

28th Jul.-12th Aug. 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. Radio Tamazuj
3. Daily Monitor
4. The East African
5. New Vision
6. Reuters
7. Xinhua
8. Standard Digital
9. Upstream
10. The Standard
11. Associated Press
12. Nyamilepedia
13. Eye Radio South Sudan
14. China.org.cn
15. The East Africa Monitor

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WEEKLY MEDIA ECONOMIC DIGEST SOUTH SUDAN



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PRICES AND MARKET

S. Sudan inflation rises 600 percent in past year due to soaring food prices

[Radio Tamazuj- 8 Aug. 2016](#)

South Sudan's inflation rate increased 661.3 percent during the past year, the government reported today. It is the latest news of financial hardship for South Sudan, which has experienced economic free fall this calendar year. The skyrocketing inflation rate was almost exclusively due to a spike in the price of food and non-alcoholic beverages, according to data released by the National Bureau of Statistics. In the past month alone, the price of goods has increased nearly 80 percent across the country. The value of the SSP has also plummeted since the country decided to devalue its currency in December 2015. One dollar used to yield three SSP, but due to a combination of corruption and diminishing foreign reserves, the Central Bank was forced to abandon its peg. On Monday, one dollar yield sixty five South Sudanese pounds. [Also reported in Reuters- 8 Aug. 2016: South Sudan inflation surges to more than 600 percent in wake of conflict, in Xinhua- 9 Aug. 2016: South Sudan's inflation doubles to 661.3 pct in July, in Sudan Tribune- 11 Aug. 2016: Sudan inflation rate rises to 16.5 percent in July](#)

Maban official complains of soaring food prices at market BUNJ

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

The commissioner of Maban County in South Sudan's Upper Nile State has complained about increasing prices of consumer goods at the market as the local currency dropped to its lowest level against the US dollar. Speaking to Radio Tamazuj, Luk Sadallah Deng said the main road between Maban and Renk which supplies his county with food items has also been cut off by rains, causing rising prices of essential commodities at the market.

Joint committee to assess market before price-fixing order in Kuajok town

[Radio Tamazuj- 8 Aug. 2016](#)

Local authorities in the proposed Gogrial State on Friday set up a joint committee involving local traders to assess the market before a fixed prices order is issued. This comes following soaring prices of food and non-food items in Kuajok town. Adior Kuol Amum, information minister, told reporters that the joint committee's report will help them to adjust prices in a way that will not affect businesses and citizens. "Food commodities remain high although the government has exempted taxes from food commodities in March this year. So each trader is selling at his or her own prices and prices are increases all the time" said Adior. "If you go to

the market in the morning you find different prices likewise to the evening. This has become a problem to every citizens whether ministers or ordinary people, this has affected all of us and especially those without any job" she added. For his part, Akech Mayar Akok, chairperson of traders union, said all foreign traders should start to import goods and resell them to the local traders at wholesale prices. "The foreign traders who are supposed to be the ones to go to Uganda and import goods, they don't go but instead they buy goods from the local traders and resell them to customers at higher prices in the market.

Civil society organization expresses concern over food shortage in Yei town

[Radio Tamazuj- 8 Aug. 2016](#)

A leading civil society organization has expressed its deep concern about acute shortages of food supply due to security fears in the proposed Yei River State. The Community Empowerment for Rehabilitation and Development (CEFORD), said many families sleep without eating food due to soaring food prices at the market, while warning against a humanitarian disaster if the situation continues as such without any solution. Mawa George, CEFORD's Executive Director, told Radio Tamazuj that children, women and the elderly will die of hunger if nothing is done. "We are already seeing a danger if nothing is done in

the months of August and September "said Mawa. "Our call is that there is need urgently to stabilize the security situation so that this current economic hardship is brought to an end" he added. Mawa revealed that armed security organs impose restrictions on traders from Morobo, Lasu, Lainya and Tore areas, affecting food supply to vulnerable citizens. The civil society activist added that local residents are fleeing daily to refugee camps in Uganda due fears of hunger if there is no peace and stability in the area.

Sudan war pushes down tomato prices as farmers incur losses

[Fred Muzaale: Daily Monitor- 3 Aug. 2016](#)

With renewed conflict in South Sudan, which is a vibrant market for various commodities from Uganda, farmers and traders are already feeling the pinch. This is because the prices for most foodstuffs, such as tomatoes, which they export

up to Juba, have dropped, as the market can no longer be accessed.

Created a monopoly

John Ntege, a tomato farmer in Bwetyaba village, in Kayunga Sub-county, Kayunga District, says the prices which rose in June to

Shs170, 000-Shs200,000 a box, fell after the war broke out in South Sudan. The price for a box of tomatoes now ranges from Shs50,000 to Shs80,000. "The conflict in South Sudan cut off our main export market, creating a monopoly for

traders from Kenya and a few local traders, who have since exploited us by lowering the prices," notes Patrick Musaaazi, another tomato farmer in Bukolooto, Kayunga District.

Citizens inside Malakal PoC report increasing prices of goods

[Radio Tamazuj- 9 Aug. 2016](#)

Citizens in the UN Protection of Civilian's Site (PoC) in Malakal town in South Sudan's Upper Nile State have complained about soaring prices of commodities at the market within the site. Mary Adwok, a displaced woman sheltering inside the UN base, told Radio Tamazuj that they were experiencing harsh humanitarian conditions due to increasing prices of essential commodities inside the camp. Adwok explained that the prices of other commodities such as meat, onions, and sugar are increasing these days. "A price of one kilo of meat has increased

from 40 SSP to 70 SSP while a pound of sugar costs 60 SSP," she said. The displaced women pointed to scarcity of some essential commodities such as cooking oil and onions at the market. She revealed that the internally displaced persons need to buy other food items at the market, saying aid assistance given to them by humanitarian organizations was inadequate. For his part, John Deng, a local trader inside the camp, attributed the creasing prices to the closure of roads leading to the UN camp following clashes in Juba.

Bentiu traders hike prices

[Sudan Regan Tut: Eye Radio South Sudan- 12 Aug. 2016](#)

Traders in Bentiu, Northern Liech, say bad roads have forced them to increase the prices of goods in the market. The Chairperson of the Traders' Union, William Chang Dador, says most of the roads are impassible making it difficult to transport commodities from Juba to the area.

For them to transport goods to Bentiu, they have to airlift them, which Mr Chang says is costly. "There are lots of charges from the owners of the plane. One kilo is charged at 120 South Sudanese Pounds [to be transported] from Juba to Bentiu," he explained.

Why Melut market is likely to close down

[Nichola Mandil: Eye Radio South Sudan- 12 Aug. 2016](#)

The main Melut market might close down indefinitely due to scarcity of basic commodities, the county Chamber of Commerce has said. Thon Anei Bior, chairman of the Chamber of Commerce in Melut, says goods are very expensive due to exorbitant taxes lavished on traders by the government. He also says goods that used to come from Sudan at reduced prices have been cut off due to the fact that roads

between Melut and Sudan are impassable during this rainy season. "We are urging the government to ensure that goods are not just concentrated in Juba; they should be transported to the states because we have airports," Mr Anei stated. Mr Anei says once goods arrive in Melut, the chamber of commerce would distribute them to Renk, Paluch, Akoka, Maban and other areas in the state.

Trade between Kampala and Juba nearly halted after insecurity

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

Trade between Juba and Kampala has nearly halted after recent fighting in South Sudan, the deputy chairperson of South Sudan Chamber of Commerce Lado Lukak said on Sunday. "There are only one or two vehicles which enter everyday but I don't know the reason for why not the trade movement has not resumed until now" Lukak said. Speaking to Radio Tamazuj, Lukak said they don't have an office in Nimule to

conduct further investigations. The prices of goods in Juba have continued to rise amid shortages due to looting of some shops and markets during the fighting. Insecurity on the Juba- Yei road has also contributed to the lack of supplies coming into the country, and the decreasing value of the South Sudanese pound has also made goods more expensive.

Kenyan banks in South Sudan most profitable despite turmoil, says CBK

[Patrick Alushula: Standard Digital-8 Aug. 2016](#)

Kenyan banks got more money from subsidiaries in South Sudan than elsewhere despite the challenging business environment. Data compiled by Central Bank of Kenya (CBK) shows subsidiaries operating in South Sudan accounted for 33 per cent of the total profits, although only three banks have operations there. This means that of the Sh8.4 billion profit before tax that banks got from subsidiaries in Uganda, Tanzania, Burundi, Rwanda and South Sudan, about Sh2.8 billion was realized from South Sudan. This, according to CBK, demonstrates good business

potential in South Sudan despite the volatile political environment that has made the business situation tough. Tanzania, which has attracted seven banks with a branch network of 96, accounted for 26.9 per cent (Sh2.3 billion) of the gross profit from subsidiaries. Rwanda, which has four Kenyan banks running 55 branches, only made only Sh1.8 billion. CBK data further shows three subsidiaries registered losses in various countries in the region compared to four in the previous year.

EABL profits up 7pc as govt cuts tax

[James Anyanzwa: The East African- 30 Jul. 2016](#)

Regional beer maker East African Breweries Ltd (EABL) recorded 7 per cent growth in net profit for the full year ended June 30, 2016, despite challenges in some key markets such as South Sudan, Burundi and the Democratic Republic of Congo. The brewer's profit after tax climbed to Ksh10.3 billion (\$101.5 million) from Ksh9.6 billion (\$94.6 million) the previous year, largely helped by growth in sales of spirits and the low-end Senator keg, after the Kenyan government

reduced taxes on the brand. However, the loss of business in war-ravaged South Sudan, excise duty increase in Kenya and forex losses in Uganda and Tanzania left net sales flat at Ksh64.3 billion (\$634 million). Last year, a 43 per cent excise duty increase on beer and 46 per cent on spirits in Kenya dampened the brewer's performance in the second half of the financial year (January-June 2016). EABL, which is listed on the Nairobi Securities Exchange, succumbed

to a Ksh1 billion (\$9.85 million) forex loss in South Sudan owing to the depreciation of the South Sudan Pound. "We realized solid performance in

a volatile environment. This growth was driven by Senator and spirits," said Charles Ireland, the group's managing director.

South Sudan crisis: Arua forex outlets hit hard

[Obeti Okuga Robert: New Vision- 29 Aug. 2016](#)

Foreign exchange business outlets in Arua town have been hit hard by the renewed civil strife in South Sudan. Prior to the conflict, business was booming in the border town. Forex bureau business operators in Arua town say 90% of their hard currencies have been coming from South Sudan and 10% from neighboring DR Congo. The

manager of Arua Forex Bureau, Silver Annet, warns that forex outlets in Arua run the risk of closure if the conflict in South Sudan continues. She says the other challenge is the depreciating South Sudanese pound against the Ugandan shilling which is making life difficult for the South Sudanese community living in Uganda.

More Chinese companies eye investment in South Sudan

[Mary Poni Yugu: China.org.cn- 12 Aug. 2016](#)

Wang Jianjun, deputy director general for the Department of Foreign Capital and Overseas Investment of the National Development and Reform Commission (NDRC), recently stressed during a press briefing the need for African countries, and especially South Sudan, to do more to attract Chinese investment. According to Wang, many Chinese companies are interested in investing in South Sudan, but have expressed concerns over the security situation, political transparency and terrorism. "We believe Africa is one of the best places to invest due to its potential and resources. The Chinese

government is working very hard in attracting investors to embark on massive industrialization, technological, infrastructural development and capacity building as a way of strengthening our cooperation with Africa," Wang said. If South Sudan is to benefit, the government has a major role to play in attracting these Chinese investors that are waiting to flood the African market, he stated. It's no secret that South Sudan is the youngest country in Africa, but its rich natural mineral resources could make this country the face of African development for the outside world.

ECONOMY AND PUBLIC FINANCE

South Sudan government halts spending on goods and services

[Radio Tamazuj- 9 Aug. 2016](#)

Government spending for all goods and services has been halted, according to South Sudan's Minister of Finance. Stephen Dhieu directed all public institutions to immediately cease authorizing payment in a order broadcast by state owned media on Sunday. No more money will be given out until the next budget has been

passed, Dhieu said. The decision comes a day after the government of South Sudan accounted that inflation has increase more than 600 percent in the past year, mostly due to rising food prices. Any outstanding cheques issued to clients or contractors should be cancelled, saying that no money should be paid to any company or

contractors unless the services or goods supplied have been verified and delivered.

South Sudan Orders Government Bodies to Bank with Central Lender

[Okech Francis: Bloomberg- 8 Aug. 2016](#)

South Sudan ordered all government institutions, including state-owned oil and mining companies, to end their business with commercial lenders and open new accounts with the war-torn African nation's central bank. The steps will enable the Finance Ministry "to perform and exercise functions and powers appropriate and necessary for efficient and effective public finance management and accountability," according to

the Aug. 6 order signed by minister Stephen Dhieu Dau. They will also "enhance timely reporting to relevant government levels and international financial institutions," he said. Institutions and companies affected by the order should start new accounts with the Bank of South Sudan in settlements where it has branches, or with an agent bank nominated by the lender, according to the statement.

South Sudan's finance ministry cancels all unpaid cheques

[Sudan Tribune- 8 Aug. 2016](#)

South Sudan's finance minister Stephen Dhieu Dau has cancelled unpaid cheques owed to businessmen until a new fiscal budget is passed. In an order published on Monday, Dhieu said lack of money prompted the cancellations. "The financial year for 2015/2016 is closed," read the order placed in the local media. South Sudan new financial year starts on July 1, but the Transitional Government of National Unity (TGoNU) formed in April has failed to prepare the country's new budget. Civil servants have not been paid for over two months, owing to the economic crisis in a country, which largely depends on revenues from oil to fund its annual budget. The cheques

canceled were issued to South Sudanese contractors by former minister of finance, David Athorbei. Dhieu replaced Athorbei in a mini-cabinet reshuffle recently. A new fiscal year, sources within the finance ministry told Sudan Tribune, would be tabled before the council of ministers and forwarded to the assembly within this month. According to local media reports, the move to cancel all the unpaid cheques was part of efforts by the new finance minister to "combat rampant corruption and payments made to shell companies that have not delivered goods or services to the government."

South Sudan seeks nearly \$2 billion loan from China

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

South Sudanese government said Tuesday it is seeking nearly \$2 billion United States dollars new loans from China to carry out various projects and proposes to set up a joint venture with Chinese companies to develop key infrastructures in the country. South Sudan foreign affairs and international cooperation

minister Deng Alor Kuol said on Tuesday that he had met key officials of the China Development Bank and the Export and Import Bank of China in Beijing during his recent visit. Kuol described the talks with Chinese authorities and companies with funds to help implement the identified projects should Chinese government approve

the request as fruitful and cordial. He added that the government had sought financial co-operation to implement several projects in the pipeline. "They are prepared to support us," said Kuol when asked whether any fresh loan arrangement was sought. "We have outlined the projects and have requested China's support on funding." The minister, however, clarified that nothing had been finalized yet and they had a priority list in this regard. The top foreign official said some companies have expressed interest to invest in the proposed Economic Zone and that

joint ventures had been proposed between the two sides to work out how they could expedite the process. [Also reported in Radio Tamazuj- 10 Aug. 2016: South Sudan asks for \\$1.9 billion loan from China](#), in [Upstream- 10 Aug. 2016: South Sudan to ask China for \\$1.9bn](#), [The Standard- 9 Aug. 2016: South Sudan seeks US\\$1.9b from Beijing](#), [Associated Press- 9 Aug. 2016: South Sudan requests \\$1.9 billion in Aid from China](#), in [The East Africa Monitor- 11 Aug. 2016: South Sudan Seeks \\$1.9 Billion Loan from China](#)

Food production declining over insecurity in Yei

[Radio Tamazuj- 3 Aug. 2016](#)

A top government official working for agriculture ministry in the proposed Yei River State said this year's food production is likely to decline sharply due to insecurity. Edmond Taban Gogo, Director General at the Agriculture Ministry, told Radio Tamazuj that local farmers in rural areas had abandoned their farms over security concerns. "The insecurity has really affected the agriculture, because many of the farmers ran away without hoes this is because of harassment. So they left some of their crops like groundnuts and maize without harvest" said Gogo. The government official called for restoration of

peace and stability in an attempt to alleviate a possible food shortage in the state. He also advised the state government to persuade the local farmers to return to their villages for cultivation. "I expect the government to negotiate with these people so that they go back to farming because hunger is more deadly than the bullets" he said. For his part, Gale Peter, a local farmer from Mugwo payam, confirmed that most of the farmers fled to neighboring Uganda. "Here in Mugwo payam, most of the farmers are no longer active in the field due to continuing fighting in the payam" said Gale.

South Sudan New Finance Minister promised to deregister "Ghost Employees" And "Reform" Economy

[Nyamilepedia- 2 Aug. 2016](#)

South Sudan's new Minister of Finance, Hon. Stephen Dhieu Dau, pledges that he will fight corruption by deregistering an unknown number of "ghost workers" and unknown gunmen in the country. Speaking after his swearing-in to his new office to reform an economy that has been free falling, the former Minister of Petroleum, Dhieu, assures the media that he "will turn things around". "Well, our economy is at the brink as

such we has a daunting task of turning things around together as a team in order to give our people hopes again" Dhieu Dau said after a ceremony that welcomed him to office. The new minister acknowledged that the army, legislative assembly and other sectors have not been paid their salaries and they are waiting for his ministry to deliver. "This indicates that public expectation is high, is very highly on us to improve the

management administration of the financial section and improve the current economic situation in the country” he continued. “all arms forces, the executive, the legislative and the judiciary are looking upon us to turn things

around” he said. To restore the failed economy, Dhieu believes that he will work with the international partners on capacity building and economic reforms.

Doctors in Wau lay down tools over unpaid bonuses

[Deng Dimo: Eye Radio South Sudan- 3 Aug. 2016](#)

Medical Doctors at Wau Teaching Hospital have gone on a sit-down strike over unpaid incentives, and too much work. They say they need the incentives for them to be motivated to do their job, but this money has not been paid to them for about four months now. The doctors say they were being overworked since conflict broke out in Wau. The Acting Medical Director at the hospital, Mabior Michael says the Doctors also want out-patients to be removed from the list of

cases they handle. He says they only want to handle in-patients, while nurses handle the out-patients. Mr. Mabior says told Eye Radio that the hospital only has ten doctors. “They requested that the out-patients should not be run impartially as it is since the conflict erupted in Wau, they call nurses to come because they are tired from doing nursing work. They are just five doctors, we have 10 doctors, four are under IMC, and six belong to the government,” he said.

AfDB water project to benefit 230, 000 in Juba

[Junior Ali: Eye Radio South Sudan- 3 Aug. 2016](#)

The African Development Bank says some 230,000 people are set to benefit from a key water project it is soon to launch in Juba. The “Resilient Water Project for Improved Livelihoods in Juba” aims to provide improved equitable access to sustainable water supply in Juba and improve the functioning of water systems. The process is being implemented with the support the Ministry of Water Resource and Irrigation. The bank says its board of directors has already approved more than 6.5 million US dollars, in form of a grant, to fund the project. In a statement on its official website, the African

Development Bank, Water and Sanitation Director, El Azizi, says the grant to South Sudan is part of the bank’s commitment to keep operations in fragile states. ““I commend the Board of Directors of the African Development Bank Group for its courageous approval. This comes against the backdrop of recent violent conflicts in Juba,” he said. The institution says the grant will fund 90% of the project’s total cost, while the Government will contribute the remaining 10%. The ministry of Water Resource and Irrigation is yet to comment on the project.

Eastern Lakes state authorities prioritize road works

[Sudan Tribune- 3 Aug. 2016](#)

Authorities in Eastern Lakes said they started rehabilitating the 83-miles road linking Greater Yirol to Terekeka in Central Equatoria state.

Rehabilitation involves installation of culverts and leveling potholes. The state minister for physical infrastructure, Agok Manyiel said work

on the road linking greater Bhar El Ghzal region to Central Equatoria state was agreed upon during the sixth governor's forum in Rumbek. "During the sixth governors meeting in Rumbek, Yirol was given 100 miles of road to maintain starting from Yirol to inside Terekeka state. Now we have completed 83 miles and about 17 miles is remaining and will be completed within seven days to come," said Agok. About 300 heavy

trucks loaded with several items are reportedly stranded between Kalthok and Tombek due to terrible road connection linking the two areas to Terekeka. Meanwhile, work on the western part of Yirol to Rumbek reportedly started at a slow pace, with several traders complaining about swamps and potholes, which make it inaccessible by big trucks.

South Sudan expects improved food production

[China.org.cn- 12 Aug. 2016](http://China.org.cn-12-Aug-2016)

South Sudan expects to improve its food production this year to cover up the wide food deficit that has left more than 4.8 million people food insecure, an official said on Thursday. The Undersecretary in the Ministry of Agriculture, Forestry and Cooperatives, Udo Mathew, told Xinhua that despite experiencing hunger in some parts of the country due to drought and conflict, they expected an improved harvest this rainy season. "In some places there is improvement in food security especially during this rainy period from July to this time. In some places you find there is reduction in food availability due to several factors like drought," Mathew said. He

said in 2013 the government plan was to produce 1.5 million metric tons of produce but that was unfortunately affected by the political crisis. "And now in our Comprehensive Agricultural Master Plan, our intention was to increase production level to the proposed 2.5 million tons of produce," Mathew revealed. The civil conflict in South Sudan since late 2013 has killed tens of thousands and displaced more than two million people from their homes. And there was renewed fighting in early July between troops loyal to ousted Vice President Riek Machar and those led by President Salva Kiir.