

Sudan returns to world trade, financial systems after sanction lifted: experts

The U.S. decision to lift economic sanctions on Sudan constituted a turning point in Sudan's foreign relations, marking its return to the world trade and financial system, according to Sudanese experts.



For nearly 20 years, the U.S. economic sanctions have cast severe damaged on the Sudanese economy, including the freezing of more than 7 million U.S. dollars belonging to the banking sector in Sudan.

The sanctions have also caused heavy losses to foreign investors in Sudan regarding foreign transactions, and added additional restrictions for exporters in commercial transactions.

The sanctions led to mistrust in dealings between Sudan and financial institutions and donor countries, causing Sudan to lose predictable resources that were capable of filling in the external gap.

Experts in Sudan agreed that the lifting of the sanctions is likely to enable Sudan to restore its trade and economic relations with the world, facilitate banking operations and procedures for exports and imports.

It would also ease access to commodities, basic production inputs, as well as health and education services, and also resume the country's communication with international financial and investment institutions, particularly for the Sudanese private sector.

"The decision to lift the sanctions on Sudan represents an important shift in Sudan's economic relations," Ali Salah Ali, chairman of Sudan's Importers' Union, said when addressing a symposium Tuesday titled "Post Sanctions lifting: Reading the Economic and Political Reality."

He noted that the lifting of the sanctions represents a new shift in commercial transactions both with exports and imports. It will also contribute to "improving exchange rate of the national currency."

He stressed that the Sudanese pound is strengthening against dollar in the past few days, and the prices of some consumer goods are also declining.

Ali further explained that the private sector could be the biggest beneficiary as there would be more access to financing outlets to obtain funds.

He also highlighted the "positive and direct" impact on the overall performance of the Sudanese economy, as the lifting of the sanction

removes “many of the complexities that accompanied the business performance.”

Sudanese political and economic analyst Hassan al-Saoury, also addressing the symposium, expected that the sanctions lifting decision would have a positive impact on the production sectors in Sudan.

“The agricultural sector represents the main production base of Sudan’s economy,” he noted, adding that the sector would benefit from more access to spare parts, fertilizers, seeds and modern technologies, which will increase the productivity and exports.

“It will also boost the competitiveness of Sudanese agricultural products in foreign markets,” he said.

Al-Saoury, meanwhile, urged the Sudanese government to develop a package of policies to make use of the sanctions lifting, suggesting strong partnerships be created with major U.S. companies “to act as guarantors to avoid re-imposing of the sanctions.”

On Oct. 6, the United States decided to lift its economic sanctions on Sudan permanently, citing Sudan’s “sustained positive actions” to maintain a cessation of hostilities in conflict areas, improve humanitarian access, and maintain cooperation with the United States “on addressing regional conflicts and the threat of terrorism.”

The U.S. State Department announced that the decision would go into effect as of Oct. 12.

The United States has been imposing sanctions on Sudan since 1997 and listing it one of the countries sponsoring terrorism.

Although there are no accurate statistics on Sudan’s total loss due to the sanctions, Sudanese sources estimate it at around 500 billion U.S. dollars, with indirect loss estimated at about 4 billion dollars per year.

The U.S. sanctions included a ban on all kinds of commercial and financial dealings with Sudan. The Sudanese banking sector was cut off from the global financial system.

In transport sector, Sudan Airways has lost its place as a national carrier as the sanctions denied it access to spare parts and regular maintenance for planes, which caused most of its planes to be out of service.

Meanwhile, Sudan’s railway lost 83 percent of its infrastructure due to the sanctions, with many trains being paralleled.

In the health sector, the sanctions prevented Sudan from obtaining U.S. medical equipment and medicines, and decreased the efficiency of medical laboratories in the country.

Late July, the United States extended a review period of three months to decide whether to permanently lift trade sanctions given its human rights records and other issues.

On Jan. 13, former U.S. President Barack Obama issued a decision to cancel two executive orders imposing economic sanctions on Sudan.