

November 17, 1981 - 81/197

**The Chairman's Summing Up at the Conclusion of the  
1981 Article IV Consultation with Mali  
Executive Board Meeting 81/142 - November 16, 1981**

Executive Directors generally concurred with the thrust of the views contained in the staff appraisal for the 1981 Article IV consultation with Mali.

While recognizing that Mali has been adversely affected by recurrent droughts and a sharp deterioration in the terms of trade, they commented that the persistent economic difficulties stemmed also from unsatisfactory economic and financial management over a number of years, particularly in the areas of public finance, state-owned enterprises, and pricing policy.

Directors noted with satisfaction that the authorities, in cooperation with the Fund and the World Bank, have conducted a comprehensive re-examination of their policies and have embarked on a major effort to reduce financial imbalances and to promote a sustainable rate of growth over the medium term through substantial improvements in economic and financial management, domestic savings, and investment planning.

Directors commended the authorities for effectively implementing adjustment policies and reforms during 1981, for pursuing a moderate credit policy, and for having increased producer prices, especially in the agricultural field.

Directors felt that in order to achieve the stated objectives of government policy, it was essential to restrain further public expenditures other than for productive investment, to introduce greater effectiveness in the operations of public enterprises and government agencies, to adopt realistic pricing policies, and to encourage private initiative. The importance of gradually eliminating current payments arrears was also stressed.

Given the structural character of the existing difficulties and the social constraints, the authorities would have to show great resolve over a number of years in implementing the necessary reforms. Major structural adjustment measures would need to be implemented. Directors hoped that the authorities would be in a position during 1982 to implement comprehensive and reinforced adjustment measures, which could in the end be supported by the use of Fund resources.

The prospective reintegration of Mali into the West African Monetary Union was noted.