

23rd Sept. - 7th Oct. 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. Radio Tamazuj
2. Standard Media
3. Eye Radio South Sudan
4. All Africa
5. The Fast Mode
6. All Africa
7. Voice of America
8. PR Newswire
9. KITCO
10. News Ghana
11. Argus Media
12. Reuters
13. Sudan Tribune
14. Gurtong
15. Bloomberg
16. The East African

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WEEKLY MEDIA ECONOMIC DIGEST SOUTH SUDAN



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PRICES AND MARKET

Kenyan traders hit hard by currency fall in South Sudan

Moses Michira: [Standard Media- 4 Oct. 2016](#)

Abel Kidambi knows too well the impact of the slump of the South Sudanese currency on his young family living in Kitale. Three years ago, he would afford to send home Sh100,000 a month earned from his eateries. But today, he struggles to send Sh30,000 even though business is still vibrant despite the recent shocks in Juba occasioned by political wrangles. "Times have changed very significantly for me and I think it has everything to do with the depreciation of the money here," Mr Kidambi told The Standard at the Konyokonyo, the biggest market in Juba city. Shortage of dollar inflows relating to disruption on the production of crude oil and withdrawal of the support of the international community has caused the sharp depreciation of the South Sudan Pound. The fall has been compounded by the fact that hardly any commodities including vegetables are produced in the country of about 11 million – traditionally pastoralist community. The South Sudan pound is said to have depreciated by 85 per cent. The exchange rate for pound per US dollar declined to 18.5 pounds a dollar on exposure to market forces of supply and demand, down from a rate of 2.96 pound to the dollar. The few dollars that come into the country are still spent on paying for imports, key among them being fuel for motoring and electricity generation. A free fall on the value of the pound means that traders like Kidambi struggle to find dollars to pay for supplies, and in the end weaken their profits as they cannot pass over the entire cost to the consumers who are equally hurt.

Juba citizens complain of rising prices of commodities at market

Radio Tamazuj- 3 Oct. 2016

Citizens in South Sudan's capital Juba have complained of the sharp rise in the price of consumer goods at the market. Speaking

to Radio Tamazuj, many citizens expressed their concern about the poor economic condition in which they live, as some revealed that prices in the market are increasing dramatically every day. The complaining residents reported that the price of a sack of sugar has increased from 180 SSP to 3,000 SSP, and a sack of flour has shifted

from 110 SSP in the past to 2,000 SSP, while the small sack of onions rose from 200 to 4,000 SSP and the big sack of onions become 10,000 SSP. For their part, several traders attributed the problem to increasing prices of the US dollar at the market, besides the insecurity fears along the Juba-Nimule road.

Yei gets fuel

Daniel Friday: [Eye Radio South Sudan- 3 Oct. 2016](#)

Fuel trucks have started arriving in Yei River town, where some institutions had suspended operations due to shortage of diesel. Insecurity along major roads linking the state to the neighbors had prevented business companies from supplying fuel to the area. Last month, the Yei Teachers Training College, Kagelu Forestry Training Centre and Emmanuel Training College suspended their activities due to fuel shortage. Yei Crop Training center also suspended its

education service until further notice. After the trucks arrived yesterday, many refilling stations have resumed operation. "The gas stations in Yei are all open and both petrol and diesel are available," said Mohamed Ahmed oil dealer. "We hope for peace and stability to prevail to continue with our business." A litre of petrol currently costs 75 Pounds, a sharp drop from 250 Pounds in the black market.

2,000 Ugandans in Juba Market Face Eviction

Andrew Bagala: [All Africa- 23 Sept. 2016](#)

At least 2,000 Ugandans operating in the second biggest market commonly known as Owino II in the South Sudan's capital Juba are facing eviction after one of the landlords cancelled a 14-year lease and took over management. The Ugandan traders told Daily Monitor that they signed a lease agreement with some South Sudanese landlords led by Sultan Ladu for a 14-year lease at Gumbo in Juba but have now turned around after business in the market picked up. Mr Iddi Mutebi, the chairperson of the Ugandan traders in Owino II, said they are worried their members are going to lose property and money because of the illegal

take over. "Last Friday, they closed our office and took over management. On Monday, we petitioned the South Sudanese Attorney General and halted the entire process. We are worried that any time they are going to come back," Mr Mutebi said yesterday. In 2013, at least 2,000 Ugandan traders contributed funds and acquired land on which they built shops and stalls in the new market after they secured a 14-year tenancy. Ugandan traders said a group of South Sudanese operating under a company called Kadala want to even own the stalls built by Ugandans.

Hotels struggling for survival in Juba: Official

[Radio Tamazuj- 29 Sept. 2016](#)

Salah Rajab Bandouqi, Information Minister in the proposed Jubek State says many hotels in Juba are struggling to provide services due to unpaid debts by the government, besides the increasing prices of the US dollar in South Sudan. In a press conference yesterday, Bandouqi said that several hotels demand huge amount of money from the government, saying Regency Hotel now needs an amount of 25 million South Sudanese pounds from

the government. The state government official pointed out that some hotels are unable to pay its staff due to a lack of money, while accusing some hotels of operating without any work permits from the state government. The minister pointed to a possible shut down of some hotels in Juba at any time due to financial problems. However, Bandouqi promised to find solutions to the problem.

Leading ISP in South Sudan Invests in O3b Networks Capacity Upgrade and Diversity Solution

[The Fast Mode- 6 Oct. 2016](#)

O3b Networks recently announced an agreement with RCS-Communication, a leading Internet Service Provider (ISP) in South Sudan, to more than double their bandwidth capacity over the next two years and to implement the first O3bPerformance Services site Diversity solution. RCS became one of O3b's pioneering clients when they signed a long-term contract in 2013 (prior to the launch of O3b's first satellites) and became the second African business to use the O3bTrunk product when the service was commercialized in October 2014. RCS uses O3bTrunk to connect their WiMAX and High

Throughput PtMP networks in the capital, Juba, to the internet. Despite the country's current challenging times, RCS has nearly exhausted their contracted capacity as demand for bandwidth continues to increase. With this upgrade, RCS will be the first customer to implement the site Diversity solution, the first of O3b's solutions to leverage its software defined networking (SDN) platform for intelligent switching across multiple satellite links and part of a suite of O3b Performance Services, said O3b Networks.

South Sudan: Ugandan Traders Return to Juba As Calm Prevails

[Risdel Kasasira and Peter Mwayi: All Africa- 3 Oct. 2016](#)

Ugandan traders who had fled fighting in South Sudan are going back to Juba after normalcy returned to the Africa's youngest nation's capital. They have re-opened their shops in Konyokonyo and Gumbo markets, which had closed when the fighting broke out between forces loyal to President Salvar Kiir and his former deputy Riek Machar in July.

Business back to normal

Mr Tom Mujasi, a grocer in Konyokonyo market told Daily Monitor that many Ugandans started going back to Juba starting early this month. "We had come back because the fighting ended. Business is slow but slowly picking up," he said Food stalls in Gumbo market, which is run by Ugandan traders, have reopened. Traders say ambushes along Juba-Nimule road have reduced after government deployed more troops on the road which is the main supply route to Juba.

Militias allied to Dr Machar were ambushing Ugandans travelling to and from Uganda especially around Magui.

Peace prevails: The Ugandan ambassador in South Sudan, Maj Gen Robert Rusoke told a team of Ugandan and Kenyan journalists on Friday that

Juba is now calm and the security situation is improving. "It's calm. We see normalcy and the government is seen to be working to bring the peace agreement on course. Of course with support from the region and the international community," he said.

Nespresso Again Halts Coffee Operations in South Sudan

[Voice of America- 4 Oct. 2016](#)

Nestle's Nespresso brand said it had halted coffee operations for now in South Sudan, where opposition leader Riek Machar has called for a return to war against the government. "We had to temporarily suspend our operations in the country. It is the third time this happened since we started working there," Nespresso spokeswoman Jacquelyn Campo said Tuesday, confirming a report in the Wall Street Journal. "The situation has deteriorated and is very difficult at the moment," she said, adding it was impossible to say when the company would be able to resume business there. The premium coffee brand started working with local farmers in South Sudan in 2011, in partnership

with the nonprofit organization TechnoServe, to revive coffee production that had been destroyed by years of armed conflict. It launched a limited edition Robusta coffee from South Sudan one year ago. South Sudan split from Sudan in 2011 after decades of civil war fueled by ethnic divides and disputes over oil, but internal conflicts and political power struggles have persisted, with fresh clashes flaring in July. [Also reported by Lausanne in PR Newswire- 4 Oct. 2016: Nespresso and Local Coffee Farmers in South Sudan Progress in Rebuilding Coffee Industry, in KITCO- 4 OCT. 2016: Nespresso temporarily halts coffee operations in South Sudan](#)

South Sudan shuts down newspaper for security reasons

[News Ghana- 26 Sept. 2016](#)

The South Sudan government has shut down a daily newspaper for security reasons, Information Minister Michael Makuei confirmed to Xinhua. Makuei confirmed to Xinhua that the newspaper was closed due to security reasons. "This paper has been a long-time national security threat, prompting government and security operatives to issue a decision of closure from the effect of Wednesday," Makuei said. The newspaper's editors said the closure could be linked to the publication of a report on corruption from The Sentry, a U.S.-based organization. Editor Aurelious Simon Chopee told Xinhua on Thursday that the paper was ordered to cease publication with immediate effect. Chopee said the National

Security Service had summoned the newspaper's editorial team to its office where they accused the paper of indulging in activities that are not compatible with its status. The Sentry report accused leaders on both sides of South Sudan's civil war and their families of profiting from the conflict, amassing fortunes. President Salva Kiir and opposition leader Riek Machar have denied the charges through their spokesmen. It is the second time the newspaper has faced closure. In 2015, it was closed down for nine months when it reported the withdrawal of government troops from the northern part of the country during the civil war that erupted in late 2013.

South Sudan targets 360,000 b/d

[Argus Media- 6 Oct. 2016](#)

The government of South Sudan is targeting production of 360,000 b/d "in the next one to two years", a senior official told Argus. Director of mining at the ministry of petroleum and mining Arkangelo Okwang Oler said some 165,000 b/d is currently being produced from fields in the Upper Nile region and that there are plans to resume output from fields in Unity state. He said authorisation had been given to advertise for contractors to refurbish damaged oil pumps and the advertisements would be published before the end of the year. The current output level is no higher than that achieved in May, suggesting earlier hopes of reaching 200,000 b/d by the end of this year may be dashed. The official earlier confirmed that South Sudan remains interested in the possibility of exporting crude through the

proposed Uganda-Tanzania export pipeline, removing its current total dependence on Sudanese pipeline and terminal infrastructure for exports. In August, Sudan and South Sudan extended an agreement that allows Juba to export its crude through the north. But key issues, notably the transit fees Juba pays Khartoum, remained unresolved. Juba pays \$24.10/bl to use the Petrodar pipeline, which includes a \$15/bl charge that goes towards repaying debt. South Sudan produced as much as 350,000 b/d after it gained independence from Sudan in 2011 but output has been constrained since internal conflict broke out in December 2013 between factions loyal to President Salva Kiir and those who backed his former deputy turned rebel leader, Riek Machar.

World Bank cuts Uganda's GDP forecast, citing South Sudan

[Elias Biryabarema: Reuters- 6 Oct. 2016](#)

The World Bank cut its 2016/2017 growth forecast for Uganda on Thursday to 5.5 percent from 5.9 percent, citing the impact of South Sudan's conflict on its exports and sluggish investments due to slower economic activity globally. South Sudan is one of Uganda's major export markets but roads between the two countries have been unsafe since an eruption of violence in South Sudan in July. "The current economic forecast ... is ... mainly because the economy has responded less strongly to the post-election monetary easing, as investments remain sluggish under a slower global economy and the negative impact of the South Sudanese conflict on Uganda's exports," the bank said. However, a rebound in activity in the construction sector, driven by aggressive public infrastructure investments will

offset the effects of a "weak external sector" and return growth to above 6 percent in the 2017/2018 July to June fiscal year, the bank said in an emailed response to Reuters questions. Ugandan officials have said a quicker pace in oil-related investments as the country prepared to start crude oil production in 2020 will also help accelerate growth. Crude oil was discovered in Uganda 10 years ago but commercial production has been repeatedly delayed by spats over taxation and disagreements over development strategy. This year the government has given out new exploration licences and also production licenses to operators including Total, Tullow Oil and China's CNOOC. [Also reported in KITCO- 6 Oct. 2016: World Bank cuts Uganda 2016/2017\(July-June\) growth forecast](#)

S. Sudan Lakes state closes down accounts with Kenya bank

[Sudan Tribune- 7 Oct. 2016](#)

Authorities in South Sudan's Lakes state have instructed ministers operating government bank account with the Kenya Commercial Bank (KCB) to immediately close them down. The state minister of finance, trade and industry, Daniel Gumwel Nhomabur, has confirmed receiving the new abrupt instruction from the national government in Juba. No explanation was given to the state government about the decision by the national minister of finance and economic planning to close down the governments accounts with the KCB. Minister Nhomabur further explained that the directive further said all government accounts are to be opened in the Ivory Bank with effect from October. "We are told by national ministry of finance in Juba to close

down all our government accounts [in] KCB [Kenya Commercial Bank]. These instructions are from top authorities in Juba and we have to respect them. All government institutions must open new bank accounts with Ivory Bank with effect [from] this month," said the state finance minister, Nhomabur. However, KCB Rumbek's branch manager, John Makoi Marial, said although the bank has received the notification to close down the government accounts, there was still a discussion going on to resolve the matter. He also revealed that the government has taken huge loans of money from the KCB and also some individual senior government officials took loans from the bank which they have not yet repaid.

Governor Introduces Household Tax in Wau

[Gurtong- 7 Oct. 2016](#)

The Governor of Wau State, Andrea Mayar Acho has asked all County Commissioners in his State to introduce household tax collection as part of mobilising County development funds. He said that that the local government is gearing up to train the newly appointed County Commissioners on how to mobilise their own development funds without relying on the national government. "Since 2005 until now, the government has not been collecting tax from the communities but now you have the right to tax them," said Acho. "If you are only taking two bags of groundnuts to the market, you are lucky but twenty bags above

should be taxed by the County administration," he said. "This does not mean that the State government is not supporting the Counties but imposing tax is a must in the County," he said. Governor Acho also called on the Commissioners to begin developing projects and present them to the State operating organisations for more support. "We have many organisations here in the State that are working closely with the Counties for development, therefore, you have to develop your development projects and ask them for support," said the Governor.

Sudan, South Sudan agree to extend agreement on debt apportionment

[Sudan Tribune- 7 Oct. 2016](#)

Khartoum and Juba on Thursday have agreed to extend the deadline of the "zero option" agreement on the apportionment of debt between the two countries for the second time.

Sudan inherited the entire external debt that existed prior to the secession of South Sudan in 2011. Both sides decided to reach out to creditors to obtain debt relief and if that fails will sit down

to see how it can be divided using the "zero option". In September 2012, Sudan and South Sudan signed the "zero option" agreement under which Sudan would retain all the external liabilities after the secession of South Sudan, provided that the international community gave firm commitments to the delivery of debt relief to Sudan within two years. Absent such a commitment, Sudan's external debt would be apportioned based on a formula to be determined. In 2014, Juba and Khartoum agreed to extend the "zero option" deadline for another 2 years till October 2016 in order to avoid

immediate apportionment of debt between the two countries. Sudan's Finance Minister Badr al-Dain Mahmoud met with his South Sudanese counterpart Stephen Dhieu Dau on the sidelines of the annual meetings of the International Monetary Fund (IMF) and World Bank Group (WBG) in Washington on Thursday. According to the official news agency (SUNA), the two ministers agreed to extend the "zero option" agreement and the work of the joint committees besides the banking correspondence to facilitate the flow of business operations between the two countries.

S. Sudan Cabinet approves over SSP 22bn annual budget

[Sudan Tribune- 7 Oct. 2016](#)

The South Sudanese cabinet on Friday approved a 22bn South Sudanese pounds budget for the 2016 and 2017 fiscal years. The Council of Ministers deliberated on the budget after it was presented by finance minister, Stephen Dhieu Dau following weeks of thorough discussions on how it was spent by individuals and institutions before it is taken to the cabinet for more scrutiny and approval by the executive. The budget will now be presented to the transitional national legislative assembly for deliberations at legislative level. This year's budget, compared to last year's budget which was over 10 billion Pounds, has doubled. South Sudan's Minister of

Cabinet Affairs, Martin Elia Lumoro told reporters in the capital, Juba that differences in the budget was dictated by projects and programs. He said peace implementation and new institutions like new ministries, which were created, like the office of the first vice president and the ministry of federal affairs require a budget to boost their establishments. Lumoro did not, however, reveal which areas or sectors have been prioritized in the budget, although security and defence sectors continue to lead in the order of prioritization in the budget, taking up to 40% of the money. The budget was initially proposed at 29.6 billion South Sudanese pounds.

Uganda to pay S Sudan \$41m debt

[Memoscar Lasuba: Eye Radio South Sudan- 23 Sept. 2016](#)

The government of Uganda has agreed to pay, on behalf of South Sudan, a 41-million-dollar debt to Ugandan companies. The Ugandan traders supplied goods and services to the government of South Sudan but were not paid due to outbreak of conflict in December 2013. Before the conflict erupted, the group of 24 Ugandan companies under their umbrella

organization; Uganda South Sudan Grain Traders and Suppliers Association have lodged a case at the Commercial Division of the High Court, seeking for a declaration that the refusal of the South Sudan government to pay them as per the Memorandum of Understanding with Uganda is unlawful. However, 2 years ago, South Sudan entered into a mutual agreement with the

Ugandan government to pay the debts owed to the 22 companies, which amounts to around \$45 million. According to the NTV, this followed an agreement between the government of Uganda and South Sudan, with Juba reportedly agreeing

to pay it back after the country stabilizes. However, the Ugandan Parliamentary committee said some of the companies were irregularly added to the South Sudan bailout list and do not deserve to be paid.

Juba solar power project disrupted by conflict, says minister

[Obaj Shago: Eye Radio South Sudan- 7 Oct. 2016](#)

The Minister of Electricity in the transitional government says plans to have a 24-hour supply in Juba by December have been disrupted by the conflict. Dr Dhieu Mathok Diing says foreign companies had pledged to provide money for plan, but they fled the country when violence erupted in Juba in July. Dr Dhieu says the plan was to have a solar power supply. He told Eye Radio that there were four international companies, which he didn't name- that had submitted their proposals for the electricity projects. "As you know, the economy is connected with the security, and I want to show one example as the minister of electricity – it is that since I came to the ministry I was having

aspiring projects and I was working that at least by December Juba town will have available 24 hour power supply," Mr Dhieu said. "I had got offers from many people; from companies; they were happy to continue with us but when the fighting erupted in 8th July, those companies have run. When I returned to the office I was receiving notification of their evacuation," he said. Dr. Mathok is leading a South Sudanese delegation attending an international conference on renewal energy in India. He says the four-day conference, which brings together more than 1,000 companies worldwide, will focus on solar power.

South Sudan could ban aircraft more than 20 years old, WFP says

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

South Sudan's government has indicated that aircraft manufactured 20 years and older will not be allowed to fly in the country, according to a report from the World Food Program. The order "would have an impact on WFP, UNHAS, and Logistics Cluster fleets," WFP said. "All aircraft contracted by WFP undergo rigorous safety checks and follow United Nations Aviation Safety Standards." Recently, WFP has faced a number of logistical constraints in the country, ranging from trucks stopped at the border of

Uganda to flight clearances being delayed. In August, flights from Ethiopia were temporarily banned from entering the country because of additional security constraints. Government officials have not spoken specifically about the constraint on airplanes manufactured more than 20 years ago, but have said that the additional constraints are to ensure safety. Roughly five million people are facing food insecurity in South Sudan, according to UN agencies.