Monthly Business Magazine
June 2021

# Sudan Business

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## Sudan Business Magazine
## June 2021
www.sudanbusinessmagazine.com

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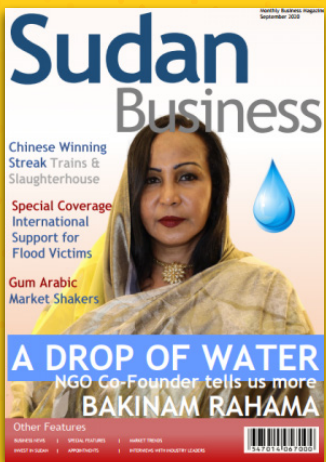








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# SUDAN ORGANIZES FIRST

## VIRTUAL SUMMIT IN FINTECH


Sudan's First and Only Virtual Summit and Expo on Fintech, Sudan Fintech Summit, will take place from 18-19 August 2021.

Sudan Fintech Summit is the meeting place facilitating multi-stakeholder dialogue with power packed networking opportunities among C-Level executives, leading Industry experts, decision makers, policy makers and government officials from across the value chain to foster collaboration, discuss current challenges, business opportunities, develop market strategies, share knowledge, and identify solutions aimed at shaping the future of fintech.

Banking on the future of fintech could prove to be a groundbreaking moment for Sudan as it builds bridges and rejoins the global financial system. The meteoric rise of fintech has transformed lives and economies, unleashing innovation and propelling an upsurge of financial inclusion.

The summit aims to allow to promote and network with meet the people who matter. Over 2 days, with over 500 industry experts, decision makers, technologists, entrepreneurs, investors, academics and more in attendance. The summit is the perfect platform to engage with the industry and make the virtual connections you need to drive business growth and stay ahead of the curve.

# Sudan signs nine concession deals for gold, copper mining-agency

*Article source: Reuters*

Sudan signed nine concession agreements for gold and copper mining with eight local and foreign companies, the state news agency SUNA said.

All the agreements are related to gold mining except one for copper, the agency quoted Minister of Minerals Mohamed Bashir Abdalla as saying.

Three companies from Iraq, China, South Africa won four gold mining concessions, and a fourth one from Armenia won the single copper concession, the report said. Four local companies took four gold concessions.

All concession areas are located in the Red Sea State, the West Kordofan state and the Northern State.

Sudan sold 13,327,657 grammes of gold worth $437,983,965 from 2015 to 2020, Abdalla said, compared with 2,752,889 grammes worth $140,805,290 from June 2020 to February 2021.

Gold sales from March to May reached $36,295,970, the minister said during the concession agreements ceremony.

Sudan took steps last year to open up trade in the precious metal further to private investors, allowing them to handle all exports and taking the business out of state hands.

Sudan has been cracking down on gold smuggling to generate more foreign currency. For years, the central bank had a monopoly on exports, buying gold locally at fixed prices at collection sites nationwide, which led to the illegal trade.

The country also had approved the establishment of stock exchanges for gold, minerals and agricultural commodities.

*Source: NS Energy*

# Sudan Airways and Lufthansa sign partnership agreement

*Article source: SUNA*


*Photo source: social media*

Sudan Airways and the leading German Consultancy Company of Lufthansa signed at the premises of Transport Ministry in Khartoum an agreement stipulated for Sudan Airways development implementation project.

The signing ceremony was attended by the Transport and the Investment Ministers, besides German Deputy Ambassador to Khartoum and Sudan Airways Manager Director.

Investment Minister Dr. AL-Hadi Ibrahim hailed the agreement saying it was part of Paris conference outcome and lifting of Sudan name from countries sponsoring terrorism.

Source: worldbank.org

# COVID-19 IN SUDAN:

## ENTERPRISES SURVEY REVEAL LOSSES, ECONOMIC FRAGILITY

When the COVID-19 (coronavirus) pandemic began, businessowner Omer Abdelaziz had no clear idea about the duration of the government's imposed lockdown. As co-owner and director of the International Development Center for Training and Capacity Building, he simply complied fully with the government's decision, suspending all activities.

But the pandemic and the country's restrictions went on longer than expected.

> "As a management team, we made a mistake in our forecasts about how long the crisis will last," said Abdelaziz, co-owner and Director of the International Development Center for Training and Capacity Building. "We decided still to keep the center and not to close it permanently, bearing its high running cost without having any cash inflows."

In the face of the pandemic, Sudanese authorities acted quickly to slow the spreading virus. Since March 2020, Sudan, much like the rest of the world, has been experiencing the unprecedented social and economic impact of the COVID-19 pandemic. To better assess the impact of COVID-19 on enterprises such as Abdelaziz's, the World Bank and the Central Bureau of Statistics (CBS) jointly carried out the first of its kind survey in the country - the Sudan High Frequency Survey on COVID-19, using mobile phones.

“

The survey aims to inform policy making and government responses to contain the impact of the pandemic to its lower possible level,

said Ali Abbas, Director General, the Central Bureau of Statistics.

”

The ongoing panel survey provides a snapshot of the impact of the pandemic on Sudan's businesses will be conducted in six rounds, with the aim of monitoring the COVID-19 crisis and assessing the dynamics of its effects over time.

“

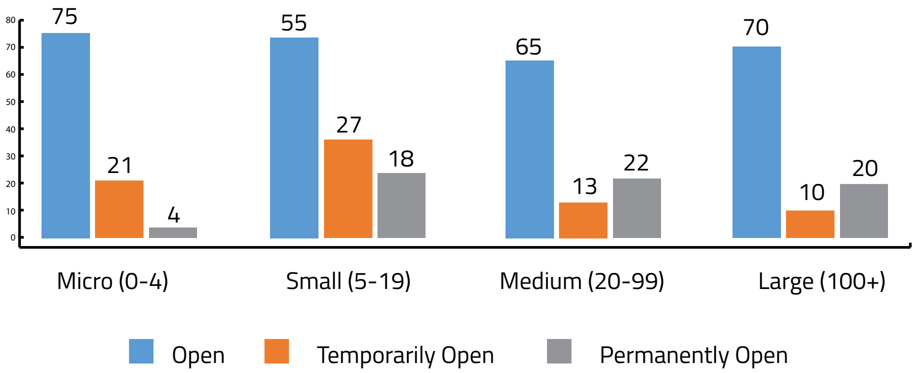
The rapid spread of COVID -19 and the government's containment measures have significant negative impact on the Sudanese population and economy," said Alvin Etang Ndip, Senior Economist and Task Team Lead for the survey. "Having empirical evidence that quantifies the extent of the impact on welfare is important for informing policy response and recovery efforts. The results from the early rounds of the High Frequency Survey would also be useful for strengthening awareness campaigns on preventive measures to minimize the spread of the virus, particularly as we enter the second wave of the outbreak.

”

Specifically, the survey monitors the impact of coronavirus on the operation of nearly 500 enterprises, representing the three districts of Khartoum State (Khartoum, Bahri, and Omdurman) starting in August 2020. The findings, highlighted in the Effects of COVID-19 on Sudanese Enterprises policy note, revealed both the losses and financial fragility of medium, small and micro enterprises.

Of the surveyed enterprises, 29% had to close during the partial lockdown (8% permanently and 21% temporarily). Small enterprises (5–19 employees) were the most affected by the partial lockdown with nearly half of them going out of business.

These enterprises did not have any savings or cash on hand to meet their regular expenses, which explains why layoffs were so prevalent. In contrast, around one-third of medium (20–99 employees) and large (100 and more employees) enterprises closed. Only one-quarter of the micro firms (0–4 employees) had to close (Figure 1).

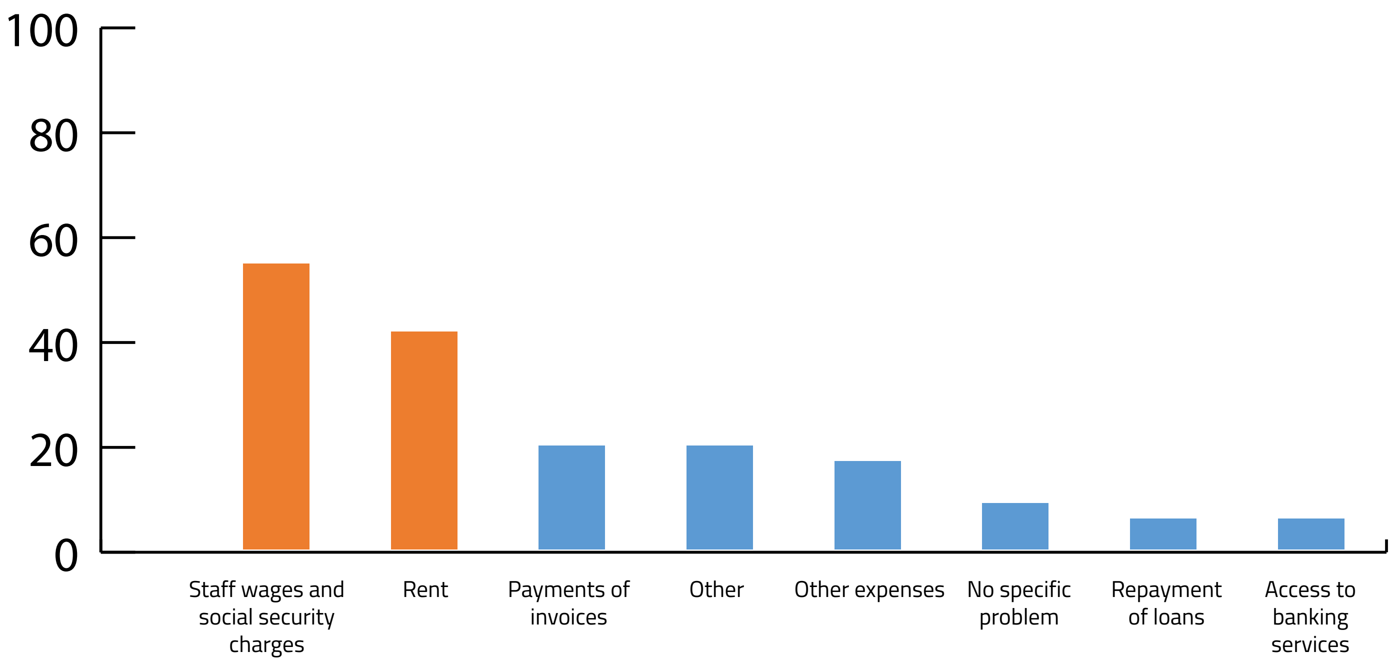



The survey also found that the sectors with the highest level of closures during the lockdown were manufacturing and other services (about 50%). The impact on sales and employment was revealed, as 81% of the enterprises that were open reported an average of 54% decrease in sales compared to the same month the previous year.

Enterprises in manufacturing (83%) and other services (81%) were largely affected, according to the survey results. Jobs and economic activities have sharply declined for most employers and employees, and a decay in incomes has been observed, consequently, about 7% of the enterprises reported that they reduced wages for an average of 6 percent of the workforce while 8% of the enterprises indicated that they had laid off workers, particularly because none of the enterprises received any government support.

The results signified key financial problems perceived by enterprises as top obstacles to their operation included meeting staff wages and social security charges, paying rent and invoices, repaying loans, and accessing banking services (Figure 2).

**Figure 2: Most Significant Financial Problems for the Enterprise During COVID-19 Outbreak**




The survey results provided an exclusive depiction into business decisions and expectations at that time, while offering insight for designing the veracious policies to aid the recovery through reforming the governance system and legislations of enterprises to improve liquidity, give tax breaks, and financial support. Representatives from line government institutions affirmed their solid commitment to follow-up with policy decisions to protect the sector based on the results of the survey.

# SCHLUMBERGER, ENHANCING RECOVERY FROM THE SUDANESE OILFIELDS

## HAITHAM BALLA SAEED IS THE SUDAN GENERAL MANAGER OF SCHLUMBERGER

His experience ranges from ICT to engineering and management. He started his career with the UN working in ICT and then transitioned into Schlumberger. Beginning as a directional engineer, he moved up to an operations support engineer and then further on to general manager of the Sudan office. He also worked with Almansoori Specialized Engineering as a directional drilling coordinator and operations support. Haitham covered stints in Iraq, Qatar, Sudan and Syria.

Haitham was born in Saudi Arabia where his family lived, and father worked at Saudi Aramco, also in the oil and gas field. Haitham believes in fighting for what he believes in and pursuing it until achieved. At the peak of priorities in Haitham's life are his family and work. He aims to achieve basic principles, most importantly being honesty, discipline, loyalty, responsibility and human integrity. He is an active part of the community and is the vice president of Algoz Club in his old family neighborhood where they work incessantly towards caring for the neighborhood and providing activities that support women, children and human rights and equality.

### Schlumberger has a long history in Sudan, tell us more about its value added solutions to the oilfield industry?

Well, this is a good question. And let me start with the expression 'solution' since we do believe that we are an integrated solutions company whose technologies always provide value added solutions to our clients, as well as establishing new benchmarks in the industry, which is in fact what makes us stand out.

I would proudly say that, all of the technologies we use to spot and benefit from an oil reservoir throughout its oil wells lives are our own patents and unique to us, from the initial geo-physical surveys phase, passing by well construction phase, monitoring the reservoir performance, and getting the best out of it using our intelligent production systems, to continuously developing the fields through our cutting edge software packages, solutions and specialized studies, all in a safe manner and an optimal way.

### Is Sudan a new focus in the region for the coming years and why?

Definitely yes. Sudan has always been a focus for us in the region since it had proved itself a big potential in the area that needed to be classified as an independent geo-market in our geographical structure since we entered the market.

Considering the transformation Sudan now is going through, this focus will definitely be emphasized in this completely new era for the sector and for Schlumberger in Sudan.

### What are the highest priorities for Schlumberger's operations in Sudan?

Well, our highest priorities are totally aligned with the oil and gas sector's short and long term plans.

The announced short term plan is to increase the current production with an increment of 15k bbl by end of the ongoing 2021 and we are very enthusiastic to significantly contribute to achieving this target as a partner of choice to the sector's strategy planners and to our clients in Sudan, especially considering the importance of the O&G sector as a main pillar in reviving the economy during such challenging times.

As for the part about our MOU with National Upstream Solutions in Sudan, it is also driven by our determination to align our business models with the sector's strategy and long term plan to increase the local content, strengthen the national contractors and eventually nationalize the oilfield services industry in Sudan.

### Do you see any challenges in operating in the Sudan market?

Well, operating anywhere is normally associated with some challenges that are specific to the marketplace we work in, however, in Schlumberger challenges is a part of our everyday normal life and we are confident that none of the possible constraints is going to be insurmountable.

Schlumberger has trained and provided exceptional work experience to the Sudanese workforce, where they have become global international employees, will Schlumberger continue such workforce development programs in Sudan?

This is what we do wherever and whenever we conduct business and Sudan is no exception, since we look at it as a part of our contribution to the development of the local society, the youth and the human resources in the country in general, which is a thing that we are ethically committed to.

> Sudan has always been a focus for us in the region since it had proved itself a big potential in the area that needed to be classified as an independent geo-market in our geographical structure since we entered the market.
>
> Haitham Balla Saeed – Schlumberger General Manager in Sudan

# Sudan Has Potential in Exporting $6 Billion of Groundnuts

*Source: SudanNow*


*Photo souce: commodaafrica.com*

A study conducted by the agriculture and livestock chambers of the Sudanese Businessmen Union has concluded that Sudan can collect the worth of $6 Billion in groundnut export proceeds if the commodity's production is promoted.

A conference organized by the Sudan Businessmen Union and its two affiliate chambers deliberated upon the promotion of groundnut production, manufacturing and marketing to achieve the returns in hard currency indicated in the study.. Sudan had used to rank high in the world list of its producers and exporters. But this position of Sudan has retreated in recent years with the country now ranking the fifth among groundnut producers. China tops the world countries in this commodity's production. In 2019 Sudan earned 205.7 million dollars from groundnut exports.

The groundnut conference was mainly concerned with uplifting agricultural activity in Sudan, starting with the economically crucial groundnuts, according to the chairman of the agriculture and livestock chambers, Engineer Ahmed Abdelrahman Aldooma.

Aldooma said the area now cultivated with groundnuts does not exceed 8,250,000 acres in both the rain-fed and the perennially irrigated areas, with an average output that does not exceed 200 kilograms of groundnut per acre.

"With a little use of farming technology we can increase productivity per acre in a way that effects a radical change in groundnut output and agricultural output in general," he said.

In the same token, Munthir Mohammad Hamadalneel of the agriculture chamber said it is the first time for a conference with this magnitude to be held in Sudan, which was prompted by the vast challenges and suffering endured by the farmers and the huge deterioration in the groundnut sector.

He said the conference was aimed at discussing the problems facing groundnut production with a view to finding remedies for them in a bid to achieve the aspired to agricultural renaissance.

Chairman of the Sudan Businessmen Union Hashim Salah Hassan Matar said the conference was part of the private sector's endeavor to support the transitional period of Sudan through the promotion of the agriculture sector to address the structural problems of the economy and narrow the gap in the country's trade balance.

Groundnut production is seeing yet another boost when the North Kordofan agricultural research unit at the city of Alobayyid produced drought- resisting groundnut seeds with assistance from the International Atomic Energy Agency, in collaboration with the United Nations Food and Agriculture Organization (FAO). Experimentation on the project had started two years ago in Kordofan (Midwest of Sudan), a district experiencing a wave of drought and which produces 70 percent of the country's groundnut output.

Groundnut, also known with the scientific name Arachis hypogaea, grows up between one to three feet high with a yellow flower and stalks that dangle towards the soil. Its long pods (with each containing two –three grains) mature inside the soil.

Groundnut is rich in fats (44-56 percent) and for this much of it is pressed into cooking oil around the World. The crop enters into a lot of industries and food substances in the form of groundnut butter and roast and boiled groundnut.

It is also a good source of protein and contains 22-30 percent of calories.

Groundnut is also an excellent source of vitamins and minerals of sorts that include pectin, vitamins B3, B9 and H, in addition to a content of copper and manganese. It is also used as animal fodder and soil fertilizer.

*Source: Freepik.com*

# UNFINISHED BUILDINGS STANDING IDLE FOR YEARS IN KHARTOUM

## WISE OPPORTUNITY COST OR WRONG INVESTMENT DECISIONS?

The floating of the Sudanese pound supposed to improve the economic situation but still the daily rate against the dollar is unstoppable, weak banks, poor land planning, lack of central drainage system and many other reasons for rising prices of building materials do not promise a change in the standing unfinished idle buildings in the capital.

The growth in building boom and queues of building materials containers in Port-Sudan from the China can give impression of economic growth but there are no windows, doors or lights on buildings which stand unfinish across Khartoum including central Khartoum.

I left Sudan in 1991 and return 2000, and again 2005 and in 2020 few buildings still in same the state of unfinished structure up to now 30 years later, I wonder of owners are still alive. Property in Sudan has been booming, but concrete is frequently poured into buildings without thinking about construction viability and return them. Sudanese working or living abroad come or send money and suddenly work stop when costs skyrocket, often for many years. For many reasons things don't work out: building materials, labour is expensive, buildings' owners were very ambition initially pouring concrete into structures of 5-10 stories buildings that they can't afford to finish or simply relatives and contractors misused the funds.

Half-built buildings are everywhere in Khartoum. In central Khartoum unfinish skeletal structures illustrate many of the reasons why unfinished buildings are so common in Sudan and the costs of this problem is tying money on unused buildings instead of farming or trading with it. Interestingly, Khartoum is the only city I have come across in my extensive travel around the world where an unfinish commercial building with hazardous equipment on the top or on sides can still be occupied by businesses and residents without health and safety concerns.

Building a house or a commercial structure in Sudan is the most expensive in Africa if not in the world. The concrete and materials for a multi-storey apartment building cost hundreds of thousands of dollars. Sudan is strapped for cash after 30 years of isolation and in short of finance for construction.

Most family-owned companies find it difficult to access cash and is the biggest obstacle. The economist newspaper reported that Across sub-Saharan Africa it is businesses' largest problem as well (see chart).

The environment in Sudan makes it difficult to save because of the high inflation and unavailability of lending. Yet money is still builders and Sudanese expatriates poured concrete into buildings with no return for years.

*Photo souce: Koster.com.pa*


The Economist

Lack of finance is a major issue as developers struggle to obtain loans without hefty collateral. Instead, some and those working and living abroad start building by self-financing slowly and hoping to finish it. Most Sudanese buyers living and working abroad do not trust the internal structure to put down deposits on flats and are wary of making a commitment based on a construction site and fear that developers can disappear with the money. Most Sudanese build their own their own homes by turtle's steps or if working abroad save from salary for 20 years or more to buy a home in cash.

The cheapest newly built house of say $90,000 is unaffordable for most people if converted into Sudanese pounds at the rate of 400 Sudanese pound (36,000,000 SP). Instead, they buy a land or wait for the government land allocation and live-in rented accommodation and when they earn a little more money, they add on few bricks.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The shortage of finance and trusting issues with relatives and developers makes the problem complicated. Many Sudanese, save in concrete and money gets tied up for years in unfinished buildings earning nothing, rather than being put into a business. But the issue with putting the money in bank is the money loses its value and banks don't pay interests either.

For most people no alternative which could allow would-be homeowners to build more rapidly later other than government land allocation or buying land outright. The lack of liquidity in the financial system, sanctions which ended now made things worse but still there is no proper infrastructure for banks to lend to builders, most banks are strapped for cash and only lend funds with collateral security.

My advice is if you want to build a house in Sudan be realistic about your cost and don't pour concrete in structure of a 4 story-building you will never be able to finish. It is more achievable to building a two or three bed house and live in it or rent it than spending $200,000 in a 7 story-building to leave it in its unfinished skeleton standing unused for years. Some owners are so greedy and stubborn to see opportunities in win-win ventures or plausible solutions when offered.

Many Sudanese are selling their skeletons or even the family main house and buying two or three flats in Egypt to rent two and live-in one because the cost of living in Khartoum is becoming unbearable after floating of the pound. A house in Al Amarat or Riyadh worth $600,000 can bring 4 or 5 flats or two villas in Cairo in a prime location with an immediate rental of value of $1,500 and $2,500 each respectively. It is a mystery why most do not look at the opportunity cost (the alternative profitable option) of tying money without return. It is really a sunk cost in accounting term (unrecoverable). The wisdom of investment is always good return and accommodation benefits, but I believe Sudan's unfortunate climate will improve and pioneer property investors with innovative solutions will make the future brighter for owners willing to change their investment perspectives.

Source: wepsd.org

# IMPLEMENTATION OF DONGOLA WIND PILOT PROJECT

Wind turbine equipment has arrived at Port Sudan, and the transportation and installation are ongoing in Dongola.

The civil works and the construction of the electricity transmission line will be completed during June 2021.

According to the timetable and plan, the construction phase is expected to be completed in August 2021, after which the project will be completed in its final form.

This project will follow a system approach to integrate energy policy analysis within the broader developmental objectives and establish policy and regulatory frameworks for encouraging private investments in grid-connected wind energy. Sudan currently has plans to develop utility-scale wind farms in three regions, Dongola (100MW) in the North, Nyala (20MW) in the West and the Red Sea coastal region (180MW).

**Key partners and stakeholder include:**

- UNDP Country Office Khartoum
- Ministry of Water Resources and Electricity
- Ministry of Finance and National Economy
- Ministry of Oil and Gas
- Higher Council for Environment and Natural Resources
- Sudanese Metrology Corporation
- Private sector companies

The Dongola project is expected to bring power to 14,000 people, according to the UNDP. Sudan, Africa's third-largest country, will require 8,675 MW of additional thermal power plants by 2030, according to its National Electricity Corporation.

Source: Freepik.com

# LEGAL VIEWPOINT

## LEGALIZING E-BANKING AND CONTROL OF CYBER-CRIMES IN SUDAN

The wide spread of electronic transactions including e-banking and e-commerce is globally growing and it is happening everywhere every day around the clock. Needless to say, e-banking depends largely on the output of electronic software and other media that requires proper utilization of internet facilities and related fields.

Banks in Sudan, nowadays, are offering some e-banking services. This, no doubt, gives great boost and will enhance commercial and investment activities in the country. However, such e-services require certain infrastructure that should be in place to give the necessary impetus to such projects and services. One of the main infrastructures needed, for the e-services, is the legal platform and legal framework that should be cemented carefully, with due diligence and professionalism, taking into account experiences of advanced jurisdictions in this respect.

The e-banking and e-transactions projects will effectively enhance expansion of e-commerce with other businesses worldwide. However, we have to admit that such e- transactions are facing legal, commercial and logistical problems, inter alia, the payments system worldwide are still facing some practical difficulties, additional cost for freight, customs and insurance, some companies may be out of competition as they don't have Web site, or even if they have, are unable to display their products in attractive or informative way, many commercial entities or individuals are still facing computer literacy, some e-commerce business is processed through mediators, some software companies, inventing or preparing the required new e-programs are facing litigation which may affect programs. Above points explain that e-banking or e-commerce is not without its share of obstacles. Some of these obstacles raise a call for positive legal steps to be taken, so as to prepare a healthy legal environment for such projects in Sudan.

**Dr. AbdelGadir Warsama Ghalib**

**Corporate Legal Counsel**

awarsamawarsamalc.com

The information technology, faces certain criminal acts such as trespassing, hacking, robbery, theft, forgery, criminal misappropriation etc. These criminal acts and new cyber-crimes have increased dramatically. Legally speaking, are we prepared to face such modern crimes? Do we have clear-cut definitions to what is known now as electronic or cyber-crimes? As a fact, criminal laws, in many Countries, are not referring nor including clear-cut definitions to cover such modern sophisticated e-crimes. The absence of clear definitions in the law for such misdeeds or crimes, could lead to ambiguity and doubts that could be taken to the benefit of criminal suspects. Certain countries, issued special laws to define such crimes and they have included tough penalties for such crimes. The purpose of having special laws is primarily to give protection for e-transactions including e-banking, with the objective of taking appropriate measures towards a legal platform to enhance e-banking transactions.

According to the basic constitutional and legal principles there shall be no crime without a law and, also, no penalty without committing a criminal act according to the law. Taking these important constitutional and legal principles in consideration, we strongly say that new laws should be issued in Sudan to cover new cyber-crimes that could happen due to the usage of new technologies that could be used according to the spread of the new e-transactions and e-banking projects.

We need to fill-in the gaps by issuing modified laws, or new special laws to give proper technical definitions to e-crimes, and at the same time, to provide for penalties according to the gravity of the crime committed. Issuing such laws or modifying the existing legislations will certainly create a healthy environment for e-banking and all related services. We have to admit that e-banking, is taking shape in Sudan even before enacting the required codification and this highlights the point that the legislation is lacking the necessary speed to be in line with the new developments happening particularly in information technology. The electronic evolution in this field necessitates an urgent revolution in all related legislations so as to fill gaps between the two areas and, at the same time, to legalize the new e-transactions.

Basically, new electronic laws, should recognize and endorse the electronic signature. The courts, in this respect, should give the e-signature the same creditability and authority that is given to the hand manual signature. Moreover, the rules of evidence should be amended to allow acceptance of electronic generated receipts and to treat them as original docs. This is very important because the courts deal with documents related to e-banking as copies, not original docs, and therefore not acceptable according to the current basic rules of evidence. In all cases certain watertight security measures and laws should be taken and maintained all through to make sure that programs and installations are safe. In many countries certain individuals were able to forge or screen some cards and withdraw big amounts of money from banks through ATMs, this could happen anywhere and we have to admit that it is very alarming and the security measures, in all cases, should be beyond the scope of such criminals or others. The Central bank of Sudan as well as all banks, should be vigilant and prepare the necessary required top safety measures. Loose security measures would, certainly, threaten the process of e-banking and all e-transactions. Cyber-crimes and other similar white-collar crimes should be well defined along with the required stringent penalties to combat such crimes. All through, advanced clear up-to-date legislations to regulate, govern and protect e-banking in Sudan, are highly and urgently needed.

# SUDAN ENDS SUBSIDIES FOR GASOLINE AND DIESEL, RAISES PRICES

*Source: Reuters.com*
*Photo source: Motor1.com*

Sudan fully liberalized gasoline and diesel prices, according to a statement from the finance ministry that said previous prices would be canceled and gave new prices that it said were in line with import costs.

Sudan has been implementing aggressive IMF-monitored reforms in the hopes of turning around its economy and attracting debt relief and renewed financing.

The reforms have been painful and annual inflation climbed to 363% in April. Sudanese officials and the IMF have said the reforms, which included a sharp currency devaluation, would cause prices to rise and add to pressure on citizens.

The move is the latest in a series of fuel price increases. The finance ministry said that going forward prices would be determined by the costs of import as well as transportation, taxes, and profit margins.

The price of gasoline will rise from 150 Sudanese pounds ($0.35) per litre to 290 pounds, while the price of diesel will rise to 285 pounds per litre from 125 pounds, the finance ministry said.

The statement did not give pricing for domestically-produced petrol, which is typically supplied at a lower cost at specific stations.

The provision of direct subsidies to the agriculture, electricity, and transportation sectors "to compensate for the burden of rationalized fuel prices" would be studied, it added.

Fuel subsidies cost Sudan $1 billion a year and benefited the middle and upper classes rather than those with lower incomes, the finance ministry said.

"After the liberalization of prices, Sudan's remain the 6th cheapest out of 42 African countries," as many countries impose high fuel taxes, the statement said. Opponents of the reforms say their effects fall disproportionately on the poor.

Sudan continues to subsidize cooking gas and furnace oil, as well as wheat and medicines, although there are frequent shortages of those commodities. People wanting to fill their cars with gasoline or diesel must typically face long lines.

# IMF GRANTS $2.5 BILLION
# LOAN AND DEBT RELIEF TO SUDAN

*Source: dw.com*

© Yuri Gripas/REU

IMF and US officials praised the Sudanese civlian government's economic reforms. The African country is now on track to paying off most of its massive debt over the next few years.

The International Monetary Fund (IMF) on Tuesday granted Sudan a $2.5 billion (€2.1 billion) loan, with the African nation also on track to receive debt relief from the institution.

The 39-month IMF Extended Credit Facility loan program will give Khartoum $1.4 billion in immediate funds.

### Sudan hits debt relief milestone

The decision comes after Sudan cleared its roughly $1.4 billion in arrears to the IMF. By paying the arrears, Sudan will be able to access debt relief under the IMF and World Bank's Heavily Indebted Poor Countries (HIPC) initiative.

The HIPC program will provide enough relief to Sudan to reduce the country's current foreign debt burden from an estimated $56.6 billion to $6 billion over roughly three years.

IMF and US officials congratulated Sudan's progress on its debt and its eligibility for relief under the HIPC initative.

"My warm congratulations to the government and people of Sudan on a landmark achievement: freeing Sudan from the heavy debt of the past and giving it access to significant new resources to build the future," IMF Managing Director Kristalina Georgieva said in a tweet. "We at the IMF will continue to do our part for Sudan's revival!"

US Treasury Secretary Janet Yellen called it a "historic moment for Sudan and its people."

"These steps will unlock much-needed financing and will help build the foundation for poverty reduction, inclusive development, and economic growth,

Yellen said.

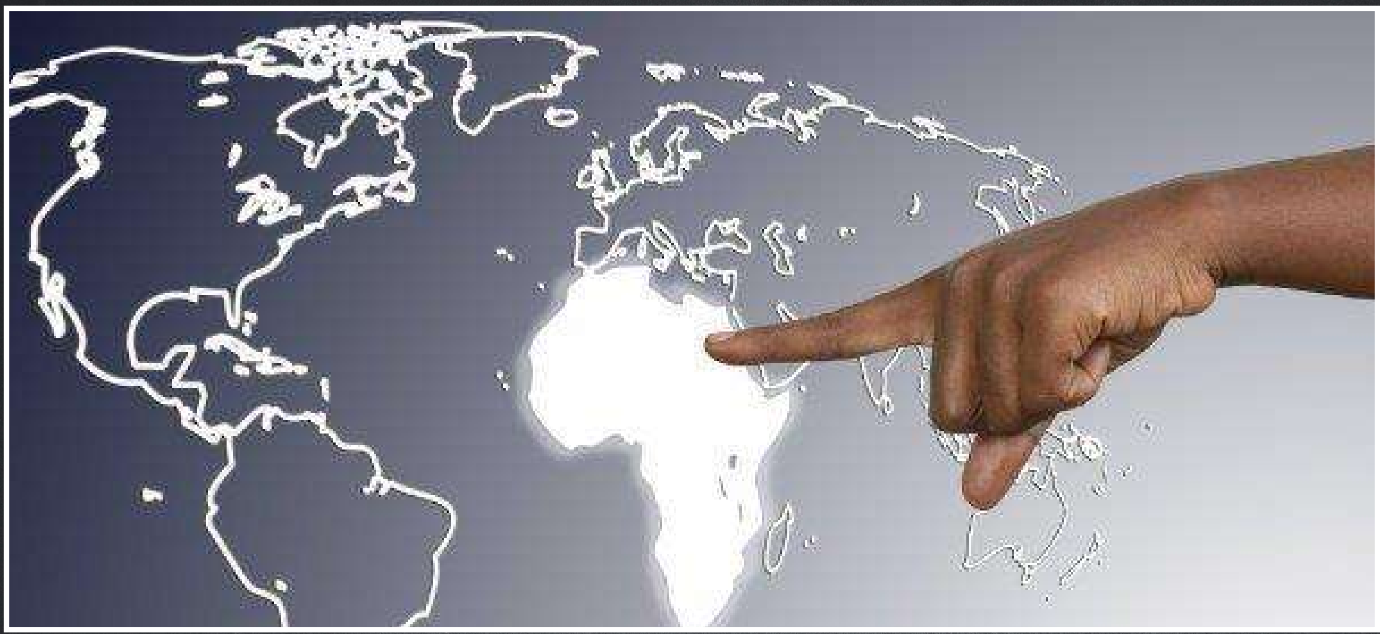
### Sudan's new leaders try different approach on economy, debt

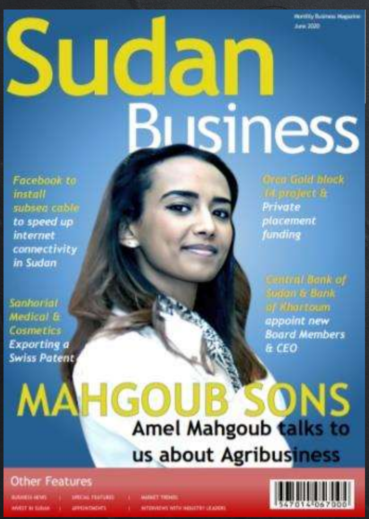
Sudanese Prime Minister Abdalla Hamdok has drastically altered the country's approach towards economic policy and debt. Hamdok has turned toward western countries such as the US and France for debt relief.

The US in December took Sudan off the state sponsors of terrorism blacklist, which could bolster foreign investment.

Earlier this year, the first Visa card was issued in Sudan, which Hamdok hailed as a sign that the country is being reintegrated into the global economy.

# Does your business have a story to tell?

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