

24th – 30th 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. Gurtong
3. Xinhua
4. Nyamilepedia
5. Citizen Lagu
6. The Exchange
7. PR Newswire
8. Radio Tamazuj
9. The East African
10. S&P Global Plattts
11. China File
12. Eye Radio South Sudan
13. Juba Monitor
14. This Day
15. The Eye

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WEEKLY MEDIA ECONOMIC DIGEST
SOUTH SUDAN



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PRICES AND MARKET

Prices of Commodities Continue To Soar In Eastern Equatoria Region

Peter Lokale Nakimangole: [Gurtong- 24 Jun. 2016](#)

Prices of commodities in Eastern Equatoria region have continued to skyrocket forcing families frustrates and resorting to having a meal a day. A 50-Kilogram bag of sugar which used to cost 500 SSP now goes for more than 2,000 South Sudanese Pounds (SSP), while a 50 Kilogram bag of maize flour has risen from 700 SSP to 1,500 SSP. These prices in various markets across Eastern Equatoria region vary from market to market in the region depending with accessibility of the commodities. Elsewhere in Kapoeta and Torit towns, a 50-Kilogram bag of Sorghum, which used to cost 550 SSP, is now selling at 750 SSP. Meanwhile, a 50-Kilogram of rice, one of the consumers' essential commodities is currently sold at 1,8400 SSP from the initial plan 850 SSP while a 20-litre of jerry can of cooking oil has increased to 1,400 SSP from 900 SSP. Prices of other commodities like beans, onions, meat, among others are too being sold at abnormal prices with the local consumers describing it as a terrible moment that has continued to worsen in the country. Citizens have appealed to the government to intervene and find a solution to the problem especially during the holy month of Ramadhan. Most of the commodities consumed and sold in the local markets are imported from the neighboring countries and the traders have complained of incurring losses in transporting them (commodities) due to poor roads and high cost of fuel including the scarcity of the dollar. The South Sudan annual Consumer Price Index (CPI) increased by 58.7% from August 2014 to August 2015, according to the South Sudan National Bureau of Statistics report released in September 2015. The increase was mainly driven by high prices in food and non-alcoholic beverages. -

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

[Xinhua- 24 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.

Fuel shortage hits Western Lakes capital

[Sudan Tribune- 24 Jun. 2016](#)

Motorcyclists in Rumbek, the capital of South Sudan's Western Lakes state have raised concerns over shortage of fuel experienced in town. All the eight fuel stations in the town have reportedly run dry and prices up, despite fuel shortage in the black markets. "There is completely no petrol in the town, no fuel or petrol in Rumbek's black markets. We have eight fuel stations, but all of them are empty," said Benjamin Abui, a motorcyclist. Abui has, however, appealed to the state government to expedite the process of fixing the road

connecting the South Sudan capital, Juba to major routes via Yirol, Rumbek, Cueibet, Wau and Abyei, describing it as "survival" routes. "Our problem is road conditions; roads connecting Bahr el Ghazal state to Central Equatoria are very poor, if this only route is fixed, then everyone will survive in the entire Bahr el Ghazal without difficulties. Our supply business route is through Uganda, Kenya to Juba until Abyei," he stressed. A number of state-owned and privately owned vehicles are currently off roads due to the shortage of fuel in Rumbek.

Central Bank says Peace and more dollars crucial to redeem the economy

[This Day- 24 Jun. 2016](#)

"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, this is very important." That's a prescription the deputy governor of the Central Bank of South Sudan, Mr. Dor Majok is recommending to resuscitate the economy. Speaking exclusively to Miraya Breakfast show on Thursday, the Deputy

Governor acknowledged that South Sudan's economy is tipping towards an economic downturn, which he said happens when economic shocks affect the macroeconomic issues. He said South Sudan has suffered several shocks in the recent past including the oil shutdown in 2010, the 2013 conflict and the drop in the prices of oil on the global market. "We have

to pray that prices on the World Market should also rise," he said. Deputy Governor Dor Majok, also explained in detail the process that led to the bank's decision to float the currency last December. Majok said the lack of reserves made

it difficult for the central bank to defend the 2.9 exchange rate and borrowing triggered several economic variables including the depreciation of the South Sudanese pound.

Economy may collapse without correction

[Sworo Charles Elisha: Juba Monitor- 24 Jun. 2016](#)

There is a risk of total economic collapse without corrective measure to restore macroeconomic stability, according to the Chairperson of Joint Monitoring and Evaluation Commission (JMEC) President Festus Mogae quoting the International Monetary Fund (IMF) report on South Sudan's economy. The Former President of Botswana and current Chairperson of the Joint Monitoring and Evaluation Commission (JMEC) in South Sudan Mogae said inflation is on the rise while the government is suffering serious liquidity shortage which should be addressed to

stabilize the economy. "Inflation is on the rise and the government suffers extremely poor liquidity and almost no cash reserves and again quoting the IMF there is a risk of total economic collapse without corrective measures to restore macroeconomic stability and continuation of having cases would further increase inflation and accumulation or arrears causing rapid loss of credibility to the government and further decline in the value of the South Sudanese Pound," he said.

BUSINESS

Juba-Bor Road Rehabilitation Plans Underway

[Juuk Othana Mading: Gurtong- 27 Jun. 2016](#)

Plans to repair the main road linking Jonglei State to Jubek and Terekeka States are underway. The Juba-Bor road is the only major route that supplies Jonglei, Bieh, Boma and Fangak States with commodities from Juba. The Commissioner of Bor County, Isaac Mamer Ruuk told Gurtong on Friday that both the State government and the County authority are working together to level the main road that links the Equatoria region with Jonglei State before the rains falls. "We don't have money but we are trying our best now to make sure our cars as government and business community are moving in and out of the State", Ruuk said. Mamer said that the Coordinator of Jonglei State, Ali Atem was in

Mangalla last week to negotiate with authorities in Jubek State on the road issue. Meanwhile, Col. Philip Aguer Panyang, the State Governor of Jonglei State has confirmed that the State authorities have already started the processes for the rehabilitation of the road that links Juba with Bor town. Aguer assured that the road will also address the security issue between Jubek, Terekeka and Jonglei State. Last year, the United Nations Mission in South Sudan [UNMISS] peace keepers in Jonglei State from the Republic of Korea [ROK], Horizontal Military Engineering Contingent [HMEC] voluntarily repaired around 125 kilometers on Bor-Juba road up to Mangalla town.

Economic Crisis: There Are No Easy Answers

[Jacobl: Citizen Lagu-29 Jun. 2016](#)

As the nation's economic collapse gathers momentum, a UK based think tank evaluates the domestic and regional implications of the economic crisis in South Sudan. The gathering clouds threatened a rain soaked end to what had been a pleasant day in London. Having checked the weather forecast before setting off, I brought an umbrella with me. You learn never to trust the forecast in London, but today, it seemed I'd made the right decision. Nevertheless, I was reminded of a conversation I once had with a senior economist, who'd joked that, when it came to forecasting, economists were there to make weathermen look good. I was on my way to Chatham House, where the Africa Programme was holding an event entitled, the "Domestic and

Regional Implications of the Economic Crisis in South Sudan." Speakers included: Dr Luka Biong, Associate Professor at the University of Juba and a fellow of Peace Research Institute (Oslo) and the Rift Valley Institute; Dr Pamela Lomoro, Senior Subsea and Onshore Engineer with LP Engineering Consultancy Ltd; Dr Laura James, Affiliated Lecturer, Department of Politics and International Studies, University of Cambridge; and was chaired by the ever present Dame Rosalind Marsden, Associate Fellow of the Chatham House Africa Programme, and British Parliamentarian, who had once served as UK Ambassador to Sudan prior to South Sudan's secession.

Tanzania, Kenya and South Sudan Road Corridor to undergo Rehabilitation

[Caroline Njoroge: The Exchange- 27 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. 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. 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. "It is the main trade route between Mwanza Port (Tanzania) and Kisumu port (Kenya) – the key trading centres 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.

South Sudan independence celebration cancelled due to economic crisis

[Radio Tamazuj- 26 Jun. 2016](#)

South Sudan's government has announced that it cancelled a plan to hold a celebration of the country's independence on the 9 July anniversary this year due to economic crisis. Speaking to journalists after the cabinet meeting on Friday,

Michael Makuei, Information Minister, said the government resolved not to celebrate the fifth anniversary of the independence due to lack of money. "As you know very well, we usually celebrate the 9th July that is our independence

day and usually at this particular month, preparations for the celebrations should have started," said Makuei. "But due to our economic situation, and the situation in which we are now, and bearing in mind that preparations every years take a lot of money, the minister in the office of the president requested the cabinet to approve that this year we should not be celebrating the 9th July because of expenses," he explained. However, the government spokesman said the

day will be observed normally as a public holiday and that President Salva Kiir will just issue a statement to address the people of South Sudan. Makuei indicated that previous years' celebrations usually cost a budget amounting to 10 million South Sudanese pounds to cover the event. [Also reported in The East African- 28 Jun. 2016: South Sudan cancels Independence Day fete as cash crunch bites](#)

News Analysis: South Sudan needs sound macro-economic policy to tackle crisis: experts

[Xinhua- 26 Jun. 2016](#)

Sound economic policy intervention is needed for South Sudan to address its economic crisis fueled by decreased oil production and surging inflation which nears 300 percent, experts have said. Experts told Xinhua in the capital Juba on Saturday that the 2012 oil shutdown after a bitter pipeline fee dispute with Sudan, more than two years of civil conflict and a drop in global oil prices set in motion the economic crisis in the world's youngest nation. The country needs to take bold macro-economic policy intervention and reforms to realistically bring back the battered economy to the path of economic growth and diversify sources of revenue away from over-reliance on oil that finances 98 percent of its fiscal budget.

"South Sudan from the beginning has put all its eggs in one basket -- that's oil which has destabilized macro-economic stability," James Garang, an economist with the Juba-based Ebony Centre for Strategic Studies told Xinhua. South Sudan's economic growth rate plummeted from 15.9 percent in 2014 to 2 percent in 2015, and its current-account deficit is expected to widen to 35 percent of Gross Domestic Product, according to the World Bank. The 2015 devaluation of the South Sudan Pounds (SSP) drove the few investors in the country to transfer their hard earned capital to safe havens amid speculation, and the SSP fell further against the U.S. dollar from 32 in April to 50 in June.

Why South Sudan-Uganda border demarcation stalled

[Memoscar Lasuba: Eye radio South Sudan- 28 Jun. 2016](#)

The process of demarcating the border between South Sudan and Uganda has been delayed due to lack of funds, the Ministry of Foreign Affairs has said. It also said there was limited time to enable the two countries complete the sensitization exercise amongst the border communities. Last year, South Sudan and Uganda formed an 18-member Joint Border Committee to start the demarcation in order to resolve cross-border disputes. He told Eye Radio

the process had been scheduled to commence by April this year. "The second stage was supposed to kick off sometime in April, but due to technical problems in terms of communication with our colleagues in Uganda, we were unable to meet that deadline," said Ambassador William Wani, member of the Joint Border Committee. [Also reported by Obaj Shago in Eye Radio South Sudan- 27 Jun. 2016: AU asked to demarcate South Sudan-Sudan border](#)

South Sudan facing unrest over delayed salaries

[Fred Oluoch: The East African- 25 Jun. 2016](#)

South Sudan faces escalating unrest as workers down their tools demanding salary arrears. Civil servants have gone for four months without pay, prompting strikes involving judges, doctors, teachers, lawyers and university lecturers. The new transitional government is unable to pay salaries due to a donor-freeze on aid and reduction in oil production. Leader of the People's Liberal Party Peter Mayen Majongdit said the situation could lead to an economic collapse that would result in serious security risks for the country. Mr Majongdit said that the leaders — President Salva Kiir and his deputy Dr Riek Machar — should appeal for international

assistance to meet the basic needs of South Sudan's citizens and government. "There are chances of civil strife as it is most likely that the situation may remain constant," Mr Majongdit said in an interview with The East African. Concerns continue to rise after a soldier in New Site, three kilometers north Juba, killed himself after his children died of hunger. The soldier had not been paid for months. [Also reported in Radio Tamazuj- 29 Jun. 2016: Teachers at public schools in Tonj stop working over unpaid salaries, by Alhadi Hawari in Eye Radio South Sudan- 24 Jun. 2016: Gov't to meet demands of striking judges](#)

South Sudan announces plans to restart oilfields shut in by violence in 2013

[S&P Global Platts- 24 Jun. 2016](#)

South Sudan has announced plans to restart oilfields in the former Unity state that were shut in by violence in December 2013. "We are starting work today [Thursday] and shall complete it in five months," oil minister Dak Duop Bichiok told journalists after meeting with vice president James Wani Igga in Juba. The shut in of Unity's oilfields has reduced South Sudan's crude oil production to 165,000 b/d from 245,000 b/d before the conflict. Prior to the outbreak of violence, Unity state, which has now been split into three administrative units, produced 45,000 b/d of Nile blend crude. The light, sweet and waxy crude blend is popular with Asian traders. In their meeting, Igga and Bichiok discussed preparations for repairs to oil facilities in Unity and plan to

resume work on a refinery. Russian company Safinat won a contract to build a \$1.8 billion, 50,000 b/d refinery at Akon in a joint venture with state-run Nile Petroleum Corporation, for which the foundation stone was laid in 2010. It was to be geared to produce mostly diesel. Safinat also completed construction of a \$100 million refinery in Bentiu in Unity state to produce 3,000 b/d of diesel and gasoline for local consumption, but the 2013-2015 conflict prevented it from starting up. Bichiok said 87 South Sudanese oil technicians had now graduated in Malaysia and would be deployed as soon as possible to the refinery in Bentiu. He called on oil companies operating in the country to resume production immediately.

Why the Stakes Are So High for China in South Sudan

Eric Olander, Cobus van Staden, Antony Loewenstein: [ChinaFile- 24 Jun. 2016](#)

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 over a thousand troops to serve as U.N. Peacekeepers, and committed considerable diplomatic capital to help resolve the ongoing civil/ethnic war between President Salva Kiir and former Vice President Riek Machar. Even though Beijing has repeatedly deployed its most senior Africa-diplomats to help broker a ceasefire, and has 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. Since fighting broke out in December 2013, an estimated 50,000 people have been killed, many by some of the 16,000 child soldiers who have been forcibly conscripted by both sides. Now a quarter of a million refugees 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. "We as a government are cautiously optimistic about the future of South Sudan.

Huge ivory bust in South Sudan - goods headed for Malaysia

[PR Newswire- 24 Jun. 2016](#)

Today the International Fund for Animal Welfare (IFAW) released pictures of more than a ton of ivory was seized in South Sudan last week. The ivory tusks and pieces weighed 2,800 pounds and were confiscated at Juba International Airport in South Sudan. IFAW congratulates the South Sudan Wildlife Service, Ministry of Wildlife Conservation and Tourism. The shipment came from Entebbe airport in Uganda on a flight from Ethiopian airways. It was headed for Malaysia a popular transit country. Two arrests have been made in connection to the crime and government officials are requesting assistance with the investigation from neighboring countries Ethiopia and Uganda. "This new seizure at an unexpected location shows that we must act now

to protect elephants," said Azzedine Downes, IFAW President and CEO. "It takes a network to defeat a network. We must join forces across borders, among non-profit organizations and government agencies." Fortunately, South Sudan is one of eight countries participating in the Horn of Africa Wildlife Enforcement Network (HAWEN). Other countries include Kenya, Uganda, Somalia, Eritrea, Ethiopia, Djibouti and Sudan. HAWEN aims to prevent and combat wildlife crime in the Horn of Africa through cross-border learning and collaboration. The Horn of Africa is emerging as a major region and hotspot for wildlife crime worldwide, both as a source and a transit route for illicit trafficking of wildlife products.

\$1.8 billion earmarked for roads

Obaj Okuj: [The Eye- 27 Jun. 2016](#)

A high-level meeting in Juba on road sector development and financing has approved a budget of 1.8 billion US dollars for the next ten 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 last week, was attended by the Minister of Roads and Bridges, Rebecca Joshua Okwachi, representatives from the Japanese International Cooperation Agency. It was organized by the ministry in collaboration with the United Nations Office for Special Projects, UNOPS.