Monthly Business Magazine
June 2020

Sudan Business

Facebook to install subsea cable to speed up internet connectivity in Sudan

Sanhorial Medical & Cosmetics Exporting a Swiss Patent

Orca Gold block 14 project & Private placement funding

Central Bank of Sudan & Bank of Khartoum appoint new Board Members & CEO

MAHGOUB SONS

Amel Mahgoub talks to us about Agribusiness

Other Features

BUSINESS NEWS | SPECIAL FEATURES | MARKET TRENDS
INVEST IN SUDAN | APPOINTMENTS | INTERVIEWS WITH INDUSTRY LEADERS

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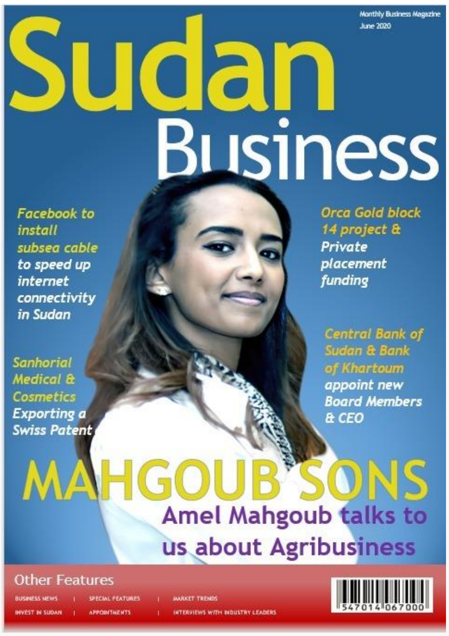
Contents



Sudan Business Magazine

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COVERING SPECTRUMS

Furniture

From January-March period, according to data by the Egyptian Furniture Export Council (EFEC), KSA imported $15 million, UAE $8 million, followed by Oman, Sudan, and Iraq with $6 million, $5 million, and $5 million, respectively.

Aviation

India's SpiceJet announced that it has started operating cargo flights to Sudan. On the maiden flight, it transported 16 tonnes of cargo to Khartoum International Airport.

Livestock

Saudi Arabia consumes roughly 60% of Sudan's livestock exports. The livestock trade being Sudan's second leading export commodity has halved since March 2020.

Finance

World Union of Arab Bankers

Arab Banks Awards
& Commendations of Excellence 2017

This is to certify that

United Capital Bank

Has won the award for

Best Bank in Sudan in Terms of Large Corporation Financing

Joseph Torbey, Chairman

United Capital Bank in Sudan has been awarded Best Bank in Sudan in Terms of Large Corporation Financing at the Global Finance's 2020 Islamic Finance Awards. The bank specializes in financing corporate entities and major projects.

#TRENDING

Samuel Aboki @iamsamuelaboki ·
Did you know?

The first aircraft to land in Nigeria landed in Kano in July 1925. A British fighter jet flew from Khartoum (present day **Sudan**).

Three planes landed at the end of the same day in Kano.

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Fact: The leading in exports of...

- Uganda: coffee
- Ghana: gold
- Kenya: flower
- DR Congo: cobalt
- Somalia: livestock
- Nigeria: oil
- Sudan: gum arabic
- Côte d'ivoire: cocoa
- South Africa: cars
- Tanzania: sesame
- Niger: uranium
- Morocco: fish

Mo Ibrahim Foundation
19,491 followers
1w •

Congratulations to Hanan Taifour, an economist from Sudan who joined our 2020 #MIFFellows cohort! She has extensive experience in economic policy research, project management and supporting the growth of small to medium enterprises in Africa.

What do you know about the three inspiring African leaders who make up the 2020 cohort of #MIFFellows? Click here to find out: https://lnkd.in/gwgeHha

Rwanda Tea @RwandaTea ·
Currently, Pakistan is the leading importer of #RwandaTea with 49% of the total **export** volumes, followed by UK (15%), Kazakhstan (7%) & **Sudan** (5%). In FY 2018/19, **Rwanda** tea was shipped to 42 countries, with new **export** destinations such as France, South Africa and Singapore.

RWANDA tea
A NATURAL REAWAKENING

Orca Gold Proposes Private Placement fund for Sudan’s Block 14 Gold Project

Source: Orca Gold Press Release

Vancouver based Orca Gold announced the intention to raise up to C$5,500,000 by way of a non-brokered private placement of up to 18,333,333 common shares at a price of C$0.30 per common share.

The proceeds of the Private Placement will primarily be used to fund ongoing operations at the Company’s 70% owned Block 14 Gold Project in the Republic of the Sudan and for general working capital.

Richard P. Clark, CEO and Director of Orca, comments, “The Company appreciates the support shown by Orca’s principal shareholders in this placement. Despite of the global challenges imposed by the impact of COVID-19, we are working to ensure that operations at Block 14 continue to successfully advance as the world begins to normalize. With an after-tax NPV of $403 million at $1,250/oz gold as reported in our feasibility study, the project’s economics are nearly three times at $1,750/oz gold. This Private Placement gives Orca the balance sheet to continue development discussions with third parties and work towards achieving the Company’s goals.”

Al Baraka Bank Sudan transforms into an intelligent bank with iMAL*BI

Source: Zawya

Path Solutions, the market-leading provider of Sharia-compliant digital solutions to the financial services industry, announced that Al Baraka Bank Sudan, a subsidiary of the strategic Bahraini multinational banking corporation Al Baraka Banking Group, has successfully completed the implementation of its new Business Intelligence solution.

iMAL*BI is data-driven and uses top trends in data visualization and analytical power. The solution comprises comprehensive data marts equipped with standard facts and dimensions as well as progressive measures that empower the bank's workforce to build ad-hoc dashboards, in-memory, to portray graphical representations of their data queries. It is rich in out-of-the-box dashboards, covering financial accounting, retail banking, corporate banking, investments, trade finance, limits, in addition to C-level executives' analytics boosting a base set of KPIs, dashboards and advanced analytics which are essential to each executive with highly visual, interactive and collaborative dashboards backed by centralised metadata security.

Elrasheed Abd Elrahman Ali, General Manager of Al Baraka Bank Sudan commented, "We are proudly putting technology at the centre of our growth plans. A key part of our new digital transformation program is the implementation of the cutting-edge iMAL*BI from the Path Intelligence platform. On behalf of Al Baraka Bank management, I would like to extend my gratitude and appreciation for all of the hard work and dedication provided to achieve the successful implementation of the solution during incredibly isolating and though times. The endless hours that Path Solutions' project team have spent working on this project, and the professionalism they have portrayed has really impressed our entire team immensely and we deem ourselves honored to have them as our project sponsor".

Central Bank of Sudan Issues SDG 200 Notes

Source: Radio Dabanga

The Central Bank of Sudan (CBoS) issued SDG 200* banknotes as prices increased 'significantly'. It is reported that the price of a gallon of gasoline jumped from SDG 28 to SDG 128, while a gallon of diesel no longer costs SDG 17 but SDG 103. Transportation tariffs have doubled. As reported by Radio Dabanga, banks in Sudan limited the daily withdrawal maximum of SDG 5,000 to SDG 2,000. It is also reported that Sudan's Ministry of Finance raised the minimum wage from SDG 425 to SDG 3,000, the largest increase in the history of the civil service in the country. As of May, the salaries of civil servants are planned to be increased by an average of 569 per cent, the ministry stated.

Blue Bird Aviation helps Sudan's International Community with Repatriation flights during COVID-19

Repatriation Flight to Addis

As Sudan's leading regional charter airline, Blue Bird Aviation is often called to the challenge of performing complex flights at short notice. On a hot Saturday afternoon in April 2020, 50 passengers were successfully repatriated from Khartoum Airport to Addis when Khartoum Airport was closed for flights. The flight involved obtaining special clearances and working with multiple teams including Ethiopian Airlines which passengers used to fly to different destinations.

www.bluebirdsudan.com

BLUE BIRD
AVIATION

Raising the bar

Sanhorial Medical & Cosmetics

Sanhorial Medical & Cosmetics was founded in 1998 by Dr. Mohamed Elamier Sanhory as a start up in Khartoum.

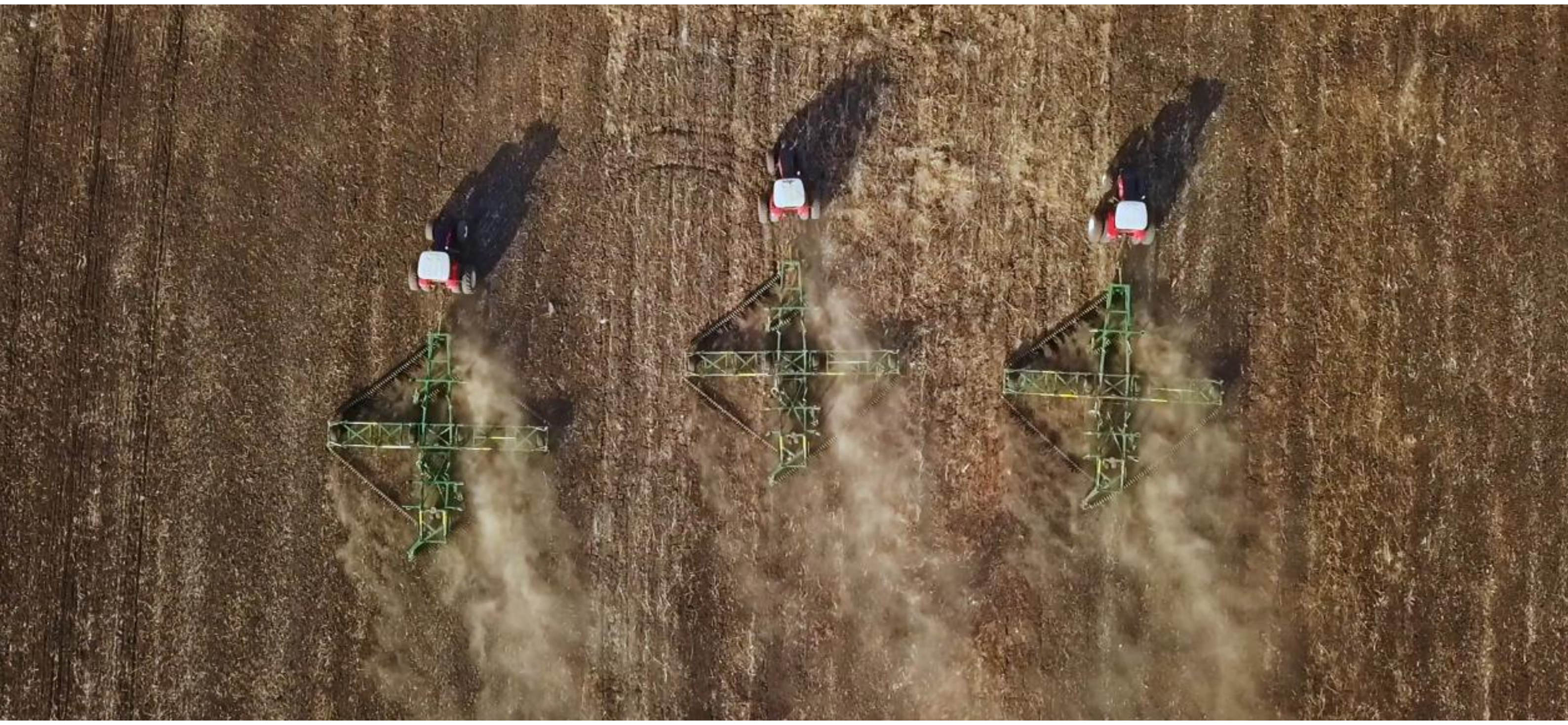
The prime aim of the business was to provide unique products for hair loss and dandruff.

A successful product, Hair Control has gained international popularity due to its fast and visible results for hair growth.

The product is registered at the Swiss Ministry of Health (International Patent No. 422/99), and is the only preparation in the world which succeeded 100% to treat the hair fallout.

Sanhorial Medical & Cosmetics currently export products to Ethiopia, Chad, Egypt, South Sudan, UAE and KSA.

Deputy Director General of the World Intellectual Property Organization visiting the Sanhorial factory in Khartoum



MAHGOUB SONS

Pioneers of the Agribusiness in Sudan

We interview Amel Mahgoub, Director at MSG Food, who tells us about the organization and agribusiness in Sudan.

Mahgoub Sons, an agribusiness established in 1969, and to date agriculture is still your core business. A company with history, continuity, and delivery, tell us about the company's journey to date?

The group was established in 1969 by our late grandfather MERGHANI MAHGOUB. African Plantation Company is our oldest company with operations in farming in the south of Gedarif.

The group then expanded into the import of agricultural machinery and implements, agricultural services, export of Sudanese crops such as sorghum and sesame, the import of fertilizers, food products such as wheat and finally agricultural manufacturing.

It is evident that the group's core work revolves around agricultural farming be it through horticulture or livestock breeding as well as the agricultural manufacturing. Today the group owns more than 20 companies all inter-related and working together to support the vision of our late Merghani Mahgoub that Sudan is the food basket of the world, full of resources and there's no alternative to agriculture but agriculture.

Farming 200,000 acres of land is not an easy task, what are the main challenges which can hinder operations?

It is certainly not an easy task and the challenges are many. But the main challenge is the very weak and limited financial support the state provides for this sector. Long term financing for the infrastructure is non-existent from the commercial banks in addition to the non-availability of CAPEX financing. The research and development institutes that existed back in the 70s and 80s have all been destroyed and lastly, the volatility of the state policies on macro & micro level that directly affect the production sectors.

Which commodity is the most challenging to farm and why?

The most challenging crop to farm in our opinion and long expertise in the field is cotton. That is due to the fact that the cost of production is higher and the crop growth period is longer when compared to other crops. The marketing of cotton is also challenging especially after Sudanese cotton has been away from the international market for decades. For that reason, we believe the solution is the local manufacturing of processed cotton to export it with added value and get higher returns, to avoid raw commodity market competition.

Exclusive dealers of Massey Ferguson in Sudan

Sudan is known to be the breadbasket of Africa and yet, Sudan is a net importer of some staple commodities. Besides economic reforms what are the other solutions to this issue?

Sudan needs to put its agricultural sector on top of its agendas for long term economic reform, by increasing its spending on this sector to reach at the least 10% from its total expenditure. As well as an optimistic and futuristic infrastructure plan and most importantly spending on the establishment of research and development institutes with some focus on water harvesting projects to save all the excess seasonal water Sudan is enriched with and finally the establishment of training institutes to catch up on the technological advancements that Sudan should be using to enhance production and productivity.

"There is no alternative to agriculture but agriculture "

MERGHANI MAHGOUB

Numerous start-ups are venturing into farming, what advice can you give to the Sudanese farming entrepreneur?

To the young Sudanese entrepreneurs, we encourage and support these start-ups subject that you are deeply passionate about farming. It is an exhausting business, incredibly challenging and requires a lot of patience and time to be able to see returns. Do not give up and always know you are in the right area of business for the future of Sudan.

For more information on Mahgoub Sons and their group of companies, please visit

www.mahgoubsons.com

Sudanese Achievers

Dr Ahmed El Tigani

Editor's Choice

Dr Ahmed El Tigani is CEO and founder of Al Rawabi Dairy Company in the UAE which was established in 1989 and now a leader in dairy products and other fresh produce.

It started when he had a dream to build a farm in a desert, starting with a farm of 500 imported cows. Dr El Tigani pursued his passion to introduce the dairy industry to the UAE – and his herd now numbers 13,000.

A pioneer of the dairy business in the Middle-East, he is known as the Manager of Farms, he has won several awards as the best leader and manager during the years 2010, 2013 and 2015.

Dr El Tigani is an asset to Sudan, and can be considered as a national interest given the livestock wealth which belongs to Sudan.

More than 175 Thousand Sheep Exported to Saudi Arabia

Source: SUNA

The Ministry of Livestock, Fisheries and Pastures has announced the export of more than 175,000 sheep to the Kingdom of Saudi Arabia during the period of the first of last April to the middle of May.

The Minister of Animal Resources, Fisheries and Pastures, Dr. Alam Eddin Aba'ashr, referred to the resumption of live livestock exports to Saudi Arabia at the beginning of last April after astopping in October 2019, following the declaration Sudan free of diseases in January 2020.

In statement to SUNA the Minister stated that 30 thousand sheep were exported to the Sultanate of Oman, and 20 thousand cows were exported to the Arab Republic of Egypt.

He pointed to the approval for the three slaughterhouses of (Alkadro, Jimco and Shaheen), for the export to Saudi Arabia, noting to the export of a first batch of 20 tons of meat to the Kingdom during the past two days, asserting continued export of meat and benefiting from the added value of livestock products, indicating the export of meat to Egypt and the Gulf countries.

The Kingdom of Saudi Arabia is the largest market for Sudanese livestock (sheep, cows and camels), and accounts 65% of the total livestock exports that amounting to 7 million heads annually.

Demanding Healthcare Reforms

With the Covid19 pandemic and the worst global recession since the great depression, Sudan can not stand and wait for a helping hand from the international community. The removal of US sanctions on Sudan is ongoing with pre-conditions not being met hence the delay. The EU, GCC and China have been generous and provided aid continuously to Sudan, and these open cheque book expectations are unsustainable.

The newly formed government shall need to implement crucial steps to ensure that economic reforms impact the society and conditions of the population at large.

The major issue is the inherited crumbling healthcare system, backed by enthusiastic and patriotic volunteers, and funded by private donors. Highly skilled medical workers left the country for a better career, income and standard of living creating a huge vacuum and brain drain.

When the wealthy are in healthcare need, they have the privilege to be flown to a neighbouring country and be treated in better conditions.

The government needs to start leading reforms in healthcare, request for experience from the diaspora, private sector and NGOs.

The formula is simple, tax-free salaries, a zero VAT and customs exempt supply chain, expatriate workers to train the local workforce, and highly incentivised diaspora managed clinics or hospitals, subsidized by the government for the needy patients.

Sudan needs diaspora experience, a healthcare system available nationwide, for all classes of society, diminishing inequality which has been a deprivation for decades. This is not just a vision, it is a demand.

Facebook contributing towards a fibre optic subsea cable to ***speed up internet in Sudan***

Source: Go2Africa

China Mobile International, Facebook, MTN GlobalConnect, Orange, stc, Telecom Egypt, Vodafone and WIOCC announced that they will partner to build 2Africa, which will be the most comprehensive subsea cable to serve the African continent and Middle East region.

The parties have appointed Alcatel Submarine Networks to build the cable in a fully funded project which will greatly enhance connectivity across Africa and the Middle East.

At 37,000km long, 2Africa will be one of the world's largest subsea cable projects and will interconnect Europe (eastward via Port-Sudan), the Middle East (via Saudi Arabia), and 21 landings in 16 countries in Africa. The system is expected to go live in 2023/4, delivering more than the total combined capacity of all subsea cables serving Africa today, with a design capacity of up to 180Tbps on key parts of the system. 2Africa will deliver much needed internet capacity and reliability across large parts of Africa, supplement the fast-growing capacity demand in the Middle East and underpin the further growth of 4G, 5G and fixed broadband access for hundreds of millions of people

The 2Africa cable will implement a new technology, SDM1 from ASN, allowing deployment of up to 16 fibre pairs instead of the eight fibre pairs supported by older technologies, bringing much greater and more cost-effective capacity. The cable will incorporate optical switching technology to enable flexible management of bandwidth. Cable burial depth has also been increased by 50% compared to older systems, and cable routing will avoid locations of known subsea disturbance, all helping to ensure the highest levels of availability.

A Resilient Building Materials Market

The building material sector in Sudan is vast and dynamic, with new materials and construction techniques being introduced all the time. In line with other economies the sector helps to generate a vast number of jobs which are very varying.

There are many local factories that produce the necessary building blocks e.g steel , cement, pipes, tiles among others. But a lot of imported goods are also necessary to fill the gaps ranging from electricals, timber products, design hardware and accessories, MDF boards etc.

With the high population growth across all cities the sector is constantly expanding, however not without struggles. Many of the struggles stem from the poor infrastructure. To name a few issues there are poor port facilities which slows down the import process for raw materials and other imported goods. The transport links between major cities would benefit greatly from an upgrade. The constant deflation of the Sudanese pound also plays a major barrier in the growth of the sector.

An industry source claims that with the country in complete lockdown for nearly 2 months, the sales have completely dried up, as most building projects were halted until further notice.

The global situation with corona virus has also impacted the local economy, with delayed shipments. On the plus side, some factories are offering some discounts to help shift their products.

The novel corona virus shall definitely have a big impact on the Sudanese economy but in general the market is quite resilient and has sustained many problems in the past and overcame many of them. The local businesses are very creative and adaptive to many situations which makes reassures us that it will come back stronger than before.

Ministry of Energy Begins Handing Over Mining Revenues in Pure Gold

The Minister of Energy and Mining, Adel Ali Ibrahim, noted in a press statement that his ministry, since the 4th of June, has been importing revenues from the mining sector (great returns, zakat, taxes, business profits benefits) in pure gold through the Khartoum Gold Refinery and then to the Ministry of Finance instead of the system previously followed by which the Ministry of Finance was receiving revenues from the mining sector by "selling gold" in local currency, indicating that there were entities that were selling gold and paying the Ministry of Finance in the local currency.

The Minister expected that the decision of handing over the revenues to the Ministry of Finance in pure gold would provide the treasury of the Ministry of Finance with hard currency that can represent guarantees for loans, borrowings or reserves, pointing to the big difference in receiving returns in pure gold.

Investing in the New Sudan

Italian businesses in Sudan

Source: SUNA

An online seminar was held in Khartoum and Rome, a seminar on investment opportunities for Italian companies and businesses in Sudan under the title "Investing in the New Sudan" under the supervision of the Minister of State for Foreign Affairs, Omar Omar Qamar Religion Ismail and Italian Deputy Foreign Minister, Mrs. Emmanuela del Rey.

During the event, the Sudanese side shed light on the current economic challenges facing Sudan, which it inherited from the previous regime, and the ongoing efforts to confront and overcome them by the transitional government, especially in the area of investment and private sector development.

The Italian side also valued its historical relations with Sudan, reviewing the various and varied aspects of the flourishing bilateral relations between the two countries, noting in particular its efforts to establish a branch of the Italian Trade Commission in their embassy in Khartoum to contribute to raising the pace of trade and investment cooperation between the two countries.

The meeting also discussed how to consolidate trade relations and develop the investment movement between the two countries in various ways and in the long term. The meeting also witnessed an active discussion and interaction between the two sides represented in several inquiries submitted by the participants from representatives of the Italian private sector on the investment climate in Sudan, where the Sudanese side provided additional answers on her.

A number of officials from both countries participated in the seminar, such as Mrs. Assistant Undersecretary for Political Affairs at the Ministry of Foreign Affairs, Ambassador Ilham Ibrahim Ahmed, Mrs. Secretary-General for Investment and Private Sector Development at the Ministry of Finance and Economic Planning Dr. Heba Mohamed Ali, in addition to officials from the Italian Ministry of Foreign Affairs, the European Union Mission in Khartoum, the Trade Affairs Section of the Italian Embassy in Cairo, concerned with covering trade affairs in Sudan, and the ambassadors of the two countries in their capitals.

A number of representatives from the private sector and businesses from both sides also participated in the event. The Vice President of the Sudanese Employers General Union, Anthony Haggar, and representatives of a number of private sector institutions and Italian companies attended.

New CEO appointed at Bank of Khartoum

Anis Haggar Appointed as Board Member at Central Bank of Sudan

Prime Minister Dr. Abdullah Hamdok issued a decision to reconstitute the Board of Directors of the Central Bank of Sudan, in accordance with the provisions of the constitutional document for the transitional period, and on the recommendation of the Governor of the Central Bank of Sudan.

According to the restructuring, the structure became: Governor of the Central Bank of Sudan - President, Deputy Governor - Two Members, Undersecretary of the Ministry of Finance and Economic Planning - member, and membership of Anis George Haggar, Dr. Siddiq Ambada Rabah and Dr. Balqis Yusuf Badri.

The decision was directed by the Ministries of Cabinet Affairs (Central Bank of Sudan), Finance, Economic Planning and other stakeholders.

APPOINTMENTS

Chief Financial Officer CFO

Unicom, KSA

Send CV to cv@unicomg.com

www.unicomg.com

Chief Executive Officer CEO

My Wealth Keys, Al Ain, UAE

www.mywealthkeys.com

Senior Economic Affairs Officer

United Nations Economic Commission for Africa, Addis Ababa, Ethiopia

https://careers.un.org/lbw/jobdetail.aspx?id=127480

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Does your business have a story to tell?

A profile in our executive interviews section places you among Sudan's most successful and prominent business leaders. The experience provides you and your company with a number of benefits, including:

- allow you to develop an engaging and inspiring article.
- an opportunity to boost your company and profile and associate your business among our influential subscriber and distribution base.
- a chance to share your insights and ideas with the next generation of executives and entrepreneurs.

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