

17th – 23rd June 2016

The digest provides highlights of economic issues in the print and electronic media on South Sudan. UNDP's interest is on how the economic issues affect human development and vice-versa.

Media Outlets:

1. Sudan Tribune
2. The East Africa Monitor
3. Business Insider
4. Xinhua
5. Juba Monitor
6. The Dawn
7. Radio Tamazuj
8. Capital News
9. Bor Globe Network
10. This Day
11. Eye Radio South Sudan
12. Coast Week
13. The Christian Services Monitor
14. KBZK
15. Africa TVC News

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WEEKLY MEDIA ECONOMIC DIGEST SOUTH SUDAN



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PRICES AND MARKET

South Sudan Pound Weakens Further Against US Dollar

Aaron Brooks: [The East Africa Monitor- 23 Jun. 2016](#)

The South Sudanese pound has weakened further against the US dollar as the war-torn country's economy continues to deteriorate. A new rise in the exchange rate has widened the gap between the two currencies, while a shortage of US dollars in South Sudan's commercial banks is causing a drastic price hike on the black market, where US dollars can be bought illegally.

South Sudan's 'economic crises

South Sudan's continued slide against dollar prices is a symptom of the country's economic plight. The International Monetary Fund (IMF) stated earlier this month that South Sudan is in "economic crisis," urging fiscal restraint as inflation continues to soar in the world's youngest nation. Jan Mikkelsen, the IMF Mission Chief for South Sudan said inflation is fast approaching 300 percent, and the deficit next year could top \$1.1 billion US or 25 percent of GDP. The oil-rich country has been torn apart by civil war for more than two years. A gradual peace process that was signed in August last year only started making progress over the last couple of months – and painfully slow progress at that. Meanwhile, essential services have all but been shut down in the country with hospitals receiving no power due to a lack of fuel. [Also reported in Sudan Tribune-19 Jun. 2016: South Sudan pound further weakens against US dollars](#)

South Sudan's foreign currency reserves can only last for a month, says Central Bank official

[Sudan Tribune- 23 Jun. 2016](#)

South Sudan has foreign currency reserves likely to last for only a month, a Central Bank official said amid warnings of a possible economy collapse. "The [foreign] reserves we have may cover only imports of only five weeks [from now]," John Dor Majok, the deputy Central Bank governor told Radio Miraya Thursday. "After

that [five weeks], there will not be any goods in the market," he added, but said the goods could be available in the country, yet the prices could be extremely high. This is the first time Central Bank has public declared the depth of the economic crisis triggered by war in 2013 that led to reduction in daily oil output, coupled with decline

in global oil prices. South Sudan relies on oil for 98% of government revenues. According to Majok, the current economic situation might not improve anytime soon. "The only thing that will salvage this situation is to get more dollars, work to make sure that oil production goes back to pre-crisis levels," he said.

Inflation drives up interest rates, cost of business in S. Sudan

[Xinhua- 23 Jun. 2016](#)

South Sudan's high inflation, nearing 300 percent, and the drop in global oil prices that is affecting its oil exports, have driven up interest rates as some banks have halt lending to the private sector, local traders said on Thursday. The interest rates from commercial banks have increased to 15 percent in May from less than 10 percent in the previous months. According to the Secretary General of the South Sudan Chamber of commerce, Industry and Agriculture, Simon Akuei Deng, the devaluation of the local currency in 2015 has led to the closure of many businesses due to shortage of hard currency to import goods. And also the economy has lost credibility due to more than two years of civil conflict.

South Sudan depends on oil exports to finance 98 percent of its fiscal budget. "Inflation is very high, weakening the currency that has led to losses by businesses. Traders have been left with no choice but to hike prices of their goods to save their stock," Deng told Xinhua in an interview in Juba. The International Monetary Fund (IMF) said early this month that South Sudan's widening 2016/17 budget deficit topped 1.1 billion U.S. dollars and could worsen inflation if officials borrowed or print more money from the central bank. "The confidence in this economy is also affected. It's difficult to keep your money in this economy when you are not sure of the exchange rate stability the next day," Deng said.

Local citizens suffer as market prices skyrocket

[Ohide Adelino: Juba Monitor- 21 jun. 2016](#)

The prices of essential goods in the market hit local citizens in the country; many people complained to Juba Monitor about continued climbing prices of the commodities in the markets. Most of the residents in most towns including Juba could not afford these high prices. Half (1/2)kg of meat which used to cost SSP 75.

Akim Oyo, one of the meat venders in Custom market complained that the increase in price of beef is due to the high cost of a bull. He said the cost of a bull range from SSP 10, 000 to 15, 000. He further noted that the high exchange rate of U.S dollars against local currency (SSP) is yet the major issue that affected their businesses.

BUSINESS

Ivory Bank loses SSP30 million in Raja town attack

[Sudan Tribune- 19 Jun. 2016](#)

Ivory Bank branch in South Sudan's Lol state lost SSP 30 million in the clashes that occurred in the capital on Wednesday, its manager Osman Idris said. Unknown gunmen overran the state capital, Raja, forcing residents to flee in disarray. The attackers, Idris said, also looted several of the computers belonging to Ivory Bank. "They broke it [bank] as well as staff's residence which is just next to the bank," the manager told reporters in

Raja town. Sources say the attackers also freed all inmates in Raja Central prison, killing some of those who they had targeted. At least 50 people, officials said, were killed in the attack. The death toll was likely to rise as several others were injured. It remains unclear, till now, as to which groups carried out the attack, with the army blaming the incident on "bandits" and "criminals".

Fuel shortage obstructs business in Yambio

[Innocent Ngbat: The Dawn- 21 Jun. 2016](#)

Business in Yambio town of Gbudue state has slowed down with vehicles and motorcycles packed due to lack of fuel either in pump stations or on the black market. When found, a 1.5 liter bottle is trading at 300 SSP. A boda boda cyclist, Isaac Paul, said the lack of fuel comes as a result

of a recent ban of sale on the black market issued by the municipal authorities. Coupled with lack of fuel at the pump stations, consumers can also not access the DR Congo border points due to restrictions by security organs.

ECONOMY AND PUBLIC FINANCE

S. Sudan doesn't need financial rescue from EAC

[Sworo Charles Elisha: Juba Monitor-23 jun. 2016](#)

The Presidential Advisor on Economic Affairs Aggrey Tisa Sabuni says South Sudan did not join the East African Community (EAC) because of financial benefit. There have been some media reports that South Sudan would be deregistered from its membership to the East African Community due to its failure to pay its membership contribution. However, the Presidential Advisor while speaking to Juba Monitor on Tuesday said the country joined the

East Africa Community in order to participate in the processes that can lead to good governance, stability and a conducive investment climate. "Expecting the East African Community or even the international community for rescue at a time when the country finds itself in trouble as some South Sudanese understand it. I think it is out of place as the membership to the EAC entails responsibilities and commitment which will be done bit by bit as per the agreement," he said.

TZ, Kenya and South Sudan road corridor to be rehabilitated

Simon Ndonga: [Capital News- 23 Jun. 2016](#)

The Kenya National Highways Authority (KeNHA) has called for bids on the rehabilitation of the Isebania-Kisii-Ahero Road which is slated to start sometime this year. According to the authority, the road project which will be carried out in two lots will have Lot 1 starting from Isebania to Kisii and lot 2 from Kisii to Ahero. In a statement, KeNHA indicated that the Isebania-Kisii-Ahero (A1) Road forms part of the southern link of the Sirari Corridor (Tanzania-Kenya-South Sudan Corridor), which is a transit route running along the Eastern shore of Lake Victoria via Isebania to Lokichogio and onwards to Juba. "It is the main trade route between Mwanza Port

(Tanzania) and Kisumu port (Kenya) – the key trading centers within the Lake Victoria basin," it stated. KeNHA said that through the government it had obtained financing from the African Development Bank towards the cost of rehabilitation of Isebania-Kisii-Ahero (A1) Road. "The Isebania-Kisii-Ahero Road project traverses Migori, Homa bay, Kisii, Nyamira, and Kisumu Counties located in the shores of Lake Victoria." The main project road is approximately 176 km with the Isebania – Kisii Lot being approximately 92 km and the Kisii-Ahero section being 84 km respectively.

Why China Is So Invested In South Sudan's Future

Eric Olander and Cobus van Staden: [Bor Globe Network- 23 Jun. 2016](#)

Is it naked imperialism in pursuit of the country's vast oil reserves or a genuine effort to bring peace to help end a brutal conflict? Nowhere else in Africa do China's financial, diplomatic and geopolitical interests confront as much risk as they do in South Sudan. Beijing has invested billions of dollars in the country's oil sector, deployed about 1,000 troops to serve as U.N. peacekeepers and committed considerable diplomatic capital to help resolve the ongoing civil/ethnic war. Even though Beijing has repeatedly sent its most senior Africa diplomats to help broker a cease-fire and committed vast sums of money for investment and development,

none of it seems like it will do much to slow South Sudan's seemingly inevitable decline to becoming the world's newest failed state. The destruction this conflict has caused is staggering. Some 50,000 are believed to have been killed in the two-year civil war, many by some of the 16,000 child soldiers who have been forcibly conscripted by both sides. At least a quarter of a million people are on the move, fleeing the combined threats of war, drought and famine. Even against these seemingly insurmountable challenges, Beijing's point man for South Sudan remains stubbornly upbeat.

Government must shoulder responsibility over economic peril- activists

Atem John Oketayot Santo: [The Dawn-21 Jun. 2016](#)

The government must take responsibility for causing and systematically failing in addressing the economic hardship that is affecting the country instead of confronting and humiliating

citizens in the media, South Sudan Civil Society Alliance said. Salaries must be immediately released and reforms as stipulated in the 2015 August peace accord initiated to bring lasting

solution to the economy, Kuluel Agok Kuch, Secretary General of the Alliance said in a press briefing yesterday. "The South Sudan Civil Society Alliance is deeply disappointed on the delay of salary of the citizens, the working class for almost three months while their families are suffering on daily basis from economic hardship,"

Kuch said. "Moreover some government officials are still uttering irresponsible statement towards citizens blaming them of complaining about their deserved rights," he added. [Also reported by Taban Ayul in This day- 21 Jun. 2016: Civil Society expresses disappointment over salary delay.](#)

South Sudan to emulate Japan in diversifying economy: trade minister

[Oketayot Santo: The Dawn- 21 jun. 2016](#)

The country can diversify its economy from emulating from the Japanese experience after devastation in the Second World War and also partner with the Asian country in trade, trade Minister Stephen Dhieu Dau said. "We have a lot of opportunities but have not been promoted or introduced to the international markets like the honey, the gum Arabic, handicraft products made by the Japanese Ambassador to the country, Kiya Masahiko yesterday. "Japan is committed and is willing to support us, how these

products can get their ways into the Japanese markets", Dau added. For his part, the Japanese Ambassador said they are supporting agribusiness as an extension of the comprehensive agriculture master plan but in addition to diversifying the economy, and industry, they are inviting South Sudanese to Japan on the Africa Education Business education Program, starting this year. [Also reported by Sasuk Taban in Juba Monitor- 21 Jun. 2016: Japan to support Agro- Business](#)

Africa Development Bank in measures to diversify S. Sudan economy

[Atem John: The Dawn- 17 Jun. 2016](#)

The African development Bank and Government of South Sudan have launched a projects aimed at boosting good governance of natural resources to bring about economic diversification in the country and open ways for economic transformation to reduce heavy dependence on oil. South Sudan depend 98% on oil proceeds to finance its budget. Speaking yesterday during the launch of two projects, Good Governance and Capacity Building in Natural Resources and Gender Equality and Economic Empowerment for inclusive growth, the Africa Development Bank's Ms Marina Sugden said the project will

specifically focus on the strong potential of the forestry sector. The current economic crisis and dire economic situation is said to have led to uncontrolled and illegal exploitation of forest resources. South Sudan Environment authorities say the country has lost lots of revenues in illegal exploitation of forest resources, including to timber and charcoal. Efforts to halt the practice are challenged by weakness in enforcement system and a proper legal framework vacuum. [Also reported by Dau Majok John in This day- 17 Jun. 2016: African Development Bank earmarks \\$ 58M for South Sudan Projects.](#)

Gov't, partners approve \$1.8b for road networks

Obaj Shago: [Eye Radio South Sudan- 21 Jun. 2016](#)

A high-level meeting in Juba on road sector development and financing has approved a budget of \$1.8 billion for the next 10 years. Participants agreed that the money would be used to improve the strategic road network based on appropriate standards. They also endorsed the establishment of a Road Maintenance Fund, which will also be funded using charges from road users. They argued that this would ensure that improved roads are properly maintained. The value for the money in this sector will be

accounted for through the oversight of the parliamentary committee for physical infrastructure. The meeting in Juba on Monday was attended by the Minister of Roads and Bridges, Rebecca Joshua Okwaci, representatives from the Japanese International Cooperation Agency. It was organized by the ministry in collaboration with the United Nations Office for Special Projects, UNOPS. Participants said they would revisit the plan every year based on improved data collection.

Judges and Justices down their tools

Hellen Achayo: [Eye Radio South Sudan- 20 Jun. 2016](#)

The national committee judges and justices say they have gone on strike over pay and administrative issues. The Chairman of the committee, Khalid Mohammed, says they have not been paid salaries for three months and allowances for four years. Justice Khalid says they are working in unfavorable conditions, with poor infrastructure and lack of enough facilities, including stationeries. He told Eye Radio that they also lack means of transportation for the staff and for those being brought from prisons for court cases. The demands are part of a statement the judges issued on Thursday, in which they asked

the government to quickly resolve the issues before a strike today. Justice Khalid says they have started the strike and will continue until the issues are resolved. "This strike will continue until our urgent demands are fulfilled. Our urgent demands are connected to our areas of arrears and transportation of judges from home to the court and back," Justice Khalid stated. There are about 213 judges around Greater Bahr el Ghazal and Greater Equatoria and Renk and Bor counties. "This is the number and locations of judges and justices who are on strike," he said in an interview on Friday.

Big haul of smuggled ivory seized in South Sudan.

Bor Globe Network- [18 Jun. 2016](#)

South Sudanese authorities have seized more than a ton of smuggled ivory in crates at the Juba International Airport. Elephant tusks and ivory pieces wrapped in sponge, weighing 2,829 pounds, were found Wednesday in 25 crates off of a flight from Entebbe, Uganda. The Ethiopian Airlines shipment was scheduled to go on to Cairo via Egypt Air and then on to Malaysia, said Khamis

Adieng, spokesperson for the National Wildlife Service within South Sudan's Ministry of Wildlife: "We used to see ivory from time to time, but nothing like this one," said Adieng on Friday. "We used to see two or three pieces in hand luggage." Two people have been arrested in connection to the crime, he said. The ministry is now talking with the Ugandan and Ethiopian governments to help

with the investigation, he said. An average African elephant tusk weighs about 50 pounds each, according to Encyclopedia Britannica, indicating the Juba haul came from about 26 elephants. Africa is struggling with an epidemic of illegal ivory poaching. Hunters kill tens of thousands of wild elephants every year for their tusks. Activists warn that at the current rate of killing, the wild African elephant could be extinct within a generation. Much of the demand is coming from

mainland China, where ivory is still seen by some consumers as a luxury item that connotes wealth. Also reported in [Coast Week- 23 Jun. 2016: South Sudan seize 1.2 tons of illegal ivory bound for Malaysia](#), by Steve Visser in [KBZK-23 jun. 2016: Big haul of smuggled ivory seized in South Sudan](#), by Josh Kenworthy in [The Christian Science Monitor- 17 Jun. 2016:South Sudan ivory seizure highlights Africa's 'ongoing poaching crisis'](#).

South Sudan President directs payment of civil servants

[Sudan Tribune- 23 Jun. 2016](#)

South Sudan's President Salva Kiir has directed that all civil servants in the country be paid to enable them continue providing the needed services. Kiir's directives came during a meeting with Finance Minister, David Deng Athorbei and Central Bank Governor, Kornelio Koryom Mayiik after they briefed him on the current fiscal and monetary situation in the country and how they intend to resolve some pending issues such as payment of civil servants. "Finally the civil servants are going to be paid fully", presidential

spokesman, Ateny Wek Ateny said in a statement issued on Thursday. The meeting, Ateny explained, also resolved that salaries for all the organized forces be paid for the months of April and May with immediate effect, while preparations for payment of their June salaries be done before the end of the 2015-2016 financial year. "This is a very significant step taken by the President in an attempt to alleviate the suffering of civil servants. More shall follow in the resolve to improve our economy," he added.

South Sudan expects China's support in key sectors: official

[Xinhua- 20 Jun. 2016](#)

South Sudan is expecting China's support to fund development in the health, education, infrastructure and energy sectors, an official said on Monday. The Director General Governance in the Parliamentary Affairs Ministry, Afram Wani Peter, told Xinhua in Juba that South Sudan's transitional government of national unity has been seeking Chinese support for development since its formation in April. "The Chinese are giving us open programs and we hope to prioritize education, health, infrastructure and energy," Wani said in an interview with Xinhua. He hailed China for offering support to the disrupted oil production, which serves as the lifeline of South

Sudan's economy. The minister said China sent its engineers to repair damaged oil pipelines during the war. "China stood with us without reservations and it has continued to stand with us even after the conflict," said Wani who had just returned after leading a ministerial level delegation to Shanghai, China's financial hub. On top of offering training to officials, China has offered masters and PHD education programs to South Sudanese students, the official added. 50 South Sudanese students will soon go to China to learn Mandarin, he revealed. "From the beginning of May, we have sent four groups to China for training on taxation, research, railway and roads," he said.

Liberal Party says South Sudan facing economic collapse

[Radio Tamazuj- 22 Jun. 2016](#)

Peter Mayen Majongdit, leader of the People's Liberal Party, has warned that the country is facing economic collapse that will also bring also serious security risks for the country. The leader of the PLP said external intervention is necessary before it is too late. Majongdit said the transitional government "leaders should openly appeal for international assistance as to meet the basic immediate needs of its citizens and government. It is obviously that the TGoNU needs help to be able to meet its basic needs," he said. South Sudan

is currently experiencing strikes involving judges, doctors, teachers and university lecturers. Its inflation rate is reported to be the highest in the world. "Armed hungry soldiers would not go without salaries for month without causing insecurity – all those elements entail that the future is at stage of collapsing and we must accept those facts," Majongdit warned. Majongdit advised the government to openly discuss with the donor community their demands to rescue the nation from collapsing.

South Sudan finance minister dismisses corruption allegations

[Sudan Tribune- 19 Jun. 2016](#)

South Sudanese finance minister, David Deng Athorbei, has described financial allegations labeled against him as 'baseless' and threatened to pursue legal measures against those he claimed were spreading "false lies." The minister said he has read the stories of the allegations in the media, but denied having been involved in corruption to steal public money. "Yes, I have read in the news unfounded allegations about me and my family, and I decided to ignore them because they are baseless. This is the work of people with political motives," Finance Minister David Deng Athorbei told Sudan Tribune when reached on Sunday to comment on the allegations that he has several accounts at Kenyan Equity Bank which he

uses for money laundering by taking public money outside the country in the names of two foreign firms. Athorbei said he has asked legal opinion from his lawyer and to study the motives behind the allegations. "I did not want to speak to the media about this. I asked the legal opinion of my lawyer but of course it is my right and the family to pursue these allegations through legal measures. This is no longer about politics. It is about my integrity and the privacy of my family," he angrily responded to Sudan Tribune. [Also reported in Africa TVC News- 21 Jun. 2016: South Sudan Finance Minister dismisses corruption allegations](#)

Gov't to end pay protests

[Emmanuel Akile: Eye Radio South Sudan- 22 Jun. 2016](#)

The Minister of Information has said "efforts are underway" to end the protests over salary arrears. Both public university lecturers and employees of the judiciary have laid down their tools, demanding unpaid salaries, allowances, and better working conditions. They have vowed not

to get to work until their demands are met. "Efforts are underway. They will be addressed within this week. So when I say all these issues would be addressed. It is inclusive of everybody," Michael Makuei Lueth told Eye Radio on Tuesday.