THE MINISTRY OF INVESTMENTS AND INTERNATIONAL COOPERATION
The Minister's Office
Address: King Abdelaziz Street, 7th Street Intersection, Al Amarat

Khartoum - SUDAN

Tel: +249 99 778 0068

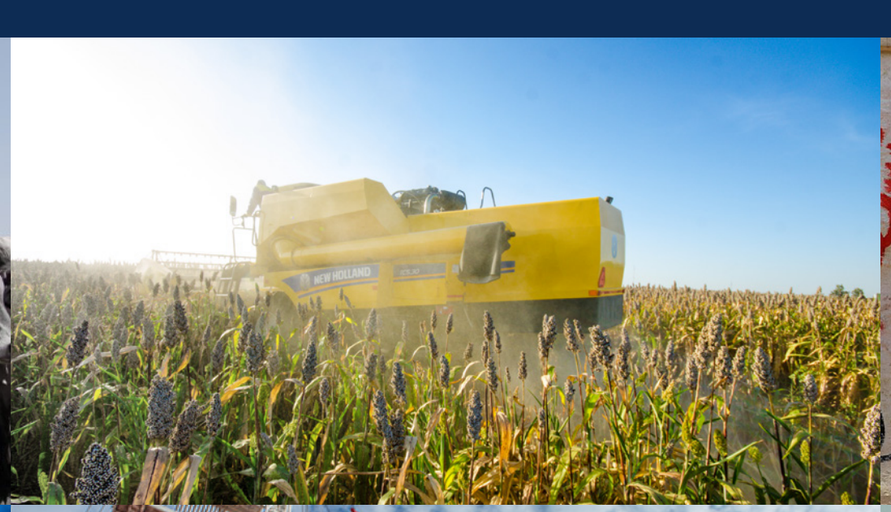
E.mail: invest@cabinet.gov.sd

THE NEW SUDAN

INVESTING FOR

STABILITY | GROWTH | WEALTH













LIST OF ABBREVIATIONS

ACC	Anti-Corruption Commission
AfCFTA	African Continental Free Trade Area
AfDB	Africa Development Bank
AFD	Agence Française de Développement
AQRs	Asset Quality Reviews
AML	Anti Money Laundering
AU	Africa Union
BBL	Barrel of Oil
BP	British Petroleum Amoco Plc
CFT	Combating the Financing of Terrorism
CAGR	Compound Annual Growth Rate
C&I	Corporate and Industrial
CLTG	Civilian Lead Transition Government
CIPE	Centre for International Private Enterprise
CPI	Consumer Price Index
CBS	Central Bureau of Statistics
CF	Cubic Feet
CSC	Council of Saudi Chambers
CSR	Corporate Social Responsibility
COMESA	Common Market for Eastern and Southern Africa
ERA	Electricity Regulatory Authority
ESA–EU	EPA - European Union and Eastern and Southern Africa
GCC	Gulf Cooperation Council
GRAS	Geological Research Association of Sudan
HA	Hectares
HDI	Human Development Index
HIPC	Heavily Indebted Poor Countries
JICA	Japan International Cooperation Agency
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
GW	Gigawatt
FCDO	Foreign, Commonwealth& Development Office
FX	Foreign Exchange
ICSID	International Center for the Settlement of Investment Disputes
ILO	International Labour Organization
KG	Kilogram
KWH	Kilowatt-Hour
Mn	Million
MW	Megawatt
MT	Metric Tonnes
LDC	Less Developed Countries
LPG	Liquefied Petroleum Gas
O&G	Oil & Gas
OIC	Organization of the Islamic Conference
UNDP	United Nations Development Programme
SBF	Sudanese Business Federation
SDG	Sudanese Pound
SEZ	Special Economic Zones
SOE	State-Owned Enterprise
SMP	Staff Monitored Program
SUDAPET	Sudan National Petroleum Corporation
SWF	Sovereign Wealth Fund
TIFA	Trade and Investment Framework Agreement
PCC	Protected Cell Companies
PV	Photovoltaic
IMF	International Monetary Fund
WTO	World Trade Organisation
TRN	Trillion
UNCTAD	United Nations Conference on Trade and Development
ITC	International Trade Centre
WB	World Bank
US	United States
USD	United States Dollar
USSBC	US Sudan Business Council
EU	European Union
ECCS	European Chamber of Commerce in Sudan
SARC	Sudan Anti-Corruption Resource Centre
SBF	Sudanese Business Federation
SMP	Staff Monitored Programme
SME	Small & Medium Enterprises
MoFEP	Ministry of Finance and Economic Planning
MoJ	Ministry of Justice
NGO	Non-Governmental Organisation
CBoS	Central Bank of Sudan
OFAC	Office of Foreign Assets Control
PRSP	Poverty Reduction Strategy Paper
PMO	Prime Minister's Office
PPP	Purchasing Power Parity
PWC	PricewaterhouseCoopers
GDP	Gross Domestic Product
PPP	Public Private Partnership
TMC	Transitional Military Council
IDA	International Development Agency
LPG	Liquified Petroleum Gas
SSTL	State Sponsor of Terrorism List
UAE	United Arab Emirates

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GENERAL DISCLAIMER

The authors accept no responsibility for any errors this guide may contain, whether caused by negligence or otherwise, or for any loss, however caused, sustained by any person that relies on the information herein.

While all attempts have been made to provide up-to-date statistics and other details, this Investment Prospectus is not exhaustive and readers are advised to consult with their advisors and/or the relevant government agency.

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SUDAN – A COUNTRY IN TRANSITION

5 REFORM PILLARS

- **Sudan is in the middle of a political transition and ambitious economic transformation programme. This is happening under very challenging circumstances brought about by the fallout from the COVID-19 pandemic and the general slowdown of the global economy.**

- **These recent challenges, together with the ongoing battle to tackle legacy issues following years of sanctions and underinvestment in all sectors of the economy, have left the government with a limited range of policy options.**

- **Despite this, there are 5 big reform programmes that are underway and will have a direct impact on the long-term investment climate in Sudan.**

1. CONSTITUTIONAL REFORM

- Constitutional certainty is crucial for establishing and maintaining political and macroeconomic stability. Both elements are key to achieving the government's growth and wealth creation objectives.

- As the principal law of any country, certainty on the future constitutional arrangement of Sudan will be critical for the country's long-term investment strategy and planning.

- Constitutional Reform will be a negotiated political process that will ultimately be decided by all the people of Sudan.

- This process envisages the establishment of a constitutional conference that will not only determine the future internal governance arrangements of the country but also how Sudan intends to be viewed by and interact with our neighbours, Africa and the rest of the world.

2. CIVIL SERVICE REFORM

- The Civil Service is at the heart of any government and is there to ensure institutional memory and provide for continuity of government services.

- The government has therefore initiated a Civil Service Reform Program, to be led by PwC and sponsored by USAID.

- The initial phase of this program will be to conduct an in-depth technical assessment of the Civil Service in Sudan. Any key findings and recommendations are to be used to produce a tailored approach for Civil Service reform in Sudan. The initial phase will also produce a detailed action plan and suitable timelines for execution.

SUDAN IS IN THE MIDDLE OF A POLITICAL TRANSITION AND AMBITIOUS ECONOMIC TRANSFORMATION PROGRAMME. THIS IS HAPPENING UNDER VERY CHALLENGING CIRCUMSTANCES BROUGHT ABOUT BY THE FALLOUT FROM THE COVID-19 PANDEMIC AND THE GENERAL SLOWDOWN OF THE GLOBAL ECONOMY.



3. LEGAL & REGULATORY REFORM

- The government has already passed critical legislation necessary for creating the right regulatory framework for investments.

- This work has only started and will take time to get right and yield the expected results. The government is however committed to creating a holistic legal and regulatory framework that is in line with global best practice, across all sectors of the economy. This will ultimately be enshrined within the principal constitutional framework once that is settled.

- Some of the most recent legislation relevant for the improvement of the investment environment that have been ratified are:

1. The Anti-Corruption Law 2020 and creation of an Anti-Corruption Commission;
2. The new Investment Law 2021; and
3. The Public-Private Partnerships (PPP) Law 2021.

- Other critical regulations are those that relate to Banking Sector such as allowing for conventional banking.

- There are a range of laws and regulations that will need to be redrafted, amended or enacted in order to make Sudan a preferred destination for investment. These include the streamlining of regulations required to start and do business in Sudan and updating the legal framework for the Mining and Oil & Gas Sectors. >

DID YOU KNOW?

Sudan has recently passed an Anti-Corruption Law, a new Investment Law and a Public Private Partnerships (PPP) Law.

4. ECONOMIC & FINANCIAL SERVICES REFORM

Debt Relief and the HIPC Process

- Finding and agreeing to a long term sustainable solution for Sudan's almost US$56 Billion of debt was a critical reform agenda item for the government.

- Most of Sudan's external debt was in arrears as at end-December 2019, including to IDA, the IMF and the AfDB Group. Most of the arrears are now expected to be cleared on concessional terms.

- Sudan's discussions on the clearance of arrears to non-Paris Club creditors will be undertaken as part of the negotiations for the provision of HIPC debt relief; these negotiations are expected to accelerate once the terms of the Paris Club Decision Point treatment have been confirmed.

- The major pre-requisites for a Paris Club agreement are being met, and Sudan hopes to achieve such an agreement in late May 2021. The Paris Club agreement will set the benchmark for treatment of other debt, including non-Paris Club and commercial debt.

Capitals for Sector Reforms

- The second key reform agenda under this pillar, relates to the reform of Sudan's Banking Sector. The sector is overbanked and underbanked at the same time.

- There are currently 37 banks in Sudan. 12 banks (accounting for 25 percent of banking system capital) have capital adequacy ratios below the regulatory 12 percent minimum. Through equity injections to shore up weak banks, the government has ended up owning almost 41% of the banks creating a conflict of interest.

- Weak systems, processes and controls, coupled with a lack of investment in current banking technology, means the critical systems required to comply with international standards for anti-money laundering (AML) and ant-terrorism financing measures have not been met. This will significantly hamper the speed at which the Sudanese financial services sector and broader economy will be able to reintegrate into the global economy.

- The Bank of Sudan (Sudan's Central Bank), as the sector regulator has already initiated a number of reforms. These include:

1. Ensuring the commercial banks work according to international prudential regulations, and will work with the banks to address all constraints that hinder their compliance;

2. Banks with low capital adequacy ratios will be required to inject more capital;

3. Encouraging the merger of banks;

4. Conducting Asset Quality Reviews (AQRs) of systemically important banks based on international standards, a process that has commenced and is currently being sponsored by the European Union and the French Government;

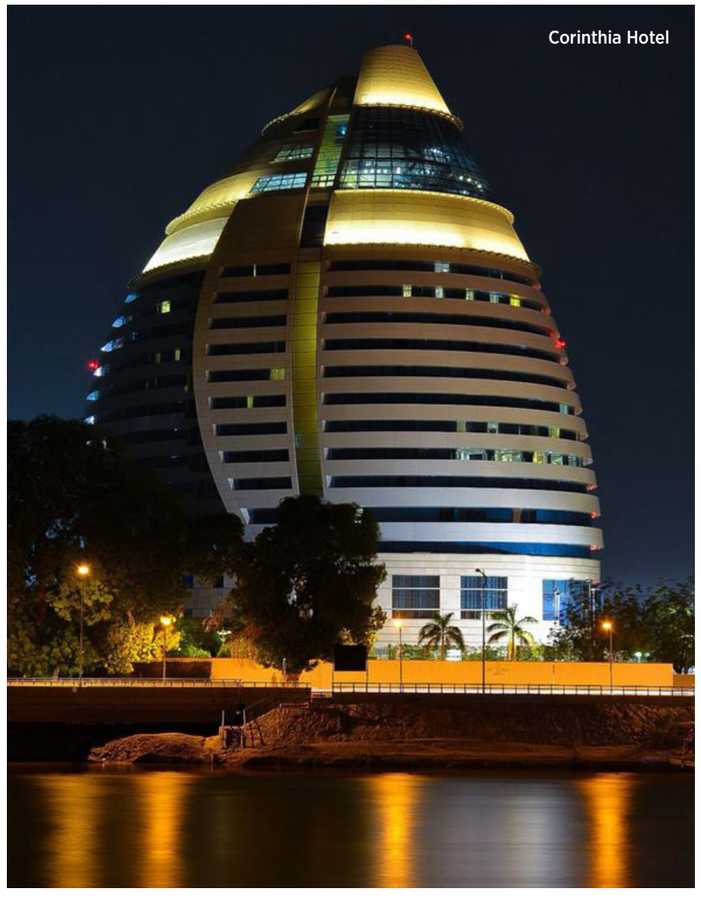
5. Opening the Banking Sector to conventional lending, alongside Islamic Finance; and

6. Extending the payments system to digital payments and mobile money;

SUDAN'S BANKING SECTOR IS OVERBANKED AND UNDERBANKED AT THE SAME TIME.



Pyramids at Meroë, Northern Sudan



Corinthia Hotel

5. INVESTMENT REFORM

- As already indicated, the business and investment climate in a country is normally hampered by institutional weakness or the absence of regulations in a number of key areas.

- These reforms must go beyond those already mentioned and cover other critical aspects of the economy such as the labour, environmental, and competition regimes.

- The Investment Reform agenda will also be geared towards ensuring all the operational challenges investors normally face in a country, and adequately captured in the World Bank's Ease of Doing Business Matrix, will be addressed.

- This work will be critical for delivering on the ambition outlined in this Investment Prospectus, and will be led by the Ministry of Investments. >

DID YOU KNOW?

Sudan now allows for Conventional Banking alongside Islamic Finance.



Blue Nile Bridge, Khartoum

POTENTIALLY ONE OF AFRICA'S BIG 5 ECONOMIES

DID YOU KNOW?

Sudan has 43% of the Nile basin and sits on the world's largest fossil aquifer (2km³ of underground water)

SUDAN'S HAS NATURAL ADVANTAGES

Geographical Location

- Sudan's location is a strategic advantage: at the crossroads of Africa and the Middle East, close to the major import markets of the GCC and Europe, and a gateway to one of the world's major shipping routes for the Sahel and central Africa.

Abundant Water Resources

- Sudan has 43% of the Nile basin, sits on the world's largest fossil aquifer (2km³ of underground water), and has a fertile rain-fed belt in the South

Resourceful Entrepreneurial Workforce

Despite years of sanctions and dictatorship, Sudan has a strong, resilient private sector, and a young, well-educated workforce committed to creating the New Sudan.

SUDAN'S LOCATION IS A STRATEGIC ADVANTAGE: AT THE CROSSROADS OF AFRICA AND THE MIDDLE EAST, CLOSE TO THE MAJOR IMPORT MARKETS OF THE GCC AND EUROPE.

SUDAN'S IMMENSE AGRICULTURE AND AGRI-PROCESSING POTENTIAL

Agro-Climatic Conditions

- Sudan contains 10% of the world's available arable land, a variety of rich soil types, and a tropical climate suitable for year-round agriculture.
- The Gezira Scheme is the largest centrally-managed irrigation scheme in the world, at 1m ha.
- Sudan produces over 10% of the world's groundnuts and is typically among the top 5 producers globally.
- Sesame seeds were Sudan's largest export after gold in 2020, and Sudan is consistently one of the top 5 producers globally, responsible for between 5-10% of global supply.

DID YOU KNOW?

The Gezira Scheme is the largest centrally managed irrigation scheme in the world

Livestock

- Sudan has the 2nd largest livestock herd in Africa (over 100 million heads) and an established, but underutilized, meat processing and tanning sub-sector.
- New Zealand has a smaller livestock inventory than Sudan, but exports 200 times more meat, despite a much poorer geographical location.
- Almost all of Sudan's leather exports are unfinished wet blue leather.

Fisheries

- Sudan has opportunities in aquaculture and deep-sea fishing.
- With a Red Sea coastline of over 720Km long and a tuna fishing sector that is estimated at almost one million tonnes with unlimited demand in Asia for fresh fish.

Textiles

- The global textile industry is worth $1trn, is growing at a CAGR of 4.4%, with natural cotton representing the largest share of the market at 39%. The American textiles market alone is estimated at US$ 84 Billion.

Sudan has 1.5 Bbls of Oil Reserves

- Sudan's oil reserves currently stand at c.1.5 billion barrels. The sector has previously attracted significant external investment from China and Malaysia. The objective of the government is to seek investors with the technical know-how to increase the production levels from current producing wells to the pre-separation levels of c.150,000 barrels per day.

Sudan Flares All of its Gas

- Sudan, has previously flared its gas for over 25 years. The country has proven reserves of 3trn cf, as well as under-prospected off-shore. These are likely to make Sudan a significant natural gas producer. Considering the country's energy deficit, there is a major opportunity to use Sudan's gas as a primary source for power generation.
- The recent discoveries of oil, gas and mineral resources in the East Africa region have also been substantial. These finds create an immediate opportunity to build a services hub for drilling and maintenance for the region in Sudan considering the country's long production history.

AFRICA'S NEXT MINING DESTINATION

- Sudan has one of the greatest varieties of mineral resources. It potentially also has some of the largest deposits of various precious, semi-precious, industrial and agricultural minerals.
- There is 533 MT of proven gold reserves, in the Red Sea hills alone, approximately worth US$ 28bn.
- Capital expenditure in the mining industry is growing at roughly 10% p.a. in East Africa. A well-positioned "hub" in the region could offer up to 70% of mining services to neighbouring countries, with an estimated value at stake of USD 1 billion annually, of which we estimate that at least 35% could be captured locally.

>

STEPS ON OUR JOURNEY TRANSITION - STABILITY - GROWTH - WEALTH



1. WHERE WE ARE - TRANSITION

- **Sudan has many challenges but as already highlighted, the government has initiated on a series of reforms to address the most deficiencies that touch on improving the investment climate.**

Financial System / Banking Reform

- **Challenge:** Financial institutions, still concerned by the overhang of the now lifted U.S. sanctions and State Sponsor of Terrorism (SSTL) designation, have been reluctant to engage with Sudan. This reluctance has hampered businesses and the public's ability to conduct international money transfers and payments through banking institutions. Consequently, banking, financial, and transaction services are often expensive and time-consuming for the public and private sectors due to a need to find alternative means to make payments.

- **Mitigation:** Sudan through the Central Bank is committed to reforming the financial system, to reconnect its banks to the world, and create a robust, competitive, well-governed banking sector to support trade, investment, and growth.

Debt Relief

- **Challenge:** Sudan has approximately US$56 Billion in debt and accumulated arrears to various international creditors and partners.

- **Mitigation:** Sudan has made significant progress with the help of our bilateral friends and partners such as the US, France, the UK and others to resolve its outstanding obligations to key institutions such as IDA, IMF and AfDB. Sudan is now seeking comprehensive debt relief through HIPC, to restructure its debt to a level that can be serviced sustainably.

DID YOU KNOW?

Sudan has recently cleared its debts to the World Bank and African Development Bank

Inflation

- **Challenge:** Sudan's inflation rate at its height, exceeded 300%

- **Mitigation:** Tackling inflation is a major priority of government, through eliminating monetization of Sudan's deficit, which is the major driver.

Infrastructure Deficit

- **Challenge:** After 30 years of sanctions, Sudan's operating environment is challenging, including poor infrastructure and inadequate power supply.

- **Mitigation:** The first priority for Sudan is to tackle this infrastructure deficit, with a focus around unlocking the country's core revenue generating sectors.

Operating Environment

- **Challenge:** The operating environment which includes aspects of physical set-up of companies, application for licences or permissions, labour and environmental laws and obligations, application and process of obtaining a visa, to repatriation of profits are all areas that require reform.

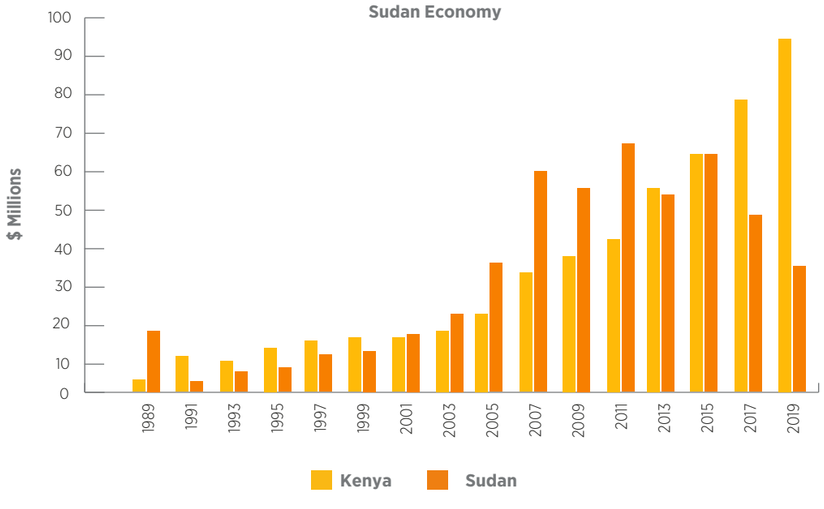
- **Mitigation:** The government is committing to conduct a root and branch reform of the entire investment value chain in order to be one of the preferred destinations for doing business in Africa. >


Ariab Mine

$300B
Sudan can grow to a US$300 Billion economy by 2050

2. WHERE WE WANT TO GO - DESTINATION 300

- With the right policies and commitment to implement them, Sudan can grow into a US$300 Billion economy by 2050
- To meet this ambition, Sudan would need to grow at 7.5% annually for the next 30 years, a growth rate that Ethiopia and Rwanda have consistently met for the last 10 years.
- We believe this to be possible, as Sudan's average GDP growth rate between 2000 and 2008 was above this rate. This was during the oil boom, before secession, but we are confident that Sudan today has more than enough resources, institutional memory and productive capacity to return to these levels of growth.
- In 2015, post secession Sudan had an economy of $64,5bn – almost exactly the size of Kenya's at the time. By 2020, however, Kenya's economy had exceeded $100bn in nominal terms, 3x that of Sudan. A country of similar population, with a fraction of Sudan's natural wealth.



DID YOU KNOW?

In 2015, Sudan and Kenya both had an economy of c.$65bn.

By 2020, Kenya's economy had exceeded $100bn, roughly 3x that of Sudan

3. HOW WE WILL GET THERE - FOCUS ON OUR CORE COMPETENCIES

Core Competencies vs. Comparative Advantage

- Core Competencies as they relate to countries, are the resources and capabilities that comprise the strategic advantages of that country.
- They are different from Comparative Advantage, which is an economy's ability to produce a particular good or service at a lower opportunity cost than its trading partners.
- Both can lead a country down the path to wealth.
- However, a country can easily lose its Comparative Advantage. It must, however, misuse its Core Competency for that competency not to create wealth.
- Most African countries, including Sudan, have been misusing their Core Competencies for too long.

Sudan's 3 Core Competencies

- Sudan has three Core Competencies that will form the basis of its Investment Strategy:
  1. Agriculture
  2. Mining
  3. Oil & Gas
- The government will target its investment reform agenda on rehabilitating and launching competitive flagship opportunities or projects within these core competency sectors.

Our Strategic Objectives

- The government will:
  1. Support the rehabilitation and launch of specific flagship projects within the core competencies.
  2. Prioritise investment in the key enabling infrastructure sectors of water & irrigation (to support agriculture), energy generation and distribution, roads, railways and seaports, that will help accelerate the growth of the country's core competencies.
  3. Create an enabling environment through a progressive legal and regulatory framework that should accelerate private sector investment in the core competencies and their underlying value chains.
  4. Allow for greater external investment and competition in the service sectors that support these activities such as banking and insurance, telecommunications, and logistics and storage.
  5. Identify, target and incentivise specific international investors by sector and opportunity.
  6. Create a Sovereign Wealth Fund that will enable the government to use the natural wealth of the country to invest for the benefit of future generations.
  7. Implement and deliver on the Investment Reform agenda through a cross Ministerial Implementation Unit.

4. OUR ROADMAP - FROM STABILITY TO WEALTH

Rationale

- Every country that has successfully navigated its way from an economic or political crisis onto a path of prosperity, has done so by first identifying their core competencies and then developing a structured plan to ensure they can create long-term wealth from exploiting those core competencies.

- The trajectory most take, is the same:

  1. In the short-term, there is a need to ensure economic and political **stability**. This is normally the most difficult phase with the most daunting challenges.
  2. In the medium-term, should they succeed in maintaining economic and political stability, their economies are characterized by a prolonged period of consistent and above average **growth.**
  3. In the long-term, the consistent growth gives the country and its stakeholders greater flexibility to make better long-term decisions that lead to **economic wealth and prosperity**.

Our Approach

- The government will therefore ensure that investment in key infrastructure, will focus on opening high-value Agriculture, Mining and Oil & Gas opportunities in order to boost exports and create jobs.

DID YOU KNOW?

Sudan has 31 Universities, and produces over 100,000 graduates each year





Investing for Stability:

- The objective of Investing for Stability is to focus scarce resources at the beginning – the first two years – on areas that will rapidly create some economic activity and conditions to give local communities and the wider country comfort that more substantial change and investment is on the way.

- As some of the reform agenda items already highlighted in the Introduction will take time to implement, Investing for Stability will therefore take a more tactical approach to investment by focussing our investment priorities on projects within our Core Competencies that require rehabilitation or rebuilding, but can be initiated relatively quickly.

- We have given an indication of the value chains and projects that we think fit this criteria in sections 9 and 10.

Investing for Growth:

- Some investment initiatives will take longer to plan for, finance and / or implement. The process for implementing these initiatives, however, still need to be started immediately.

- The government will also focus on investing in enabling infrastructure projects that will then allow the private sector to allocate their own capital in the value chain initiatives within core competencies or service sectors such as agro-processing, oil services, logistics, cold storage chains, fertilizers, etc.

Investing for Wealth:

- In the longer term, a larger, more productive, vertically-integrated and strategically-planned agricultural and agro-processing sector exporting to global and regional markets, with strong international off-takers, will be positioned to generate significant wealth from Sudan's abundant resources. >



5. A POSSIBLE ROUTE TO DESTINATION 300

Rationale

- Taking Sudan's 2019 GDP of c.35bn as a starting point (as 2020 was distorted due to COVID), growing at 7.5% for 10 years gets to $72bn.

- **The differential between this goal, and today's economy is $37bn per annum in annual productivity.**

- **Primary production growth in Sudan's core sectors, even without significant value addition, can provide the vast majority of this requirement. We have therefore made a series of realistic assumptions to support the growth trajectory.**

The Contribution of Agriculture:

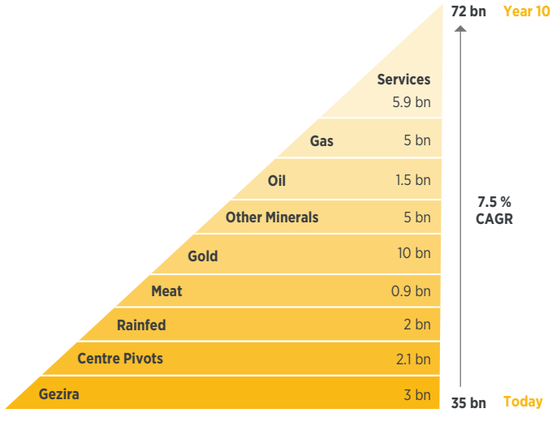
- If Sudan's current irrigated schemes were planted with 20% Cotton, 20% Wheat, 20% Groundnuts, 20% Sorghum, with 20% fallow – on rotation – and they were utilised at full capacity, then at current prices, and at yields capable with irrigated soil, these crops alone add $3bn per annum.

- Assuming only 50% of Sudan's pivot irrigation potential was growing Alfalfa, and sold at current prices, this adds another $2.1bn.

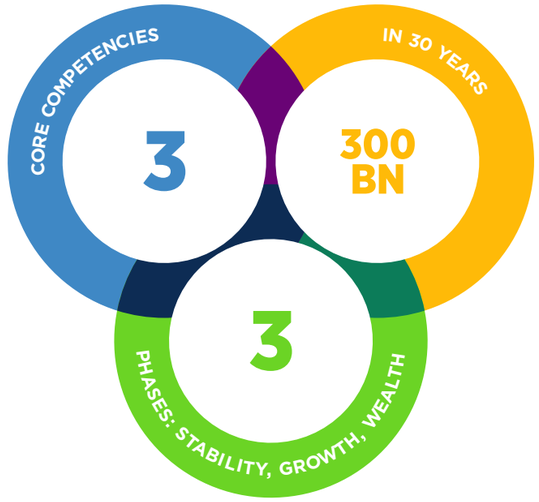
- If only 10% of Sudan's 125 million acres of uncultivated rainfed arable land was given to Sesame, this would produce $2bn in additional income.

- If Sudan reached only 10% of New Zealand's meat exports (considering Sudan has a 50% bigger herd), this would another $900m per year.

- These incremental improvements alone equate to $8.7bn of the difference – and this only needs to be achieved by year 10 for Sudan to be on the growth trajectory to $300bn.



SUDAN'S PATH TO DESTINATION 300



The Contribution of Mining:

- Anecdotally, Sudan produces many times in excess of its official gold figures of $1bn, and this is with almost exclusively artisanal mining. Given the proven reserves, the vast swathes of under-prospected territory with known gold occurrences, and an industrialisation of the sector, it is not unreasonable to expect this to grow to $10bn per annum after 10 years.

- If we then take Sudan's other mineral potential, of which there are many, including high value base and rare earth metals – essential inputs for the low carbon economy – the non-gold contribution can reasonably be assumed to reach $5bn in annual revenue by 2031.

The contribution of Oil & Gas:

- Sudan has similar proven reserves to the UK, whose annual crude production is worth 10bn USD at $50/bbl prices. Assuming Sudan only reaches 15% of this output in 10 years' time, that would contribute another $1.5bn to the economy.

- In terms of Gas, which is a far bigger potential opportunity, this industry could easily reach $5bn in annual production value, given the offshore potential, and Sudan's proven reserves.

Service Sector Growth:

- The total over the 3 Core Competencies equates to $31.2bn, leaving a deficit of $5.9bn per annum from the initial differential.

- Currently, Sudan's services sector is responsible for 51% of GDP, equal to $17.85bn. The service sector therefore only needs to grow at 3.25% per annum to contribute an additional $5.9bn annually – which is very conservative, considering the multiplier effect that primary industries tend to have on the secondary and tertiary sectors.

$300bn More Than Attainable

- **From Sudan's low base, given its extraordinary natural resource wealth, its forward-minded policy planning, and the comparator of the growth rates of some of its regional peers (Ethiopia's GDP growth rate has been less than 8% only once in the last 16 years), that this 7.5% growth trajectory will continue beyond 2030 seems more than reasonable.** >



1.9M KM2
Area

SDG
Currency – Sudanese Pound

1 USD : 388 SDG
FX Rate

44.91M
Population

$31BN
GDP (nominal)

5.9M
Capital City and Population – Khartoum

DID YOU KNOW?

Sudan is the same size as the UK, Germany, France, Italy, Japan, the Netherlands, and Belgium.

- In 2019, a large popular uprising led by Sudanese women and youth toppled the incumbent regime demanding freedom, peace and justice. The transitional government, which took office in September 2019, is committed to stabilising the economy and creating fiscal space for sorely needed investments in infrastructure, education, health and economic development for all.
- Sudan has witnessed seminal change in a few short years. Despite many further challenges on its road to democracy and economic stability, significant reforms have already been achieved by the government.
- Sudan's opening up to the world, and reintegration with global investors and capital markets is bringing a renewed sense of hope that the ambitions articulated in this investment prospectus can be achieved. >

COUNTRY & PEOPLE

- **Sudan is a country with significant diversity: linguistic, geographical, and ethnic, with a rich cultural history spanning many thousands of years.**

- **Despite this diversity there are common values that unite most Sudanese, and they are among the most humble, modest, stoic, and hospitable people on the planet, with a keen sense of duty to support the community, which combined with the energy of youth and hopefulness, drove the 2019 democratic revolution.**

Languages

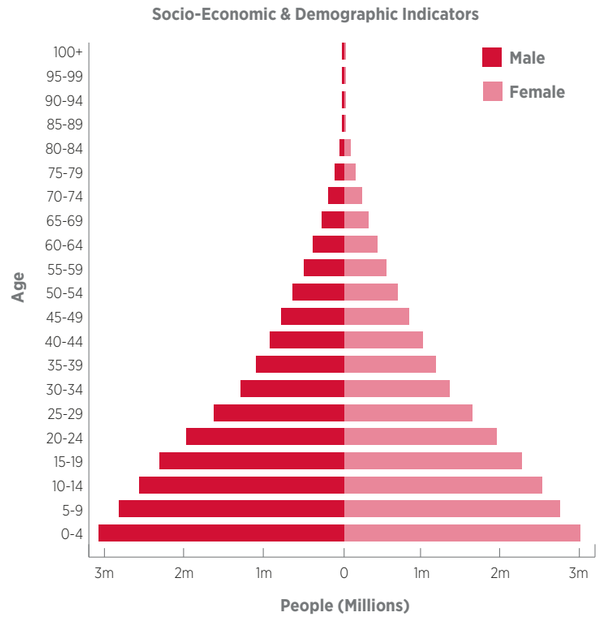
- Arabic is the most widespread language, and is one of two official languages, alongside English.

- In addition, there are over 400 other languages and dialects, across three of Africa's four major language families: Afro-Asiatic, Niger-Kordofanian, and Nilo-Saharan, which includes the Fur language spoken in Darfur, in Sudan's west.

Regions

- There are 18 states in Sudan, and broadly 5 geographic regions:

1. Northern
2. Red Sea
3. River Nile
4. Kassala
5. Khartoum
6. El Gazira
7. Gedaref
8. Sennar
9. White Nile
10. Blue Nile
11. North Kordofan
12. South Kordofan
13. West Kordofan
14. East Darfur
15. North Darfur
16. South Darfur
17. Central Darfur
18. West Darfur



Diversity

- Sudan is ethnically and culturally diverse, and managing diversity, citizenship, and the relationship between religion and state is at the top of the government's agenda.

- As a result of the 2019 Constitutional Declaration there is a complete separation between religion and state, and the state pledges to remain equidistant from all religions and beliefs without racial and cultural bias.

Socio-Economic & Demographic Indicators

- Sudan's population of 44.91m is growing at a rate of 2.4% per annum.

- Over 50% of Sudan's population is under the age of 24.

- Average life expectancy at birth is 65 years .

- Infant mortality rate is around 41 per 1,000 births, and the total fertility rate is 4.2, which has fallen steadily from close to 7 over the last 30 years.

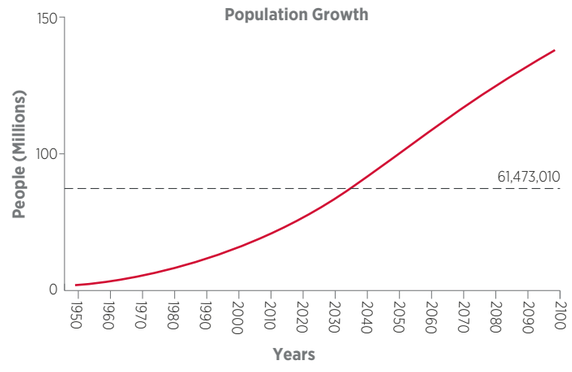
DID YOU KNOW?

Over 50% of Sudan's population is under the age of 24.



Maths Lesson, Al Fasher, Darfur

LITERACY RATE	TOTAL	MALE	FEMALE
15-24 years	73%	72.5	73.5
15 years +	60.7%	65.4	56.1
65 years +	28.8%	43.2	16.2



https://www.macrotrends.net/countries/SDN/sudan/population-growth-rate

Poverty Levels:

- The majority of Sudan's population is rural; two-thirds (66 percent) of the population lives in rural areas, where the main livelihood source is agriculture.

- Sudan is ranked 168 out of 188 countries in the 2019 UN Human Development Index (HDI), just ahead of Haiti and Afghanistan.

- An estimated 47 percent of Sudan's population live below the national poverty line, according to the HDI.

Education

- Education development in Sudan is anchored in the constitution, with clear provisions to facilitate investment in human capital at all levels of education and training.

- Over the last decade, there have been positive trends in key education indicators in Sudan.

- There were about 8.2 million children enrolled in basic and secondary education in Sudan in 2019, with 22,972 public and private schools, and over 390,000 teachers in the public education system.

- Access has improved, with an additional 2.2 million children enrolled in basic and secondary education in the last 10 years. The enrollment numbers for preschool remain low but, have nearly doubled over the same period.

- Khartoum University has a reputation as one of the best in Africa. It is a co-educational, multi faculty University, founded in 1902 as a college, and formally established as a university when Sudan gained independence in 1956.

>

03 INTRODUCING SUDAN



Sudan women's football

DID YOU KNOW?

Sudan's 2019 Constitutional Declaration, guarantees Freedom of Religion

RELIGION, ARTS, CULTURE, AND TOURISM

Religion

- The 2019 Constitutional Declaration guarantees freedom of religion
- Islam is the main religion in Sudan, over 90% of the population, with around 5% Christian, and other belief systems making up the remainder.

Arts & Culture

- Sudan has a rich and diverse cultural heritage, reflecting the diversity of peoples and ethnicities, as well as the various historical eras and influences that permeated the modern territory of Sudan, dating back to the 3rd millennium BC.
- Sudan is one of the richest African countries in terms of archaeological sites. Ruins of the ancient kingdom of Kush are found in the Nile valley, and were designated a UNESCO World Heritage site in 2003. The archaeological sites at Meroe, with their many pyramids and an ancient Kushitic city, were collectively designated a World Heritage site in 2011.
- The Sudan National Museum, located in Khartoum, has several associated museums—including the Ethnography Museum and the Sheikan Museum, with archaeological and ethnographical collections, in El Obeid.
- Drama flourishes at the National Theatre and elsewhere in Khartoum, as well as live music and other performance arts, including modern jazz and popular music, in addition to those linked to oral culture and religious tradition, such as Sufism.

Tourism

- In addition to Sudan's pharaonic and Islamic archaeological treasures, the Red Sea coast offers beaches, and incredible scuba diving among its coral reefs.
- In terms of archaeological sites, there is the temple of Amun and Roman ruins at Naqa, the Kushite Pyramids at Meroë, the pyramids at Karima, the ruined mosque at Kassala, and national parks such as Dinder for wildlife and safaris.
- Tourism is a relatively underdeveloped industry, but as the economy opens up it is set to expand, with more formal tour operators likely to emerge, as well as hotels and resorts.

LIVING AND WORKING IN SUDAN

Khartoum life

- Khartoum is a vast city of close to 6m inhabitants, straddling the meeting point of the White and Blue Nile. It is the commercial and industrial hub of Sudan, and the centre of government.
- There is a vibrant café and restaurant culture, with cuisine from all over the Arab world and beyond. There are tea rooms and coffee shops, a number of shopping malls and international hotels, as well as traditional markets, traders and road or river side tea sellers.
- Land prices are high, and there are few high rise residential or office buildings. There is a reasonably good road network, and traffic is comparatively light for a city of its size.
- Despite the dry weather, there are also parks and green public spaces, as well as tree lined avenues in many neighbourhoods.

International Connectivity

- There are fewer international air services to Khartoum than there were in previous years, but many major carriers offer frequent flights, including Ethiopian Airlines, Saudi Airlines, Turkish Airways, Emirates, Qatar Airways, and Fly Dubai.
- Two private domestic airlines, Badr and Tarco, reliably service Khartoum, Port Sudan, and other sizable Sudanese cities, as well as some regional international routes.
- There are passenger ferry services to Jeddah, which takes only 8 hours, as well as paved roads to Egypt, Ethiopia, Eritrea, Chad, and South Sudan.

Residing & Working in Sudan

- There is a large expat community in Sudan, mostly from other Arab countries, but also a number of Europeans and Americans, working in the diplomatic or humanitarian aid sectors.
- Visas are required for most nationals in order to visit Sudan, and these should be obtained at Sudan's international embassies prior to arrival. A local sponsor is typically also needed.
- Certain African nationals can also obtain a visa on arrival or are visa exempt, including Kenya, Nigeria, Tanzania, Ethiopia and certain other COMESA countries.
- Residency permits are available to external investors as per Sudan's recent Investment Law. >

DID YOU KNOW?

Sudan has over 200 pyramids more than any other country, including Egypt



Al Bajarawia pyramids

RECENT HISTORY

JUNE 2018
US Treasury OFAC lifts sanctions

DEC 2018
Beginning of widespread street protests, as a result of the rising cost of living and calling for economic reforms

JAN 2019
The protests began to call for the resignation of President Omar Al-Bashir, Sudan's de facto dictator since 1989.

FEB 2019
After a violent clampdown on peaceful protests, Bashir declared a state of emergency.

APRIL 2019
Following further mass protests, Bashir was removed from office by the Transitional Military Council (TMC)

JULY 2019
TMC and the broad-based political coalition, Forces of Freedom and Change (FFC), agree to a political agreement and formal Constitutional Declaration, laying out a path for a 39-month democratic transition

AUG 2019
TMC officially dissolved, and the Sovereignty Council established. Abdalla Hamdok nominated as Primer Minister of Sudan by the FFC.



Photo Credit Agence France-Presse - Yasuyoshi Chiba's award-winning shot of a Sudanese demonstrator reciting protest poetry

SEP 2019
Power is transferred to Civilian Led Transition Government (CLTG) for the transition period

JULY 2020
Appointment of 18 civilian state governors, as required by the Constitutional Declaration

OCT 2020
Juba Peace Agreement initialled, ending armed hostilities between the Sudanese authorities and rebel factions, and enshrining a politically inclusive, diverse, equitable democracy in Sudan

DEC 2020
US formerly lifts Sudan's State Sponsor of Terrorism (SST) status

FEB 2021
Sovereign Council expanded to include three signatories to the Juba Peace Agreement.

FEB 2021
A new cabinet was formed, with more of a political than a technocratic character, representing a broad coalition built on a more equitable sharing of power.

MAR 2021
Extension of the cessation of hostilities with Sudan's People Liberation Movement-North

A TRANSITION TO DEMOCRACY

- After many months of popular protests, the 30-year regime of Omar Bashir came to an end in April 2019. The Transitional Military Council that overthrew Bashir, handed power to a Civilian-led Transitional Government (CLTG) in September 2019, with a mandate to establish political institutions and hold parliamentary elections within 39 months. The party with the greatest representation in the Parliament will form the government, its leader becoming Prime Minister.

- The CLTG's objective during the transitional period is to implement the priorities set out in the 2019 Constitutional Declaration including formation of a Transitional Legislative Council, appointment of civilian state governors, as well as stabilise the country from an economic and security perspective.

THE GOVERNMENT'S REFORM AGENDA

- This Constitutional Declaration, which was agreed between the Transition Military Council and the Forces of Freedom and Change, commits to a transition to a pluralistic democratic Sudan.

- It also frames a bold reform agenda to overhaul Sudan's political structure, build a comprehensive peace, enshrine civil liberties, equitable rule of law, and judicial independence.

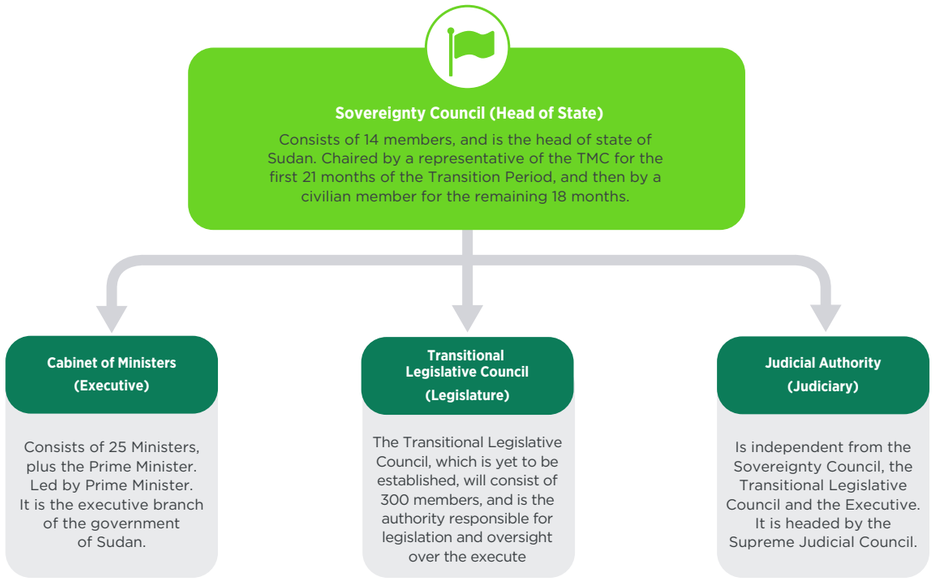
- All branches of Sudan's new government are committed to the necessary political, social, economic and regulatory reforms needed for Sudan to flourish, and to attract the investment the country needs.

CONSTITUTIONAL REFORM PROCESS

- The Constitutional Declaration mandates that the government will establish mechanisms to prepare a permanent constitution for Sudan, including the holding of a National Constitutional Conference before the end of the transitional period.

- This constitution making process will work hand in hand with the Ministry of Justice, and will be overseen by a Constitutional Drafting and Constitutional Conference Commission, the chairman and members of which will be appointed by the Sovereignty Council, in consultation with the Cabinet. >

CURRENT STRUCTURE OF GOVERNMENT



SOVEREIGNTY COUNCIL

- The Sovereignty Council is the head of state, the symbol of its sovereignty and unity, and the Supreme Commander of the Armed **F**orces, Rapid Support Forces, and other uniformed forces.

- The Sovereignty Council consists of 14 members, of which 5 are civilians selected by the Forces of Freedom and Change, 5 are selected by the Transitional Military Council, and three are selected by Signatory Parties to the JUBA Peace Agreement. The 14th member is a civilian, selected by agreement between the Transitional Military Council and the Forces of Freedom and Change.

CABINET OF MINISTERS

- The Cabinet is composed of a Prime Minister and 25 ministers appointed by the Prime Minister from a list of candidates from the Forces of Freedom and Change and Signatory Parties to the JUBA Peace Agreement.

- These appointments are confirmed by the Sovereignty Council, except for the Ministers of Defence and Interior, which are nominated by the military members of the Sovereignty Council.

TRANSITIONAL LEGISLATIVE COUNCIL.

- The Transitional Legislative Council, as envisioned by Sudan 2019 Constitution, will have at least 40 per cent female representation, when it is established.

- The council, which will be the authority responsible for legislation and oversight over the executive branch of government is expected to be formed over the coming months >

THE TRANSITIONAL LEGISLATIVE COUNCIL, AS ENVISIONED BY SUDAN'S 2019 CONSTITUTION, WILL HAVE AT LEAST 40 PER CENT FEMALE REPRESENTATION, WHEN IT IS ESTABLISHED.

CIVIL SERVICE REFORM

The 2019 Constitution set a provision for a Civil Service Reform Commission, and the government is making good on that intention.

In April 2021, the government embarked on a significant Civil Service Reform Programme, to be led by PwC, the globally-recognised professional services firm who have deep experience in public sector reform, and in undertaking comprehensive civil service reform assignments in the Middle East and North Africa.

This programme will identify key findings and recommendations through in-depth technical engagement with government and other stakeholders, and produce a tailored approach for civil service reform in Sudan, including a detailed action plan and suitable timelines for execution.

This is a critical workstream for Sudan, to increase the capacity of government to undertake other broader reform agendas and initiatives, including its Investment Reform agenda as outlined in Section 2.

An improved, better resourced, and properly trained civil service will result in a more effective running of government, and improved public services.


Khartoum City

HIGHEST COURTS

- **Supreme Court** (consists of 70 judges organized into panels of 3 judges and includes 4 circuits that operate outside the capital).

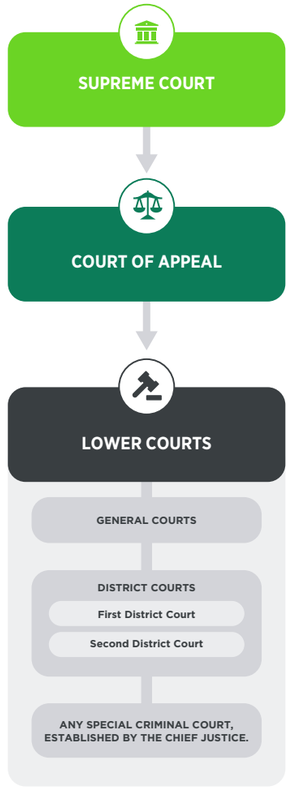
- **Constitutional Court** (consists of 9 justices including the Court President). The Constitutional Court resides outside the National Judiciary.

COURT OF APPEAL

- Each Court of Appeal is organised into panels of 3 judges. They reach decisions by majority opinion and deal with appeals against the preliminary and appellate decisions of the general courts, as well as the preliminary judgments of first-level courts in civil, criminal, and personal cases.

- There is a Court of Appeal in the capital of each of the 18 provinces of Sudan and serves as a second possibility of appeal.

THE JUDICIARY



SUDAN HAS A MIXED LEGAL SYSTEM OF ENGLISH COMMON LAW, AND SOME ASPECTS OF ISLAMIC LAW.



STRUCTURE OF GOVERNMENT



GENERAL COURTS

- Each General Court has a panel of 1 Judge who passes with judgment and appeals.

- The General Courts serve as a first possibility of appeal against the preliminary judgments of District Courts.

- The General Courts' Judge has authority and supervision over the District Courts under their particular jurisdiction.

JUDGE SELECTION

- National Supreme Court and Constitutional Court judges are selected by the Supreme Judicial Council, which replaced the National Judicial Service Commission upon enactment of the Draft Constitutional Charter for the 2019 Transitional Period.

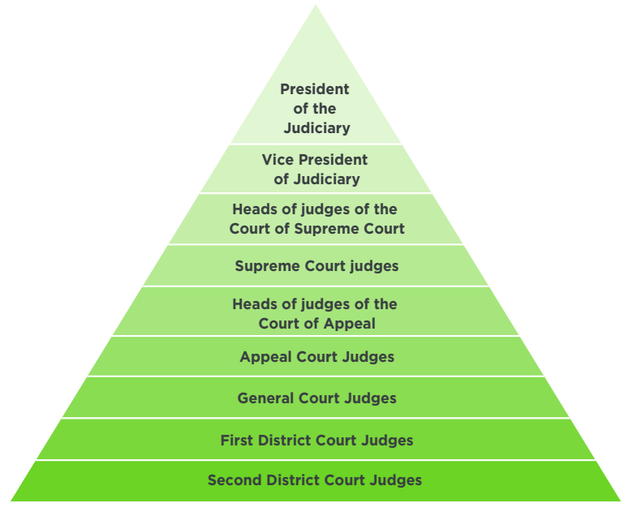
LEGAL SYSTEM

- Sudan has mixed legal system of English Common Law, and some aspects of Islamic Law.

RECENT DEVELOPMENTS

- In July 2020, Sudan amended 15 provisions of its 1991 penal code, a move lauded by Amnesty International, as many of these so called Public Order laws from the previous regime curtailed certain freedoms, especially those of women. >

THE JUDICIARY HIERARCHY



OVERVIEW OF THE PRIVATE SECTOR

STATE OF THE PRIVATE SECTOR

- Despite decades of sanctions and dictatorship, Sudan has a thriving private sector, which is a testament to the resourcefulness and entrepreneurial spirit of the Sudanese people.
- Although structurally the private sector is oligopolistic in nature, investors entering Sudan, will find many potential partners and service providers, across a number of sectors, ranging from large conglomerates, medium-sized corporates, and small and medium enterprises.

GOVERNMENT ENABLING THE PRIVATE SECTOR

- The Sudanese government is committed to enabling the private sector to succeed.
- The policy, institutional, and catalytic role of the state will serve to create a level playing field for a productive and competitive private sector that will play an increasingly important role in Sudan's economic growth and development.

DID YOU KNOW?

SOME OF THE BIGGEST GLOBAL COMPANIES from Coca Cola, Pepsi, Siemens, LG and Visa are already doing business in Sudan



Pepsi Bottling Plant - Khartoum

STRUCTURE OF PRIVATE SECTOR ACTORS

LARGE CORPORATES

- A number of Sudan's large businesses are multi-sector conglomerates, with vertically-integrated 'field to fork' value chains, in some cases turning over in excess of $1bn per annum. They operate to international standards, use the latest technology, and have sophisticated management and governance structures.
- Many Sudanese corporate leaders have studied and worked in the United States, Europe and across the GCC and bring exceptional levels of sectoral knowledge and expertise to Sudan.
- Several of these are also prominent members of Sudan's various business associations, which have formal ties to international associations and chambers of commerce that serve to promote mutual interests and cross-pollinate ideas and opportunities.

SMALL & MEDIUM ENTERPRISES (SMES)

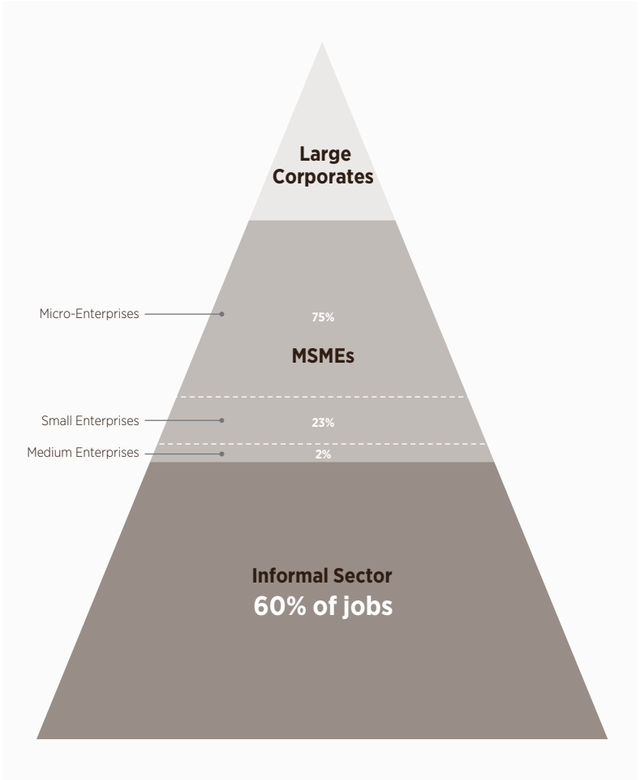
- SMEs account for the majority of private business activity in Sudan. According to the ILO, the estimated number of registered MSMEs in Sudan was around 600,000 (2015).
- Many of these operate trading businesses, due to lack of capital, and the difficulties imposed by sanctions on asset-heavy business models.

THE INFORMAL SECTOR

- An even larger segment is the informal sector, which accounts for around 60% of jobs in Sudan.
- The size of the informal sector means that a large swathe of economic activity is not captured officially, and a number of international organisations are working in Sudan to help formalise and therefore strengthen many of these entities.

KEY CHALLENGES

- Key challenges facing Sudan's private sector are the infrastructure deficit, including lack of power, which is a significant cost to doing business, in additional to access to capital.
- Prioritising investment in critical infrastructure, as well as reforming the banking sector will help to mitigate some of these challenges.



SUDAN HAS A THRIVING SECTOR, WHICH IS A TESTAMENT TO THE RESOURCEFULNESS AND ENTREPRENEURIAL SPIRIT OF THE SUDANESE PEOPLE.

SNAPSHOT OF SELECT SECTORS

MANUFACTURING
- Sudan has large conglomerates, as well as medium enterprises operating in the manufacture of wide number of goods.
- This includes fast moving consumer goods, such as foodstuffs, bottled water, soft drinks, and packaging.
- As well as the manufacture of more complicated electronic products and white goods, such as the assembly of televisions and refrigerators, in partnership with firms such as LG.

AGRI-PROCESSING
- Given the strength of Sudan's primary agricultural production sector, it is unsurprising that Sudan has a diverse agri-processing sub sector.
- This includes cotton ginning, edible oil processing, the manufacture of animal seed cake from oil seeds, as well as wheat milling.

PHARMACEUTICAL
- There are around 25 local manufacturers of pharmaceutical products in Sudan, although 85% of drugs are imported and distributed by local representatives of international firms.
- All of the major European pharmaceutical companies have local distribution partners in Sudan, and many generic drugs are also imported from Arab nations, including Egypt, Jordan, and Saudi Arabia, as well as from India.



LOGISTICS
- As a major regional trade hub, with a variety of transport modes and export commodities, Sudan has a strong logistics sector.
- There are a mix of local firms, and major regional and international players, that operate third party storage and warehouse solutions, trucking fleets, and railway rolling stock.
- The sector is hampered by the quality of infrastructure, and as of 2018 had slipped to no. 121 in the global Logistic Performance Index.

TELECOMS
- Sudan has a relatively well-equipped telecommunications infrastructure by regional standards, including a national fibre optic backbone and international fibre connections.
- In addition to local fixed line and mobile network service providers, there are international players from the Middle East and Africa operating within Sudan, and increasing penetration and rural connectivity will be key enablers, especially for the banking sector.

CONSTRUCTION
- There are a number of civil engineering and construction firms operating in Sudan, some of which are locally-owned, and others are joint ventures with international firms.
- Sudanese contractors have supported major infrastructure projects, across a variety of sectors, including power, telcoms, mining, roads and bridges, and real estate.

SUDANESE BUSINESS FEDERATION (SBF)

OVERVIEW OF SBF

- The Sudanese Business Federation (SBF) is a professional association established in 1977, with the aim of promoting and fostering the interests of the private sector in Sudan, across all sectors.

SBF'S VISION AND MISSION

- SBF's mission is to boost Sudan's economic performance, by enabling the private sector to thrive and by mobilizing the potential economic power of the micro-economy. These economic ambitions are balance with a developmental vision, to ensure broad-based growth that contributes to Sudanese society.

MEMBERSHIP

- Every employer present in Sudan, practicing any economic activity is required to obtain membership at the Federation, ensuring a very broad and deep membership base, fully representative of Sudan's private sector.

FUTURE STRATEGY

- SBF aims to encourage investment into Sudan's private sector, and provide it with links to counterpart unions and chambers of commercex as well as regional and international trade and investment bodies.

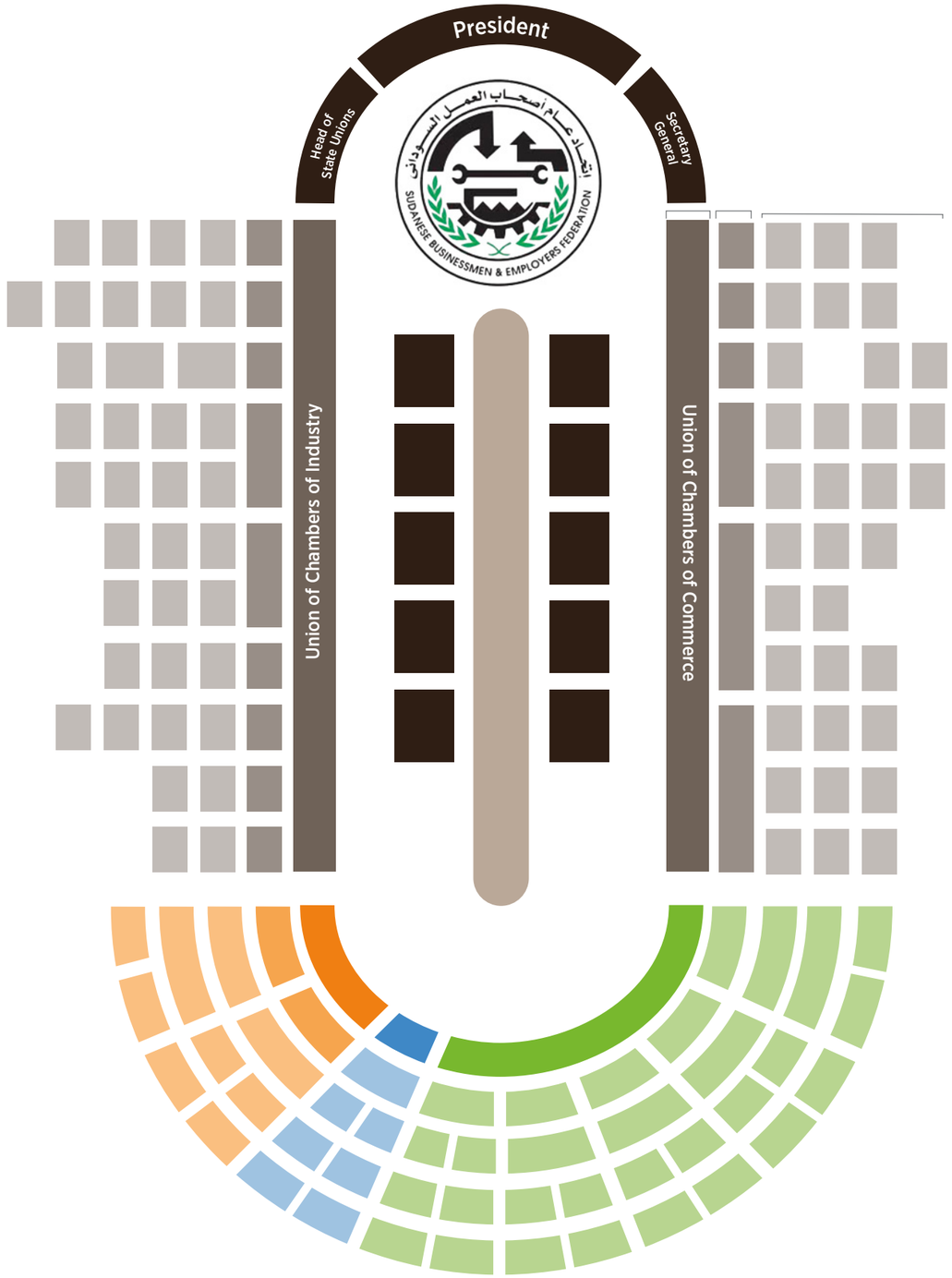
- Its overall goal is to support Sudan's economic growth and development agenda, in line with the national interest and government policy, as well as act as the official voice of the private sector in government.

- SBF works closely with a number of NGOs and international chambers of commerce, including CIPE, and the European Chamber of Commerce, and helps to coordinate a variety of initiatives aimed at promoting and strengthening the private sector in Sudan.

DID YOU KNOW?

Every employer in Sudan, practicing an economic activity is required to obtain membership at the SBF





OTHER CHAMBERS OF COMMERCE IN SUDAN

U.S. SUDAN BUSINESS COUNCIL

US-SUDAN BUSINESS COUNCIL (USSBC)

- The US-Sudan Business Council (USSBC) is a business organization dedicated to ushering in a new era of economic growth, development and prosperity between the United States and Sudan by strengthening commercial and diplomatic ties between the two countries.
- The USSBC gives US companies a secure and trusted platform through which to explore investment and trade opportunities in the Sudan, leveraging the experience and in-country presence of its founding member base.
- The USSBC is building and supporting business partnerships between US and Sudanese companies to drive greater entrepreneurship, innovation, technology, knowledge transfer, job creation, and economic growth between both economies.
- With sanctions no longer a barrier to full bilateral trade relations between the US and Sudan, USSBC membership offers new market entrants a range of services to strengthen their decision-making process vis-à-vis the Sudan.
- The USBCC offers its members exclusive access to meetings and events, executive business intelligence and the assurance of the council's advocacy for members' particular issues and priorities.



EUROPEAN CHAMBER OF COMMERCE IN SUDAN (ECCS)

EU CHAMBER OF COMMERCE - SUDAN

- The European Chamber of Commerce in Sudan (ECCS) is an initiative sought out by the European Union Delegation in Khartoum and a number of private sector companies to be a privately run organisation, self-sustaining in the medium term and built through a demand-driven process.
- Its main objective is to act as an advocate of European businesses in Sudan, to position European investment into Sudan in the best possible way, and to increase trade between Sudan and the European Union.
- In addition, the ECCS provides a number of key support services to European private businesses and their affiliated agents or dealers, in order to improve access to the Sudanese market.

مجلس الغرف السعودية
Council of Saudi Chambers

SAUDI SUDANESE BUSINESS COUNCIL

- The Council of Saudi Chambers is the umbrella and only legitimate representative of the Saudi business community in all its various groups, sectors and regions.
- Its main objective is to observe the common interests of the Saudi Chambers, represent them on local and international levels and assist in the enhancement of the private sector's role in the development of the national economy.
- Internationally, the Council of Saudi Chambers promotes Saudi Arabia's business community on the international stage, including organisng events and conferences, and participating in developing international economic policies. In addition to fostering the Kingdom's relations with its trade partners, worldwide, and enhancing Saudi exports via 31 Saudi-foreign business councils at CSC, including in Sudan, via the Saudi Sudanese Business Council.



THE CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE ("CIPE")

IN ITS 35-YEAR HISTORY, CIPE HAS IMPLEMENTED HUNDREDS OF PROGRAMS IN OVER 50 COUNTRIES AND BUILT A DIVERSE NETWORK OF MORE THAN 130 PARTNER ORGANIZATIONS.

ABOUT "CIPE"

- CIPE is one of the four core institutes of the National Endowment for Democracy and an affiliate of the U.S. Chamber of Commerce.
- CIPE was founded on the principle that economic freedom and political freedom are linked, and is driven by the idea that the private sector flourishes most when combined with strong democratic institutions.
- Its work focusses on building strong institutions that create an environment where business and entrepreneurship can thrive.
- It does this by leading anti-corruption efforts, training entrepreneurs, strengthening organizations like business associations, chambers of commerce, and think tanks; and by helping build better governance structures.
- CIPE operates on the front lines to strengthen and support democracy and its institutions so the private sector—and the ordinary citizens who are employed in it—can prosper.
- In its 35-year history, CIPE has implemented hundreds of programs in over 50 countries and built a diverse network of more than 130 partner organizations.

CIPE INITIATIVES IN SUDAN

1 BUSINESS ASSOCIATIONS

- CIPE is currently helping the Sudanese Business Federation (SBF) restructure itself.
- Main initiatives cover; helping the SBF change its internal governance, expand its membership to include a broader set of Sudanese businesses, help its members attract new trade and investment, and advocate as a group for beneficial policy and regulatory reforms

2 PRIVATE SECTOR FORUM

- CIPE has taken the lead in organising a monthly Private Sector Forum to help build partnership and collaboration between the Sudanese business community, international organizations and foreign aid agencies existing in Sudan.
- The forum has more than 20 member organizations, such as JICA, the British Council, KFW, GIZ, the UK FCDO, ILO, and UNDP.

3 ANTI-CORRUPTION INITIATIVES

SUDAN ANTI-CORRUPTION RESOURCE CENTRE

- In 2020, CIPE created the Sudan Anti-Corruption Resource Centre (SARC) to serve as an anti-corruption hub that brings together journalists, academics, business groups, and non-profit organizations.
- The Centre will provide training and technical support to local civil society groups fighting corruption, support reform efforts of the government, and galvanize private sector efforts.

DRAFTING OF ANTI-CORRUPTION (AC) LAW AND CREATING AN AC COMMISSION:

- CIPE has worked with Sudan's Ministry of Justice (MoJ) to review the Anti-Corruption Commission (ACC) law by calling on CIPE's global network of Anti-Corruption experts, who have shared a collection of best practices, strategies and lessons learned from establishing similar commissions in other countries.
- CIPE gathered a working group from Transparency International, The Sentry Centre, the Vigilance Group, and the Al Khatim Adlan Centre for Enlightenment (KACE) to fully review of the draft AC Law prior to its submission to the MoJ.

ANTI-CORRUPTION COMPLIANCE

- Since 2018, CIPE established a partnership with Al-Oula Training and Consulting to provide consulting, training, and auditing services to improve Sudanese companies' anticorruption compliance management systems.

4 TRADE

- CIPE has worked with Sudan's Ministry of Trade and Industry to talk about how it can benefit from the knowledge and experience of local business leaders and the leaders of local business associations in ways that improve and speed up the process of reforming trade laws.
- CIPE has signed a memorandum of understanding with the Sudanese Trade Commission (STC) outlining how it will continue to work together to reform internal trade policies, and providing the STC with technical support as it seeks to join the World Trade Organization.

SUDAN'S ECONOMIC STRATEGY

A RESTART

- Sudan is embarking on a once-in-a-generation opportunity to address decades of economic mismanagement, international isolation, and deterioration of institutions and public services.

- When the CLTG came to power, it inherited a number of serious economic challenges, including budget and current account deficits that exceeded 10% of GDP, a growth rate of -2.5%, neglected public services such as healthcare, education, infrastructure, and the civil service, as well as an economic structure that had never adequately adjusted to the loss of oil revenues resulting from the secession of South Sudan in 2011.

COMMITMENT TO ECONOMIC REFORMS

- The government of Sudan is committed to making the necessary reforms, and taking the difficult decisions needed to solve these challenges, and to create an economy that gives every participant a fair opportunity, irrespective of ethnicity, geography, gender, or class.

- The realization of the goals of the revolution – freedom, peace and justice – are inextricably linked to economic freedom.

STRATEGIC OBJECTIVES

- The Government's economic strategy aims at restoring macroeconomic balance, reallocating public resources toward social spending and key infrastructure, generating higher tax revenues, and providing a foundation for inclusive growth, driven by the private sector.

From the point of view of macroeconomic stabilization, the combination of lower inflation, higher social spending, and greater opportunity through economic growth will reverse many of the primary causes of poverty in Sudan, as well as improve human development outcomes, creating social and political stability, which are essential for further growth.

STRATEGIC HIGHLIGHTS

THE MACROECONOMIC OBJECTIVES FOR THE 2021-2023 PERIOD AIM AT:

- Maintaining fiscal discipline and catalyzing inclusive, private sector led growth
- Reducing the overall budget deficit to 2 percent
- Bringing down inflation to 20 percent
- Containing the current account deficit to 10 percent of GDP
- Sustaining an average economic growth rate of 4 percent
- Stabilising the FX Rate
- Restructuring Sudan's external debt through HIPC Initiative
- Accessing multilateral finance to build the foundations of inclusive growth and wealth creation



NATIONAL ECONOMIC OVERVIEW

ECONOMIC TIMELINE

JUNE 2018

US Treasury OFAC lifts sanctions.

JAN 2020

Bank Asset Quality Reviews were begun, by a team of external auditors overviewed by Expertise France and CBoS experts, in a programme funded by AfD.

FEB 2020

$820m Family Support Programme and other cash transfers to Sudanase citizens begin, with support of World Bank and other donors.

OCT 2020

Anti corruption law and creation of an independent Anti-corruption Commission.

DEC 2020

Fuel subsidies lifted, which happened gradually throughout 2020.

DEC 2020

US formerly lifts Sudan's State Sponsor of Terrorism (SST) status.

FEB 2021

Official exchange rate of SDG 55/USD eliminated. Exchange rate now based a weighted average of the previous day's trades.

MAR 2021

Banking Sector Reform – Central Bank Act, Conventional Banking.

MAR 2021

Sudan's first local VISA card, issued to the Prime Minister, in a sign that international payment methods are coming to Sudan.

APR 2021

New Investment Law & PPP Law passed.

MAY 2021

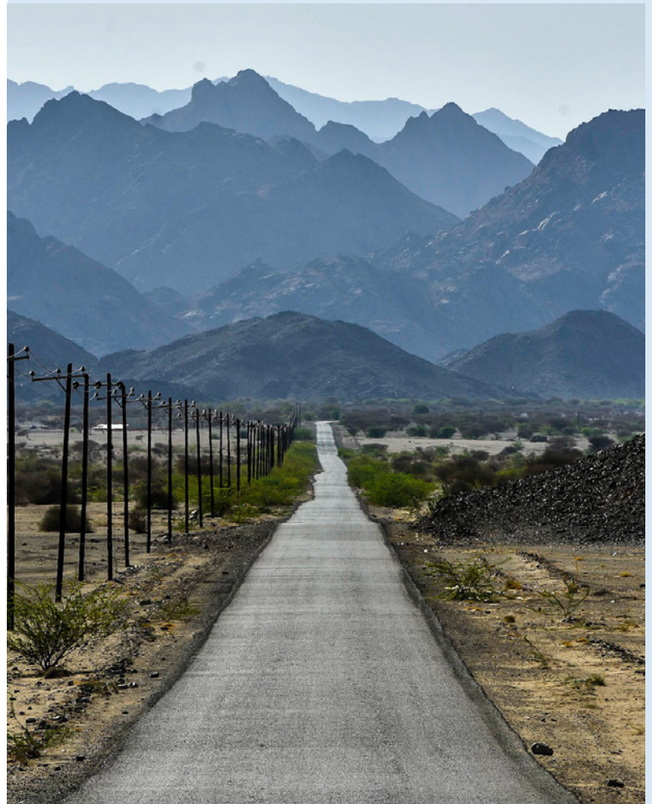
Poverty Reduction Strategy Paper (PRSP) approved by Cabinet of Ministers.

THE PATHWAY TO DEBT RELIEF AND HIPC INITIATIVE

The Ministry of Finance has been heavily focused on securing Sudan's path towards debt relief through the HIPC initiative.

The first stage of the process, the HIPC decision point, which is expected in June 2021 remains contingent on three key areas that the Government of Sudan has been successfully moving towards. Firstly, the government has been maintaining an adequate track record under the IMF's Staff Monitored Program (SMP).

Secondly, the Government has successfully prepared a full Poverty Reduction Strategy Paper (PRSP); and the Government is looking forward to finalize arrears clearance with the IMF, other multilaterals, and has formed a dedicated HIPC unit to work with a team of advisors to develop arrears clearance agreements representing at least 70% of HIPC eligible debt.



JULY 2020

Sudan embarked on an economic reform agenda, which was presented to the IMF as a proposed Staff-Monitored Program (SMP).

SEP 2020

The SMP was endorsed by the IMF Executive Board as meeting the Upper Credit Tranche (UCT) standard.

MAR 2021

IMF Board affirms that Sudan is eligible for HIPC Initiative debt relief and is fulfilling requirements with an aim to reach the Decision Point by June or July 2021.

MAR 2021

Sudan clears its arrears to the World Bank through a $1.15bn bridge-loan finance by US Treasury, which unlocks $2bn of IDA funding

APR 2021

African Development Bank arrears are cleared through a $425 million bridge loan provided by the UK, Sweden and Ireland, opening Sudan up to new funding, including an immediate grant of $207 million.

MAY 2021

IMF members, led by the French government, are mobilizing financing resources needed to clear Sudan's arrears to the IMF.

JUNE-JULY 2021

Sudan hopes to reach HIPC Decision Point, and a Paris Club agreement, which will set the benchmark for treatment of other debt, including non-Paris club and commercial debt.

11 CHALLENGES ONE YEAR AGO

1. Despite the lifting of sanctions, Sudan was still on the State Sponsors of Terrorism List ("SSTL");
2. The cost of subsidies (with the majority consisting of fuel subsidies, consumed primarily by wealthier Sudanese) exceeded the sum of all public revenue and grants combined;
3. The foreign exchange rate spread between official and market rates grew wider by the month;
4. Sudan's gross domestic product had been contracting for two years even prior to the impact of Covid-19 and record floods last summer;
5. The banking sector was fragile and deteriorating further;
6. Sudan's budget deficit and current account deficit each exceeded 10% of GDP;
7. FX reserves declined to less than a month of imports;
8. The economy went into a lockdown in March and April due to Covid-19. Sudan could only watch as country after country was granted debt relief or low-cost financing;
9. With massive, unpayable foreign debt and arrears, there was no access to multilateral development finance;
10. The large deficits were therefore financed through monetization, leading to runaway inflation of over 200%, which placed a tremendous burden on the Sudanese citizen;
11. On the political front, peace negotiations were underway, but a comprehensive agreement still seemed like a very remote possibility.

WITH LARGE IMBALANCES AND LOOSE POLICIES, THE OUTLOOK IS ALARMING WITHOUT POLICY REFORMS

IMF, MARCH 2020

11 KEY REFORMS OVER THE LAST ONE YEAR

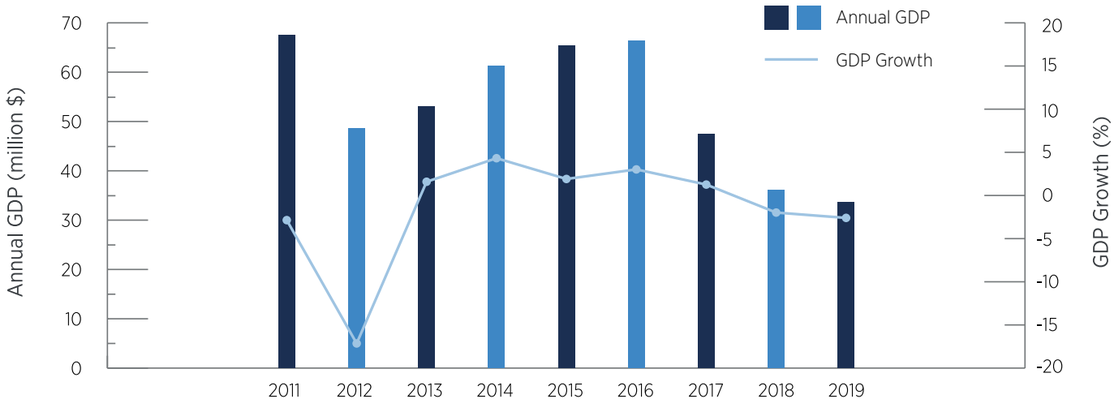
1. Sudan was lifted from the State Sponsors of Terrorism List ("SSTL")
2. **Removed costly fuel subsidies**, which drained 38% of our budget, and contributed to corruption;
3. **Reformed the exchange rate** to bolster competitiveness, remove multiple rates, and create the incentive for export proceeds and remittances to flow through official channels, and not the parallel market;
4. Sudan is **amending the Central Bank Act** to enshrine independence and strengthen its capacity to focus on price stability and a well-governed, modern banking system;
5. **Asset Quality Reviews ("AQRs")** of the banks are underway, with the support of Banque du France's, to begin a process of ensuring that Sudan's banks are well capitalized and in alignment with international standards;
6. **Opened the banking sector** to **conventional lending**, alongside Islamic modes of finance, and further extending payments systems to digital payments and mobile money;
7. **Passed the Anti-Corruption Law** and is **creating an Anti-Corruption Commission**;
8. Reformed the budget, focusing on health and education and investing in marginalized states, with a view to expanding the tax base, and improving tax administration, to make this affordable;
9. Sudan has brought **transparent governance** to state enterprises, by publishing an inventory of all SOEs and transferring financial oversight to the Ministry of Finance;
10. Improving the investment climate, having passed a **new Investment Law, Public-Private Partnerships Act**, and streamlining the regulations required to do business in Sudan;
11. Achieving peace through the Juba accords. Without peace, there can be no sustained economic progress.

SUDAN'S ECONOMIC REFORM PROGRAM IS OF UPPER-CREDIT TRANCHE QUALITY AND SUDAN IS ELIGIBLE FOR HIPC

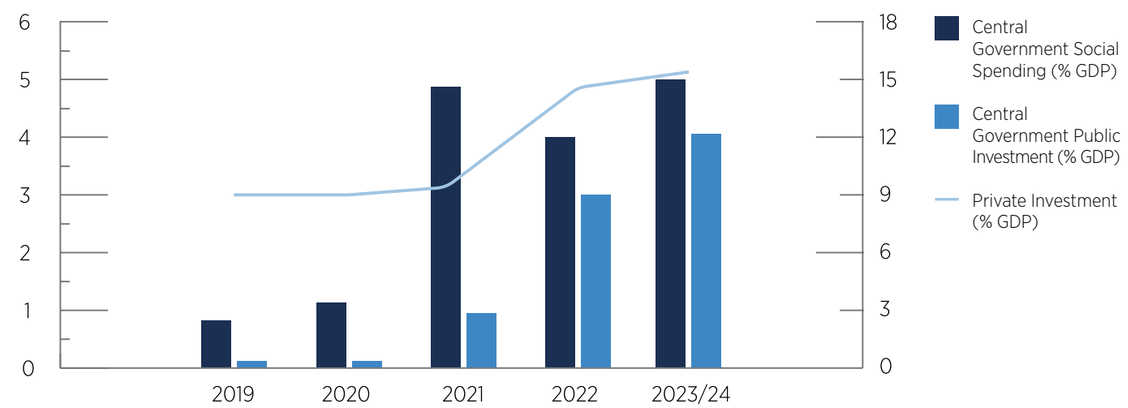
IMF, MARCH 2021

ECONOMIC FACTSHEET

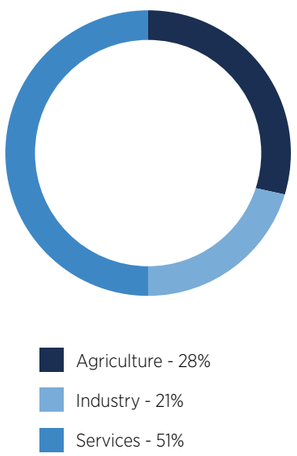
GDP & GROWTH GRAPH



PROJECTED PUBLIC & PRIVATE INVESTMENT



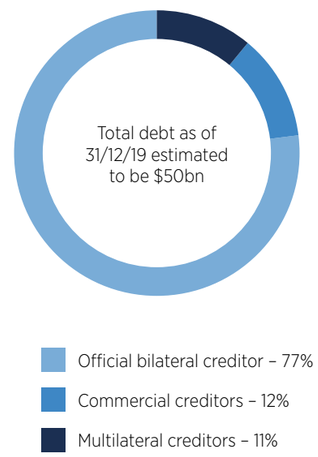
SECTOR CONTRIBUTION TO GDP



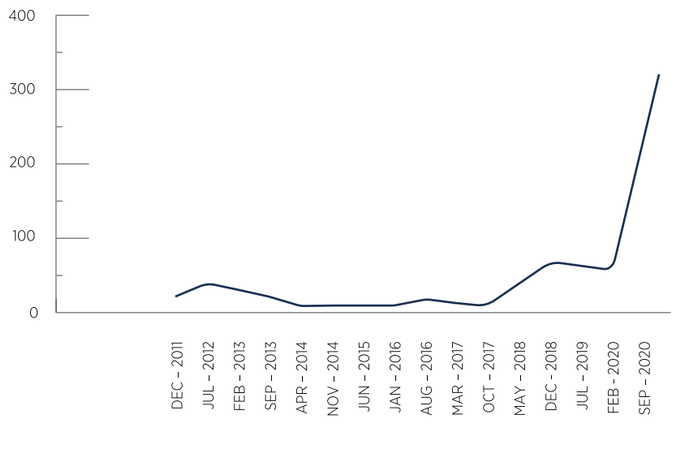
CBOS OFFICIAL FX RATE VS BLACK MARKET RATE



EXTERNAL DEBT



ANNUALISED INFLATION



FINANCIAL & BANKING SECTOR REFORM

SUDAN'S NEW DUAL BANKING SYSTEM

Sudan is now extending a warm welcome to international economic engagement and expanding the financial sector's access to a wide range of tools, instruments, and capabilities;

Sudan has decided to allow Conventional Banking alongside Islamic Banking. Comprehensive regulation, to cover internal processes and procedures to enable existing and new banks to adopt traditional banking, is ongoing and will be issued soon.

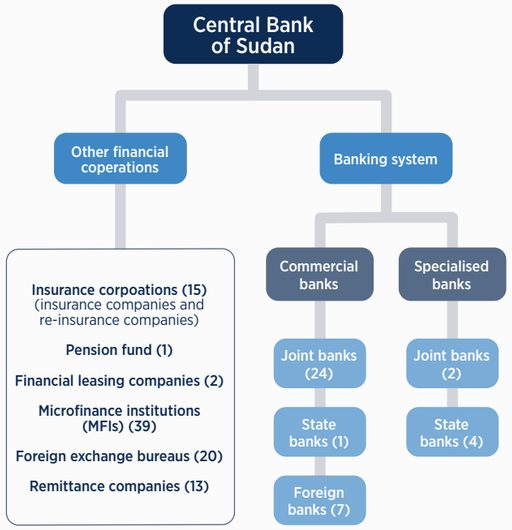
INVESTMENT INTO SUDAN'S BANKING SECTOR

The modernisation of the policy and institutional framework for the financial sector creates entry points for banks and other financial service providers to help fill the need in Sudan. These investors will also benefit from the broader reforms the Government is undertaking, including:

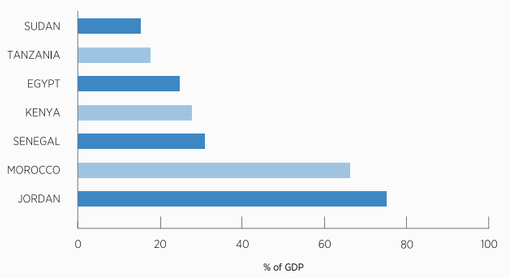
1. **Juba Peace Agreement, which has lowered political risk**
2. **Currency Unification, which has mitigated currency risk**
3. **Subsidy Reform, which is tempering inflation and price instability**
4. **Anti-Corruption Law /Commission, which will mitigate the risk of corruption**
5. **HIPC Debt Restructuring, which will dramatically lower country credit risk.**

New banks that invest in Sudan may help develop a wide range of financial services, including card-based services, retail lending products (vehicle, mortgage), insurance, corporate finance, trade finance and expand correspondent banking.

STRUCTURE OF THE SUDAN FINANCIAL SYSTEM



DOMESTIC CREDIT TO THE PRIVATE SECTOR



THE IMPORTANCE OF BANKING SECTOR REFORM

- Despite the lifting of sanctions and Sudan's removal from the SST list, no Sudanese bank has a corresponding banking relationship with a major USD clearing bank.
- This is not only a major impediment to international investment flows, but also international trade, given the importance of trade finance instruments in supporting cross border trade.
- The government and the donor community are committed to helping Sudan's banking sector implement the reforms and compliance frameworks needed to reintegrate with the international banking community.
- This is a vital step in enabling Sudan's private sector and unlocking the potential of its core competencies.

STATUS OF THE BANKING SECTOR

- Due to macroeconomic instability, isolation from modern technology-led practices, and some policy and institutional gaps, the financial sector in Sudan has deteriorated over the past decade.
- There are 37 banks, but the sector as a whole is tiny. One indicator of the industry's size is domestic credit to the private sector as a share of GDP. Sudan's ratio, around 15% of GDP, is very low relative to Sudan's level of development, and also very low relative to regional peers. Financing for foreign trade represents less than 10 percent of the total lending portfolio.
- Sudan has one of the lowest levels of financial inclusion in Sub-Saharan Africa: only around 15% of Sudanese adults have a bank account.
- SME access to finance is even more constrained, with only 5% having access to a loan or line of credit from a domestic bank.
- **These indicators suggest substantial space for financial sector growth, which will be spurred by some of the key sectoral reforms the government is undertaking.**

BANKING SECTOR REFORM & CENTRAL BANK SUPPORT

- The government is leading a major reform of the banking sector to address systemic weaknesses in the banking sector.
- In depth Asset Quality Reviews (AQRs) are already underway, as part of a €10m technical assistance programme for the Central Bank of Sudan (CBoS), funded by the EU and AFD, and running until June 2022.
- Based on these AQRs, CBoS will encourage mergers of banks, to ensure capital adequacy ratios meet the regulatory minimum.
- CBoS will also be provided with technical assistance to ensure that the financial sector adheres to international prudential regulations, and complies with the globally recognised Anti-Money Laundering (AML) and anti-terrorism financing (CFT) measures.

Other goals of the programme are:

- To shift the supervision of the sector towards a risk-based supervisory regime, as advised by the IMF.
- To prepare the CBoS for the implementation of Basel II pillar II and Basel III components that may be relevant for the Sudanese banking system
- To draft a revised and amended Bank Resolution Framework, to ensure more consistency of action from the Central Bank in regard to ailing or remedial banks.
- Create a strategic plan to enhance the soundness of the banking sector, such that it can adequately support the economic growth of the country.

DID YOU KNOW?

Sudan has embarked on a €10Mn EU funded Central Bank Support Programme to cover...

Banking Supervision

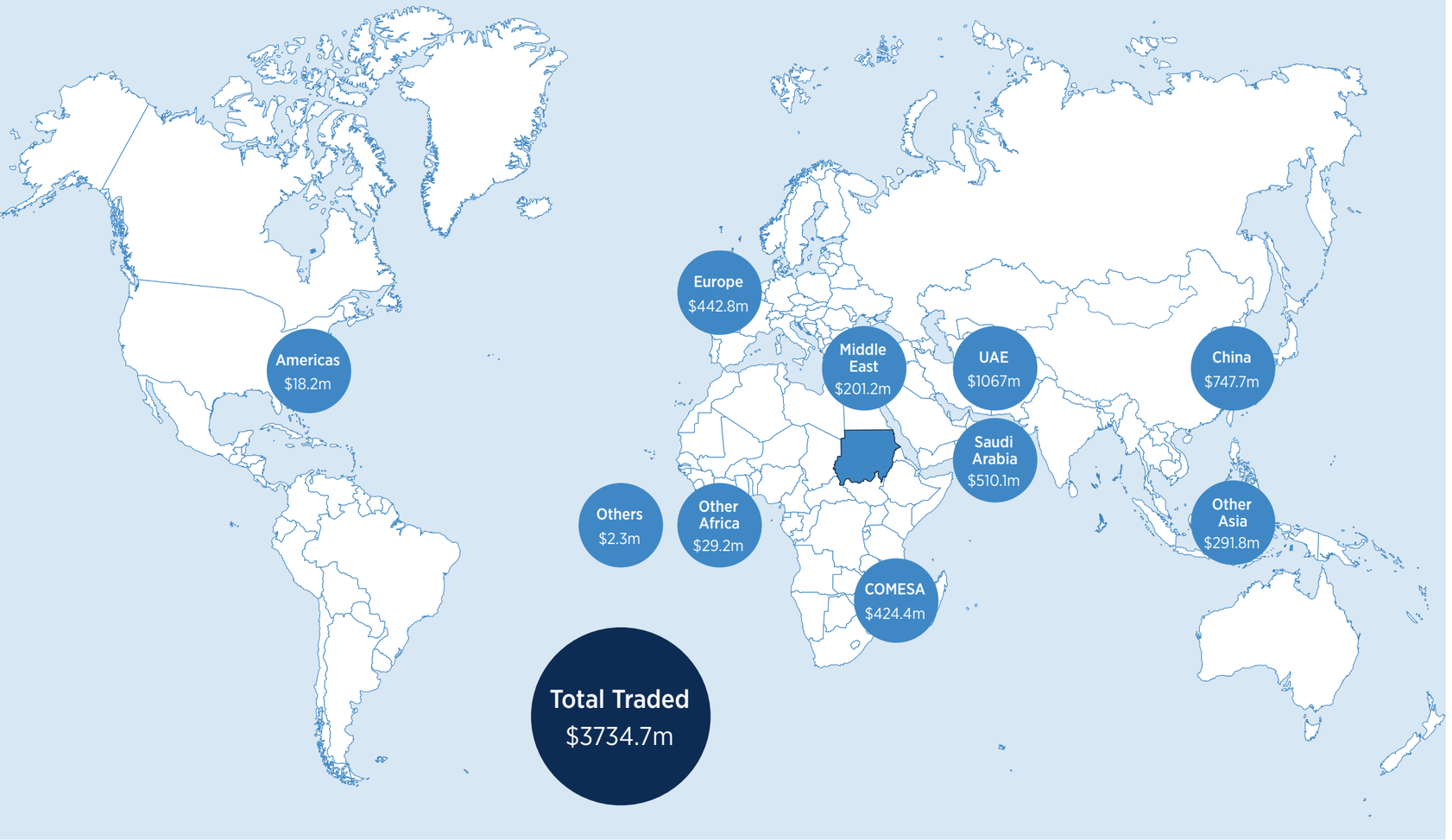
AML/CFT Supervision

Asset Quality Reviews

Financial Stability Supervision

TRADE FACTSHEET

TRADE PARTNERS



Exports (2019)	Revenue – $m	Percent – %
Petrolium Products	532.2	14
Cotton	160.8	4
Gum Arabic	109.5	3
Groundnuts	205.7	6
Sesame	771.6	21
Other Agricultural Products	159.4	4
Animal Feed	111.7	3
Gold	989.1	26
Livestock & Meats	634.7	17
Other Products	60	2
Total	**3734.7**	**100**

Imports (2019)	Revenue – $m	Percent – %
Cooking Oil	201.8	2
Wheat	1085.8	12
Other Foodstuffs	853.9	9
Medicines	367.2	4
Other Chemicals	601.8	6
Petrolium Products	1791.7	19
Other Raw Materials	205.5	2
Manfactured Goods	1550.1	17
Machinery & Equipment	1398.8	15
Transport Equipment	752	8
Textiles	389.3	4
Other Products	92.7	1
Total	**9290.6**	**100**

TRADE BALANCE

Year	Exports	Imports	Balance
2015	3,169.00	9,509.10	- 6,340.10
2016	3,093.60	8,310.60	- 5,217.00
2017	4,100.40	9,133.70	- 5,033.30
2018	3,478.30	7,850.10	- 4,371.80
2019	3,734.70	9,290.50	- 5,555.80
2020 (Jan – Sep)	2,672.70	6,590.30	- 3,917.60

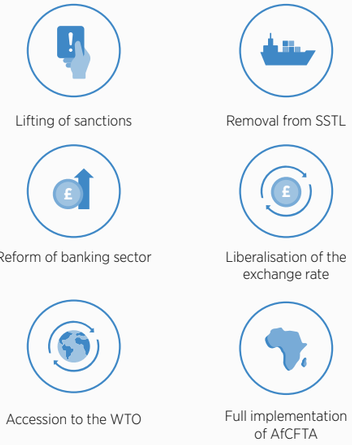
EXPANDING TRADE

Sudan's investment reform agenda will ultimately spur investment and growth in Agriculture, Oil & Gas and Mining, leading to increased exports. The country's trade policy and strategy will become more critical for the long-term stability and success of the economy.

The imposition of sanctions and inclusion of Sudan in the SSTL had the twin impact of restricting meaningful investment flows into the country and also significantly hindering the ability of the country to freely trade with many critical trading partners despite some exemptions granted under the sanctions regime.

Therefore, the lifting of sanctions, removal from the SSTL, the reform of the banking sector allowing for more structured trade financing instruments, the liberalization of the exchange rate regime and Sudan's accession to the WTO will all serve to increase the demand side for Sudan's goods and ultimately services.

POSITIVE DRIVERS OF TRADE





DID YOU KNOW?

Key global partners including the AU, China, EU, France, Japan, Turkey, UK, and US have all offered strong support to Sudan's accession to the WTO

WORLD TRADE ORGANISATION (WTO) ACCESSION:

- Sudan's WTO accession process is underway, and the Government is committed to the internal reforms needed to join the organisation.
- An Inter-ministerial Council on WTO accession has been created to advance the accession process at a technical level, and at a virtual meeting of Sudan's WTO working group in March 2021 a number of major global trade partners offered their strong support for Sudan's accession, including the USA, Saudia Arabia, the African Union, Japan, China, Turkey, and the EU.
- Sudan's accession process is being supported by technical assistance programmes from a number of donors, including all the major trade -related international organizations as well as others such as the US and the EU.
- WTO membership will significantly expand Sudan's potential trading partners.

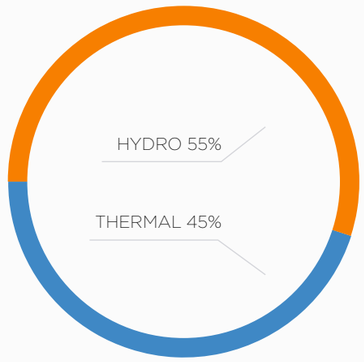
AFRICAN CONTINENTAL FREE TRADE AGREEMENT (AFCFTA)

- The fifty-five member states of the Africa Union (AU) agreed to establish the African Continental Free Trade Area (AfCFTA) in January 2021, to create a single continent-wide market for goods and services and to promote the movement of capital and persons. This ambitious project enjoys considerable political support, including from Sudan.
- The AfCFTA has the potential to put in place mechanisms to address many of the non-tariff challenges frustrating intra-African trade. It aims to do so in a manner that will provide more certainty and predictability, and improve Africa's overall trading environment.
- Larger, integrated markets are more attractive to potential investors, and along with new investment could come new technology, infrastructure, and ways of doing business learning that should boost productive capacity.
- The Agreement Establishing the African Continental Free Trade Agreement (AfCFTA) draws a distinction between Less Developed Countries (LDCs) and non-LDCs for tariff negotiations.
- Sudan is classed as a special case of LDC, and as such has 15 years within which to achieve 90% liberalisation.
- The remaining 10% of tariff lines is divided into two categories. 7% can be designated sensitive products and 3% of tariff lines can be excluded from liberalisation entirely.

COMMON MARKET FOR EAST AND SOUTHERN AFRICA (COMESA)

- Africa's existing regional economic communities will not be replaced by AfCFTA, and they will continue to play an important role in Intra-Africa trade.
- Sudan is a member of the Common Market for East and Southern Africa (COMESA), Africa's largest market for Trade & Investment, comprising 21 African states, and 583 million people, representing a combined GDP of $805 billion.
- COMESA offers its members the following benefits:
  1. A wider, harmonised and more competitive market
  2. Greater industrial productivity and competitiveness
  3. Increased agricultural production and food security
  4. A more rational exploitation of natural resources
  5. More harmonised monetary, banking and financial policies
  6. More reliable transport and communications infrastructure
- Sudan's exports to COMESA countries in 2019 was $424m, 11% of the total, and its 5th largest export market.

OVERVIEW OF CURRENT INFRASTRUCTURE



INSTALLED ELECTRICITY GENERATION CAPACITY 3,608MW (June 2019)

However, the Available Capacity was only 2,799MW, compared to a peak demand of 3,800MW and leaving a shortfall of 1,000MW.

CAUSE FOR OPTIMISM & OPPORTUNITY

Sudan has rich energy resources, both thermal and renewable.

It has proven natural gas reserves of approximately **3 TRILLION CUBIC METERS**[1].

Borders major electricity exporters such as Ethiopia and has an existing PPA for up to **100MW** at $0.05/kwh, and

A high voltage transmission line from Egypt is currently under construction, with a capacity of **300MW**.

SOURCE: (1) USEIA, JANUARY 2019.

Highways
11,800 KM
50% requires rehabilitation

Aviation
36 AIRPORTS
7 international
1 national air carrier
90% GAP

Railways
5,503 KM
80% requires rehabilitation

Maritime
750 KM
2 major ports
1 national shipping carrier
RE-ESTABLISHMENT



COMMITMENT TO ADDRESS THE INFRASTRUCTURE DEFICIT

Improving energy generation and distribution;

Upgrading major transportation arteries and transport nodes like airports and ports;

Rebuilding hospitals and basic health service infrastructure;

Ensuring adequate and safe water distribution;

Investment in telecommunications as an enabler for banking, agriculture and various other support services including those critical for better delivery of government services

General public works as they relate to schools, government administrative buildings, police stations, etc.



EASE OF DOING BUSINESS

WORLD BANK EASE OF DOING BUSINESS

- Sudan ranks 171 among the 190 countries covered in the 2020 World Bank Doing Business Survey, slipping by 9 places compared to its 2019 ranking.
- The World Bank's ease of doing business indicators further demonstrate that the institutional and regulatory conditions are limiting for the development of the private sector and attracting foreign investment into Sudan.
- Trading across borders, access to credit, paying taxes and protecting minority investors are identified as major weaknesses.
- As per the most recent Enterprise survey (2014), the most pervasive problems for doing business in Sudan are trade regulations, followed by tax administration, political instability, tax rates, and corruption. Registering business and obtaining licenses require lengthy processes compared to regional averages.

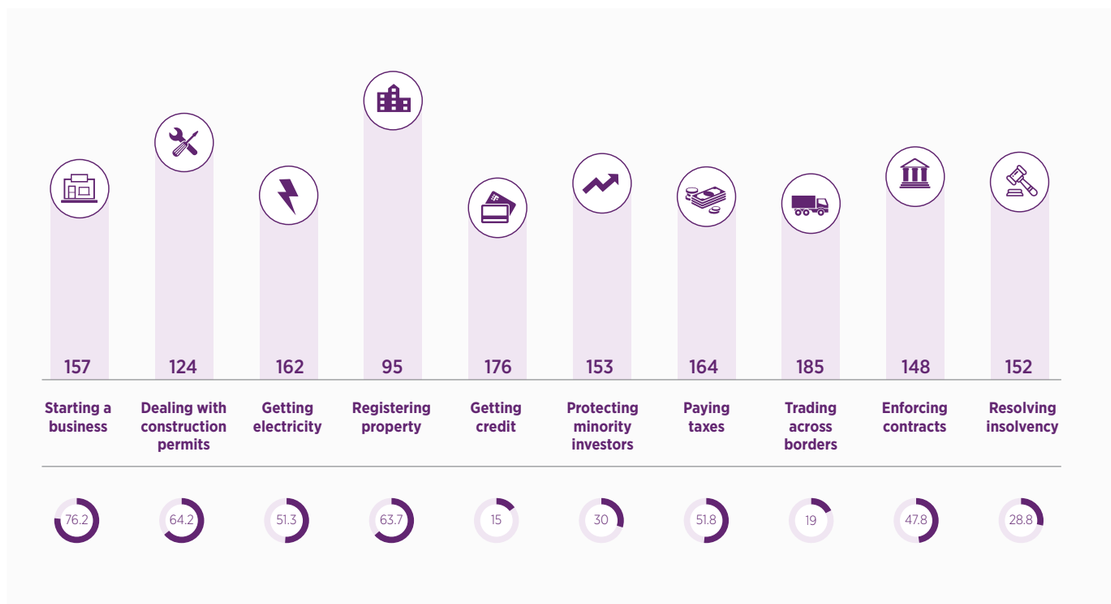
COMMITMENT TO IMPROVEMENT

- The government is committed to systematically increasing the ease and lowering the cost of doing business in Sudan.
- The Investment Reform agenda, to be led by the Ministry of Investments, will be geared towards ensuring all the operational challenges investors normally face in a country, captured in the World bank's Ease of Doing Business Matrix, will be addressed.
- Progress has already been made, with the passing of the 2021 Investment Code, which outlines a streamlined process for investors entering Sudan, and commits to a One Stop Shop for registering a business, receiving licences and permits, as well as registering land among a number of other processes.





SUDAN RANKS 171 AMONG THE 190 COUNTRIES COVERED IN THE 2020 WORLD BANK DOING BUSINESS SURVEY, SLIPPING BY 9 PLACES COMPARED TO ITS 2019 RANKING.



INVESTMENT CODE 2021 AND PPP ACT 2021

2021 INVESTMENT CODE

OVERVIEW
The 2021 Investment Law is intended to promote and develop Sudan's investment environment, and supersedes the National Investment Promotion law of 2013.

It is a high level overview of certain key issues relating to foreign direct investment, with specific detail covered in other pieces of legislation and sector specific regulatory frameworks.

It covers, among things:

- Ownership & Property
- Land Acquisition Process
- Environmental Stewardship
- Various Incentive Programmes
- Investment Protection & Dispute Resolution

HIGHLIGHTS
- Tax & Customs duties exemptions for specific types of projects
- Permanent Residency for the lifetime of the investment
- Provisions for CSR, knowledge transfer, and environmental stewardship.
- Establishes a Supreme Investment Council, and a General Authority for Investment that sits below it. There are also state level commissions.
- Commits to formation of a one stop shop to simplify procedures, grant licenses, register companies, land registration, issue tax numbers etc.
- Commits to fair and equitable treatment for foreign investors.





2021 PUBLIC PRIVATE PARTNERSHIP ACT

OVERVIEW
The Public and Private Sector Partnership Act, 2021 was also recently passed into law. Its aim is to encourage foreign and domestic private sector entities to invest in Sudan through government partnerships, and codifies the various regulations and responsibilities of all parties in the establishment, management, and transferal of PPP projects.

The law is part of a broader policy shift to increase the private sector's role in the economy, and allow the government to focus on policy, regulation, and economic planning, while benefitting from the skills, expertise, and financing structures the private sector can bring to building and operating key infrastructure.

HIGHLIGHTS
- Up to 30 year contracting period
- Repatriation of profits and capital is explicitly protected
- Enforcement body headed by the Prime Minister

SUDAN'S LABOUR MARKET IS REGULATED BY THE 1997 LABOUR LAW, UNDER WHICH EMPLOYMENT CONTRACTS ALLOW FOR FLEXIBLE HIRING PROVISIONS.

OTHER LEGAL REGS & CHANGES PLANNED
- The government is committed to reviewing and improving the legal and regulatory environment in relation to the following:
- Corporate Law
- Labour Law
- Intellectual Property
- Environmental Laws
- Telecoms – a key pillar of the government's digital economy commitment
- Mining – committed to a world class mining regime
- O&G – trending towards improved framework as the sector expands

LABOUR
- Sudan's labour market is regulated by the 1997 Labour Law, under which employment contracts allow for flexible hiring provisions.
- While Sudanese labour legislation contains several provisions protecting workers' rights important gaps still need to be addressed, to ensure the core tenets of the Constitutional Declaration are upheld, and to accord with Sudan's pro-reform, pro-investment agenda.
- Currently, the provisions of a contract violating the 1997 Law are considered null and void unless more favourable to the worker.
- When it comes to labour disputes, parties to litigation or arbitration are not required by law to consider or submit to any alternative dispute resolution before or during proceedings, except for collective disputes, which are referred by the Ministry of Labour to compulsory arbitration.

PROCEDURES FOR INVESTORS

BUSINESS SET UP



TYPE OF BUSINESS ENTITIES

Investors are free to choose any of the following investment formula:

- Sole ownership
- Partnerships (including Joint Ventures and PPPs)
- Limited Liability Company
- Foreign Company branch

REGISTRATION PROCESS

Starting a business is a 9-step process, that nominally takes 35 days.

However, anecdotal evidence suggests that it can take up to 6 months, and reducing this timeframe is one of the objectives of the Ministry of Investment's One Stop Shop.

1 Apply for registration and reserve a company name: 3 days
Cost: SDG 280
Agency: Commercial Registrar Agency

2 Notarize the memorandum and articles of association: 2 days
Cost: SDG 500
Agency: Notary

3 Notify the Taxation Chambers: 1 day
Cost: 0.2% of start up capital
Agency: Taxation Authorities

4 Register with the Commercial Registry: 4 days
Cost: SDG 1050
Agency: Commercial Registry

5 Apply for a Tax Identification Number (TIN): 1 days
Cost: SDG 5
Agency: Taxation Authorities

6 Register for VAT: 2 days
Cost: No Charge

7 Register with the Labour Authorities: 14 days
Cost: SDG 192
Agency: Labour Authorities

8 Enroll Employees in Social Security: 5 days
Cost: SDG 25
Agency: Social Insurance Fund

9 Make a Company Seal: 2 days
Cost: SDG 1450
Agency: Sudan Currency Printing Press Company

FUTURE – ONE STOP SHOP (OSS)

- The government is committed to implementing the OSS concept.
- In order for the OSS to provide efficient facilitation of services, it will provide a single interface for the investor to handle all transactions with relevant government agencies in Sudan related to its investment operations.
- This requires ensuring the use of electronic communication and tracking tools allowing the investor, as well as the OSS managers, to monitor the status of any transaction and permitting requests, as well as intervene to address bottlenecks delaying the different processes.
- International agencies like UNCTAD, through its e-Registrations system, has provided technical expertise and assistance in the establishment of such tools to a number of countries, and it stands ready to assist the Government of the Sudan in implementing a modern business registration infrastructure.

	Estimated Annual Cost
Labour	private sector average = $100 / month
	private sector high = $2,000 / month
Electricity	10.2 SDG per kwh
Water	$0.25 SDG per m^3
Property	$5-10 per m^2
Petrol	$0.38 per litre
Diesel	$0.56 SGD per litre

THE GOVERNMENT IS COMMITTED TO IMPLEMENTING A ONE-STOP-SHOP FOR INVESTORS





OVERVIEW OF SEZS

- Sudan's Economic Free Zones offer good opportunities for investors to benefit from extremely competitive investment and regulatory frameworks.
- In SEZs, 100% foreign ownership is allowed for all sectors.
- The Free Zones and Free Markets Law of 1994 governs such zones. The investment authority reports that projects in areas designated as Free Trade Zones and Duty Free Zones enjoy the following policies:
- Exemption from a tax on profits for 15 years, renewable for an extra period;
- Exemption from personal income tax for salaries of expatriates;
- Exemption from all customs fees and taxes except service fees for products imported into or exported abroad from the zone;
- Exemption from all taxes and fees for real estate inside the zone;
- Authorisation to transfer invested capital and profits from Sudan abroad through any bank licensed to operate in the zone;
- Exemption from customs fees for products of industrial projects established in the zones depending on materials used and local costs incurred in production and provided the value be estimated by a designated committee;
- Guarantees that money invested in the zones may not be frozen, confiscated, or arrested;
- Authorisation to store goods transiting Sudan in zones under the supervision of customs police; and
- Authorisation to rent its land and buildings according to the terms it agrees upon and without being bound by any other law.

FIGHTING CORRUPTION

- Most anecdotal and formal surveys point to corruption as a key concern and cost for business.
- The government recently approved the Anti-Corruption National Commission Law, which is a continuation of ongoing efforts to combat corruption and redress many of the corrupt practices of the previous regime.
- The drafting and framing of this law was supported by CIPE, who also established the Sudan Anti-Corruption Resource Centre to serve as an anti-corruption hub, that will provide training and technical support to local civil society groups fighting corruption, support reform efforts of the government, and galvanize private sector efforts to combat corruption (see section 5 for more details).

DISPUTE RESOLUTION

- Sudan has been a member of the Convention on the Settlement of Investment Disputes between States and Nationals of Other States since 1973.
- And the Sudanese Arbitration Act of 2016 codifies Sudan's role in arbitration, whether arbitration is conducted in Sudan or another jurisdiction, which is up to the two parties entering an agreement to determine bilaterally.

EXIT – REPATRIATION OF PROFITS

- There are specific protections on the repatriation of profits within the 2021 Investment Code.
- Transfer of foreign currencies to meet financing costs on external capital are also protected.





2ND LARGEST livestock pool in Africa – **110M** heads

70M HA of arable land (area larger than **FRANCE**) **75%** of which is unutilised = **10%** of world's unused arable land

1.4M HA irrigated land – 1/2 the size of **BELGIUM**

3RD largest gold producer in Africa

3TRN CF of gas reserves

1.5BN BBL proven oil reserves

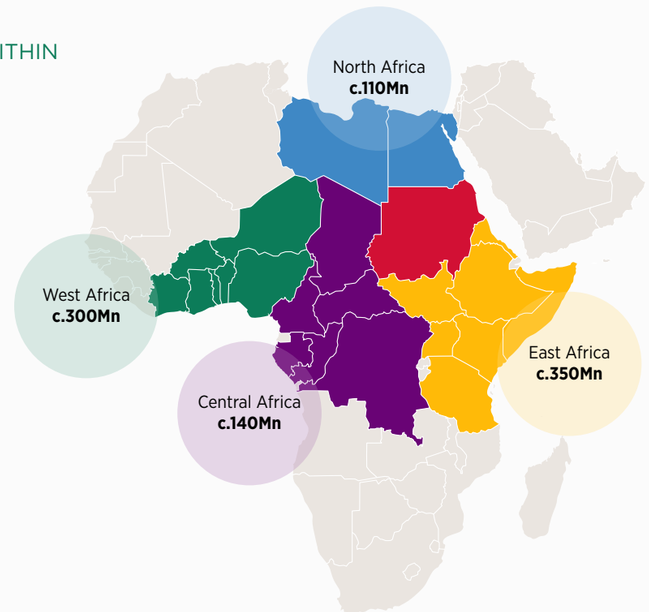


Natural pastures at Sennar State

C.900 MILLION PEOPLE WITHIN 3-4 HOURS FLYING TIME

Sudan's strategic location on the African continent puts it at an advantage considering it is bordered by 7 countries, 4 that are landlocked. It is also in the Middle of Major Population Centers in Africa and GCC of over 900Mn.

Saudi Arabia is the 8th neighbour across the Red Sea and is a member of the G20 and one of Sudan's key trading partners.



OUR OPPORTUNITY SET

SUDAN HAS THE POTENTIAL TO BECOME ONE OF THE TOP 5 ECONOMIES IN SUB-SAHARAN AFRICA OVER THE NEXT 20 YEARS

- **Despite enduring nearly 30 years of economic sanctions and dictatorship, the people of Sudan have demonstrated how resilient they can be.**

- **The country has an educated workforce, a highly skilled and respected diaspora, a strong and entrepreneurial private sector, as well as the institutional memory to jump start economic growth and development when compared to countries in Africa that have recently come out of a political and economic crisis.**

SUDAN'S OPPORTUNITY SET

- Due to its extraordinary mineral wealth, agricultural resources, and hydrocarbon potential, coupled with a prime geographical location and a youthful, entrepreneurial workforce, Sudan can grow into a US$300 Billion economy in the next 30 years.

- This is a bold ambition, but with an investment vision centred around unlocking Sudan's three core competencies of Agriculture, Mining, and Oil & Gas, while prioritising infrastructure that enables these sectors to thrive, it is an achievable one. >

DESTINATION

$300Bn

Sudan can grow into a $300Bn economy in the next 30 years

SUDAN'S INVESTMENT STRATEGY

- Sudan's investment strategy will initially be focused on ensuring that the country can fully exploit its existing core competencies of Agriculture, Mining and Oil & Gas.

- The potential size and relative contribution of these sectors to the economy is what we believe will initially support the business case and priorities for investment into the competencies themselves and other enabling infrastructure and service sectors.

- Enabling sectors, such as energy, roads, irrigation, telecommunications and transport will be prioritized in such a way that they have the maximum possible positive impact on the economy when they are able to open up the core competencies for further private sector investment.

- The objective of the government is therefore to prioritise investment into areas that will **stabilise** the country in the short term, in order to provide the public and private sector enough time to plan and implement a medium term investment roadmap for Sudan's **growth** that we hope will lead to **wealth** creation and prosperity in the long-term.

CORE COMPETENCIES MODEL

- Every country that has successfully navigated its way from a significant economic or political crisis to economic prosperity, has done so by first identifying their core competencies and then developing a structured plan to ensure they can create long-term wealth from exploiting those core competencies.

- The trajectory most take, is broadly the same:

  1. First they need to ensure economic and political **stability.** This is the most difficult phase and wrought with the most challenges.

  2. Secondly, on establishing and maintaining economic and political stability, their economies are characterized by a **prolonged period** of **consistent and above average growth.**

  3. Thirdly, the consistent growth provides flexibility to the country and its stakeholders to make better longer term bets and investments that ultimately lead to **economic wealth and prosperity.**



Wheat combine harvesters in Khartoum State

Sudan's 3 Core Competencies & Enabling Infrastructure



AGRICULTURE FOR STABILITY, GROWTH, AND WEALTH

- Agriculture is critical for Sudan's short, medium and long-term economic planning and investment strategy.

- Sudan will therefore prioritise investment in key infrastructure, in order to open up high-value Agricultural sub- sectors such as cotton, groundnuts, sesame, sorghum, oil seeds, and livestock. This we believe will initially boost exports and quickly create jobs.

1) Investing for Stability

- The objective will be to create the economic conditions and incentives to boost production, and therefore income, to bring stability in the short term.

- The government will ensure that it adopts a holistic approach to investment strategy by ensuring that all investment projects are ranked and prioritized in the right way for maximum impact.

2) Investing for Growth

- Some investment initiatives will take longer to plan for and implement.

- These medium-term initiatives will however form the backbone for future growth. We believe that once the primary key infrastructure has been rehabilitated, and the production of high value cash crops has increased, the private sector will create additional growth and jobs through investment in value addition industries.

3) Investing for Wealth

- In the longer term, a larger, more productive, vertically-integrated and strategically-planned agricultural and agro-processing sector exporting to global and regional markets, with strong international off-takers, will be positioned to generate significant wealth from Sudan's rich resources. >

GLOBAL FOOD DEMAND AND SUDAN'S OPPORTUNITY

- Global food demand is rising, as a result of both population growth, and increased caloric consumption due to higher income levels.

- To feed the world's population by 2050, it is estimated that total food production needs to grow by 1.75% per annum, whereas the average global rate is only 1.5% - an annual deficit of 0.25% of total production.

- In addition, as yield growth levels off in most developed countries, a greater share of land will need to be brought under production in order to keep pace with consumption.

- This rising global demand represents an enormous opportunity for Sudan, which boasts **10% of the world's unused arable land,** and has the agro-climatic conditions to become the major food producer in Africa and the Arab world – two of the fastest growing regions on the planet.

SUDAN AGRICULTURE MAP

1.2M HA centre pivot potential – size of Qatar

COTTON: Global Textile sector **4.4%** CAGR; Sudan's 5yr cotton potential **$1.5BN** (161m 2019)

$53bn

FOOD: The GCC, 8 hours from Sudan by boat, imports **$53BN** of food per year; Sudan 5yr potential **$5BN** of these imports

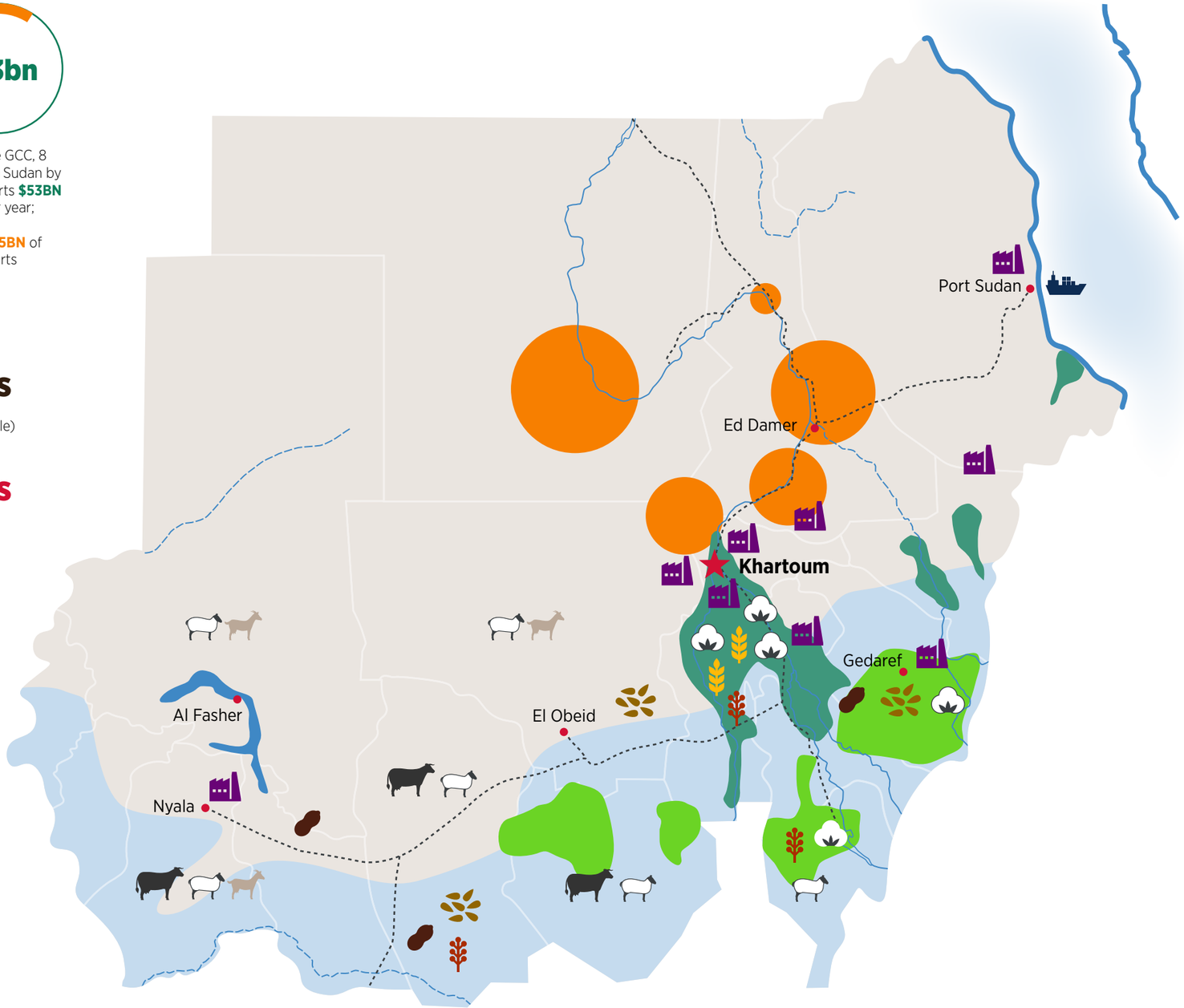


MEAT: NZ (27m sheep, 10m cattle)

$9bn annual exports

MEAT: Sudan (41m sheep, 32m cattle)

$47m annual exports



DID YOU KNOW?

Sudan boasts **10%** of the world's unused arable land

LIVESTOCK
- Sheep
- Cattle
- Goats

MAJOR RAINFED CROPS
- Groundnut
- Sesame

MAJOR IRRIGATED CROPS
- Cotton
- Wheat
- Sorghum

OTHER
- Abattoirs
- Rainfedbelt
- Irrigated areas
- Centre pivot irrigation
- Mechanised farming
- Seasonal rivers

SUDAN'S AGRICULTURAL VARIETY:

- In Sudan you will find an abundance of the three key ingredients needed for plants to grow:
  - Sun (some of the best solar resources globally)
  - Soil (vast swathes of fertile, mineral rich arable land)
  - Water (43% of the Nile basin, underground aquifers, and seasonal rainfall)
- An astonishing range of both staple and cash crops thrive in Sudan, including grains, oil-seeds, fruits, vegetables, herbs, and spices, across a vast **rainfed belt** in the south and **large-scale irrigated** areas around the Nile.
- There is also significant scope for Sudan to boost its primary production levels across almost all crops. As 75% of arable land is unutilised, with yields for some crops at 10% of achievable levels. >

SIZE OF THE COTTON PRIZE:

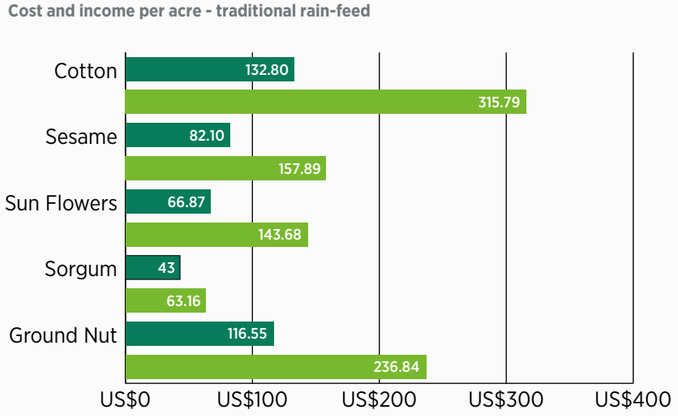
- Brazil exported $2.6bn of raw cotton in 2018, with 1.6m ha under production. Sudan has ample arable land to catch up to Brazil's acreage, split across irrigated and rainfed areas, and therefore achieve similar export levels.

COTTON

- Referred to locally as 'white gold', Sudan has historically been a major producer of cotton, frequently exporting more than 1 million bales (250,000 MT) per year in the 1960s.
- During that time, cotton and its by-products were transported directly by rail to Port Sudan and exported to Europe.
- Since then, cotton production has declined dramatically, reaching lows of 10,000 MT in 2010.
- However, high international prices in recent years, and improved seeds have seen an increase in planting, higher yields, and a boost in exports, with China, Pakistan, Egypt and Turkey the main buyers.
- Since the shift to improved cotton hybrids, Sudan's average yield has been around 1 MT of cotton per hectare for the last 5 years, across both rain-fed and irrigated areas. These yield numbers are around 60% of those achieved in China and Brazil, despite Sudan having a much lower cost base.
- **If only 25% of Sudan's 1.4m ha of canal fed irrigation schemes were planted with cotton, and based on yields of 2.1 MT/ha achieved on irrigated soil in India, annual production would be 1.2m MT.**
- **Based on current prices for cotton lint and seed, this equates to a $1.5bn export opportunity.**
- Sudan can also grow cotton at a low cost, relative to the income generated, as per the graph below, based on data for a variety of crops within the rain-fed region of Gedaref, East Sudan.
- During the Investing for Growth phase, the total revenue generation from Cotton should be significantly higher due to the value addition aspects of one of the highest value cash crops.
- There will also be additional opportunities to develop storage and silo assets to allow for the use to structured finance and trading instruments to further facilitate financial flexibility and options for farmers, giving then greater economic security.



Cotton picking South of Gedaref



COTTON 2019 EXPORTS

$161m

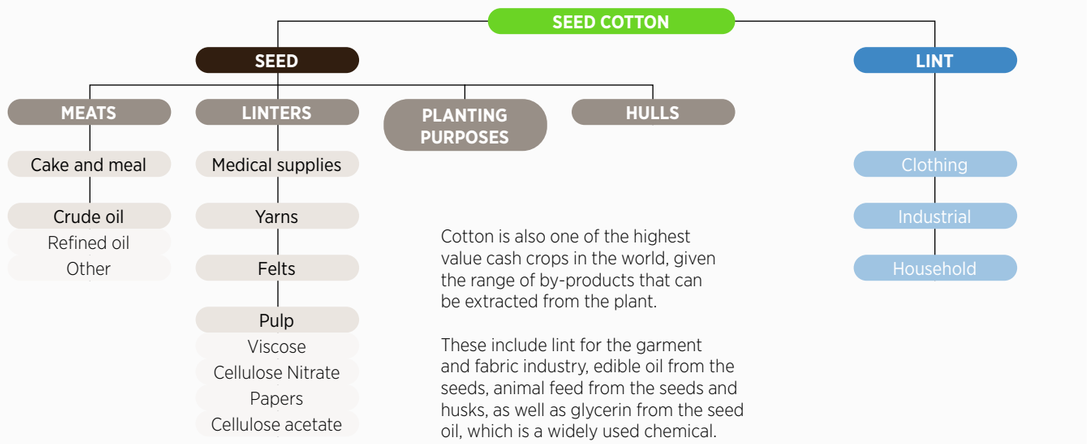
The global textile industry is worth

$1trn

is growing at a CAGR of 4.4%, with natural cotton representing the largest share of the market at 39%. Natural Cotton represents

$340Bn

opportunity for Sudan



SESAME 2019 EXPORTS

$772m

Sesame seeds were Sudan's largest export after gold in 2020, and Sudan was the number one producer globally in 2019, with over 20%.

SESAME

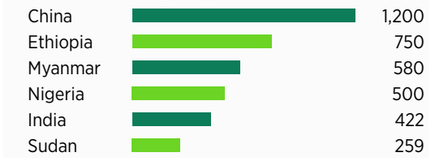
- Sesame is grown in the rainfed regions to the East and West of Khartoum, with relatively good transport links to Port Sudan, from where it is shipped to the main export markets of the Middle East and China.
- There is further opportunity for processing high oleic sesame grown locally into oils, pastes and sesame cake for animal feed, all of which are consumed widely in the GCC and Asia and can also form additional feedstock for Sudan's Livestock sector.

The Opportunity

- **Typical yields lag far behind other producing nations (see table), and post harvest losses are high. If Sudan were to raise sesame yields per hectare to the levels of Nigeria (which is less than half that of China), 2020 exports would have been US$1.6bn.**

SESAME YIELDS OF VARIOUS COUNTRIES

(Country Yield (kg/ha))



SOURCE: WORLD BANK DATA



SUDAN WHEAT IMPORTS

$1.1bn

GROUNDNUTS 2019 EXPORTS

$206m

Sudan is typically among the top 5 producers globally.

GROUNDNUTS

- Groundnuts are a major source of plant protein and fats, and when grown in rotation fix nitrogen in the soil to boost yields of future harvests.
- 60-70% of Sudan's groundnuts are grown in the western rainfed regions of Kordofan and Darfur and tend to be higher quality in terms of oil and protein content than those grown in East Sudan.
- Proper post-harvesting and storage practice are essential for reducing aflatoxin levels and ensuring far higher prices on international markets.
- Investment opportunities exist in providing inputs, sorting, and grading facilities for growers, as well as in pre-processing (shelling and blanching) to increase pricing and boost exports.
- As with other oil seeds, edible oil production as an import substitute, and animal feed cake, are other products that can be produced competitively locally in the medium term when the energy deficit improves.

The Opportunity

- **If Sudan grew groundnuts on 25% of its canal irrigation schemes, an area of 330,000ha, then based on achievable yields and current prices this would represent a $1.5bn opportunity.**

WHEAT

- Wheat was one of Sudan's top 5 imported products in 2019.
- Yet 2020 was a record wheat harvest, and soon Sudan will be in Africa's top 3 producers
- New seed technologies have doubled yields for some farmers.
- Wheat is a major crop grown on rotation in Sudan's irrigated schemes such as Gezira, and new technologies, such as heat-resistant seed varieties introduced by the AfDB's Technologies for African Agricultural Transformation programme (TAAT) are dramatically boosting yields.
- Sudan enjoyed a record wheat harvest in 2020 - 1.1m MT from 315k hectares of farmland (3.5MT/ha – higher than US yields, but 1/3 of UK yields).

The Opportunity

- **Sudan has abundant land to increase acreage, as well as improve yields through technology.**
- **It's on the path to becoming not only sufficient in wheat, a possible $1bn import substitution opportunity, but potentially Africa's next wheat-sourcing breadbasket.**
- **If Sudan reached 2/3 of UK wheat yields, it would only need to plant 2.6% of its available arable land to save its entire $1.1bn import bill, but also produce a $1.1bn surplus.**

GUM ARABIC

- Gum Arabic, a hardened tree resin, is an important product with the hearts and minds of the Sudanese, as Sudan has been the world's leading producer for a number of years.
- Powdered Gum Arabic is an ingredient within the food, beverage, and cosmetics industries. The total global market size, even for processed gum Arabic, is around$400m, whilst still significant, is smaller than some of the other opportunity sets in Sudan.

DID YOU KNOW?

Sudan produces around 5% of the world's groundnuts, and around 20% of the world's sesame crop

>

SORGHUM

- The global Sorghum market is worth $10bn and growing, and Sudan is a major producer.
- Sorghum is grown on rotation in Gezira and other irrigated schemes, as well as in the mechanised areas in Eastern Sudan.
- It is consumed as an important staple locally, but it has export potential as an animal feed, a gluten-free food ingredient, and in the production of ethanol and bio-fuels.
- China is the world's biggest importer, at around $1.5bn in 2020.

THE GLOBAL SORGHUM MARKET IS WORTH $10BN AND GROWING, AND SUDAN IS A MAJOR PRODUCER

HORTICULTURE

- Fresh fruit and exports are an untapped opportunity.
- Kenya exports $250m, and Sudan has a geographical advantage for exports.
- Sudan grows a wide variety of fruits and vegetables, and has the diversity of soil types and climate to support a thriving horticultural sector.
- Sudan is close to large import markets such as the GCC and the EU, but investment is needed in in-land infrastructure, especially cold storage logistics, as well as phyto-sanitary certification.
- A longer-term opportunity also lies in local processing for domestic use and regional export – juicing, canning, and producing pastes or concentrates - which are currently imported by Sudan and its neighbours.

DID YOU KNOW?

Once rehabilitated, the Gezira Scheme should generate annual revenues of $2bn



Mechanised Sorghum Harvesting, Gedaref State

IRRIGATION SCHEMES

- Irrigation is a major enabler of the agricultural sector in Sudan. Yields per hectare are higher in irrigated areas, and production levels are much easier to predict, and therefore plan for, in terms of financing and inputs.
- Total land under irrigation currently is 1.5m ha, and Sudan has the potential for a further 1.5m ha (0.3m in canal irrigation, and 1.2m in centre pivots).
- With a changing climate, and increasingly variable rainfall, Sudan's irrigation schemes, and its potential to increase the acreage under irrigation, are a key differentiator versus many other global food exporters.

SECTOR REGULATION:

- The Ministry of Irrigation and Water Resources oversees Sudan's water sector at a federal level, and is split into two departments relevant for the country's water resources:
- The Nile Water Department is responsible for monitoring and managing surface water resources in Sudan, and calculating the country's consumption of Nile water. It provides its services to all water-related projects in terms of design, implementation and operation.
- The General Administration of Groundwater and Wadis, which oversees non-Nile water resources, including aquifers and water in seasonal valleys, both of which are widespread throughout Sudan, and support rural as well as urban populations outside of the Nile regions.

CANAL / GRAVITY IRRIGATION

- Sudan has over 1.4m ha of gravity-fed irrigation schemes, along the Nile, an area half the size of Belgium.
- The largest of these is Gezira, which runs from just south of Khartoum for over 150km along the Nile. It the world's largest centrally-managed irrigation scheme, although its productivity deteriorated significantly during the 30 years of the previous regime as result of lack of maintenance and poor policy planning. >



Gezira scheme as seen from a satellite

PROJECT SNAPSHOT - GEZIRA

The Gezira scheme is the largest centrally-managed irrigation scheme in the world, at 1m ha (around the size of Qatar).

Originally constructed in the 1920s, by the 1960s it generated 1/3 of Sudan's economic output, and a large portion of exports.

It is managed on behalf of the government by the Sudan Gezira Board, and farmed by 140,000 tenants, that support close to 1m casual workers.

Major crops are cotton, wheat, groundnuts, vegetables, and sorghum, and the scheme produces 50% of Sudan's agricultural output.

As a result of the 2005 Gezira Act, growers participate in managing their own irrigation infrastructure, which has led to a marked downturn in output, due to poor maintenance.

Rehabilitation of the Gezira scheme is a major priority of government. This is a $1.08bn project to remove accumulated siltation from the canals, line the main canals to reduce seepage, and improve the local road and transport network.

If Gezira was operating at full capacity and planted with 20% Cotton, 20% Wheat, 20% Groundnuts, 20% Sorghum, with 20% fallow land on rotation, then at current prices, and at yields capable with irrigated soil, annual revenues would be in excess of $2bn.

CENTRE PIVOT IRRIGATION

- In addition to gravity-fed irrigation, over the last 10 years more than $300m has been invested in 57,000 ha of centre pivot irrigation projects in Sudan, mostly by investors from the GCC. The majority of these are located to the North East of Khartoum, close to the Nile, as well as seasonal rivers such as Atbara.

- Saudi Arabia constructed a large number of centre pivots farms over the last two decades, however, due to aquifer degradation, the overall number was slashed, with crops such as alfalfa, a feed crop for the GCC's large dairy herds, losing out to food crops.

- Sudan is therefore becoming a key supplier of these protein rich grasses, due to its geographical location, renewable water resources, and exceptional climate, which allows for over 10 harvests per year.

WATER HARVESTING

- Sudan also intends to support rain-fed farmers with water harvesting infrastructure. Improved water management will enable farmers and herders in the fertile lands of Darfur to improve yields, and better predict returns on investment without the vagaries of rainfall.

- This will require investment in small dams, cisterns, and other infrastructure, to improve the utilization of rainfall and seasonal streams beyond the Nile Basin, as well as using groundwater where available.

DID YOU KNOW?

That Sudan has around 57,000 ha of centre pivot farms, and the potential for a further 1.2m ha

FROM A COST AND FREIGHT PERSPECTIVE, SUDAN OFFERS A VERY COMPETITIVE ALTERNATIVE, AND HAS A LARGER QUANTITY OF SHEEP AND CATTLE THAN NEW ZEALAND.



Centre Pivots in Abu Hamed, River Nile State



Livestock at Gadarif

DID YOU KNOW?

Sudan's neighbour, the GCC, imports $5bn of meat annually

LIVESTOCK:

- The global meat industry is worth an estimated $1.2trn, and is growing at over 2.4% per annum.

- Total consumption increased by 58% from 2008 to 2018, driven largely by population growth, as well as rising income levels.

- This is huge opportunity for Sudan, which boasts the second largest livestock inventory in Africa, with over 110 million heads of sheep, goats, cattle, and camels.

- Despite the size of the sector, it is largely informal, and small-scale. The majority of herds are maintained by pastoralists in Darfur and Kordofan, which are typically walked to wholesalers in Khartoum, and exported live via Port Sudan to Saudi Arabia and the GCC.

- Prioritising investment within and along major livestock export corridors will see Sudan and its farmers stabilise incomes, grow ancillary industries, and eventually realise the full wealth from its animal resources.

- **The GCC imports over $5bn of meat annually, much of it from Australia and New Zealand.**

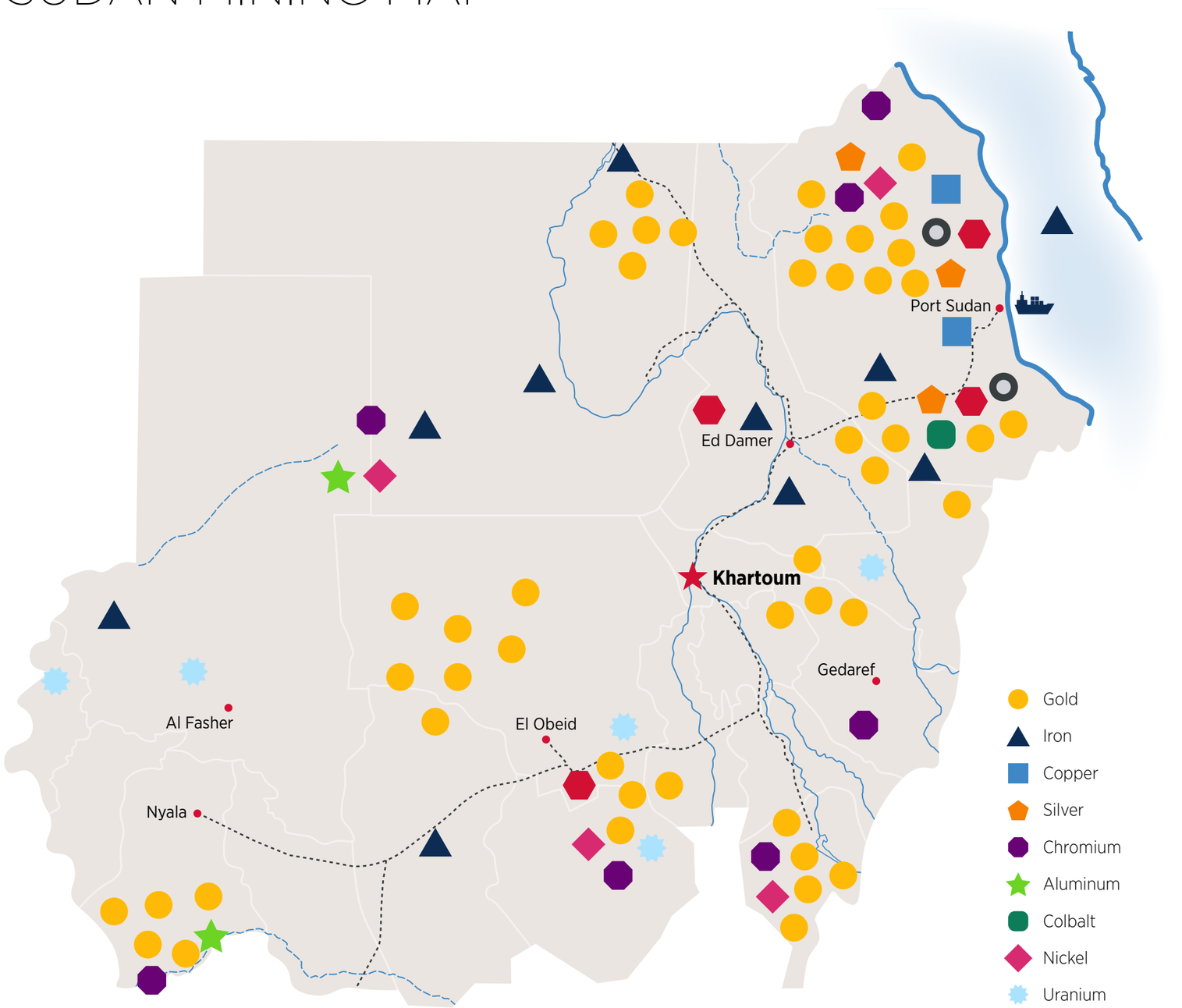
- **From a cost and freight perspective, Sudan offers a very competitive alternative, and has a larger quantity of sheep and cattle than New Zealand, whereas New Zealand's annual exports of $9bn is 180 x that of Sudan.**

- In the Investing for Stability Phase, the government will focus on ensuring that the 9 export-oriented slaughterhouses and cold storage facilities near regional airports such as Nyala, which if fully rehabilitated can open up a large opportunity set for processing and packaging meat products, are upgraded and enhance to facilitate exports.

- During the Investing for Growth Phase, new slaughterhouses and a cold storage chain will be established for both meat and dairy, in Export Processing zones close to regional airports in major livestock areas. This should offer the potential for hubs of private sector leather and dairy product manufacturing. >

LIVESTOCK
2019 Exports $588m ($47m of meat).
$588m

SUDAN MINING MAP



THERE ARE 119 AVAILABLE BLOCKS WITH IDENTIFIED MINERAL OCCURRENCES, INCLUDING 64 FOR GOLD, 17 FOR URANIUM

79 Au

GOLD: 533 MT of proven gold reserves, in the Red Sea hills only = 28bn USD

92 U

URANIUM: 1.5M MT in Sudan = 3bn USD

29 Cu

COPPER: 5M MT conservatively = 37.5bn USD

30 Zn

ZINC: 1.9M MT in Red Sea hills = 5.5bn USD

47 Ag

SILVER: 4,500 MT in Red Sea hills = 3.6bn USD

SUDAN HAS: COPPER, NICKEL, RARE EARTH MINERALS, ALUMINIUM, GRAPHITE AND MANY OTHER MINERALS REQUIRED IN THE LOW CARBON ECONOMY.

SUDAN'S MINERAL POTENTIAL	
Precious Metals:	**Gold, Silver, Platinum**
Base Metals:	**Copper, Zinc, Lead, Iron, Chrome, Manganese, Nickel, Aluminium**
Other Metals:	**Uranium, Rare Earth Metals**
Agricultural minerals:	**Potash, Phosphates**
Industrial Minerals:	**Limestone, Marble, Gypsum, Graphite**

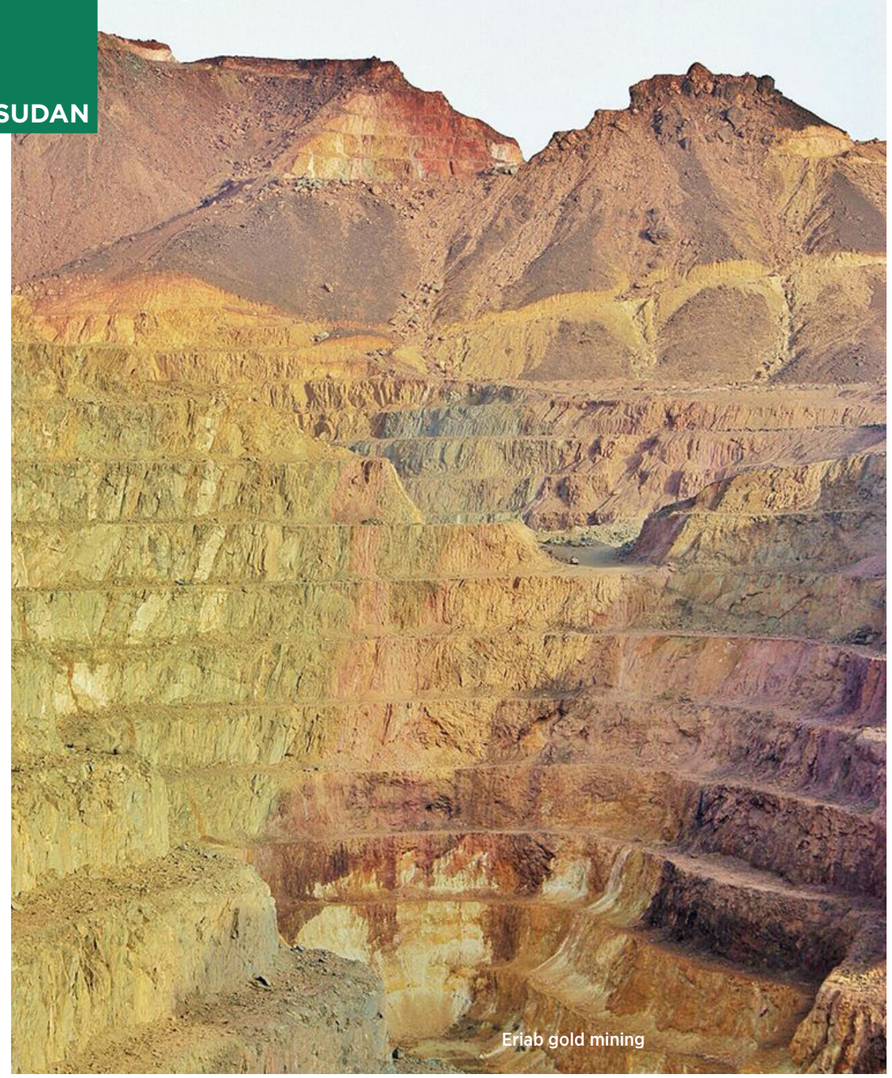
MINERAL RESOURCES ARE OFTEN FOUND AT GROUND LEVEL, RESULTING IN RELATIVELY CHEAPER AND TECHNICALLY EASIER EXPLORATION AND PRODUCTION ACTIVITIES

GLOBAL MINERAL DEMAND IN THE 21ST CENTURY

- The ongoing acceleration of decarbonising technologies and global environmental initiatives mean that increased demand for certain minerals used in renewable infrastructure (silica, graphite), as well as metals for electric vehicle batteries (including lithium, rare earth metals, nickel and aluminium), is a major trend in 21st century consumption that supports the need for investment into mining today.

- Demand for aluminium, copper, silver, bauxite, iron, lead, and others metals is forecast to rise to benefit from the accelerated shift to low carbon technologies. And Africa is forecast to play an increasing import role in supplying the minerals for this transition (see graph below).

- This trend is already impacting inventory levels of many industrial metals, some of which have fallen sharply in the last 12 months, leading to sharp price rises. Copper prices are currently at an all time high, and forecast to rise higher still.



Eriab gold mining

LEGAL AND INVESTMENT FRAMEWORK:

- Investments into the mining sector are governed by the Mineral Wealth and Mining Resources Development Act of 2015, which provides the framework for concession agreements entered into with the Ministry of Minerals.

- Exploration licences are granted for a period of 2+1 years, and mining licences for a period of up to 25 years, both of which are renewable.

- Investors can recover all capitalised exploration and development costs, have customs exemptions on all mining equipment, and will not pay withholding tax.

- The government is entitled to a 5 to 7% royalty, between 15-35% carried interest in the concession, and a 15% corporation tax on profits.

- As part of Sudan's broader legal reform agenda, the government is committed to giving investors in the country's core sectors comfort that they are investing into international standard regimes, and that mining regulations are sufficiently robust and attractive to attract international capital to the space. >

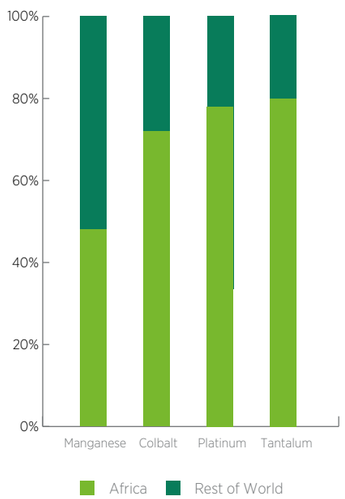
MINISTRY OF MINERALS

The Ministry oversees Sudan's mining sector, and is responsible for managing and promoting mining investments. The ministry supervises geological surveys and exploration, grants licences, and historically has entered into concession agreements with investors.

GEOLOGICAL RESEARCH ASSOCIATION OF SUDAN (GRAS)

The ministry also administers Sudan's other public sector mining bodies, such as the Geological Research Association of Sudan (GRAS), which is a technical organisation for earth sciences at a national level, with the aim of developing equitable mining policies and promoting sustainable growth within the sector.

Africa's share of global mineral production 2018



IED Data

SUDAN'S MINERAL WEALTH

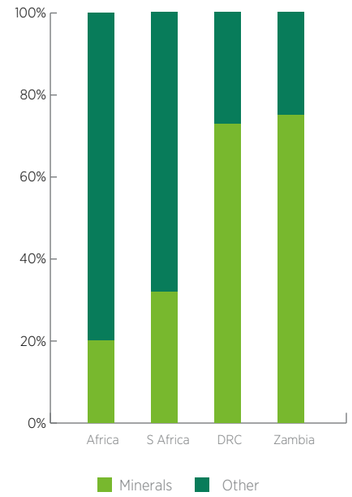
- Sudan has significant unexploited, and under-explored mineral potential. It represents one of the last remaining Precambrian landscapes to be prospected, in a world in which shifting technologies, increased per capita incomes, and overall growth in population are fuelling tremendous demand for key metals and minerals over the next 50 years.

- Sudan's geological environment points to there being high-value deposits that remain undiscovered, in addition to the geological surveys carried out by private sector investors, Sudan's own Geological Research Authority, as well as the US Geological survey, which confirm significant reserves of Gold, Copper, Silver, Zinc, and Uranium, as well as the presence of a large number of other minerals whose reserves have yet to be accurately quantified.

DID YOU KNOW?

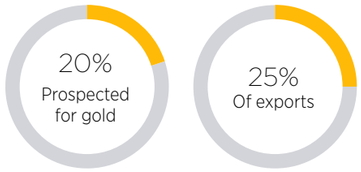
Sudan is Africa's 3rd largest gold producer

Minerals share of exports, Africa 2017



GOLD

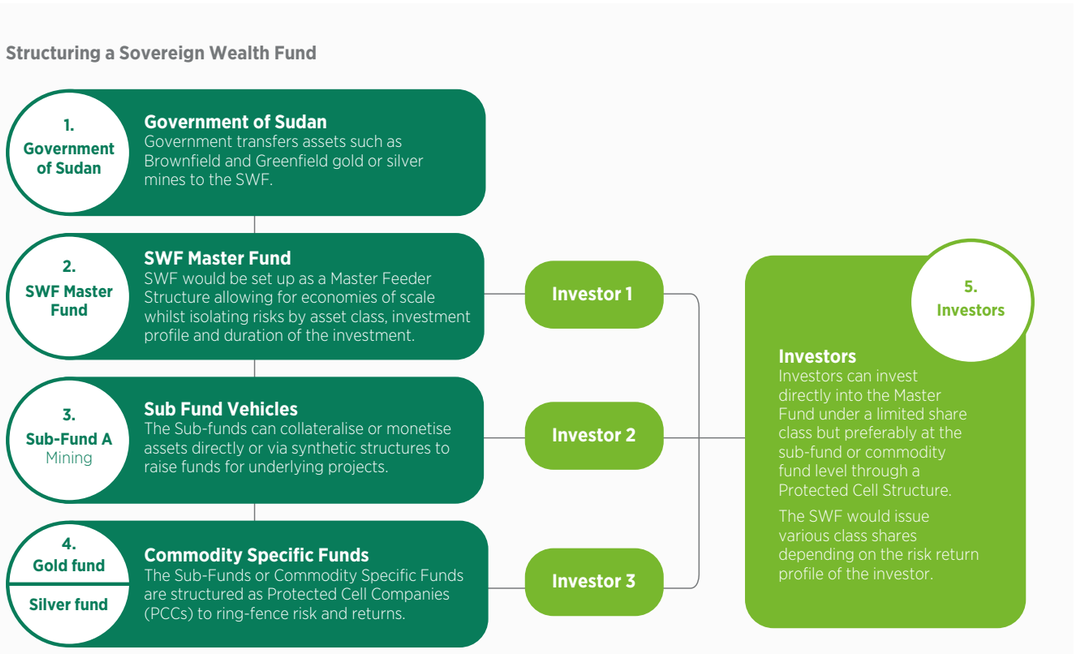
- Sudan grew from around 5MT of annual gold production in 2005, into the number three producer in Africa by 2015, and is currently producing around 80 MT a year.
- This is despite the sector being predominantly artisanal, with few large-scale gold mining operations, and with only 20% of Sudan's land mass estimated to have been prospected for gold.
- In 2019 gold accounted for over 25% of Sudan's export revenue, officially US$ 989m, although the actual number is likely to be far greater due to unofficial exports.



SILVER AND PLATINUM

- Precious metals are also present in Sudan, and there is a government-owned refinery in Khartoum, with an annual capacity of up to 360 MT, capable of refining precious metals up to 99.9% purity.
- The sector has attracted international investment over the last ten years, including from Canada and France, into the Red Sea hills area of Sudan around Abu Hamed. There is reasonably good road and power infrastructure to this region, and significant water sources to be found in underground aquifers.

IN 2019 GOLD ACCOUNTED FOR OVER 25% OF SUDAN'S EXPORT REVENUE, OFFICIALLY $ 989M, ALTHOUGH THE ACTUAL NUMBER IS LIKELY TO BE FAR GREATER DUE TO UNOFFICIAL EXPORTS.





Smelting at Ariab gold mine

BASE METALS

- Even from the relatively few geological studies available, Sudan has estimated reserves of over $40bn of base metals, including many industrial metals required in low carbon technologies such as electric vehicles, which on average require **15 more minerals to manufacture compared to a conventional car.**

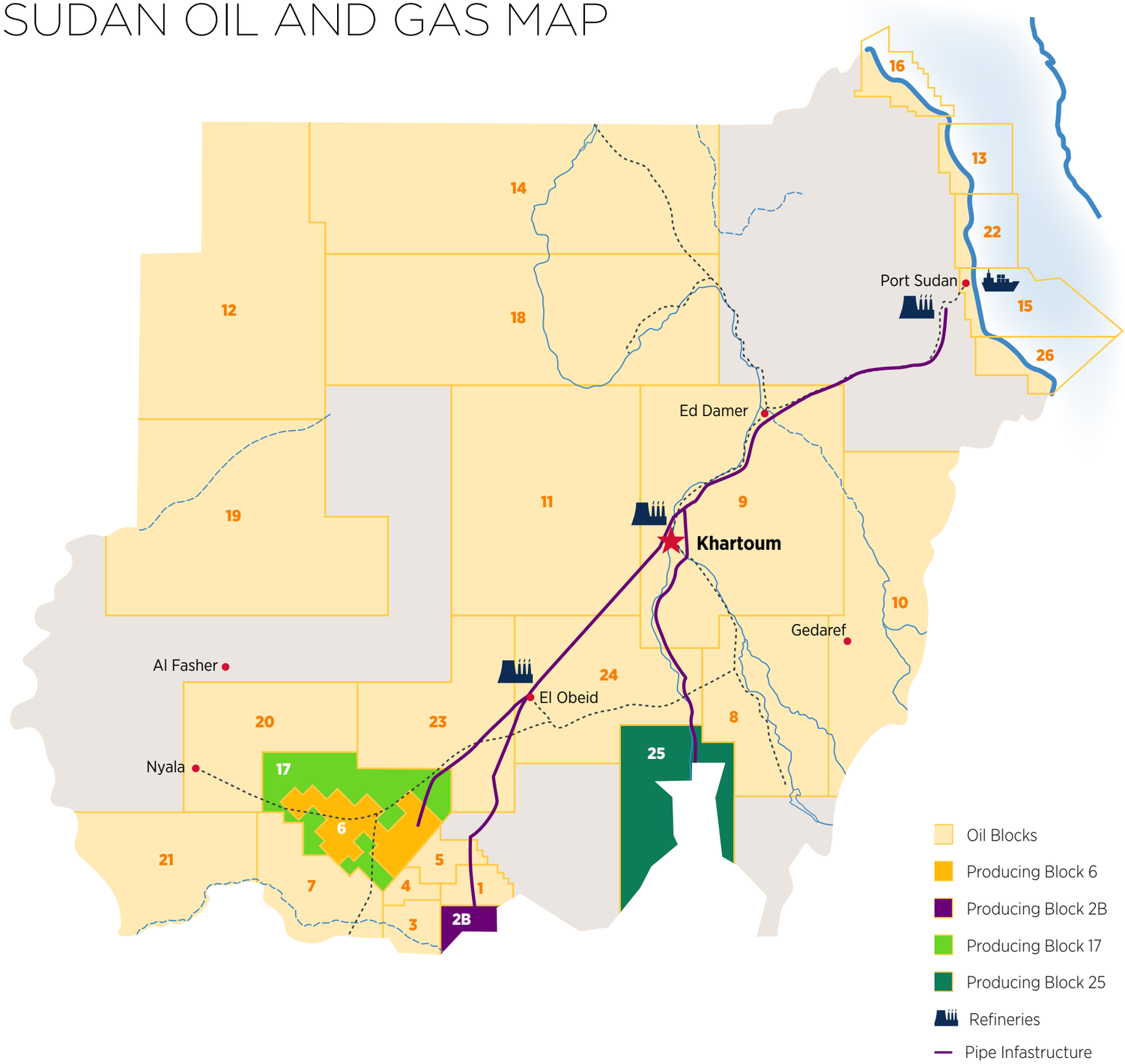
AGRO AND INDUSTRIAL MINERALS

- Sudan also has significant potential within the Agricultural and Industrial minerals sector.
- There is an opportunity to produce sufficient quantities of fertiliser from potash, phosphates, and the country's own natural gas reserves, to supply Sudan's vast agricultural needs as the sector expands and looks to increase yields through fertiliser usage and other inputs. >



EVEN FROM THE RELATIVELY FEW GEOLOGICAL STUDIES AVAILABLE, SUDAN HAS ESTIMATED RESERVES OF OVER $40BN OF BASE METALS

SUDAN OIL AND GAS MAP



OIL

2010 production (North + South) = **500,000 BBL/DAY**

2018 (N+S) = **205,000 BBL/DAY**

Today Sudan = **C. 60,000 BBL/DAY**

GAS

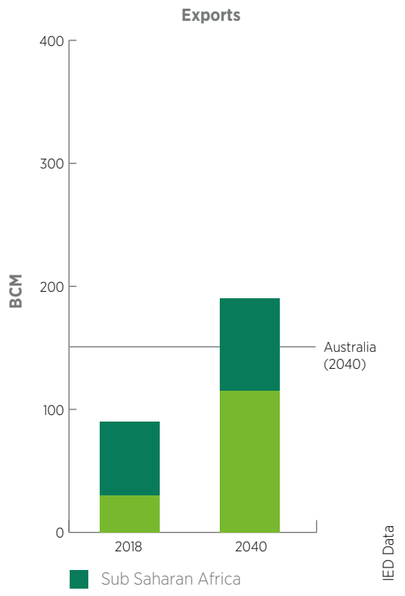
3trn cf = 84bn m3

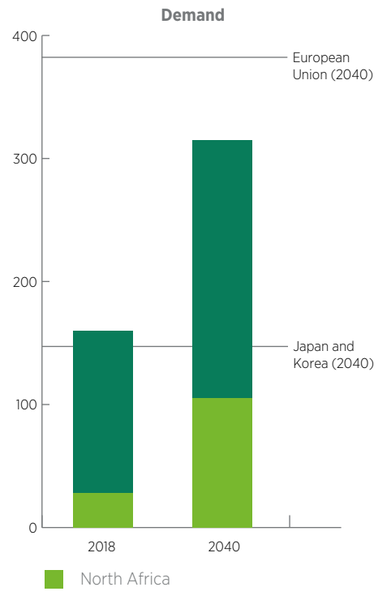
Sudan has been flaring gas for 25 years -
13.5BN CF PER YEAR

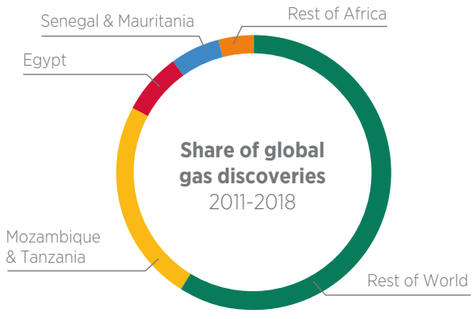
Sudan's 3trn cf of gas is enough to produce
3GW OF ELECTRICITY FOR 20 YEARS
= $44bn based on a 10c/kwh tariff

DID YOU KNOW?

SUDAN RESERVES = 1.5BN BBL.
If Sudan were producing an amount commensurate with oil exporters of similar reserves (such as the UK), this would amount to 570,000 bbl/day, equivalent to $10bn per year







CURRENT OIL SECTOR

- The sector has previously attracted significant external investment from China and Malaysia, and once again major oil production companies, as well as oilfield service companies, have renewed their interest in Sudan's hydrocarbon sector.
- The strategy for the sector is to try and increase production through the use of enhanced oil recovery (EOR) techniques to increase production that has dropped from about 130,000 bpd in 2013 to about 72,000 bpd in 2019.

c.1.5
BILLION BARRELS
Sudan's oil reserves currently

GAS SECTOR

- Natural Gas is likely to be a bigger opportunity for Sudan, as a cleaner energy source, and an increasingly significant component of the global energy mix.
- According to BP's global energy review, the outlook for gas is more durable than for coal or oil, helped by broad-based demand and the increasing availability of global supplies.
- Africa in particular is an increasingly important market for both supply and demand of natural gas. The latter with respect to rising populations, and a shift from the 72% of Africans that use traditional biomass for cooking, to cleaner fuels such as LPG.
- Sudan, has previously flared its gas for over 25 years. The country has **proven reserves of 3trn cf, as well as under-prospected off-shore blocks that show gas potential.**
- Gas to power, as well as production of LPG and condensates, are significant investment opportunity sets that tie into Sudan's other core competencies.

PIPELINES

- Sudan's oil pipelines were built to transport oil from the south to Port Sudan for export.
- There are two main pipelines currently running from the oil fields in the south to the Bashayer Marine Terminal in Port of Sudan or to oil refineries in Khartoum.
- The first, Great Nile oil pipeline (1,600 km), was built in 1999 and transports Nile blend crude oil from the Heglig oil fields (Blocks 2 and 4) in Sudan and the Thar Jath and Mala oil fields in South Sudan to the Bashayer Marine Terminal for export and to two refineries in El-Obeid and Khartoum.
- The second, the Petrodar (PDOC) pipeline (1380 km), transports crude oil from Palogue and Adar Yale oil fields in the Melut Basin to the Bashayer Marine Terminal.
- The two pipelines could transport 1.5 million barrels of crude oil per day. In September 2014, ownership of the pipelines and facilities was fully transferred from joint ventures to a local Sudanese pipeline operator, Petrolines.

OIL OPPORTUNITIES:

- **Exploration and Production opportunities in Sudan's 20 unassigned blocks (Joint Venture with Sudapet).**
- **Development of new wells in producing blocks (Farm In agreement with Sudapet).**
- **Provision of Oilfield Technology and Services to improve efficiencies.**
- **Potential longer term opportunities in product storage, and refining capacity.**

GAS OPPORTUNITIES:

- **Gas to power project from producing blocks at Al Fula in South Khordofan – 450 MW power plant, 300 mt of LPG daily, and 3,000 bbl of Condensate.**
- **Gas to power from existing wells in Block 8 (100-300MW).**
- **Exploration and Production opportunities within unassigned blocks.**

SUDAN HAS PREVIOUSLY FLARED ITS GAS FOR OVER 25 YEARS. THE COUNTRY HAS PROVEN RESERVES OF 3TRN CF, AS WELL AS UNDER-PROSPECTED OFF-SHORE BLOCKS THAT SHOW GAS POTENTIAL.

AL FULA GAS TO POWER PROJECT

Al Fula is located in South Kordofan, a state in Sudan's rainfed agricultural belt, that also has a large livestock herd.

Nearby oil blocks 4 and 6 can produce enough gas to supply a 460 MW CCGT Power Plant, as well as produce 350 MT of LPG and 3,000bbl of condensate per day.

Feasibilty studies have been completed, and the total project cost is estimated at $495m.

It would bring additional power to the grid in an agriculturally productive area, and save $90m per year on fuel costs for the equivalent power output

MINISTRY OF PETROLEUM AND ENERGY

The Ministry of Petroleum and Energy regulates the Oil & Gas sector in Sudan, and oversees the entire value chain, including the ownership of key assets, such as shares in oil-blocks, pipelines and refineries, through government owned subsidiaries including SUDAPET (Sudan's National Oil Company).

As part of Sudan's broader legal reform agenda, the government is committed to giving investors in all of the country's core sectors comfort that they are investing into international standard regimes, and that Sudan's hydrocarbon regulations are sufficiently robust and attractive to attract international capital to the space.

SUDAN INFRASTRUCTURE MAP

3,680 MW of generation: **48%** hydroelectric, **52%** thermal

Enough natural gas to produce **3 GW** of power for 20 years. Equivalent to 44bn USD based on a 10c/kwh tariff

Commitment to

reform tariff subsidies

Long term potential in

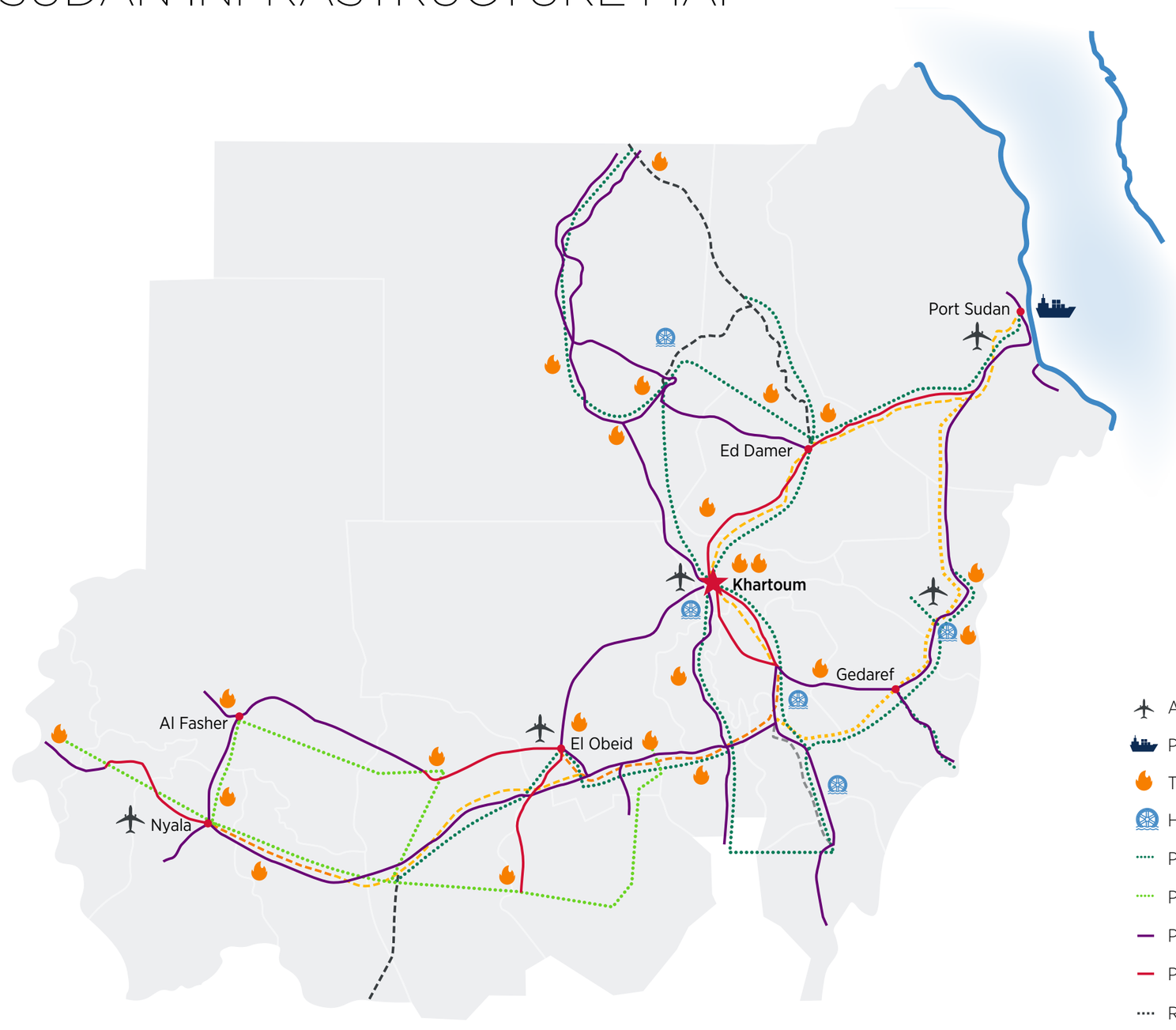
renewables

Highways
11,800 KM
50% requires rehabilitation

Aviation
36 AIRPORTS
7 international
1 national air carrier
90% GAP

Railways
5,503 KM
80% requires rehabilitation

Maritime
750 KM
2 major ports
1 national shipping carrier
RE-ESTABLISHMENT



DID YOU KNOW?

Sudan has sufficient proven gas reserves to produce $44bn worth of electricity



Confluence of the Blue and White Nile in Khartoum

INFRASTRUCTURE OVERVIEW IN SUDAN

- **Sudan's infrastructure deficit widened significantly due to years of chronic under-investment under the previous regime as well as economic sanctions.**
- **Poor infrastructure is a major obstacle to growth as it limits opportunities and increases the cost of doing business.**
- **Infrastructure is a very broad sector with varying definitions and encompasses very many sub-sectors.**
- **The government has made it a priority to focus on the rehabilitation and rebuild of various elements of infrastructure.**

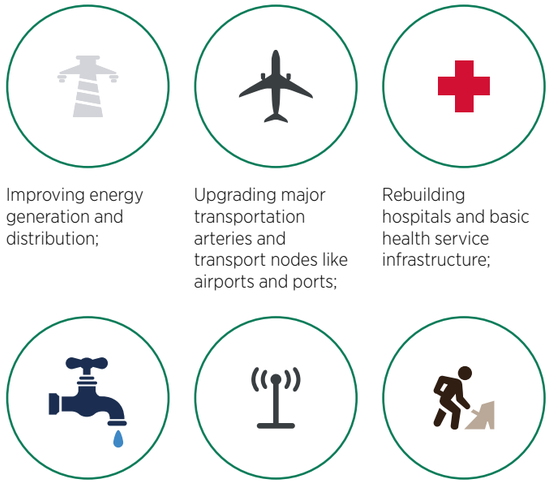
SUDAN'S INFRASTRUCTURE DEFICIT WIDENED SIGNIFICANTLY DUE TO YEARS OF CHRONIC UNDER-INVESTMENT UNDER THE PREVIOUS REGIME AS WELL AS ECONOMIC SANCTIONS.

PROSPECTUS FOCUS

- For the purposes of this Prospectus, only two of the above aspects of infrastructure have been considered. These are:
  - Transport Infrastructure - Roads, Railways, Airports and Marine; and
  - Energy Infrastructure – Energy Generation and Energy Distribution.
- These two areas have been highlighted mainly because they are Critical Enablers, necessary for the investment in and full exploitation of the country's Core Competencies by the Private Sector.
- The government will continue to source for investors and financing of the other aspects of infrastructure and will highlight some of these other elements in future editions of the Prospectus.

IMPROVED INVESTMENT FRAMEWORK

- The newly passed PPP law is part of a broader reform agenda to encourage greater private sector participation in Sudan's infrastructure sector, in relation to both the construction and operation of key assets.
- The establishment of PPP units at the national and state levels to manage competitive public-private partnerships is intended to maximise value for money for Sudan and bring more projects to fruition.
- These PPP units will report to the Ministry of Finance, rather than the respective infrastructure line ministries. >



Improving energy generation and distribution;

Upgrading major transportation arteries and transport nodes like airports and ports;

Rebuilding hospitals and basic health service infrastructure;

Ensuring adequate and safe water distribution;

Investment in telecommunications as an enabler for banking, agriculture and various other support services including those critical for better delivery of government services to the public;

General public works as they relate to schools, government administrative buildings, police stations, etc.

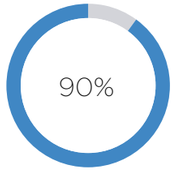
ALL MODES OF TRANSPORT NEED INVESTMENT

- Sudan's transport infrastructure needs significant investment to make the country more competitive and cost effective.

RAIL NETWORK

- In the 1970s, when Sudan was a major global producer of cotton and its by-products, the country had the longest and most efficient railway network in Africa, focused on the flow of freight from key production zones directly to Port Sudan.

- Phased upgrades of this railway line from Nyala to Port Sudan, via the dry port of Kosti, are needed, to increase frequency on certain sections from one train per month, to several each week.



90% of Sudan's trade is through Port Sudan

PORT SUDAN

- A significant transport and logistics node, Port Sudan handles 90% of Sudan's trade through its container port, petroleum terminal, and bulk cargo berths, which are all operating far below capacity.

- As a potential bottle neck to Sudan's ambition of growing exports from its Core Competency sectors, the rehabilitation of Port Sudan is a crucial piece of the country's investment strategy.

A SIGNIFICANT TRANSPORT AND LOGISTICS NODE, PORT SUDAN HANDLES 90% OF SUDAN'S TRADE THROUGH ITS CONTAINER PORT, PETROLEUM TERMINAL, AND BULK CARGO BERTHS


Port Sudan

ROAD NETWORK

- The roads network is responsible for over 90% of in-land traffic. Significant parts of the country however, lack roads as there are a few well-developed internal corridors, while rural connectivity is still very poor.

- Poor-quality roads drastically undermine the efficiency of transport and logistics services, making movement impossible during the rainy season.

- An urgent and significant investment program is required to reduce journey times, and connect more of the country's potential resource wealth to markets both internal and external, facilitate the movement of labour, capital goods, equipment and inputs for agriculture, industry, mining and oil and gas.

- Most of this existing infrastructure already connects productive economic regions, such as the Gezira Irrigation Scheme, to major export markets, via Port Sudan.

- Sudan's first priority is therefore to rehabilitate this infrastructure, as well as finance cost-effective expansions of existing networks to major opportunity sets, such as Darfur's livestock wealth or key mineral rich areas of the country.

- This will dramatically improve access to market, and enable other value chain opportunities.

INFRASTRUCTURE FOR STABILITY

- **Rehabilitation of the railways, and the addition of new stations in Western Sudan, aimed at transporting agriculture goods and livestock.**

- **Improving Port Sudan, including dredging, surfacing of berths, rehabilitation of storage, and new cranes**

- **Resurfacing of arterial roads, and major feeder roads from agricultural regions**

- **Improving regional airports to facilitate air freight to the GCC and Europe**

INFRASTRUCTURE FOR GROWTH AND WEALTH

- **New two-lane highways for the busiest road traffic routes**

- **Greenfield maritime ports**

- **Red Sea shipping fleet**

- **Improved rural road networks**

- **Regional railway links to neighbouring countries**

>

KEY STATE ACTORS

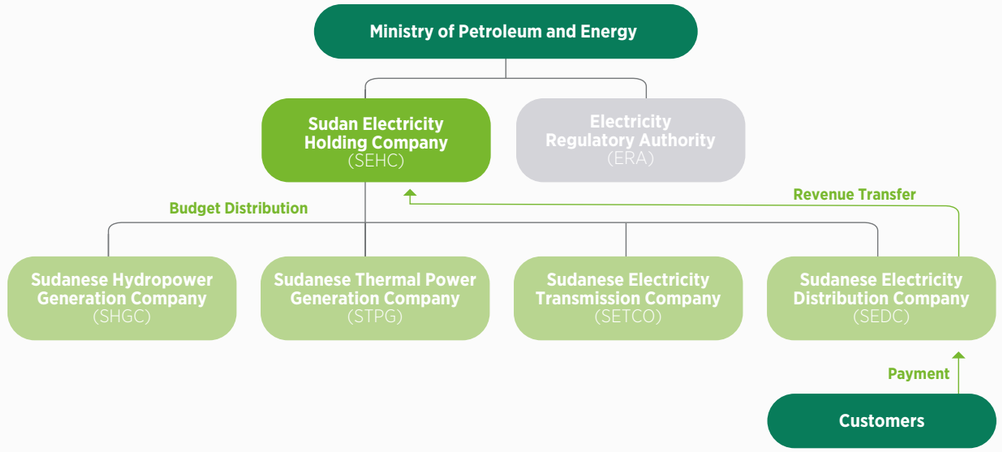
The Ministry of Transport is responsible for Rail, Maritime Shipping, River Transport, and Aviation Services, whereas Roads and Bridges are the purview of the Ministry of Urban Development.

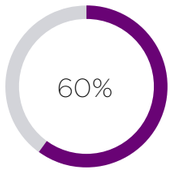
Port Sudan is administered by the Sea Ports Corporation, which is a government-owned entity responsible for maritime ports, and sits below the Ministry of Transport.



Power lines

Energy Regulatory Landscape





Lack power access

OVERVIEW OF THE ENERGY SECTOR

- **Ensuring reliable and affordable electricity is a key priority of the Government.**
- **The current status of the sector is grave and requires significant investment if the country is to make any progress towards stability and ultimately growth.**
- **Most anecdotal and formal surveys point to reliable electricity as a key concern for both ordinary citizens and the business community.**
- **The country currently suffers from frequent blackouts through load-shedding with the result that industry relies heavily on diesel generation, and over 60% of the population lacks access to grid power at all.**

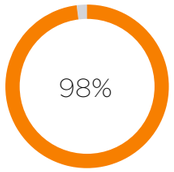
SUDAN HAS AN UN-BUNDLED ELECTRICITY VALUE CHAIN, WITH GOVERNMENT OWNED GENERATION, TRANSMISSION, AND DISTRIBUTION COMPANIES

SECTORAL AND INSTITUTIONAL CONTEXT

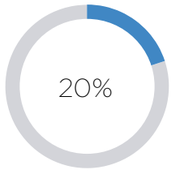
- Sudan has an un-bundled electricity value chain, with government owned generation, transmission, and distribution companies overseeing their respective segments, all of which sit under the Ministry of Petroleum and Energy (MoPE).
- Sudan Electricity Holding Company (SEHC), Sudan Thermal Power Generation Company (STPG), Sudan Hydro and Renewable Energy Company (SHREC), Sudan Electricity Transmission Company (SETC) and Sudan Electricity Distribution Company (SEDC) whilst functioning as electric utilities, are integrated as a part of MoPE and do not have financial autonomy. Their operations therefore largely depend on budgetary appropriation.
- The Ministry is committed to solving the major issues facing the sector through regulatory reform and improved policy frameworks, namely:
- Reducing the generation and consumption gap through imports from the East Africa Power Pool and investing in off-grid renewable energy
- Adjusting the electricity tariff (which is currently among the lowest in Sub Saharan Africa) to ensure financial sustainability
- Strengthening the policy and legal framework to enable the private sector to supply and distribute electricity
- These reforms will unlock significant investment opportunities in the sector, to help meet the needs of Sudan's core competency sets today, as well as power Sudan's growth in the longer term, through a mix of on-grid and off-grid solutions. >

DID YOU KNOW?

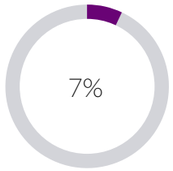
Sudan is one of the few African countries with a fully unbundled electricity value chain



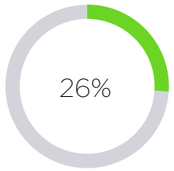
Due to almost universal use of pre-paid meters, bill collection rate stands at **98%** and electricity theft is minimal.



2019 – Energy Sector was recovering less than **20%** of the operational costs.



2019 - Electricity subsidies represented **7%** of government spending, and the

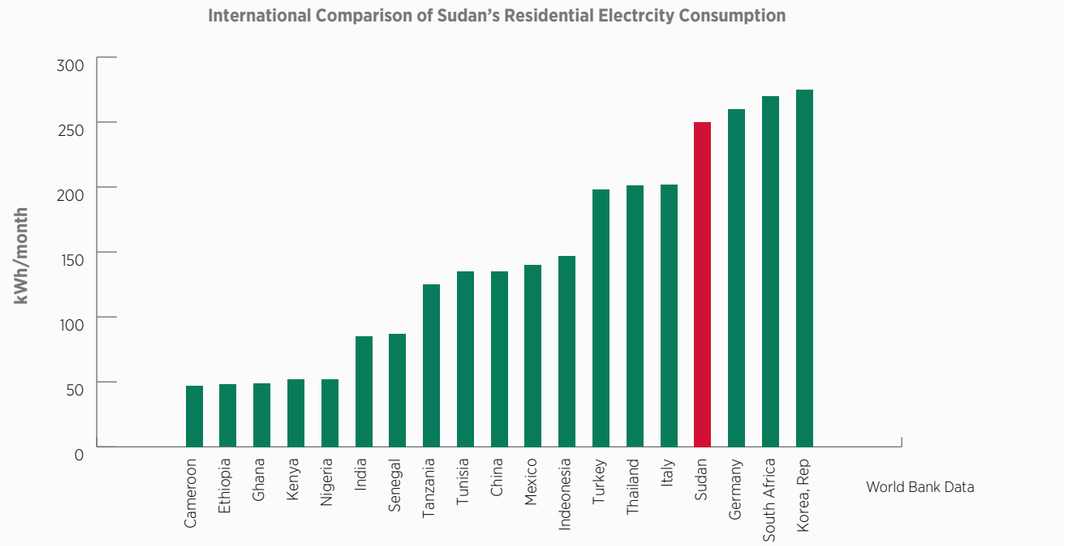


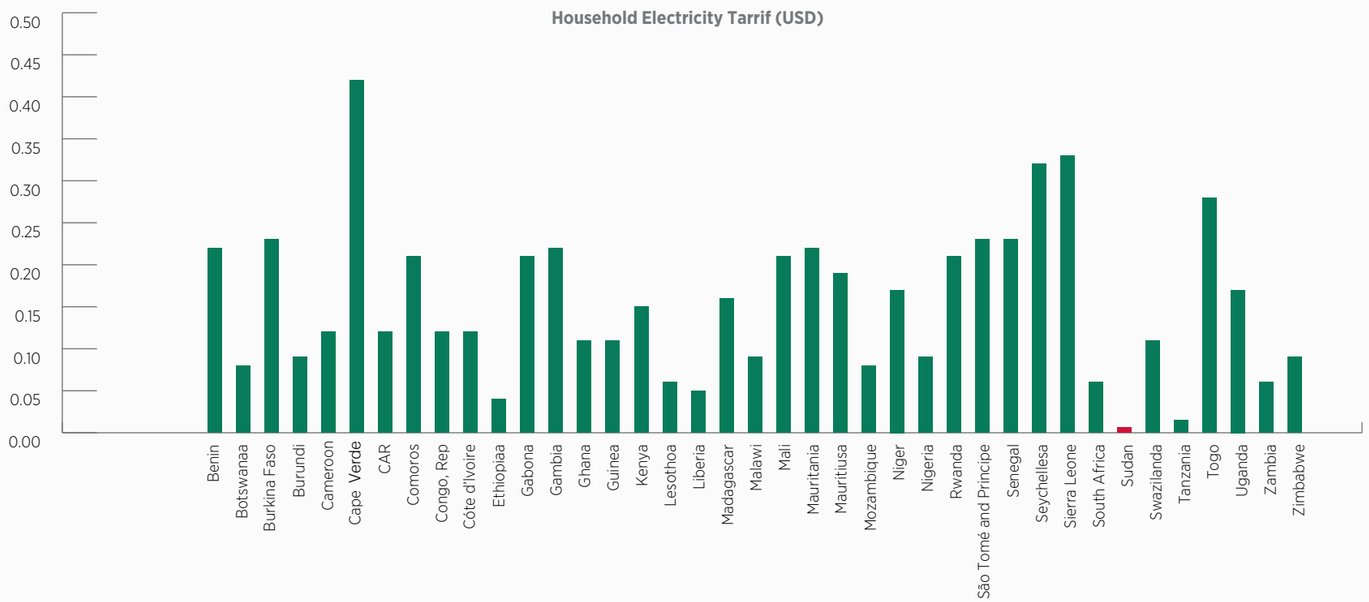
2019 - Fuel subsidy represented **26%** of expenditure, which also finances electricity generation, given that the majority of thermal generation, both on-grid and off-grid uses fuel oils such as diesel.

5×

Sudan ranks among the highest in household energy consumption in the world due to the low price of electricity, combined with the hot climate and appliance inefficiency - In 2018, the average household consumption of electricity in Sudan was 308 kWh per month, more than five times higher than SSA average which is around 50kWh/month.


Flaring gas





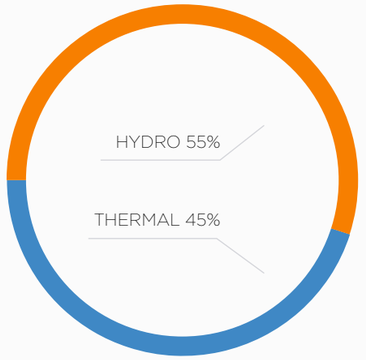
ENERGY SUBSIDIES

- Huge energy subsidies arise from a significant cost-price gap. Electricity tariffs in Sudan are amongst the lowest – if not the lowest - in the world at US cents 0.6/kWh.
- Even in Sub-Saharan Africa where tariffs are often underpriced, Sudan's tariff level is exceptionally low.
- The tariff structure is characterized by a very generous lifeline tariff, or the most subsidized rate, extending to the consumption of 200kWh/month and covering almost half of all residential users.
- Hence the shortage of sector revenue is attributable to the low level of tariff, which will need to increase at least five fold to recover the operational cost, with a caveat that continued depreciation of the currency may raise the required level of the cost recovery further.
- The residential sector constitutes 60 percent of the electricity consumption in Sudan and therefore is the largest user segment.
- Low price provides almost no incentive for households to conserve energy and behaviour of wasteful usage of power is observed. >



A private train for agricultural exports

ENERGY INFRASTRUCTURE



INSTALLED ELECTRICITY GENERATION CAPACITY
3,608MW (June 2019)

However, the Available Capacity was only 2,799MW, compared to a peak demand of 3,800MW and leaving a shortfall of 1,000MW.

CAUSE FOR OPTIMISM & OPPORTUNITY

Sudan has rich energy resources, both thermal and renewable.

It has proven natural gas reserves of approximately **3 TRILLION CUBIC FEET**[1].

Borders major electricity exporters such as Ethiopia and has an existing PPA for up to **100MW** at $0.05/KWH, and

A high voltage transmission line from Egypt is currently under construction, with a capacity of **300MW**.

SOURCE: (1) USEIA, JANUARY 2019.

ENERGY GENERATION

- Sudan's generation capacity mainly comprises of Hydro and Thermal Power, with the former vulnerable to the impact of climate-related hydrological changes and the latter costly and susceptible to fluctuations in international oil prices.
- The shortfall of approximately 1,000MW has caused power rationing which is severe during the summer months with customers receiving electricity for only 8 hours in a day.
- The government estimates that at least 1,500MW additional capacity is needed in the immediate to medium term to meet current and increasing demand and to provide a reserve margin to cater for plant outages.
- The load shedding is expected to ease from the second half of 2021 when about 850 MW of thermal capacity under construction is planned to be commissioned.
- Despite its proven reserves, Sudan does not produce natural gas either for commercial use or for domestic consumption. All of it is either flared during oil extraction operations - about 383 million cubic feet in 2017 (NOAA, 2019) – or re-injected into associated oil fields.
- The government is therefore looking for investors interested in assisting the country to develop this core competency with an initial focus on power generation to put the country on the path to growth.

ENERGY DISTRIBUTION

- Electricity transmission in Sudan is based on two main systems:
  - Grid-connected, and
  - A large number of off-grid solutions
- The national grid-connected system supplies mainly central, eastern, northern, southern Sudan and parts of western Sudan. Two of these grids - the Blue Nile and Western grids – are interconnected though they cover only a small portion of the country. Transmission and distribution losses are about 5% and 19% respectively.
- Off-grid systems rely largely on diesel fuel and are essentially isolated small-scale thermal power plants that supply remote cities or regions.
- The government's strategy in relation to distribution is to ensure the key core competency areas of the country are connected to the grid and have a portfolio of projects to ensure this happens as quickly as possible.
- This together with off-grid solutions should give the Private Sector the right signal for them to commence their investment appraisal process in key industries the country requires to grow. >

DID YOU KNOW?

Sudan has domestic construction companies working across most major infrastructure asset classes



RENEWABLES AS A LONG TERM SOLUTION

- Given Sudan's climatic conditions, solar pv and onshore wind can be effective generation technologies.
- Solar in particular would be a cost-effective replacement for diesel generators for corporate and industrial users, once Sudan's electricity tariff reaches levels comparable to its neighbours.

OFF GRID SOLAR

- Off grid solar and storage solutions for the corporate and industrial (C&I) sector make economic sense even with the current fuel subsidy structure in place.
- With access to attractive financing packages, or leasing structures through solar developers with access to capital, this is a significant opportunity segment to lower costs and improve reliability of power.

KEY INITIATIVES FOR STABILITY:

- Utilising Sudan's natural gas for power generation within Sudan's Agricultural regions
- Upgrading and expanding existing hydroelectric plants
- Connecting the national grid to Western Sudan
- Connecting the grid to designated special economic and industrial zones
- Solar home systems, for off-grid households
- Off-grid solar pv, for corporate and industrial users

LONGER TERM OPPORTUNITIES:

- **Further interconnection with neighbouring countries**
- **Utility-scale renewable generation, when tariffs normalise**

>

CORPORATE & INDUSTRIAL SOLAR CASE STUDY

The worked example below shows that a light manufacturing facility in Khartoum, with a 24 hr power requirement, would make a 51% saving on electricity costs over 10 years using solar vs diesel.

User:

- Light manufacturing plant in Khartoum North.

Assumptions:

- Daytime base load of 100kW, 15kW at night.
- Diesel price of $0.8/litre (current Khartoum prices)
- An installed cost of the solar system of $1000/kW, installed cost of battery at $500/kWh (lithium ion)
- Base case system has two diesel generators of 200kW and 25 kW
- Project lifetime of 10 years, and discount rate of 5%

Solar Solution:

- A 260kW solar system with a 161kWh battery bank, and 25kW diesel generator would result in a total cost of energy of $0.19/kWh, compared to $0.37/kWh for the diesel base case.
- The net present cost of the solar system would be $650k vs $1.27m for the base case
- If the timeframe was extended to 20 years, then the cost would drop to around $0.15/kW for the solar, which is the total cost of electricity, including the 25kW diesel generator that would be running at night.

Key Takeaways :

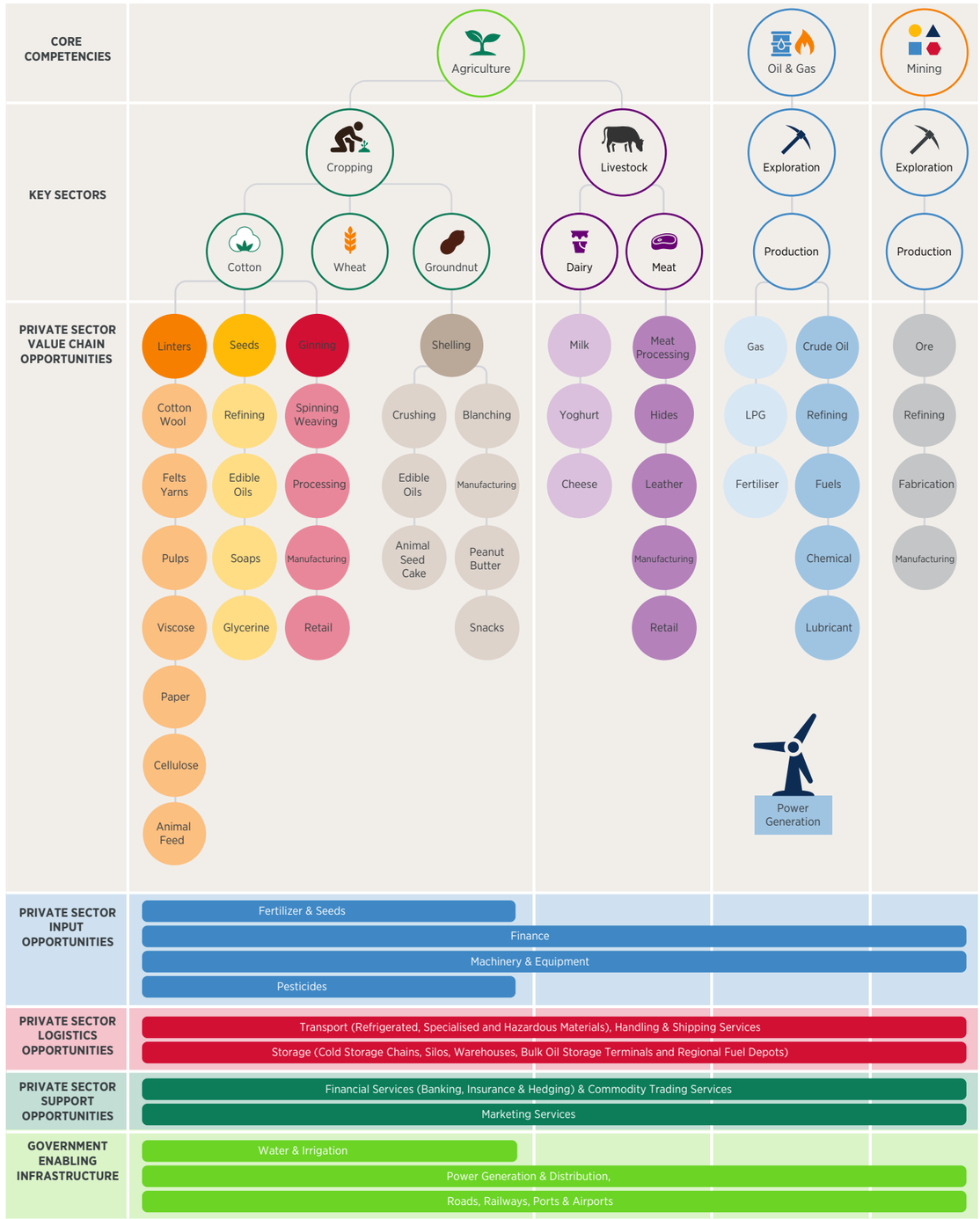
- With limited grid capacity and availability, and with diesel subsidies lifted in 2020, Sudan's C&I sector can make significant savings switching to solar, even with a battery storage component.
- There is an opportunity for developers and financiers to support this sector in Sudan. Port Sudan is administered by the Sea Ports Corporation, which is a government-owned entity responsible for maritime ports, and sits below the Ministry of Transport.

VALUE CHAINS – PRIVATE SECTOR OPPORTUNITIES

PRIVATE SECTOR AND THE MULTIPLIER EFFECT

- Sudan's core competencies form the basis of an entire ecosystem of interlinked, potentially highly productive value chains.
- Once the key enablers such as power and transport infrastructure are in place, and primary production has increased as a result of the export market opportunities for Sudan's resources, the private sector will begin to invest in other parts of the value chain, such as processing and manufacturing.
- This in turn should give rise to service industries that support and enhance these value chains and their employees, from financial services to ICT, healthcare, and hospitality.
- It is impossible to quantify the financial value of the multiplier effect within the economy that sound policy frameworks alongside infrastructure investment centred around high value core competencies can engender.





ROADMAP TO WEALTH - INDICATIVE PRIORITISATION* PLAN

* Prioritisation: Please note that our prioritisation of certain projects is only indicative and does not prevent investors from engaging or participating in any of the portfolio projects immediately.



STABILITY 2021 - 2023

GROWTH 2024 - 2028

WEALTH 2029 - 2031

AGRICULTURE

Livestock (2)
Invest in Slaughterhouses, Tanning to enable value add at source

Irrigation Schemes (1)
Rehabilitation to jumpstart cash crop production key schemes like Gezira

Rain Fed
Encourage investment through enabling infrastructure, regulatory Reform, incentives and tax policy

Tanning Plants (4)
Rehabilitation and connected to power

Irrigation Schemes
Investment in New Irrigation Schemes and expansion of private sector led centre pivot schemes

Rain Fed
Increase yields and acreage in red fed agriculture to cover other cash crops such as Sorghum and Soya

Horticulture
Focus on other high value food crops such as berry, fruits, etc for export

OIL & GAS

Legal Reform
Review O&G Legislation and amend to conform with best practice

Gas Power Plant (14)
Priority will be to attract investment into Gas Power Generation to core competency areas

Oil (11)
New Technology to increase oil production from existing wells

Exploration
Auction and exploration for new Oil & Gas

Gas Storage
Strategic storage infrastructure for domestic use and export

Gas Power Plant
Second Priority Projects

Gas Export
Export of excess gas not used for power generation

Offshore Exploration
Red Sea Assets to be explored for potential

MINING

Legal Reform
Review Mining Legislation and amend to conform with best practice

Gold (20)
Prioritise gold mining and set-up of Sovereign Wealth Fund for monetisation of gold assets

Large Scale Mining
Prioritise mining of high demand mineral required for the new economy such as Copper, Rare Earth Elements (REE)

Value Chain Industries
Expand refining capability

ENABLING INFRASTRUCTURE SECTORS

Railway (15)
Rehabilitate or rebuilt critical railway network to enable Agriculture & Mining

Energy Transmission (8)
Prioritise energy transmission lines tot gas power plants

Roads (17)
Rehabilitate main arterial roads to key Agriculture, Mining & O&G assets to facilitate Investment

Renewables (10)
Offgrid opportunities such as C&I and Home Systems

Airports (19)
Rehabilitate assets that will enable faster access to market e.g. Nyala Airport

Port Sudan
Commence rehabilitation of Port Sudan

Energy Transmission
Extend Transmission lines to areas not currently on the grid

Airports
New Airport for Khartoum

Energy Generation
Develop local grids and expand energy mix with solar

PRIVATE SECTOR OPPORTUNITIES

Mechanisation
Private Sector investments in mechanisation as more land areas opened for Agriculture

Banking Sector Reform
Recapitalisation of Banks and product innovation to finance Agriculture.

Agricultural Inputs
Seeds, Fertilisers, Pesticides

Value Chain Industries
Private sector to invest in value add plants such as: Fertilizer, Cotton, Wheat Mills, Edible Oil Plants, etc

Logistics
Specialist Logistics Services

INVESTING FOR STABILITY

AGRICULTURE - IRRIGATION

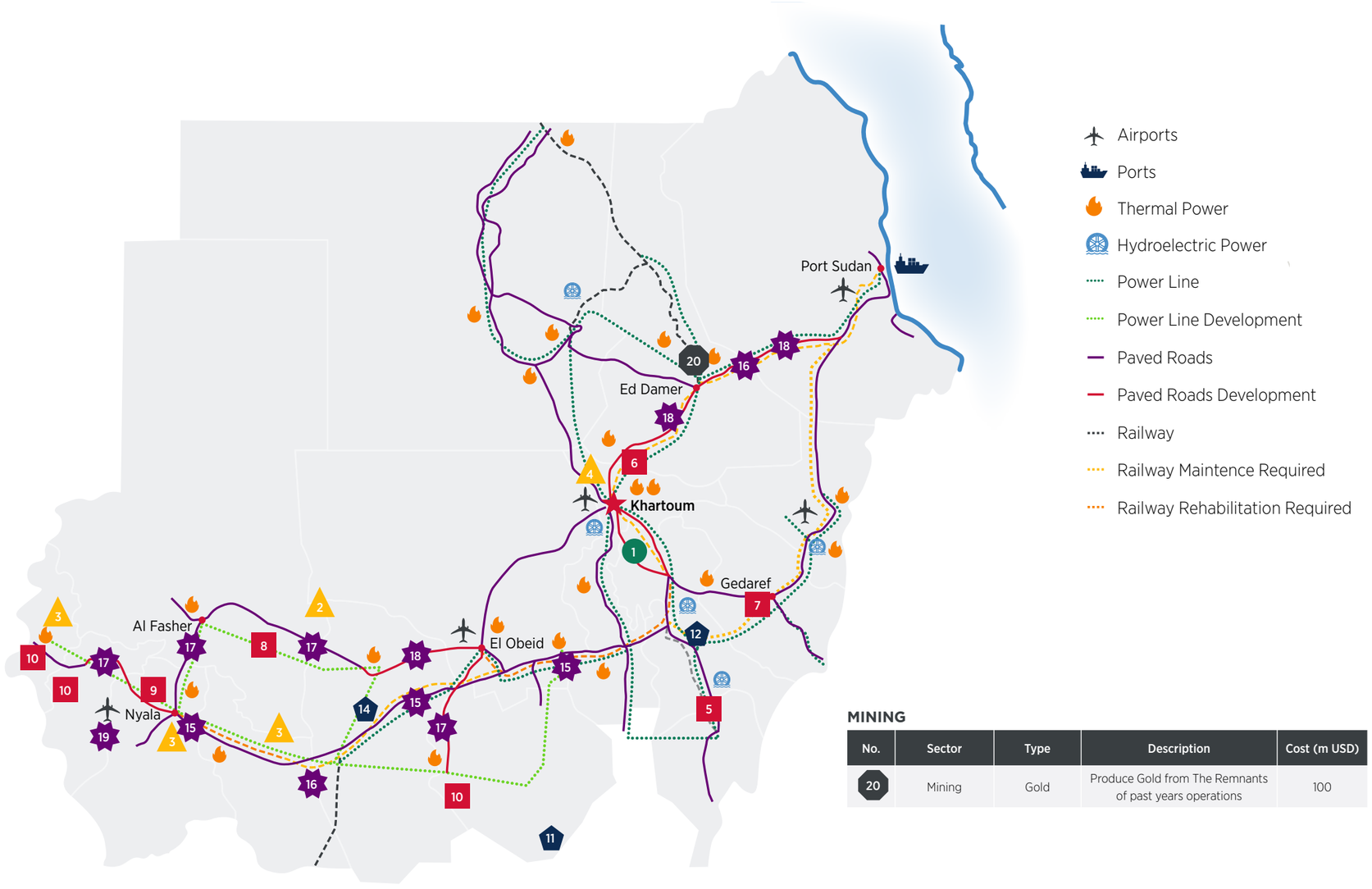
No.	Sector	Type	Description	Cost (m USD)
1	Agriculture	Gezira	Rehabilitation of Gezira Scheme	1080

AGRICULTURE - LIVESTOCK

No.	Sector	Type	Description	Cost (m USD)
2	Livestock	Meat Processing	Integrated Meat and Animal Products Resources	177
3	Livestock	Meat Processing	Modern automatic slaughterhouses	50 (per state)
4	Livestock	Leather Industrial Park	Tanneries, Processing Facilities, Workshops for Leather Products	70

ENERGY

No.	Sector	Type	Description	Cost (m USD)
5	Energy	Generation (Hydro)	Roseires power plant uprating	177
6	Energy	Generation (Thermal)	Garri (3) 240 MW Upgrading to Combined Cycle Power Plant (CCPP)	300-350
7	Energy	Transmission	Maringan - Elfaw - Elgadarif Transmission Lines and Substations	100
8	Energy	Transmission	Extend Grid to Darfur	TBD
9	Energy	Generation (Wind)	Nyala Wind Farm	25
10	Energy	Generation (Solar)	El Geneina, Kadugli, and Zalengi 5MW Solar PV	5 (per plant)



OIL & GAS

No.	Sector	Type	Description	Cost (m USD)
11	Oil and Gas	Production	Production Enhancement Opportunities	2000
12	Oil and Gas	Gas Production	Blue Nile Basin	105
13	Oil and Gas	Technology	Purchasing of Specialized Software License	4
14	Oil & Gas / Energy	Gas Production / Power	450 MW CCGT Power Plant (LPG & Condensate Production)	250

MINING

No.	Sector	Type	Description	Cost (m USD)
20	Mining	Gold	Produce Gold from The Remnants of past years operations	100

TRANSPORT

No.	Sector	Type	Description	Cost (m USD)
15	Transport	Railway Rehabilitation	Nyala – El Obeid – Kosti Sections	309 (total)
16	Transport	Railway Maintenance	Ed-Dae'ein Section – Gezira to Port Sudan	34 (total)
17	Transport	Road Rehabilitation	Paved Roads Around Nyala, El Obeid, Gezira, Gedaref, and towards Port Sudan	75 – 125 (total)
18	Transport	Bridges Rehabilitation	Khartoum to Atbara Road Bridges	TBD
19	Transport	Airport Rehabilitation	Improve Regional Airports such as Nyala, for exports	TBD

INVESTING FOR GROWTH

AGRICULTURE - IRRIGATION

No.	Sector	Type	Description	Cost (m USD)
1	Agriculture	Agricultural and Animal Production	Hashaba Agricultural & Animal Cultivation	650
2	Agriculture	Canal Irrigation Scheme	Upper Atbara Irrigation Project (225,000 ha, River Nile State)	1200
3	Agriculture	Canal Irrigation Scheme	Roseires Irrigation Project - Phase 1 (152,000 ha, Sennar State)	1100
4	Agriculture	Edible Oil Industrial Park	Processing of Oil Seeds into Edible Oils (North Kordofan)	45

MINING

No.	Sector	Type	Description	Cost (m USD)
5	Mining	Gold / Copper / Zinc	Copper, Zinc and Gold Production from Proven Reserves of Volcanogenic Massive Sulfides	480

AGRICULTURE - LIVESTOCK

No.	Sector	Type	Description	Cost (m USD)
6	Livestock	Veterinary Vaccine R&D and Production	Production of Viral and Bacterial Vaccines to Combat Livestock Diseases	700
7	Livestock	Economics Research Centre	Holistic Research & Development Centre to Maximise Economic Output from the Sector	50

OIL & GAS

No.	Sector	Type	Description	Cost (m USD)
8	Oil and Gas	Production	Unexploited Producing Fields with Production Growth Potential	TBD
9	Oil and Gas	Exploration	Exploration Across a Variety of Unassigned Blocks	TBD
10	Oil and Gas	Gas Exploration & Production	Offshore Blocks in Red Sea Basin with Indications of Gas Potential	TBD
11	Oil and Gas	Exploration	Khartoum Basin Close to Existing Pipeline Infrastructure	TBD
12	Oil and Gas / Energy	Gas to Power	Gas to Power Opportunity in West Kordofan	50
13	Oil and Gas	Storage	Expansion of Product Storage across Sudan	339
14	Oil and Gas	Storage	Port Sudan Depots, Products Pipeline & Anchorage Upgrading Project	260



ENERGY

No.	Sector	Type	Description	Cost (m USD)
15	Energy	Generation (Hydro)	New Power Plant in Sennar State	200
16	Energy	Generation (Hydro)	Left Bank Irrigation Outlet / Hydro-power Plant – Merowe Dam, in Northern State	143
17	Energy	Generation (Thermal)	Port Sudan Block (1) 170MW Upgrading to Combined Cycle Power Plant (CCPP)	239
18	Energy	Generation (Thermal)	Port Sudan Block (2& 3) 2 x 500 MW Combined Cycle Power Plant (CCPP)(LPG+LNG)	504
19	Energy	Transmission	500kV Sudan-Ethiopia Power Interconnection	500
20	Energy	Transmission	Targeting Agricultural and Industrial Sites in and around Omdurman, Khartoum State	170

INFORMATION COMMUNICATION TECHNOLOGY

No.	Sector	Type	Description	Cost (m USD)
21	ICT	Digital Transformation Program	Increase Mobile Data Coverage, Mobile Banking Penetration, and e-Government Agenda	695

INDUSTRY

No.	Sector	Type	Description	Cost (m USD)
22	Industry	Metal Foundry Rehabilitation	Melting and Casting of Metal Parts for Agri Processing Factories (Khartoum)	10
23	Industry	Integrated Textile Factory	Rehabilitation of Textile Factories and Garment Manufacturing (Gezira State)	51
24	Industry	Spinning Mills	Spinning Cotton to Add Value to Exports and Replace Imported Yarns (Sennar & Red Sea)	80 (per site)
25	Industry	Paper Pulp Manufacturing	Manufacturing using Forestry and Cotton Industry Feedstock (Blue Nile State)	25
26	Industry	Special Economic Zones	Special Economic Zones in Key Locations (White Nile, North Kordofan, West Darfur, Red Sea)	TBD

TRANSPORT

No.	Sector	Type	Description	Cost (m USD)
27	Transport	Road Construction	Construction of Highways Connecting Major Economic Centres	TBD
28	Transport	Railway	Further Railway Rehabilitation (Defunct Lines, New Capacity, Additional Rolling Stock)	2600 (total)

INVESTING FOR WEALTH

AGRICULTURE - IRRIGATION

No.	Sector	Type	Description	Cost (m USD)
1	Agriculture	Gum Arabic	Recultivating Gum Arabic Across Southern Sudan	1106
2	Agriculture	Horticulture	Jabal Marra Agricultural Development Scheme (Western Darfur)	850
3	Agriculture	Irrigation	Roseires Irrigation Project - Phase 2 (135,000 ha)	700
4	Agriculture	Fruit & Veg Export Clusters	Export-Focused Post Harvest Grading, Sorting, and Packing Clusters (River Nile State)	8

AGRICULTURE - LIVESTOCK

No.	Sector	Type	Description	Cost (m USD)
5	Livestock	Aquaculture	Utilising Sudan's Water Resources for Fish Farming	50

MINING

No.	Sector	Type	Description	Cost (m USD)
6	Mining	Marble and Granite	Mining and Production of Marble and Granite (South Darfur and Kassala States)	TBD

OIL & GAS

No.	Sector	Type	Description	Cost (m USD)
7	Oil and Gas	Exploration	Further Exploration Across a Variety of Unassigned Blocks	TBD
8	Oil and Gas	Refining	Port Sudan Refinery Project	6000
9	Oil and Gas	Refining	Um Dabakir Refinery Project	300



ENERGY

No.	Sector	Type	Description	Cost (m USD)
10	Energy	Generation (Wind)	Dongola Wind Farm 100MW (Northern State)	125
11	Energy	Generation (Solar)	Omdurman Solar Plant 200MW (Khartoum State)	170
12	Energy	Generation (Solar)	Port Sudan Solar Plant 200MW	TBD
13	Energy	Generation (Wind)	Tokar Wind Farm 180 MW (Red Sea State)	225
14	Energy	Generation (Solar)	El Obeid Solar Plant 100MW	62
15	Energy	Generation (Thermal)	Red Sea 600MW Steam Power Plant Project	820
16	Energy	Transmission	Khartoum Ring Reinforcement Project	200
17	Energy	Transmission	Port Sudan Substation Extension Project	10
18	Energy	Transmission	Improved Transmission in and around Managil (Gezira State)	90

INDUSTRY

No.	Sector	Type	Description	Cost (m USD)
19	Industry	Pharmaceutical Plant	Production of Generic Medicines (Khartoum)	25
20	Industry	Glass Sheet Manufacture	Silica Sand Production from Open Quarries, and Manufacture into Glass Products	50

TRANSPORT

No.	Sector	Type	Description	Cost (m USD)
21	Transport	Sea Port	Port Suakin Development Project	3000-5000
22	Transport	Airline	Sudan Airways Project	2000
23	Transport	Shipping Line	Building Sudan's Shipping Line Fleet	1200-2000

ANNEXES

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1 - LIST OF THE SUDAN'S BILATERAL INVESTMENT TREATIES

COUNTRIES INVOLVED	STATUS	DATE OF SIGNATURE	DATE OF ENTRY INTO FORCE
Turkey	Signed (not in force)	30 April 2014	
South Africa	Signed (not in force)	7 November 2007	
Burundi	Signed (not in force)	5 November 2007	
Mauritania	Signed (not in force)	8 July 2007	
Italy	Signed (not in force)	19 November 2005	
BLEU (Belgium-Luxembourg Economic Union)	Signed (not in force)	7 November 2005	
Lebanon	In force	9 September 2004	21 April 2007
India	In force	22 October 2003	18 October 2010
Tunisia	In force	08 October 2003	24 September 2006
	Signed (not in force)/ new proposal currently under negotiation		
Switzerland	Signed (not in force)	24 October 2002	
Bulgaria	Signed (not in force)	3 April 2002	
Chad	Signed (not in force)	23 March 2002	
Netherlands	In force	12 March 2003	28 February 2004
Kuwait	Signed (not in force)	4 November 2001	
Algeria	Signed (not in force)	24 October 2001	
Eritrea	In force	5 October 2001	1 April 2003
Egypt	In force	8 July 2001	16 March 2002

COUNTRIES INVOLVED	STATUS	DATE OF SIGNATURE	DATE OF ENTRY INTO FORCE
United Arab Emirates	In force	18 March 2001	12 November 2005
Djibouti	In force	25 November 2000	3 February 2001
Jordan	In force	30 March 2000	15 May 2001
Ethiopia	In force	7 March 2000	16 July 2006
Bahrain	In force	22 March 2006	1 September 2001
Syrian Arab Republic	In force	7 January 2000	28 May 2002
Oman	In force	25 October 1999	19 October 2001
Islamic Republic of Iran	In force	7 September 1999	28 March 2003
Yemen	In force	10 August 1999	4 July /2002
Morocco	In force	23 February 1999	3 October 2002
Malaysia	In force	14 May 1998	12 December 2001
Qatar	In force	3 June 1998	25 May 2002
Indonesia	In force/new proposal currently under negotiation	10 February 1998	1 July 1998
China	Signed (not in force)	30 May 1997	
Libya	In force	15 December 1990	5 July 1980
France	Signed (not in force)	31 July 1978	
Romania	In force	8 December 1978	24 November 1967
Germany		7 February 1963	

2 - SUDAN'S REGIONAL AND INTERNATIONAL INVESTMENT AGREEMENTS

1. Agreement on Arab Economic Unity (League of Arab States) (Arab Economic Unity Agreement) (1957)
2. Agreement on Investment and Free Movement of Arab Capital among Arab Countries (1970)
3. Netherlands–Sudan Economic and Technical Cooperation Agreement (1970)
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OVERVIEW OF THE MAIN CORPORATE DIRECT TAXES

TYPE OF TAX	RATE
Corporate income tax	0% for agricultural companies, public and private educational institutions licensed as universities or general educational organizations, and registered charitable non-profit organizations 10% for industrial companies 15% for commercial, trading, service, real estate rental, fund management and insurance companies; 30% for mining companies, banks, cigarette and tobacco companies 35% for companies engaged in the exploration, extraction and distribution of oil and gas, and their subcontractors 2.5% minimum tax on annual turnover for telecommunication companies
Capital gains taxes	5% on gains from the sale of lands and buildings owned for at least consecutive three years 2.5% on gains from the sale of vehicles 2% on gains from the sale of securities, shares and bonds, subject to certain exceptions
Withholding taxes	No taxes on dividends Resident companies: 2% creditable withholding tax on import of goods 7% final withholding tax on payments to non-resident subcontractors for interest and other services 5% creditable withholding tax on payments to entities registered in the Sudan as branches of a foreign company Non-resident companies: No branch remittance tax 7% on interest payments 15% on royalty payments 15% on technical services fees
Rental tax	15% on management consulting fees
Social development tax	5% only on companies exempt from tax under the 2013 Investment Law or any other law
Social security	17% of the monthly salary of a Sudanese employee
Stamp duty	Rates vary on the type of instrument (more than 260)
Transfer tax	2% on transfer taxes
Royalties	7% on gold mining
Zakat	2.5% on the working capital of companies owned by Muslim shareholders

Source: UNCTAD (2014), based on information from the Taxation Chamber of the Ministry of National Economy and Finance during