

Statement at the Conclusion of an IMF Mission to Mali

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A mission from the International Monetary Fund (IMF), led by Christian Josz, visited Bamako from February 28 to March 13 and reached preliminary agreement on continued support to Mali under the Rapid Credit Facility (RCF). The mission met with **Django Cissoko, Prime Minister; Tièna Coulibaly, Minister of Economy, Finance and Budget; Marimpa Samoura, Delegated Minister of Budget; Konzo Traore, National Director, Central Bank of West African States (BCEAO);** and representatives from the National Assembly, civil society, unions, the private sector, and Mali's development partners.

Following the mission, Mr. Josz issued the following statement:

"In 2012, Mali's economy suffered from the political and security crisis. The occupation of the North disrupted agricultural production and trade. The unstable political and precarious security situation in the South dampened investment. Travel to Mali dropped sharply, hitting hard the commerce and tourism sectors. Donors suspended budget support and much of their project aid. In response, the government cut most capital spending, and construction and public works contracted sharply. Thankfully the 2012-13 harvest turned out well, and the mining sector also contributed to growth. Altogether real GDP in 2012 shrank by 1.2 percent, and inflation increased to 5.3 percent because of the poor 2011 harvest.

"Following recent favorable security and political developments, the economic prospects for 2013 are encouraging. In 2013, real GDP growth should reach 4.8 percent this year, and thanks to the bountiful harvest, inflation should drop below 3 percent. Several donors announced the resumption of their development aid following the adoption by the government of a road map to re-establish the administration in the North and organize elections. The government is preparing a supplementary budget to allocate that aid. It will be used to finance implementation of the road map and to support the private sector by paying arrears and by resuming capital spending. Thanks to the military intervention by foreign partners, defense spending should stay within the envelope of the initial budget.

"Even so, urgent needs remain unaddressed. The government will present these to donors at the Round Table planned for

May in Brussels in the hope of covering its remaining financing gap for 2013 and the coming years.

"The IMF supported Mali in January with a disbursement under the RCF of \$18 million (CFA 9 billion), and it is keen to continue supporting Mali as it emerges from its crisis, the mission reached agreement *ad referendum* on quantitative indicators for the rest of 2013 and supportive public finance reforms. On this basis, and assuming performance continues to be good through March, the mission will propose a second RCF disbursement of \$15 million (CFA 7.5 billion), with Board consideration tentatively scheduled for early June.

"The mission would like to thank the authorities for their excellent organization, provision of ample information, and frank and fruitful discussions."

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