

29th Apr. – 5th 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. Juba Monitor
3. The National Today
4. The Stance
5. Standard Digital
6. This Day
7. Radio Tamazuj
8. Eye Radio South Sudan
9. Sudan Tribune
10. New Security Beat
11. Xinhua
12. AFK Insider
13. The Exchange
14. Gurtong

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Media

WEEKLY MEDIA ECONOMIC DIGEST SOUTH SUDAN



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PRICES AND MARKETS

South Sudan: Juba Government to Revive Economy in the Face of Weak Currency, Low Oil Prices

Fred Oluoch: [The East African-2 May. 2016](#)

The incoming South Sudan Transitional Government of National Unity will face a major challenge of reviving the economy as a prerequisite for sustaining the peace process. Currently, local production is non-existent; the oil sector, which provides 98 per cent of the government's income, has been hit by a drop in global prices and the civil war; commodity prices have shot through the roof due to the devaluation of the Sudanese pound and the transport sector is suffering from a scarcity of fuel due to hoarding and corruption. 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 neighboring Uganda, Kenya and Sudan. Many investors have left local and regional businesses collapse, while unemployment has increased. Daniel Bol, a dealer in cereals at Juba's main market of Konyo Konyo, is a worried man as he has to pay brokers to get his products across the border from Uganda while the purchasing power of the local currency has gone down significantly. "We are just enduring hardships in the hope that we will survive the hard times and not lose our loyal customers. Our main customers such as hotels and restaurants have significantly reduced their orders to cope with the high prices," said Mr Bol. Also reported in [The Stance- 4 May. 2016: Gov't faces challenges to revive economy](#), in [The National Today- 4 May. 2016: Gov't on Economic revival against weak currency](#)

People are saving less and consuming more

Robert Nyawanda: [The National Today-3 May. 2016](#)

The banking sector has gone through challenges in the last two years in order to meet the customer demands, Paul Gitahi, Managing Director of Equity Bank South Sudan, told the National

Today during an interview last week. He attributed the challenges to the deteriorating economic condition of the market as a result of the market as a result of the prolonged political conflict in the country. "In the year 2014 and 2015, it was difficult because we were not able to facilitate customers in terms of providing hard currency in to facilitate the importation of goods since most of the goods consumed in South Sudan are imported," he said the country, he said, uses the hard currency which is the dollar to import goods in the country, however, the effects

of the conflict and the deteriorating world prices of crude oil made it difficult for Central Bank to provide dollars to the Commercial banks to give the same to customers to import goods. The emergence of the parallel market he said was as a result of the shortage of hard currency in the commercial banks. "Because of serious shortage of dollar, the black market developed where people could sell dollars in the backstreet and the rate moved from 3.16 fixed by the Central bank to about 18 pounds per dollar," he said.

\$300m paid for imports annually, Minister

Oyet Alfonse: [Juba Monitor- 4 May. 2016](#)

Despite the fact that South Sudan has rich agricultural land and one of the largest pastoralists' population in the world, since 2005 the country has been paying almost USD 300 million for importing commodities annually. Stephen Dheiu Dau, who was the Minister of Petroleum and Mining for last five years made this remark in his welcoming ceremony to the Minister of Trade and Industry yesterday. "If I can recall since 2005 up to now, South Sudan is paying not less than \$300 million in turn to get commodities to the people which is a huge amount against only one single commodity; the crude oil," the Minister said. "I have been in the

Ministry of Petroleum for five-years; I know the challenges that are facing the Ministry. We are feeling the suffering of our people because of the drop in the price of oil leading to high prices in the market," the Minister stressed. "Now if the crude oil is not bringing that balance which currency will cater for the \$300 million annually from the goods that are being imported from the neighboring countries and its value to date," he continued. However, Mr Dau stated that the responsibility given to any stakeholders should not be taken lightly adding that the situation is so challenging that all must work to deliver services to South Sudanese population.

BUSINESS

Why Kenyan traders can't ignore South Sudan

Hezron Gikang'a: [Standard Digital- 3 May 2016](#)

South Sudan became the sixth member of the East African Community (EAC) on April 16. President Salva Kiir Mayardit signed an accession treaty and the requisite protocols in Dar es Salaam at an event witnessed by the current EAC chair, Tanzania's President John Pombe Magufuli. This event was poignant in history and

meaning for the region. South Sudan has had a chequered, albeit conflict-prone, history prior to gaining independence in July 2011. Its independence has been wracked by a war that started in December 2013, and that has killed at least 50,000 and displaced two million people. However, there is a silver lining, as a cessation of

hostilities brokered last year gets traction, and a transitional unity government, sworn in last week, gets down to work. The stakes are high, but regional leaders are optimistic that the two main protagonists in South Sudan — President Kiir and former-rebel-chief-turned-vice-president Riek Machar — will respect the terms of

the 2015 agreement. They are also expected to work together to bring the benefits of the ideals of the EAC, and the benefits of regional integration, to the long-suffering people of South Sudan. [Also reported in This Day- 4 May. 2016: Why Kenyan traders can't ignore South Sudan](#)

Port management dispute closes Mingkaman-Bor transport

[Radio Tamazuj- 4 May. 2016](#)

Passengers hoping to take a boat from Mingkaman to Bor have been stranded for the past two days owing to a dispute port managers at Mingkaman and their counterparts in Bor, a local radio station reported. Bor port authorities won't allow boats from Mingkaman to take passengers back from Bor. Mingkaman port manager Magok Chajok explained that Mingkaman wants to host its own boats in Bor to share in the revenues of travels to and from the

two areas, but Bor will not allow this. "We have our boats in Bor but Bor office won't give them chance to transport passengers, so this why we have closed down our port, so we need sharing." Magok blamed the Bor port management for blocking the route. Some passengers at Mingkaman are struggling to cope. "I have spent two days here with my children," said one would-be passenger, noting that the children missed school over the dispute.

ECONOMY AND PUBLIC FINANCE

Reconstruction, economic recovery should be top priority in South Sudan: AU

[Xinhua- 1 May. 2016](#)

The African Union (AU) said post-conflict reconstruction and economic recovery should be top priority in South Sudan as it welcomed the formation of the unity government in the world's youngest nation. Nkosazana Dlamini-Zuma, Chairperson of the AU Commission, has welcomed the appointment, by President Salva Kiir Mayardit, of the Ministers of the Transitional Government of National Unity, in accordance with the provisions of the agreement on the resolution of the conflict in the Republic of South Sudan of 17 Aug. 2015, said an AU statement late Saturday. The Chairperson has hailed the major step, which would greatly facilitate the process of tackling the challenges facing the country. "The horrendous war that raged in the country for over

two and half years has brought about the destruction of the infant economy, social and political paralysis, as well as a dire humanitarian situation," the statement said. "With the establishment of the Transitional Government of National Unity, South Sudan enters the most critical phase in the implementation of the Peace Agreement, in which the consolidation of peace and reconciliation, as well as the undertaking of post-conflict reconstruction and economic recovery in the country, need to be given top priority," the statement said. [Also reported by Denis Elamu in The National Today- 3 May. 2016: Reconstruction, Economic recovery top priority, AU, in The Stance- 3 May. 2016: Reconstruction, economic recovery should be top priority in South Sudan- AU.](#)

S Sudan's finance minister pledges economic reforms

[Radio Tamazuj- 2 May. 2016](#)

South Sudan's finance minister David Deng Athorbei who retained his position in the new government of national unity has pledged economic reforms in the coming transitional period. Athorbei said in statement to the press that overcoming the current economic crisis in the country is the responsibility of the government. He stressed that his government will fight corruption in the coming period, but noted that corruption is a problem everywhere including the west. Athorbei denied long delays

in payment of salaries for civil servants. "This is not right. They get their salaries on time," Athorbei said. He said since he became finance minister there was a delay of only 10 or 15 days in payment of salaries but not for months like some civil servants complain. Also reported in [Sudan Tribune- 5 May. 2016: S. Sudanese minister urges change to tackle economic crisis](#), by Dau Mjok John in [This Day- 4 May. 2016: We will deal with Economic crisis collectively: Minister](#), by Oyet Alfonse in [Juba Monitor- 4 May. 2016: Finance Ministry needs new system](#), Athorbei.

South Sudan's Broken Oil Industry Increasingly Becoming a Hazard

[Wim Zwijnenburg: New Security Beat- 2 May 2016](#)

The environment has long been a factor in violent conflict in South Sudan, especially with respect to control over oil. The first oil was discovered in 1999, and by 2007, hydrocarbons accounted for over 95 percent of Sudan's income. South Sudan became independent in 2011 after years of war with the Sudanese government in Khartoum, intensified by local conflicts over access to oil-rich border areas. But beyond conflict, South Sudanese communities have also been ringing the alarm bell about pollution and health hazards caused by the oil industry. Weak or completely absent regulations affected environmental

conditions prior to independence. Waste water was not processed and drilling chemicals were disposed of in unprotected areas. Indirect environmental effects such as deforestation, poaching, and looting added to the misery. Though the full findings of their research have yet to be published, a report in March by the German NGO, Sign of Hope, estimated that 180,000 people face life-threatening risks from oil-related water pollution. Heavy metals, from leaking pipelines and refineries and damage from fighting, have leaked into the groundwater.

South Sudan's new oil minister says keen to solve economic crisis

[Radio Tamazuj- 4 May. 2016](#)

South Sudan's new Minister of Petroleum Dak Duop Bischok says that members of SPLM-IO in the transitional government are keen to implement the peace agreement and get the people out of economic crisis in the country. Addressing the ministry's employees during a reception ceremony yesterday, Dak said that SPLM-IO is ready to work with the government to overcome the current crisis. He assured them

that he will not fire any employee in the ministry. Meanwhile, the former minister of Petroleum and the new minister of Trade Stephen Dhieu Dau said the transitional government will establish small factories to produce sugar and milk to fight poverty. He encouraged investors to come and invest in the country. Dhieu also stressed that the government will not depend on oil again when the country is blessed with other resources.

Opinions vary on South Sudan joining East African Community

[Radio Tamazuj- 1 May. 2016](#)

South Sudanese opinion leaders have voiced their views on the decision by President Salva Kiir to admit their nation into the East African Community. The East African Community (EAC) is a trade bloc initially founded by three east African countries before expanding its membership to include Burundi, Kenya, Rwanda, Uganda, and Tanzania. Members of the EAC share certain economic and immigration policies for their citizens to promote free movement of Labour, capital, goods and services within the

region. If the decision to join the EAC is ratified by South Sudanese parliament, the country would be obliged to change some of its national laws to allow the full implementation of some aspects of the Common Market such as immigration and customs. Civil society leader Edmund Yakani said parliament should not ratify the treaty to join the EAC. "Let them wait for some time. We are not saying it is bad idea to join but the time is not right," Yakani said during a recent radio talk show.

Will South Sudan Accept Kenya's Pitch to Partner in Oil Pipeline Deal?

[Caroline Njoroge: The Exchange- 2 May. 2016](#)

Following Uganda's recent decision to take its oil to the market through Tanga port in Tanzania, Kenya is now looking the Juba way for a possible partnership. South Sudan however, may not be keen on the pipeline deal with Kenya, instead choosing to play its cards safe as it awaits two technical committee reports. "Prior to the talks on the possible route, we were jointly on the Kenyan route with Uganda, but, once alternative routes came up, we decided to let Kenya and Uganda negotiate then we can join later on. Once we have a proposal, our technical teams will meet and advise on the right way forward," said Mr Dau, South Sudan's Trade Minister. Stephen Dau,

who last week held the Petroleum docket, added that he was aware of Kenya's proposal for the northern route, given that they have been partners under the Lapsset Corridor project, but had not received any official communication over the same from either Kenya or Uganda following the recent developments. In late January, Sudan offered a fee cut to South Sudan, which culminated into a meeting between the two countries in February. [Also reported by Kevin Mwanza in AFK Insider- 3 May. 2016: Africa Oil & Gas- South Sudan may not be keen on Kenya's pipeline deal](#)

E. Africa bloc hails peace efforts in South Sudan

[Xinhua- 29 Apr. 2016](#)

The Intergovernmental Authority on Development (IGAD) has congratulated the people and government of South Sudan on the momentous occasion of the starting point of the formation of the Transitional Government of National Unity (TGNU). South Sudan's rebel leader Riek Machar was sworn in as First Vice-President on Tuesday in Juba, capital of the

world's youngest nation. The East Africa regional bloc has expressed its admiration and gratitude to the two parties, including the former detainees and all other stakeholders, who have worked tirelessly to make the day a reality, according to a statement from IGAD on Wednesday. Mahboub Maalim, IGAD Executive Secretary, said the day marked an important milestone in the long walk

towards sustainable peace and stability for South Sudan. "The mood of despair and mistrust has once again been replaced by a light of hope and optimism," he said, adding that member states of IGAD will redouble their support and continue to demonstrate unswerving solidarity with South

Sudan. The Executive Secretary urged the South Sudan leadership within the government and opposition to continue demonstrating resolve and commitment in implementing the peace agreement.

S. Sudan ex-minister calls for global mediation over oil charges with Sudan

[Sudan Tribune- 5 May. 2016](#)

South Sudanese outgoing oil minister has criticized the government of neighboring Sudan for allegedly backtracking from its initial positive gesture to renegotiate the charges for using its territory to export crude oil from South Sudan to the international markets. "There has not been any significant progress in the negotiation, even though the starting was a positive gesture," said Stephen Dhieu Dau, South Sudanese outgoing oil minister. Dau revealed that Sudan has notified his ministry of its decision to confiscate crude to pay itself of the entitlements which his country owes Sudan in payment for use of its territory. "They

have notified us that they will pay themselves in kind if they are not paid their dues. I took this matter to the council of ministers and it was agreed that we should initiate contacts with our regional partners, the African Union and the stakeholders to help us address this issue," he said. Following the huge fall of oil prices in the international markets and upon a request from his South Sudanese counterpart, the Sudanese President Omer al-Bashir last January directed to review oil transit agreement signed in September 2012.

Joint committees between Khartoum, Juba to review oil transit fees

[Radio Tamazuj- 5 May. 2016](#)

Sudan's Ministry of Petroleum announced formation of joint committees with South Sudan to review oil transit fees through Sudanese territory signed by the two countries. Sudanese President Omar al Bahir ordered in January the review of the cooperation agreement with Juba following South Sudan's government calls to do so amid a drop in worldwide oil prices. Sudan's oil minister Mohamed Zayed Awad said in

statement to Sudan News Agency that negotiations are ongoing between the two sides about the transit fees which are expected to end this year. He said he expected the situation in South Sudan to stabilize after the formation of the transitional government which will lead to resumption of oil production in Bentiu oil fields which have shut down since the war began.

EU: End mismanagement, corruption to address country's economic crisis

[Aurelious Simon Chopee: The Nation Mirror- 3 May. 2016](#)

The European Union Delegation has underscored the need to end mismanagement and corruption by South Sudan leaders as prerequisite to addressing the country's economic hardship. EU

High Representative Federica Mogherini and EU Commissioner for Humanitarian Aid and Crisis Management Christos Stylianides yesterday issued a joint statement to applaud the formation

of the Transitional Government of National Unity, announced by President Salva Kiir Mayardit on Thursday evening. They said although the formation of the government has been long overdue, it is never the less a welcome move to address the challenges that the country

and her people are going through. "The people of South Sudan deserve a peaceful and secure future after many years of conflict. The formation of the Transitional Government of National Unity in South Sudan on 29 April is therefore a welcome development" the joint statement read is part.

Yei town government calls for direct funding from national budget

[Radio Tamazuj- 5 May. 2016](#)

The Mayor of Yei Municipality is calling for the inclusion of funds for the municipal council in the national government budget to ease service delivery to the people. According to Mayor Cosmas Bidali Wori-Kojo, Yei municipality is hosting a population of more than 500,000 that requires extra support from the national government. Bidali says the huge population is exerting pressure on the existing few services provided by the municipality and other partners. He says that the national government's policy of "cash transfers" is only benefiting county

projects. "Since the creation of the municipality up to today, we are not part of the local governments benefiting from the national government's money transfers for service delivery at the local government level," he said. "We as Yei Municipality should be included in the national government funding to enable us have the strength of delivering services to the people in our front." The mayor's statements come after elders and chiefs in Yei town last month wrote a joint petition to the state governor accusing the municipality of failing to deliver services.

Sudanese Farmers to Invest In Agriculture in Aweil State

[Agoth Abraham: Gurtong- 29 Apr. 2016](#)

A delegation of Sudanese investors arrived Aweil State earlier this week to discuss bilateral talks on ways of investing in the State. The delegation expressed willingness of investing in the Agricultural sector while they explore other opportunities of investments. While agreeing to the contents of Memorandum of Understanding (MoU) and Terms of References (ToR) for the investment, the delegation was led by the Governor of Aweil State, Ronald Ruay Deng to Udhum Sorghum projects for a tour. Ruay was accompanied by the assembly Speaker, Deng Ayom and farmers from Rezeigat. Speaking at

the site, Ruay appreciated the foreign farmers for encouraging Agriculture in the rural places. Ruay said 500 feddans was this week ploughed using one tractor. He thanked the Rezeigat farmers, in particular, Chief Muhamed Madi Bahakit for travelling from Darfur to invest and share the ideas, knowledge and experiences with local farmers in Agriculture and Animals Husbandry in Aweil State. He said the Introduction of varieties of seeds also is worth much of importance to the living condition of the local population in the fertile soil which will let communities sustain their lives in a balanced way.

Invest In National Partners for Better Aid Delivery in South Sudan: Agencies

Peter Lokale Nakimangole: [Gurtong- 29 Apr. 2016](#)

"... In the context of protracted crises and difficult conflict environments, local and national actors have a fundamental contribution to make. This includes the churches, which have played a valuable role in bridging the gap between the humanitarian system and communities." The international humanitarian community needs to draw more on the abilities of local organisations in South Sudan to ensure a more effective response to the humanitarian crisis, said four agencies in a joint report launched today. South Sudan faces one of the world's most dire humanitarian crises owing to two years of brutal war that has left 2.3 million people displaced and at least 2.8 million severely food insecure. In the report, 'Missed Out: The role of local actors in

humanitarian response,' Christian Aid, Oxfam, Tear fund, and CAFOD and Trocaire in Partnership are calling for international organisations in South Sudan - including donors and the UN - to adapt the humanitarian system and do more to support local and national organisations. This includes reviewing funding streams, investing in capacity, and firmly embedding the role of national actors in the humanitarian system. The agencies said South Sudan demonstrates clear lessons for how to approach a more effective humanitarian response globally, illustrating that only a response involving and strengthening national actors can be truly effective and sustainable.