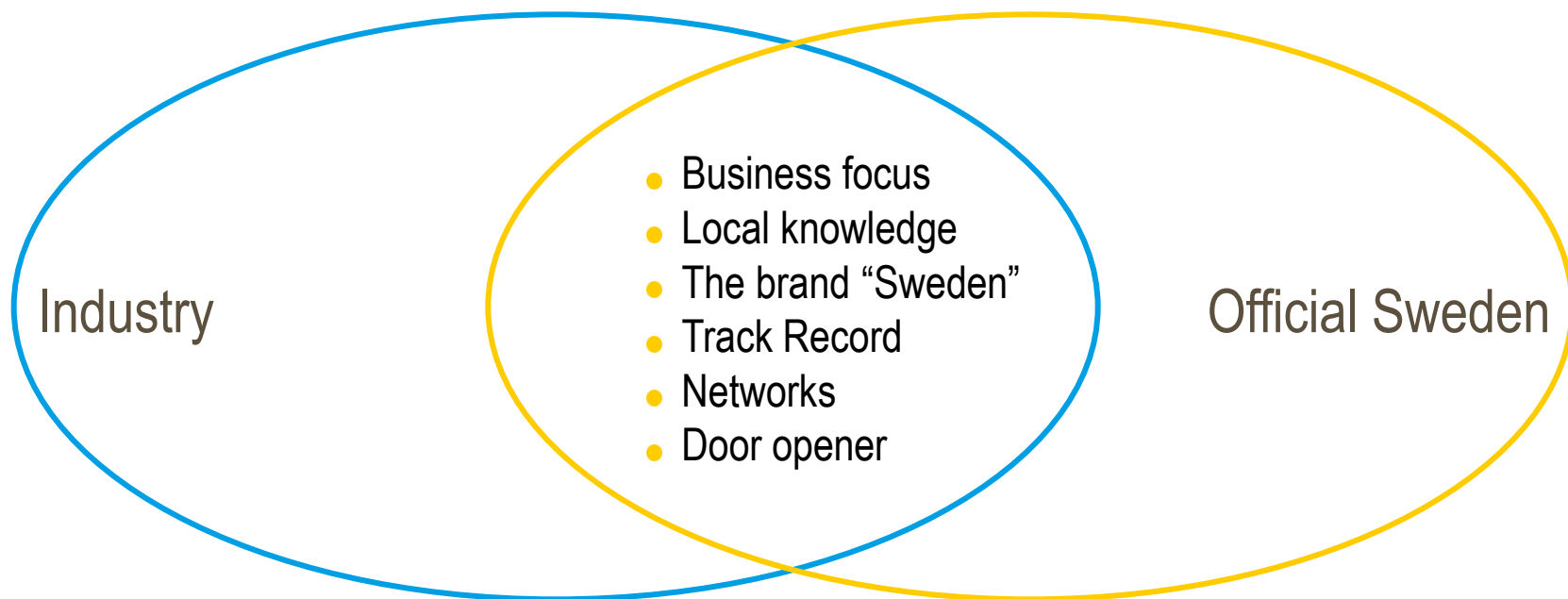
- Risk of drought
- Security risks in northern Mali

# AGENDA

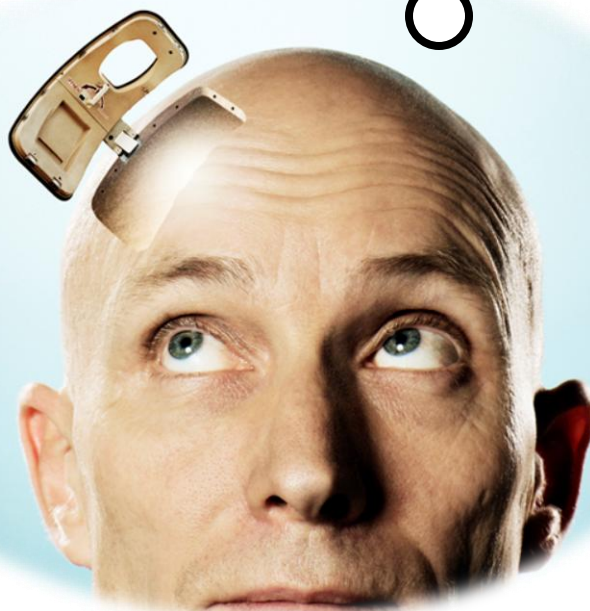
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# WE COMBINE THE BEST OF TWO WORLDS

## Use our strengths in your internationalization



# WE SOLVE YOUR QUESTIONS ABOUT INTERNATIONALIZATION



...att gå till en folk- och jobbsdubbelt  
ställe. För jag kände mig förtäp-  
stare när vi började prata om nya  
marknader. Vad sa han om utvärderings-  
ordningen? Jo, han sa att jag bör

**Jaha**, och hur får  
jag fart på det här då?  
Som tross vände. Du ser

**möjligheter.**  
Det är bra. Å andra sidan ser du  
alltid möjligheter. Det är som  
alltid lika bra. Men om jag måste  
styrelsens

**förtroende**  
så var det väl bättre från ett jag  
att gå? Kär kär om, Anders.

**Put the pedal to  
the metal.** Frågan  
är bara hur det ska  
gå till? Jag kan ju

...och veta kvifår är vil-  
samta så? Och ska jag beträna mig  
till ångdåsevarusamarbetsutrusta?  
Hur mycket är klokan där, företagen?  
Och vad gör man med **rostiga**  
**språktalningar?**

...förstå ett glas riter går väl bra men  
hur tänker det i en **konferens?**  
Men varför skulle jag gå omkring  
och vara lugn? Egentligen? Jag ska  
ju leverera. Det är min saggitt. Att

**LEVERERA  
RESULTAT.**  
ROI som en halvbit. Yes. Jag får prata  
med Jäggen som jag utvalde på mötet.  
Han verkade ha fullständig koll på  
allt.

**utländska koder.**  
För man kan väl få  
lite tråk...

...Enda här  
**kompetent**  
är här? Men jag känner ju  
bara Jäggen... Skippning  
om Anders. Skipp till dig.

**Kör! Gasa  
hårt nu...**  
Frank. Resultat, det är vad  
utvärderingen är. Låt  
**HANDLINGSKRAFT.** Låt action  
Det blir toppen. Faktiskt.  
Må det låta eller låna.  
Fika och med idag är det  
bara databas presenter  
som räddas. Från.  
Så är det bli.  
Fullt för...  
från?

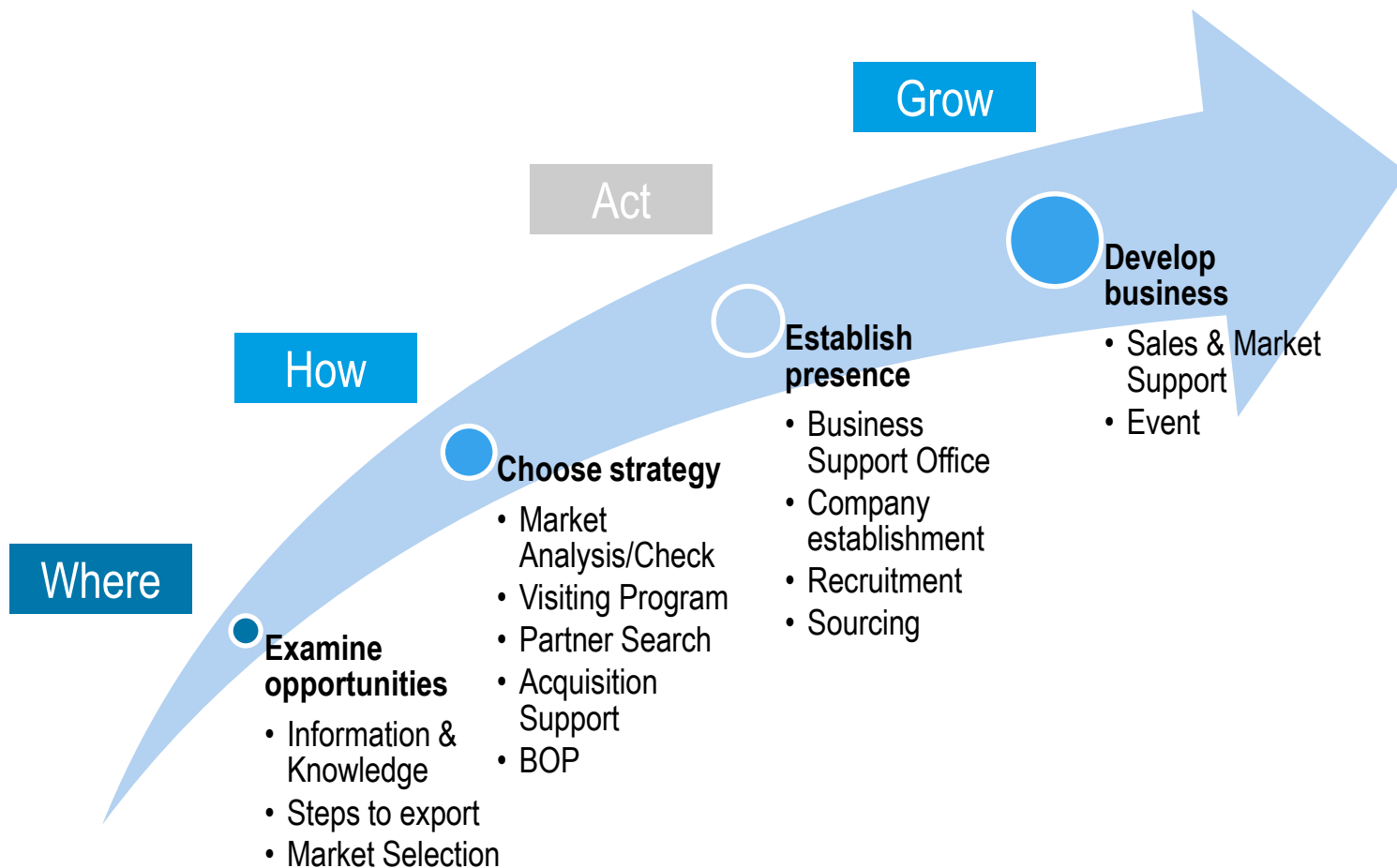
**visioner.**  
Jaa. Det är min grej. Så vad sätter jag  
och gräddar över? Egentligen? All  
välkomna är ju förstås med en viss

**RISK** Och hur  
ser det ut där? Vi har ett litet ut-  
värderingsmaterial med potential – och  
så är det **hårdsatsning**  
som gäller. För det får ju inte kosta  
fånga. Den stora frågan är hur det  
femmer ut om man dubbelar? Att  
siga ja till ett jobb gör inte något

**STILPÖÅNG**  
där. Ånej... Men hade jag räknat  
med det? Nä.

# WE KNOW INTERNATIONAL BUSINESS

## Strategic and hands-on assistance in all phases



# SWEDISH TRADE COUNCIL, MAGHREB- FRANCOPHONE AFRICA

## ▪ HELPS SWEDISH COMPANIES TO DO BUSINESS WITHIN THE MAGHREB/ FRANCOPHONE AFRICA REGION

At Casablanca office 3 consultants support Swedish companies to:

**Prepare** for entrance

e.g. Market studies, Business Culture Trainings

**Enter** the market

e.g. Partner/Distributor Search, Incorporation, Recruitments, Premise Search

**Perform** at the market

e.g. Queries, Credibility Checks, Tenders, Disputes

**Grow** the business

e.g. Growth strategies, Partner/Distributor Search, Recruitments



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## SOURCES

- ✓ International Monetary Fund (IMF) [www.imf.org](http://www.imf.org)
- ✓ CIA fact book [www.cia.gov](http://www.cia.gov)
- ✓ United nation trade and development <http://www.unctad.org>
- ✓ Multilateral investment guarantee Agency [www.miga.com](http://www.miga.com)
- ✓ Africain development bank [www.afdb.org](http://www.afdb.org)
- ✓ Wikipidia [www.wkipidia.com](http://www.wkipidia.com)
- ✓ Ministère du mine Mali [http://www.mmee.gov.ml/mali\\_bref.php](http://www.mmee.gov.ml/mali_bref.php)