



# A LAND OF OPPORTUNITY

US SUDAN BUSINESS COUNCIL

MARCH 2021

# ABOUT THE US SUDAN BUSINESS COUNCIL “USSBC”

The US-Sudan Business Council is a non-profit organization dedicated exclusively to **Private Sector Development** in Sudan

- Washington, DC
- 501(c)3 status
- Membership-driven agenda with shared commitment to BEST PRACTICE and the highest standards of ethics and excellence in business
- Formally incorporated in 2017, long-standing advocates promoting US-Sudan trade relations
- [www.ussbc.org](http://www.ussbc.org)

“The gateway to a new era of growth, development and economic prosperity for the country and its people”



# SUDAN

at a Glance

## CAPITAL:

Khartoum

## AREA (IN SQ. KM):

1,882,000

## LANGUAGE(S):

Arabic

## POVERTY RATE:

65% (2019)

## GDP PER CAPITA:

\$442 (2020)

## HUMAN

## DEVELOPMENT INDEX:

0.507 (2018)



# Population 42.8 Million

As of 2019

63% of the Sudanese population falls within the ages of 0-24 years making it a very young nation growing at 2.4% per annum. Urbanization rate is 35% and women comprise 50.4 % of the population.



# GDP \$ 33.36 Billion

As of 2019

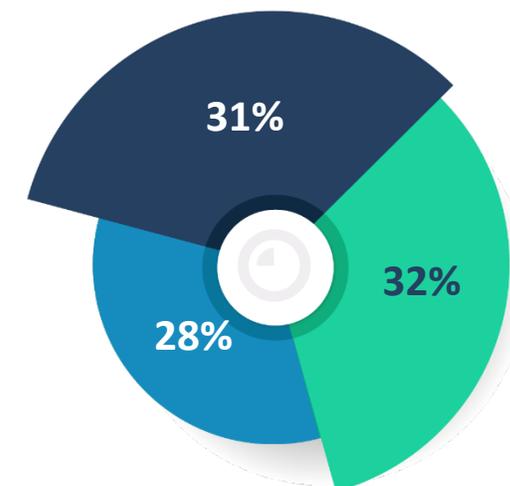
As of 2019, sectoral GDP contribution showed Agriculture (28%), Industry (32%) and Services (31%). Between 2015-2019, GDP grew at an average of 1.8%.

Sudan provides a large domestic market and preferential access to neighboring markets of COMESA represented by 460 million people with a spending power of US\$ 198 bn.

Sudan's Exports estimated at \$ 4 bln in 2019 composed of;

- Gold (25% of total exports)
- Oil seeds
- Edible oil
- Arabic gum
- Cotton.

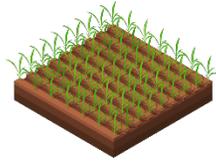
Main export partners are ; UAE (\$1.23 billion) followed by China (\$ 740 million), Saudi Arabia (\$ 561 million) and India (\$467 million).



Services

Industry

Agriculture



**200 MILLION** acres  
ARABLE LAND



**\$ 1.1 Billion** IN FDI  
INFLOWS



**3,000,000 MCFT**  
NATURAL GAS RESERVES



**\$ 1.5 BILLION** IN OIL  
RESERVES



**GUM ARABIC** WORLD'S  
LARGEST PRODUCER



**109 MILLION** HEADS OF  
LIVESTOCK



**533 TONS** OF GOLD  
RESERVES

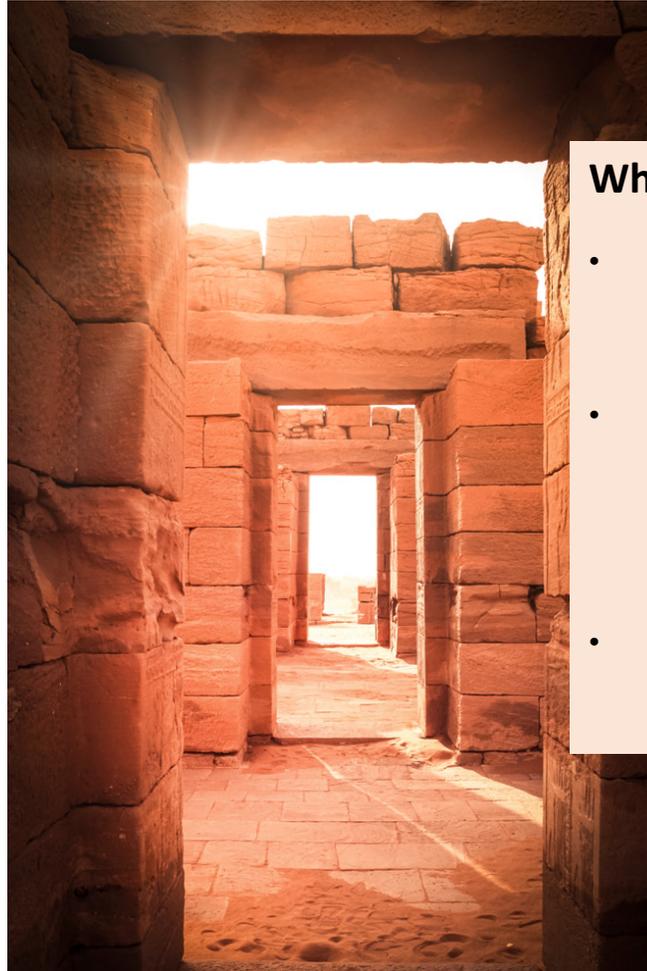


**5.9 M TONS** OF CEREAL  
PRODUCTION



# THE LANDSCAPE

- On August 23 1993, the US Government under the Clinton Administration designated Sudan as a state sponsor of terrorism.
- In 2017, the Obama Administration lifted US sanctions on Sudan with further progress still needed for removal from SSTL.
- On October 23rd, President Donald J. Trump informed US Congress of his intent to annul Sudan's designation as a State Sponsor of Terrorism, contingent on resolving certain claims of US victims of terror and their families. Sudan transferred \$ 335 million into an escrow account for these victims and their families.



## What has happened since then?

- First visit from US Secretary of State, Mike Pompeo to Sudan in August.
- In January, Sudan PM Abdalla Hamdok welcomed US Treasury Secretary, Steven Mnuchin and Sudan signed the Abraham accords which will over time lead to normalizing relations with Israel.
- US and Sudan have signed an MOU facilitating a bridge loan of the country's debt to the World Bank, unlocking WB funds.

# CHANGES TO BANKING DUE TO SSTL



## **US Dollar transactions:**

Several Middle Eastern Banks have started to correspond in US dominated transactions allowing US dollar transfer globally.

## **Banking Correspondence:**

Old banking correspondence relationships have started to return and new RMA are being established. Most banks are yet to update their internal policies, but progress is being made.

## **Exchange rate reform:**

Government has floated the local currency eliminating differences between the official rate and the parallel market. Companies now have access to hard currency via standard banking channels.

## **Credit Cards:**

Local banks have started to issue Visa cards.

# PATH TOWARDS DEMOCRACY AND ECONOMIC STABILITY 2019 - 2022

**Energy and tax reform** set in place to remove impact of subsidies on the government budget. Removal of subsidies is a step in directing resources towards sustainable development.

## Normalizing foreign relations

Sudan is no longer outcast from the international community. The repeal of repressive legislation, has placed Sudan on track to becoming a free, fair and uncorrupt nation.

## Gender equality and female empowerment

On the 10<sup>th</sup> of June 2020, the transitional government adopted the National Action Plan to support women, peace and security.

**Political Stability** On October 3<sup>rd</sup> 2020, a peace agreement was signed between the Transitional government and several rebel groups resolving years of war and conflict across different regions in the country.

**Family Support Program** This is led by the Ministry of Finance, and financed through World Bank and supported by WFP is an initiative directed towards vulnerable families.

**Removal from SST** After 27 years of being listed on SSTL, the transitional government has worked closely with the Trump Administration to achieve this goal. This has been a priority for the government since the uprising of 2019.



# FUNDS TO SUPPORT THE TRANSITION

In June 2020, Friends of Sudan met in Berlin and pledged the following amounts in support of transition;



EU: \$ 350 Million



UAE: \$ 50 Million



Germany: \$ 168 Million



UK: \$ 186 Million



France: \$ 112 Million



KSA: \$ 10 Million

Since March 1990, the European Community suspended all development aid to Sudan. Following, the Sudanese Revolution, the EU removed the suspension and has provided 100 million euros to support Sudan in its democratic transition.

## Other forms of support;



WFP committed to donate 200k in Wheat via in-kind transfers per annum for a period of 4 years that started last year.



After fall of the old Regime, Saudi Arabia and the United Arab Emirates sent Sudan \$3 billion worth of aid, depositing \$ 500 million in the Central Bank and the rest was sent in the form of food, medicine and petroleum products.

There are \$1.1 billion in arrears at the IMF, which President Macron is spearheading the clearance of at the upcoming Paris Conference.

In Jan 2021, the US announced that it will give a \$1 billion bridge loan to the World Bank to help clear Sudan's arrears with the institution. This opens doors to much needed funding.

The UK has announced that it will provide a £330 million bridge loan to help Sudan clear its more than \$400 million in arrears to the African Development Bank.



THANK YOU