

6th – 12th May. 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 affects human development and vice-versa.

Media Outlets:

1. The East African
2. The Nation Mirror
3. Juba Monitor
4. The Stance
5. Africa.com
6. Radio Tamazuj
7. Bloomberg
8. Africa News
9. Shanghai Daily
10. Sudan Tribune
11. eTurbo News
12. Media Max
13. Chronicle
14. Huffington Post
15. Gurtong

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WEEKLY MEDIA ECONOMIC DIGEST SOUTH SUDAN



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PRICES AND MARKETS

Agricultural Bank of South Sudan subsidize food prices in Rumbek

Daniel Laat Kon: [The Nation Mirror- 12 May. 2016](#)

Authorities in Western Lakes state Ministry of Finance and Economic Planning in collaboration with South Sudan Agricultural Bank has launched the sale of 3800 bags of maize flour and 500 bags of beans to the public at subsidized prices in government store at Cumcok. While launching the sale of the food items at the government store in Rumbek (Cumcok). Hon. Daniel Gumwell NhomAbuur the Minister of Finance in Western Lakes State said their government is working hard to bring goods to the people such that foods can be available in the market at affordable prices. Hon. Gumwell told The Nation Mirror on Tuesday that people in the state did not produce enough food in the last three years due to many problems such as tribal conflicts and insufficient rainfall.

World Bank and IMF to help in recovery of South Sudanese pounds

Toto Chaplain Evans: [The Stance- 11 May. 2016](#)

The World Bank, the International monetary fund and the partners said that, they will help in the recovery of South Sudanese pounds by advising the Government on economic issues and procedures as it has been valueless to the country's economy. Speaking to journalists during the opening ceremony at Quality hotel yesterday, Mrs. Christine kejiKandaru, Operations Analysis for World Bank said, they are providing loans to the government by IBRD and IFC to private sectors. "KejiKandaru the operation analysis for World bank expresses more hope that as they have strong coordination with their donors, South Sudan will soon recover from the political stability as the government of Unity has been formed for the country to go forward", she said.

Authorities meddling with black-market

Oyet Alfonse: [Juba Monitor-9 May. 2016](#)

Even though a lot of effort has been made by Juba City Council and other government stakeholders to hunt down black market money vendors, there are others who are still continuing in the business underground. After the arrest of over 30 black market vendors last week, many of their colleagues have gone into hiding. Speaking to Juba Monitor, one of the vendors said the security is hunting for them and they are operating in hiding. Out of the 30 arrested money

vendors. Radio Miraya reported that ten of them were released and twenty (20) dealers have been jailed for their alleged involvement in illegal currency transactions. Earlier the Chairperson of Juba City Legislative Council, Hon. Michael Allah Jabu told Juba Monitor that what makes the dollar sellers in the black market to continue with their work is because there is irregularity in implementation of the bylaws.

BUSINESS

When Companies Invest in Fragile Communities, Everyone Stands to Gain

Peter Maure: [Africa.com- 12 May. 2016](#)

In Nigeria, identification documents are indispensable to get access to credit or to launch a business – yet many people don't have them. The solution to the problem came from a business, not public institutions: one multinational company provided women with ID cards, easing access to critical public and private services, and enabling them to start their own businesses. In South Sudan, decades of war have all but wiped out the modest development gains of the young country. Farmers lack basic infrastructure and technical support in a country almost entirely dependent on oil and foreign aid. South Sudan faces monumental hurdles for

business activity, yet one multinational company worked with hundreds of smallholder farmers, to improve their harvests. This way, the farmers could export overseas, with a transformational impact on their revenues and their communities. These are just two of many examples highlighted in a report launched this week by the World Economic Forum's Global Agenda Council on Fragility, Violence and Conflict. They demonstrate the huge potential for businesses to make a profit and simultaneously strengthen local communities through responsible investment.

South Sudan commits to eliminating trade barriers

[The Nation Mirror- 11 May. 2016](#)

From May 3 to May 6, 2016, World Bank Group supported the Ease of Doing Business Initiative 2016 conference in Nairobi. The 3-day conference gathered reformers from a record 26 countries to share best practice on Doing Business reforms. For the first time, countries from Western Africa participated making EDBI a truly regional

conference. The Ease of Doing Business initiative (EDBI) is a peer-to-peer learning event aimed at facilitating knowledge sharing on Doing Business reforms. The EDBI conference helps reforming countries showcase and replicate best practice in implementing reforms that will help the expansion private sector and attract greater

investment flows in Sub Saharan Africa. The topic for this year's conference was "Digitizing Government Business" and allowed participants

to discuss how ICT support governments deliver services faster and more efficiently to citizens and businesses in an effort to accelerate reforms.

Traders welcome plan to renovate 70 KM of road from Gogrial to Akon

[Radio Tamazuj- 11 May. 2016](#)

The traders' union at Akon market in Awan Chan County have welcomed the plan by the ministry of Physical Infrastructure to renovate 70 kilometers of road from Gogrial to Akon, which will end at Peth Lou Bridge in Aweil East. The traders expressed their happiness after an assessment on roads was carried out last week, and a plan to start new renovations was discussed by a team that included two ministers of physical infrastructure, local government officials, and a group of engineers from an Adimdit Limited, a road construction company. Awan Chan county traders' chairperson Lino Akuoc said that the

repair of roads will solve difficulties regarding transportation of goods and people. The road repair will also give business people confidence to supply a variety of goods to the market. "The market is okay here because we have some goods coming from Aweil East state through Majok Yithiou route. Some goods come from Uganda but our major problems are bad roads which the government is now trying to fix. I am not going to talk (about the) road between Wau and Kuajok, but roads between Gogrial and Akon are completely in bad shape" said Akuoc.

ECONOMY AND PUBLIC FINANCE

World Bank to assist EAC states achieve full integration

[Dibie Ike Michael: Africanews- 9 May. 2016](#)

The World Bank has assured it will work with the East African Community (EAC) partner states to help the economic community achieve full integration. The World Bank programme Manager for South Sudan, Jean Lubega-Kyazze told Xinhua in Nairobi that the project will begin before the end of 2016 and will take three years to complete. She explained that the project aims at helping the EAC overcome the constraints that have prevented full implementation of the EAC Common Market protocol. "We have identified the constraints that each country needs to overcome in order for the EAC to be fully integrated. Each country is unique and therefore has different constraints," she added. According to the financial institution, regional integration

holds a lot of promise for the partner states. "It will create a seamless market for goods produced in each member state," Lubega said. The programme manager observed that one of the key constraints to full integration is the lack of integration of regional policies into national policies. "So national policies don't reflect what has been agreed upon at the EAC level and it is common to find cases where national policies don't include positions reached upon at the regional level," she added. EAC Common Market Protocol was signed in 2010 but the trading block is yet to fully liberalize the free movement of goods, services and Labour. [Also reported in Shanghai Daily- 9 May. 2016: World Bank to assist EAC achieve full integration](#)

S. Sudan grapples with shaky economy, weak local currency

[Sudan Tribune- 9 May. 2016](#)

South Sudan's new Transitional Government of National Unity faces an uphill task of reviving an economy dependent on oil resources to fund its budget. The oil sector, accounting for 98% of government revenues, has been badly affected the recent war, in addition to the global decline in oil prices. Commodity prices also shot up due to the devaluation of the local currency, South Sudanese pound, which has gravely impacted on the transport sector in the country. The most affected are importers of food items and general household goods who have to deal with sharply increased prices to bring in goods from its neighboring countries. South Sudan is one of

poorest countries in the world with the worst indicators on development, health and education. The conflict, which broke out in 2013, has negatively impacted on the nation's citizens, including pushing the country to the brink of famine with 5.8 million people, nearly half of the population, in desperate need of humanitarian assistance, a joint U.N assessment report recently showed. Observers say despite being oil-rich, South Sudan is likely to record negative gross domestic product growth in 2016 after growing by 30.7 percent two years ago, largely due its conflict, decline in oil production and global fall in oil prices.

South Sudan Sees Oil Output Rise Limited by Damage to Fields

[Okech Francis: Bloomberg- 6 May. 2016](#)

Damage to South Sudan's oil fields after more than two years of civil war will hamper plans to boost output, Petroleum Minister Dak Duop Bischock said. The government is currently assessing the extent of repairs that need to be made to production facilities in the northern Unity and Upper Nile states, Bischock said Thursday in an interview in the capital, Juba. The country needs the revenue from pumping more oil to tame an economic crisis, he said. "Our interest is to increase production to improve our economy and in one week's time we will go to the sites to assess the damages," Bischock said. Conflict in the world's newest country cut oil

output by a third to about 160,000 barrels per day. The country is currently only pumping oil in Upper Nile state after Unity production stalled in 2014. Before the war, China National Petroleum Corp., Malaysia's Petroliam Nasional Bhd. and India's Oil & Natural Gas Corp. produced most of the oil. The violence left tens of thousands of people dead and 2 million displaced. A transitional government was formed at the end of April to improve economic management, boost security, reduce corruption and stamp out human-rights abuses before elections within 30 months.

East Africa: Nairobi, Juba Lead Region in Military Expenditure

[Allan Olingo: The East African- 7 May. 2016](#)

Regional economies last year spent \$3.2 billion on their military hardware last year, an increase from the previous year, as they sought to modernize their weapons and to tackle the increasing terrorism threat. Data from the Stockholm

International Peace Research Institute (SIPRI), an independent resource on global security, shows that South Sudan and Kenya continued to be the region's top spenders on military equipment. Juba spent \$1.36 billion while Nairobi spent \$954

million, up from \$819 million in the previous year. Only Uganda recorded a drop in its military spending, from \$326 million in 2014 to \$288 million last year. Rwanda spent \$92.9 million while Burundi, which experiencing political turmoil, increased its spending marginally from \$62.2 million in 2014 to \$66.4 million last year. Tanzania, which spent \$517 million, is said to have

approached Russia to supply it with new weapons and military equipment. The country has been modernizing its army since 2013 as it seeks to defend its newly discovered offshore petroleum resources. In 2014, it acquired 14 new J-7Gs fighter jets, Type 63A amphibious tanks, A100 multiple rocket launchers and Type 07PA self-propelled mortars from China.

Juba economy: Reviving tourism

[Prof. Dr. Wolfgang H. Thome: eTurbo News- 6 May. 2016](#)

Information coming out of Juba suggests that the newly-formed South Sudan unity government will now turn its attention to reviving the national economy, all but destroyed in over two years of a senseless civil war when ethnic cleansing by the regime was triggered off a sharp defensive counter reaction in December 2013. This, hopefully, now in the past, in particular wildlife and nature-based tourism will need boosting but sources in Juba have suggested that only licensed operators in South Sudan will be able to take clients on expeditions and safaris. Presently only one safari tour operator is licensed to carry out tours and operators from abroad, be it the region

or overseas, and it must either register in Juba and complete the licensing process BEFORE bringing in clients or else risk fines and even arrests with potentially severe consequences for clients who in good faith paid thousands of dollars for their tour. It has, therefore, been suggested by a source close to the tourism ministry that visitors booked on safari tours insist they are shown a valid operating permit before parting with money. Once coming back online, tourism has the potential to kick start South Sudan's economy in a sector independent from oil, a key advantage given the heavy reliance on crude exports as is the case right now.

How Water Scarcity Could Cause GDP to Decline

[Eleanor Goldberg: Huffington post- 11 May. 2016](#)

When countries respond efficiently, those losses could vanish altogether. Countries that lack a sufficient amount of water could see their GDPs decline by as much as 6 percent by 2050, a new report concluded. The World Bank's report, "High and Dry: Climate Change, Water and the Economy," found that such declines occur due to the fact that water shortages lead to more conflicts, harm production and negatively affect health and education. However, those losses could vanish altogether if countries respond to water shortages efficiently. This isn't an issue

isolated to notoriously arid areas. Water scarcity will worsen in such areas as the Middle East and Africa and will proliferate in areas where such problems don't currently exist. India and China, for example, could see their GDPs drop by as much as 6 percent. Poor groups, though, will be disproportionately affected by the effects of water mismanagement. They are most likely to rely on rain-fed agriculture to feed their families, live in flood-prone areas and are most at risk from contaminated water and inadequate sanitation.

South Sudan Joins COMESA Regional Customs Transit Guarantee Scheme

[Jimmy Okello: Gurtong- 11 May. 2016](#)

South Sudan has joined the COMESA Regional Customs Transit Guarantee (RCTG) Scheme after signing the instruments of accession, last week on Thursday. Earlier on the COMESA Secretary General, Mr. Sindiso Ngwenya held a high level meeting with His Excellency, President Salva Kiir and other Stake Holders on the lobbying of South Sudan joining the COMESA. It was decided during the 29th meeting of the Council of Bureaux of the Regional Third Party Motor Insurance (Yellow Card) Scheme in Dar- Es Salaam, Tanzania between 28th -31st October in 2014 and in Kigali, Rwanda, between 28th to 30th October in 2015 that Non Member States including South Sudan be allowed to join COMESA Schemes even without being members. Joining the RCTGs Scheme should not be confused that South Sudan has ratified membership in the COMESA as this can only be

achieved when the President ratifies the protocol on COMESA. Benefits of the RCTGs include; Reduced cost of doing business by eliminating duplication of processes, Reduced administrative costs and regulatory requirements, enhanced capacity of the private and public sector agencies, creation of a mechanism for prevention of smuggling at a regional level, reduced risks associated with non-compliance on the transit of goods, enhanced application of information technology (IT) and data collection at the regional level, realization of economies of scale and optimal use of resources in clearance of goods in EAC. [Also reported by Reuben Mwambingu in Mediamax- 6 May. 2016: South Sudan joins COMESA, in Chronicle- 9 May. 2016: South Sudan joins COMESA regional customs scheme](#)

Juba University risks closure due to lack of funding

[Radio Tamazuj- 11 May. 2016](#)

Juba University Administration is reported to have said the university may be forced to close down due to a funding shortage, according multiple sources that include staff and workers. University workers have not received their

salaries for two months due to lack of financial resources, and there is also a lack of office stationary. Juba University has around 13,000 students across 13 colleges.

Tonj governor says budget shortage holds back service delivery

[Radio Tamazuj- 11 May. 2016](#)

Akec Tong Aleu, Governor of Tonj state, said on Tuesday a budget shortage has not allowed his administration to pay full attention to service delivery and establishment of institutions in the area. Akec explained that the central government in Juba was still trying to find a way to fund the new states which are still sharing the previous budget. In October, President Salva Kiir changed the number of states in South Sudan from 10 to

28, and appointed governors in December. "There are issues which we are seeking the attention of the national government to address. The issue of budget is one of them. This is very important because when there is an issue like insecurity, it requires resources. The security forces needs to have a means of transport. They need cars, they need fuel, and they need food, medicines. All these things need money but now

there is no budget. So the issue of lack of budget is really affecting delivery of services to our people”, explained governor Akec in an interview. Governor Akec said that security was an issue

that his administration wants to address, but the lack of budget has affected its activities, including holding community dialogue.

Will Juba salvage Kenya’s pipeline dream?

[The Nation Mirror- 10 May. 2016](#)

South Sudan is yet to make a decision on its preferred route for transporting its oil, as it awaits the outcome of talks with Sudan over transfer costs. Juba was Kenya’s last hope for a partner on the oil pipeline, following Uganda’s recent decision to take its oil to the market through Tanga port in Tanzania. Kenya’s successful pitching and construction of the pipeline was initially hinged on the volume it expected to move from its oil fields and Uganda. The East African has learnt that South Sudan may not be keen on the pipeline deal with Kenya, instead choosing to play its cards safe as it awaits two

technical committee reports. One of the committees was formed with Sudan early this year over the disputed transfer costs. Stephen Dau, South Sudan’s Trade Minister, who last week held the Petroleum docket, told The East African that he was aware of Kenya’s proposal for the northern route, given that they have been partners under the Lamu Port Southern Sudan-Ethiopia Transport (Laps set) Corridor project, but had not received any official communication over the same from either the Kenya or Uganda following the recent developments.