



Central Bank of Sudan

**58th ANNUAL REPORT
2018**

Website: <http://www.cbos.gov.sd>

In the Name of Allah
The Most Gracious, the Most Merciful

We are pleased to present the 58th annual report of Central Bank of Sudan, which explains the latest developments in the Sudanese economy during the year 2018. The report contains ten chapters, the first is a summary of global and regional economic developments, while the remaining chapters indicate the performance of the domestic economy including: monetary and banking sector, the financial sector, the real sector, government and the external sector (foreign trade and balance of payments).

On behalf of the Central Bank of Sudan I would like to express my thanks and gratitude to the Ministries, Institutions and Government Units for their cooperation in providing the necessary data and information for preparing this report.

Also I would like to thank the Board of Directors of the Central Bank of Sudan and the committee entitled to review this report, and those who contributed or exert an effort in preparing it.

We hope that this report will meet the needs and requirements of all the concerned parties, researchers and academics, beside the specialist on economic, financial and banking affairs from the local, regional and international institutions.

Hussein Yahia Jangou
Chairman of the Board of Directors
And Governor of the Central Bank of Sudan

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Introduction

The annual report of the Central Bank of Sudan for the year 2018 is issued under international, regional and local, led to a difference in the level of overall performance in the Sudanese economy. This report contains ten chapters; the first chapter gives a brief summary of global and regional economic developments, while the other chapters present the performance of the domestic economy, namely: monetary and financial sector, public finance sector, real sector, and foreign sector (Viz foreign trade & balance of payments).

Globally, the economy recorded a growth rate of 3.7% in 2018, on par with 2017, but less than the conditions that led to the decline in the economic activities of some major developed economies, in addition to the negative effects of trade protection measures, the tightening of fiscal policies, political turmoil in some countries, the increase in the oil import bill and low growth rates in the industrialized countries of the Euro zone, Japan, the United States and China.

At the regional level, the World Bank has set up optimistic prospects for Middle East and North Africa (MENA) economies over the medium term, based on expectations of continued improvement in commodity prices, especially oil, gas and phosphate, continuing macroeconomic reforms, diversification of national income sources and reform of the business climate and labor market.

On the other hand, the growth rate of Arab Free Trade Area (GAFTA) countries declined from 4.5% in 2017 to 2.4% in 2018, and the combined growth rate of the COMESA countries declined from 7.4% to 4.2%, and the average inflation rate for (MENA) From 6.7% to 11.8%, while the average inflation rate of the COMESA countries declined from 12.3% in 2017 to 12% in 2018.

At the local level, the Central Bank of Sudan's policies for 2018 coincided with the guidelines and objectives of the General Budget, the Five-Year Program for Economic Reform (2015-2019) in its fourth year, the State Reform Program (2017-2021) and the outputs of the National Dialogue. These

policies aimed at achieving monetary and financial stability to contribute sustainable economic growth and development by stabilizing the overall level of prices and exchange rates and improving the balance of payments performance by reducing the current account deficit to safe and sustainable level.

In the real sector, the GDP growth rate declined from 4.7% in 2017 to 2.8% in 2018. The average inflation rate increased from 32.4% in 2017 to 63.3% in 2018.

These policies also aimed at solving the problem of the shortage of banknotes by providing them in commensurate with the size of economic activity in addition to making maximum use of payment systems, electronic banking, ICT, expanding the financial inclusion and spreading microfinance programs, in order to create financial and banking resources, to boost economic growth reduce the proportion of Poverty and enhances the role of the private sector.

It is worth mentioning that one of the main challenges that accompanied the economic performance during the year 2018 is the significant depreciation in the exchange rate during this year.

In terms of monetary performance, the growth rate of money supply increased from 68.4% in 2017 to 111.8% in 2018 as a result of the increase in revaluation of assets and liabilities in foreign currencies due to the depreciation in the local currencies viz-a-viz the us dollar, the increase of budget deficit financing from the Central Bank of Sudan to meet the commitments of the central government, in addition to the growth of bank financing to the private sector.

Regarding the performance of the banking sector, the assets and liabilities of the Central Bank of Sudan increased from SDG188,048.6 million at the end of 2017 to SDG 757,300.7 million at the end of 2018 at a rate of 302.7%. This was mainly due to the change in the dollar exchange rate against the Sudanese pound.

The asset and liabilities of the operating banks increased from SDG 211,245.8 million at the end of 2017 to SDG 447,850.5 million at the end of 2018, an increase of 112%, due to the increase in balance of their foreign correspondents Vostro accounts from SDG 6,746.9 million to SDG 27,639.2 million at 309.7%, and increase the balance of the accounts kept with the central bank from 47,688.3 million to SDG 181,418.1 Million at a rate of 280.4%; the in addition to the increase in the temporary bank financing to the government from SDG 14,753.3 million to SDG 56,138.0 million at a rate of 280.5%.

In terms of the government's financial sector, the general budget of the state in 2018 aimed to stimulate the national economy, by increasing the rate of economic growth, reducing the rate of inflation and maintaining the stability of the exchange rate. The total public revenue amounted to 124.9 billion, while total expenditure reached 162.8 billion pounds at the end of the year. 2018, recording a total in budget deficit SDG 37.8 billion.

Regarding the external sector, the total balance of payments deficit increased from US \$ 12.8 million in 2017 to US \$ 25.2 million in 2018 due to the increase in current account deficit from US \$ 4,851.1 million to US \$ 4,928.1 million, or 1.6%, this deterioration in the current account is attributed to deficit in the services and income account and current transfers despite the decrease in the trade balance deficit.

Sudan's foreign indebtedness increased from \$ 48.2 billion at the end of 2017 to \$ 49.9 billion by the end of 2018. The increase in indebtedness is due to the accumulation of penalty interest rates and exchange rate fluctuations during 2018.

Global, Regional and Domestic economic indicators for the years 2017 and 2018

	2017**	2018*
Global Economic Indicators		
- Global economy Growth Rate (%)	3.7	3.7
- Industrial economies Growth Rate (%)	2.3	2.4
- Industrial economies Inflation Rate (%)	1.7	2.0
- Industrial economies unemployment Rate (%)	5.6	5.2

	2017**	2018*
- Industrial economies Current A/C position as percent of GDP (%))	0.9	0.7
- Developing economies Growth Rate (%)	4.7	4.7
- Developing economies Inflation Rate (%)	4.3	5.0
- Developing economies Current A/C position as percent of GDP (%))	(0.1)	(0.02)
Regional Economic Indicator		
- Growth Rate in Sub-Saharan African countries (%)	2.7	3.1
- Growth Rate in Asia countries (%)	6.5	6.5
- Growth Rate in Middle-East and North Africa countries (%)	1.8	2.0
- Growth Rate in Latin America and Caribbean countries (%)	1.3	1.2
- Inflation Rate in Sub-Saharan African countries (%)	11.0	8.6
- Inflation Rate in Asian countries (%)	2.4	3.0
- Inflation Rate in Middle-East and North Africa countries (%)	6.7	11.8
- Inflation Rate in Latin America and Caribbean countries (%)	6.0	6.1
- Current A/C position as percent of GDP in Sub-Saharan African countries (%)	(2.3)	(2.8)
- Current A/C position as percent of GDP in Asian countries (%)	0.9	0.2
- Current A/C position as percent of GDP in Middle-East and North Africa countries (%)	(0.3)	2.6
- Current A/C position as percent of GDP in Latin America and Caribbean countries (%)	(1.5)	(1.6)
- Growth Rate in Arab Free Trade Area countries (%)	4.5	2.4
- Inflation Rate in Arab Free Trade Area countries (%)	8.1	11.9
- Current A/C position as percent of GDP in Arab Free Trade Area countries (%)	(4.6)	(4.7)
- Growth Rate in COMESA countries (%)	7.4	4.2
- Inflation Rate in COMESA countries (%)	12.3	12.0
- Current A/C position as percent of GDP in COMESA countries (%)	(4.7)	(5.8)
Domestic Economic Indicator		
- GDP in Current prices (million SDG)	815,855.0	1,176,630.0
- Real GDP Growth Rate (%)	4.7	2.8
- Annual average Inflation Rate (%)	32.4	63.3
- End of year Inflation Rate (%)	25.2	72.9
- Over-all fiscal deficit (-) (million SDG)	(14,314)	(37,846)
- Fiscal deficit (-) (including grants) as percent of GDP (%)	(1.6)	(2.6)
- Fiscal deficit (-) (excluding grants) as percent of GDP (%)	(1.8)	(3.2)
- Financing fiscal deficit (-) from internal sources	107.9	91.1
- Financing fiscal deficit (-) from external sources	2.7	9.1
- Total revenues (million SDG)	77,054	124,946
- Tax revenues as percent of total revenues (%)	82.9	73.1
- Total expenditure (million SDG)	91,368	162,792
- Current expenditure as percent of total expenditure (%)	94.2	95.7
- Development expending as percent of total expenditure (%)	6.1	4.5
- Money supply (m2) (million SDG)	203,367.5	430,786.0

	2017**	2018*
- Money supply Growth Rate (%)	68.4	111.8
- Money multiplier (Number of times)	1.892	1.481
- Velocity of money (number of times)	4.051	1.894
- Degree of Monetization	0.247	0.528
- Net foreign Assets (NFA) – million SDG	(40,242.4)	(287,099.4)
- Net Domestic Assets (NDA) - million SDG	208,255.6	185,493.1
- Total finance (million SDG)	124,596.2	143,187.6
- Net claim on government (million SDG)	76,439.1	116,993.3
- Net claim on private sector (million SDG)	79,854.1	139,116.4
- Banks assets (million SDG)	211,245.8	447,850.5
- Overall balance of payments (million US\$)	(12.8)	(25.2)
- Net Current accounts (million US\$)	(4,851.1)	(4,928.1)
- Exports (fob) (million US\$)	4,100.4	3,484.7
- Imports (fob) (million US\$)	8,220.3	7,065.1
- Trade balance (million US\$)	(4,119.9)	(3,580.4)
- Invisible receipts (million US\$)	2,817.2	2,245.1
- Invisible payments (million US\$)	3,548.4	3,592.9
- Current and financial account (million US\$)	3,548.3	3,112.9
- Foreign direct investment (million US\$)	1,065.3	1,135.8
- Net official loans inward (+) outward (-)	(162.7)	(377.4)
- External debt (million US\$)	48.2	49.9
- External debt as a percent of GDP (%)	39.4	103.3
- External debt as a percent of revenues (%)	417.5	972.6
- External debt as a percent of exports (%)	1,175.5	1,432.0

* Preliminary data

** Amended data

() means minus

Sources : IMF, World Economic Outlook, Oct 2018

Chapter 1 - Central Bank of Sudan- 58th Annual Report 2018

Chapter 3 - Central Bank of Sudan- 58th Annual Report 2018

Chapter 4 - Central Bank of Sudan- 58th Annual Report 2018

Chapter 6 - Central Bank of Sudan- 58th Annual Report 2018

Chapter 7 - Central Bank of Sudan- 58th Annual Report 2018

Chapter 10 Central Bank of Sudan- 58th Annual Report 2018



CHAPTER ONE

MAJOR INTERNATIONAL & REGIONAL ECONOMIC DEVELOPMENTS

Major International and Regional Economic Developments During 2018

First: International and Regional Economic Developments

The world economy recorded a growth rate of 3.7 percent in 2018 coinciding with the growth rate of the year 2017. According to the IMF estimate the world economy is expected to grow at the same rate in 2019. The growth rate in 2018 was less than expected due to the events that led to the decline of activities in some of the major developed economies, the negative effects of protectionist trade measures in addition to tightening of financial conditions, political turmoil and increase of oil import bill.

The following represents a review of the performance of some economic indicators in the industrialized and developing countries and in the Middle East and North Africa (MENA) region, in addition to the economic indicators of Sudan's most important trade and investment partners and the economic performance of the regional blocs in which Sudan is a member.

(1) Indicators of Growth, Inflation, Unemployment Rates and Current Account Position for Major Industrialized Countries:

Table (1-1) shows the indicators of growth rates, inflation, unemployment rate and current account ratio to GDP in the major industrial countries during the year 2017 and 2018, while figure (1-1) shows the performance of these indicators during the year 2018.

Table (1-1)

Growth, Inflation, Unemployment Rates and Current Account Position in Major Industrialized Countries During the years 2017 and 2018

Country \ Indicators	Growth Rate (%)		Inflation Rate (%)		Unemployment Rate (%)		Current A/C.(as a percent of GDP)	
	2017**	2018*	2017**	2018*	2017**	2018*	2017**	2018*
Group of Industrial Countries	2.3	2.4	1.7	2.0	5.6	5.2	0.9	0.7
U.S.A.	2.2	2.3	2.1	2.1	4.4	3.8	(2.4)	(2.6)
Japan	1.5	0.7	0.4	0.5	2.9	2.9	3.6	3.8
Germany	2.0	1.8	1.6	1.5	3.8	3.5	8.1	7.7
France	1.6	1.8	1.2	1.3	9.4	8.8	(1.1)	(0.8)
Italy	1.5	1.1	1.4	1.2	11.4	10.8	2.8	2.3
Spain	3.1	2.7	2.0	1.8	17.1	15.6	1.9	1.2
United Kingdom	1.7	1.5	2.6	2.6	4.4	4.1	(3.6)	(3.2)
Canada	3.0	2.1	1.6	1.8	6.3	6.1	(3.4)	(2.9)
Others	2.8	2.8	1.5	1.7	4.2	4.0	5.1	5.0

Source: IMF –World Economic outlook, Oct.2018.

*Preliminary Data.

**Revised Data.

Symbol () means Negative.

Figure (1-1)

Growth, Inflation, Unemployment Rates and Current Account Position in Major Industrialized Countries during the year 2018

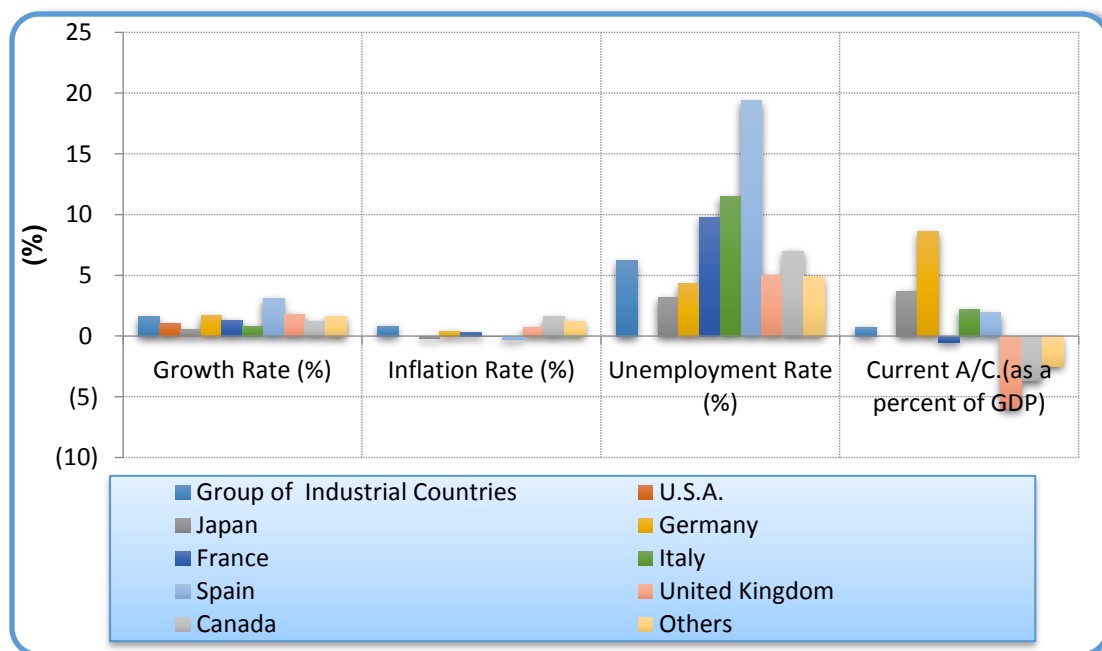


Table 1.1 shows a slight increase in the average growth rate of the industrialized countries from 2.3% in the year 2017 to 2.4% in the year 2018, due to the high growth rates in both the US and France, although this rate is stable or showed a decline in all other countries. The growth rates was lower than expected in 2018 due to the decline of growth in the Euro zone and the UK as a result of the slowdown of exports in this region, the rise in energy prices led to a drop in demand by importing countries, while some countries are affected by political uncertainty or industrial measures adopted by these countries. Moreover, the growth decline was caused partially by the climate change. Despite all that, the US economy continued its strong growth as the activities of the private sector improved due to substantial financial support to this sector.

Inflation in the industrialized countries rose from 1.7% in the year 2017 to 2.0% in the year 2018 caused by the increase in commodity and energy prices, as the barrel of oil price exceeded 76 US dollars - the highest level reached since 2014- due to the reduction of oil production in Venezuela in addition to the unexpected interruption of oil flow in Canada and Libya and the expected decline in Iranian oil exports following the re-imposing of US sanctions on this country.

Unemployment rates in the industrialized countries as a group fell from 5.6% in the year 2017 to 5.2% in the year 2018, although these rates remain at high levels in some countries, such as Spain by 15.6%, Italy by 10.8% and France by 8.8%.

The ratio of current account surplus to Gross Domestic Product (GDP) in the industrialized countries declined from 0.9% in the year 2017 to 0.7% in the year 2018, due to its decline in some countries of the group i.e. such Germany, Italy and Spain i.e.

(2) Indicators of Growth, Inflation Rates and Current Account Position in Developing Countries:

Table (1-2) shows indicators of growth rates, inflation and current account ratio to GDP in developing countries during the years 2017 and 2018, while Figure (1-2) shows the performance of these indicators during the year 2018.

Table (1-2)

Growth Rates, Inflation and Current Account Position in Developing Countries during the years 2017 and 2018.

Country \ Indicators	Growth Rate (%)		Inflation Rate (%)		Current A/C.(as a percent of GDP)	
	2017**	2018*	2017**	2018*	2017**	2018*
All Developing Countries	4.7	4.7	4.3	5.0	(0.1)	(0.02)
Sub –Saharan Africa	2.7	3.1	11.0	8.6	(2.3)	(2.8)
Asia	6.5	6.5	2.4	3.0	0.9	0.2
Middle East & North Africa	1.8	2.0	6.7	11.8)0.3(2.6
Latin American & Caribbean Countries	1.3	1.2	6.0	6.1	(1.5)	(1.6)
Europe	6.0	3.8	6.2	8.3	(2.6)	(2.8)
Others	2.1	2.4	5.5	4.5	1.1	4.1

Source: IMF –World Economic outlook, Oct.2018.

*Preliminary Data.

**Revised Data.

Symbol () means Negative

Figure (1-2)

Growth Rates, Inflation and Current Account Position in Developing Countries During the year 2018

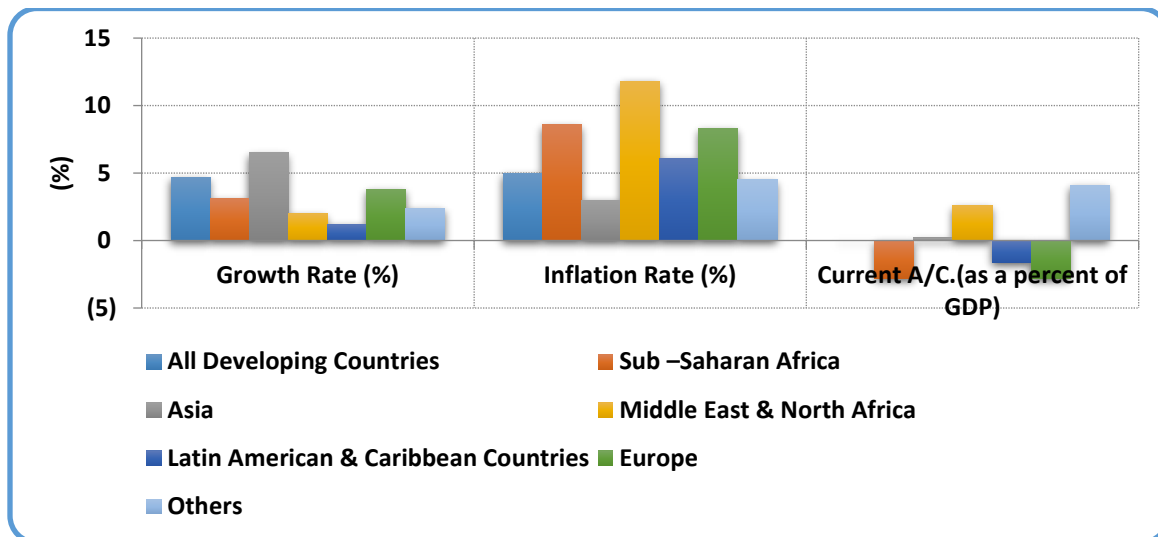


Table (1-2) shows that the growth rate in developing countries as a group remained steady at 4.7% during the years 2017 and 2018 due to the variation of growth rates, as the growth rates increased in sub-Saharan Africa, the Middle East and North Africa, and declined in Europe and Latin America, while growth in Asia remain steady.

Average inflation in developing countries as group rose from 4.3 percent in the year 2017 to 5.0 percent in the year 2018, as a result of higher inflation in most countries caused by high oil prices with the exception of sub-Saharan Africa and other countries. The current account deficit as a percentage of GDP in developing countries as a group fell from (0.1) percent in the year 2017 to (0.02) in the year 2018, as a result of the significant improvement in the current account position of the Middle East, North Africa and other countries.

(3) External Debt in Developing Countries:

Table (1-3) shows the performance of some external debt indicators in developing countries

Table (1-3)
External debt and debt service as a ratio to GDP
For developing countries by the end of years 2017 and 2018

Indicators \ Year	2017**	2018*
External debt to GDP (%)	30.1	29.9
External debt service to GDP (%)	9.8	10.4

Source: IMF –World Economic outlook, Oct.2018.

*Preliminary Data.

**Revised Data.

The ratio of external debt to GDP in developing countries fell slightly from 30.1% in the year 2017 to 29.9% in 2018, while the ratio of debt service to GDP increased from 9.8% to 10.4%.

(4) Performance in the Middle East and North Africa, Afghanistan and Pakistan (MENAP)

Table (1-4)

Growth Rate, Inflation and Current Account Position in the Middle East, North Africa, Afghanistan and Pakistan by the end of the years 2017 and 2018

Statement indicator	Oil exporting countries		Oil importing countries		Countries Combined	
	2017**	2018*	2017**	2018*	2017**	2018*
Real GDP Growth Rate (%)	1.2	1.4	4.1	4.5	2.2	2.4
Current Account as Percentage of GDP (%)	1.6	4.7	(6.6)	(6.5)	(0.7)	1.8
Inflation - Annual average (%)	3.6	9.8	12.4	12.9	6.4	10.8

Source: IMF –World Economic outlook, Oct.2018.

*Preliminary Data.

**Revised Data.

Symbol () means Negative

Table (1-4) shows that the MENA region, Afghanistan and Pakistan (combined), witnessed a slight increase in the growth rates from 2.2% in the year 2017 to 2.4% in the year 2018 due to high growth rates in both regions. Growth in oil-exporting countries which increased from 1.2% to 1.4% was caused by the increased in the prices of oil, while growth in oil-importing countries increased from 4.1% to 4.5%, as a result of the improvement of the economic activity in their main trading partners. The average inflation rate in countries combined increased from 6.4% in the year 2017 to 10.8% in the year 2018, inflation increased in the oil-exporting countries from 3.6% to 9.8% caused by increase in oil prices, while in the oil-importing countries increased from 12.4% to 12.9% as result of higher inflation rate in Sudan and Tunisia.

The current account position as a ratio to the GDP in the region was reversed from a deficit of (0.7%) in the year 2017 to a surplus of 1.8% in the year 2018, due to the significant improvement of the current account position of the oil-exporting countries from 1.6% to 4.7%.

(5) Economic Performance of Sudan's Major trading and Investment Partners:

Table (1-5) and figure (1-3) show details of growth rate, inflation and current account ratio to GDP of Sudan's major trade and investment partners for the years 2017 and 2018.

Table (1-5)

Growth Rate, Inflation and Current Account Position
for Sudan's major trading and Investment Partners during the years 2017 and 2018

Indicators Country	Growth Rate (%)		Inflation Rate (%)		Current A/C.(as a percent of GDP)	
	2017**	2018*	2017**	2018*	2017**	2018*
Sudan	1.4	(2.3)	32.4	63.3	(10.5)	(14.2)
U.A.E	0.8	2.9	2.0	3.5	6.9	7.2
China	6.7	6.6	1.6	2.2	1.4	0.7
Saudi Arabia	(0.9)	2.2	(0.9)	2.6	2.2	8.4
Egypt	4.2	5.3	23.5	20.9	(6.3)	(2.6)
India	6.7	7.3	3.6	4.7	(1.9)	(3.0)
Malaysia	6.0	4.7	3.8	1.0	3.0	2.9
Thailand	4.0	4.6	0.7	0.9	11.2	9.1
Turkey	7.4	3.5	11.1	15.0	(5.6)	(5.7)
Japan	1.7	1.1	0.5	1.2	4.0	3.6

Source: IMF –World Economic outlook, Oct.2018.

*Preliminary Data.

**Revised Data.

Symbol () means Negative

Figure (1-3)

Growth Rate, Inflation and Current Account Position of Sudan's Major Trade and Investment Partners
for the years 2017 and 2018.

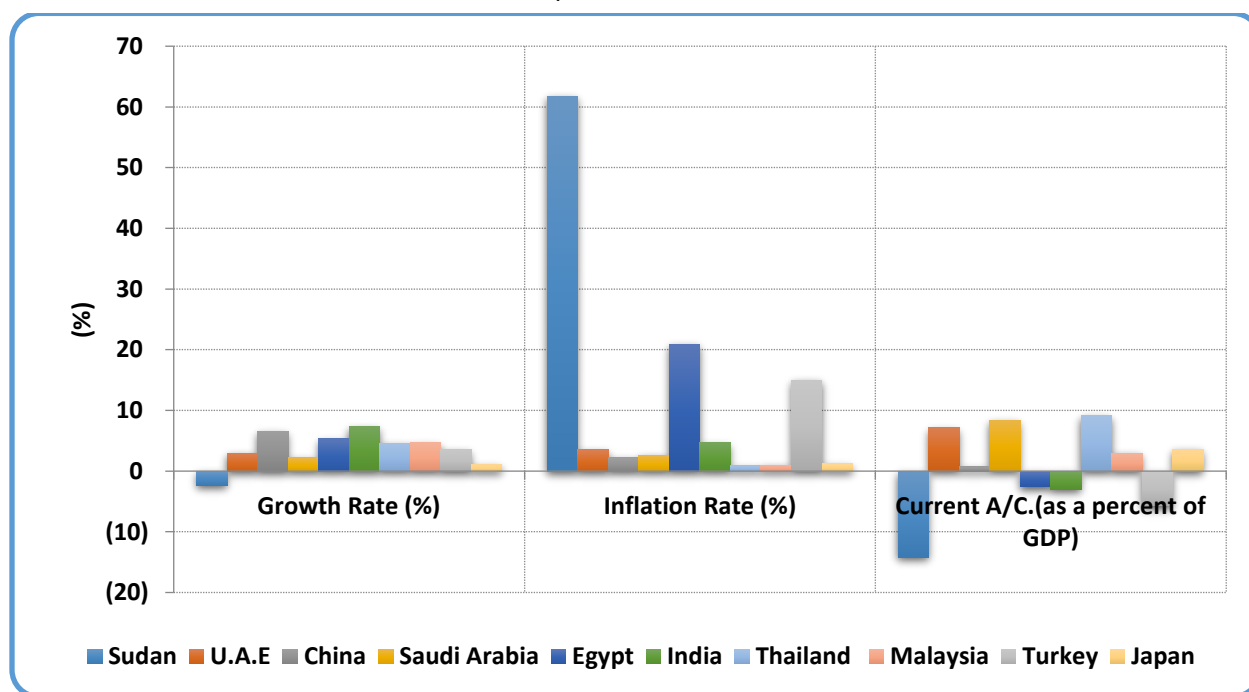


Table (1-5) shows the variation in the growth rates of Sudan's major trading and investment partners. Growth rates in the UAE, Saudi Arabia, Egypt, Thailand and India have increased, of which India has recorded the highest growth rate of 7.3% in the year 2018, while Growth rates declined in China, Malaysia, Turkey and Japan, of which, Japan has registered the lowest growth rate of 1.1% in the year 2018. Inflation rates increased for all partners except Malaysia and Egypt, while, Egypt recorded the highest inflation rate after Sudan, reached 20.9% in the year 2018.

The current account position as a percentage of GDP deteriorated in all partner countries except Saudi Arabia, UAE and Egypt, where the current account position in these countries has improved significantly.

(6) The Economic Performance of the Regional Blocs with which Sudan is a Member:

A. Economic Performance of Greater Arab Free Trade Area (GAFTA):

Table (1-6) presents the main economic indicators of the member states of the Greater Arab Free Trade Area during the years 2017 and 2018, while Figure (1-4) shows the performance of these indicators during the year 2018.

Table (1-6)

Growth rate, Inflation and Current Account Position in Greater Arab Free Trade Area During the years 2017 and 2018

Country \ Indicator	Growth Rate (%)		Inflation Rate (%)		Current A/C.(as a percent of GDP)	
	2017**	2018*	2017**	2018*	2017**	2018*
Algeria	1.4	2.5	5.6	6.5	(13.2)	(9.0)
Bahrain	3.8	3.2	1.4	3.0	(4.5)	(2.5)
Egypt	4.2	5.0	23.5	21.0	(6.3)	(2.6)
Iraq	(2.1)	1.5	0.1	2.0	2.3	(6.9)
Sudan	1.4	(2.3)	32.4	63.3	(10.4)	(14.2)
Jordan	2.0	2.3	3.3	4.5	(10.6)	(9.6)
Kuwait	(3.3)	2.3	1.5	0.8	5.9	11.3
Lebanon	1.5	1.0	4.5	6.5	(22.9)	(25.6)
Libya	64.0	10.9	28.5	28.1	8.4	(1.5)
Mauritania	3.5	2.5	2.3	3.8	(14.4)	(16.0)

Indicator Country	Growth Rate (%)		Inflation Rate (%)		Current A/C.(as a percent of GDP)	
Morocco	4.1	3.2	0.8	2.4	(4.0)	(4.2)
Oman	(0.9)	1.9	1.6	1.5	(15.2)	(3.3)
Qatar	1.6	2.7	0.4	3.7	4.0	4.8
Saudi Arabia	(0.9)	2.2	(0.9)	2.6	2.2	8.4
Syria	N.A	NA	NA	NA	NA	NA
Tunisia	2.0	2.4	5.3	8.1	(10.5)	(9.6)
U.A.E	0.8	2.9	2.0	3.5	6.9	7.2
Yemen	(5.9)	(2.6)	24.7	41.8	4.0	(9.3)
average	4.5	2.4	8.1	11.9	(4.6)	(4.7)

Source: IMF –World Economic outlook, Oct.2018.

*Preliminary Data.

**Revised Data.

N.A: Not Available

Figure (1-4)

Growth rate, Inflation and Current Account Position of a Greater Arab Free Trade Area During the year 2018

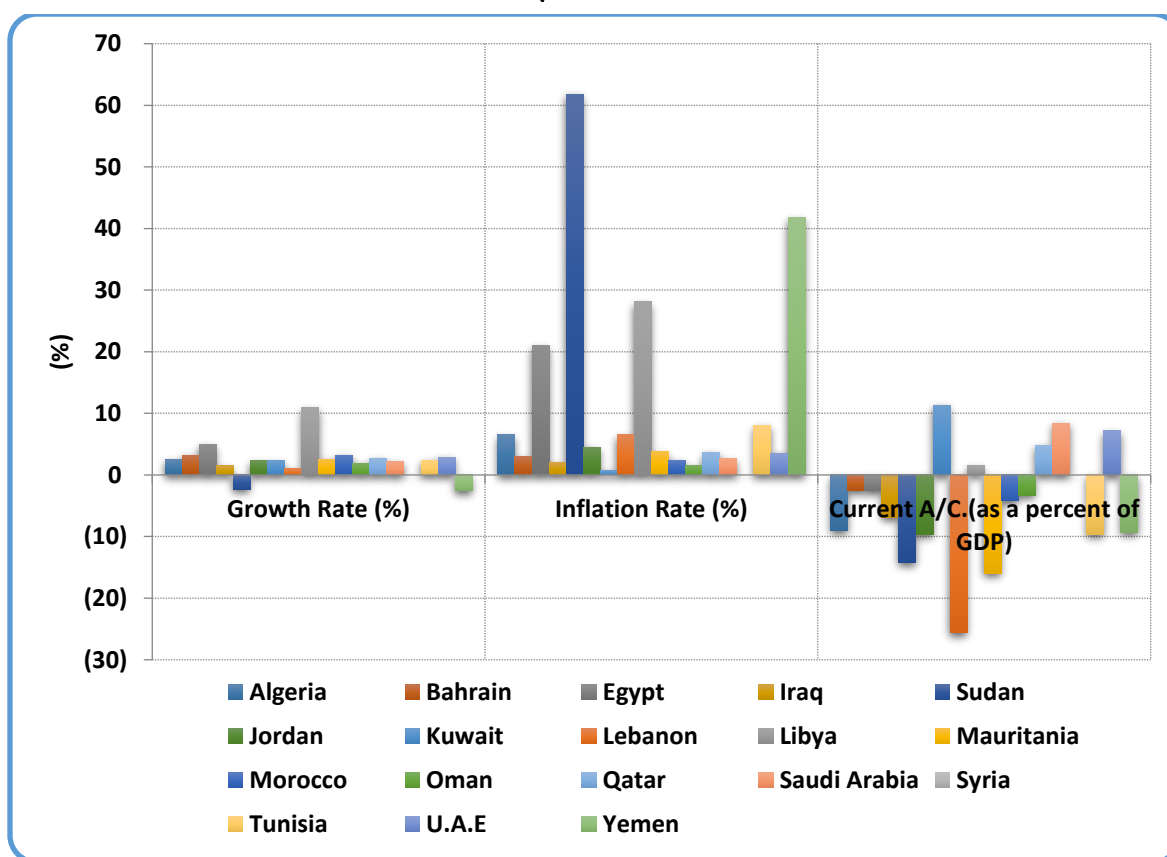


Table (1-6) shows that the average growth rate in the greater Arab Free Trade Area countries declined from 4.5% in the year 2017 to 2.4% in the year 2018, due to the significant decline in growth rates in Libya from 64% to 10.9% , in addition to its decline in Morocco, Mauritania and Lebanon. The average inflation rate in the region rose from 8.1% in the year 2017 to 11.9% in the year 2018. While the current account deficit as a percentage of GDP increased slightly from (4.6%) to (4.7%).

B. Economic performance of the Common Market for Eastern and Southern Africa (COMESA)

Table (1-7) shows the main economic indicators of the members of (COMESA) by the end of the years 2017 and 2018, while figure (1-5) shows the performance of these indicators during the year 2018.

Table (1-7)

Growth rates, Inflation and Current Account as a Ratio to the GDP of the COMESA Countries During the years 2017 and 2018

Country \ Indicators	Growth Rate (%)		Inflation Rate (%)		Current A/C.(as a percent of GDP)	
	2017**	2018*	2017**	2018*	2017**	2018*
Congo	3.4	3.8	41.5	23.0	(0.5)	(0.0)
Ethiopia	10.9	7.5	9.9	12.7	(8.1)	(6.2)
Sudan	1.4	(2.3)	32.4	63.3	(10.5)	(14.2)
Eritrea	5.0	4.2	9.0	9.0	(2.4)	(1.6)
Burundi	0.0	0.1	16.6	1.2	(12.3)	(13.4)
Comoros	2.7	2.8	1.0	2.0	(4.1)	(9.2)
Kenya	4.9	6.0	8.0	5.0	(6.3)	(5.6)
Libya	64.0	10.9	28.5	28.1	8.4	1.8
Swaziland	1.6	1.3	6.2	5.0	13.7	10.3
Seychelles	5.2	3.6	2.9	4.4	(20.5)	(18.3)
Madagascar	4.1	5.0	8.2	7.8	(0.3)	(2.1)
Malawi	4.0	3.3	12.1	9.2	(9.5)	(9.3)
Egypt	4.2	5.0	23.5	21.0	(6.3)	(2.6)

Indicators Country	Growth Rate (%)		Inflation Rate (%)		Current A/C.(as a percent of GDP)	
Mauritius	3.8	3.9	3.7	5.1	(6.6)	(8.2)
Rwanda	6.1	7.2	4.8	3.3	(6.8)	(8.9)
Zambia	3.4	3.8	6.6	8.5	(3.9)	(4.0)
Zimbabwe	3.7	3.6	0.9	3.9	(4.1)	(5.8)
Uganda	4.8	5.9	5.6	3.8	(4.6)	(6.9)
Average	7.4	4.2	12.3	12.0	(4.7)	(5.8)

Source: IMF –World Economic outlook, Oct.2018.

*Preliminary Data.

**Revised Data.

Symbol () means Negative

Figure (1-5)

Growth rates, Inflation and Current Account as a Ratio to the GDP of the COMESA Countries During the year 2018

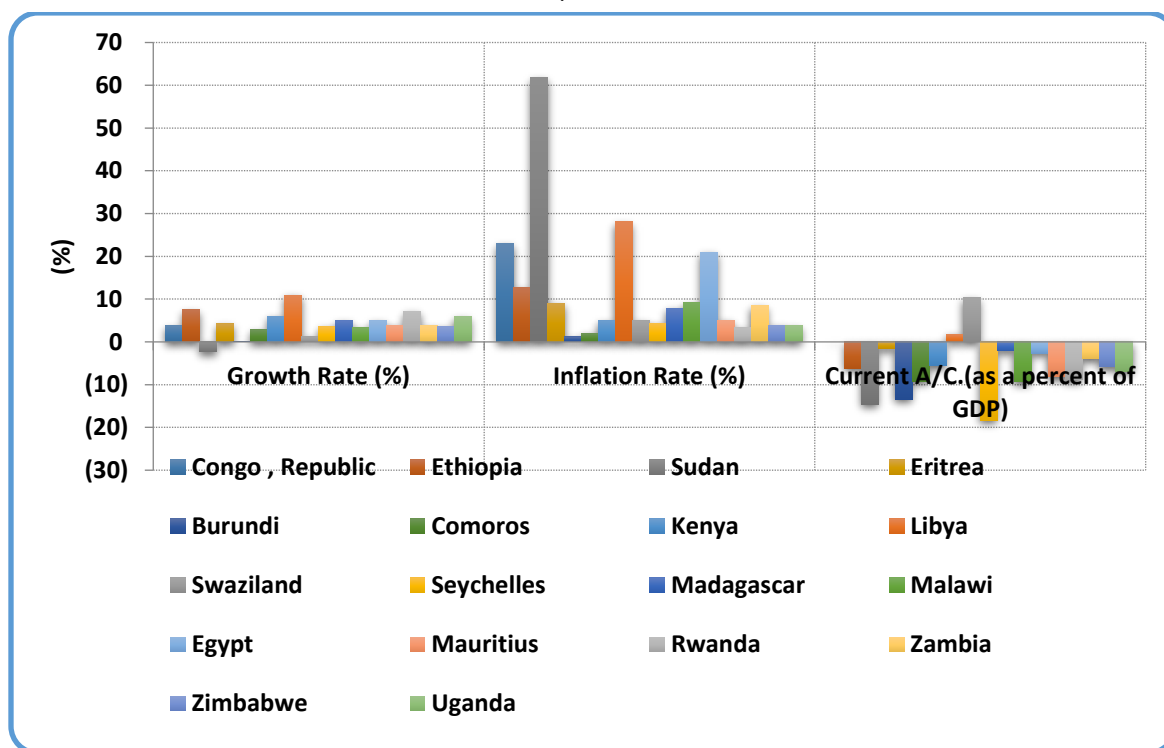


Table (1-7) shows that, the average growth rate declined from 7.4% in the year 2017 to 4.2% in the year 2018, mainly due to the significant decline in growth rates in both Libya and Ethiopia, in contrast to the highest growth rate of 10.9% And 7.5%, they registered in the year 2017.

The average rate of inflation in the COMESA countries fell slightly from 12.0% in the year 2017 to 12.0% in the year 2018. Inflation swings in these countries where Sudan recorded the highest rate of 63.3%, While Burundi recorded the largest drop in inflation from 16.6% to 1.2% in 2018.

The current account deficit as a percentage to GDP in the COMESA group deteriorated from (4.7%) in the year 2017 to (5.8%) in the year 2018.

Second: The most important regional and international economic forums in which Sudan participated, during the year 2018.

1. Meetings of Central Bank Governors of North Africa Group - Khartoum:

The Central Banks Governors of the group were met in Khartoum during the period 8-10 February 2018. The Central Bank of Sudan chaired these meetings as the Chairman of the Group for 2017-2018 sessions. The meetings endorsed the following resolutions:

- a. Adoption of regulations for the organization of business in the North Africa Group provided that such regulations shall be effective from the next session of the group meeting (2018/2019).
- B. the Central Bank of Algeria will assume the chairmanship of the Group during the next session (2018/2019). The Central Bank of Tunisia will be the Vice President of the Group for the same session. The Central Bank of Tunisia will assume the chairmanship of the Group for the 2019/2020 session, The Central Bank of Egypt will be the Vice President of the Group for the same session. The rotation of the presidency of the region and the position of Vice-President of the group will be in an alphabetical order of the letters of the English language.

2. Meetings of the Bureau of the Association of African Central Bank Governors – Dakar

The meetings of the Bureau of the Association of the African Central Banks Governors were held in Dakar during the period 21-23 February 2018. The meetings discussed the efforts made by the Joint Commission of the African Union Commission and the Association of African Central Bank Governors for the establishment of the African Central Bank, where the Commission is drafting the headquarters agreement of the Central African Bank for discussion with the Nigerian Central

Bank and the Nigerian Government as the host country of the African Central Bank. The meeting was also briefed on the efforts of the African Union Commission in the preparation of the African Monetary Fund (AMF) agreement, which will be signed with the Cameroonian government in March 2018. On the other hand, the meetings reviewed the work and recommendations of the Technical Committee and issued the following resolutions:

- a. Adoption of the report on the annual symposium presented at the Governors' meeting in August 2017 in Pretoria, South Africa, and the recommendations issued there under.
- b. Adoption of the report on the 40th Governors Meeting held in August 2017 in Pretoria, South Africa.
- c. Adoption of the performance report of the central banks that are members of the Association in relation to the African Monetary Co-operation Program.
- d. Adopted the new proposal on the performance criteria of the banks and countries of the sector in relation to the monetary cooperation program, which was formulated by the Technical Committee at the Pretoria - South Africa meeting in December 2017.
- e. Adoption of the sub-themes of the 2018 continental seminar to be held in N'Djamena-Chad in May under the title: Innovations of financial technology and cybercrime: challenges facing central banks.
- f. Adoption of the sub-themes of the 2018 Annual Symposium to be held during the annual meeting of the Association in Egypt in August, entitled: Correspondence Banking Relations and Illicit Capital Flows: Risks and Policy Challenges for Africa.
- g. The meeting informed on the efforts related to the technical support provided by the World Bank for the project of exchange of information between African banks. And approved the proposal made by the World Bank to implement the project through the Community of African Banking Supervisors (CABS).
- h. Approve the proposals that resulted from the meeting of the Society's Secretariat and the President of the Association in December 2017 on the integration of payment systems in Africa, namely the development of an integrated payment system between the regions in Africa and the development of the mobile payment strategy across regions. In this context, the meeting agreed to hold two seminars to discuss the integration of payment systems among member states.

3. The Meeting of the COMESA committee of the Central Banks Governors - Djibouti:

The 23rd meeting of the COMESA committee of the Central Banks Governors was held in March 2018 in Djibouti. The meeting discussed several issues and came out with the following decisions:

- a. The bureau of the committee was elected as follows: the Central Bank of Djibouti as a new president for this session and the Central Bank of Sudan as second vice president.
- b. Review the status report on the decisions issued at the meeting of the Governors Committee No. 22.
- c. Urge member central banks to make the necessary arrangements to start dealing with the regional payment and settlement system, and to hold awareness workshops for the clients of the system and encourage them to deal with it by highlighting the benefits in reducing the cost and time of settlement of transactions. Urged Member States to bring all intraregional trade across the system.
- d. The COMESA clearing house in its correspondence should write to each central bank COMESA focal point with copies from their correspondence with the payment systems departments at the Central Banks for follow-up purposes.
- e. Review the developments and challenges facing the implementation of the five-year plan of the COMESA monetary integration program. The meeting agreed to form a committee of experts from the member central banks to review the COMESA monetary integration program and prepare a work program for the monetary integration of the COMESA countries. Each central bank should nominate the experts to represent them on the committee.

4. Thirty-seventh Meetings of the Committee of Experts for African Ministers of Finance, Planning and Economic Development. And Fifty-first session of the Economic Commission for Africa held in Addis Ababa 11-15 May 2018:

The meeting of the Committee of Experts discussed the following topics during its sessions:

- a. Economic and social developments in the African continent.
- b. Assessment of the progress made in the area of African regional integration.
- c. Presentation of the theme for the Ministerial Conference related to the African Free Trade Area.
- d. The performance of the Economic Commission for Africa.

The Ministerial Conference adopted the recommendations of the Committee of Experts, which are summarized as follows:

- a. Develop national plans, strategies and investment policies to seize opportunities in the African Free Trade Area.
- b. Commitment to regional integration, and the launch of the African Common Air Transport Market in January 2018.
- c. Admitting that the weak infrastructure of the continent is an obstacle facing regional integration.
- d. The need to invest in the social sector, especially health and education.
- e. The negative impact of the African Free Trade Area on revenues will be offset by taxes that will rise as a result of expected economic growth.

5. Meetings of the COMESA – Lusaka intergovernmental committee and the Ministerial council:

The meetings of the COMESA intergovernmental countries were held during the period 9-19 July 2018 in Zambia under the theme "Towards Digital Economic Integration in COMESA", which included a number of events such as; the 38th meeting of the intergovernmental Committee and the submission of reports by the COMESA financing partners, pledging their continued support and funding for development projects Such as agriculture and food security support projects, mobilizing resources to localize regional integration programs, private sector development and trade promotion and facilitation. The meetings came out with the following resolutions:

- a. The appointment of Ms. Chichi Kabuy Boy from the Republic of Zambia as the new Secretary-General of COMESA.
- b. To ensure that all countries pay their arrears and commit to pay the new contributions annually by the mid of the year. In case of non-payment without any convincing justification, the regulations on suspension of all benefits granted to countries (which do not meet their obligations), including denial of funding for new projects, will be activated.
- c. To prepare programs for countries in arrears for the payment of their contributions to COMESA and Sudan has been commended for paying all the arrears of previous years.

- d. Approval of the construction of the new COMESA headquarters, including the approval of the funding method and selection of the consultant. It should be noted that the State of Zambia has allocated an estimated area of land for the construction of the building and has been commended by Member States.
- e. Adoption of the Foreign Ministers' Report, which includes issues of security and peace in the region.

6. Annual Meetings of the Association of African Central Bank Governors - Sharm El-Sheikh:

The annual meetings of the General Assembly of the Association of the Governors of African Central Banks were held in Sharm El-Sheikh - Egypt during the period 5-9 August 2018. The program of meetings included the following events:

- a. Meetings of the Technical Committee in preparation for the meetings of the Bureau.
- b. Meetings of the Bureau, in preparation for the meetings of the General Assembly of the Association of African Governors.
- c. Annual Symposium of the Association of African Central Bank Governors.
- d. Annual Meeting of the General Assembly of the Association of Governors of Central Banks.

During these meetings, many agenda items were discussed. The meeting of the General Assembly of the Association was adopted the following:

- a. The terms of references for the team of cross-border banking supervision and the team of crisis management and banking solutions.
- b. The template in which data are exchanged between central banks.
- c. Community of African Central Banks Supervisors (CABS) training initiatives.
- d. Handover of the presidency of the (CABS) group for the Central Bank of Egypt, provided that the Group will hold its meetings on an annual basis preferably during June every year at the hosting Central Bank (President of the Association).
- e. Invite Member States to sign memorandums of understanding that enable the exchange of information.

7. The meeting of the Bureau of the COMESA committee of Central Bank Governors- Djibouti:

The Bureau of the COMESA committee of Central Banks Governors met during the period 2-4 December 2018 in Djibouti, chaired by the Governor of the Central Bank of Djibouti, and membership of the Central Bank of Sudan, the Central Bank of Zimbabwe, the Central Bank of Egypt and the Central Bank of Burundi. The meeting discussed the report submitted by the Technical Committee and issued the following resolutions:

- a. The COMESA monetary institute shall implement the activities listed in the 2018 work-plan which it has not implemented yet, by including it in its work plan for 2019.
- b. The COMESA Monetary Institute and the COMESA Clearing House shall make intensive effort to identify the financial and banking institutions in the Region with the benefits of the Regional Payment and Settlement System (REPSS).
- c. The COMESA clearing house should help central banks facing difficulties in exchanges through the system to overcome these difficulties.
- d. The COESA clearing house conduct a meeting for users of the system from the central banks members to exchange information and views and discuss the challenges and search for solutions.
- e. The decisions issued at the previous COMESA Heads of State Summit on the payment and settlement system should be sent to all member central banks for information and to take the necessary practical steps to join and activate the procedures for its use.
- f. Postponed the next meeting (No. 24) that scheduled to be held in March 2019 to November / December 2019, preceded by the meeting of the Bureau in September/October 2019. Acceptance of the Central Bank of Sudan apology for hosting the next meeting, hoping that it will be able to host soon.

8. Annual Meetings of the International Monetary Fund and the World Bank – Indonesia - Bali:

The annual joint meetings of the International Monetary Fund (IMF) and the World Bank were held in the Bali Island, Indonesia, on 12-14 October 2018. The meeting was attended by Governors, their representatives from Member States, the heads and representatives of regional and

international financial institutions and development partners, The meeting discussed many issues, such as urging all countries to improve the well-being of peoples, utilize national resources, technical and financial assistance from international financial institutions, avoid conflicts and wars that destroy and waste resources, aggravate humanitarian conditions and impede development, and urged Member States to prioritize economic reforms to remove obstacles to investment, empower the private sector, improve the business performance environment and boost exports and public-private partnerships and increased access to funding from various windows. This year's annual meetings have drawn increasing attention to two topics; the first topic called for the transformation to the digital economy based on Bali Declaration the meetings also urged attention and focus on investing in Human Capital.

The delegation of Sudan participated in several official and side meetings, such as the meetings of the Africa group one constituency at the World Bank and the International Monetary Fund, and the meetings of the African bloc.

In the framework of the bilateral meetings with the leaders of the two institutions and the leaders of the regional institutions, the delegation met with the Deputy Director of the International Monetary Fund, the Vice-President of the World Bank for Africa and Vice-President of the International Investment Corporation (IFC), and Assistant of deputy manager of the Treasury Department for USA government, Director of the Middle East and Central Asia Department of the International Monetary Fund (IMF), Director General of Country Programs of the British Agency for International Development (DFID), and Vice President of the Islamic Development Bank, with the participation of the Director of the Islamic Corporation for Export Insurance at the Islamic Bank, the Executive Director of the Saudi Fund, the Director of the Kuwait Fund and the Director of the Arab Monetary Fund And Indonesian Deputy Minister of Finance, where the economic measures taken to restore economic stability were discussed. The two institutions renewed their commitment to work to increase Sudan's chances of obtaining more grants for the development of

the social sector, particularly in the field of education - drinking water - health - improving human capital indicators in addition to technical assistance and capacity building in the field of raising efficiency and improving revenues and developing the tax collection system and electronic payment.

CHAPTER TWO

CENTRAL BANK OF SUDAN (CBOS) POLICIES

Central Bank of Sudan (CBOS) Policies for the year 2018

The CBOS policies for the year 2018 were aligned with the government budget guidelines and objectives for the year 2018 and the Five-Year Economic Program (2015-2019) in its fourth year, the State Reform Program (2017-2021) and the outcomes of the National Dialogue.

The policies aimed at achieving monetary and financial stability to contribute in attaining economic stability, development and sustainable growth; through stabilizing the general price levels, the exchange rate, as well as improving the balance of payments performance by reducing the current account deficit to a sustainable level.

Policies have also aimed at broadening the financial inclusion base, activating and improving its mechanisms and performance indicators. Besides, creating an appropriate financial environment for financial system stability, maximum utilization of information technology, electronic payment systems and enhancing electronic banking, mobilizing financial resources for productive sectors, promote and deploy the micro, small, and medium finance program to sustain development, reduce poverty and enhance the role of the private sector.

The following parts of this chapter highlight the main objectives and actual performance of the policies of the Central Bank of Sudan (CBOS) under the following pillars during the year 2018:-

First pillar: Monetary Stability

The objective of this pillar is to stabilize the general price levels through containing inflation rates around 19.5% on average through tightening monetary policy to absorb excess liquidity in the economy by targeting a nominal growth in money supply (M2) of 18.2% to contribute in achieving real GDP growth rate of 4%.

Actual Performance:

- (1) The growth rate of money supply reached 111.8% by the end of the year 2018, exceeding the target of 18.2%. This deviation was due to the increase in the temporary advances to the

government and guarantees paid on behalf of it, in addition to the increase in banks credit to the private sector and the changes in exchange rate.

(2) Inflation rate reached 72.9% at the end of December 2018, while the average annual inflation rate was 63.3% compared to the target of 19.5%. The deviation was due to the increase in money supply growth rate which was mainly driven by the increase in the temporary advances to the government, in addition to the increase in the banks credit to the private sector and the changes in exchange rate.

(3) According to preliminary estimates of the Central Bureau of Statistics the real GDP growth rate reached 5.7% during the year 2018.

Second Pillar: Exchange Rate and External Sector Stability.

The policies under this pillar aimed at achieving stability and flexibility of exchange rate and to balance the external sector as one of utmost priorities for achieving economic stability which will be attained through multitude policies and procedures, including the exchange rate system, foreign sector transactions, and management of foreign exchange resources.

The Following part represents an overview of the procedures that have been taken:

(1) Exchange Rate System

The exchange rate system has been adjusted by accommodating the incentive rate of export and remittances of Sudanese working abroad into the indicative rate. The Central Bank of Sudan rate has also been adjusted. The indicative exchange rate of the official market was adjusted several times during the year 2018 to reduce the gap between the official exchange rate and the parallel market exchange rate.

The Central Bank of Sudan efforts for maintaining the stability of the exchange rate have continued, where a Market Makers Mechanism has been established as an independent body to announce the exchange rate based on the market information, and the exchange rate declared should be applied for all foreign exchange transactions.

As a result of these measures, the gap between the official and the parallel market exchange rate dropped from 202% in December 2017 to 71% in December 2018.

(2) The External Sector

In order to manage the supply and demand of foreign exchange and reserves the following has been done:

a. The Supply Side

To increase foreign exchange resources, the following steps has been taken:

- (1) Allowing banks to purchase export proceeds at the exchange rate declared by the independent market makers mechanism.
- (2) Authorize banks to utilize 100% of the exports proceeds.
- (3) Permitting export of gold by any natural or legal person in accordance with specific rules and regulations.
- (4) To encourage exports some regulations have been simplified where all methods of payment were allowed.
- (5) Authorizing the Sudanese exporters to offer payment facilities to their customers using flexible payment methods, including the deferred letter of credit and document against acceptance or D / A with up to 90 days, aiming to encourage opening new markets for exports and improve its competitiveness.

b. The Demand Side

To rationalize the demand for foreign exchange resources, a number of circulars and procedures were issued, including:

- (1) Mobilize resources for the importation of priority goods, in order to secure the country's needs for strategic goods and production inputs.

- (2) Banning the use of advanced payment method for importation except for medicines and medical supplies.
- (3) Prohibiting importation without value transfer (Nil-Value) excluding importation under the investment law.
- (4) Tightening of banking regulations, especially methods of payment and financing of imports through commercial banks in order to reduce the demand for unnecessary goods and encourage import-substitution policy.

As a result, the trade balance deficit has improved from a deficit of US\$ 4.1 billion dollars in the year 2017 to a deficit of US\$ 3.6 billion dollars in the year 2018 at a rate of 13.1%

c. Management of Foreign Reserves

Supporting efforts was taken to build-up foreign reserves and to improve the balance of payments position and stabilize the foreign exchange market, some of these procedures related to rationalization of foreign exchange resources were issued , on top of it, is the follow-up of import operations directly by the Central Bank of Sudan, besides permitting the export of gold by any natural or legal person according to specific rules and regulations alongside other procedures of the exchange rate that aimed at encouraging exports.

Third Pillar: Mobilization and Uses of Resources

(1) In the Field Of Resources Mobilization:

The policy aimed at encouraging banks and non-bank saving institutions to attract savings by simplifying the required procedures to open new branches and accounts, in addition to improving the quality of banking services provided and spreading banking awareness, following-up on financial inclusion strategy and development of financial inclusion reports to be used as a tool to measure banks and financial institutions development as well as the effectiveness of monetary policy. The policies implemented contributed in the following:

- Banking deposits increased from SDG 152.6 billion by the end of the year 2017 - of which SDG 124.9 billion in local currency and SDG 27.7 billion in foreign currency- to SDG 350.3 billion by the end of the year 2018 - of which SDG 210.5 billion in local currency and 139.8 billion in foreign currency- at a rate of 129.6%. The increase was mainly driven by the effects of changes in the exchange rate on foreign deposits which increased by 404.7%.
- The number of ATM machines increased from 1,344 by the end of the year 2017 to 1,596 by the end of the year 2018 by 19%.
- The number of points of sale increased from 3,905 by the end of the year 2017 to 16,162 by the end of the year 2018, by 314%.
- The number of commercial banks branches increased from 770 by the end of the year 2017 to 801 by the end of the year 2018, with an addition of 31 new branches. While the number of bank agents increased from 63 to 70, i.e. an increase of 11%.
- The number of banks branches operating during Saturday holiday increased from 160 branches by the end of the year 2017 to 163 branch by the end of the year 2018, i.e. an increase of 2%, while the number of branches operating during the evening increased from 51 branches to 95 branches, i.e. an increase of 86%.
- The number of ATM cards increased from 3.5 million cards by the end of the year 2017 to 4.0 million cards by the end of the year 2018, i.e. a rate of 14%.
- The number of electronic wallets cards increased from 796 thousand cards by the end of the year 2017 to 885 thousand cards by the end of the year 2018, i.e. a rate of 11%.

(2) In the Field of Resource Uses:

The policies within this field aimed at directing and rationalizing the use of financial resources to materialize the priorities of the macroeconomic policies. The measures and tools adopted by the Central Bank of Sudan were as follows:

- Encouraging banks to expand its credit to the private sector focusing on priority sectors namely: agricultural, industrial, animal, medicines, export, transport and mining, which led to an increase in the stock of finance to the private sector from SDG 75.1 billion by the end of the year 2017 to SDG 127.4 billion by the end of the year 2018 i.e. a rate of 70%, where the sectors of agriculture, industry, mining and export (combined), acquired the largest share out of the total finance.
- To provide fund for other sectors, credit to domestic trade was prohibited, and the credit granted to the federal government was restricted to be at max 25% out of the total finance including securities. As a result, the growth rate of the stock of finance granted to domestic trade sector decreased by 8% in December 2018, although some banks have exceeded the specified limit for the government funding.
- On the microfinance side, the minimum level of microfinance operations has been raised from SDG 50,000 to SDG 100,000. In addition to adoption and acceptance of letters of guarantee issued by the Microfinance Guarantee Agency (Tasir), accordingly the amount of funding granted from banks increased from SDG 6.2 billion by the end of the year 2017 to SDG 8.8 billion by the end of the year 2018, i.e. 42%.
- The non performing loan ratio was 3.2% by the end of the year 2018 compared to 3.3% by the end of the year 2017 whereas the target is 4%.

Fourth Pillar: Financial Stability and Banking Soundness

Policies under this pillar aimed at achieving financial stability and maintaining banking system soundness, via the activation of surveillance and banking supervision procedures. The pillar covers the following aspects:

(1) Organization and Development of the Banking System

The Central Bank of Sudan continued implementing financial inclusion policies, to expand financial services coverage to cover classes that lack these services.

In partnership with financial sector partners and international financial institutions, Sudan started to prepare the financial inclusion strategy, as clearly obvious in the increase of number of banks and non-banks financial institutions branches operating in Sudan, the expansion of the electronic banking services, in addition to the increase of the number of bank's accounts from 5,458 thousand in December 2017 to 6,373 thousand in December 2018.

In the area of developing banks' safety and capacity-building, the Central Bank of Sudan has worked to facilitate the implementation of the standards and directives related to the calculation of internal capital adequacy and liquidity risk management, in accordance with Basel requirements. The Central Bank of Sudan has also adopted macro prudential policies, with respect to the safety of the whole financial system, and started to produce periodical financial stability report based on new tools and methodologies such as stress testing to assess banks resilience to shocks.

In the area of anti-money laundering and combating terrorism financing, efforts have continued to update the regulatory and supervisory procedures on banks and financial institutions in collaboration with the International Monetary Fund, especially in the area of compliance and due diligence procedures as a preparation for the second round of mutual assessment of Sudan in 2020.

The most important efforts in issuing Circulars, guidance, and updating regulations were as follows:

- The circular related to the activation of the compliance requirements of anti-money laundering and combating terrorism financing, program.
- The circulars that have adjusted one item of the compliance requirements related to both the banks and non-bank financial institutions Compliance Officer's job.

- The circular related to presenting the documents that contain the national number in all transactions with the public.
- The draft of the guidelines of anti-money laundering and combating terrorism financing, for Banks.
- The draft adjusting the administrative and financial sanctions regulations for activating FATF requirements related to penalties.
- Regulatory and supervisory procedures in the field of anti-money laundering and combating terrorism financing, for banks and non-bank financial institutions, each separately.
- Consider the Sudanese Act of anti-money laundering and combating terrorism financing for the year 2014 as one of the references of the central bank of Sudan policies for the year 2019, besides adding anti-money laundering and combating terrorism financing policies as part of the Financial Stability and Banking Soundness pillar.
- Testing the effectiveness of anti-money laundering and combating terrorism financing system in 84% of the banks and 97% of the non-bank financial institutions.

(2) Banking Supervision

In this side, the Central Bank of Sudan policies aimed at achieving the financial soundness for banks through complying with the international standards issued by the Basel Committee and the Islamic Financial Services Board, the financial safety indicators and improving financial efficiency and tightening banking supervision.

Comparing the performance by the end of the year 2018 with the previous year, the following results will be noticed:

a. Financial Soundness of Banks

- Capital Adequacy ratio has declined from 16.2% to 9.9%, whereas the standard ratio at minimum is 12%.
- Non-Performing Loans (NPLs) ratio has declined from 3.3% to 3.2%, compared with the standard ratio of 4%.
- The ratio of Finance provisions to NPLs has declined from 81.3% to 72%.
- The return on assets (before tax) ratio has increased from 3.8% to 4.7%.
- The return on capital (before tax) ratio has increased from 48% to 94.7%.
- The ratio of liquid assets to total assets has increased from 37.3% to 52.0%, whereas the standard ratio ranges between 30-40%.

b. Consolidated Balance-Sheet of Banks

- Total Deposits to Total Liabilities ratio increased from 66.3 % to 68.4%.
- Capital and Reserves to Liabilities ratio decreased from 10.8% to 6.9%.
- Total Finance to Total Assets ratio declined from 48.7% to 37.4%.
- Total finance to total deposits ratio declined from 73.5% to 54.8%.

c. Customers Inquiry and Credit Scoring (CIAS)

Policies in this respect aimed at providing demographic and financial information to banks and microfinance institutions, developing the database for the Information and Credit Scoring Agency, and continuing to disseminate the culture of credit rating, where the following was attained:

- The Agency has issued credit code for a number of 319,100 customers in the year 2018 compared with a number of 154,508 customers in the year 2017 at an increase rate of 107%, as a result the total number of issued credit codes increased to 1,382,878 by the end of the year 2018 compared to 1,063,778 by the end of the year 2017 at a rate of 30%.

- Conducting a number of 454,067 inquiry reports during the year 2018 compared to a number of 453,734 inquiry reports during the year 2017, and the accumulated total number of inquiries reached to 2,281,146 by the end of the year 2018 compared with 1,827,079 inquiries by the end of the year 2017, at a rate of 25%.
- The Information and Credit Scoring Agency Act has been amended to accommodate the non-bank financial institutions and installment companies. Accordingly 10 out of 37 microfinance institutions (MFIs) have committed to send their financial statements to the agency.

Fifth Pillar: Payment Systems and Banking Technology

Policies under this pillar aimed at pushing the process of transformation towards cashless economy through the development of the payment systems and increasing their spread, and expansion of the modern electronic systems and equipment in term of both payment and settlements, where the following has been achieved:

- a. The ratification for 27 companies to provide electronic payment services to expand the branchless electronic banking services through agents' networks as follows:
 - Eight companies providing mobile applications.
 - Nine companies providing point of sales services.
 - Three companies providing an e-commerce platform.
 - One company providing an electronic wallet services.
 - Six companies providing the application of transactions transformer.
- b. The point of sales reached to 16,162 point by the end of the year 2018, i.e. an increase of 313.9% compared with the year 2017.

- c. The number of banks that participated in the mobile payment system reached to eight banks, their e- money demand reached to SDG 391,742,372 by the end of the year 2018, and the number of participants in the services reached to 5.6 million. I.e. an increase of 96.6% compared with the year 2017.
- d. Allow acceptance of using well-known international cards, perform its transactions settlement and issuing and circulate to the banks the standards and specifications needed to connect with the global card systems.
- e. For assessing the national payments systems owned by the central bank of Sudan in coordination with others partners, a contract was signed with an international auditing company from the council of insuring the standards of payment cards' data.
- f. National awareness campaigns about the national electronic payment systems was implemented, including a shopping festival using electronic payment means with discount, in addition to the participating in the banking of technology week to support the use of electronic banking products available such as e- money and enhance its trust.

Table (2-1)
The Number of Transactions in the Mobile Payment System
By the End of the years 2017 and 2018

Customer Transactions	No. of Transactions		Change %	Volume Of Transactions (SDG)		Change %
	2017	2018		2017	2018	
Services(credit balance - payment of bills - transfers ... etc)	1,319,739	4,433,136	235.9	97,813,118	1,061,842,928	985.5
Deposits and withdrawals	842,632	2,049,353	143.2	137,458,334	1,073,751,065	681

Source: CBOS - Payment Systems Department.

Table (2-2)
Payment Systems by the End of the years 2017 and 2018

Date	No. of bank cards	No. of electronic wallet cards	No. of accounts in the mobile payment system	No. of ATMs	No. of points of sale
31/12/2017	3,487,986	796,056	2,842,056	1,344	3,905
31/12/2018	3,962,127	885,064	5,596,482	1,596	16,162
Percentage of increase	13.6%	11.2%	96.9%	18.8%	313.9%

Source: CBOS - Payment Systems Department.

Sixth Pillar: Microfinance

Policies in this pillar aimed at achieving economic and social development, poverty reduction through allocating at least 15% of the total financing portfolio for each bank to the microfinance, small and medium projects, whether directly as a whole to micro finance institutions or individually to clients or through the joint portfolios. The most important indicators of the actual performance were as follows:

1. The number of Microfinance institutions increased from 38 in the year 2017 to 44 in the year 2018, i.e. a rate of 16%.
2. The number of microfinance banks' customers and microfinance institutions increased from 1.7 million by the end of the year 2017 to 2.07 million by the end of 2018 at a rate of 22%.
3. The volume of finance from banks to microfinance increased from SDG 6,197 million by the end of December 2017 to SDG 8,797.54 million by the end of December 2018 at a rate of 42%.
4. The outstanding volume of finance in microfinance institutions increased from SDG 1,343.26 million by the end of December 2017 to SDG 2,472.02 million by the end of December 2018 at a rate of 84%.
5. The volume of guarantee granted by the Microfinance Guarantee Agency (Taysier) against banks' finance to microfinance institutions increased from SDG 196.2 million by the end of

December 2017 to SDG 338.7 million by the end of December 2018 at a rate of 73%, while the number of the granted institutions increased from 18 to 32, where 28 letters of grantee were issued in the year 2017 and 37 letters of grantee issued in the year 2018.

6. The outstanding volume of the whole finance from the Central Bank of Sudan to the banks and financial institutions reached to SDG 733.52 million by the end of the year 2018 compared with SDG 540 million by the end of the year 2017 at a rate of 36%. Also, the central bank contributions in the paid-up capital' of microfinance institutions increased from SDG 42.5 million by the end of December 2017 to SDG 47.5 million by the end of December 2018 at a rate of 12%.
7. The paid up capital of the third gradulators' portfolio fund increased from SDG 95.5 million by the end of the year 2018 to SDG 85.5 million by the end of the year 2017, as the authorized capital was SDG 150 million, the contribution of the Central Bank of Sudan amounted to SDG 40 million, i.e. 42% of the paid up capital.
8. Financing of the agricultural season 2018/2019 by introducing technology through MFIs from the resources of the Central Bank of Sudan and the partnership account (Islamic Development Bank - Jeddah and the Economic and Social Development Arab Fund) by SDG 52.9 million as at end of the year 2018. Also approval issued To finance the agricultural season in the Southern Darfur state, as agreed between banks' branches there to participation in supporting the agricultural crops by SDG 3 million.
9. The ratio of the total microfinance to the total credit stabilized at 5% by the end of the years 2017 and 2018.
10. The rate of nonperforming loan in MFIs was 3.91% in the year 2018 compared with 7.7% at end of the year 2017.

Seventh Pillar: Developing and Deepening the Islamization of Banking Sector

This pillar aimed at developing and deepening the Islamization of the banking system and financial institutions by activating the role of the Higher Shariaa Supervisory Board and its counterparts in banks and financial institutions and committing to apply practically the jurisprudential guidelines for transactions related to activating of interbank market and creating new financial instruments that would help in managing monetary policy. As well as the preparation of the jurist guidance of various mode of finance.

The actual performance:

1. Higher Shariaa Supervisory Board issued four Fatwa as follows:
 - Fatwa on Zakat of bank deposits.
 - Fatwa on the circular No. (1/2018) related to the financing of real estate for Sudanese working abroad.
 - Fatwa on the Bank of Khartoum contest during Ramadan (Bank).
 - Fatwa on the issuance of the Gold Investment Fund (TIBR).
2. The board prepared two legal guidelines for leasing and documentary credits. The Murabaha Jurisprudence guideline to the Purchase Order has also been revised.

CHAPTER THREE

MONEY SUPPLY

MONEY SUPPLY

Broad Money Supply (M2), comprises currency with the public, demand deposits and quasi-money (margins on documentary letters of credit, and letters of guarantee, time deposits and investment deposits in local and foreign currency), whereas the narrow definition of money supply (M1), includes currency with the public and demand deposits.

This chapter reviews the most important developments in the money supply and factors affecting it, as well as changes in the monetary base, money multiplier, velocity of money in circulation and the degree of monetization.

First: Money supply (M2)

Table (3-1) shows money supply and the factors affecting it by the end of 2017 and 2018, while figures (3-1), (3-2) illustrate the ratios of money supply components by the end of 2017 and 2018.

Table (3-1)
Money Supply and Factors
Affecting it for 2017 and 2018

(SDG Million)

Particular	2017	2018*	Change	Percentage Change %
A) Money Supply (M2) (1+2)	203,367.5	430,786.0	227,418.5	111.8
1- Means of Current Payments (M1)	121,000.6	232,443.8	111,443.2	92.1
Currency with the Public	61,455.0	112,832.2	51,377.2	83.6
Demand Deposits **	59,545.5	119,611.6	60,066.1	100.9
2- Quasi-Money	82,367.0	198,342.2	115,975.2	140.8
Local currency	59,840.3	92,647.1	32,806.8	54.8
Foreign Currency	22,526.7	105,695.1	83,168.4	369.2
B) Factors Affecting Money Supply(I+II+III)				
I-Net Foreign Assets (NFA)	(40,242.4)	(287,099.4)	(246,857.0)	613.4
II-Revaluation	35,354.4	532,392.3	497,037.9	1405.9
III-Net Domestic Assets (NDA)	208,255.6	185,493.1	(22,762.5)	(10.9)
1. Claims on the Public Sector	100,992.8	150,322.8	49,330.0	48.8

Particular \ Years	2017	2018*	Change	Percentage Change %
1-1- Central Government (Net)	76,439.1	116,993.3	40,554.2	53.1
1-2- Public Enterprises	24,553.6	33,329.5	8,775.9	35.7
2. Claims on the Private Sector	79,854.1	139,116.4	59,262.3	74.2
3. Other items(net)	27,408.8	(103,946.1)	(131,354.9)	(479.2)
Total (A) = (B)	203,367.5	430,786.0		
C) Indicators of Money Supply:				
Currency with the Public/Money Supply(%)	30.2	26.2		
Demand Deposits/Money Supply (%)	29.3	27.8		
Quasi Money/Money Supply (%)	40.5	46.0		
D) Indicators of factors effacing Money Supply:				
NFA/Money Supply (%)	(19.8)	(66.6)		
Revaluation /Money Supply (%)	17.4	123.6		
NDA/Money Supply (%)	102.4	43.1		

Source: Central Bank of Sudan- Statistic department

* Preliminary Data

**It includes current deposits of States and Local Governments and Public Enterprises at the Central Bank of Sudan, in addition to current deposits at Commercial Banks.

Figure (3-1)
Contribution of Money Supply Components by the end of 2017

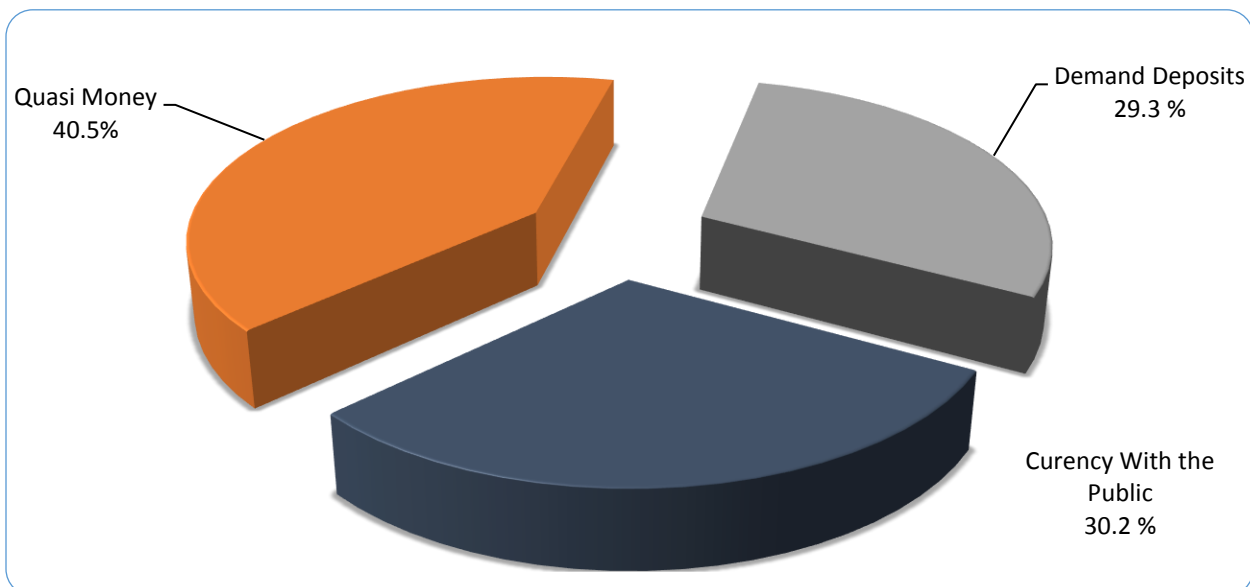


Figure (3-2)
Contribution of Money Supply Components by the end of 2018

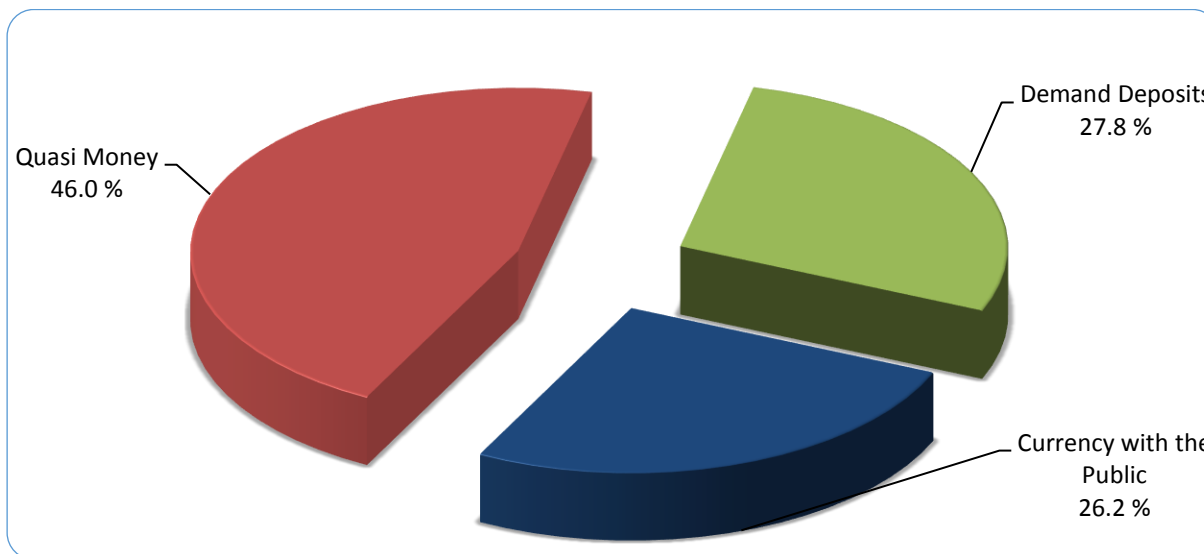


Table (3-1), figures (3-1) and (3-2) reflect an increase in money supply from SDG 203,367.5 million by the end of 2017 to SDG 430,786.0 million by the end of 2018 , i.e an increase of 111.8% compared to 68.4% in 2017. This increase resulted mainly from the increases in revaluation of assets and liabilities in foreign currency as a result of the change in the exchange rate from 6.7 SDG to the US dollar in December 2017 and from 18 SDG to the US dollar 47.6 SDG during 2018 , this in addition to the increase of the central bank's payments to meet government obligations beside the increase in banking finance to the private sector .

The means of current payments increased by SDG 111,443.2 million due to the increase in currency with the public by SDG 51,377.2 million and demand deposits by SDG 60,066.1 million, an increases of 83.6% and 100.9% respectively; while the quasi money increased by SDG 115,975.2 million due the increase in local currency deposits by SDG 32,806.8 million an increases of 54.8% and the foreign currency deposits by SDG 83,168.4 million an increases of 369.2% as a result of the change in the exchange rate .

Money supply and inflation during 2013 - 2018:

Inflation is a monetary phenomenon, as monetary expansion necessarily ends up with a rise in inflation rates as well. There is a positive correlation between the inflation and the money supply, as depicted by the quantity theory of money.

Figure (3-3) illustrates the money supply growth rate and inflation during 2013-2018

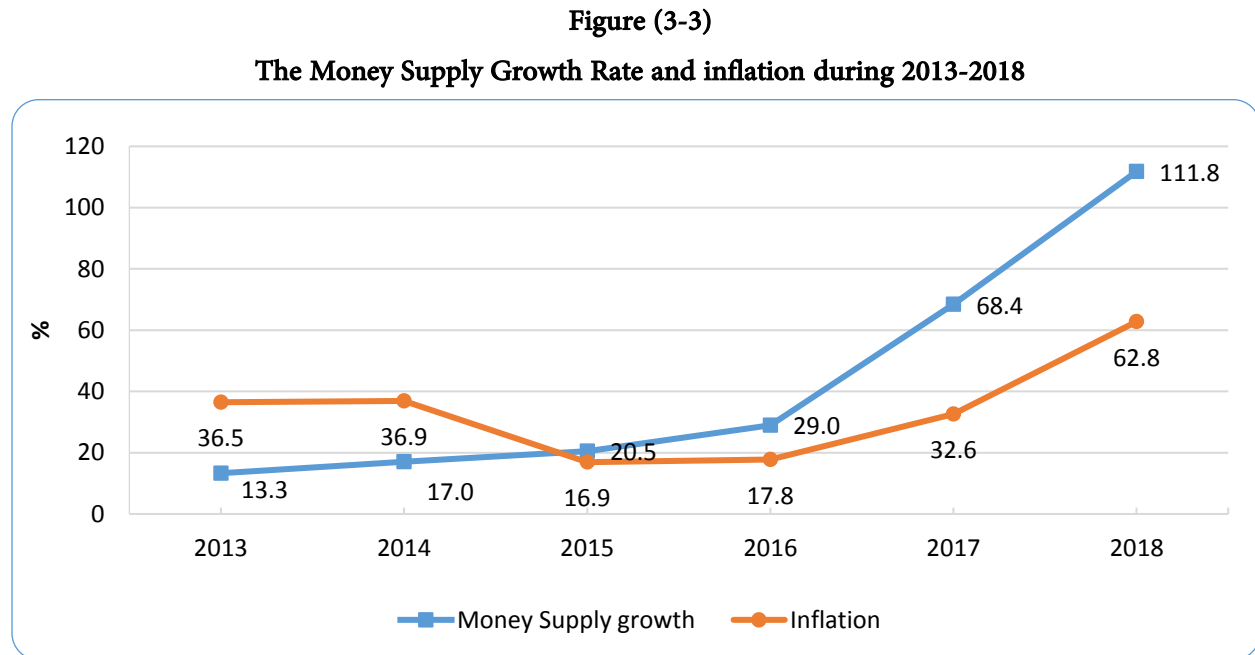


Figure (3-3) shows that the increase of money supply growth rate was accompanied by a parallel increase in inflation rates. In 2013-2014 there was a gradual increase in both the money supply growth and the inflation rate, in 2015 the money supply growth rate increased substantially while there was a sharp decrease in the inflation rate; this is due to the inflation calculation methodology, as it compares the current year with the last year where the inflation rate was very high. Inflation rate increased during 2016 - 2018 as a result of the large monetary expansion.

(1) Factors Affecting Money Supply:

The Factors affecting money supply includes net foreign assets, net domestic assets and revaluation item.

Table (3-1) depicts a decrease in net foreign assets (foreign assets of the banking system less its foreign liabilities) from minus SDG 40,242.4 million to minus SDG 287,099.4 million, mainly due

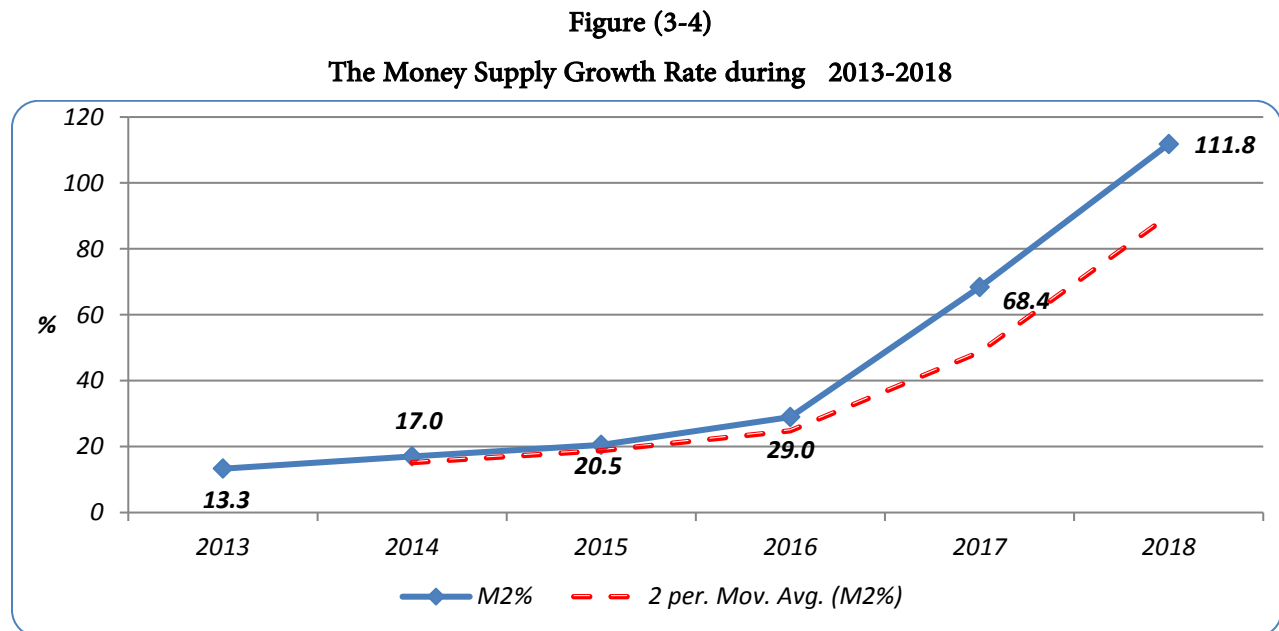
to a decrease in the net foreign assets of the Central Bank of Sudan (CBOS), (the Central Bank of Sudan net foreign assets increased by 588.9% due to the change in the exchange rate from 6.7 SDG to the US dollar in December 2017 to 47.6 SDG to the US dollar in December 2018), while the net foreign assets of the commercial banks increased by 172.3%, as a result of the increase in their foreign assets and liabilities.

At the same time the net domestic assets decreased from SDG 208,255.6 million to SDG 185,493.1 million by the end of 2018, at a rate of 10.9%, this was attributed to the decrease in the other items net by SDG 131,354.9 million due to the increase of other liabilities resulted from exchange rate effect.

The revaluation item¹ increased from SDG 35,354.4 million by to SDG 532,392.3 million by the end of 2018 at a rate of 1,405.9 % due to the exchange rate effect .

(2) Growth Rate of Money Supply During 2013-2018:

Figure (3-4) illustrates the money supply growth rate during 2013-2018



¹ Means the result of the revaluation of the foreign assets and liabilities to local currency resulting from the changes in the exchange rate.

Figure (3-4) depicts the general trend of the moving averages curve of the money supply growth rate which tends to rise gradually during 2013-2016; the increase during the period 2014 -2017 is due to the increase of financing granted by commercial banks to the private sector, the difference in wheat prices subsidies and the difference in purchasing price and allocating of gold proceeds to the central government. While the sharp increase in the curve in 2018 resulted from the increase in the revaluation of assets and liabilities due to the change in the exchange rate from 6.9 SDG to the US dollar at the end of 2017 to 47.5 SDG to the US dollar at the end of 2018.

(3) Major Sources of Monetary Expansion

Table (3-2) explains the most important sources of monetary expansion by the end of 2017 and 2018.

Table (3-2)
The Most Important Sources of
Monetary Expansion by the end of 2017 and 2018

(SDG Millions)

Particular	2017	2018*	Change	%	Contribution to the change in money supply (%)
Central Bank of Sudan					
Revaluation of assets and liabilities	36,398.0	534,915.0	498,517.0	1,369.6	219.2
Temporary finance to the Government	14,753.3	56,138.0	41,384.7	280.5	18.2
Gold price variations (1)	31,129.5	39,183.0	8,053.5	25.9	3.5
Commercial Banks					
Private sector finance	75,060.0	127,415.6	52,355.6	69.8	23.0

Source: Central Bank of Sudan – Statistic department

* Preliminary Data

(1) The price difference emanating from the purchase of gold at the market price and allocation of the proceeds at less than the market price to the central government to import strategic goods.

The major reasons of monetary expansion during 2018 are the increase in the revaluation of assets and liabilities in foreign currency due to the change in exchange rate from 18 SDG to the US dollar

to 47.6 SDG to the US dollar by the end of 2018, the increase in the Central Bank of Sudan financing to the central government and the commercial banks financing to the private sector.

In the Central Bank of Sudan balance sheet the revaluation of assets and liabilities increased from SDG 36,398.0 million to SDG 534,915.0 million by the end of 2018 with contribution rate of 219.2% is the expansion of money supply in 2018 , moreover temporary advance to the central government increased from SDG 14,753.3 million to SDG 56,138.0 million, at a rate of 280.5% with a contribution rate of 18.2% in the expansion of money supply in 2018; this in addition to the increase of the difference between purchasing price of gold and allocation of the proceeds to the central government a lower price from SDG 31,129.5 million to SDG 39,183.0 million, an increase of 25.9% with contribution rate of 3.5% in the expansion of money supply in 2018.

On the other hand, commercial banks credit to the private sector increased from SDG 75,060.0 million in 2017 to SDG 127,415.6 million in 2018, at a rate of 69.8% with a contribution rate of 23.0% in the expansion of money supply.

In addition to the above factors there are other factors associated with foreign assets with a contractionary effect (as money supply shown in table (3-1)).

Second: Monetary Base (Reserve Money)

The monetary base consists of currency in circulation outside the central bank of Sudan, i.e “currency with the public and currency at commercial banks” in addition to the commercial banks reserves at the central bank of Sudan and the deposits of states and local governments, and public corporations deposited at the central Bank.

The monetary base represents the main operational target for the central bank of Sudan through which expansionary or contractionary monetary policy operations are managed, and the relationship between the monetary base and the money multiplier affects the total liquidity / money supply.

Table (3-3) shows the monetary base and the corresponding assets by the end of 2017 and 2018, while figure (3-5) depicts the components of the monetary base by the end of 2018.

Table No. (3-3)
Monetary Base and Corresponding Assets
By the end of 2017 and 2018

(SDG millions)

Particular	Year	2017	2018*	Change	Percentage Change %
A) Assets		107,496.9	290,806.3	183,309.40	170.5
1-Net Foreign Assets		(43,866.2)	(296,966.6)	(253,100.40)	577.0
2-Revaluation		36,398.0	534,915.0	498,517.00	1,369.6
3- Net Domestic Assets		114,965.2	52,857.9	(62,107.30)	(54.0)
3-1-Net Claims on Government (claims -deposits)		58,975.8	94,865.2	35,889.40	60.9
3-1-1- Claims on Government		63,777.1	112,737.6	48,960.50	76.8
3-1-2- Government Deposits		4,801.3	17,872.5	13,071.20	272.2
3-2- Claims on Commercial Banks		16,651.0	19,892.1	3,241.10	19.5
3-3- Claims on Public Enterprises		1,480.0	4,742.7	3,262.70	220.5
3-4- Liquidity Management Instruments (SHIHAB2) **		0.0	1,650.0	1,650.00	(100)
3-5-Other Items(Net)		37,858.4	(68,292.0)	(106,150.40)	(280.4)
Total Assets (1+2+3)=Liabilities		107,496.9	290,806.3	183,309.40	170.5
B) Liabilities(Reserve Money):		107,496.9	290,806.3	183,309.40	170.5
1- Currency in Circulation outside CBOS		65,240.8	113,921.6	48,680.80	74.6
1-1- With the Public		61,455.0	112,832.2	51,377.20	83.6
1-2- With the Commercial Banks		3,785.8	1,089.4	(2,696.40)	(71.2)
2- Banks' Reserves with the Central Bank of Sudan		38,990.0	161,213.8	122,223.80	313.5
3- Deposits included in money supply at CBOS ***		3,266.0	15,670.9	12,404.90	379.8

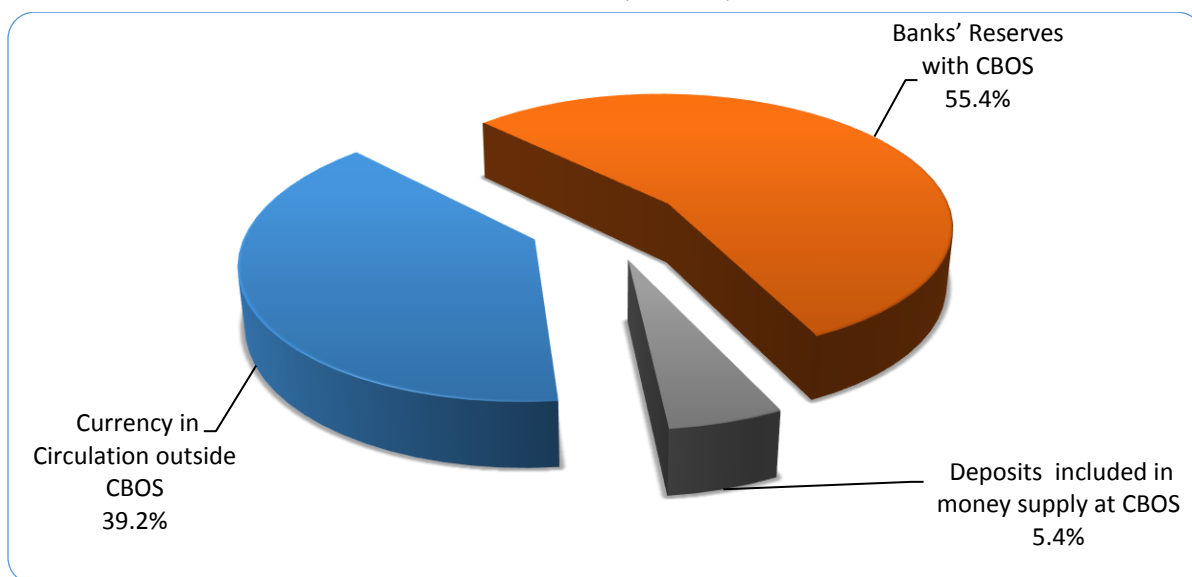
Source: Central Bank of Sudan- Statistic department

* Preliminary data.

** Central Bank of Sudan, Ijarah Certificates.

***Deposits of States and Local Governments and Public Enterprises at central bank of Sudan.

Figure (3-5)
Components of the Monetary Base By the end of 2018



1- Assets:

The change in assets from 2017 to 2018 was as follows:-

The assets corresponding to the monetary base increased from SDG 107,496.9 million to SDG 290,806.3 million at a rate of 170.5 %, this was attributed to the increase in the revaluation item from SDG 36,398.0 million to SDG 534,915 million at a rate of 1,369.6% due to the change in exchange rate, and the decrease in the net domestic assets from SDG 114,965.2 million to SDG 52,857.9 million, at a rate of 54.0%, due to the decrease in the other items net from SDG 37,858.4 million to minus SDG 68,292.0 million at a rate of 280.4% as a result of the increase in the other liabilities item caused by the change in the exchange rate.

The net foreign assets decreased from minus SDG 43,866.2 million to minus SDG 296,966.6 million by 577.0% due to the increase in the foreign liabilities caused by the change in exchange rate.

2- Liabilities:

The development of liabilities from 2017 to 2018 was as follows:

Banks' reserves with the Central Bank of Sudan (legal reserves and the current accounts) increased from SDG 38,990.0 million to SDG 161,213.8 million by 313.5 % , beside the increase of currency in circulation outside the Central Bank of Sudan (including currency with the public and currency with commercial banks) from SDG 65,240.8 million to SDG 113,921.6 million by 74.6%, due to the increase in the currency issued from SDG 67,404.2 million to SDG 114,405.1 million by 69.7%, to meet the increasing public demand for cash and to address the liquidity crisis during 2018 , states and local governments and public enterprises deposits with central bank of Sudan included in the money supply increased from SDG 3,266.0 million to SDG 15,670.9 million by 379.8 % as a result of the change in the exchange rate.

Third: Money Multiplier, Velocity of Circulation and the Degree of Monetization

Table (3-4), together with figures (3-7) and (3-8) shows the velocity of circulation and the degree of monetization during the period 2013 – 2018, while figure (3-6) shows money multiplier for the period 2016 - 2018 on quarterly basis .

Table (3-4)
Money Multiplier, Velocity of Circulation and Degree of Monetization
During 2014–2018

Particulars \ Year	2014	2015	2016	2017	2018*
Money multiplier ¹ (%)	1.837	1.820	1.841	1.892	1.481
Velocity of Money in Circulation ² (Times)	6.121	6.225	5.526	4.051	2.853
Degree of Monetization ³ (%)	0.163	0.161	0.181	0.247	0.351
(a) Currency with the Public/ NGDP(%)	0.049	0.047	0.058	0.075	0.092
(b) Deposits ⁴ /NGDP(%)	0.114	0.113	0.123	0.172	0.097

Source: Central Bank of Sudan, Statistic Department.

* Preliminary data.

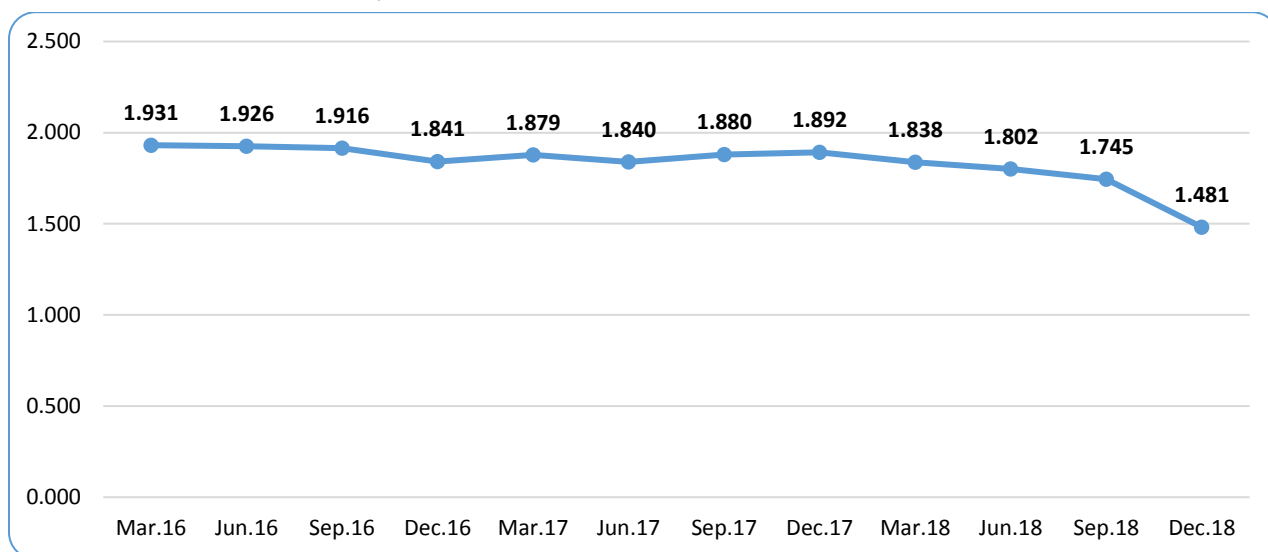
1) Money Multiplier= Broad Money/Monetary Base.

2) Velocity of Money= NGDP / Broad Money.

3) Degree of Monetization= Broad Money /NGDP.

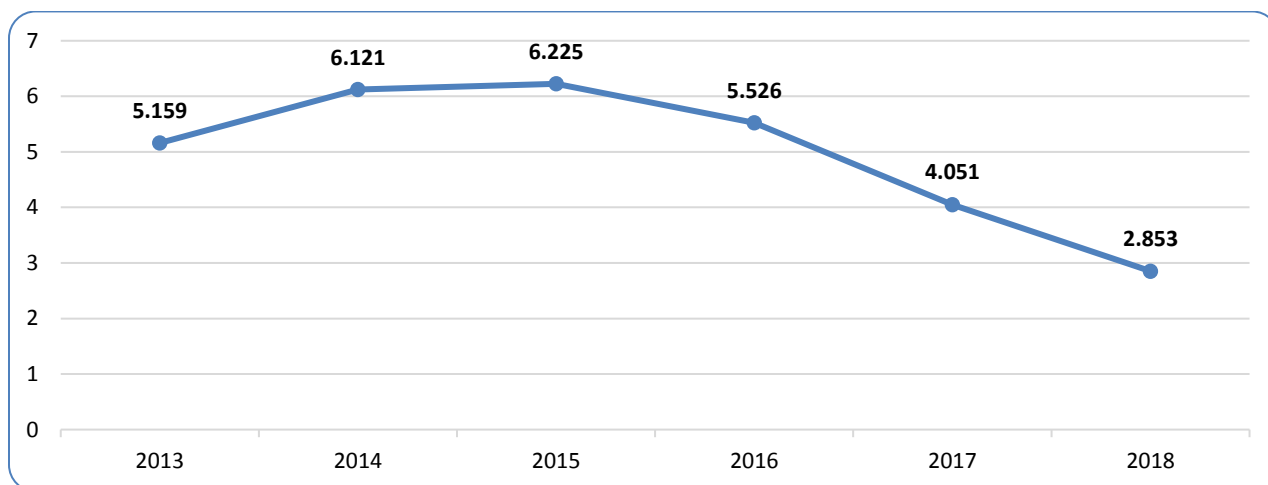
4) Includes demand deposits and quasi money deposits.

Figure (3-6)
Money Multiplier for the period Mar. 2016 – Dec.2018



Money multiplier is the ratio used as an indicator to measure the ability of banks to create money in the national economy. Figure (3-6) depicts a decrease in the money multiplier by the end of 2018 due to an increase in the monetary base at a greater rate than the increase in the money supply.

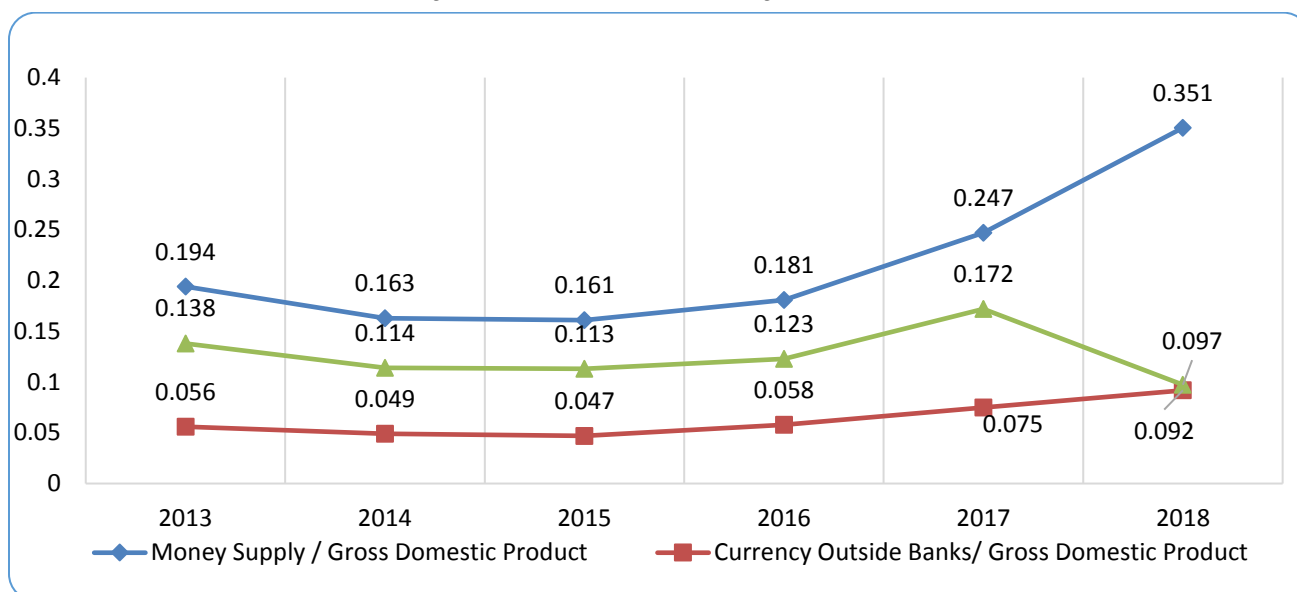
Figure (3-7)
Velocity of Money in Circulation During 2013 –2018



The velocity of Money in circulation indicates the number of times that a unit of money used in transactions settlement and economic exchanges during a certain period of time, it is negatively correlated with the money supply and positively with the Gross Domestic Product.

Figure (3-7) reflects an increase in the velocity of money in circulation during the period 2014-2015 compared with 2013, due to the increase in the nominal Gross Domestic Product at a greater rate than the increase in the money supply, while the velocity of money in circulation decreased in 2017 and 2018 due to the increase in the money supply at a greater rate than the increase in the Gross Domestic Product.

Figure (3-8)
Degree of Monetization During 2013 –2018



The degree of monetization reflects the evolution of dealing with the banking and financial institutions, it is measured by dividing broad money over nominal gross domestic product (NGDP), currency in circulation over (NGDP) and the deposits over (GDP), this indicator is linked to the monetary policy efficiency and the diversification of its instruments to attract public to deal with the financial and the banking system.

The degree of monetization is affected by many factors , most notably the level of per capita income, the rate of return on investment deposits and the banking literacy, In light of prevailing inflation conditions .

Figure (3-8) illustrates increase in the degree of monetization in 2018 compared with the previous year 2013 through 2017 for money supply and currency in circulation, with a decrease in the deposits in the year 2018.



CHAPTER FOUR

BANKS AND NONBANK FINANCIAL
INSTITUTIONS

BANKS AND NONBANK FINANCIAL INSTITUTIONS

This chapter reviews the performance of the banking system (Central Bank of Sudan and the operating commercial banks) and the non-bank financial institutions. It analyzes the Central Bank of Sudan balance sheet and the performance of ancillary companies and units, which include the Credit and Information Scoring Agency (CIASA) and Electronic Banking Services Company (EBS). It also explains the most important developments related to banks and performance of the non-bank financial institutions such as Exchange Bureaus and the financial transfers companies, Sudan Financial Services Company, Tarweej Company for Financial Investment, Bank Deposits Security Fund, Khartoum Stock Exchange, Insurance Market, National Agency for Insurance and Finance of Exports, Inter-bank Liquidity Management Fund and Micro Finance Guarantee Agency (Taiyseer).

First: The Banking System:

1) The Central Bank of Sudan:

The functions of the Central Bank of Sudan according to Article (6) of its 2002 Act, (amended 2012) are summarized in: maintaining the stability of the exchange rate; the efficiency of the banking system; issuing, organizing & monitoring of the currency in different denominations; formulating and implementing the monetary policy, organizing and supervising the banking system and working towards its upgrading and increasing its efficiency in a manner that contributes to the attainment of balanced economic and social development, in addition to acting as the government's bank, and its advisor and agent in the monetary and financial affairs.

The Central Bank of Sudan implements its policies through its 17 branches, as it was at the end of 2018, distributed across the various states of Sudan one for each. It is worth mentioning that there is a new branch under establishment in Al-Fula city “West Kordofan”.

A- Central Bank of Sudan Balance Sheet

Table (4-1) illustrates the balance sheet of the Central Bank of Sudan as at December 31, 2017 and December 31, 2018 according to the standard format recommended by the International Monetary Fund authorities for monetary statistics.

Table (4-1)
Central Bank of Sudan Balance Sheet by the end of 2017 and 2018

(SDG Millions)

Particulars	31/12/2017*	31/12/2018	Change	Change%
Assets:				
Bank Notes and Balances with foreign correspondents	6,262.6	48,762.4	42,499.8	678.6
Foreign Securities ¹	548	3,382.1	2,834.1	517.2
Loans and Advances to Banks	13,945.5	17,018.9	3,073.4	22.0
Temporary Advances to Government under Article (48-1) ²	14,753.3	56,138.0	41,384.6	280.5
Long - terms Loans to Government	15,356.6	14,915.1	(441.5)	(2.9)
Differences in prices of Gold Sold	31,129.5	39,183.0	8,053.5	25.9
Loans and Advances to Public Enterprises	627.4	1,301.5	674.0	107.4
contributions in Local Banks Capital	2,705.4	2,873.2	167.7	6.2
Other contributions ³	852.6	3,441.2	2,588.6	303.6
Fixed Assets	231.7	434.3	202.6	87.5
Revaluation Account	27,212.0	470,845.5	443,633.5	1,630.3
Other Accounts	74,424.0	99,005.7	24,871.9	33.4
Total Assets	188,048.6	757,300.7	569,252.1	302.7
Liabilities:				
Notes and Coins in Circulation	65,240.9	113,921.6	48,680.7	74.6
Sight Liabilities:	50,881.3	202,450.8	151,569.5	297.9
Federal Government	4,801.3	17,872.5	13,071.2	272.2
State and Local Governments	1,396.2	3,095.3	1,699.0	121.7
Public Enterprises	1,869.8	12,575.6	10,705.8	572.6
Banks	42,814.0	168,907.4	126,093.5	294.5
Foreign Correspondents	5,032.3	29,079.9	24,047.6	477.9

Particulars	31/12/2017*	31/12/2018	Change	Change%
Time Liabilities	29,076.8	201,155.4	172,078.6	591.8
Payment Agreements	173.1	1,158.3	985.2	569.2
Capital and Reserves	2,562.6	2,603.0	40.5	1.6
Other Accounts	35,081.7	206,931.7	171,850.0	489.9
Total Liabilities	188,048.6	757,300.7	569,252.1	302.7

Source: Central Bank of Sudan – statistic department

* Amended Data

¹ Contributions in foreign banks.

² Note: The temporary advance of 2018 includes SDG 9,318.2 million letters of guarantee that reflected in the loan account.

³ Contributions in local public enterprises.

Table (4-1) shows an increases of assets and liabilities of the Central Bank of Sudan from SDG 188,048.6 million in 2017 to SDG 757,300.7 million in 2018, by 302.7%. This resulted mainly from the change in the exchange rate of the dollar against SDG from 6.7 SDG to 47.5 SDG, in addition to the increase in the volume of the issued currency.

On the assets side, bank notes and balances with foreign correspondents increased from SDG 6,262.6 million in 2017 to SDG 48,762.4 million in 2018, by 678.6%, the contributions in foreign banks capitals (Foreign Securities) ¹increased from SDG 548.0 million in 2017 to SDG 3,382.1 million in 2018, by 517.2 , as well other contributions increased from SDG 852.6 million in 2017 to SDG 3,441.2 million in 2018 by 303.6%, temporary advance to government increased from SDG 14,753.3 million to SDG 56,138.0 million, by 280.5%, the loans and advances to public enterprises increased from SDG 627.4 million to SDG 1,301.5 million, by 107.4%, the differences between gold proceeds and assignment of foreign exchange to the government increased from SDG 31,129.5 million to SDG 39,183.0 million, by 25.9%. The loans and advances to commercial banks increased from SDG 13,945.5 million to SDG 17,018.9 million, by 22.0% and the contributions in local banks capitals increased from SDG 2,705.4 million to SDG 2,873.2 million, by 6.2%. The long-term loan to the government decreased from SDG

¹ Central Bank of Sudan contribute in Sahel and Sahara Bank, African Bank for Import and Export and Agricultural Bank Chad

15,356.6 million to SDG 14,915.1 million, by 2.9%. Other assets increased from SDG 74,424.0 million to SDG 99,005.7 million, by 33.4%, and revaluation account increased from SDG 27,212.0 million to SDG 470,845.5 million, by 1,630% due to changes in exchange rate.

On the liabilities side, the time liabilities increased from SDG 29,076.8 million to SDG 201,155.4 million, by 591.8%, payment agreements increased from SDG 173.1 million to SDG 1,158.3 million by 569.2%. In addition, foreign correspondents increased from SDG 5,032.3 million to SDG 29,079.9 million, by 477.9%, sight Liabilities increased from SDG 50,881.3 million to SDG 202,450.8 million, by 297.9% as a result of the increase of the public enterprises liabilities by 572.6%, local banks liabilities increase by 294.5%, the stock of central government liabilities increase by 272.2%, and State and Local Governments liabilities increased by 121.7%. In addition, notes and coins in circulation increased from SDG 65,240.9 million to SDG 113,921.6 million, by 74.6%, while the other account liabilities increased from SDG 35,081.7 million to SDG 206,931.7 million, by 489.9%.

2) Operating Banks:

Table (4-2) shows the number of the operating banks in Sudan by the end of 2017 and 2018.

Table (4-2)
The Operating Banks in Sudan by the end of 2017 and 2018

Item	2017	2018
(1) Specialized Banks	5	5
Joint [*]	1	1
Government	4	4
(2) Commercial Banks	32	32
Joint	24	24
Government	1	1
Foreign	7	7
Total (1)+(2)	37	37

Sources: Central Bank of Sudan – Banks Affairs Dept.

*The Joint Banks are banks where their Capital is joint between a number of parties either local (public or private) or foreign.

Table (4-2) shows that the total number of the banks operating in Sudan in 2018 remained at 37 banks, as it was in 2017.

Table (4-3) shows the geographical spread of the operating bank's branches in Sudan states by the end of 2017 and 2018. 4

Table (4-3)
The Geographical Spread of the Operating Banks By the end of 2017 and 2018

Item	2017	2018	Change	Branch
				Percentage Change%
Khartoum State	336	347	11	3.3
Middle States (Sinnar, Aljazeera, Blue Nile and White Nile)	147	151	4	2.7
Eastern States (Gadarif, Kassala and Red Sea)	89	90	1	1.1
Northern States (North and River Nile States)	76	82	6	7.9
Kurdufan States (North, South and Western Kurdufan)	73	70	(3)	(4.1)
Darfur States(North, South, West, Middle and East Darfur)	57	61	4	7.0
Total	778	801	23	3.0

Sources: Central Bank of Sudan – Banking Affairs Dept.

Table (4-3) shows the increase in the operating banks branches in Sudan's, different states from 778 branches in 2017 to 801 branches in 2018, by 3.0%, in accordance with the Central Bank's policy which allowed banks to open new branches without referring to it within the framework of the financial inclusion policy. As 11 branches were opened in Khartoum state, 6 branches in the Northern states, and 4 branches in both of Middle states and Darfur states, and 1 branch in the Eastern states.

The Consolidated Balance Sheet of the Operating Banks:

Table (4-4) shows the consolidated balance sheet of the operating banks for 2017 and 2018 based on the classification recommended by the IMF for the purpose of the monetary statistics in the monetary and financial statistics manual.

Table (4-4)
The Consolidated Balance Sheet of the Operating Banks By the end of 2017 and 2018
(SDG Millions)

Particulars	31/12/2017	31/12/2018	Change	Percentage Change %
Assets:				
Local Currency	3,785.8	1,089.4	(2,696.4)	(71.2)
Balances with the Central Bank of Sudan	47,688.3	181,418.1	133,729.8	280.4
Balances with Other Banks	2,372.6	5,547.4	3,174.9	133.8
Foreign Correspondents	6,746.9	27,639.2	20,892.3	309.7
Total Advances*	102,927.7	167,703.2	64,775.5	62.9
Other Accounts	47,724.6	64,453.2	16,728.6	35.1
Total Assets	211,245.8	447,850.5	236,604.7	112.0
Liabilities:				
Deposits of Residents:	89,426.8	200,674.4	111,247.6	124.4
Public	78,997.9	174,877.4	95,879.4	121.4
Government **	5,184.9	15,387.8	10,202.9	196.8
Public Enterprises	5,244.0	10,409.3	5,165.2	98.5
Banks:	14,513.4	34,260.3	19,746.9	136.1
Central Bank of Sudan	7,936.7	10,464.7	2,528.0	31.9
Other Banks	3,453.7	6,023.6	2,569.9	74.4
Foreign correspondents	3,123.0	17,772.0	14,649.0	469.1
Capital and Reserves	22,847.2	31,058.5	8,211.3	35.9
Other Accounts	84,458.4	181,857.3	97,398.9	115.3
Total Liabilities	211,245.8	447,850.5	236,604.7	112.0

Source: Central Bank of Sudan – Statistics Department.

*Does not include the Central Govt. finance.

** Includes the Central Govt. and State Govt.

Total assets of the operating banks increased from SDG 211,245.8 million in 2017 to SDG 447,850.5 million in 2018, by 112.0%, due to the rise in the foreign correspondents stock from SDG 6,746.9 million to SDG 27,639.2 million, by 309.7%. In addition, balances with the Central Bank of Sudan increased from SDG 47,688.3 million to SDG 181,418.1 million, by 280.4%, balances with Other Banks increased from SDG 2,372.6 million to SDG 5,547.4 million, by 133.8%. Total advances of

commercial banks increased from SDG 102,927.7 million to SDG 167,703.2 million, by 62.9%, and other accounts increased from SDG 47,724.6 million to SDG 64,453.2 million, by 35.1%.

On the liabilities side, total deposits of residents increased from SDG 89,426.8 million to SDG 200,674.4 million, by 124.4%, due to the increase in government deposits from SDG 5,184.9 million to SDG 15,387.8 million, by 196.8%, as well public deposits increased from SDG 78,997.9 million to SDG 174,877.4 million, by 121.4%, and public enterprise deposits increased from SDG 5,244.0 million to SDG 10,409.3 million, by 98.5% , also the interbank deposits increased from SDG 14,513.4 million to SDG 34,260.3 million, by 136.1%, due to the increase in the liabilities of the foreign correspondents stock abroad from 3,123.0 million to SDG 17,772.0 million, by 469.1%, also other banks stocks increased from SDG 3,453.7 million to SDG 6,023.6 million, by 74.4%, and Central Bank of Sudan balances at banks increased from SDG 7,936.7 million to SDG 10,464.7 million, by 31.9%. In addition, capital and reserves increased from SDG 22,847.2 million to SDG 31,058.5 million, by 35.9%, other accounts increased from SDG 84,458.4 million to SDG 181,857.3 million, by 115.3%.

Table (4-5) (A) Shows details of the banks' deposits in local currency for 2017 and 2018.

Table (4-5) (A)
Deposits in Local Currency by the end of 2017 and 2018

(SDG Millions)

<div style="display: flex; align-items: center; justify-content: center;"> <div style="writing-mode: vertical-rl; transform: rotate(180deg);">Depositors</div> <div>Years</div> </div>	December 2017		December 2018		Percentage Change %	
	Demand Deposits	Savings, Investment and Others	Demand Deposits	Savings, Investment and Others	Demand Deposits	Savings, Investment and Others
Central and State Governments	2,349.4	997.4	3,802.1	1,053.1	61.8	5.6
Public Enterprises	2,674.5	1,892.0	5,344.9	1,590.2	99.8	(16.0)
Private Sector *	53,325.1	55,256.1	106,964.3	78,336.7	100.6	41.8
Total	58,349.0	58,145.5	116,111.3	80,980.1	99.0	39.3
Grand Total	116,494.4		197,091.3		69.2	

Source: Central Bank of Sudan – Statistics Department.

*Include public, companies and financial institutions deposits

Total local currency deposits of operating banks increased from SDG 116,494.4 million in 2017 to SDG 197,091.3 million in 2018, by 69.2%, private sector deposits accounted for 94.0%, public enterprise deposits 3.5%, central and state governments deposits 2.5% out of total local currency deposits by the end of 2018.

It is worth noting that this large increase in local currency deposits happened despite the fact that there was a cash liquidity crises in 2018 resulting in an increase in cash withdrawals accompanied by a decrease in cash deposits.

Table (4–5) (B) shows details of the banks' deposits in foreign currency valued in local currency for 2017 and 2018.

Table (4-5) (B)
Deposits in Foreign Currency by the end of 2017 and 2018

(SDG Millions)

<div style="text-align: center;">Years Depositors</div>	December 2017		December 2018		Change %	
	Demand Deposits	Savings, Investment &Others	Demand Deposits	Savings, Investment &Others	Demand Deposits	Savings, Investment &Others
Federal and State Govt.	1,007.4	830.6	6,397.5	4,135.1	535.0	397.8
Public Enterprises.	258.7	418.8	1,367.2	2,107.0	428.4	403.2
Private Sector*	6,280.5	13,815.5	23,711.5	68,169.6	277.5	393.4
Total	7,546.7	15,064.9	31,476.2	74,411.7	317.1	393.9
Grand Total	22,611.6		105,887.9		368.3	

Source: Central Bank of Sudan – Statistics Department.

* Includes Deposits of Public Companies and Financial Institutions.

Total foreign currency deposits with the operating banks increased from an equivalent of SDG 22,611.5 million to SDG 105,887.9 million, by 368.3% . This resulted mainly from the change in the exchange rate of the US dollar against SDG from SDG 6.7 to SDG. 47.5 . Private sector deposits accounted for the highest percentage change by 86.8%, followed by fcentral and state governments deposits by 9.9%, and public enterprises deposits by 3.3% out of total deposits in foreign currency.

B. Bank Finance:

Banking finance includes the finance extended by the operating banks to the private sector, public enterprises and state and local governments in local and foreign currencies.

I. Stock of Banking Finance:

Table (4-6) and figure (4-1) show the total stock of banking finance in local currency according to economic activities by the end of 2017 and 2018.

Table (4-6)

Stock of Bank Finance in Local Currency by Economic Activity by the end of 2017 and 2018

(SDG Million)

Sector	2017	Contribution %	2018	Contribution %	% Change
Agriculture	21,011.3	21.6	19,634.9	13.7	(6.6)
Industry	15,703.0	16.1	33,737.2	23.5	114.8
Exports	3,452.5	3.5	10,554.4	7.3	205.7
Transport and Storage	5,785.4	5.9	9,465.7	6.6	63.6
Local Trade	12,011.1	12.3	8,907.2	6.2	(25.8)
Imports	2,920.3	3.0	1,643.9	1.1	(43.7)
Construction	14,634.3	15.0	19,896.3	13.8	36.0
Mining	2,280.0	2.3	2,771.6	1.9	21.6
Others *	19,503.7	20.3	37,139.4	25.9	90.4
Total of Finance	97,301.5	100.0	143,750.8	100.0	47.7

Source: Central Bank of Sudan – Statistics Department.

* Includes stock of finance provided by banks to the services sector not included in the above Mentioned Sectors.

Note: Banking finance to the Central Government excluded.

Figure (4-1)

The Stock of Banks Finance in Local Currency by Economic Activity By the end of 2017 and 2018

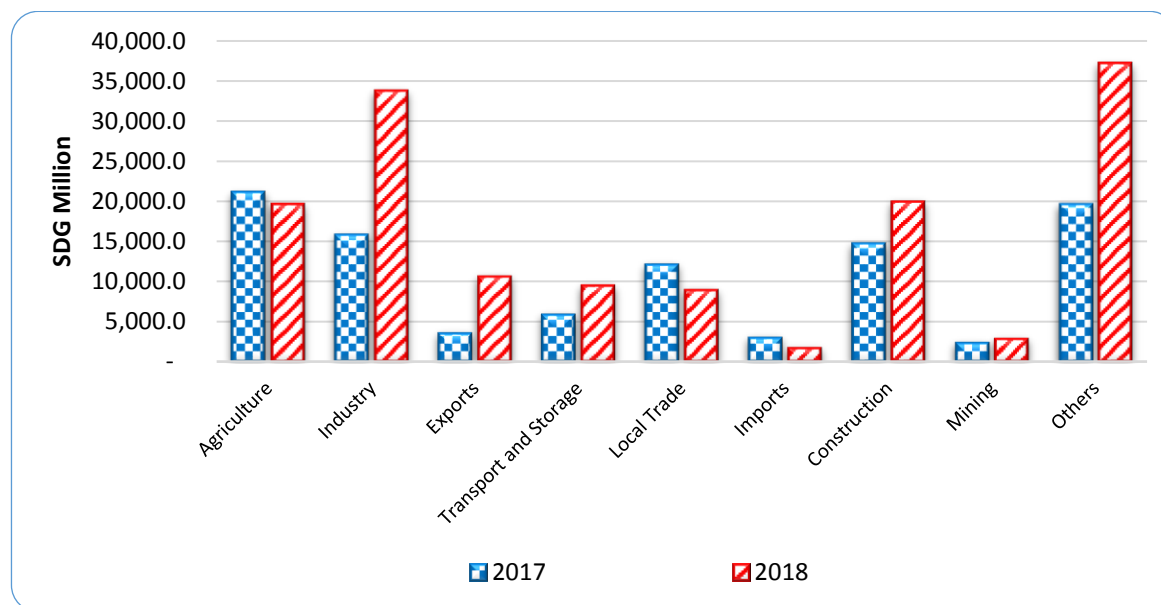


Table (4-6) shows that total stock of banking finance in local currency increased from SDG 97,301.5 million in 2017 to SDG 143,750.8 million in 2018, by 47.7%.

The stock of finance extended to the priority sectors (agriculture, industry, export and mining) represents 46.6%, of the total finance, while finance provided to construction sector represents 13.8%, local trade finance 6.2% and the other sectors 33.4% of the bank's total financing by the end of 2018.

Table (4-7) and figure (4-2) show the stock of bank finance in foreign currency by the end of 2017 and 2018.

Table (4-7)
Stock of Bank Finance in Foreign Currency by Economic Activity By the end of 2017 and 2018
(SDG Million)

Sector	2017	Contribution %	2018	Contribution %	% Change
Agriculture	140.3	5.7	4,053.1	20.5	2,789.9
Industry	656.5	26.8	3,453.4	17.5	426.0
Exports	0.0	0.0	71.9	0.4	-
Transport and Storage	292.8	12.0	199.4	1.0	(31.9)
Local Trade	114.1	4.7	783.9	4.0	587.0
Imports	313.8	12.7	1,661.7	8.4	429.5
Construction	637.7	26.1	3,950.1	20.0	519.4
Mining	70.6	2.9	13.3	0.1	(81.2)
Others *	221.0	9.1	5,544.0	28.1	2,408.6
Total Finance	2,446.7	100.0	19,730.8	100.0	706.4

Source: Central Bank of Sudan- Statistics Department

*Includes stock of finance provided by banks to the services sector which not included in the above Mentioned Sectors.

Note: banking finance to the Central Government excluded.

Figure (4-2)
The Stock of Banks Finance in Foreign Currency by Economic Activity
By the end of 2017 and 2018

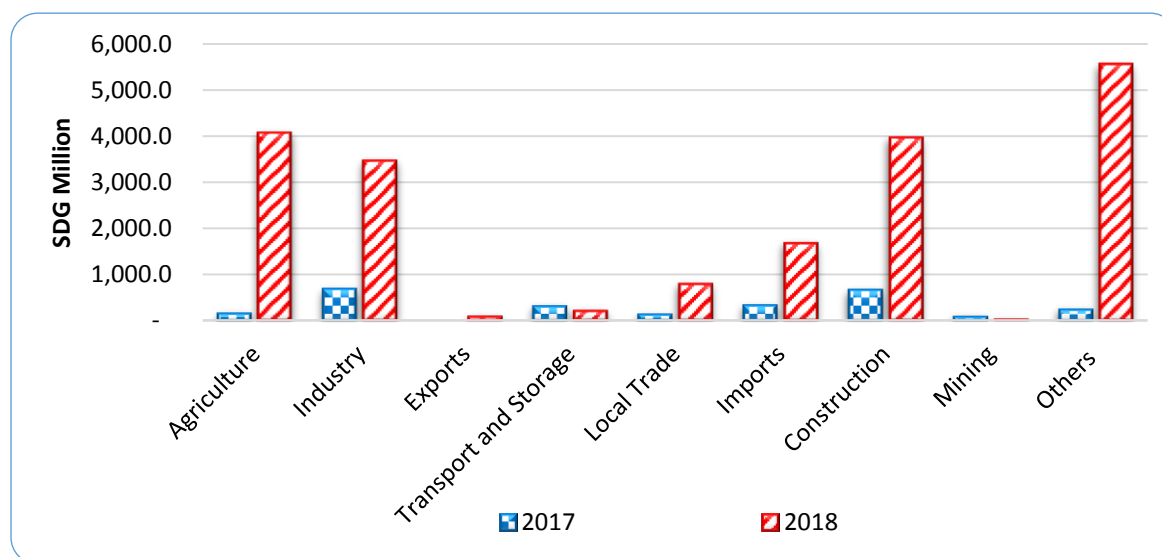


Table (4-7) shows increase in the local currency equivalent of the stock of banks finance in foreign currency from SDG 2,446.7 million in 2017 to SDG 19,730.8 million in 2018, by 706.4%.

Stock of finance extended to the priority sectors (agriculture, industry, export and mining) contributed by 38.5%, of total finance in foreign currency; finance extended to transport and storage sector by 1.0%, construction sector by 20.0%, imports sectors by 8.4%; and the finance extended to the other sectors contributed by 32.1%, of the total banks finance in foreign currency in 2018.

II. Flow of Banking Finance in Local Currency By Economic Activity:

Table (4-8) and figure (4-3) show the flow of banking finance by economic activity in local currency during 2017 and 2018.

Table (4-8)
The Flow of Banking Finance in Local Currency
by Economic Activity during 2017 and 2018

(SDG Millions)

Activity	2017		2018		Change %
	Flow of Finance	Contribution %	Flow of Finance	Contribution %	
Agriculture	23,393.9	18.8	36,629.8	25.6	56.6
Local Trade	24,153.9	19.4	6,766.3	4.7	(72.0)
Industry	17,341.8	13.9	37,925.4	26.5	118.7
Constructions	16,965.6	13.6	13,818.4	9.7	(18.6)
Transport and Storage	5,160.2	4.1	7,767.0	5.4	50.5
Imports	4,072.4	3.3	1,831.5	1.3	(55.0)
Export	3,848.4	3.1	10,968.0	7.7	185.0
Energy and Mining	2,882.7	2.3	3,883.9	2.7	34.7
Others*	26,777.3	21.5	23,597.2	16.4	(11.9)
Total	124,596.2	100.0	143,187.6	100.0	14.9

Source: Central Bank of Sudan- - Statistics Department

* Includes stock of finance provided by banks to the services, sector and not Included in the above Mentioned Sectors.

Note: Banking finance to the Central Government excluded.

Figure (4-3)

The Flow of Banking Finance in Local Currency by Economic Activity in 2017 and 2018

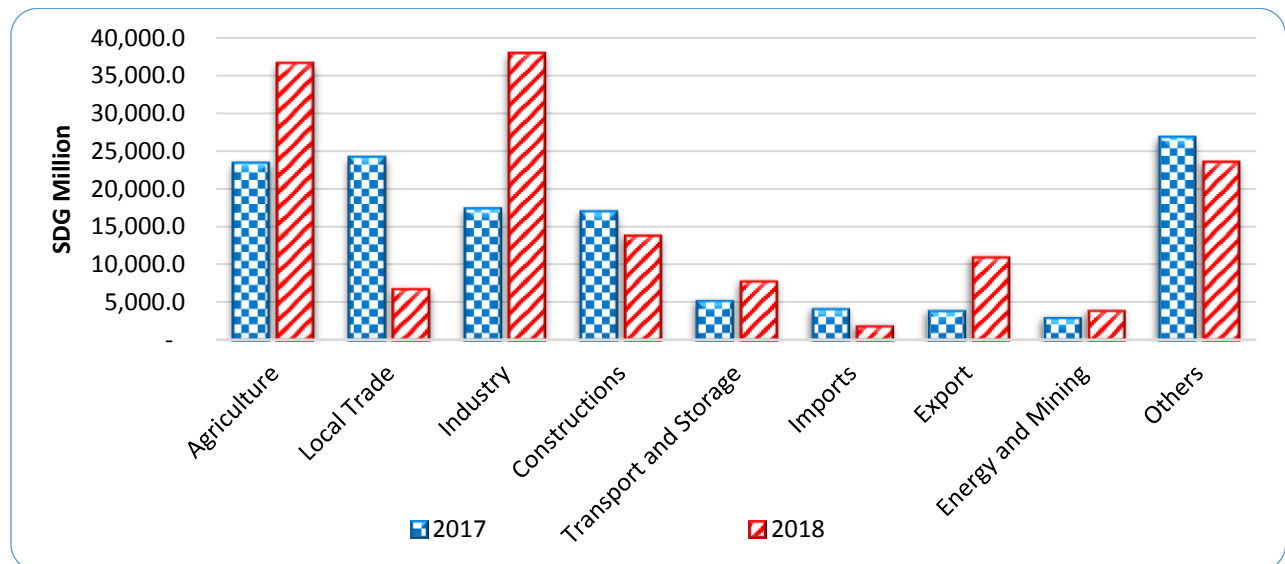


Table (4-8) illustrates that the agriculture financing represented 25.6% of the total flow of banks finance during 2018, and it increased from SDG 23,393.9 million to SDG 36,629.8 million, by 56.6%. Local trade financing represented 4.7%, the industrial sector 26.5%, and construction sector 9.7%, while the other sectors represented 33.5% of the total flow of banks finance during 2018.

III. Flow of Banks Finance in Local Currency by Mode of Finance

Table (4-9) shows the flow of banks finance by mode of finance in local currency during 2017 and 2018, while figure (4-4) shows the percentage share of each mode of finance in the total flow of finance during 2018.

Table (4-9)
Flow of Banks Finance in Local Currency by Mode of Finance during 2017 and 2018

(SDG Millions)

Mode of Finance	2017	Contribution %	2018	Contribution %	Change %
Murabaha	60,722.9	48.7	78,705.3	55.0	29.6
Mugawala	32,364.6	26.0	26,417.8	18.4	(18.4)
Mudaraba	9,740.1	7.8	7,560.3	5.3	(22.4)
Musharaka	8,099.3	6.5	9,196.5	6.4	13.5
Salam	728.5	0.6	2,030.2	1.4	178.7
Ijarah	546.0	0.4	1,058.2	0.7	93.8
Istisnaa	442.7	0.4	1,114.7	0.8	151.8
Gard Hassan	294.1	0.2	544.0	0.4	85.0
Others	11,658.0	9.4	16,560.7	11.6	42.1
Total Finance	124,596.2	100.0	143,187.6	100.0	14.9

Source: Central Bank of Sudan - Statistics Dept.

Note: Does not include the financing to the Central Government.

Figure (4-4)

The Flow of Banks Finance in Local Currency by Mode of Finance in 2018

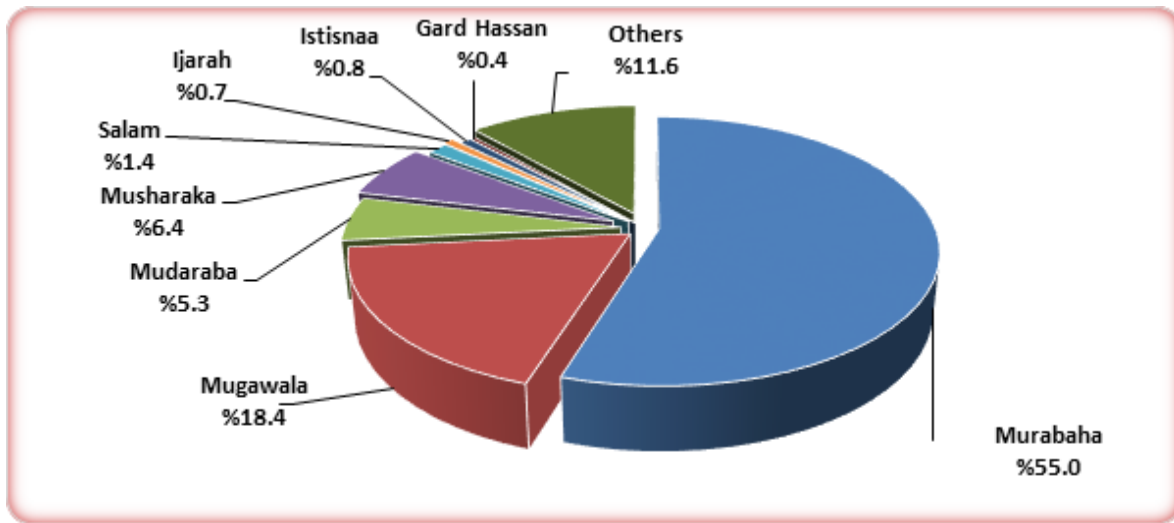


Table (4-9) shows that the share of Murabaha increased to 55.0% of the total flow of finance during 2018, compared to 48.5% during 2017, also the flow of banks finance by Mugawala contributed by 18.4%, Mudaraba 5.3% and Musharaka 6.4%, while other modes contributed 14.9% of the total flow of finance during 2018.

C. Micro-Finance

i- Micro-Finance in Commercial Banks

The Central Bank of Sudan continued its efforts in implementing its policies to reach the proportion of microfinance, small and medium finance to 15% of the total finance portfolio of each bank, through the direct finance from the banks to the individuals and groups, or through wholesale funding from the banks to the licensed microfinance institutions “MFIs”.

Table (4-10) shows the volume of microfinance extended by banks by the end of 2017 and 2018.

Table (4-10)
The Volume of Microfinance Extended by the end of 2017 and 2018

(SDG Million)

Item	2017*	2018	Change %
Total Banks Finance	122,111.5	181,080.3	48.3
Allocation of Microfinance According to the policy **	14,653.4	27,162.0	85.4
Total of Microfinance	6,197.0	8,797.5	42.0
Microfinance Proportion of the Total Finance (%)	5.1	4.9	

Source: Central Bank of Sudan – Microfinance Unit

*Amended data

** Central Bank of Sudan policies targeted the recruitment 12% as minimum of the total finance portfolio for microfinance in 2017 and 15% for microfinance, Small and Medium Enterprises in 2018.

Table (4-10) shows that the volume of microfinance increased from SDG 6,197.0 million in 2017 to SDG 8,797.5 million in 2018, by 42.0%, while the actual performance of microfinance decreased to 4.9% of the total finance in 2018 compared to 5.1% in 2017.

ii- Micro-Finance Institutions

The number of micro-finance institutions increased from 38 in 2017 to 44 in 2018. The total Stock of micro-finance extended by operating micro-finance institutions increased from SDG 3,545.0 million in 2017 to SDG 5,733.7 million in 2018, by 61.7%.

Table (4-11) shows the sources of financing micro-finance institutions.

Table (4-11)**The Sources of Financing Micro-finance Institutions By the end of the years 2017 and 2018**

(SDG Million)

Source	2017	Contribution %	2018	Contribution %	Change %
Central Bank of Sudan	169	18.9	226	15.8	34
Arab Development Fund	216	24.2	308	21.6	43
Commercial Banks	352	39.5	696	48.7	98
Partnership with Islamic Development Bank - Jeddah	155	17.4	199	13.9	29
Total	892	100.0	1430	100.0	60

Sources Central Bank of Sudan – Microfinance Unit

iii- The most Important Efforts in the Area of Microfinance

- The Central Bank of Sudan continued to provide finance to MFIs and Microfinance banks. The Central Bank of Sudan's financing to these institutions and banks amounted to SDG 733.52 million by the end of 2018 compared to SDG 540 million at the end of 2017.
- Capital contribution of the central bank in MFIs increased from SDG 42.5 million in 2017 to SDG 47.5 million by the end of 2018 by 12.0%.
- The Paid-up capital of the third Graduates fund increased to SDG 95.5 million in 2018 compared to SDG 85.8 million by the end of 2017, with an authorized capital of SDG 150 million, and the contribution of the Central Bank of Sudan was SDG 40 million, representing 42% Of the paid capital.
- Financing the agricultural season 2018-2019 by introducing technology through MFIs from Central Bank of Sudan resources and the partnership account by SDG 52.9 million by the end of 2018 to Northern Microfinance Company, Al Ghalia Agricultural Company, Sudan Rural Development Company, Sennar Company, Aljazeera microfinance institution. It also agreed to contribute in the agricultural crops support portfolio by SDG 3.0 million with commercial

banks branches in South Darfur state to finance the agricultural season.

- The guarantee provided by the Microfinance Guarantee Agency (TAYSEER) by banks to MFIs increased from SDG 196.2 million in December 2017 to SDG 338.7 million in December 2018 by 73.0%.

iv- Challenges and Constraints that faced Microfinance

Several challenges and constraints faced microfinance during 2018 and prevented achieving the targeted percent as follow:

- The weakness of linking of the finance information systems used in MFIs' with the microfinance guarantee agency system and providing windows and screens for the reports required by the central bank of Sudan, where the number of institutions providing financial information by microfinance guarantee agency system (on which the central bank relies on its reports) was 14 institutions.
- Lack of system to manage microfinance information.
- The weakness of the capital of the institutions that provide the services and the nature of these institutions as governmental institutions and the limitation of private sector institutions that provide the services.
- The slow pace of adapting the legal status of the Microfinance Guarantee Agency as an umbrella and its work scope to provide guarantee for MSEs.
- The low rate of implementation of microfinance and the lack of it in some commercial banks, which necessitates the need to start implementing the compulsory portfolios to raise the rate of commitment in these banks as planned.
- The low contribution of public sector banks and poor targeting of rural areas, sectors, groups and specialized programs.
- Harmonize the situation of the Sudanese company for microfinance development and expand its work to include the small finance.

- Building the managerial and technical capacities of institutions and banks providing microfinance services to beneficiaries and establishing some workshops on governance.
- Classification of institutions and clients of microfinance to achieve the creditworthiness of these institutions and enterprises.
- Expanding microfinance role to include small finance and linking their products with the big companies (forward & backward linkage).

D. The Financial Soundness indicators and the Consolidated Balance Sheet of Operating Banks:

Central Bank of Sudan policies emphasized the importance of maintaining the soundness of the banking sector. therefore, a number of policies and supervisory regulations were adopted targeting the financial stability , keeping bank soundness and ensure the efficiency of the banking system by reducing credit risk through activating banking supervision, to aligned with the international systems and standards.

i. The operating Banks Soundness Indicators:

Table (4-12) and figure (4-5) explain the most important financial soundness indicators of the operating banks by the end of 2017 and 2018.

Table (4-12)
Soundness Indicators of Banks by the end of 2017 and 2018.

(Percentage)

Item	2017*	2018	International Standard
Capital Adequacy Ratio	16.2	9.9	12
Total Non-Performing Loans to Total Funding	3.3	3.2	6
Financing Provision to Non-Performing Loans	81.3	72.0	100
Return on Assets (Before Tax)	3.8	4.7	
Return on Equity (before Tax)	48.0	94.7	
Liquid Assets to Total Assets	37.3	52.0	30 - 40

Sources: Central Bank of Sudan-Prudential Supervision Department.

*Amended Data.

Figure (4-5)
Soundness Indicators of Banks by the end of 2017 and 2018

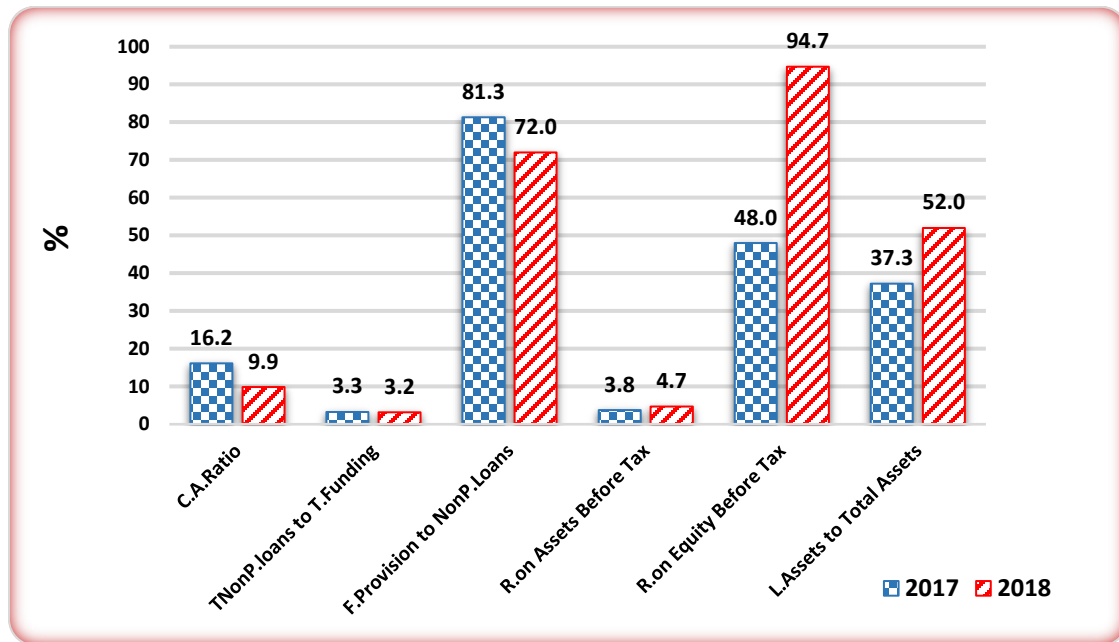


Table (4-12) and figure (4-5) explain the most important financial soundness indicators of banks issued by the Islamic Financial Services Board in the context of the requirements of the Basel Committee represented in capital adequacy, and indicators of assets quality, profitability, liquidity and the ability to meet the obligations.

Capital adequacy ratio decreased from 16.2% in 2017 to 9.9% by the end of 2018, getting below the targeted ratio of 12.0% due to the movement of the exchange rate of the Sudanese pound against foreign currencies, which led to the increase of the denominator of the ratio when calculating the capital adequacy. As known the capital adequacy ratio reflects the ability of regulatory capital² to cope with banking risks (finance, market and operation risks).

The ratio of total non-performing loans to total financing, which measures the assets quality, slightly decreased from 3.3% to 3.2%, while the ratio of financing provisions to non-performing loans

²) Regulatory Capital is the paid-up share capital plus the support capital less capital reductions in accordance with the decisions of the Basel Committee and the Islamic Financial Services Board "IFSB".

decreased from 81.3% to 72.0% during the same period , due to the changing in exchange rate .

The return on assets (asset turnover) increased from 3.8% to 4.7%, and the return on equity increased from 48.0% to 94.7%, whereas the ratio of liquid assets to total assets increased from 37.3% to 52.0% during the same period.

ii. The Indicators of the Consolidated Balance Sheet of Operating Banks:

Table (4-13) and figure (4-6) show the indicators of the consolidated balance sheet of banks in 2017 and 2018.

Table (4-13)

The Indicators of the Consolidated Balance Sheet of Operating Banks by the end of 2017 and 2018
(Percentage)

Indicator	2017*	2018**
Total Deposits / Total Liabilities	66.3	68.4
Capital and Reserves / Total Liabilities	10.8	6.9
Total Finance / Total Assets	48.7	37.4
Total Finance / Total Deposits	73.5	54.8

Source: Central Bank of Sudan- Statistics Dept.

*Amended Data

**Preliminary Data

Figure (4-6)

The Indicators of the Consolidated Balance Sheet of Operating Banks by the end of 2017 and 2018

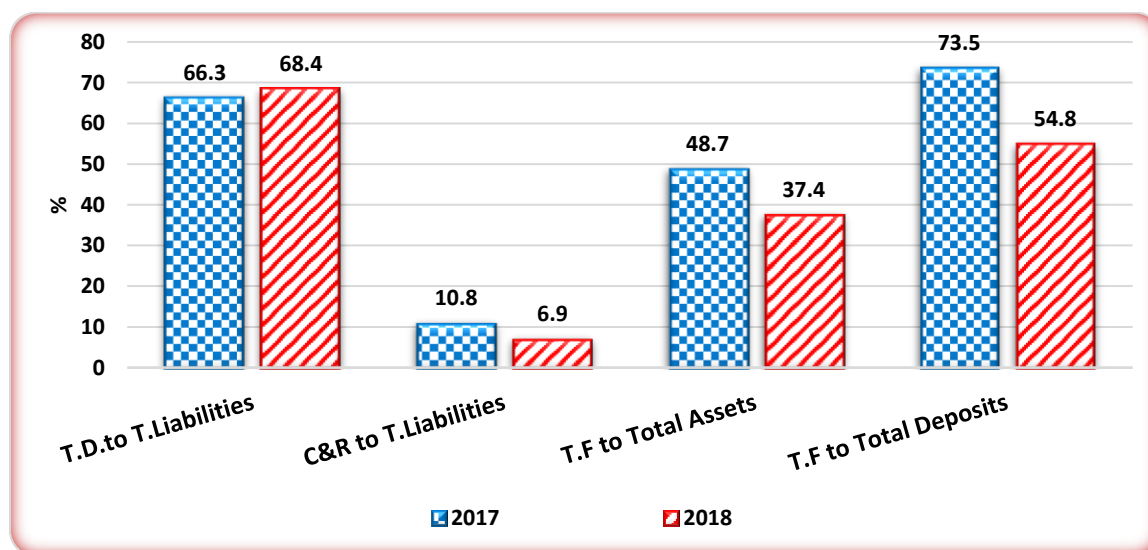


Table (4-13) and figure (4-6) show a slight increase in the ratio of total deposits to total liabilities “which measures the banks reliance on the deposits” from 66.3% in 2017 to 68.4% in 2018, while the ratio of capital and reserves to total liabilities decreased from 10.8% to 6.9%. In addition, the ratio of total finance to total assets decreased from 48.7% to 37.4% due to an increase in foreign assets by 309.7% and deposit with central bank of Sudan by 363.4%. The ratio of total banking finance to total deposits decreased from 73.5% to 54.8% during the same period, due to the increase in foreign deposits by 367.1%.

3- Credit and Information Scoring Agency (CIASA)

The agency continued its core activities constituted which include providing credit and information scoring of clients to the relevant agents such as Banks, non-bank financial institutions, and microfinance institutions (MFIs).

In addition, the agency continued to propagate the culture of credit information and expand the use of credit information and scoring, as well as working to improve the credit information in accordance with the international quality standards, based on the principle of diversifying and increasing the data sources. Below is an overview of the performance of CIASA in 2018.

a. Clients' Credit Coding

Table (4-14) depicts Credit and Information Scoring Agency activity in granting credit coding to the borrower (client) who applies for finance to Banks, non-bank financial institutions, or MFI, whether the customer is a natural or legal person “company or organization”.

Table (4-14)
Issuance of Client's Credit Code by the end of 2017 and 2018

(Code)

Item	2017*	2018	Change %
Individuals	1,020,661	1,329,698	30.3
Companies	23,527	27,059	15.0
Organizations	19,590	26,121	33.3
Total	1,063,778	1,382,878	30.0

Source: Credit and Information Scoring Agency (CIASA).

*Amended Data.

Table (4-14) shows an increase in the number of codes issued by the Agency from 1,063,778 codes in 2017 to 1,382,878 codes in 2018 i.e. by 30.0%.

b. Clients' Credit Inquiry

Sequentially, CIASA provided client's credit inquiry services to the Central Bank of Sudan, Banks, non-bank financial institutions, and MFIs. Table (4-15) shows the number of client's credit queries during 2017 and 2018.

Table (4-15)
Client's Credit Coding Inquiry in 2017 and 2018

(Inquiry)

Legal Entity	2017*	2018	% Change
Individuals	1,699,160	2,125,501	25.1
Companies	105,664	126,880	20.1
Organizations	22,255	28,765	29.3
Total	1,827,079	2,281,146	24.9

Source: Credit and Information Scoring Agency.

*Amended Data.

Table (4-15) shows an increase in the number of client's inquiries from 1,827,079 times in 2017 to 2,281,146 times in 2018, by 24.9% .

4- Electronic Banking Services Company Ltd. (EBS)

The company has a significant contribution in accelerating banking technology in Sudan through developing the electronic payment system represented in Society for Worldwide Interbank Financial Telecommunication (SWIFT) and the electronic clearing service which provides linking between Sudanese banks and the Central Bank of Sudan, in addition to electronic payment facilities via “Banking Card”.

Table (4-16) illustrates Means of Electronic Payment in 2017 and 2018.

Table (4-16)
Means of Electronic Payment in 2017 and 2018

(Units)

Year	2017*	2018	% Change
ATMs	1,344	1,596	18.8
Banking Cards	3,487,986	3,962,127	13.6
Sale Points	3,905	16,162	313.9
Electronic Wallet Cards	796,056	885,064	11.2

Source: Central Bank of Sudan- Payment Systems Department & Electronic Banking Services Company (EBS).

*Amended Data.

Table (4-16) shows an increase in Automated Teller Machines (ATMs) from 1,344 machines in 2017 to 1,596 machines in 2018 by 18.8%, banking cards from 3,487,986 cards to 3,962,127 cards, by 13.6%, sale points from 3,905 points to 16,162 points by 313.9%, and the number of electronic wallet cards from 796,056 cards to 885,064 cards by 11.2% during the same period.

Table (4-17)
Electronic Banking Transactions in 2017 and 2018

(Number)

Year	External Electronic Payments (SWIFT)		Transactions via Banking Card “National Payment Switch”
	Outgoing Messages	Incoming Messages	
2017	41,972	25,990	49,969,732
2018	36,266	107,342	57,470,850
% Change	(13.6)	313.0	15.0

Source: Electronic Banking Services Company (EBS).

Table (4-17) illustrates that the number of outgoing messages through SWIFT decreased from 41,972 messages in 2017 to 36,266 messages in 2018, by 13.6%, while, the number of incoming messages increased from 25,990 messages to 107,342 messages i.e. by 313.0%. Transactions via banking card increased from 50.0 million transactions during 2017 to 57.5 million transactions during 2018, by 15.0%.

Second: Non-Bank Financial Institutions:

The Non-Bank Financial Institutions include Exchange Bureaus, Financial Transfers Companies, Leasing Enterprises, Sudan Financial Services Company Ltd (SFSC), Tarweej Company for Financial Investment, Bank Deposits Security Fund (BDSF), Khartoum Stock Exchange (KSE), Insurance Companies, National Agency for Insurance & Finance of Exports, Inter-bank Liquidity Management Fund and Microfinance Guarantee Agency (MGA- Taiseer).

(1) Exchange Bureaus and Financial Transfers Companies

Table (4-18) shows the number of Exchange Bureaus, Financial Transfers Companies, and Leasing Enterprises in 2017 and 2018.

Table (4-18)
Exchange Bureaus, Financial Transfers Companies, and Leasing Enterprises
by the end of 2017 and 2018

(Number)

Item	2017*	2018
Exchange Bureaus	20	20
Financial Transfers Companies	8	11
Leasing Enterprises	2	2

Sources: Central Bank of Sudan- Financial Institutions Department.

*Amended Data.

The number of both exchange bureaus and leasing enterprises remained as they were in 2017. The number of financial transfers companies increased from 8 companies to 11 companies.

Table (4-19) and Figure (4-7) illustrate the total resources and uses of exchange bureaus in 2017 and 2018.

Table (4-19)
Resources and Uses of Exchange Bureaus in Foreign Exchange Market by the end of 2017 and 2018

(US \$ Million)

Item	2017*	2018	% Change
Total Resources	107.2	116.4	8.6
Total Uses	120.5	116.1	(3.7)

Sources: Central Bank of Sudan-Policies Department.

*Amended Data.

Figure (4-7)
Resources and Uses of Exchange Bureaus in Foreign Exchange Market
by the end of 2017 and 2018

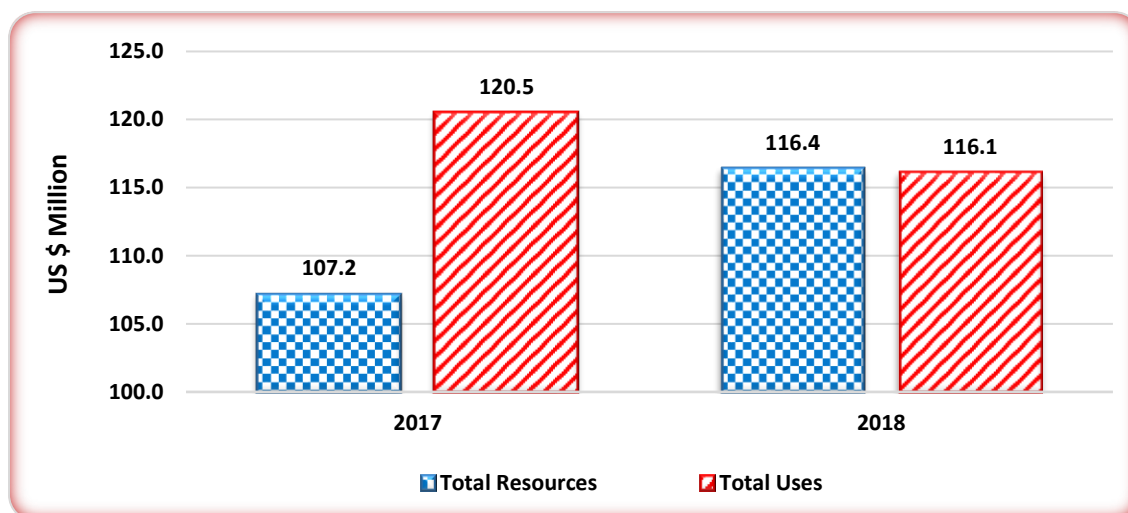


Table (4-19) and Figure (4-7) depict an increase in the exchange bureaus resources from US \$ 107.2 million in 2017 to US \$ 116.4 million in 2018, by 8.6%, while, the uses of resources decreased from US \$ 120.5 million to US \$ 116.1 million, by 3.7% during the same period.

Resources of Exchange Bureaus:

Table (4-20) illustrates the categories of Exchange Bureaus Resources by the end of 2017 and 2018.

Table (4-20)
Resources of Exchange Bureaus by the end of 2017 and 2018

(US \$ Million)

Year	Incoming Transfers*	Cash Receipts (Counter)	Transfers Received in Foreign Currency**	Others	Total
2017	83.3	1.1	19.4	3.4	107.2
2018	85.1	2.6	27.9	0.8	116.4
% Change	2.2	136.4	43.8	(76.5)	8.6

Source: Central Bank of Sudan- Policies Department.

*Transfers sold to the exchange bureau.

**Transfers delivered in cash.

Table (4-20) shows an increase in transfers received in foreign currency from US \$ 19.4 million in 2017 to US \$ 27.9 million in 2018 i.e. by 43.8%. Incoming transfers increased from US \$ 83.3 million to US \$ 85.1 million, by 2.2%. Cash receipts increased from US \$ 1.1 million to US \$ 2.6 million, by 136.4%, while, others item decreased from US \$ 3.4 million to US \$ 0.8 million i.e. 76.5% during the same period.

Uses of Resources of Exchange Bureaus:

Table (4-21) shows the uses of resources of Exchange Bureaus by the end of 2017 and 2018.

Table (4-21)
Uses of Exchange Bureaus Resources in Foreign Exchange
Market in 2017 and 2018

(US \$ Million)

Year	Travel & Medications	Outgoing Transfers	Transfers Paid in Foreign Currency	Other	Total
2017*	19.0	82.2	19.2	0.1	120.5
2018	3.6	80.2	27.4	4.8	116.1
% Change	(80.8)	(2.4)	42.7	4,700.0	(3.7)

Sources: Central Bank of Sudan-Policies Department.

* Amended Data.

Table (4-21) depicts a decrease in the use of foreign exchange for Travel & Medication from US \$ 19.0 million in 2017 to US \$ 3.6 million in 2018 i.e. by 80.8% ; outgoing transfers decreased from US \$ 82.2 million to US \$ 80.2 million, by 2.4% , while, transfers paid in foreign currency increased from US \$ 19.2 million to US \$ 27.4 million, by 42.7% . Furthermore, others item increased from US \$ 0.1 million to US \$ 4.8 million, by 4,700.0% during the same period.

2) Sudan Financial Services Company (SFSC):

During 2018 the company continued organizing auctions in the primary security market for selling of Government Musharaka Certificates (GMCs), Government Investment Certificates (GICs), and other securities. The company plays the role of the manager of various securities as followed:

A/ Government Musharaka Certificates (GMCs- Shahama):

These are certificates based on Musharaka contract, issued by Ministry of Finance & Economic Planning on behalf of the Government of Sudan, since 1999. GMCs are promoted via Sudan Financial Services Company and authorized agency companies. GMCs are short-term and 1-year maturity certificates.

Government Musharaka Certificates aim at mobilizing national savings, encouraging investment, providing an Islamic instrument to Central Bank of Sudan for liquidity management purposes in the macro-economy, bridging the budget deficit, developing both local and regional capital markets, generating appropriate yields for investors as returns on their participation in the fund, representing the most effective and well-performed companies. Moreover, GMCs aim at enabling a non-inflationary channel to Ministry of Finance & Economic Planning to finance the public budget from real financial resources and hence reducing borrowing from Central Bank of Sudan.

Returns on GMCs are determined depending upon the financial performance of the Fund's partners. Furthermore, GMCs are accepted as a first-class guarantee for banking finance.

Table (4-22) shows the position of Government Musharaka Certificates (GMCs) Sales in 2017 and 2018.

Table (4-22)

Sales of Government Musharaka Certificates (GMCs) in 2017 and 2018

Entity	2017*			2018			Change%	
	No. of Sold Certificates	Value in SDG Million	Share %	No. of Sold Certificates	Value in SDG Million	Share %	No. of Sold Certificates	Value
Central Bank of Sudan	4,282,235	2,141.1	9.0	8,000	4.0	0.01	(99.8)	(99.8)
Banks	23,416,587	11,708.3	49.1	32,078,869	16,039.4	59.8	37.0	37.0
Companies & Funds	14,377,718	7,188.8	30.2	17,161,344	8,580.7	32.0	19.4	19.4
Public	5,586,326	2,793.2	11.7	4,436,390	2,218.2	8.19	(20.6)	(20.6)
Total	47,662,866	23,831.4	100.0	53,684,603	26,842.3	100.0	12.6	12.6

Source: Sudan Financial Services Company.

*Amended Data.

The number of sold Government Musharaka Certificates (GMCs) increased from 47,662,866 certificates with the value of SDG 23,831.4 million in 2017 to 53,684,603 certificates with the value of SDG 26,842.3 million in 2018, by 12.6% . Banks recorded the largest share of (GMCs) by 59.8%, followed by Companies & Funds by 32.0%, the Public by 8.19%, and the Central Bank of Sudan by 0.01% in 2018.

Table (4-23) shows the position of (GMCs) issuances in 2017 and 2018.

Table (4-23)

Position of Government Musharaka Certificates (GMCs) Issuances in 2017 and 2018

(SDG Million)

Item	2017*	2018	% Change
Subscriptions	3,558.0	3,839.4	7.9
Renewals	20,273.3	23,003.0	13.5
Liquidation	281.8	0.1	(99.96)
Average Profit%	16.1%	17.7%	9.9%

Source: Sudan Financial Services Company.

*Amended Data.

Table (4-23) shows an increase in the new subscriptions from SDG 3,558.0 million in 2017 to SDG

3,839.4 million in 2018, by 7.9% , while, liquidation decreased from SDG 281.8 million to SDG 0.1 million, by 99.96% due to the capitalization of certificates instead of liquidation. Renewals increased from SDG 20,273.3 million to SDG 23,003.0 million, by 13.5% during the same period.

Table (4-24) shows the return on Government Musharaka Certificates (GMCs) for the year 2018.

Table (4-24)
Return on Government Musharaka Certificates (GMCs) in 2018

Quarter of 2018	Date of Issue	Rate of Return (%)
1	01/01/2017	20.18
2	01/04/2017	15.56
3	01/07/2017	17.28
4	01/10/2017	17.80

Source: Sudan Financial Services Company.

B/ Government Investment Certificates (GICs- Sarh):

These certificates were issued in 2003 based upon Mudaraba contract via Sudan Financial Services Company “SFSC”. GICs are managed and promoted in primary market by SFSC and the authorized financial intermediary corporates. Revenues generated from such certificates are oriented to finance infrastructure projects and services sector (Health, Education, and Water) in various Sudan’s States. GICs maturity ranged between two and six years.

Government Investment Certificates “GICs” aim at mobilizing both the national and regional savings, encouraging investment, managing liquidity in the macro economy through the Open Market Operations “OMOs”, developing local and regional capital markets, utilizing savings (funds) in governmental finance in order to meet expenses on development projects, reducing inflationary impacts through providing stable and real source of finance to the country. Table (4-25) illustrates the position of sales of Government Investment Certificates (GICs) in 2017 and 2018.

Table (4-25)**Sales of Government Investment Certificates (GICs) in 2017 and 2018**

Entity	2017			2018			Change %	
	No. of Sold Certificates	Value in SDG Million	Share %	No. of Sold Certificates	Value in SDG Million	Share %	No. of Sold Certificates	Value
Central Bank of Sudan	3,272,504	327.3	39.9	3,272,504	327.3	31.1	0.0	0.0
Banks	2,228,092	222.8	27.2	3,771,941	377.2	35.8	69.3	69.3
Companies & Funds	1,976,277	197.6	24.1	2,464,363	246.4	23.4	24.7	24.7
Public	718,530	71.8	8.8	1,015,289	101.5	9.7	41.3	41.4
Total	8,195,403	819.5	100.0	10,524,097	1,052.4	100.0	28.4	28.4

Source: Sudan Financial Services Company.

Table (4-25) shows that the number of sold certificates increased from 8,195,403 certificates with the value of SDG 819.5 million in 2017 to 10,524,097 certificates with the value of SDG 1,052.4 million in 2018, by 28.4% , while, the number of sold certificates to the Central Bank of Sudan remained unchanged i.e. 3,272,504 certificates with the value of SDG 327.3 million. The number of sold certificates to banks increased from 2,228,092 certificates with the value of SDG 222.8 million to 3,771,941 certificates with the value of SDG 377.2 million, by 69.3%. The number of sold certificates to public increased from 718,530 certificates with the value of SDG 71.8 million to 1,015,289 certificates with the value of SDG 101.5 million, during the same period.

C/ Khartoum Refinery Company Ijarah Certificates (Shama):

These certificates were introduced in 2010 and the issuance based on ijarah mode of finance to mobilize investors' financial resources through Islamic Agency contract to be used on purchasing the refinery assets and leasing them to the Ministry of Finance as an operating lease to generate rewarding returns to investors "certificates' holders". Such certificates aim at creating profitable investment opportunities, activating Khartoum Stock Exchange, in addition to providing real financial resources for the country without inflationary pressures.

Table (4-26) shows the position of Khartoum Refinery Company Ijarah Certificates (Shama) in 2017 and 2018.

Table (4-26)
Sales of SHAMA Certificates in 2017 and 2018

Entity	2017			2018			Change %	
	No. of Sold Certificates	Value in SDG Million	Share %	No. of Sold Certificates	Value in SDG Million	Share %	No. of Sold Certificate s	Value
Central Bank of Sudan	1,715,977	858.0	45.3	2,401,233	1,200.6	63.5	39.9	39.9
Banks	1,598,257	799.1	42.2	977,444	488.7	25.8	(38.8)	(38.8)
Companies & Funds	294,055	147.0	7.8	263,254	131.6	7.0	(10.5)	(10.5)
Public	4,037	2.0	0.1	1,403	0.7	0.0	(65.2)	(65.0)
Ministry of Finance & Economic Planning	171,674	85.8	4.6	140,666	70.3	3.7	(18.1)	(18.1)
Total	3,784,000	1,892.0	100.0	3,784,000	1,892	100.0	0.0	0.0

Source: Sudan Financial Services Company.

Table (4-26) shows that the total number of sold certificates remained the same i.e. 3,784,000 certificates with the value of SDG 1,892 million by the end of 2017 and 2018, while, the number of sold certificates to Central Bank of Sudan increased from 1,715,977 certificates (SDG 858.0 million) to 2,401,233 certificates equivalent to SDG 1,200.6 million i.e. by 39.9%. The number of certificates sold to Banks decreased from 1,598,257 certificates (SDG 799.1 million) to 977,444 certificates (SDG 488.7 million) by 38.8% during the same period.

D/ Sudanese Electricity Distribution Company Assets (SEDC) Ijara Certificates (SHASHA):

These certificates have been issued in 2013. It is a medium-term investment fund (4-year maturity). Such investment fund has been established to mobilize resources from investors based on Mudaraba contract in order to be used in purchasing the assets of the SEDC and leasing them to Ministry of Finance & Economic Planning as an operational lease contract for generating a

significant yield to investors, and providing a non-inflationary real financial resources for the budget, beside developing investment funds industry.

Table (4-27) shows the position of sales of Sudanese Electricity Distribution Company Ijarah Certificates SHASHA in 2017 and 2018.

Table (4-27)
Sales of SHASHA Certificates in 2017 and 2018

Entity	2017			2018			Change%	
	No. of Sold Certificates	Value in SDG Million	Share %	No. of Sold Certificates	Value in SDG Million	Share %	No. of Sold Certificates	Value
Central Bank of Sudan	93,720	46.9	2.1	93,720	46.9	2.1	0	0
Banks	2,195,669	1,097.8	49.0	1,368,765	684.3	30.5	(37.7)	(37.7)
Companies & Funds	139,268	69.6	3.1	748,129	374.1	16.7	437.2	437.5
Public	4,200	2.1	0.1	0	0	0.0	(100.0)	(100.0)
Ministry of Finance & Economic Planning	2,052,402	1,026.2	45.7	2,274,645	1,137.3	50.7	10.8	10.8
Total	4,485,259	2,242.6	100.0	4,485,259	2,242.6	100.0	0	0

Source: Sudan Financial Services Company.

Table (4 -27) shows an increase in the share of Companies & Funds from 139,268 certificates with the value of SDG 69.6 million to 748,129 certificates with the value of SDG 374.1 million i.e. by 437.5% . The share of Ministry of Finance & Economic Planning increased from 2,052,402 certificates (SDG 1,026.2 million) to 2,274,645 certificates (SDG 1,137.3 million) by 10.8% , while, the share of Central Bank of Sudan remained the same i.e. 93,720 certificates (SDG 46.9 million). The share of Banks decreased from 2,195,669 certificates (SDG 1,097.8 million) to 1,368,765 certificates (SDG 684.3 million) during the same period.

E/ Gold Fund Certificates (Bareeg):

These certificates are short-term sukuk that have been issued at the beginning of November 2018 through Sudan Financial Services Company on behalf of Central Bank of Sudan and based on both the Capital Markets Organization Authority Law 2016 and Khartoum Stock Exchange Law 2016. Bareeg certificates are of one year-maturity and renewable. Moreover, these investment certificates are based on restricted Mudaraba mode of finance (purchasing and selling of gold).

Bareeg certificates aim at mobilizing national savings and encouraging investment through generating reasonable returns for certificates' holders, providing a tool for liquidity management, supporting the Central Bank of Sudan in providing foreign exchange resources, as well as developing the local capital market.

Table (4-28) depicts the position of Gold Fund Certificates (Bareeg) in 2018.

Table (4-28)
Sales of Gold Fund Certificates (Bareeg) in 2018

Entity	2018		
	No. of Sold Certificates	Value in SDG Million	Share %
Companies & Funds	1,206,522	1,206.5	78.1
Public	338,403	338.4	21.9
Total	1,544,925	1,544.9	100.0

Source: Sudan Financial Services Company.

Table (4-28) shows that Companies and Funds record the highest share of the sold certificates amounting to 1,206,522 certificates with the value of SDG 1,206.5 million constituting 78.1% of the total value of sold certificates. While, the share of the Public was 338,403 certificates with the value of SDG 338.4 million representing 21.9% of the total value of sold certificates.

3) Tarweej Financial Investment Company:

The company aims at executing spot settlements for all transactions of purchasing and selling of securities for the benefit of the clients. The company works as an agent of the Central Bank of Sudan in the secondary market to help achieving the monetary policy objectives through the Open Market Operations (OMOs). Moreover, the company promotes all the securities and products of Sudan Financial Services Company in both primary and secondary markets.

Table (4 -29) shows the activity of Tarweej Company in 2017 and 2018.

Table (4-29)
Activity of Tarweej Company in 2017 and 2018

(SDG Million)

Particular	2017*	2018	Change %
Secondary Market	4,151.6	1,653.1	(60.2)
Primary Market	162.3	250.6	54.4
Total	4,313.9	1,903.7	(55.9)

Source: Tarweej Financial Service Company.

*Amended Data.

Table (4-29) shows a decrease in Tarweej activity in the secondary market from SDG 4,151.6 million in 2017 to SDG 1,653.1 million in 2018, by 60.2% , while, the company's activity in the primary market increased from SDG 162.3 million to SDG 250.6 million by 54.4%.

4) Bank Deposits Security Fund (BDSF):

Bank deposits security fund was established according to its 1996 Act, with a capital structure composed of the share of Ministry of Finance & Economic Planning, Central Bank of Sudan, and Banks. The Fund aims at providing Islamic insurance service to bank deposits.

Table (4-30) illustrates the shares in the Fund's resources in 2017 and 2018.

Table (4-30)**Shares in Resources of Bank Deposits Security Fund in 2017 and 2018**

(SDG Million)

Shareholders	2017 *	Share %	2018	Share %	Change %
Banks	109.4	47.6	169.9	48.7	55.3
Ministry of Finance & Economic Planning	16.4	7.1	25.5	7.3	55.5
Central Bank of Sudan	16.4	7.1	25.5	7.3	55.5
Investment Deposits Holders	87.8	38.2	128.1	36.7	45.9
Total	230.0	100.0	349.0	100.0	51.7

Source: Bank Deposits Security Fund.

*Amended Data.

Table (4-30) shows an increase in the shares of the fund from SDG 230.0 million in 2017 to SDG 349.0 million in 2018, by 51.7% . Moreover, the share of investment deposits holders (which are paid by banks on behalf of their clients from their original deposits) increased from SDG 87.8 million to SDG 128.1 million, by 45.9%.

5) Khartoum Stock Exchange (KSE):

Khartoum Stock Exchange operates based on its 2016 Act. The objectives of Khartoum Stock Exchange are represented in regulating and supervising of capital markets in buying and selling of securities, ensuring equality of opportunities for dealers in securities and protecting small investors. One of the major features of KSE is transferring of society savings to investments to help the capital finance, which is one of the vital factors of production, and expanding dealing in securities by creating new markets. In addition, KSE allows professional consultancy associations to provide financial consultancy services to those have the willingness to deal in securities. Moreover, it legalizes the status of the market under the supervision of the regulatory authority of capital markets (the supervisory authority which has been separated from the executive authority). Furthermore, KSE Board is granted the right to make the required procedures to protect the market agents against any potential risk if any.

Table (4-31) and Figure (4-8) show the general index of Khartoum Stock Exchange during the period (2015-2018).

Table (4-31)
General Index of Khartoum Stock Exchange During (2015-2018)

(Point)

Item	2015	2016	2017	2018
Annual Index of Khartoum Stock exchange	2,858.5	3,118.9	4,202.4	13,317.4
Change %	(9.6)	9.1	34.7	216.9

Source: Khartoum Stock Exchange.

Figure (4-8)
General Index of Khartoum Stock Exchange During (2015-2017)

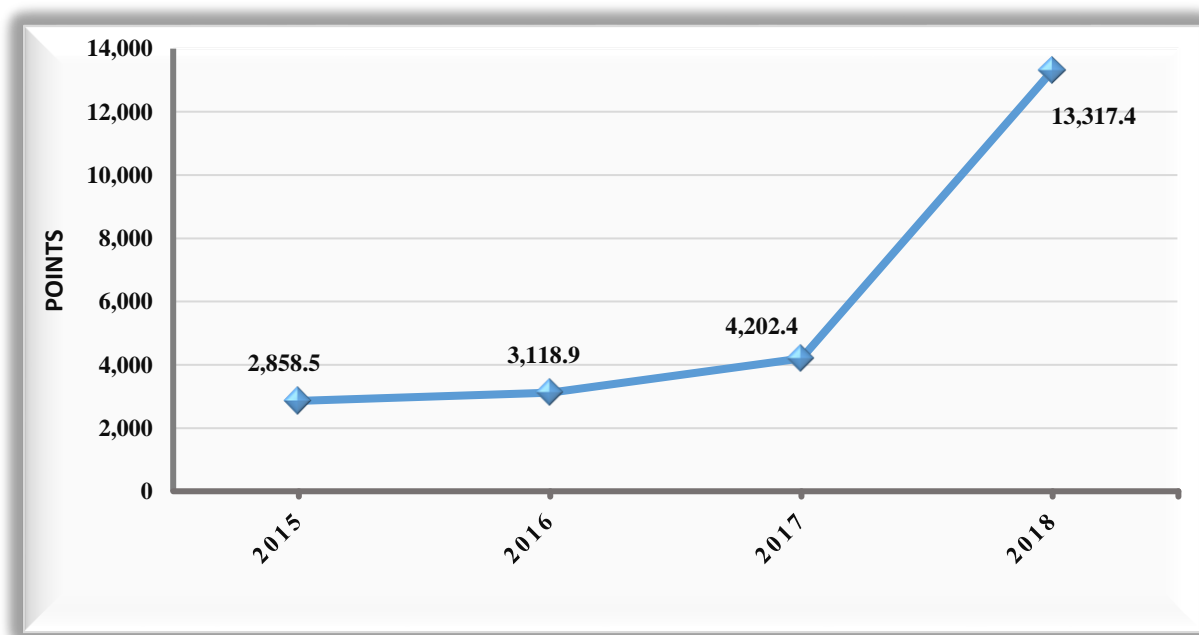


Table (4-31) and Figure (4-8) show that the general index of Khartoum Stock Exchange Market increased from 4,202.4 points in 2017 to 13,317.4 points in 2018, by 216.9%, as a result of the increase in the value of the shares traded in the secondary market and the revaluation of the assets of the Sudanese Free Zones and Markets company.

Table (4-32) shows the volume of trading in the secondary market of Khartoum Stock Exchange Market in 2017 and 2018.

Table (4-32)
Traded Shares in Khartoum Stock Exchange by Sectors in 2017 and 2018

Sector	2017				2018*			
	No. of Traded Shares (in thousands)	Executed Contracts	Volume of Trading (SDG Million)	Share %	No. of Traded Shares (in thousands)	Executed Contracts	Volume of Trading (SDG Million)	Share %
Banks & Investment	1,011,644	633	760	90.5	1,325,565	588	1,247.7	90.6
Insurance	448	21	1.1	0.1	3,061	5	2.6	0.2
Commerce	250	37	2.2	0.3	286	35	4.5	0.3
Industry	41,419	14	10.4	1.2	95	53	0.2	0.01
Agriculture	1,420	6	1.4	0.2	4,000	2	4.0	0.3
Telecom. & Media	2,505	66	7.4	0.9	6,979	67	32.4	2.4
Financial Services	1,081	14	1.1	0.1	23,348	22	45.4	3.3
Investment & Development	19,902	110	56.2	6.7	7,529	77	40.5	2.89
Total	1,078,669	901	839.8	100.0	1,370,864	849	1,377.3	100.0

Source: Khartoum Stock Exchange.

*Amended Data.

Table (4-32) shows an increase in the volume of trading of shares from SDG 839.8 million in 2017 to SDG 1,377.3 million in 2018, by 64.0% . The number of traded shares increased from 1,078.7 million shares to 1,370.9 million shares, by 27.1%, while, the number of executed contracts decreased from 901 contracts to 849 contracts, by 5.8% during the same period.

Table (4-33) shows the volume of traded sukuk in Khartoum Stock Exchange- secondary market in 2017 and 2018.

Table (4-33)
Traded Sukuk by Sectors in 2017 and 2018

Sector	2017*				2018			
	No. of Traded Sukuk (in thousands)	Volume of Trading (SDG Million)	Executed Contracts	Share %	No. of Traded Sukuk (in thousands)	Volume of Trading (SDG Million)	Executed Contracts	Share %
Funds	1,845	77.8	219	0.7	5,448	495.4	553	6.0
Certificates**	19,242	10,318.6	36,875	99.3	14,731	7,824.7	20,710	94.0
Total	21,087	10,396.4	37,094	100.0	20,179	8,320.1	21,263	100.0

Source: Khartoum Stock Exchange.

*Amended Data.

**All certificates are GMCs.

Table (4-33) shows that the volume of trading in sukuk decreased from SDG 10,396.4 million in 2017 to SDG 8,320.1 million in 2018, by 20.0%. As well, the number of traded sukuk decreased from 21.1 million to 20.2 million, by 4.3%, and the number of the executed contracts decreased from 37,094 to 21,263, by 42.7% during the same period.

6) Insurance Companies:

Insurance companies aim at protecting individuals against financial losses arising from unintended dangers. The insured has to pay regular installments to the insurance company, and hence, the latter will compensate the insured for losses resulting from the occurrence of the insured hazard.

Insurance service covers various aspects such as properties, marine, aviation, energy, cars, agriculture, and medical & engineering insurance, besides various accidents and other types of insurance. Below is a summary of insurance companies' activities during 2016 and 2017.

a- Gross and Net Insurance Premium of Insurance Companies:

Gross insurance premiums are represented by the amounts paid by the insured to insurance companies. Net insurance premiums are the gross insurance premiums after deducting insurance premiums paid by the insurance companies to the reinsurance companies.

Table (4-34) shows the gross and net premiums of insurance companies in 2016 and 2017.

Table (4-34)
Gross and Net Premiums of Insurance Companies in 2016 and 2017

(SDG Million)

Particulars	2016*	2017	Change %
Gross Insurance Premiums	3,061	4,996	63.2
Net Insurance Premiums	2,027	3,259	60.8

Source: National Insurance Regulatory Authority.

*Amended Data.

Table (4-34) shows that gross insurance premiums increased from SDG 3,061 million in 2016 to SDG 4,996 million in 2017, by 63.2% . Net premiums increased from SDG 2,027 million to SDG 3,259 million, by 60.8%.

b- Gross and Net Claims on Insurance Companies:

Gross claims are represented by the total amount paid by insurance companies to the insured against occurred damage as a compensation, while, the net claims represent the net amounts paid to the insured after deducting the reinsurance companies claims.

Table (4-35) shows the gross and net claims in 2016 and 2017.

Table (4-35)
Gross and Net Claims on Insurance Companies in 2016 and 2017

(SDG Million)

Particulars	2016*	2017	% Change
Gross Claims	1,320	2,485	88.3
Net Claims	810	1,441	77.9

Source: National Insurance Regulatory Authority.

* Amended Data.

Table (4-35) shows an increase in gross claims from SDG 1,320 million in 2016 to SDG 2,485 million in 2017, by 88.3%, whereas the net claims increased from SDG 810 million to SDG 1,441 million, by 77.9% during the same period.

7) National Agency for Insurance and Finance of Exports:

The Agency was established by virtue of its 2005 Act in order to encourage and develop Sudan's exports “excluding oil and raw gold” through securing export earnings, providing finance, undertaking promoting activities and marketing studies for exports products and services. The Agency has launched its operations in January 2006 with a paid-up capital of SDG 55.3 million shared by Central Bank of Sudan with 76.8 % , Ministry of Finance & Economic Planning with 19.0 % , and 11 Banks with 4.2 %.

- Agency Activity in Insurance

The insurance activity of the Agency includes insurance coverage involved in the insurance contract against commercial and non-commercial risks based on Islamic Shariá principles. Such funds are broadly reinsured in the international insurance and reinsurance institutions. As well, the funds are locally reinsured in cooperation with local insurance companies.

Table (4-36) shows the activity of the National Agency in the field of export insurance in 2017 and 2018.

Table (4-36)

Activity of National Agency in Field of Export Insurance in Local Currency in 2017 and 2018

(SDG Million)

Particulars	2017*	2018	Change %
Total of Planned Exports Insurance Ceilings	1,600	956	(40.3)
Total of Executed (Realized) Exports Shipments	593	3,383	470.5
Percentage of Performance (%)	37.1	353.9	

Source: National Agency for Insurance and Finance of Exports.

*Amended Data.

Table (4-36) shows that the planned insurance ceilings of exports decreased from SDG 1,600 million in 2017 to SDG 956 million in 2018, by 40.3% , while, the total amount of executed exports shipments increased from SDG 593 million to SDG 3,383 million, by 470.5% .

- **Agency Activity in Finance Aspect**

Table (4-37) shows the activity of the Agency in the field of export financing in 2017 and 2018.

Table (4-37)
Activity of National Agency in the Field of Export Financing in 2017 and 2018
(SDG Million)

Particulars	2017*	2018	% Change
Executed Finance	10	10	0
Settled Finance (Repayment)	10	11.9	19
Outstanding Finance at Maturity	11.9	10	(16)

Source: National Agency for Insurance and Finance of Exports.

*Amended Data.

Table (4-37) shows that the executed finance operations remained constant amounting to SDG 10 million in both of 2017 and 2018, while the settled finance increased from SDG 10 million to SDG 11.9 million, by 19%. The outstanding finance decreased from SDG 11.9 million to SDG 10 million, by 16%.

8) Inter-Bank Liquidity Management Fund:

The Fund was established in August 2014 by Sukuk of Finance Law of 1995 and the establishment order issued by the Central Bank of Sudan number 1/2014 dated 21/8/2014 and the approval of the Minister of Finance & Economic Planning. The Fund is managed by the Financial Investment Bank (FIBA) and subject to the Central Bank of Sudan's supervision. It is an open-maturity investment fund with a flexible capital that is determined in cooperation between Central Bank of Sudan and fund's board of directors, which is appointed by the general assembly "the shareholders of the fund represented in the operating banks".

The Fund's has been established with a capital equivalent to SDG 750.0 million; of which 40% is paid in cash and 60% paid in the form of government securities. The Fund started its virtual activity in September 2015. Thereafter, the Fund's capital has been raised in October 2016 to be SDG 900 million; where the nominal value is equivalent to SDG 1,000 per certificate. The shareholders of the Fund are comprised of all the Sudanese Banks.

The Fund basically aims at managing liquidity between Banks, providing adequate liquidity equivalent to the deficit or coverage amount, to the relevant bank regardless of the bank's share in the Fund's capital.

It is worth mentioning that Central Bank of Sudan performs the role of lender of last resort in case of bank defaulter "the difference between the share of the Bank in the Fund's capital and the amount of coverage" at the maturity date (five continuous working days) , in addition to the value of one Sakk in order to ensure the continuity of the Bank's membership in the Fund. The fund thus helps in reducing the resort to the central Bank of Sudan as lender of last resort.

In this context, banks should keep a financial papers at the Central Bank of Sudan issued by it in the form of securities calculated as a percentage of the general liquidity as determined by the Central Bank of Sudan in addition to any other guarantees as guarantee of its role as a lender of last resort, where it automatically liquidates the bank's blocked certificates at a sufficient price determined by the central bank to meet the bank's obligations. Furthermore, such Fund has a significant contribution in enhancing the cooperation and activating the inter-bank market i.e. the Fund's sukuk are tradable among the Banks. Furthermore, the Fund's capital is utilized based on restricted mudaraba contract in purchasing the most liquid assets with convenient profitability such as investment deposits at Market makers banks "a group of banks required to purchase sukuk offered at the net price", securities approved by Central Bank of Sudan, and any other profitable and liquidable securities which can be issued during the fund's life time.

The Fund's sukuk are encountered by short-term investment risk depending upon the capital market circumstances, in particular, fluctuations in the market value of certificates. On the other hand, shareholder banks may monthly gain potential profits generated from an increment in the market value (after deducting the incurred expenses).

Table (4-38) shows the actual performance of the Inter-bank Liquidity Management Fund in 2017 and 2018.

Table (4-38)
Inter-bank Liquidity Management Fund
Performance in 2017 and 2018

(SDG Million)

Particular	2017		2018		Change %	
	No. of Sukuk	Amount Recovered	No. of Sukuk	Amount Recovered	No. of Sukuk	Amount Recovered
Fund's Instruments Recovered	17,072,892	17,184.9	4,743,424	4,795.2	(72.2)	(72.1)
Subscriptions for Maintenance of Initial Share	3,406,245	3,206.4	2,601,894	2,605.1	(23.6)	(18.8)
Additional Subscription	13,706,513	14,137.5	3,103,595	3,128.3	(77.4)	(77.9)
Fund's Advances (Gard Hassan)	387	10,611.6	275	13,645.9	(28.9)	28.6

Sources: Inter-bank Liquidity Management Fund.

Table (4-38) shows that the number of the Fund's executed advances decreased from 387 cases in 2017 to 275 cases in 2018. As well the amounts recovered increased from SDG 10,611.6 million in 2017 to SDG 13,645.9 million in 2018.

9) Microfinance Guarantee Agency (MGA- TAISEER)

The Agency was established according to its 2013 Act as a financial shares agency for providing group guarantee services on behalf of those entities which lack the ability to offer the required guarantee to enable them to get finance from banks and other financing agencies whether local or foreign.

(a) MGA Objectives:

The agency aims at achieving the following objectives:

- Execution and support of the economic policy, poverty alleviation and unemployment reduction programs in Sudan, contribution in economic development through providing appropriate guarantee to banks and microfinance institutions that grant funds in order to finance small enterprises to achieve the sustainable development.
- Motivate the role of banks and non-bank financial institutions and encourage them to take part in the field of microfinance according to the limits decided by the Central Bank of Sudan.
- Make microfinance sector attractive through providing relevant assistance to banks and MFIs to get finance from various regional and international entities.
- Improve and enhance the efficiency of institutions through their dealings with banks in accordance with the international principles and practices.

(b) MGA Products:

These are contracts and guarantee documents determined by the Agency Law- Section (4). They are four products, only two of them have been launched, as shown below:

- Guarantee document of banks and MFIs that accepts or does not accept deposits.
- Guarantee document of cooperative associations which is based on the Cooperative Law passed by National Council, Livestock & Farmers production organizations' Law, and the Cooperative Associations established under the umbrella of the National Organization for the employment of graduates according to the law issued by the National Council.

Table (4-39)
Letters of Guarantee Issued according to the Beneficiaries in 2017 and 2018

Particular	2017			2018		
	No. of Letters	Amount (SDG Million)	Share %	No. of Letters	Amount (SDG Million)	Share %
Banks	10	75.0	38.2	5	75.0	22.1
Federal Institutions	16	116.2	59.2	25	238.2	70.3
State Institutions	0	0.0	0.0	6	23.5	7.0
Rural Institutions	2	5.0	2.6	1	2.0	0.6
Total	28	196.2	100.0	37	338.7	100.0

Source: Microfinance Guarantee Agency (MGA).

Table (4-39) shows that the number of issued letters increased from 28 letters with the value of SDG 196.2 million in 2017 to 37 letters with the value of SDG 338.7 million in 2018, by 72.6% .



CHAPTER FIVE

CENTRAL BANK OF SUDAN ACCOUNTS

Central Bank of Sudan Accounts for the year 2018

This Chapter presents The Central Bank of Sudan's Balance Sheet (Statement of Financial Position), the Profit and Loss Account (the Income Statement), the Statement of Changes in Owner Equity and the Statement of cash flows, for the year ended 31st December 2018 as it was audited by the Auditor General Chamber.

First: The Financial Position:

Table (5-1) presents the balance sheet for Central Bank of Sudan.

Table (5 - 1)
Central Bank of Sudan Statement of Financial
Position (Balance Sheet) as at 31/12/2018

(SDG Thousands)

Particulars	2018	2017
Assets:		
Total claims on Government	604,450,912	104,117,602
Foreign Assets	40,510,783	4,939,631
Gold Reserve	-	133,839
Short-term investments	21,852,901	16,496,808
Long-term Investments	9,694,433	4,105,986
Other Accounts	72,305,733	56,750,915
Fixed Assets	320,417	186,129
Buildings Under Construction	113,897	45,035
Information Technology's Projects Under Construction	-	502
Total Assets	749,249,076	186,776,447
Liabilities:		
Currency in Circulation	113,921,614	65,240,883
Current Accounts	212,096,725	52,126,717
Foreign Liabilities	263,767,458	38,777,058

Particulars	2018	2017
Other Liabilities	156,142,950	27,006,535
Provisions and Claims	999,490	792,782
Sub-Total	746,928,237	183,943,975
Capital	384,000	384,000
Reserves	2,219,011	2,178,557
Deficit / Retained Profits	(282,172)	269,915
Sub-Total	2,320,839	2,832,472
Total Liabilities, Capital and Reserves	749,249,076	186,776,447
Contra Accounts	444,368,172	59,313,292

1- Assets

The total assets increased from SDG 186,776.4 million at the end of the year 2017 to SDG 749,249.1 million at the end of the year 2018 by 301%, which is attributed mainly to the following:-

- The Total claims on government increased by SDG 500,333 million at a rate of 481% as a result of : exchange rates differentials item, which recorded an increase of SDG 443,633.6 million, a difference between buying and selling prices of gold amounted to SDG 8,053.5 million, an increase of SDG 41,384.6 million in the government temporary advances; an increase of SDG 7,703 million in the cost of finance; taking into account that the government has paid an amount of SDG 441.5 million out of the total balance of the long-term debt that scheduled for 100 years.
- Short-term Portfolio investments rose by SDG 5,356 million at a rate of 32.5% due mainly to: an increase of investment deposits by SDG 3,085 million, an increase of Ijarra certificates (Shihab) by SDG 1,650 million and an increase in the credit to commercial banks through Liquidity Management Fund by amount of SDG 206 million. On the other hand, there is a

decrease of SDG 556 million in the bank Portfolio¹ and a decrease of SDG 36.06 million in the government Investment Certificates (Sarah).

- Long-term Portfolio investments increased by SDG 5,588 million, at a rate of 136.1%, which is mainly attributed to an increase of the bank contributions in the capital of local banks and foreign institutions by SDG 2,832 million and in companies and financial institutions by SDG 2,583 million.
- Other accounts balance increased by SDG 15,555 million at a rate of 27.4%, which resulted from an increase of SDG 9,844.9 million in obligations and other incomes, and also an increase of SDG 725.611 million in government obligations and an increase of SDG 4,984 million in wheat prices' differentials.
- Fixed Assets increased by SDG 1343 million at rate of 72%, which is mainly attributed to a huge increase in the volume of technology projects.

2- Liabilities

The main changes in the Liabilities and owner's equity in the year 2018, are as follows:

- The balance of the currency in circulation at the end of the year 2018 amounted to SDG 113,922 million, with an increase of SDG 48,681 million compare with the year 2017 at a rate of 47.6%.
The withdrawn currency from circulation during 2018 amounted to SDG 745 million.
- The current accounts balance of corporations, local banks and governments units increased by SDG 159,970 million at a rate of 306.9%.
- The local counterpart of the foreign Liabilities increased by SDG 224,990 million at a rate of 580.2%, which resulted from an increase by SDG 178,052 million in the short-term deposits and facilities, and an increase by SDG 24,047 million in correspondents' accounts abroad.

¹ The portfolio includes all the contributions of the Central Bank of Sudan in the co-financing portfolios with the commercial banks.

- The total balance for other Liabilities account increased by SDG 129,136 million at a rate of 478.2%.
- The provisions account balance increased by SDG 212 million at a rate of 20% as a result of an increase in the retirement benefits by SDG 206 million.
- The reserves account balance increased by SDG 40 million at a rate of 1.8% due to the increase in the general reserve.

Second: Income Statement:

Table (5-2) illustrates the Income Statement for the year ended 31/12/2018

Table (5 - 2)
Income Statement for the year ended 31/12/2018

(SDG Thousands)

Particulars	2017	2018
Income:		
Foreign Exchange Transactions Income	1,551,073	1,347,514
Investments Income	846,581	532,768
Banking Operations Income	504,009	569,267
Other Incomes	49,676	33,194
Total Income	2,951,339	2,482,743
Expenses:		
1- Currency Issuance Expenses	(1,475,459)	(978,507)
2- Administrative Expenses	(1,127,135)	(1,723,529)
3- Depreciations	(79,056)	(62,878)
Total Expenses and Provision	(2,681,650)	(2,764,914)
Total Deficit / surplus	269,689	(282,171)

The following are the details of changes in the items of the Income Statement:

1/ Income:

Total income decreased by 15.8% from SDG 2,951.3 million in the year 2017 to SDG 2,482.7 million in the year 2018 due to the followings:

- Income from foreign exchange operations decreased by SDG 203.6 million at a rate of 13.1% because of a decrease in the exports incentive balance by SDG 1,097.8 million.
- Income from investment decreased by SDG 313.8 million at a rate of 37%, which resulted from decrease of income generated from return of investment in certificates by SDG 658 million.

2/Expenses:

Total expenses increased by 3% from SDG 2,681.7 million in the year 2017 to SDG 2,765 million in the year 2018 for the following reasons:

- Increase of administrative expenses by amount of SDG 596 million at a rate of 53%, and an increase of the cost of the Central Bank of Sudan Ijarra certificates (Shihab) by SDG 250 million.
- Currency issuance expenses decreased by SDG 497 million at a rate of 33.7% which resulted from the decrease in the cost of currency printing by SDG 495 million.
- The overall financial position has changed from a surplus of SDG 269.7 million at the end of 2017 to a deficit of SDG 282.2 million at the end of 2018 at a rate of 204.6%.

Third: Statement of Changes in Ownership:

Table (5-3) shows changes in owner equity for the year ended in 2018, which includes capital, reserves and residual profits carried forward from the year 2017.

Table (5 - 3)
Changes in Owner Equity for the year ended 31/12/2018 compare with the last two years
(SDG Thousands)

Particular	Capital	General Reserves	Assets Replacement Reserves	Assets Evaluation Reserves	Other Reserves	Retained Profits	Total
<u>Balance at 31/12/2016</u>	384,000	233,273	7,000	1,777,485	122,191	658,319	3,182,268
Assets Evaluation Reserves							
Paid to Government						(619,631)	(619,631)
Transfer to General Reserve		38,608				(38,608)	
Settlement for previous years						146	146
Profits of 2017						269,689	269,689
<u>Balance at 31/12/2017</u>	384,000	271,881	7,000	1,777,485	122,191	269,915	2,832,472
Paid to Government	-	-	-	-	-	(229,461)	(229,461)
Transfer to General Reserve	-	40,454	-	-	-	(40,454)	0
Settlement for previous years						(1)	(1)
Profits of 2018		-	-	-	-	(282,171)	(282,171)
<u>Balance at 31/12/2018</u>	384,000	312,335	7,000	1,777,485	122,191	(282,172)	2,320,839

Fourth: Cash Flows:

Table (5-4) shows the Cash Flows generated from operating transactions, investment and financing activities for the years 2017 and 2018. It also demonstrates the utilization of funds in various activities.

Table (5 - 4)
Statement of Cash Flow for the year ended 31/12/2018

(SDG Thousands)

Particular	2018	2017
Cash flows from operating activities		
Net deficit /surplus available for distribution	(282,171)	269,689
Adjusted by:		
Depreciation of fixed assets	62,878	79,056
Retirement benefit Provision	227,000	202,000
Paid Retirement benefit Provision	(20,292)	(21,467)
Increase in Loans to government	(500,333,310)	(31,267,698)
Increase in other liabilities accounts	(15,554,818)	(24,893,649)
Increase in current accounts	159,970,008	21,659,919
Increase in Local component for external liabilities	224,990,400	6,433,983
Increase in other liabilities	129,136,415	6,130,139
Increase in currency in circulation	47,000,950	24,782,462
Returns of fixed Assets Sale	(513)	(5,436)
Settlement of previous years	(1)	146
Net cash flow generated from operating activities	45,196,546	3,369,144
cash flows generated from investment activities		
Purchase of fixed assets	(199,500)	(103,997.0)
Increase in Constructions under implementation	(68,862)	(25,341)
Increase/decrease in Projects under implementation	502	-
Returns from sales of fixed assets	2,848	2,090,320
Increase in short-term investments	(5,356,093)	(3,518,330)
Increase in long- term investments	(5,588,447)	(255,870)
Net cash flows generated from investment activities	(11,209,552)	(1,813,218)
cash flows generated from financing activities		
Profits paid to government	(229,461)	(619,631)
Net cash flows used in financing activities	(229,461)	(619,631)
Changes in cash balances and the like during the year	33,757,533	936,295
Cash balances at the beginning of the year	7,236,739	6,300,444
Cash balances at the end of the year	40,994,272	7,236,739

Report of the Independent Auditor-General

Gentlemen/ Board of Directors of the Central Bank of Sudan

The opinion:

Among the notes, which have reached with Officials, we have identified the most important observations during the review of the current financial statements. We describe these observations in our report, unless there is a law or regulations that prohibit public disclosure of these observations or when we decide in very rare exceptional cases not to disclose the observations in our report because the negative effects of disclosure might exceed the public interest objectives.

Eltahir Abdelgayoom Ibrahim Malik

Auditor General

Of the Republic of Sudan

Khartoum, June 16, 2019

Corresponding to 13 / Shawwal / 1440H

CHAPTER SIX

PERFORMANCE OF THE GOVERNMENT GENERAL BUDGET

General Government Budget Performance

This chapter deals with the federal government budget only, and does not reflect the states revenues and expenditures, as Sudan adopts a federal system of government. Whereby each state formulate and authorize its own current and development budget utilizing its own sources of revenues together with transfers guaranteed by law from the federal government, to meet its expenditure for basic services such as healthcare, education and water supplies. Additionally, the federal government finances, directly, from its own budget certain development projects located in the states.

The government budget structure, according to the government financial statistics manual (GFSM) issued by the International Monetary Fund in 2001; is consisting of public revenues, public expenses, the overall surplus or deficit and sources of its financing.

The public revenues include tax revenues, non-tax revenues and grants. The main sources of tax revenue are income tax, business profits, and capital gains, value added tax (VAT), tariffs on international trade and excise duties on production. Non-tax revenues on the other hand, include sales of goods and services, ownership income and fees.

The public expenditure is classified into three chapters: chapter one deals with the compensation of employees. Chapter two includes the purchase of goods, services and social support, as well as transfers to the states to finance part of their current and development expenditure, while chapter three deals with expenditure on national development projects, or the so-called acquisition of non-financial assets.

The last section of the budget structure reflects the overall fiscal surplus or deficit and its sources of finance.

Performance of the General Budget for the Year 2018:-

The budget of the year 2018 aimed at stimulating the stagnation of the national economy, raise the rate of economic growth, reduce inflation, and maintain the stability of the exchange rate according to the following indicators:

- Achieve sustained economic growth by targeting a real growth rate of 4.0% in GDP, economic stabilization through reducing inflation to 19.5% and stabilizing the exchange rate of the national currency.
- Reducing the deficit of the general budget to be within the safe limits through increasing revenues from real sources, and controlling public expenditures taking into consideration the overall economic objectives.
- Tightening the general budget unity and increasing the efficiency of the performance and developing the overall budget structure and budget based on programs.
- Restoring the external sector stability through reducing the trade balance deficit by promoting exports, rationalizing imports demand and encouraging the flow of other sources of foreign exchange, especially remittances of the Sudanese working abroad, which helps building external reserves.
- Reducing poverty and address its causes to develop poor communities and families.
- Providing employment opportunities to reduce unemployment rates, especially among youth, supporting productive sectors and paying attention to national and foreign investment.
- Activating and developing of forms and types of partnerships between the private and public sectors to increase productive investments for imports substitutions and increase of exports and to the dissemination of advanced technology.
- Exercise e-government to reform the state and fighting corruption, developing, facilitating and improving the efficiency of the performance of government business and increasing confidence between the government and its clients.

Table 6.1 shows the performance of the general budget of the government for the years 2017 and 2018. Figure (1-6) compares general revenues, general expenditure and general budget deficit during the years 2017 and 2018.

Table (6-1)
Financial performance of the government general budget for the years 2017 and 2018

(SDG Million)

Item	2017			2018		
	Budget Estimates	Actual Performance	Performance (%)	Budget Estimates	Actual Performance	Performance (%)
Total Public Revenues	77,710	77,054	99	116,875	124,946	107
Total Current Expenditure	83,793	86,106	103	127,248	155,796	122
Current Budget Surplus or Deficit (-)	(6,083)	(9,052)	149	(10,373)	(30,850)	297
Net Acquisition of Non-Financial Assets (Development Expenditure)*	12,417	5,262	42	18,043	6,996	39
Acquisition of Non-Financial Assets (Development Expenditure)	12,817	5,550	43	18,643	7,262	39
Disposal of non-financial assets (-)	400	288	72	600	266	44
Total Public Expenditure*	96,210	91,368	95	145,291	162,792	112
Total Budget Deficit	(18,500)	(14,314)	77	(28,416)	(37,846)	133
Deficit Financing	18,500	14,314	77	28,416	37,846	133
Net Acquisition of Financial Assets(equity capital share)	(1,765)	(751)	43	(1,377)	(66)	5
External Financing (Withdrawals)	4,525	795	18	10,000	3,942	39
External Financing (Payments)	(3,437)	(1,180)	34	(4,000)	(424)	11
Net External Financing	1,088	-385	(35)	6,000	3,518	59
Domestic Financing (Withdrawals)	28,179	19,977	71	45,258	46,335	102
Domestic Financing (Payments)	(9,002)	(4,527)	50	(21,465)	(11,941)	56
Net Domestic Financing	19,177	15,450	81	23,793	34,394	145

Source: Ministry of Finance and Economic Planning

*The item covers disposal of non-financial assets in the years 2016 and 2017 including returns from selling of disposal items through auctions.

Figure (6-1)
Public Revenues, Public Expenditures and the overall deficit, for the years 2017 and 2018

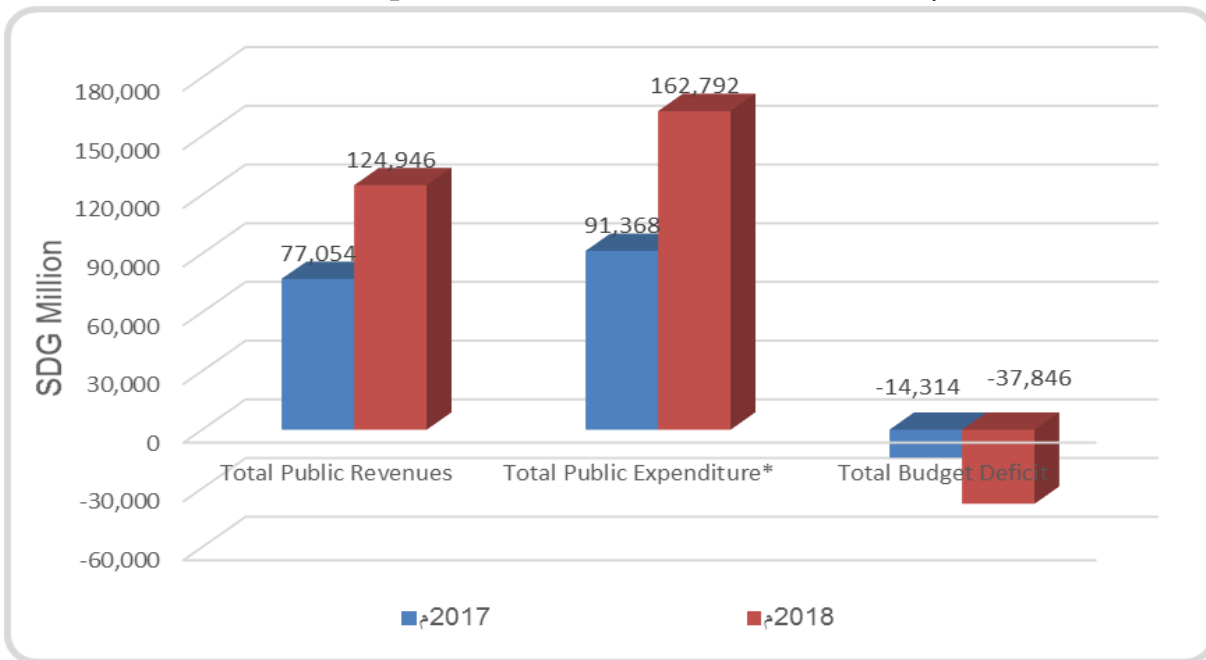


Table (6-1) shows that total public revenues has increased from SDG 77,054 million in the year 2017 to SDG 124,946 million in the year 2018, i.e. 62.2%. At the same time, total public expenditures increased from SDG 91,792 million in the year 2017 to SDG 162,792 million in the year 2018 at a rate of 78.2%, this mainly due to an increase in the current expenditures at a rate of 81%. As a result the overall general budget deficit increased from SDG 14,314 million in the year 2017 to SDG 37,846 million in the year 2018, i.e. 164%.

Details of the performance of public revenues, public expenditures and the overall deficit are below:

1- Public Revenues:-

Table (6-2) illustrates the performance of public revenues for the years 2017 and 2018; figure (6-2) compares the sources of the public revenues for the years 2017 and 2018; figure (6-3) exhibits the contribution of the revenues items in the general budget for the year 2018.

Table (6-2)
Performance of public revenues for each of the years 2017 and 2018

(SDG Million)

Item	2017				2018			
	Budget Estimates	Actual Performance	Performance (%)	% of Total Revenues	Budget Estimates	Actual Performance	Performance (%)	% of Total Revenues
(A) Tax Revenues	57,732	63,849	111	83	75,076	91,345	122	73
Taxes on income, business and capital profits	4,805	4,173	87	5	4,887	6,597	135	5
Taxes on ownership	110	29	26	0	118	40	34	0
Taxes on goods and services	41,602	48,877	117	63	58,981	67,192	114	54
Taxes on international trade	11,182	10,702	96	14	10,972	17,362	158	14
Other taxes	33	68	206	0	119	154	129	0
(B) Non-tax Revenues	17,139	11,543	67	15	33,704	26,865	80	22
Sales of Gov. entities market goods*	4,693	4,537	97	6	10,963	8,178	75	6
Ownership Income**	3,724	3,119	84	4	6,265	5,846	93	6
Administrative Charges	4,265	1,979	46	3	3,380	3,182	94	2
Occasional sales of gov. entities non-market goods	23	10	45	0	24	52	217	0
Fines, penalties and forfeitures	30	14	47	0	36	25	69	0
Other Revenues	4,404	1,884	43	2	13,036	9,582	74	8
(C) Foreign Grants	2,839	1,662	59	2	8,095	6,736	83	5
Total Revenues and Grants	77,710	77,054	99	100	116,875	124,946	107	100

Source: Ministry of Finance and Economic Planning

*Including sale of oil and sale of government entities and non-oil market goods

* Government share in profit surpluses of public entities, companies, and from government investments

Figure (6-2)
Sources of revenues in the general budget for the years 2017 and 2018

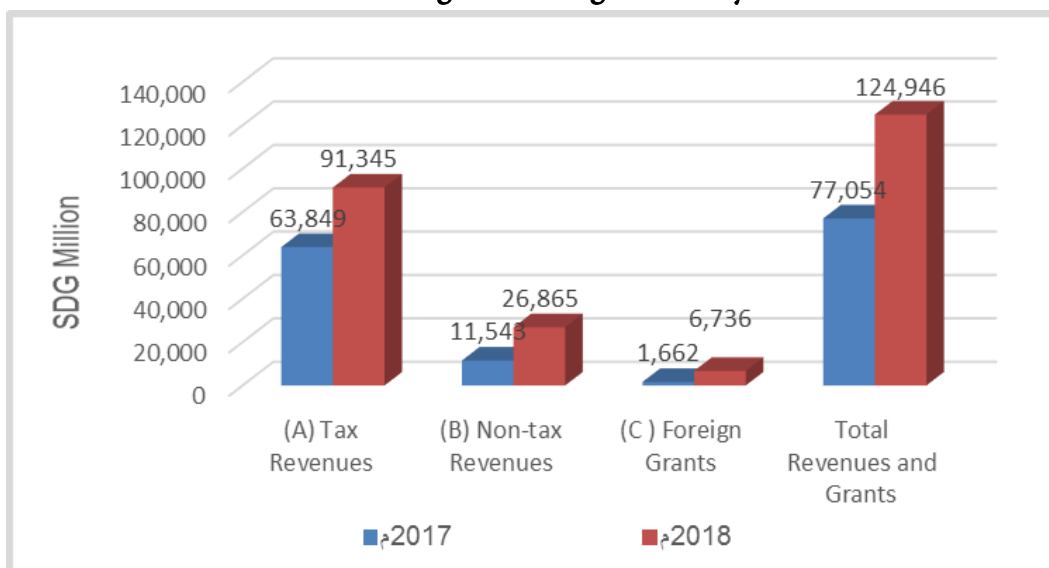


Figure (6-3)
Contribution of the revenues items in the general budget for the year 2018

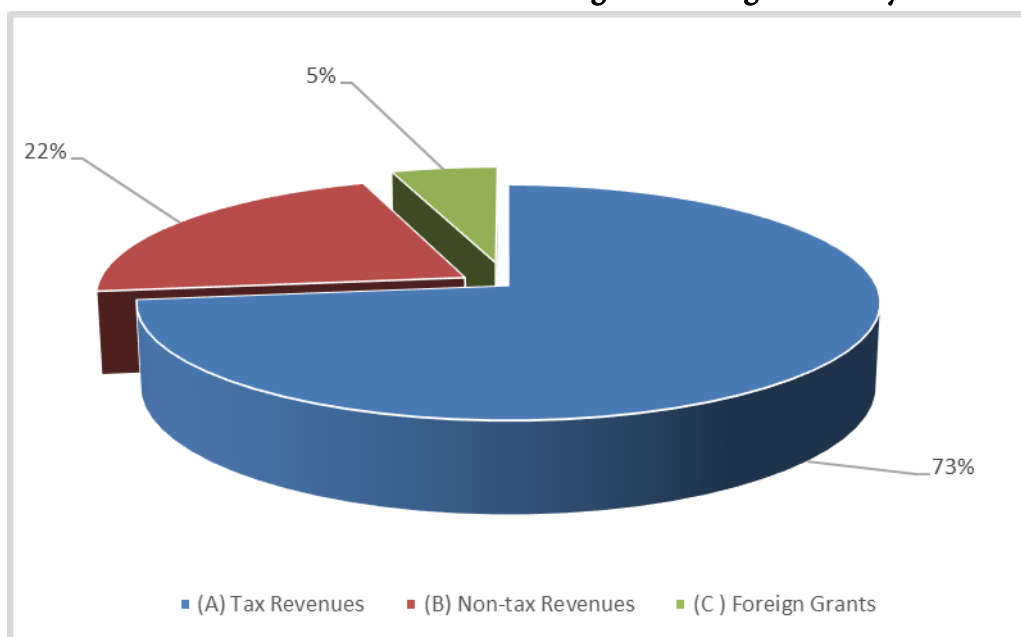


Table (6-3) illustrates the percentage share of each component of the public revenues during the year 2018 which are as follows: tax revenues 73%, non-tax revenues 22% and foreign grants 5%.

(a) Tax revenues:

Table (6-3) and figure (6-4) exhibits the actual performance of tax revenue items, for of the years 2017 and 2018, compared with the budget estimates.

Table (6-3)
Performance of tax revenues for each of the years 2017 and 2018

(SDG Million)

Item	2017			2018				Rate of Change (%)
	Budget Estimates	Actual Performance	Performance (%)	Budget Estimates	Actual Performance	Performance (%)	% of Total Tax-Revenues	
Taxes on income, profits and capital gains	4,805	4,173	87	4,887	6,597	135	7	58
Taxes on ownership	110	29	26	118	40	34	0	38
Taxes on goods and services	41,602	48,877	117	58,981	67,192	114	74	37
Taxes on international trade and transactions	11,182	10,702	96	10,971	17,362	158	19	62
Other taxes	33	68	206	119	154	129	0	126
Total	57,732	63,849	111	75,076	91,345	122	100	43

Source: Ministry of Finance and Economic Planning

Figure (6-4)
Performance of actual tax revenues for the years 2017 and 2018

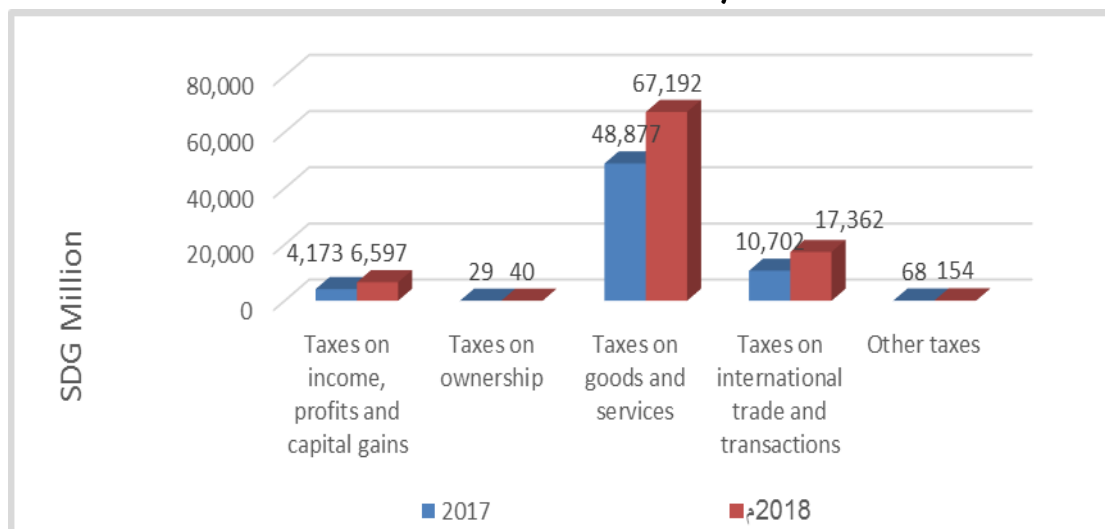


Table (6-3) indicates that actual tax revenues amounted to SDG 91,345 million in the year 2018, representing 122% of the budgeted tax revenues which is amounting to SDG 75,076 million and with an increase of 43% compared with the tax revenues for the year 2017, which amounted to SDG 63,849 million. This is mainly due to persistent efforts exerted to combat customs and tax evasion, expanding the tax umbrella, raising rates paid for services rendered by administrative units, besides continuing implementation of the electronic collection project.

(b) Non-tax revenues:

Table (6-4) shows the actual performance of non-tax revenues items compared with budget estimates for the years 2017 and 2018.

Table (6-4)
Performance of actual non-tax revenues items for the years 2017-2018
(SDG Million)

Item	2017			2018				Rate of Change (%)
	Budget Estimates	Actual Performance	Performance (%)	Budget Estimates	Actual Performance	Performance (%)	% of Total Tax-Revenues	
Oil Revenues	4693	4,536	97	10,963	8,178	75	30	80
Non-Oil Revenues	12446	7,007	56	22,741	18,687	87	70	167
Total	17,139	11,543	67	33,704	26,865	80	100	133

Table (6-4) indicates that the actual performance of non-tax revenues amounted to SDG 26,865 million in the year 2018 at a rate of 80% compared with the budget estimates which amounting to SDG 33,704 million, where the petroleum revenues represent 30% of total non-tax revenues and 75% of budget estimates, while non-petroleum revenues account for 70% of total non-tax revenues and 82% of budget estimates.

(c) Foreign grants:

Table (6-2) shows that actual foreign grants increased from SDG 1,662 million in the year 2017 to SDG 6,736 million in the year 2018, representing 5% of the total public revenues, with a performance rate of 83% of the budget estimates which is amounting to SDG 8,095 million.

(2) Public expenditure:

Table (6-1) shows that actual public expenditure amounted to SDG 162,792 million in the year 2018 compared with SDG 91,368 million in the previous year, i.e. 78%. With a performance rate of 112% compared with the budget estimates. Current expenditures represent 96% out of the total general expenditures amounted to 155,796 million SDG. The net national development expenditure amounted to SDG 6,996 million with an execution rate of 39%, details are as follows:-

(a) Current expenditures:

Table (6-5) and figure (6-5) shows the actual performance of the federal government current expenditures for the years 2017 and 2018, whereas Figure 6-6 shows the contribution of current expenditure items in the federal budget of the Government for 2018.

Table (6-5)

Actual performance of the federal government current expenditure for the years 2017 and 2018

(SDG Million)

Item	2017			2018				Rate of Change (%)
	Budget Estimates	Actual Performance	% of Total expenditure	Budget Estimates	Actual Performance	Performance (%)	% of Total expenditure	
Employee Compensations	31,178	30,410	35	34,207	32,751	96	21	8
Purchase of goods and services	14,890	12,400	14	17,132	16,068	94	10	30
Subsidy for Strategic Goods	4,237	12,755	15	25,389	64,224	253	41	404
Cost of Finance	4,490	4,385	5	5,588	3,297	58	2	(25)
Subsidies (Allowances)	1,400	1,466	2	122	127	104	0	(91)
Participation in International Organizations	372	371	0	450	274	61	0	(26)
Social Benefits*	5,051	4,937	6	10,171	10,475	103	7	112
Other National Expenditure	416	308	0	1,465	708	48	1	130
States Transfers	21,759	19,074	22	32,725	27,872	85	18	46
Total Current Expenditure	83,793	86,106	100	127,249	155,796	122	100	81

Source: Ministry of Finance and Economic Planning

*Including government direct subsidy to households, internal and external healthcare subsidy, subsidy to accidents and child injuries.

Figure (6-5)

The federal government current expenditure for the years 2017 and 2018

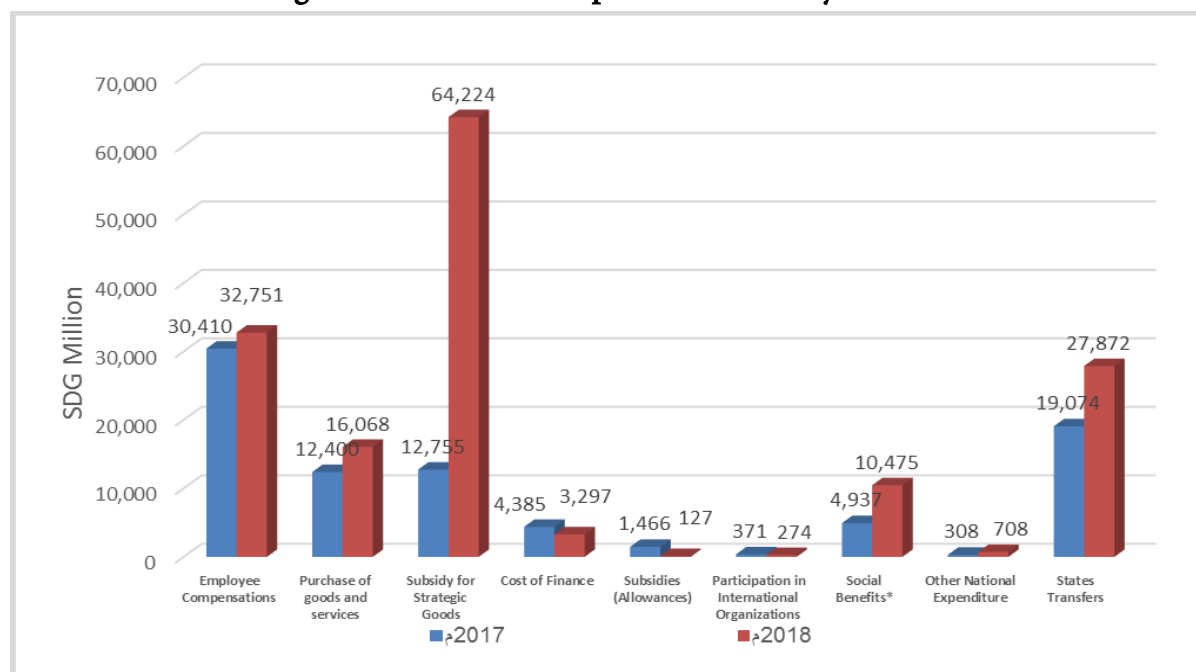


Figure (6-6)

Portion of government general budget attributable to current expenditure items in 2018

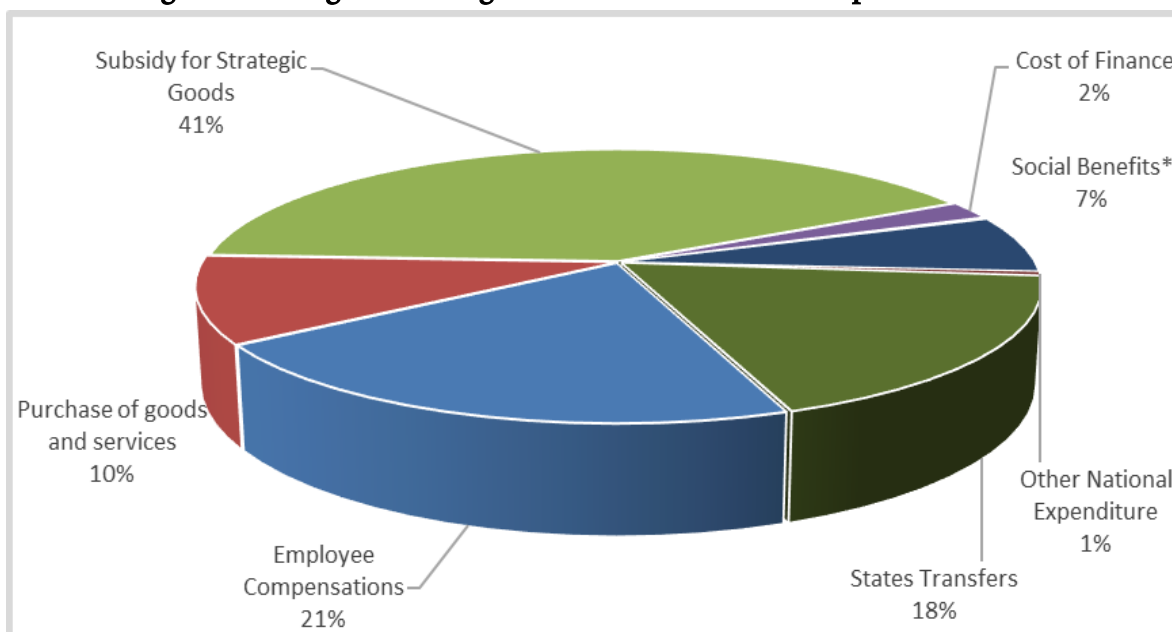


Table (6-5) above shows that the total current expenditure has increased from SDG 86,106 million in the year 2017 to SDG 155,796 million in the year 2018 at an increasing rate of 81%.

The employees' compensation has increased from SDG 30,410 million in the year 2017 to SDG 32,751 million in the year 2018.i.e. 8%, contributing 21% of the total current expenditure, also the expenditure of purchasing goods and services increased from SDG 12,400 million in the year 2017 to SDG 16,068 million in the year 2018 at a rate of 30% contributing 10% of the current expenditure, while the allowances declined from SDG 1,466 million in the year 2017 to SDG 127 million in the year 2018. Transfers to the states has increased from SDG 19,073 million in the year 2017 to SDG 27,872 million in the year 2018 at a rate of 46% representing 18% out of the total current expenditure. Expenditure on social benefits increased during the year 2018 by 112% from SDG 4,937 million in the year 2017 to SDG 10,475 million in the year 2018 contributing 7% of the current expenditure. Subsidies on strategic goods reached 41% out of the total current expenditure where has increased from SDG 12,755 million in the year 2017 to SDG 64,224 million in the year

2018 i.e. 404%. whereas cost of finance has decreased by 25% from SDG 4,385 million in the year 2017 to SDG 3,297 million in the year 2018 representing only 2% of the total current expenditure.

(b) Development expenditure:

Table (6-6) shows the national development expenditure, in both local and foreign currencies for the years 2017 and 2018; whereas table (6-7) and figure (6-7) displays national development expenditure by sectors, for the years 2017 and 2018.

Table (6-6)
National development expenditure in local and foreign currencies for the years 2017 and 2018

(SDG Million)

Item	2017			2018				Rate of Change (%)
	Budget Estimates	Actual Performance	Contribution (%)	Budget Estimates	Actual Performance	Performance (%)	Contribution (%)	
National Development in Local Currency	8,667	5,205	94	9,667	5,972	62	82	15
National Development in Foreign Currency*	4,150	344	6	8,976	1,290	14	18	275
Total	12,817	5,549	100	18,643	7,262	39	100	31

Source: Ministry of Finance and Economic Planning

*valued in local currency at official exchange rate

The national development expenditure has increased from SDG 5,549 million in the year 2017 to SDG 7,262 million in the year 2018 at a rate of 31%. Where the development expenditure in local currency increased from SDG 5,205 million to SDG 5,972 million i.e. 15%, and the local counterpart of the national development expenditures in foreign currency increased from SDG 344 million to SDG 1,290 million at a rate of 275%. It worth mentioning that the implementation of national projects largely depended on the local component, which represented 82% out of the total national development expenditure.

Table (6-7) and figure (6-7) shows the national development expenditure for different sectors during the years 2017 and 2018.

Table (6-7)

National development expenditures classified by the different sectors for the year 2017 and 2018

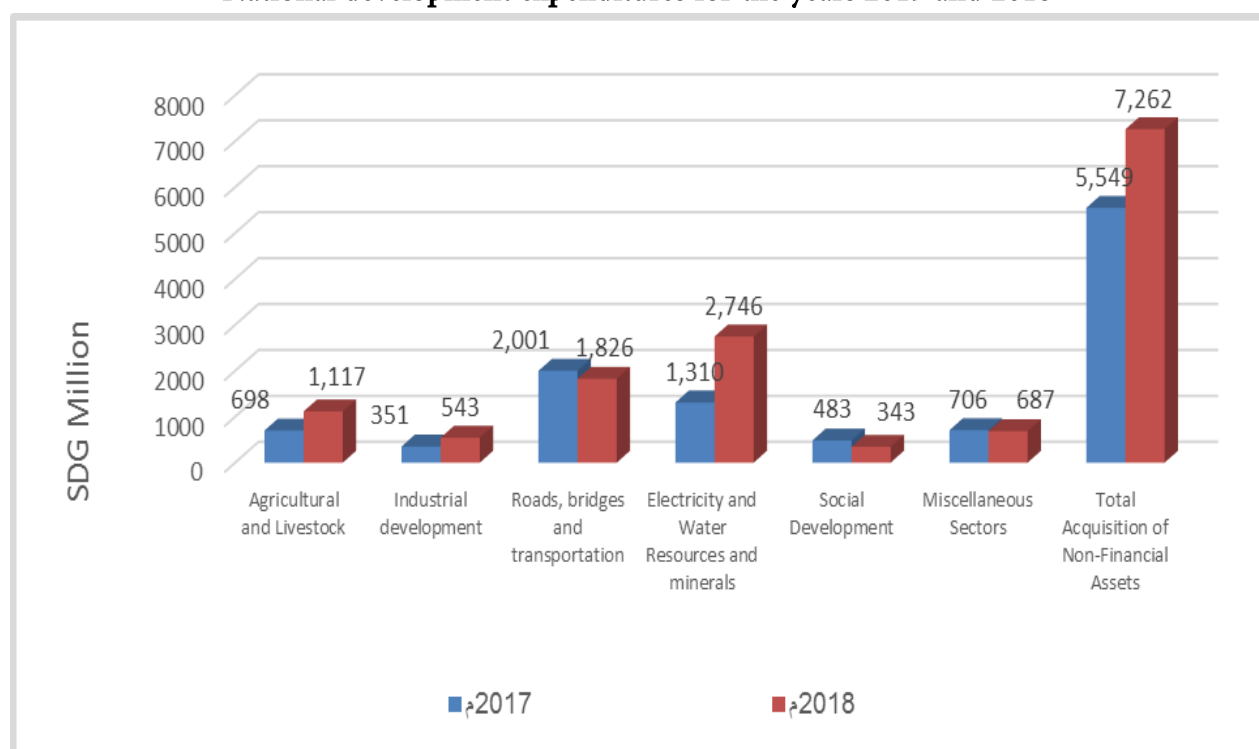
(SDG Million)

Item	2017				2018				Rate of Change (%)
	Budget Estimates	Actual Performance	Performance (%)	% of Total	Budget Estimates	Actual Performance	Performance (%)	% of Total	
Agricultural and Livestock	1,508	698	28	13	2,731	1,117	41	15	60
Industrial development	504	351	70	6	963	543	56	8	55
Roads, bridges and transportation	2,633	2,001	76	36	2,274	1,826	80	25	(9)
Electricity and Water Resources and minerals	4,133	1,310	32	24	7,919	2,746	35	38	110
Social Development	1,681	483	29	8	3,055	343	11	5	(29)
Miscellaneous Sectors	1,358	706	52	13	1,702	687	40	9	(3)
Total Acquisition of Non-Financial Assets	12,817	5,549	43	100	18,643	7,262	39	100	31

Source: Ministry of Finance and Economic Planning

Figure (6-7)

National development expenditures for the years 2017 and 2018



The actual expenditure on national development during the year 2018 amounted to SDG 7,262 million with a performance rate of 39% compared to the budget estimates which amounted to SDG 18,643 million.

The development sectors were ranked in a descending order according to its share in the total national development expenditure as follows: the electricity and water resources sector contributed 38% out of the total national development expenditure, followed by the transport, roads and bridges sector by 25%, then the agricultural sector 15%, the diversified sector 9%, the industrial sector 7% and the social development sector 5%.

3-Budget Deficit and Sources of Finance:

Table (6-8) shows that the overall budget deficit and its sources of financing for the years 2017 and 2018; whereas figure (8-6) displays the internal debt instruments contributed towards the financing of the overall budget deficit, for the years 2017 and 2018.

Table (6-8)

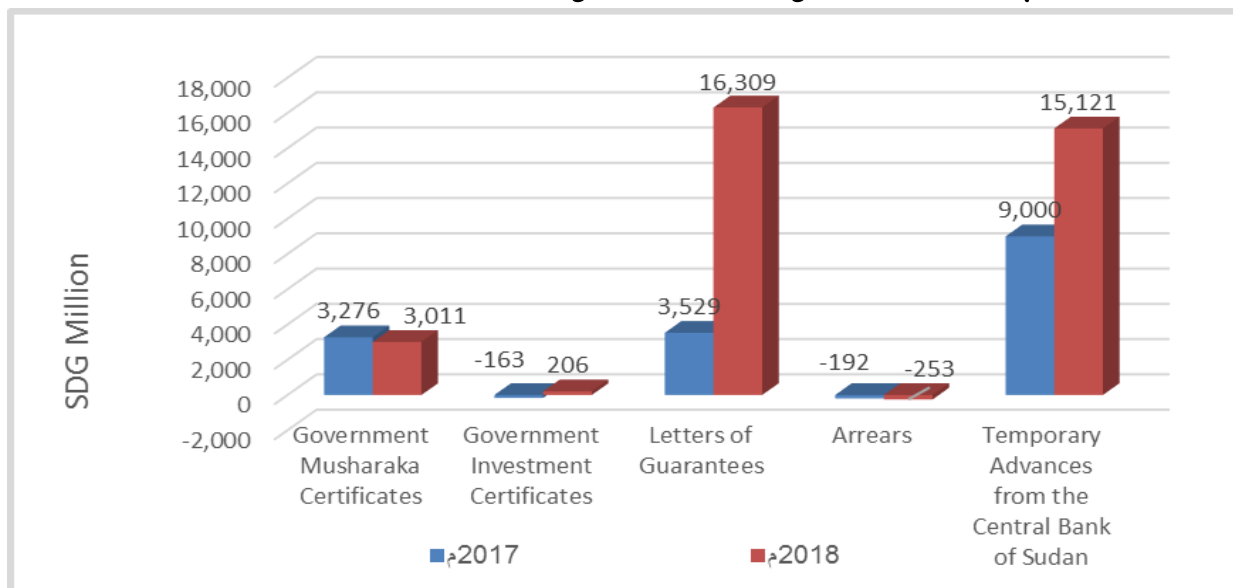
The overall budget deficit and sources of its financing for each of the two years 2017 and 2018

(SDG Million)

Item	2017				2018				Rate of Change (%)
	Budget Estimates	Actual Performance	Performance (%)	% of Total	Budget Estimates	Actual Performance	Performance (%)	% of Total	
Total Budget Deficit	(18,500)	(14,314)	77		(28,416)	(37,846)	133		164
Sources of budget deficit finance	18,500	14,314	77	100	28,416	37,846	133	100	164
Net Acquisition of Financial Assets	(1,765)	(751)	43	(5)	(1,376)	(66)	5	0	(91)
External Financing (Withdrawals on Loans and Grants)	4,525	795	18	6	10,000	3,942	39	10	396
External Financing (Payments)	(3,437)	(1,180)	34	(8)	(4,000)	(424)	11	(1)	(64)
Net External Financing	1,088	(385)	(35)	(3)	6,000	3,518	59	9	1,014
Internal Financing (Withdrawals)	28,179	19,977	71	140	45,258	46,335	102	124	132
Internal Financing (Payments)	(9,002)	(4,527)	50	(32)	(21,465)	(11,941)	56	(34)	164
Net Internal Financing	19,177	15,450	81	108	23,793	34,394	145	91	123
Government Musharaka Certificates	2,000	3,276	164	23	3,000	3,011	100	8	(8)
Government Investment Certificates	448	(163)	(36)	(1)	2,500	206	8	1	226
Letters of Guarantees	9,979	3,529	35	25	9,941	16,309	164	43	362
Arrears	(1,250)	(192)	15	(1)	(7,965)	(253)	3	(1)	32
Temporary Advances from the Central Bank of Sudan	8,000	9,000	113	63	16,317	15,121	93	40	68

Figure (6-8)

Internal debt instruments issued for financing the overall budget deficit for the years 2017 and 2018



The budget deficit increased from SDG 14,314 million in the year 2017 to SDG 37,846 million in the year 2018 I.e.164%; and has been financed by 91% from internal sources and 9% from external sources.

(a) External financing:

The withdrawals from foreign loans amounted to SDG 3,942 million in the year 2018; whereas, repayments amounted to SDG 424 million, yielding SDG 3,518 million as a net external financing, representing 9% of overall budget deficit finance.

(b) Internal financing:

The withdrawals from internal financing sources amounted to SDG 46,335 million in the year 2018; while total repayments amounted to SDG 11,941 million, giving SDG 34,394 million as a net domestic financing representing 91% of the total budget deficit finance.

- Internal debt instruments:

Internal sources of financing include temporary Advances from the Central Bank of Sudan, Government Musharaka Certificates (GMCs), Government Investment Certificates (G.I.Cs), debt amortization bonds and letters of guarantee. In the budget of the year 2018 the letters of guarantees issued by the Central Bank of Sudan represents the highest volume of deficit financing compared with other debt instruments; where it amounted to SDG 16,309 million representing 43% of the total domestic budget finance followed by temporary advances from the central bank of Sudan amounting to SDG 15,121 million representing 40% of total domestic budget finance.

- Temporary Advances from the Central Bank of Sudan

Under article (48-1) of the central bank of Sudan Act, the central bank may grant government temporary financing, subject to the respective terms and conditions set out by the bank, Provide that the financing should not exceed at any time 15% of government public revenue estimates for the fiscal year in which the financing granted. Provided that the financing should be repaid within

a period not exceeding the first six months following the end of the fiscal year in which the financing was granted.

Pursuant to the above article, the government has been given a temporary financing in the year 2018 amounting to SDG 15,121 million representing 13% of the total general revenue estimates, which contributed 40% of the total budget deficit financing.

Table (6-9) and figure (6-9) reveals the relationships of budget items indicators to the Gross Domestic Product at current prices, for of the years 2017 and 2018.

Table (6-9)
Government general budget items relative to gross domestic product at current prices for the years 2017 and 2018

(SDG Million)

Item	2017	2018	Rate of Change (%)
Total Revenues (SDG Million)	77,054	124,946	62
Total Revenues as % of GDP	9	11	
Tax Revenues (SDG Million)	63,849	91,345	43
Tax Revenues as % of GDP	8	8	
Total Expenditure (SDG Million)	91,368	162,792	78
Total Expenditure as % of GDP	11	14	
Total Budget Deficit (SDG Million)	(14,314)	(37,846)	164
Budget Surplus/ Deficit as % of GDP	(2)	(3)	
GDP at Current Prices (SDG Million)	815,855	1,176,630	44

Figure (6-9)
General budget items relative to the gross domestic product for the years 2017 and 2018

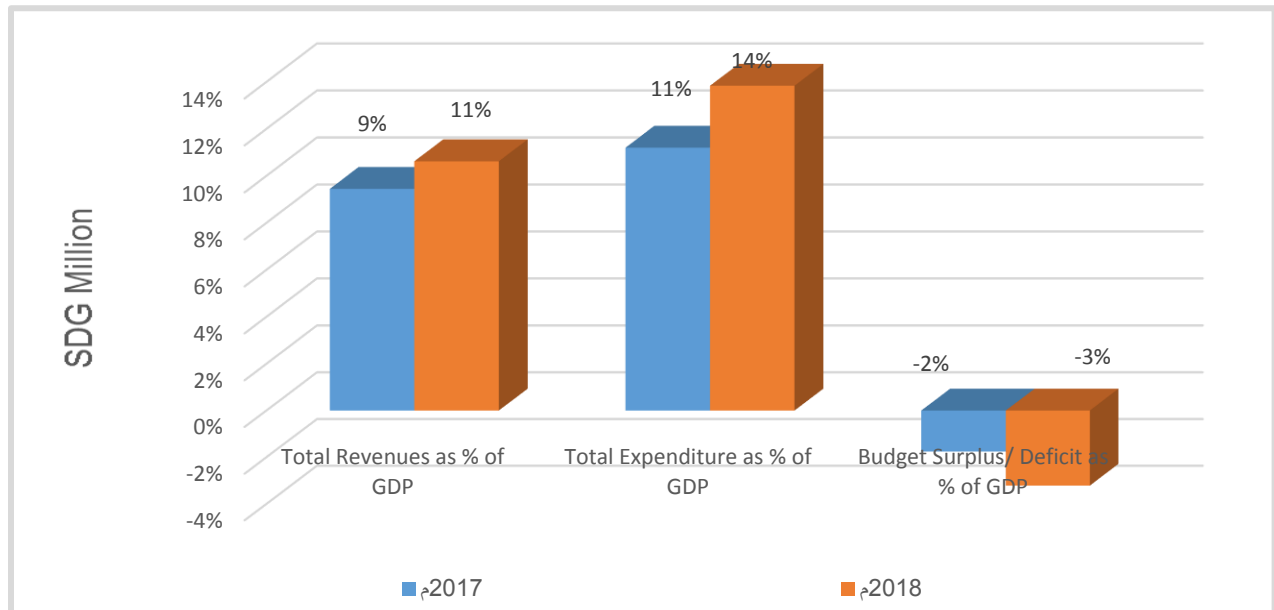


Table (9-6) illustrates the most important government general budget indicators as a ratio of the gross domestic product for the years 2017 and 2018.

The ratio of the government general budget deficit to the gross domestic product increased from 2% in the year 2017 to 3% in the year 2018. In addition, the ratio of the total general expenditure to the gross domestic product increased from 11% in the year 2017 to 14% in the year 2018, also the ratio of total general revenues to the gross domestic product increased from 9% in the year 2017 to 11% in the year 2018.



CHAPTER SEVEN

GROSS DOMESTIC PRODUCT (GDP)

The National Accounts

The National accounts are accounting framework, that compile macroeconomic information that can be used for economic analysis, determining the imbalances areas in the economy and deal with it, and it introduces a comprehensive view to the economy includes major things such as measuring the production and generating and disseminating the income between institutional sectors and using the income for consumption and saving purposes and the change in the assets and the liabilities.

The National Accounts Chapter includes the Gross Domestic Product in constant prices, the Gross Domestic Product in current prices, the Gross National Product and the National Income, as well as the social development represented the population size, the age and the sex composition of the population, in addition to the price indexes and the inflation rate.

First: Gross Domestic Product at Constant Prices by Economic Activities (product method)

Gross Domestic Product (GDP) is the sum of the market values of final goods and services produced in a country during a specific time period (usually one year). The System of National Accounts (SNA) uses three core methods to compute GDP.

i. The Production Method or value added

According to this method, GDP is the sum of values added in all sectors of the economy within a specific period. It computes the values of final goods and services at current prices excluding the values of intermediate goods and services involved in the production process.

ii. The Income Method:

This method sums the factor incomes to the factors of production that contribute to the production process which includes compensation of employees that comprises wages, salaries and other labor cost plus gross operating surplus of business enterprises and taxes minus goods subsidies.

iii. The Expenditure Method:

Defines GDP as the sum of consumption, investment spending, and net foreign transactions of goods

and services in a country within a specific period of time. Sudan adopts both of the production or value added and the expenditure methods.

Table (7-1) and Figure (7-1) illustrate the growth rate of GDP and its component sectors at constant prices for 2017 and 2018, (based on year (1981/82 prices)).

Table (7-1)
Gross Domestic Product at Constant Prices by Economic Activities
for 2017 and 2018 (based year prices 1981/82.

(SDG Millions)

Year Sectors	2017**			2018*		
	Value	Growth Rate %	Share%	Value	Growth Rate %	Share %
Agriculture, Forests, Animal Resources and Fisheries	9.9	7.6	27.7	10.3	4.0	28.1
Processing Industries, Handcraft, Mining and Quarrying Sector	7.5	4.2	21.0	7.7	2.7	21.0
Processing Industries and Handcraft	5.2	2.0	14.6	5.4	3.8	14.7
Mining and quarrying	0.6	0.0	1.7	0.5	(16.7)	1.4
Electricity, Water and Gas	1.0	11.1	2.8	1.1	10.0	3.0
Building and Construction	0.7	16.7	2.0	0.7	0.0	1.9
Services sector	18.3	4.0	51.3	18.7	2.2	50.9
Trade, Hotels and Restaurants	3.1	(3.1)	8.7	3.2	3.2	8.7
Transport, Communications and Storage	3.9	8.3	10.9	4.0	2.6	10.9
Finance, Insurance and Banking	5.3	6.0	14.8	5.4	1.9	14.7
Government Services	5.2	6.1	14.6	5.3	1.9	14.4
Other Services***	0.8	(11.1)	2.2	0.8	0.0	2.2
GDP at constant prices	35.7	4.7	100.0	36.7	2.8	100.0
GDP Deflator	22,866.0			32,074.0		
GDP at Current Prices ****	815,855.0			1,176,630.0		

Source: Central Bureau of Statistics.

* Preliminary Data.

** Amended Data.

*** Includes the social services, Financial Institutions services, Non-profit private sector and the imports bill

**** Table (3-7)

Figure (7-1)
Sectors Growth Rate for 2017 and 2018



Table (7-1) shows that the GDP at constant prices growth rate decreased from 4.7% in 2017 to 2.8% in 2018, due to the decreased in the growth rate of its some sub sectors, where the agricultural sector decreased from 7.6% in 2017 to 4.0% in 2018, the services sector from 4.0% in 2017 to 2.2% in 2018, as well as the industrial sector growth rate decreased from 4.2% in 2017 to 2.7% in 2018.

The services sector growth rate decreased from 4.0% in 2017 to 2.2% in 2018, as a result of the decrease in its some sub sectors, where the Transport, Communications and Storage decreased from 8.3% in 2017 to 2.6% in 2018, and the Finance, Insurance and Banking growth rate decreased from 6.0% in 2017 to 1.9% in 2018, and the Government Services decreased from 6.1% in 2017 to 1.9% in 2018.

The Processing Industries, Handcraft, Mining and Quarrying Sector growth rate decreased as a result of the decrease in its some sub sectors, where the Mining and Quarrying witnessed a negative growth by 16.7% in 2018 compared to 2017, as well as the Electricity, Water and Gas growth rate decreased from 11.1% in 2017 to 10.0% in 2018. Overall, there was a deterioration in the performance of all sectors, this may be related to the difficulties that faced the economy in 2018.

Interestingly, the Processing Industries and Handcraft growth rate increased from 2.0% in 2017 to 3.8% in 2018.

1. Contribution of Economic Sectors in GDP

Figures (7-2) (A) and (7-2) (B) demonstrate the contribution of various economic sectors in GDP for 2017 and 2018 respectively.

Figure (7-2) (A)
Economic Sectors Contribution to the GDP for 2017

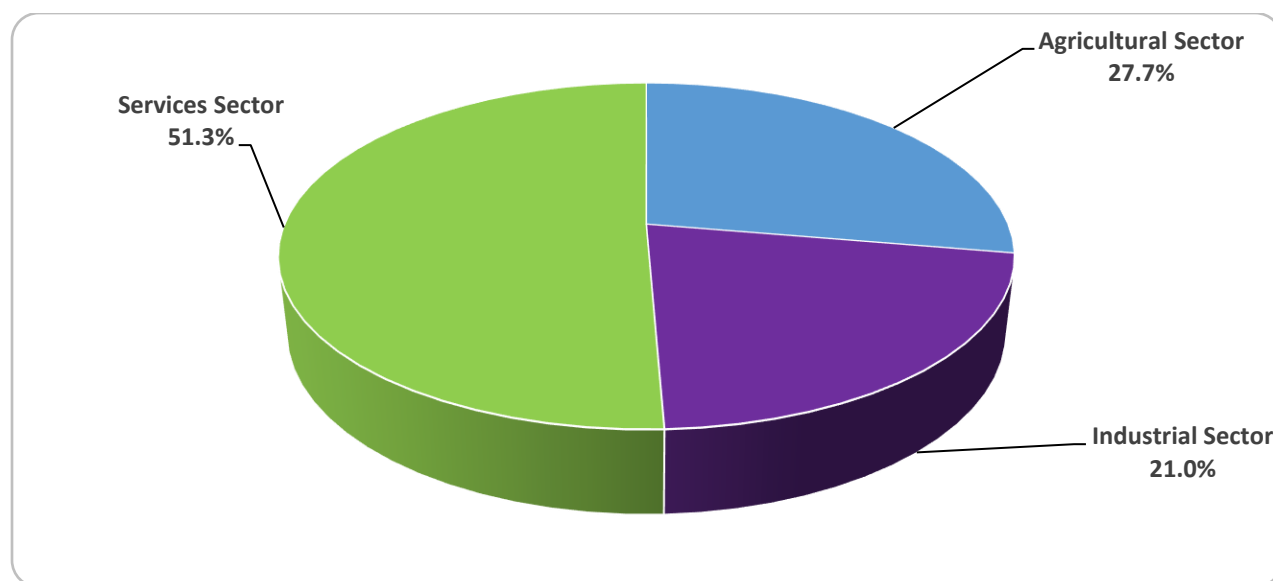
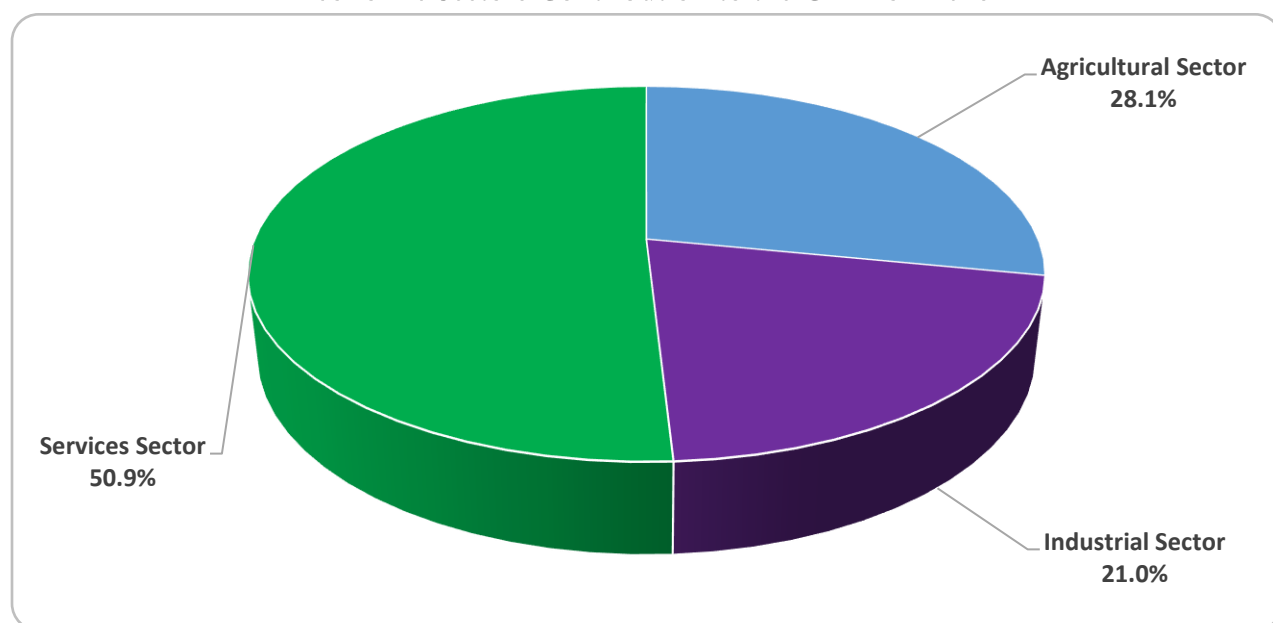


Figure (7-2) (B)
Economic Sectors Contribution to the GDP for 2018



A. The Agricultural Sector

The agricultural sector (agrarian and livestock) contribution to the GDP increased slightly from 27.7% in 2017 to 28.1% in 2018.

The Industrial Sector

The contribution of the industrial sector to GDP remained constant in 2017 and 2018 reaching 21.0%, While the contribution of its sub-sectors witnessed fluctuation during 2017 and 2018, where the share of manufacturing and handicrafts increased from 14.6% in 2017 to 14.7% in 2018, The contribution of electricity, water and gas increased from 2.8% in 2017 to 3.0% in 2018, while the contribution of the construction and building sector decreased from 2.0% in 2017 to 1.9% in 2018.

The Services Sector

The contribution of the services sector to GDP declined slightly from 51.3% in 2017 to 50.9% in 2018, the contribution of its subsectors witnessed slight changes, so the contribution of the government services decreased from 14.6% in 2017 to 14.4% in 2018, The contribution of the finance, insurance and banking sector decreased from 14.8% in 2017 to 14.7% in 2018, while the contribution of trade, hotels, restaurants, transport, and transportation and storage, and other services remained constant in 2017 and 2018.

2. The GDP Growth Rate During the Period 2014 - 2018

Table (7-2) and Figure (7-3) demonstrate GDP growth rates over the period 2014 - 2018.

Table (7-2)

GDP Growth Rates During the Period (2014-2018) at Constant Prices (based on 1981/82 prices)

Year	2014**	2015**	2016**	2017**	2018*
GDP growth rate in (%)	7.0	4.0	3.6	4.7	2.8

Source: Central Bureau of Statistics.

* preliminary data

** actual data

Figure (7-3)

GDP Growth Rate during the Period (2014-2018) at Constant Prices (based on 1981/82 prices)

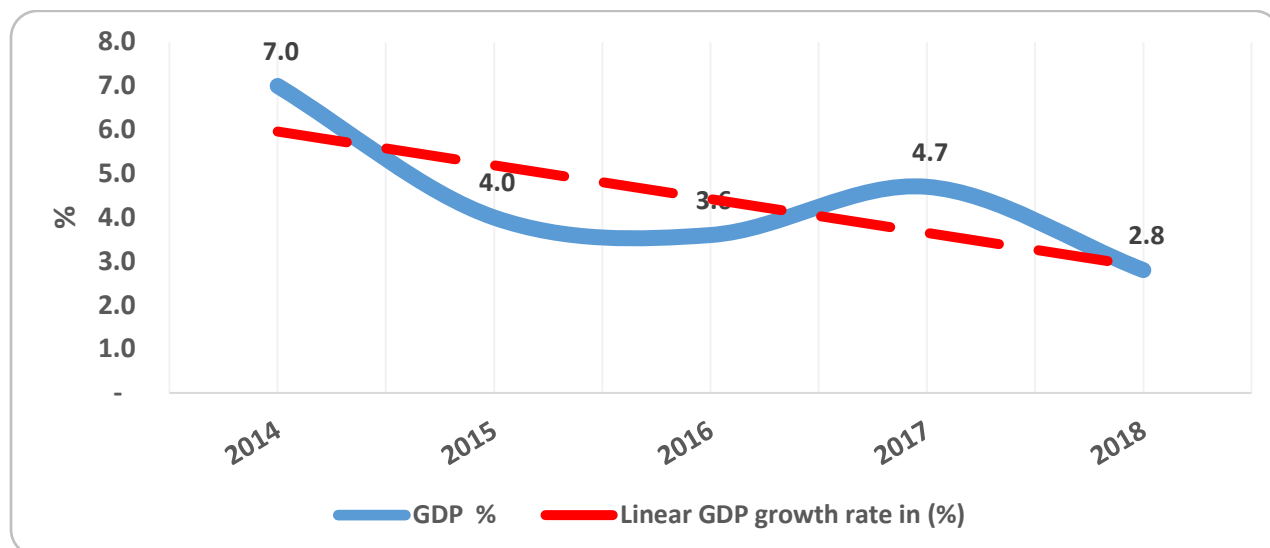


Table (7.2) and Figure (7-3) show the decrease in the GDP growth rate from 7.0% in 2014 to 3.6% in 2016, then it rose to 4.7% in 2017, the GDP growth rate fell to 2.8% in 2018, due to the decreased in the growth rate of its sub-sectors, where the growth rate of the agriculture sector declined from 7.6% in 2017 to 4.0% in 2018, while the industrial sector growth rate , and the GDP growth rate increased to 5.2% in 2017, the industrial sector growth rate also declined from 4.2% in 2017 to 2.7% in 2018, and the service sector growth rate declined from 4.0% in 2017 to 2.2% in 2018 while the general trend of the GDP growth rate shows a decreasing trend during the period 2014 – 2018.

Second: Gross Domestic Product at Current Prices by Economic Activities (Product Method)

Table (7-3) displays GDP at current prices for 2017 and 2018.

Table (7-3)

Gross Domestic Product at Current Prices by Economic Activities for 2017 & 2018

(SDG Millions)

Year Sectors	2017**			2018*		
	Value	Growth Rate %	Share%	Value	Growth Rate %	Share %
Agriculture, Forests, Livestock and Fisheries Sector	184,059.0	25.3	22.6	218,087.0	18.5	18.5
Processing Industries, Handcraft, Mining and Quarrying Sector	144,066.0	29.8	17.7	281,250.0	95.2	23.9
Processing Industries and Handcraft	56,656.0	26.1	6.9	128,846.0	127.4	11.0
Mining and Quarrying	60,326.0	46.7	7.4	108,789.0	80.3	9.2
Electricity, Water and Gas	2,672.0	30.7	0.3	4,488.0	68.0	0.4
Building and Construction	24,412.0	6.6	3.0	39,127.0	60.3	3.3
Services Sector	487,730.0	40.4	59.8	677,293.0	38.9	57.6
Trade, Hotels and Restaurants	167,852.0	27.7	20.6	191,276.0	14.0	16.3
Transport, Communication and Saving	67,708.0	11.5	8.3	105,624.0	56.0	9.0
Finance, Insurance & Banking	145,960.0	42.9	17.9	234,996.0	61.0	20.0
Government Services	39,458.0	30.0	4.8	42,922.0	8.8	3.6
Other Services	66,752.0	192.4	8.2	102,475.0	53.5	8.7
GDP at Current Prices	815,855.0	34.8	100.0	1,176,630.0	44.2	100.0

Source: Central Bureau of Statistics.

* Preliminary Data.

The figures (7-4) (A) and (7-4) (B) show the contribution of the economic sectors to GDP at current prices for 2017 & 2018.

Figure (7-4) (A)

Economic Sectors Contribution to the GDP at Current Prices for 2017

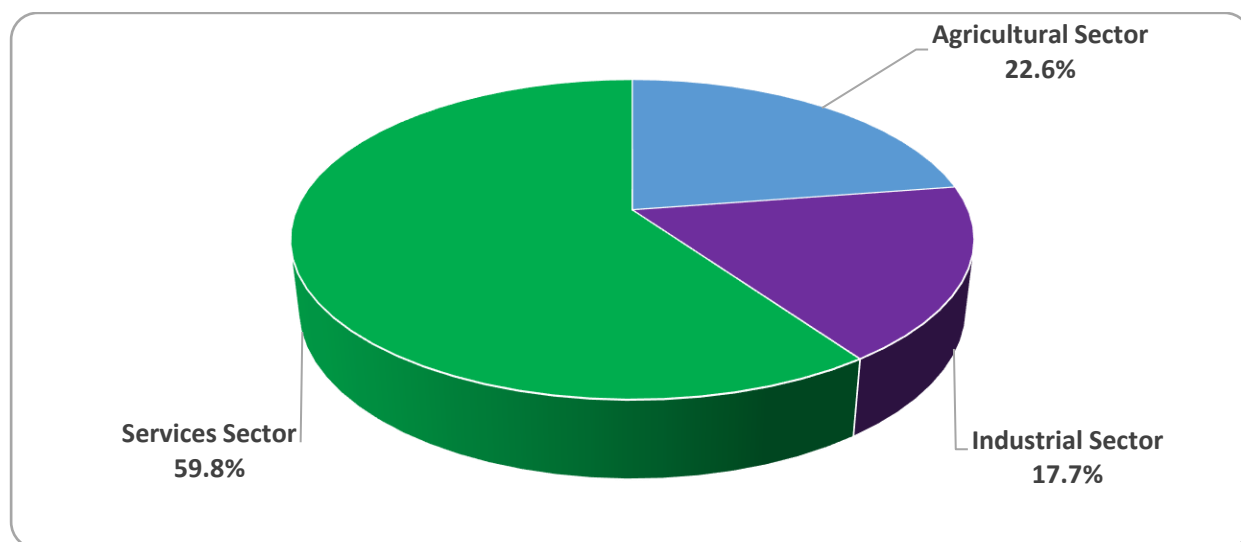


Figure (7-4) (B)

Economic Sectors Contribution to the GDP at Current Prices for 2018

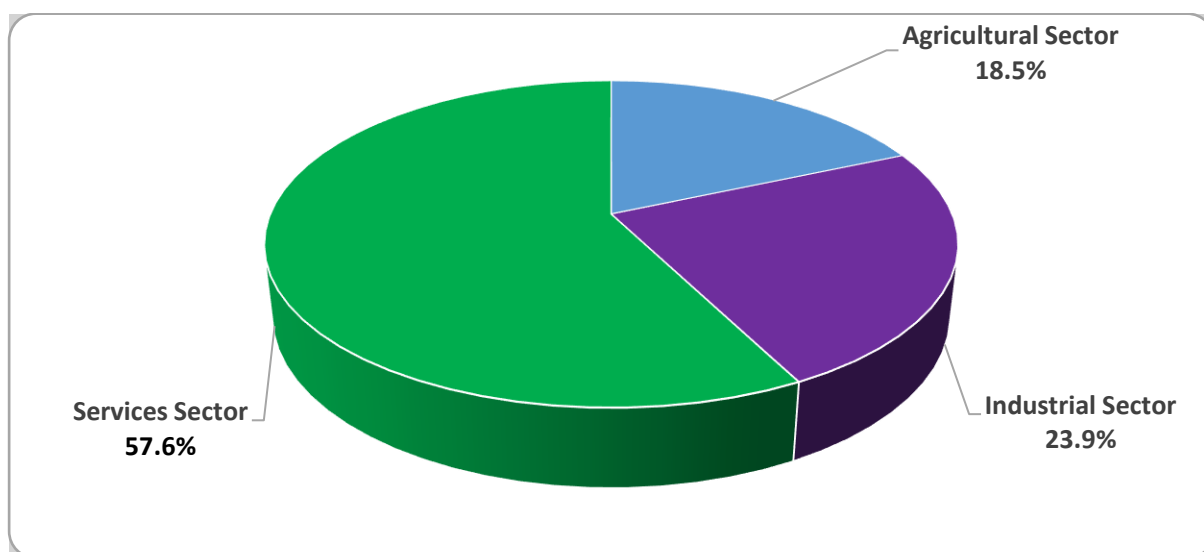


Table (7-3) and Figures (7-4) (A) and (7-4) (B) indicate a decrease in contribution of the agricultural sector (agrarian and livestock) to GDP at current prices from 22.6% in 2017 to 18.5% in 2018.

The contribution of the industrial sector to GDP at current prices increased from 17.7% in 2017 to 23.9% in 2018, where the processing industries and handcraft contribution increased from 6.9% in 2017 to 11.0% in 2018, as well as the Mining and Quarrying contribution increased from 7.4% in

2017 to 9.2% in 2018, while the building and construction contribution increased from 3.0% in 2017 to 3.3% in 2018, , and the electricity, water and gas contribution increased from 0.3% in 2017 to 0.4% in 2018.

The contribution of the services sector to GDP at current prices decreased from 59.8% in 2017 to 57.6% in 2018, due to the decreased in the contribution of its some subsectors, where the trade, hotels and restaurant decreased from 20.6% in 2017 to 16.3% in 2018, and the government services decreased from 4.8% in 2017 to 3.6% in 2018, while the finance, insurance and banking increased from 17.9% in 2017 to 20.0% in 2018, and transport & transportation and storage increased from 8.3% in 2017 to 9.0% in 2018.

Third: Gross Domestic Product at Current Prices by Economic Activities (Expenditure Method)

Table (7-4) explains GDP and its components growth rate (expenditure method) for 2017 and 2018.

Table (7-4)
Gross Domestic Product at Current Prices by Expenditure Method for 2017 and 2018

(SDG Millions)

Year Expenditure Type	2017**			2018*		
	Value	Growth Rate %	Share%	Value	Growth Rate %	Share %
Consumption	771,106.8	33.0	94.5	1,101,910.2	42.9	93.6
Government	55,741.8	56.0	6.8	91,158.9	63.5	7.7
Private consumption	715,365.0	31.5	87.7	1,010,751.3	41.3	85.9
Investment	93,359.2	56.9	11.4	185,581.1	98.8	15.8
Capital Formation	87,290.9	56.9	10.7	173,518.3	98.8	14.7
Change in Inventory	6,068.3	56.8	0.7	12,062.8	98.8	1.0
The net foreign transactions	(48,611.0)	(44.2)	(6.0)	(110,861.3)	(128.1)	(9.4)
Exports of goods and	52,989.0	65.6	6.5	71,182.2	34.3	6.0
Imports of goods and	101,600.0	54.6	12.5	182,043.5	79.2	15.5
GDP at Current Prices	815,855.0	34.8	100.0	1,176,630.0	44.2	100.0

Source: Central Bureau of Statistics.

*Provisional Data

** Amended Data

Table (7-4) shows an increase in GDP growth rate at current prices from 34.8% in 2017 to 44.2% in 2018, this was due to the substantial increase in growth rate of the investment from 56.9% in 2017 to 98.8% in 2018, and the increased in the total consumption from 33.0% in 2017 to 42.9% in 2018, while the net foreign transactions of goods and services from negative SDG 48,611.0 million, by negative 44.2% growth rate in 2017 to negative SDG 110,861.3 million, by 128.1% negative growth rate in 2018, this was due to the rise in value of the imports of goods and services in 2018, this is more than the value of the exports in 2018.

In what follow a detailed explanation to GDP components according to the expenditure method.

1- Consumption

Consumption is divided into government and private, government consumption includes all current expenditures which includes workers' compensation, purchases of goods and services, transfers to States and management of government institutions, while the private consumption includes the consumption of all families and individuals.

Figure (7-5) shows consumption growth rate at current prices for 2017 and 2018.

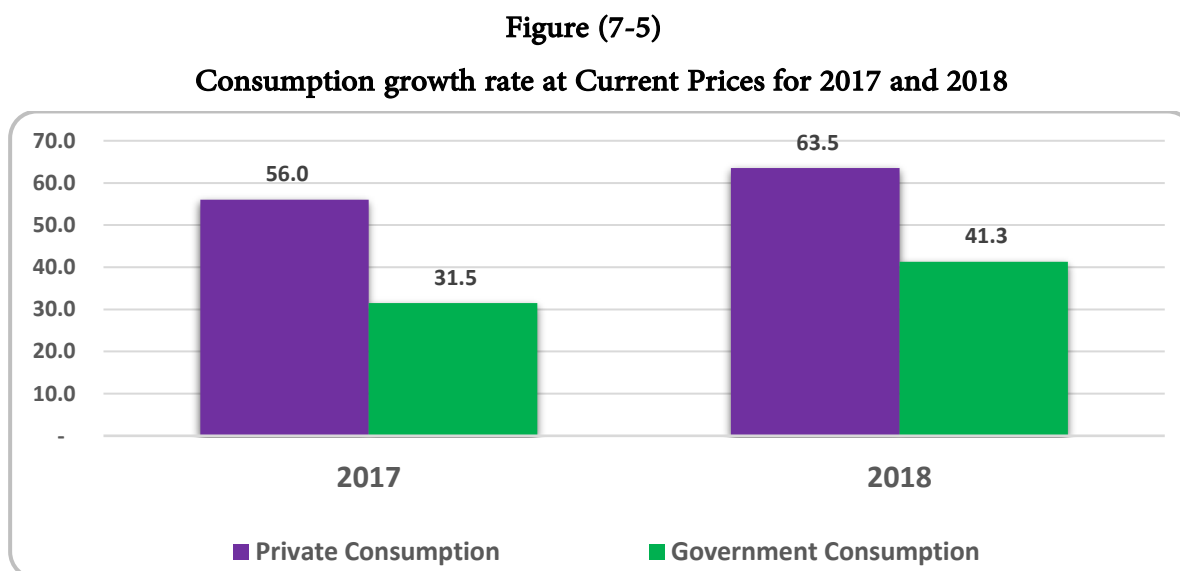


Table (7-4) and figure (7-5) show an increase in total consumption growth rate from 33.0% in 2017

to 42.9% in 2018, this was due to the increase in the Private consumption growth rate from 31.5% in 2017 to 41.3% in 2018, while the growth rate of the government consumption increased from 56.0% in 2017 to **63.5%** in 2018.

Figure (7-6) shows the contribution of consumption to GDP at current prices for 2017 and 2018.

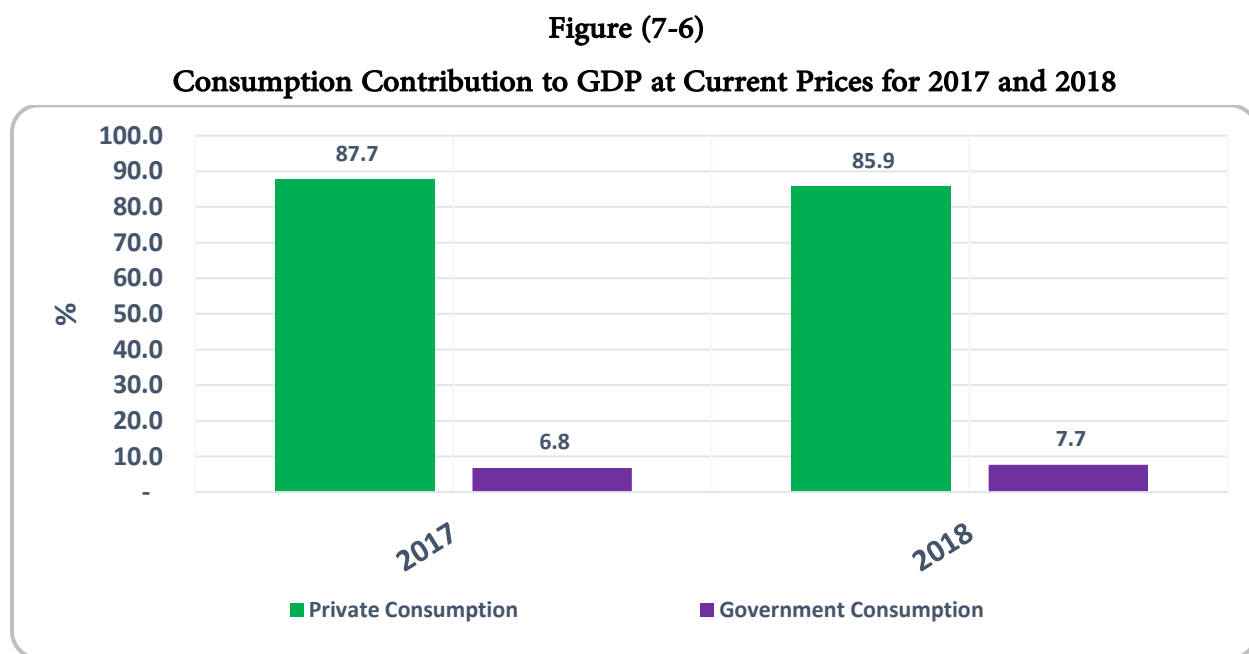


Table (7-4) and figure (7-6) show a decrease in the consumption contribution to GDP at current prices from 94.5% in 2017 to 93.6% in 2018, this was due to the decrease in contribution of the private consumption from 87.7% in 2017 to 85.9% in 2018, while the government consumption increase from 6.8% in 2017 to 7.7% in 2018.

Figure (7-7) shows the general trend of the total consumption growth rate during the period 2014 - 2018.

Figure (7-7)
The Total Consumption Growth Rate During the Period (2014-2018)

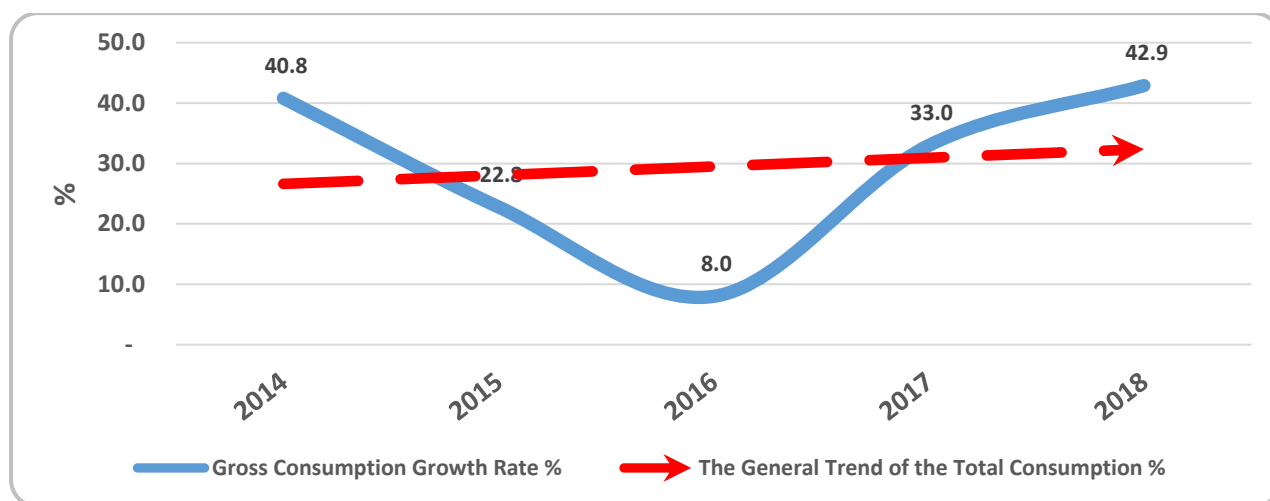


Table (7-7) shows that the consumption growth rate decreased from 40.8% in 2014 to 8.0% in 2016, then increased rapidly to reach 33.0% in 2017, and 42.9% in 2018, this was due to the rise in the inflation rate in the year 2018, also the general trend of the total consumption shows an increasing rate during the period 2014 – 2018.

2- Investment

Investment is defined as the capital expenditure on the new projects in the public utilities and infrastructures sectors, in addition to the expenditure on the projects related to the economic activities to produce goods and services in productive sectors such as the industrial, agricultural, housing, health, education and tourism, while the gross investment is defined as the total market value of the new establishments and durable goods in addition to change in value of the inventories of the business establishments.

Figure (7-8)

Investment Growth Rate at Current Prices for 2017 and 2018

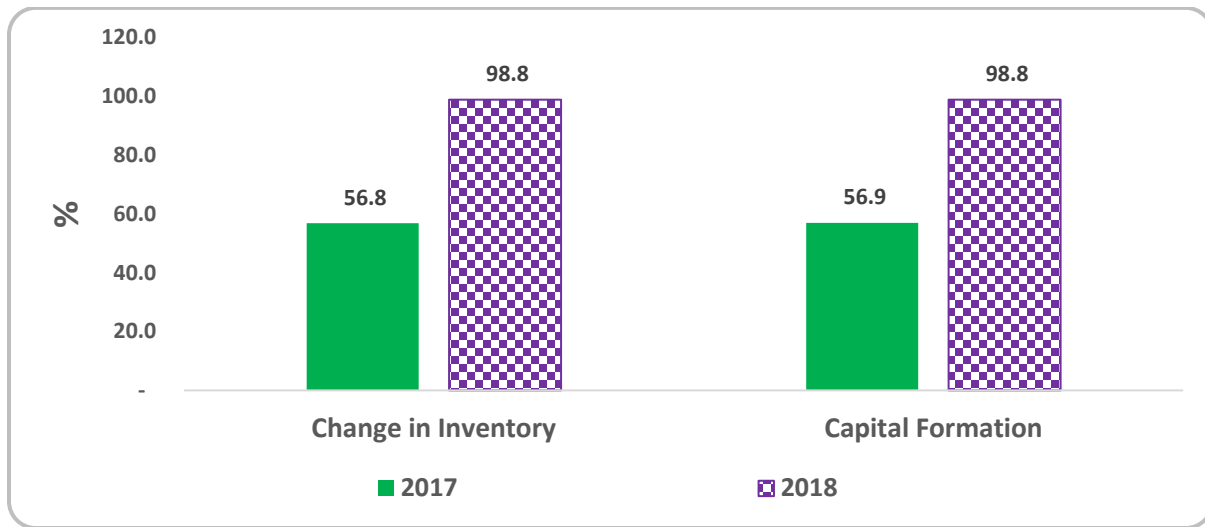


Figure (7-9)

Investment Contribution to GDP at Current Prices for 2017 and 2018

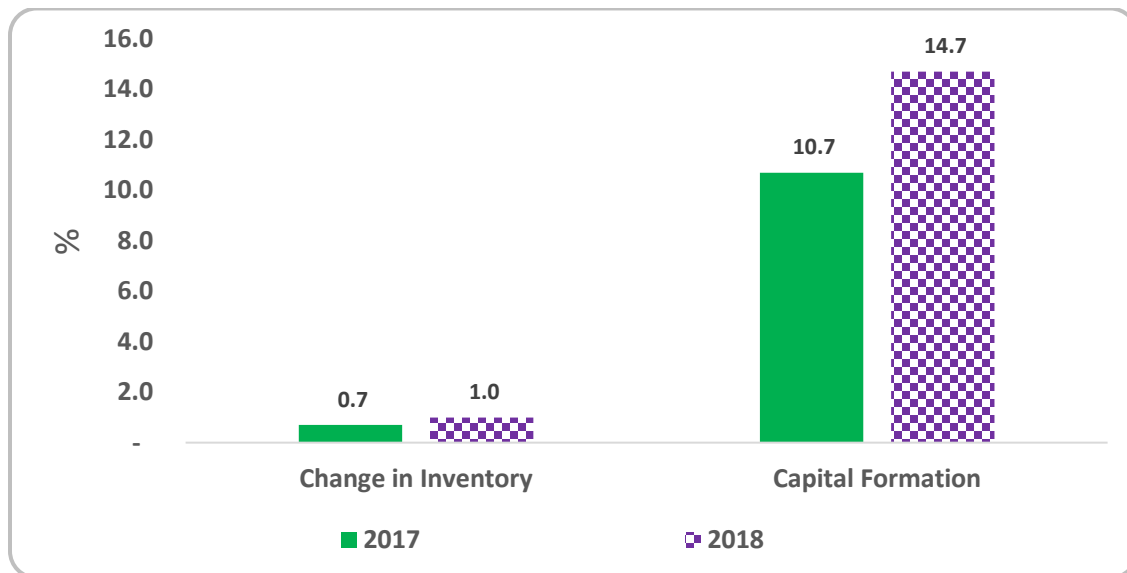


Table (7-4) and figure (7-8) show an increase in investment growth rate from 56.9% in 2017 to 98.8% in 2018, in addition to the increase in its contribution to the GDP from 11.4% in 2017 to 15.8% in 2018.

Figure (7-10) shows the general trend of investment growth rate during the period (2014-2018).

Figure (7-10)

The General Trend of Investment Growth Rate During the Period (2014-2018)

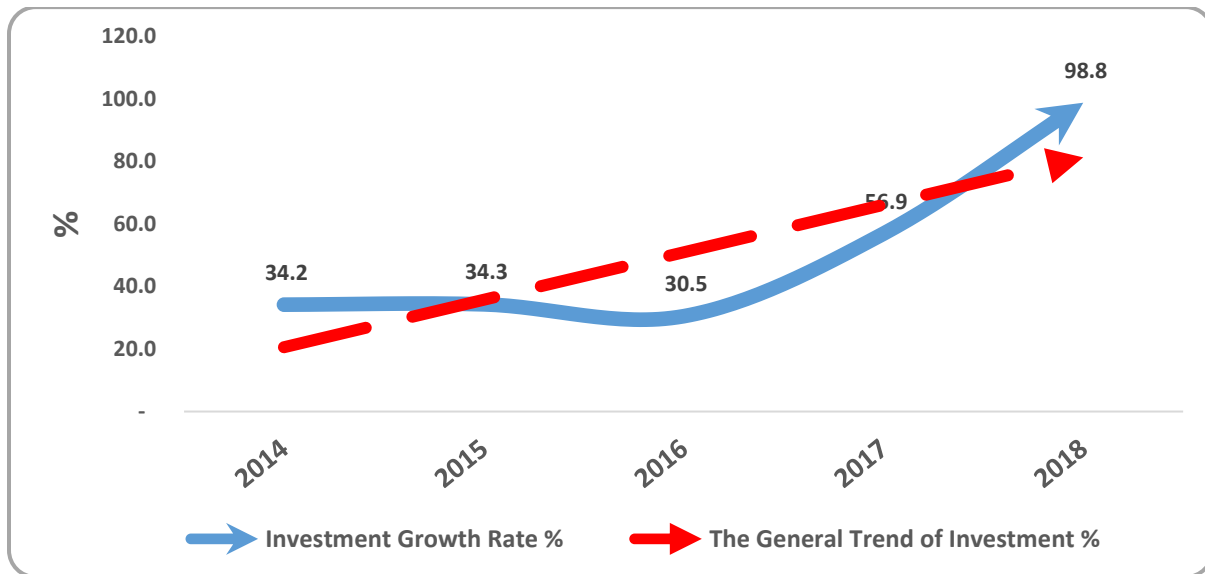


Figure (7-10) shows a decrease in the investment growth rate during the period (2014-2018) from 34.2% in 2014 to 30.5% in 2016, then increase to 56.9% in 2017, then increased rapidly to 98.8% in 2018, this was due to the increase in the inflation rate in 2018, while the general trend of the investment growth rate shows an increasing trend during period 2014 – 2018.

3- The Net Foreign Transactions of Goods and Services

The net foreign transactions of goods and services equal to the equivalent of the exports of goods and services in local currency minus its imports. Table (7-4) shows a decrease in growth rate of the net foreign transactions of goods and services from negative 44.2% in 2017 to negative 128.1% in 2018, due to the rise in the equivalent value of exports and imports of goods and services in 2018, as a result of devaluing of the national currency.

Fourth: Gross National Product (GNP)

The Gross National product (GNP) is considered as one of the indicators used to measure the national income and total expenditure of the country. It includes the total market values of final

goods and services produced in the country during the year, in addition to the net proceeds of the national factors of production abroad and payments to non-residents.

Table (7-5) shows gross national product for 2017 and 2018.

Table (7-5)
Gross National Product for 2017 & 2018

(SDG Millions)

Statement	2017**	2018**
GDP at Current Prices (A)	815,855.0	1,176,630.0
Net Invisible Receipts and Payments at Constant 1981/82 Prices (B)	(28,122.8)	(44,402.3)
Gross National product (A + B)	787,732.2	1,132,227.7
Annual Growth Rate (%)	31.2	43.7

Source: Central Bureau of Statistics and Central Bank of Sudan.

* Preliminary Data.

Table (7-5) shows the increased in the growth rate of Gross National Product GNP at current prices from 31.2% in 2017 to 43.7% in 2018.

Fifth: Gross National Income (GNI)

GNI equals GDP minus depreciation, plus net compensation of employees and net property income from abroad. (GDP minus the primary income paid to non-resident units, plus the primary income received from non-resident units).

Table (7-6) shows national income and gross domestic product (GDP) at current price and the per capita income for 2017 and 2018.

Table (7-6)
Gross National Income, Gross Domestic Product at Current Prices & Per capita income
for 2017 and 2018

(SDG Millions)

Year	2017**	2018*
GDP at Current price	815,855.0	1,176,630.0
Population (Million People)	40.8	41.9
Per Capita Income (SDG)	19,996.0	28,082.0
Gross National Income (SDG)	691,388.6	1,061,628.7
National Income Growth rate %	31.2	53.5

Source: Central Bureau of Statistics.

* Preliminary Data.

** Amended Data.

Table (7-6) shows an increase in the per capita income from 19,996.0 SDG in 2017 to 28,082.0 SDG in 2018, **by 40.4%**, as well as the Gross National Income growth rate from 31.2% in 2017 to 53.5% in 2018.

Sixthly: Social Developments

- The Population Number and its Growth Rates

Table (7 - 7) shows Population estimates and its growth rates during the period 2014 – 2018

Table (7-7)
Population estimates and its growth rates during the period 2014 – 2018

(Thousand People)

Year	Male	Female	Total	%
2014	18,927.7	18,361.7	37,289.4	3.1
2015	19,499.7	18,935.5	38,435.2	3.1
2016	20,080.9	19,517.8	39,598.7	3.0
2017	20,672.8	20,109.9	40,782.7	3.0
2018	21,273.8	20,710.7	41,984.5	2.9

Source: Central Bureau of Statistics.

Table (7 - 7) depicts the increases in the population estimates from 40,782.7 thousand people in 2017 to 41,984.5 thousand people in 2018, by 2.9%, where the male was 21,273.8 thousand people,

contributing by 50.7%, while the female was 20,710.7 thousand people contributing by 49.3% of the population in 2018.

- **The Age distribution of the Population in 2018**

Table (7 - 8) demonstrates the age distribution of the population in 2018.

Table (7-8)
The Age Distribution of the Population in 2018
(Thousand People)

Age Group	Male	%	Female	%	Total	%
0 - 4	3,506.3	16.5	3,371.2	16.3	6,877.5	16.4
5 - 9	3,111.4	14.6	2,997.3	14.5	6,108.7	14.5
10 - 14	2,234.9	10.5	2,144.2	10.4	4,379.1	10.4
15 - 19	2,295.7	10.8	2,136.7	10.3	4,432.4	10.6
20 - 24	2,076.4	9.8	1,830.4	8.8	3,906.8	9.3
25 - 29	1,645.4	7.7	1,578.6	7.6	3,224.0	7.7
30 - 34	1,345.6	6.3	1,412.4	6.8	2,758.0	6.6
35 - 39	1,097.1	5.2	1,266.7	6.1	2,363.8	5.6
40 - 44	909.5	4.3	986.7	4.8	1,896.2	4.5
45 - 49	848.7	4.0	911.5	4.4	1,760.2	4.2
50 - 54	675.5	3.2	666.7	3.2	1,342.2	3.2
55 - 59	483.8	2.3	456.9	2.2	940.7	2.2
60 - 64	404.9	1.9	380.9	1.8	785.8	1.9
65 - 69	221.9	1.0	196.5	0.9	418.4	1.0
70 - 74	216.4	1.0	195.1	0.9	411.5	1.0
75 - 79	99.8	0.5	82.8	0.4	182.6	0.4
80+	100.6	0.5	96.0	0.5	196.6	0.5
Total	21,273.9	100.0	20,710.6	100.0	41,984.5	100.0

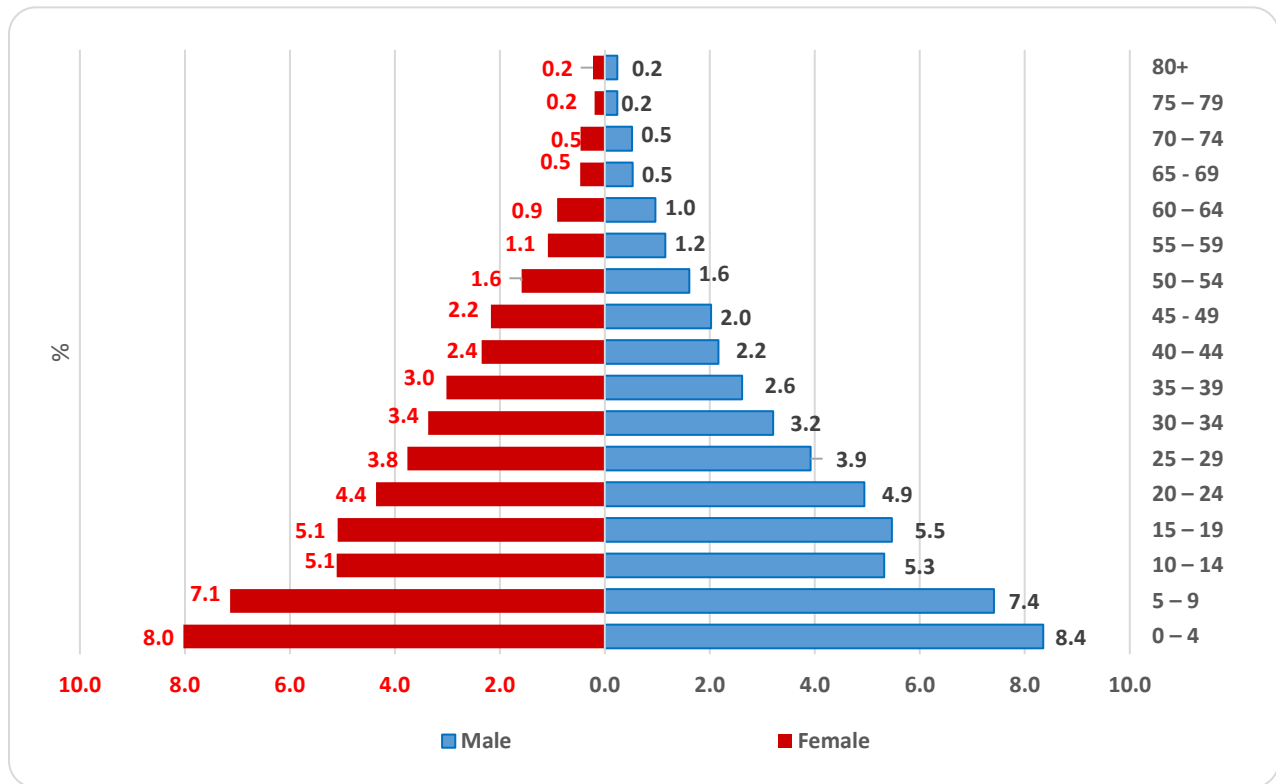
Table (7 - 8) shows that the male contributed by 50.7%, while the female contributed by 49.3% of the total population in 2018, the age group 0 – 14 contributed by 41.3% of the total population, and

the work forces (the age 20 - 64) contributed by 45.2% of the total population.

The figure (7 - 8) shows the population pyramids or the age - sex composition of the population in Sudan for the year 2018.

Figure (7-11)

The Population Pyramids (The Age – Sex Composition) of the Population for the Year 2018



The figure (7 - 11) demonstrates the age – sex composition of the population, that shows the Sudanese society is young society, where the age group 0 -14 represents 41.3% of the society.

Seventh: Price Indices and Inflation Rates

The general price level is measured through the followings:

- Consumer Prices Indexes (CPI)
- Producer Prices Indexes (PPI)
- Gross National Product GDP Deflator

Sudan uses the consumer prices indexes to calculate the inflation rates.

1) Consumer Price Index (CPI)

CPI is an index that measures the over-all changes on the prices of goods and services purchased by consumers over specific period of time. In other word, it is a measurement of the average change of prices on consumption items required for daily activities. Due to the change in the consumption pattern as a consequence of the fluctuation in the economic conditions, it is possible to substitute some commodities with others within the components of the consumers basket. The CPI index measures the proportional changes of the prices to specific base called base year. The Central Bureau of Statistics in Sudan has conducted the household survey in 2007, That covered all the country's states, aiming at obtaining the indexes and its weights, and the sample size was 3,036 family.

The process of obtaining the prices indexes start by selecting the basket, there are 663 commodity, in Sudan, there are 12 commodity groups includes foods & beverages, tobacco, clothing and footwear, housing, household equipment, health, transport, communication, recreation and culture, education, hotels and restaurant and others. Using the specified weight for each commodity group, and the A Laspeyres index to calculate the prices indexes and then the inflation rates.

2) Average CPI by Commodity Groups and the Inflation Rates for 2017 and 2018.

Table (7-9) shows Average CPI by Commodity Groups and the Inflation Rates for 2017 and 2018.

(base year 2007)

Table (7-9)
Average Inflation Rates and Consumer Prices Indices (base year 2007) by Commodity Groups
for 2017 and 2018

Commodity group	Food & beverages	Tobacco	Clothing footwear	Housing	Household equipment	Health	Transport	Communication	Recreation culture	Education	Hotels and restaurants	Others
Average CPI 2017	770.5	631.1	952.0	413.3	803.7	822.8	1,263.6	577.7	1,154.1	781.8	963.8	848.3
Average Inflation 2017 %	35.0	22.0	17.7	15.5	21.8	53.1	53.0	14.7	28.5	17.2	41.0	48.6
Average CPI 2018	1,310.7	824.6	1,393.2	500.5	1,407.0	1,287.7	2,180.1	908.8	1,952.4	907.4	1,625.9	1,307.2
Average Inflation 2018 %	70.1	30.7	46.3	21.1	75.1	56.5	72.5	57.3	69.2	16.1	68.7	54.1
Spending Weights %	52.9	0.7	4.5	14.2	6.9	1.0	8.3	1.7	2.2	2.7	2.3	2.6

Source: Central Bureau of Statistics.

Table (7-9) shows that the transportation group recorded the highest average index, that increased from 1,263.6 point in 2017 to 2,180.1 point in 2018, while the housing group recorded the lowest average of the prices indexes that amounted 500.5 point in 2018 compared to 413.3 point in 2017, and the household equipment group recorded the highest inflation rate amounted to 75.1%, while the education group recorded the lowest inflation rate of 16.1% in 2018.

3) Inflation

Inflation is the continued increases in the general prices level of goods and services during specific period of time.

Inflation is classified as follows:

- Headline Inflation, defined as the total inflation, and it captures all the changes in the prices of the commodities that included in the index of the consumer basket.
- Core Inflation, defined as it is the number that track the changes in the general prices level, that is due to the changes in the level of the aggregate demand, that is affected by the changes in the money supply.

- Imported Inflation, defined as the increase in the prices that is due to the transmission of the trading partners inflation through the imports.

1) Inflation Rates for the years 2017 and 2018.

Table (7-10) illustrates the inflation rates for 2017 and 2018.

Table (7-10)
Inflation Rates for 2017 and 2018

	%	
Particular	2017	2018
Headline Inflation	32.4	63.3
Inflation Rate by the End of the Year	25.2	72.9

Source: Central Bureau of Statistics.

Table (7-10) shows that the headline inflation increased from 32.4% in 2017 to 63.3% in 2018, and the inflation rate by the end of the year increased from 25.2% by the end of December 2017 to 72.9% by the end of December 2018.

The Trend of the Headline inflation Rates during the Period (2014- 2018)

Figure (7-12) depicts the trend of headline inflation rate during the period (2014-2018)

Figure (7-12)
The Trend of the Headline Inflation Rate during the Period (2014-2018)

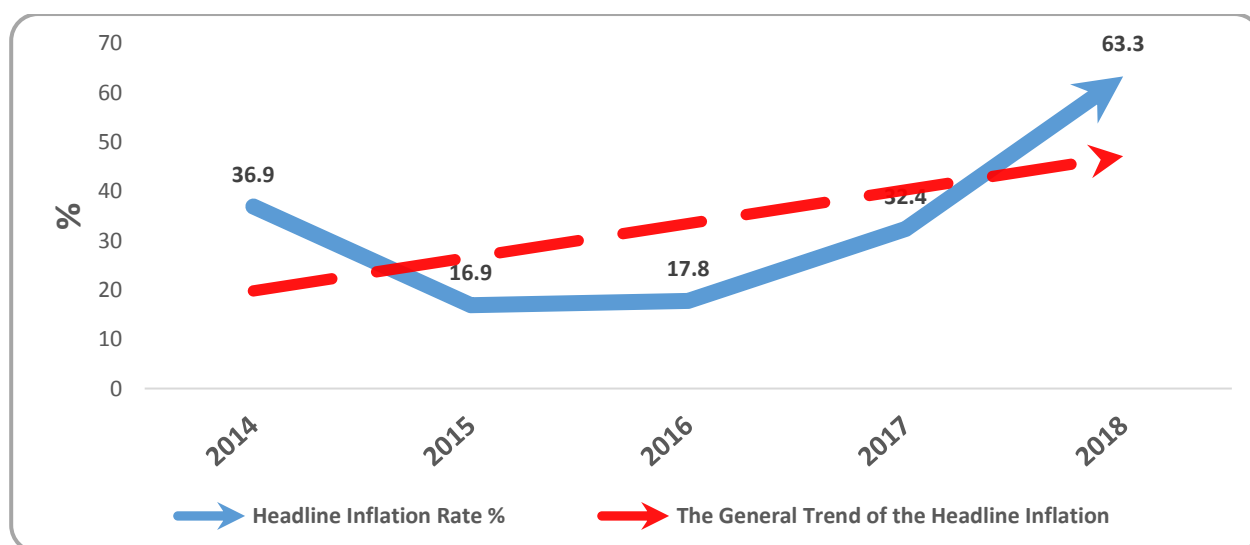


Figure (7-12) shows that the headline inflation decreased from 36.9% in 2014 to 16.9% in 2015, then increased to 17.8% in 2016, and increased to 32.4% in 2017, and continue increasing to reach 63.3% in 2018, The average annual headline inflation during the period (2013-2017) shows an increasing trend.

2) Average Headline Inflation Rates by States

Table (7-11) shows the average headline inflation rates by states for 2017 and 2018.

Table (7-11)
Average Headline Inflation Rates by States for 2017 and 2018

(%)

State	2017	2018
Northern	37.1	81.6
Nile River	30.0	73.5
Red Sea	28.2	90.4
Kassala	34.5	71.3
Gedaref	34.5	65.0
Khartoum	25.9	54.6
Al Gazeera	34.0	83.2
Sennar	33.5	61.5
White Nile	28.9	75.4
Blue Nile	34.9	67.0
Northern Kordofan	32.3	53.8
Southern Kordofan	44.1	49.9
Northern Darfur	30.0	76.4
West Darfur	42.7	61.1
Southern Darfur	37.9	55.1
The Headline Inflation	32.4	63.3

Source: Central Bureau of Statistics

Table (7-11) explains that the Red Sea State recorded the highest average inflation rate of 90.4% during 2018, while the South Kordofan State recorded the lowest inflation rate of 49.9% , during 2018.

1) Average Headline Inflation Rates in Urban and Rural Areas

Table (7-12) shows the average headline inflation rates in urban and rural areas for 2017 and 2018

Table (7-12)
The Headline Inflation in Urban and Rural for 2017 and 2018
(%)

Item	2017	2018
Urban	28.7	57.5
Rural	35.7	68.3

Source: Central Bureau of Statistics

Table (7-12) shows that the headline inflation rate in urban areas increased from 28.7% in 2017 to 57.5% in 2018, in addition to its increase in rural areas from 35.7% in 2017 to 68.3% in 2018.

CHAPTER EIGHT

PRODUCTION

Production

This chapter deals with the performance of the real economy which includes the Agricultural Sector; which consists of both Agrarian and Animal sub-sectors, and the Industrial Sector, which includes petroleum, mining, quarrying, processing industries, water and electricity; and the Services Sector which comprises several important sub-sectors; including: health, education, transport, telecommunications, roads, bridges together with hotels and tourism services.

The following is an overview of the performance of the respective sectors during (2017 – 2018):

First: overview of The Agricultural Sector performance:

The Agricultural Sector includes agrarian, animal and fisheries production, where the rate of growth decreased from 25.3% in 2017 to 18.5% in 2018, the contribution of the agricultural sector to the gross domestic product decreased from 22.6 % to 18.5%.

Below is a resume of the performance of the main components of this sector:

1. Overview of the Agrarian Production performance:

Agrarian Production comprises rain fed (traditional and mechanized), irrigated agriculture and forestry. The main crops produced are cotton, gum Arabic, food crops and oil seeds.

Table (8-1)
The Cultivated Areas during seasons 2016/2017 and 2017/2018

(Area in Millions Feddans)

sector	Irrigated agriculture	Rain fed agriculture	Total cultivated area
2017/2016	3.5	51.9	55.4
*2018/2017	3.3	47.2	50.5
Rate of change%	(5.7)	(9.1)	(8.8)

Source: Ministry of Agriculture and Irrigation - General Department for Planning and Agricultural Economics

*Preliminary Data

Table (8-1) shows a decrease in the total cultivated areas from 55.4 million feddans in season 2016/2017 to 50.5 million feddans in season 2017/2018 by the rate of 8.8%, due mainly the to decrease in agricultural areas in both rain fed from 51.9 million feddans to 47.2 million feddans and the irrigated areas from 3.5 million feddans to 3.3 million feddans, in the rate of 5.7%.

Below is an analysis of the performance of the production in the agricultural sector:

Production of the main crops during 2017/2018 Season, it appears that there is a decline in most crops that caused by inappropriate distribution of rain:

Production of the Main crops:

A-Gum Arabic:

Table (8-2) shows the gum Arabic production in the two years 2017/2018; while figure (8-1) indicates the general trend for the Gum Arabic production during the period 2013-2018.

Table (8-2)
Gum Arabic Production for 2017 & 2018

(Thousand Metric Tons)

Year Crop	2017	*2018	Contribution rate %	change %
Gum Talh	36.51	26.55	44	(27.3)
Gum Hashab	26.11	26.74	45	2.4
Gum Luban	3.01	5.98	10	98.7
Gum Kakamot	0.35	0.57	1	62.9
Total	65.98	59.84	100	(9.3)

Source: Ministry of Forestry, Environment and Urban Development - National forests Agency

*Preliminary data

Table (8-2) shows a fall in the total production of gum Arabic from 65.98 thousand tons in 2017 to 59.84 thousand tons in 2018 by the rate of 9.3%.

Figure (8-1)
General Trend for Gum Arabic Production during the Period 2013-2018

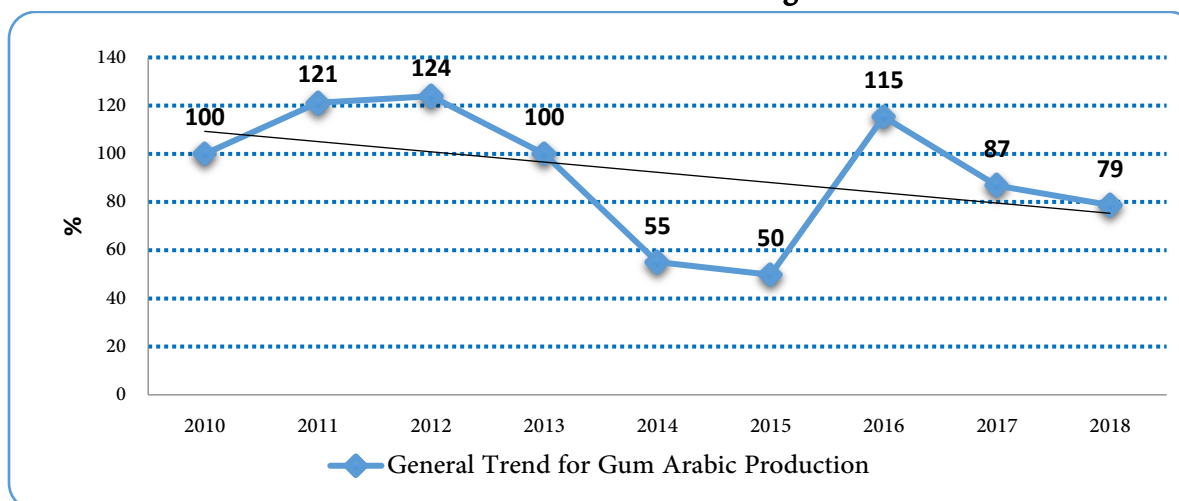


Figure (8-1) demonstrates general downward trend in the overall production of Gum Arabic during the mentioned period except year 2016.

B-Cotton:

Table (8-3) illustrates the cotton-cultivated areas and its production in the seasons 2016/2017, 2017/2018; while, figure (8-2) displays the general trend of cotton production during the period (2013-2018).

Table (8-3)
Cotton Cultivated Areas and Production during the Seasons 2016/2017 and 2017/2018

(Area: thousands feddans), (production: thousands tons), (Productivity: tons / feddans)

2016/2017 season			2017/*2018 season		
Cultivated area	Production	Productivity **	Cultivated area	Production	Productivity **
172	170	1.1	444	508	1.2

Source: Ministry of Agriculture and Irrigation - General Department for Planning and Agricultural Economics

*Preliminary Data.

**Productivity is a result of dividing production by the harvested area, which is sometimes different from the cultivated area

Table (8-3) explains that, the cotton production increased from 170 thousand tons in season 2016/2017 to 508 thousand tons in season 2017/2018 by rate of 198.8% due to increase in the cultivated area from 172 thousand feddans in season 2016/2017 to 444 thousand feddans in season 2017/2018 by rate of 158.1%. The increase in the cultivated area is associated with returns farmers secured from the previous season.

Figure (8-2)
The General Trend in Cotton Production during the Period 2013-2018

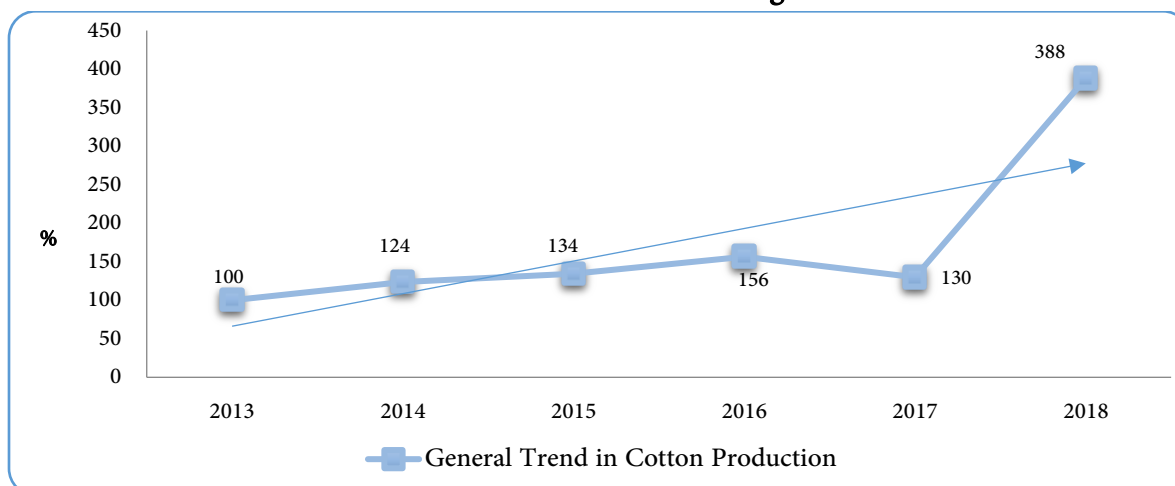


Figure (8-2) shows a continuous upward trend that denominated cotton production during the period (2013-2018) due to an increase in the productive area, as well as improvement in productivity.

C- Food crops:

The staple food crops are mainly sorghum (dura), wheat and millet.

Table (8-4) presents production of staple food crops in the seasons 2016/2017 and 2017/2018, whereas figure (8-4) presents the general trend for production of staple food crops during the period 2013-2018.

Table (8-4)
Production of Staple Food Crops for the Two Seasons 2016/2017, 2017/2018*

Cultivated areas (thousands/feddans), Production (thousands/metric tons), Productivity (kg/feddans)

Crop season	Sorghum			Millet			Wheat		
	Cultivated area	Production	Productivity**	Cultivate area	Production	Productivity**	Cultivated area	Production	Productivity**
2016/2017	27,212	6,441	287	9,813	1,457	202	636	563	923
2017/2018*	21,060	3,904	251	8,300	878	147	419	463	1,129
change%	(22.6)	(39.4)	(12.5)	(15.4)	(39.7)	(27.2)	(34.1)	(17.8)	21.5

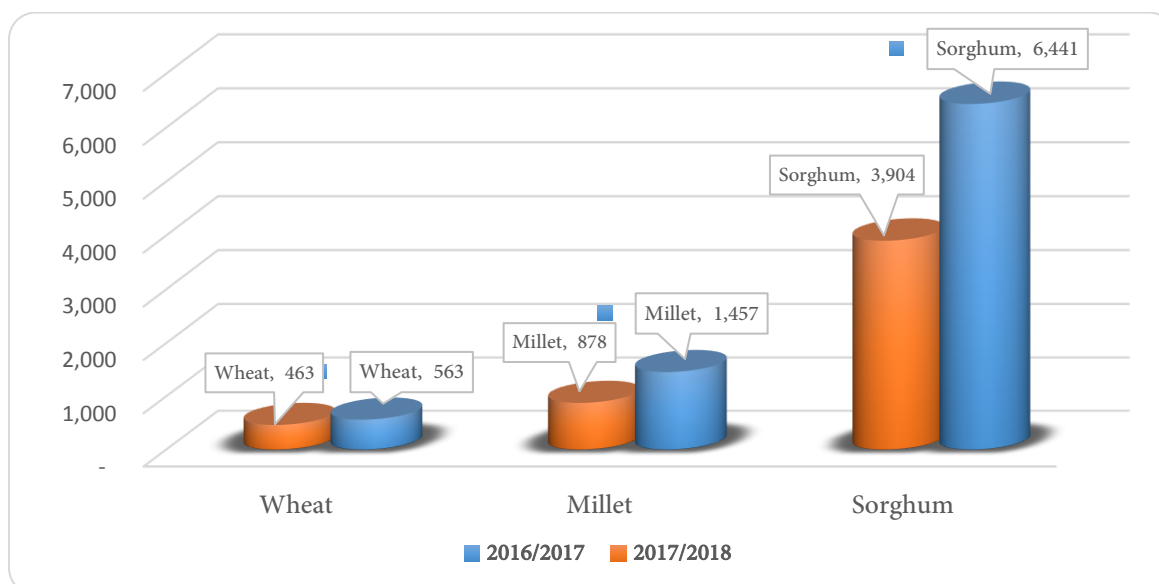
Source: Ministry of Agriculture and Irrigation - General Department for Planning and Agricultural Economics

*Preliminary data.

** Productivity is a result of dividing production by the harvested area.

Figure (8-3)

The Production of the Main Food Crops For the Seasons 2016/2017 and 2017/2018



-Sorghum (Dura)

Production of sorghum (Dura) dropped from 6,441 thousand metric tons in season 2016/2017 to 3,904 thousand metric tons in season 2017/2018 by 39.4%, due to reduction in the cultivated area and productivity by 22.6 percentage and 12.5% respectively.

-Millet:

Production of millet decrease from 1,457 thousand metric tons in season 2016/2017 to 878 thousand metric tons in season 2017/2018 by 39.7%, because of the decrease in the cultivated area and productivity, at rates of 15.4% and 27.2% respectively.

-Wheat:

Production of wheat dropped from 563 thousand metric tons in season 2016/2017 to 463 thousand metric tons in season 2017/2018 by 17.8%, due to the reduction in the cultivated area by 34.1%, despite of an increase in the productivity by 21.5%.

Figure (8-4) the General Trend for the Production of the Main food Crops during 2013-2018

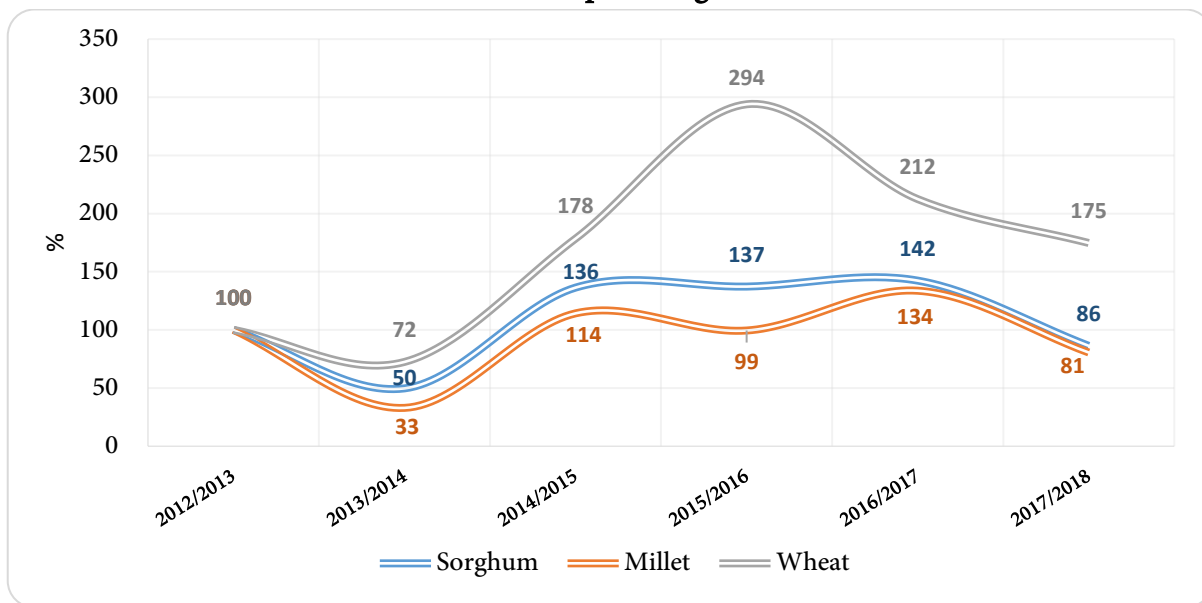


Figure (8-4) depicts the fluctuating of general trend for main food crops production during 2013-2018 because of inappropriate distribution of rain for production operation, which caused a negative impact in food crops production.

(d)The main oil seeds:

The main oil seeds are groundnuts, sesame and sunflower.

Table (8-5) illustrates the production of the main oil seeds in the two seasons 2016/2017 and 2017/2018, while Figure (8-6) presents the general trend for the production of the main oil seeds during the period 2013-2018.

Table (8-5)
The Production of the Main Oil Seeds during the Seasons 2016/2017 and 2017/2018

Cultivated areas (thousands feddans), Production (thousands metric tons), Productivity (Kg/feddans)

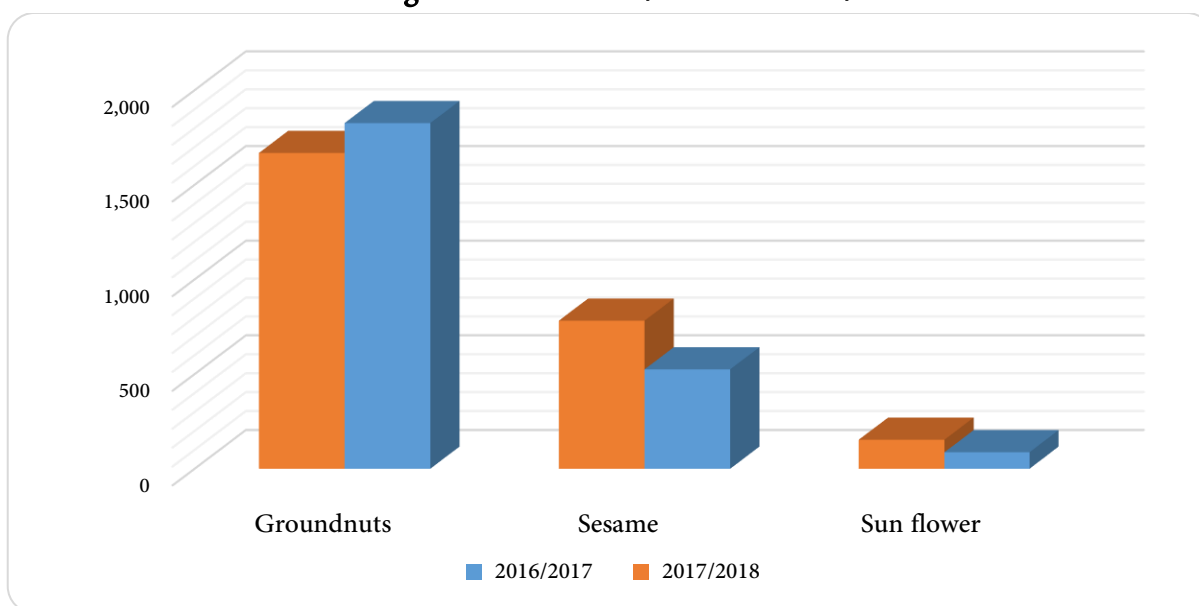
Crop season	Groundnuts			Sesame			Sun flower		
	Cultivate d area	production	productivity**	Cultivated area	Production	productivity**	Cultivated area	Production	productivity**
2016/2017	6,989	1,826	331	6,685	525	103	340	87	299
2017/2018*	6,144	1,668	304	7,765	782	121	565	153	319
change%	(12.1)	(8.7)	(8.2)	16.2	49.0	17.5	66.2	75.9	6.7

Source: Ministry of Agriculture and Irrigation - General Department for Planning and Agricultural Economics

*Preliminary Data.

** Productivity is a result of dividing production by the harvested area

Figure (8-5)
The Production of the Main Oil Seeds in Thousands of Metric Tons
During the Seasons 2016/2017 and 2017/2018



-Groundnuts

The Production of groundnuts decreased from 1,826 thousand metric tons in 2016/2017 to 1,668 thousand metric tons in 2017/2018 by 8.7%, this mainly due to the decline in the cultivated area and productivity by 12.1% and 8.2% respectively.

-Sesame:

The Production of sesame rose from 525 thousand metric tons in season 2016/2017 to 782 thousand metric tons in season 2017/2018 by the rate of 49.6%, because of the expansion in the cultivated area and productivity by 16.2% and 17.5% respectively.

-Sunflower:

The Production of sunflower increased from 87 thousand metric tons in season 2016/2017 to 153 thousand metric tons in 2017/2018 by 75.9%, because of the expansion in the cultivated area and productivity by 66.2% and 7.6% respectively.

Figure (8-6)
The General Trend in the Production of the Main Oil Seeds
during the period (2013-2018)

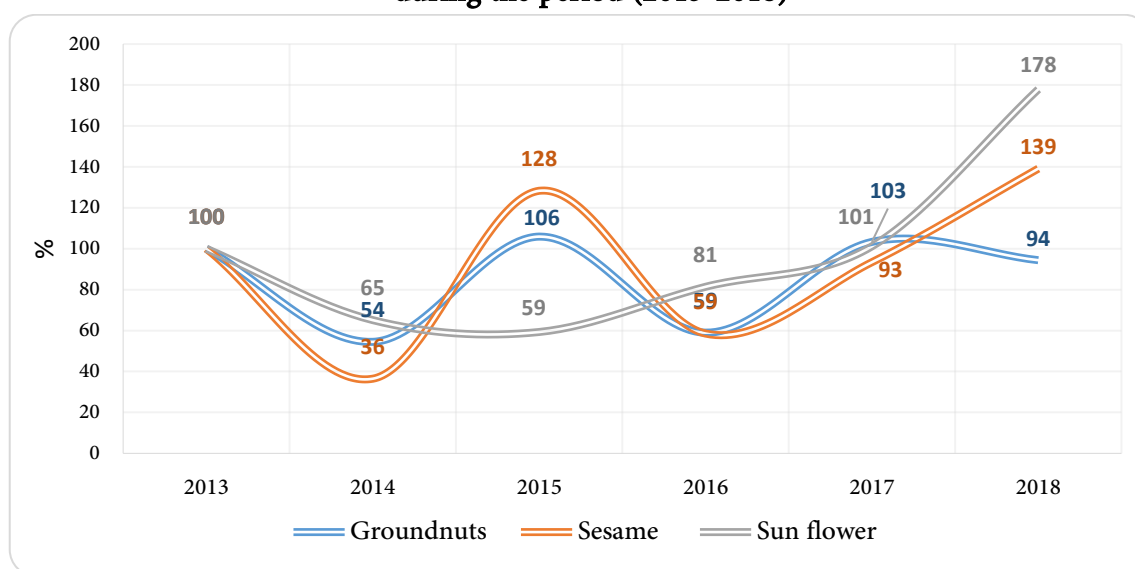


Figure (8-6) illustrates the fluctuating of general trend for the production of the main oil seeds during the period, and it appears an upward trend for Sesame and Sunflower crops in 2018 as a result of the expansion in the cultivated area and productivity compared to the previous season.

2. Animal Resources and their by-products

The Production of animal wealth comprises various kinds of: livestock, fish and poultry in addition to their by products such as meat, milk, hides and eggs.

Table (8-6) shows estimates of the numbers of animal resources in 2017 and 2018, while table (8-7) estimates animal's product and fisheries 2017 and 2018.

Table (8-6)
Estimates of Numbers of Animal Resources in 2017 and 2018

(Thousand heads)

Type	2017	2018*	change%
Cows	30,926	31,223	1.0
Sheeps	40,752	40,846	0.2
Goats	31,659	31,837	0.6
Camels	4,850	4,872	0.5
Total	108,187	108,778	0.5

Source: Ministry of Livestock and Fisheries - Information Centre

*Preliminary Data

As appear from table (8-6) the numbers of animal resources rose slightly by 0.5% in 2018 compared with the position in 2017.

Table (8-7)
Estimates of livestock and Fish Products 2017and 2018

(Thousand Tons)

Type	2017	2018*	change%
Meat	1,519	1,539	1.3
Milk	4,553	4,591	0.8
Poultry	68	70	2.9
Eggs	63	65	3.2
Fish	38	41.3	8.7
**leather	26.7	26.9	0.7

Source: Ministry of Livestock and Fisheries - Information Centre

*Preliminary Data

**leather counted in a thousand piece

All animal products registered a slight increase in 2018, as shown in table (8-7), where production of fish, eggs, poultry and meat changed by the rates of 8.7%, 3.2%, 2.9%, 1.3% respectively.

Second: The Industrial Sector:

The Industrial Sector comprises petroleum, mining, quarrying, transformative industries, handicrafts, water, electricity and gas and building& construction, the contribution of the industrial sector to the gross domestic product registered 17.7% in 2017 and 23.9% in 2018, while the industrial sector's growth rate increased from 29.8% in 2017 to 95.2% in 2018.

The following is a review of the important sub-sectors of the industrial sector:

(1) Crude Oil and its products:

Table (8-8) shows the production of crude oil and its products for 2017 and 2018, while figure (8-7) depicts the general trend for the production of petroleum products during the period 2013-2018.

Table (8-8)
Production of Crude Oil and its Products for the Years 2016 and 2017*

Year Item	2017		2018*		Change %
	production	contribution%	production	contribution%	
Crude oil*	30.2	-	28.1	-	(7.0)
Oil derivatives	3,589.0	100.0	3,588.4	100	(0.02)
Gasoline	1,535.7	42.8	1,708.1	47.6	11.2
Benzene	1,063.2	29.6	925.3	25.8	(13.0)
Butagas	328.9	9.2	277.4	7.7	(15.7)
Heavy gasoline	261.7	7.3	275.9	7.7	5.4
Petroleum coal	258.4	7.2	230.9	6.4	(10.6)
Furnace	50.7	1.4	114	3.2	124.9
Jet(Tetfulel)	82.2	2.3	38	1.1	(53.8)
Kerosene	4.3	0.1	10	0.3	132.6
Nafta	3.9	0.1	8.8	0.2	125.6

Source: Sudanese Petroleum Corporation – Ministry of Petroleum

*crude oil data in million barrels

The crude oil production decreased from 30.2 million barrels in 2017 to 28.1 million barrels in 2018 by 7.0 %, and total production of petroleum products slightly decreased from 3,589.0 thousand metric tons in 2017 to 3,588.4 thousand metric tons in 2018, by the rate of %.02, whereas the production of each of benzene, Butagas, petroleum coal Furnace, jet declined by (13%, 15.7%, 10.6%,53.8%)respectively.

Figure (8-7)
The Contribution of Petroleum derivatives to Total Production in 2018

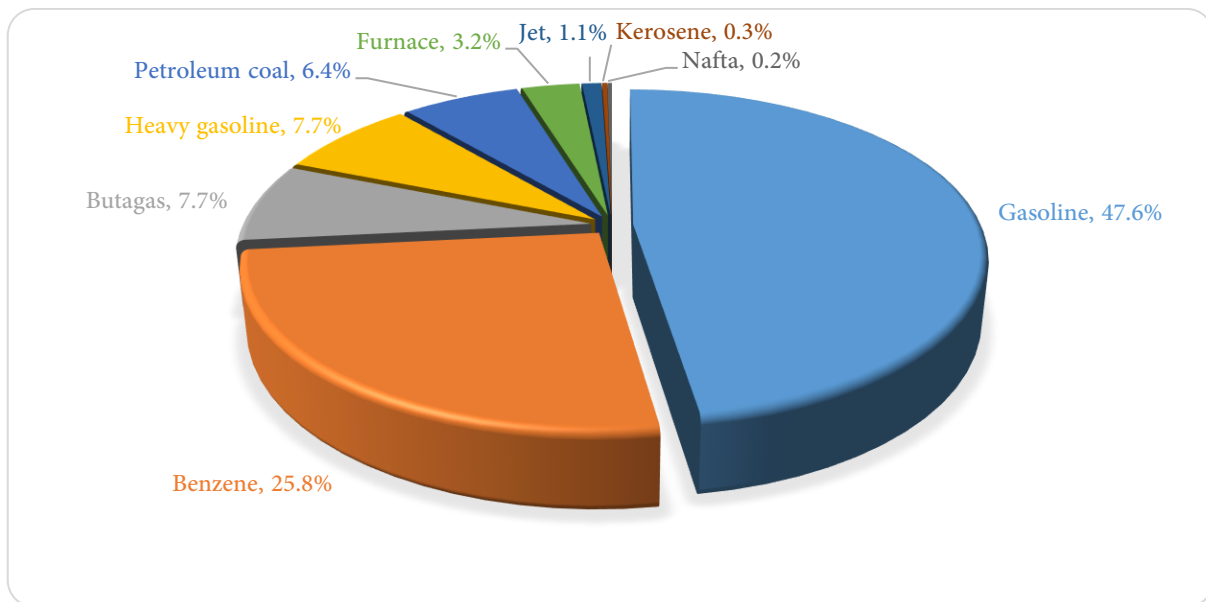


Figure (8-8)
The General Trend for the Production of Petroleum Products to total Production during the period (2013-2018)

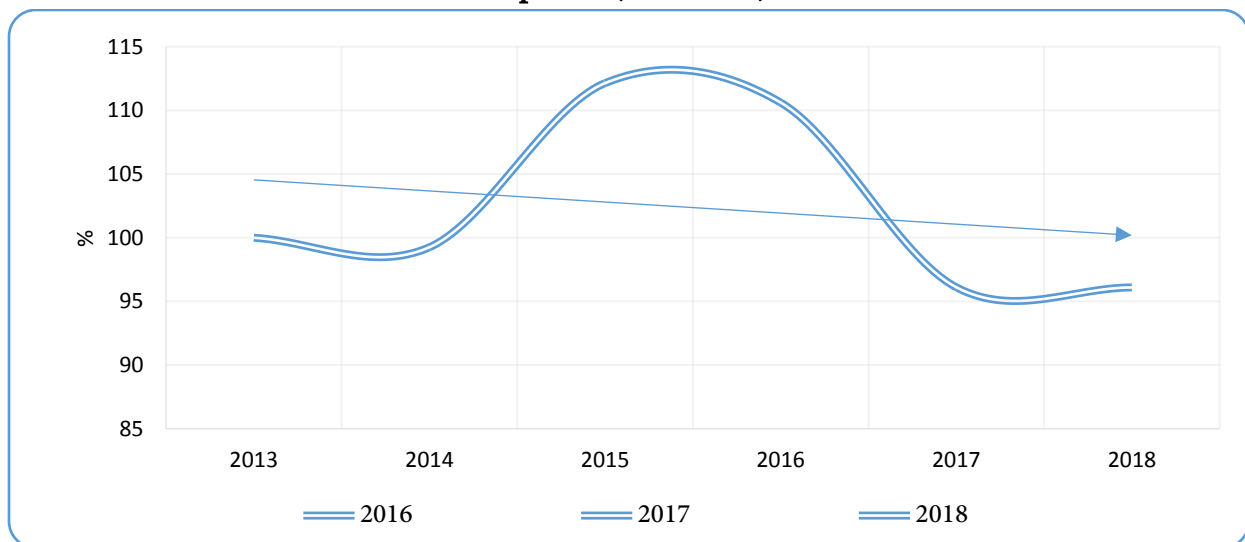


Figure (8-8) shows the general downward trend of oil derivatives Production due to the decline in production since 2013 because of the instability in South Sudan, which affected the production processes. While the production of derivatives increased in 2015 due to the agreement on the financial arrangements and transit fees for companies operating in South Sudan, which are paid in kind by the Government of South Sudan.

(2) Minerals and other products:

The country is currently adopting policies and procedures that stimulate the production and export of minerals, especially gold, with a greater opportunity for private sector companies to buy and export the gold of private mining in order to increase the sector's contribution to economic development. However, statistics indicate that gold production declined from 107.3 tons in 2017 to 93.6 tons in 2018 by 12.8%.

Table (8-9) shows the production of minerals and other products for both 2017 and 2018.

Table (8-9)

The Production of Minerals and Other Products for 2017 and 2018

(Production by ton)

Production	2017	2018*	Change%
Gold	107.3	93.6	(12.8)
Chrome	32,000	27,000	(15.6)
Manganese	NA	NA	-
Kaolin	6,000	11,000	83.3
Gypsum	333,000	226,000	(42.9)
Salt	235,000	267,000	(68.1)
Mica	NA	NA	-
Marble(Cubic meters)	NA	NA	-
Clinker	4,100,000	3,300,000	(19.5)
Iron	NA	NA	-
Feldspar	29,000	36,000	24.1
Talc	NA	NA	-
Zinc	NA	NA	-

Source: Ministry of mining

*Preliminary Data

Table (8-9) illustrates a decrease in the production of gold, chromium, gypsum, salt and clinker by 12.8%, 15.6%, 42.9%, 68.1% and 19.5%, respectively, while kaolin and feldspar production increased by 83.3% and 24.1% % respectively.

(3) Processing industries:

The processing industries play significant roles; in adding value to various sectors, providing job opportunities and enhancing the competitive capabilities of national products. The sector's growth rate increased from 26.1 in 2017 to 127.4 % in 2018, and its contribution to the GDP at current prices, besides handicrafts, increased from 6.9% in 2017 to 11.0% in 2018.

The following is a review of the performance of the important processing industries:

a) Sugar Industry:

The Sugar factories consist of four factories owned by Sudan Sugar Company (Hagar Assalaya, Gunied, Sennar and New Halfa), in addition to Kenana Sugar Company and the White Nile Sugar Company.

Table (8-10)

The Production of the Sugar Factories for 2017 and 2018

Factory	Design Capacity	Production (Thousands Tons)		Contribution %	Change %
		2017	2018*		
Kenana	400	299.6	302.7	54.2	1.0
White Nile	450	42.4	29.5	5.3	(30.4)
Sudanese Sugar co.	350	233.1	225.8	40.5	(3.1)
New Halfa	-	57.5	58.1	10.4	1.0
Gunied	-	71.1	66.6	11.9	(6.3)
Sennar	-	54.3	56.1	10.1	3.3
Hajar Assalaya	-	50.3	45.1	8.1	(10.4)
Total Production	1200	575.1	558.0	100.0	(3.0)

Source: Sudanese Sugar Company, Kenana Sugar Company, and White Nile Sugar Company

* Preliminary Data

** Production does not include the refining of the imported crude.

Table (8-10) indicates that, the total sugar production declined from 575.1 thousand tons in 2017 to 558.0 thousand tons in 2018 by 3.0%; as a result of the decrease in production in each of: White Nile Sugar Factory , Hagar Assalaya and Gunied, by 30.4%, 10.4% , 6.3% respectively.

Figure (8-9)

The General Trend for Sugar Production during the Period 2013-2018

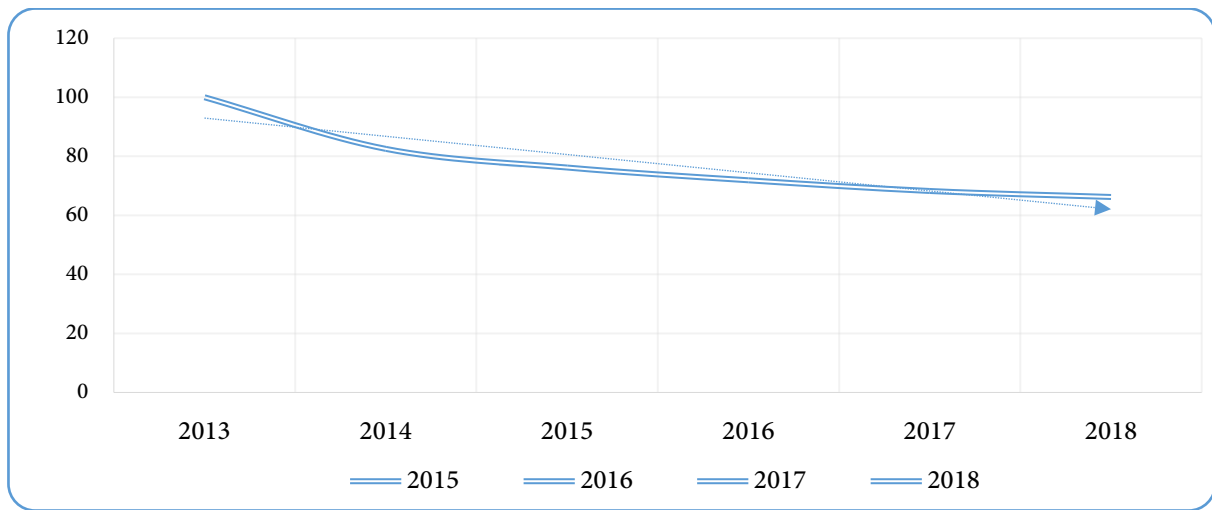
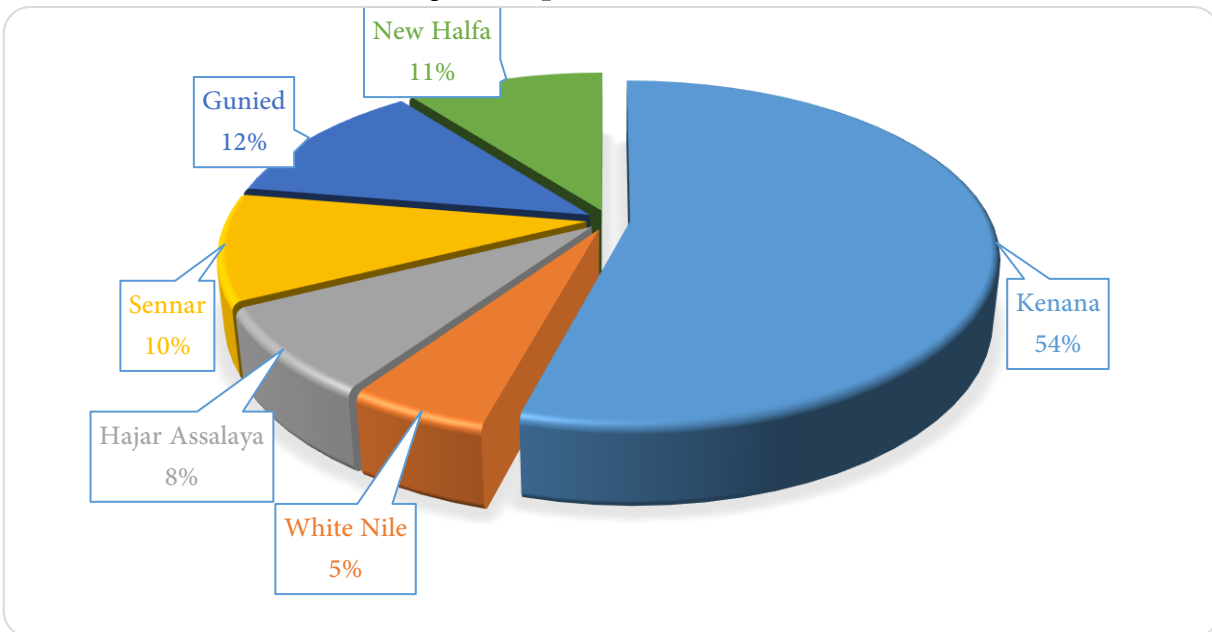


Figure (8-9) displays the decline of general trend for sugar production during the period (2013-2018); because of the highly costs of production and energy problems, as well as the unavailability of spare parts in due course.

Figure (8-10)

The Contribution of Sugar Companies Products in Total Production in 2017



b) Cement industry:

The cement industry in Sudan has developed significantly during the last period, the overall production capacity of cement operating are estimated about 10.3 million tons per year, but it suffers from the high cost of production inputs and the difficulty of importing spare parts.

Table (8-11) (a) shows cement production in 2017 and 2018. Figure (8-11) shows the general trend of cement production during 2013-2018. Figure (8-12) shows the contribution of cement factories to total cement production for 2018.

Table (8-11) (a)
Cement production For 2017 and 2018*

Factory	Production (Thousands Tons)		Contribution % for year2018	Change %
	2017	2018*		
Atbara	1,176.3	899.0	22.2	(23.6)
Alshamal	1,479.6	1,390.5	34.3	(6.0)
Altakamol	781.1	974.2	17.3	18.5
Barbar	591.4	700.6	24.0	24.7
Assalam	172.1	25.6	0.6	(85.1)
Nile Cement(Rabak)	76.8	31.0	0.8	(25.5)
Aslan	43.1	32.1	0.8	(59.6)
Total	4,326.1	4,053.0	100.0	(6.2)

Source: The Above Mentioned Factories

* Preliminary Data

Table (8-11) (a) reveals that cement production decreased from 4,326.1 thousand tons in 2017 to 4,053.0 thousand tons in 2018 at a rate of 6.2%, with a decrease in production in all factories except Berber and Altakamol, where production increased by 24.7% and 18.5%, respectively. It is noted that the factories of the Alshamal, Berber and Atbara recorded the highest contribution to total production, with their contribution to 34.4% and 24.0% and 22.2% respectively in 2018.

Table (8-11) (b)

The Production Capacity of Cement Factories for 2017 and 2018*

Factory	production capacity(Thousands Tons)		Exploitation %	
	2017	2018*	2017	2018*
Atbara	1,700	1,700	69	52.9
Alshamal	1,500	1,500	92	92.7
Altakamol	1,600	1,600	37.0	43.8
Barbar	1,500	1,500	52.1	64.9
Assalam	2,000	2,000	8.6	1.28
Nile Cement(Rabak)	1000	1000	4.3	3.21
Aslan	1,000	1,000	7.7	3.1
Total	10,300	10,300	42.1	39.3

Source: The Above Mentioned Factories

* Preliminary Data

Table (8-11) (b) shows the percentage of the exploitation of cement plants for total design capacity, as none of the factories exploited the total production capacity due to the shortage recurrent electricity supply, especially during the summer months.

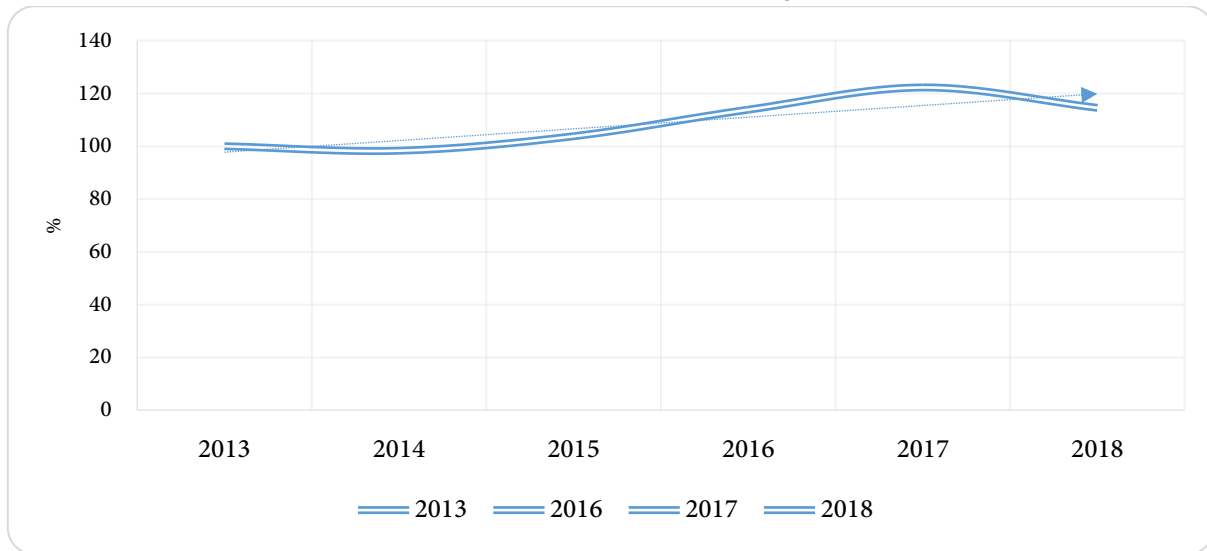
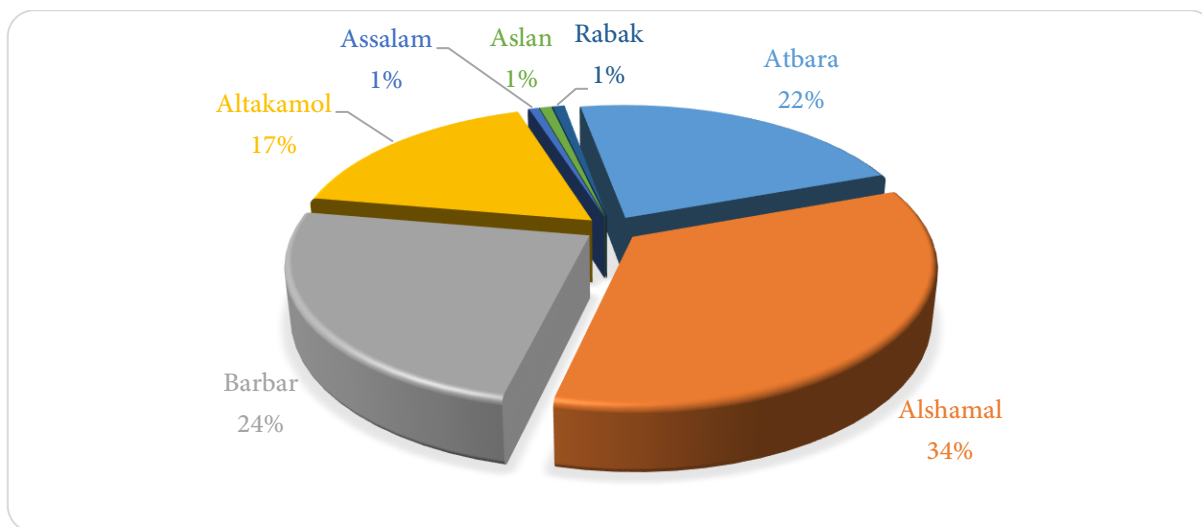
Figure (8-11)**The General Trend for Cement Production during the Period (2013-2018)**

Figure (8-11) depicts the fluctuation of the general trend of cement production in the country during the period (2013-2018).

Figure (8-12)
The Contribution of Cement Factories to Total Production in 2018



4- The pharmaceutical industry:

Table (8-12) explains the production of human and veterinary medicines for the years 2017 and 2018.

Table (8-12)
The Production of Pharmaceuticals in 2017 and 2018

Products	Unit	2017	* 2018	Change%
Firstly : Human Medicines				
Tablets	million tablets	2.5	2.2	(12.0)
Capsules	million capsules	405.3	360.3	(11.1)
Drink Suspensions	million bottles	25.8	22.9	(11.2)
liquid Suspensions	million bottles	31.5	28	(11.1)
Vena solution	million bottles	4.7	4.1	(12.8)
Medical Injection	million injection	43	38.7	(10.0)
Powder	million sachet	2.4	2.2	(8.3)
Ointments	Thousand tube	1,018	905.3	(11.1)
Dialysis fluids	Thousand bottles 10 liter	6,500	577.7	(91.1)
Secondly : veterinary Medicines				
Drink Suspensions	Thousand bottles	2,862	7,501	162.1
Injections	million bottles	1,134	2,769	144.2
Powder	Thousand kilo	193	178.2	(7.7)

Source: Source: Ministry of industry, Department of industrial production – pharmaceutical production localization file

* Preliminary data

Table (8-12) indicates a decrease in the production of all types of human medicines in 2018 compared to the 2017. While the production of drink suspensions and injections in veterinary medicines increased by 162.1% and 144.2%, respectively, with a decrease of the veterinary Powder production by 7.7% during the same period.

5- The Other Processing Industries:

Table (8-13) displays the production of the other processing industries, 2017 and 2018.

Table (8-13)
The Production of the Other Processing Industries In 2017 and 2018

Item	Unit	2017	2018*	Change %
Ethanol	Million liter	25	NA	-
School Exercise-books	Million Dozens	NA	NA	-
School books	Million Book	NA	NA	-
Edible Oil	Thousand Ton	282	198	(29.8)
Soft drinks	Million liter	680	**389	(42.8)
Wheat Flour	Million Ton	1.59	2.58	62.3
Cigarette	Thousand carton	584.3	572.4	(2.0)
Tabaco	Ton	146.8	187.4	27.7
Refrigerators& water coolers	Thousand Unit	120	266.7	122.3
T.V	Thousand Unit	89.3	66.3	(25.8)
Jams	Thousand Ton	10	NA	-
Iron (Steel Bars)	Thousand Ton	** 539.3	997.3	84.9
Vehicles	Thousand Unit	44.4	13.0	(70.7)
Water Coolers & Air Conditioners	Thousand Unit	534	770.7	44.3
Paints	Thousand Ton	40,698	43,520	6.9
Clothes	Million Piece	3.3	2.1	(36.4)
Ceramics	Million (M ³)	31	45	45.2

Source: Ministry of Industry

* Preliminary Data

Table (8-13) shows an increase in the production of some other Processing industries in 2018. The production of refrigerators & water coolers, wheat flour, ceramics, water coolers & air conditioners by 122.3%, 62.3 %, 45.2 % and 44.3%, respectively. While the production is declining for most of the rest industries.

6 - Electricity and water

a- Electricity :

There are five specialized companies that supervised and distributed electricity which including Merawi Dam electricity company ltd, Sudanese Hydro Generation Company ltd, Sudanese Thermal Generation Company ltd, Sudanese Electricity Transmission Company Ltd and Sudanese Electricity Distribution Company ltd.

The following is a review of electric power generated and consumed in 2017 and 2018.

- Electric Power Generation:

Table (8-14) illustrates the electric power generated in Sudan in 2017 and 2018, whereas figure (8-13) represents the contribution of the sources of electric power generated to total electric power generated in 2018.

Table (8-14)
Electric Power Generated in 2017 and 2018

(Giga Watt/ hr.)

Generated Power	2017	2018	Contribution %	Change %
Water Generation	9,346.9	9,657.2	56.6	3.3
Thermal Generation	6,194.7	6,598.4	38.7	6.5
A. Steam	4,228.3	4,659.7	27.3	10.2
B. Gas	297.0	231.6	1.4	(22.0)
C. Diesel	344.3	671.1	3.9	94.9
D. Combined	1,325.1	1,036.0	6.1	(21.8)
Ethiopian Transmission	891.1	808.1	4.7	(9.3)
Total Generated Power	16,432.7	17,063.6	100.0	3.8

Source: Ministry of Water Resources and Electricity

Figure (8-13)
The Contribution of Electricity Generation Sources
in total Electric Power Generated in the year 2018

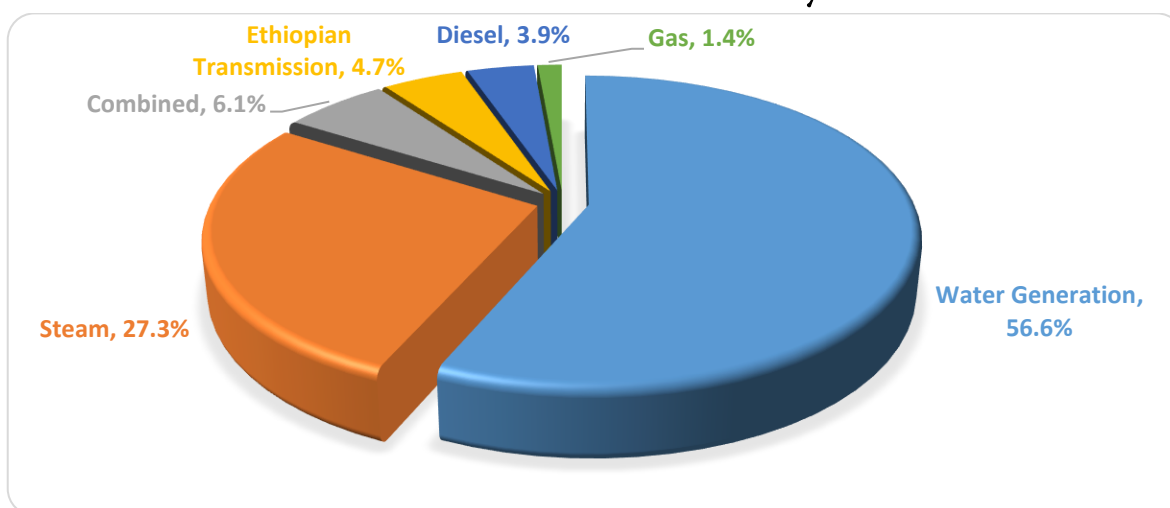


Table (8-14) shows an increase in overall electric power generated from 16,432.7 giga watt/hr in 2017 to 17,063.6 giga watt/hr in 2018 by the rate of 3.8%, this mainly due to an increase in the volume of energy generated from thermal generation by 6.5% and water generation by 3.3%. Whereas the Ethiopian transmission fell by 9.3%.

- Electric Power Consumption:

Table (8-15) classifies power consumption by sectors in 2017 and 2018, while figure (8-14) illustrates electric power consumption by sectors in 2018.

Table (8-15)
Consumed Electric Power by Sectors in 2017 and 2018

Sector	(Giga watt/hr)			
	2017	2018*	Consumption Share %	Change%
Residential	7,353	8,717	59.2	18.6
Industrial	2,004	2,122	14.4	5.9
Agricultural	873	862	5.9	(1.3)
Governmental	1,186	1,382	9.4	16.5
Standardized **	1,568	1,636	11.1	4.3
Total	12,984	14,719	100	13.4

Source: Ministry of Water Resources and Electricity.

* Preliminary Data

** Includes Commercial and Light Freight Sectors

Figure (8-14)
Electrical Power Consumption by Sectors in 2018

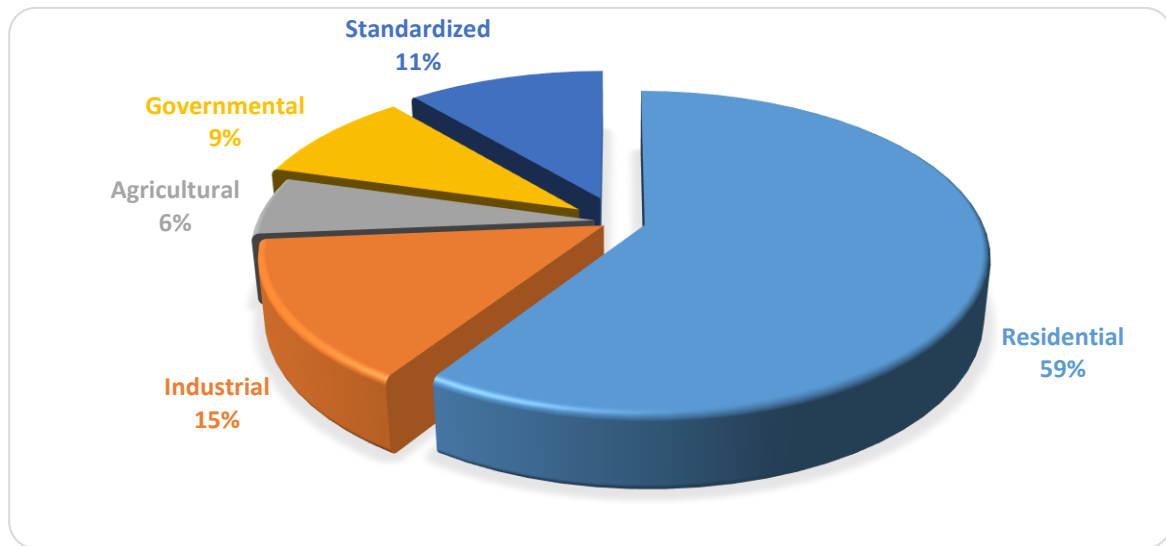


Table (8-15) shows an increase in the total electric power consumption from 12,984-giga watt/hr. in 2017 to 14,719 giga watt/ hr in 2018 by 13.4%. Where the residential sector registered the highest percentage consumption rate by the rate of 59.2%, followed by the industrial, standardized, government and agricultural sectors by 14.4%, 11.1%, 9.4%, 5.9% respectively.

(b) Water

Table (8-16) categorizes water production and consumption by sectors, in, 2017 and 2018.

Table (8-16)
Water Production and Consumption by Sectors in 2017 and 2018

(Thousands Cubic Meters per Day)

Sector	2017		2018*		Contribution %		change%	
	Production	Consumption	Production	Consumption	Production	Consumption	Production	Consumption
Urban	2,528	2,300	2,378	2,219	51.1	51.5	(5.9)	(3.5)
Rural	2,380	2,120	2,280	2,090	48.9	48.5	(4.2)	(1.4)
Total	4,908	4,420	4,658	4,309	100.0	100.0	(5.1)	(2.5)

Source: Ministry of Water Resources and Electricity- Drinking Water and sanitation Unit

* Preliminary Data

Table (8-16) shows a decrease in the overall water production from 4,908 thousand cubic meter/day in 2017 to 4,658 thousand cubic meter/day in 2018 by the rate of 5.1%, due to the decrease in the

production of both urban and rural areas. The water production in the urban area decreased from 2,528 thousand cubic meter/ day in 2017 to 2,378 thousand cubic meter/ day in 2018 by 5.9%. the overall water production in rural areas decreased from 2,380 thousand cubic meter/ day to 2,280 thousand cubic meter/ day by 4.2% for the same period.

Also the overall water consumption in urban areas decreased from 4,420 thousand cubic meter/day in 2017 to 4,309 thousand cubic meter/day in 2018 by 2.5 due to the decrease in the total consumption of urban water from 2,300 thousand cubic meters / day in 2017 to 2,219 thousand cubic meters / day in 2018 by the rate of 3.5%, representing 51.5% of the total consumption.

Third: The Services Sector

The Services Sector comprises health, education, transport, communications, roads, bridges, telecommunications and other services. The growth rate of this sector has decreased from 40.4% in 2017 to 38.9% in 2018. It's contribution in the Gross National Product at current prices decreased from 59.8% in 2017 to 57.6% in 2018.

The following is a review of the performance of a number of the services sub-sectors.

(a) Health

Health institutions composed of local hospitals, family health centers and basic health units (health clinics, dressing points and primary health units).

Table (8-17) displays the numbers of health institutions in Sudan in 2017 and 2018.

Table (8-17)
Health Institutions in Sudan for 2017 and 2018

(Unit)

Year State	2017				*2018			
	Number of hospitals	Health centers	Basic health units	Citizen/bed each 100.000 per citizen	Number of hospitals	Health centers	Basic health units	Citizen/bed (100.000)
North	32	45	186	198.7	32	45	186	145.8
River Nile	38	224	113	156.6	38	215	111	113.3
Red Sea	39	120	112	91	39	114	92	77
AL-Gedaref	44	86	249	92.8	43	82	233	61.4

Year State	2017				*2018			
	Number of hospitals	Health centers	Basic health units	Citizen/bed each 100.000 per citizen	Number of hospitals	Health centers	Basic health units	Citizen/bed (100.000)
Kassla	28	132	150	55.8	27	131	151	44.5
Khartoum	113	444	134	94.8	129	444	134	122
Al-Gazira	89	409	404	95.8	93	377	389	84.7
Sennar	32	116	238	94.2	32	116	245	79.2
White Nile	43	175	229	70.7	25	173	222	72.1
Blue Nile	18	73	59	82.8	18	73	59	76.7
North Kordofan	34	254	243	70	34	251	237	65.7
South Kordofan	14	86	127	52	14	91	126	37.7
West Kordofan	21	116	102	73.3	21	115	102	41.3
North Darfur	33	185	134	29.5	34	185	134	38.8
South Darfur	20	79	122	30.1	19	79	121	14.1
West Darfur	9	55	56	45.9	9	55	56	50
Middle Darfur	9	44	53	21.1	9	45	51	3.8
East Darfur	7	49	30	12.9	7	50	36	13.2
Total	623	2,692	2,741	76.5	623	2,641	2,685	71.2

Source: Federal Ministry of Health – Health Information and research Administration.

* Preliminary Data

Table (8-17) illustrates that, the number of local hospitals are stable in 2017 and 2018. It also shows a decrease in the total number of health centers from 2,692 in 2017 to 2,685 in 2018 at the rate of 1.9%, while the number of basic units fell from 2,741 in 2017 to 2,658 in 2018 by 2.0%.

(b)Education

The educational sector in Sudan are classified into two groups; general education and higher education.

Table (8-18) illustrates the number of pupils enrolled in government and private schools in respect of each of the basic and secondary school stages, for the two school years, 2016/2017 and 2017/2018.

Table (8-18)
The Number of Pupils Enrolled in Public and Private Schools
In Each of the Two School Years 2016/2017 and 2017/2018

School Year	2016/2017			2017 /2018 *				
Item	No. of Scho ols	No. of Students (1000's Students)		No. of Scho ols	No. of Students (1000's Students)		Absorption rate% (1) 2016/2017*	
		Male	Female		Male	Female	Male	Female
Primary Stage								
Governmental	15,600	2,749,357	2,519,660	16,307	2,826,479	2,629,812	73.1	69.6
Non Governmental	2,400	288,477	238,783	2,878	315,905	265,053		
Total of Students		3,037,834	2,758,443		3,142,384	2,894,865		
Total(1)	18000	5,796,277		19,185	6,037,249			
Secondary Stage								
Governmental Academic	2,912	278,414	321,581	2,758	295,832	328,015	39.0	40.2
Non Governmental non Academic	1,248	101,526	84,075	1,443	109,443	102,197		
Total of Students		379,940	405,656		405,275	430,212		
Total(2)	4,160	785,596		4,201	835,487			
Total(1+2)	22,160	6,581,873		23,386	6,872,736			

Source: Ministry of Education

* Preliminary Data

Table (8- 18) reveals the increase in the total number of schools in both basic and secondary stages from 22,160 school in the school year 2015/2016 to 23,386 school in the school year 2016/2017 at the rate of 5.5%, corresponding to an increase in the total number of pupils in both stages from 6,581,873 in 2016 to 6,872,736 in 2017 by 4.4%, where the number of pupils in the primary stage rose from 5,796,277 in 2016 to 6,037,249 in 2017 by 4.2%, while the number of pupils in secondary stage rose from 785,596 in 2016 to 835,487 in 2017 at the rate of 6.4% .

Table (8-19) shows the number of students enrolled in public and private universities and colleges in the academic year 2016/17 and 2017/18 academic years.

1Absorption rate % = number of students/population in the same age group (ages 6-13 basic stage from age 14 – 16 for secondary).

Table (8-19)
The Number of Students registered in Public and Private Universities and Colleges
in the two Academic years 2016/2017 and 2017/2018

(Unit)

Year
--

Source: Ministry of Higher Education& Scientific Research

*Preliminary Data

**Figures do not include private colleges and Sudan Technical University

Table (8-19) shows that, the number of bachelor students registered in Sudanese Universities increased from 576,989 students in the years 2016/2017 to 605,116 students in 2017/2018 by 5%, also the number of diploma students rose slightly from 103,138 students in 2016/2017 to 104,600 students in the year 2017/2018 by 1.4 %.

C-Transport and Communications

This sector comprises means of transport in Sudan, represented by: land, sea, river and air transport.

Table (8-20) shows the volume of goods and the number of passengers carried by the above vehicles.

Table (8-20)

Performance of the Means of Transport of Goods and Passengers in Sudan for 2017 and 2018*

Means of Transport	2017		2018*		Change%	
	Goods in Thousands tons	Passengers in thousands	Goods in Thousands tons	Passengers in thousands	Goods %	Passengers %
Land Transport	6,806	7,021	6,163	9,054	(9.4)	29.0
Sudan Railways	636	184	431	486	(32.2)	164.1
Air Transport	0.61	191	0.08	33	(86.6)	(82.7)
Sudan Shipping Line **	-	-	-	-	-	-
River Transport	-	-	-	-	-	-
Total	8,054	7,396	6,676	9,573	(17.1)	29.4

Source: Ministry of Transport , Roads and bridges - Land Transport unit , Sudan Railways Corporation, Khartoum International Airport Co. , Nile Company for River Transport and Transport Associations

* Preliminary Data.

** Company under liquidation

-Land transport

The volume of goods carried by land transport decreased from 6,806 thousand tons in 2017 to 6,163 thousand tons in 2018 by 9.4%, while the number of passengers increased from 7,021 thousand passengers in 2017 to 9,054 thousand passengers in 2018 by 29.0%.

-Sudan railways

The volume of goods carried by Sudan railways decreased from 636 thousand tons in 2017 to 431 thousand tons in 2018 by 32.2%, while the number of railway passengers rose from 184 thousand passengers to 486 thousand passengers in 2018 by 164.1%.

-Air Transport

The volume of cargo carried by all national and foreign airlines through Khartoum International Airport decreased from 0.61 thousand tons in 2017 to 0.08 thousand tons in 2018 by 83%, also the number of passengers decreased from 191 thousand passengers to 33 thousand passengers by 83%.

-Sudan shipping line

The Sudanese Sea Lines Company ceased operations due to the liquidation of the Sudanese Sea Lines Company in June 2016. According to the presidential directive, a new maritime company,

Sangneb Marine Lines Limited, which has all the fixed and movable assets that included the passenger ship Dahab, is currently under maintenance. To resume passenger transport in the first quarter of 2019.

-River Transport

The operations of the Nile River Transport Company activities were halted; as a result of closure of the borders between Sudan and South Sudan since 2012.

Fourth: Roads and Bridges

Table (8-21) compares the actual position of the construction of national highways with the target set for 2017 - 2018.

Table (8-21)
Position of the Execution of Roads in
2017 and 2018 compared with the targets set in the Plan

(Length k/m)

Roads execution	2017			2018*			
	Targeted	Executed	Execution Rate%	Targeted	Executed	Execution Rate%	Rate of Change %
Paved roads	800	633	79	800	552	69	(12.8)
Rehabilitated Roads	200	280	140	200	176.5	88	(37.0)
Khersanih roads	1700	1250	74	0	0	0	0
Dirt roads	500	200	40	0	0	0	0

Source: Ministry of Transport, Roads and Bridges - National Corporation for Roads and Bridges.

* Preliminary Data

Table (8-21) shows the decrease in the implementation of the national paved roads from 633 km in 2017 to 552 km in 2018 by 12.8%, the rate implementation also decreased compared to the targeted plan of the Ministry of Roads and Bridges from 79% to 69%, and the rehabilitated fell from 280 km to 177 km by 37%, and there isn't no implementation of concrete and paving roads during 2018.

Fifth: Telecommunications

The telecommunications sector is an important economic resource. It has witnessed developments and achievements that led to the establishment of an infrastructure based on state-of-the-art technologies based on a national fiber-optic network that has extended to most of Sudan. The National Telecommunications Authority is the governmental body that organized and regulated

telecommunications service in Sudan, where the telecommunications sector was reorganized and the National Telecommunications Council Act of 1994 was amended in 1996; which established the regulatory authority for the telecommunications sector to monitor and regulate the work in the telecommunications sector. In order to keep pace with the latest developments in telecommunications technology worldwide, the Telecommunications Law of 2001 was passed to convert the National Telecommunications Council to the National Telecommunications Authority, headquartered in Khartoum. The Authority supervises all mobile, fixed telephone and internet services.

Mobile phone service

The number of mobile phone subscribers reached 30,100,412 subscribers in 2018 compared to 167,000 in 2000.

- Zain Telecom Company

The first mobile phone company was established by Sudanese mobile phone company (Mobitel) in 1997 and operates with GSM technology, and started commercially in the same year. In 2006, Mobitel was purchased from Sudatel and its brand name was changed to Zain.

- MTN Company

The second mobile phone license granted to MTN in 2003, and operates via GSM technology.

- Sudani Telecom

The third mobile license was granted to Sudatel (Sudani) in 2006 and operates via CDMA technology, and Sudatel later established a GSM telephone network.

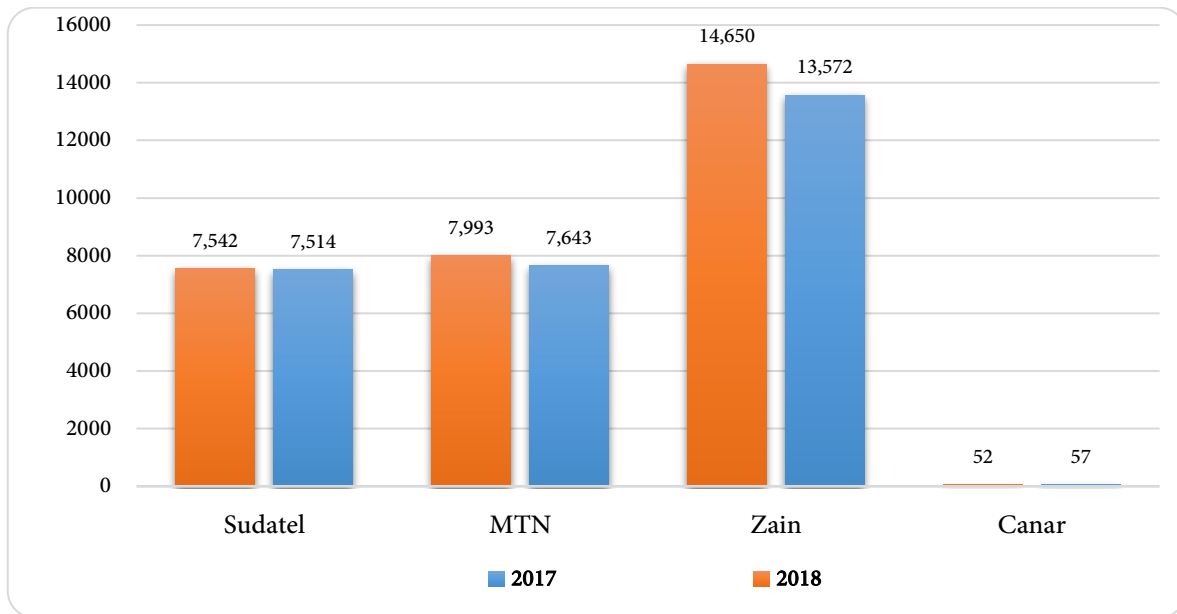
Table (8-22)
Subscribers of Telecommunications Companies and the Internet In 2017 and 2018

Company	1,000 Subscribers		Change %
	2017	2018*	
Sudan Telecommunication Co. (Sudatel)	7,514	7,542	0.4
Thabit Co.	86	85	(1.2)
Sudani Co. for Telecommunications	7,428	7,457	0.4
(ZAIN) Co. for Telecommunications	13,572	14,650	7.9
(MTN) Co. for Mobile-phone Services	7,643	7,993	4.6
CANAR Co. for Telecommunications	57	52	(8.8)
Internet Services Subscribers	12,394	13,595	9.7

Source: National Telecommunication Corporation

* Preliminary Data

Figure (8-15)
Telecommunications and Internet Subscribers in 2017 and 2018



The Sudanese Telecommunications Company (Sudatel) includes both Thabit Telecom and Sudani Telecom, with 7,542 thousand subscribers in 2018 compared to 7,514 thousand in 2017 increased by the rate of 0.4%.

The number of Zain and MTN subscribers rose by 7.9% and 4.6% respectively, while the number

of subscribers in Canar decreased by 8.8%.

The total number of Internet users increased from 12,394 thousand in 2017 to 13,595 thousand in 2018 by 9.7%.

Sixth: Hotels and Tourism

The tourism sector is considered as one of the most important sources of foreign exchange revenue resources, within the framework of diversifying and attracting more resources, the ministry of tourism and other relevant actors interested in developing tourism and archaeological areas in Sudan to attract tourists.

Table (8-23) Explains the Number of Tourists and their Expenditures in 2017 and 2018.

Table (8-23)
The Numbers of Tourists and their Spending for 2017 & 2018

Item	2017	2018 *	Rate of Change %
Number of tourists (tourist)	812,782	836,193	2.9
Tourists Spending (thousand US dollars)	1,009,264	1,029,871	2.0

Source: The Ministry of tourism, Relics and wildlife

* Preliminary Data

Table 8-23 shows a rise in the number of tourists from 813 thousand in 2017 to 836 thousand in 2018, an increase of 2.9%. Tourism revenues increased from \$ 1,009.3 million in 2017 to \$ 1,029.9 million in 2018 by 2.0%.

CHAPTER NINE

FOREIGN TRADE

Foreign Trade

Foreign trade is one of the vital sectors of economies; it represents a tool for achieving economic growth, as well as, it helps in increasing the social welfare of people by offering them a variety of options in the fields of production, consumption and investment.

This chapter presents the volume of trade between the Republic of Sudan and the rest of the world.

In the field of foreign trade, the Central Bank of Sudan policies for the year 2018 aimed at achieving a balanced external balance by effecting both supply and demand sides of foreign exchange. The Central bank of Sudan adopted a set policies and procedures related to the purchase and use of exports earnings, gold export, Payment methods to encourage exports , as well as, Sudanese exporters allowed to facilitate payment to the importers by allowing the use of flexible payment tools in order to encourage opening a new export markets and improve their competitiveness. A number of circulars and regulations were issue to identify priority goods and to directing resources for their importation, as well as a number of regulations on the methods of payment used for imports were clearly stated.

First: Trade Balance

Table (9-1) & Figure (9-1) show trade balance for 2017 and 2018.

Table (9-1)
Trade balance for 2017 and 2018

(US \$ Millions)

Particulars	YEARS		Change %
	2017**	2018*	
Exports (F.O.B)	4,100.4	3,484.7	(15.0)
Oil Exports	417.2	519.6	24.5
Non- Oil Exports	3,683.2	2,965.1	(19.5)
Imports (C&F)	9,133.7	7,850.1	(14.1)
Trade Balance	(5,033.3)	(4,365.4)	13.3

Source: Customs Authority and Ministry of Oil and Gas.

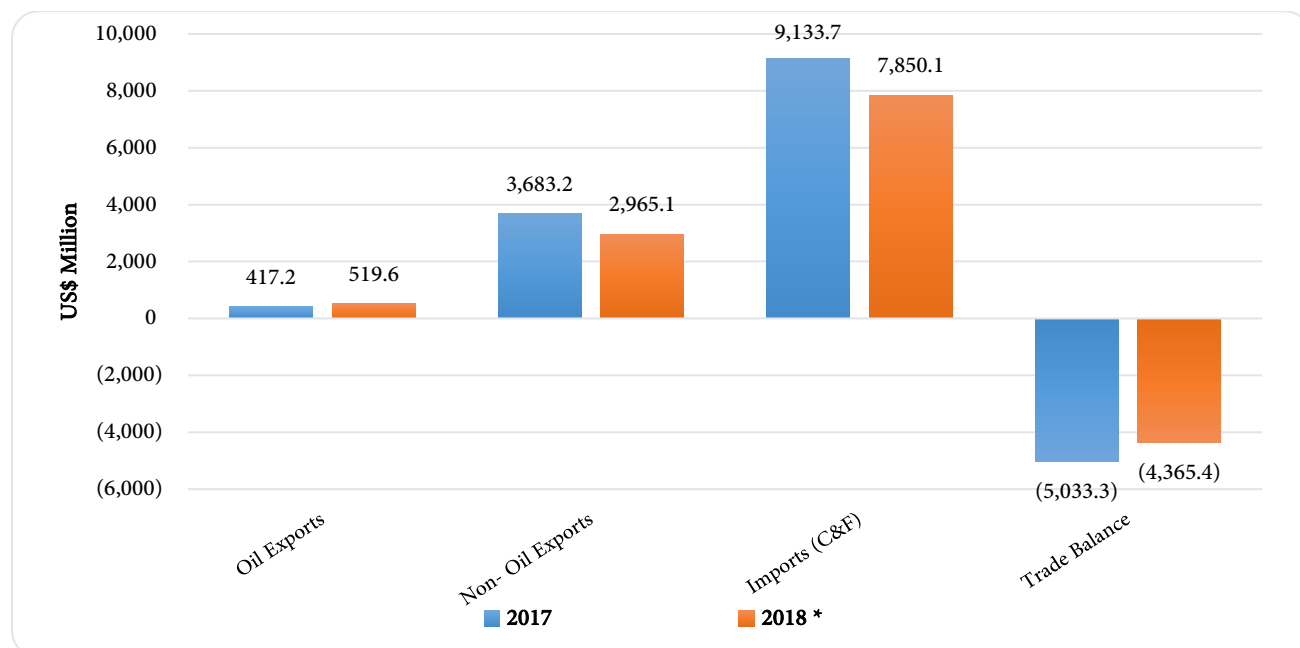
* Preliminary data.

** Modified data.

Table (9-1) indicated that, the trade balance deficit declined from US \$ 5,033.3 million in 2017 to US \$ 4,365.4 million in 2018 by 13.3%. This was due to the decrease in the value of imports from US \$ 9,133.7 million in 2017 to US \$ 7,850.1 million in 2018 by 14.1%, although the value of exports decreased from US \$ 4,100.4 million in 2017 to US \$ 3,484.7 million in 2018 by 15%.

Figure (9-1)

Trade balance for 2017 and 2018



1/Exports

Table (9-2) shows Exports by Commodity for 2017 and 2018.

Table (9-2)
Commodity Exports for 2017 and 2018***

(US \$ Millions)

Commodities	Unit	2017**			2018*			
		Quantity	Value (F.O.B)	Contribution %	Quantity	Value (F.O.B)	Contribution %	Change %
Petroleum & petroleum products			417.2	10.2		519.6	14.9	24.5
Crude Oil	Barrels	5,886,116.4	321.5	7.8	6,437,431.9	440.4	12.6	37.0
Benzene	Metric Ton	123,561.7	65.0	1.6	104,724.9	50.6	1.5	(22.2)
Others Petroleum Products	" "	80,644.8	30.7	1	57,713.3	28.7	1	(6.7)
Metal Goods			1,594.4	38.9		857.3	24.6	(46.2)
Gold	Kg	37,517.5	1,558.5	38.0	20,176.1	832.2	23.9	(46.6)
Other metal	Value	-	35.8	0.9	-	25.1	0.7	(30.1)
Agricultural Products			991.2	24.2		1,114.6	32.0	12.4
Sesame	Metric Ton	550,496.0	412.7	10.1	704,568.2	576.2	16.5	39.6
Cotton	Bales	107,682.1	139.1	3.4	111,133.9	159.5	4.6	14.7
Gum Arabic	Metric Ton	83,615.6	118.4	2.9	81,421.4	117.3	3.4	(0.9)
Other agricultural	Value	-	321.0	7.8	-	261.6	7.5	(18.5)
Live Stock			922.9	22.5		855.8	24.6	(7.3)
Sheep	Head	439,054.3	457.4	11.2	3,658,248.0	467.1	13.4	2.1
Camels	"	256,445.0	302.0	7.4	192,207.0	216.8	6.2	(28.2)
Cattle	"	94,710.0	51.8	1.3	103,489.0	63.4	1.8	22.6
Goats	"	289,232.0	19.4	0.5	235,797.0	17.0	0.5	(12.2)
other live stock	Value	-	92.4	2.3	-	91.4	2.6	(1.0)
Manufactured Products			161.9	3.9		122.1	3.5	(24.6)
Fodders	Metric Ton	521,374.5	91.3	2.2	527,536.0	92.0	2.6	0.8
Vegetable oils	" "	36,907.5	42.5	1.0	9,812.6	12.0	0.3	(71.6)
Sugar	" "	36,740.0	10.8	0.3	1,205.5	2.0	0.1	(81.4)
Other manufactured	Value	-	17.3	0.4	-	16.0	0.5	(7.5)
Other Exports	" "	-	12.8	0.3	-	15.3	0.4	20.0
Total Non- oil Exports	" "		3,683.2	89.8	-	2,965.1	85.1	(19.4)
Grand Total			4,100.4	100.0		3,484.7	100.0	(15.0)

Source: Sudan Customs Authority and ministry of petroleum and Gaz.

* Preliminary data

**Modified data

Table (9-2) shows a decrease in the value of exports from US \$ 4,100.4 million in 2017 to US \$ 3,484.7 million in 2018 by 15%.

A. Petroleum Exports:

The value of petroleum exports increased from US \$ 417.2 million in 2017 to US \$ 519.6 million in 2018 by 24.5%. Which comes because of the increase in the value of crude oil exports from US \$ 321.5 million to US \$ 440.4 million, by 37%. Due to increase in the quantity of exports in addition to the rise of international prices, despite of the decrease in value of gasoline exports from US \$ 65 million to US \$ 50.6 million by 22.2%, also the value of other petroleum products declined by 6.7%.

B. Non-oil exports:

The value of non-oil exports decreased from US \$ 3,683.2 million in 2017 to US \$ 2,965.1 million in 2018 by 19.5%, because of decrease in the value of exports of mineral commodities, livestock and manufactured goods, in addition to an increase in a value of agricultural commodities exports, as follows:

-Agricultural commodities:

The value of exports of agricultural commodities increased from US \$ 991.2 in 2017 million to US \$ 1,114.6 million in 2018 by 12.4%. Which comes because of an increase in the value of sesame and cotton exports by 39.6%, 14.7% respectively, caused mainly by an increase of their quantities; in addition to a decrease in the exports of Gum Arabic and other agricultural commodities by 0.9% and 18.5% respectively.

-Mineral commodities:

The value of exports of mineral commodities decreased from US \$ 1,594.4 million to US \$ 857.3 million by 46.2% due to decrease of gold exports from US \$ 1,558.5 million to US \$ 832.2 million, by 46.6% “not including gold exports for manufacturing and reconditioning”, due to the decrease in the exported quantities from 37.5 tons to 20.2 tons. As well as, the value of other minerals decreased from US \$ 35.8 million to US \$ 25.1 million by 30.1%.

-Livestock:

The value of livestock exports declined from US \$ 922.9 million to US \$ 855.8 million by 7.3%. Which comes because of a decline in the value of camels and goats exports by 28.2% and 12.2%, respectively, due to a decline in the exported quantities, despite the increase in the value of sheep and cattle exports by 2.1% and 22.6% respectively, due to an increase in the exported quantities.

-Manufactured Goods:

The value of manufactured goods exports decreased from US \$ 161.9 million to US \$ 122.1 million in 2018 by 24.6%. Which comes because of a decrease of the value of the vegetable oils exports from US \$ 42.5 million to US \$ 12 million by 71.6%, in addition to a decrease in the value of sugar exports from US \$ 10.8 million to US \$ 2 million by 81.4%, due to an increase in the exported quantities.

Figure (9-2)
Commodity Structure of Non-oil Exports for 2017 and 2018

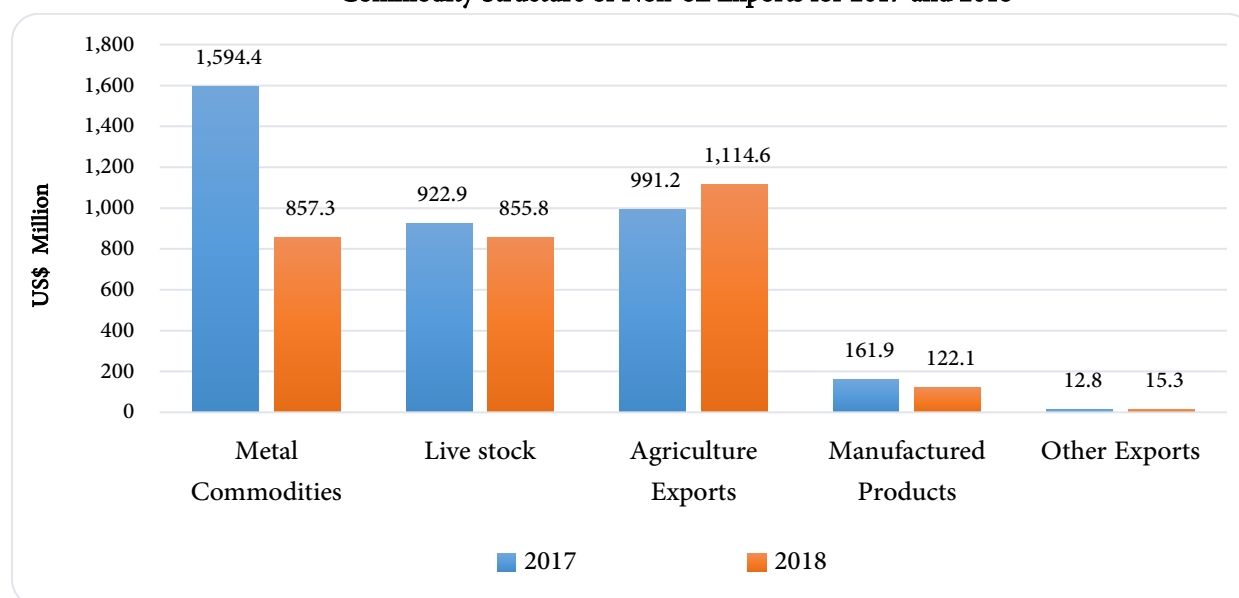


Figure (9-3)
Contribution of Commodity group in Exports in 2018

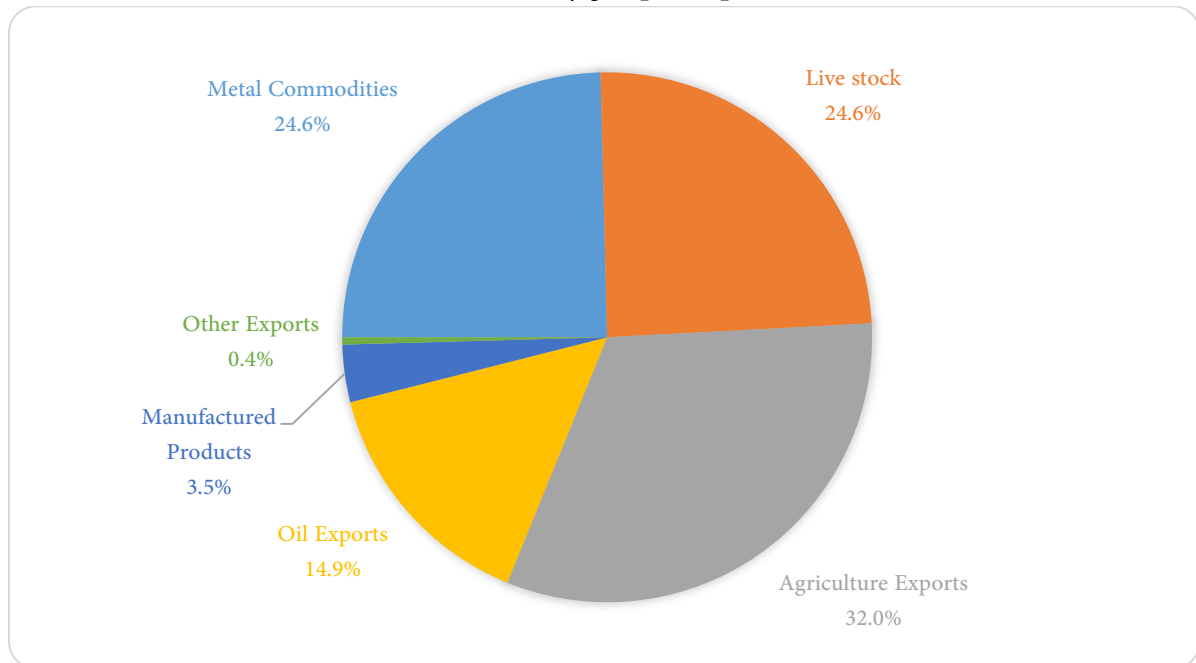


Figure (9-3) explains that the contribution of agricultural commodities exports represents the highest ratio of total exports by 32.0%, followed by livestock and mineral commodities by 24.6% for each, Petroleum exports by 14.9%, manufactured materials by 3.5% and other exports by 0.4%.

2/ Imports:

Table (9-3) shows imports for 2017 and 2018.

Table (9-3)
Imports by Commodity for 2017 and 2018

(US \$ Million)

Commodities	Unit	2017**			2018*			Change %
		Quantity	Value (CIF)	Contribution %	Quantity	Value (CIF)	Contribution %	
Foodstuffs:			1,944.1	21.3		1,969.0	25.1	1.3
Wheat	M.T	2,213,331	671.2	7.3	2,352,831	720.9	9.2	7.4
Wheat flower	" "	253,931	118.1	1.3	539	0.2	0.0	(99.8)
Sugar	" "	709,553	329.3	3.6	1,233,167	560.4	7.1	70.2
Animal Fats and Edible Oils	" "	253,186	230.4	2.5	187,899	166.5	2.1	(27.7)
Other Foodstuffs	value	-	595.2	6.5	-	521.1	6.6	(12.4)
Manufactured goods	"	-	1,924.4	21.1	-	1,418.8	18.1	(26.3)
Machinery and Equipment	"	-	1,714.1	18.8	-	1,410.1	18.0	(17.7)

Commodities	Unit	2017**			2018*			Change %
		Quantity	Value (CIF)	Contribution %	Quantity	Value (CIF)	Contribution %	
Raw materials	"	-	1,153.4	12.6	-	1,207.5	15.4	4.7
Petroleum commodities	"	-	905.1	9.9	-	991.1	12.6	9.5
Other Raw materials	"	-	248.3	2.7	-	216.4	2.8	(12.8)
Means of transport	"	-	885.8	9.7	-	621.9	7.9	(29.8)
Chemicals Products	"	-	948.4	10.4	-	785.4	10.0	(17.2)
Medicines	"	-	458.9	5.0	-	320.0	4.1	(30.3)
Other Chemicals Commodities	"	-	489.5	5.4	-	465.5	5.9	(4.9)
Textiles	"	-	426.9	4.7	-	316.1	4.0	(26.0)
Beverages and Tobacco	"	-	41.6	0.5	-	38.8	0.5	(6.7)
Other Commodities	"	-	94.8	1.0	-	82.4	1.0	(13.1)
Grand Total			9,133.7	100.0		7,850.1	100.0	(14.1)

Source: Sudan Customs Authority and ministry of petroleum and Gaz.

* Preliminary data

** Modified data

Figure (9-4)

Commodity Structure of Imports for 2017 and 2018

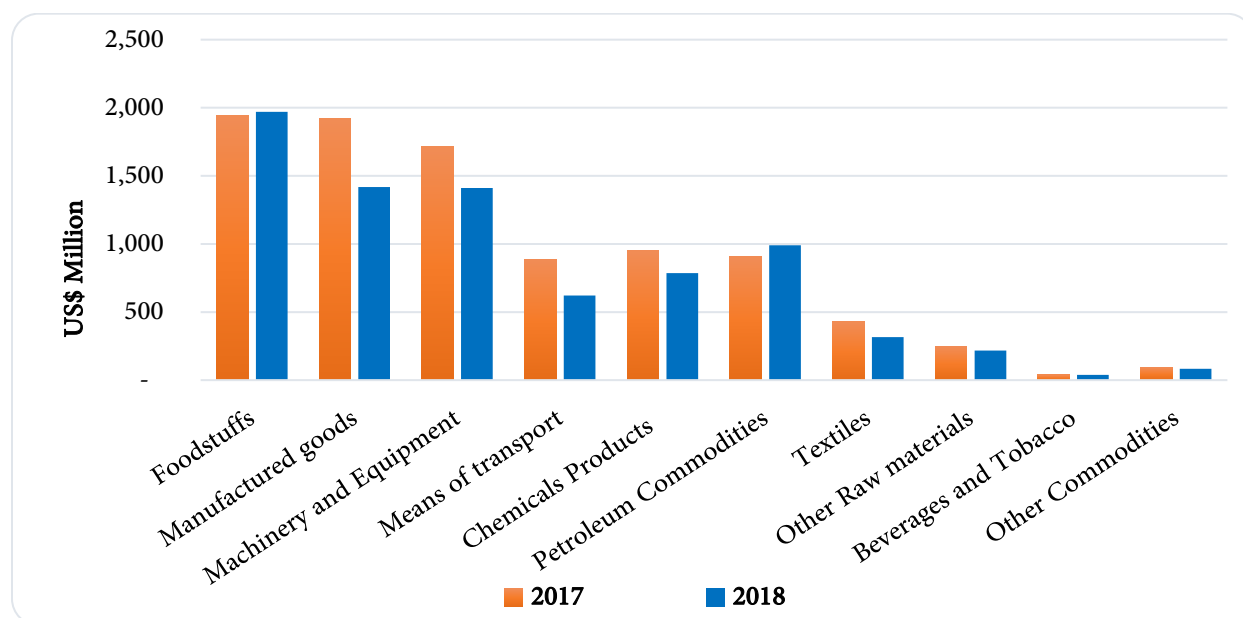


Table (9-3) shows that there is a decrease in the value of imports (C&F) from US \$ 9,133.7 million in 2017 to US \$ 7,850.1 million in 2018 by 14.1%. Which is consistent with the measures set during 2018 to control the imports, the decrease in the value of the total imports was due to the decrease

in the value of imports of transportation, manufactures, textiles, chemicals, beverages and tobacco, as shown below:

A. Transportation:

The value of means of transportation imports decrease from US \$ 885.8 million to US \$ 621.9 million in 2018 by 29.8%.

B. Manufactures:

The value of manufactured goods imports declined from US \$ 1,924.4 million to US \$ 1,418.8 million by 26.3%.

C. Textiles:

The value of textiles imports declined from US \$ 426.9 million to US \$ 316.1 million, by 26.0%.

D. Machinery and Equipments:

The value of machinery and equipment imports declined from US \$ 1,714.1 million to US \$ 1,410.1 million by 17.7%.

E. Chemicals:

The value of Chemicals imports declined from US \$ 948.4 million to US \$ 785.4 million by 17.2%.

F. Beverages and Tobacco:

The value of imports of Beverages and Tobacco decreased from US \$ 41.6 million to US \$ 38.8 million by 6.7%.

The value of some commodities imports increased as follows:

A. Foodstuffs:

The value of Foodstuffs imports increased from US \$ 1,944.1 million to US \$ 1,969.0 million by 1.3% , due to an increase in the value wheat imports from US \$ 671.2 million to US \$ 720.9 million by 7.4%, sugar imports increased from US \$ 329.3 million to US \$ 560.4 million by 70.2% due to an increase in the imported quantities .

B. Raw Materials:

The value of raw materials Imports including “petroleum products, raw plastic, raw rubber, grease, seeds and seeds and packaging paper” increased from US \$ 1,153.4 million to US \$ 1,207.5 million by 4.7%. Which comes because of an increase of the value of petroleum products imports from US \$ 905.1 million to US \$ 991.1 million by 9.5%, despite the decline in the value of imports of other raw materials from US \$ 248.3 million to US \$ 216.4 million by 12.9%.

Figure (9-5)
Contribution of Commodity group in imports in 2018

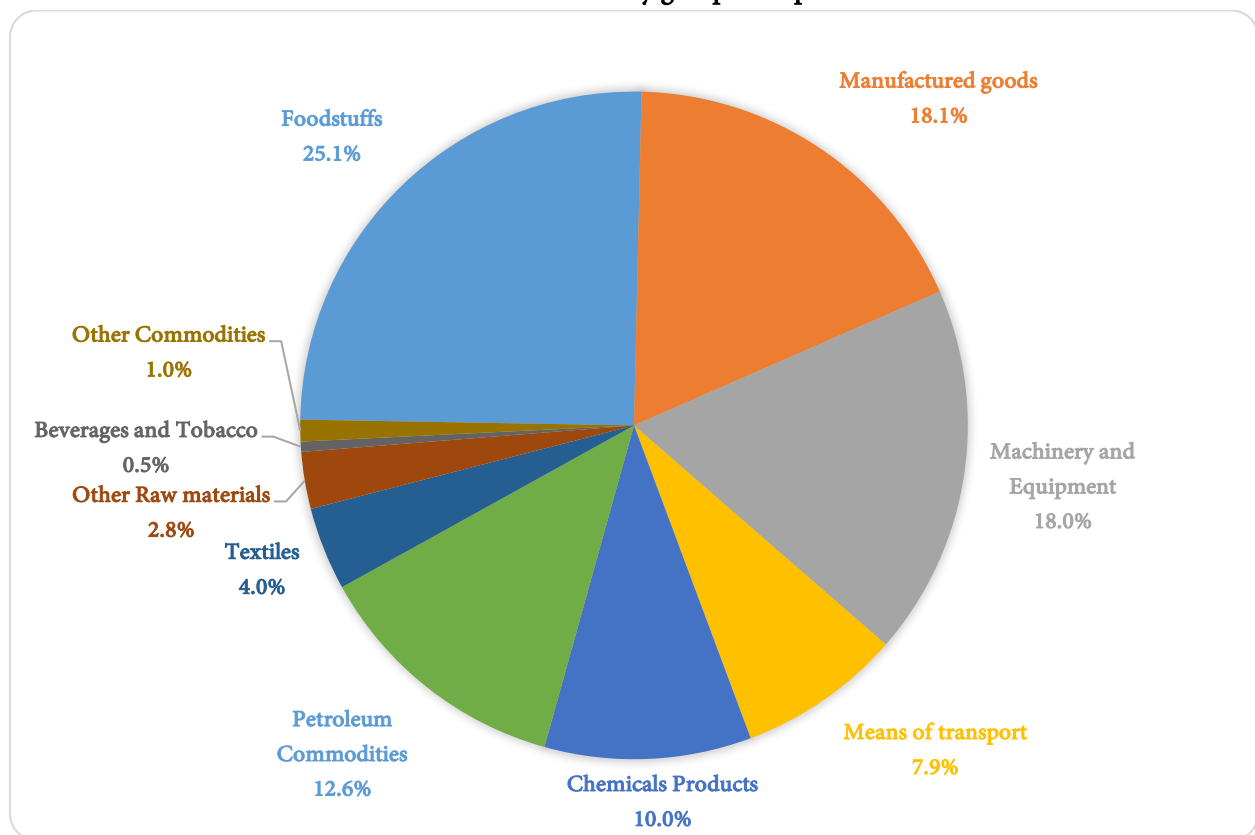


Figure (9-5) explains that the contribution of foodstuffs imports represented the highest ratio of total imports by 25.1% followed by manufactured goods by 18.1%, machinery and equipments by 18.0%, petroleum products by 12.6%, chemicals by 10.0%, and means of transports by 7.9%.

Second: The Trade Balance with the main foreign trade partners:

Table (9-4) shows the trade balance between Sudan and the main foreign trade partners for 2017 and 2018

Table (9-4)
The Trade Balance with the Main Foreign Trade Partners for 2017 and 2018
(US \$ Million)

Country	2017 **			2018 *		
	Exports	Imports	Trade Balance	Exports	Imports	Trade Balance
China	587.1	2,129.8	(1,542.7)	750.5	1,657.8	(907.3)
United Arab Emirates	1,653.8	1,079.2	574.6	944.6	746.0	198.6
Saudi Arabia	607.5	637.8	(30.3)	549.1	648.8	(99.7)
India	97.0	696.1	(599.1)	154.6	794.0	(639.4)
Egypt	447.4	549.8	(102.4)	469.1	417.8	51.3
Russia	0.1	478.7	(478.6)	0.0	595.7	(595.7)
Turkey	69.9	379.1	(309.2)	76.3	374.1	(297.8)
Germany	20.6	301.9	(281.3)	12.9	233.3	(220.4)
Thailand	2.2	80.6	(78.4)	0.2	180.9	(180.7)
Ethiopia	127.9	71.7	56.2	86.7	76.3	10.4

Source: Sudan Customs Authority and ministry of petroleum and Gaz.

* Preliminary data

** Modified data

Note: Exports FOB, Imports C&F

Table (9-4) shows a deficit in the trade balance with major trade partners in 2018, except United Arab Emirates, Egypt and Ethiopia, which recorded a surplus in favor of Sudan.

The trade balance with United Arab Emirates declined from surplus of US \$ 574.6 million to a surplus of US \$ 198.6 million. Which comes because of the decrease in the value of Sudanese exports

to United Arab Emirates from US \$ 1,653.7 million to US \$ 944.6 million by 42.9%, due to the decrease in the value of Hides & Skins, livestock, Chickpea, Ground Nuts, Gold, Melon Seeds by 97.6%,93.2%,52.0%,51.1%, 46.4% and 18.1% respectively. Whereas, the value of exports of Dura, Sesame, Meat, Gum Arabic increased by 75.9%, 68.7%, 36.0% and 25.8%, respectively. However, the value of imports from United Arab Emirates declined from US \$ 1,079.2 million to US \$ 746.0 million by 30.9%, as a result of a decrease in the value of all Imports groups from it, as shown in the Appendixes (18 A + B) and (19 A + B).

The trade balance with Egypt shifted from a deficit of US \$ 102.4 million to a surplus of US \$ 51.3 million. This surplus is the outcome of an increase in the value of exports to Egypt from US \$ 447.4 million to US \$ 469.1 million by 4.9%, as a result of the increase in the exports value of Ground Nuts, Chickpea, Sesame, Gum Arabic, by 203.9%,153.9%,64.5% and 26.6% respectively . Whereas, the exports value of fodders, hides & skins, melon seeds decreased by 96.5%,92.7% and 70.2% respectively. Besides that , the value of imports from Egypt declined from US \$ 549.8 million to US \$ 417.8 million by 24.0%; as a result of the decline in the value of all groups of imports especially the foodstuffs from US \$ 28.7 million to US \$ 5.9 million by 79.6% , as shown in the Appendixes (18 A + B) and (19 A + B).

The trade balance with Ethiopia declined from US \$ 56.2 million to US \$ 10.4 million. Which comes because of an increase in the value of imports from US \$ 71.7 million to US \$ 76.3 million by 6.4%, due the increase in the imports of coffee, other raw materials and other foodstuffs by 128.3%, 19.8% and 6.7% respectively . In addition to a decrease in exports to Ethiopia from US \$ 127.9 million to US \$ 86.7 million by 32.2%, as a result of the decrease of exports value of Dura, hides & skins, petroleum and other agricultural products by 97.3%, 58.6%, 29.7% and 27.9% respectively , as shown in the Appendixes (18 A + B) and (19 A + B).

Third: Sudan's Foreign Trade with Regional Blocs:

Table (9-5) shows Sudan's foreign trade with Common Market for Eastern and Southern Africa (COMESA), and Greater Arab Free Trade Area (GAFTA) for 2017 and 2018.

Table (9-5)
The Trade Balance with (COMESA) and
(GAFTA) for 2017 and 2018

(US \$ Million)

Bloc	2017 **			2018 *		
	Exports	Imports	Trade Balance	Exports	Imports	Trade Balance
Common Market for Eastern and Southern Africa (COMESA)	646.0	799.0	(153)	572.5	666.9	(94.4)
Djibouti	14.8	-	14.8	2.1	-	2.1
Ethiopia	127.9	71.7	56.2	86.7	76.3	10.4
Kenya	29.1	68.0	(38.9)	11.5	72.9	(61.4)
Uganda	0.1	54.2	(54.1)	0.1	47.7	(47.6)
Zimbabwe	-	26.9	(26.9)	-	22.2	(22.2)
Egypt	447.4	549.8	(102.4)	469.1	417.8	51.3
Zambia	-	1.0	(1.0)	-	1.3	(1.3)
Rwanda	-	1.2	(1.2)	-	11.9	(11.9)
Burundi	-	1.3	(1.3)	-	1.0	(1.0)
Seychelles	-	0.1	(0.1)	0.0	0.0	0.0
Eritrea	25.2	0.4	24.8	1.9	0.1	1.8
Malawi	-	2.3	(2.3)	-	3.7	(3.7)
Mauritius	-	-	-	-	-	-
Angola	-	0.0	(0.0)	-	-	-
Libya	0.8	0.8	0.0	0.5	0.3	0.2
Comoros	-	0.4	(0.4)	-	0.3	(0.3)
Madagascar	0.0	0.2	(0.2)	0.0	0.8	(0.8)

Bloc	2017 **			2018 *		
	Exports	Imports	Trade Balance	Exports	Imports	Trade Balance
Swaziland	0.7	19.2	(18.5)	0.6	9.8	(9.2)
Congo Democratic	-	0.7	(0.7)	-	0.0	(0.0)
Namibia	-	0.8	(0.8)	-	0.8	(0.8)
Greater Arab Free Trade Area (GAFTA)	2,812.8	2,618.0	194.8	2,126.2	2,186.0	(59.8)
Egypt	447.4	549.8	(102.4)	469.1	417.8	51.3
Libya	0.8	0.8	0.0	0.5	0.3	0.2
Morocco	-	24.8	(24.8)	0.1	1.6	(1.5)
Tunisia	7.6	4.8	2.8	12.6	5.6	7.0
Algeria	2.1	0.0	2.1	5.6	0.0	5.6
United Arab Emirates	1,653.8	1,079.2	574.6	944.6	746.0	198.6
Bahrain	3.1	13.8	(10.7)	6.9	1.8	5.1
Iraq	1.2	0.0	1.2	1.1	-	1.1
Jordan	24.8	100.2	(75.4)	23.0	96.2	(73.2)
Kuwait	5.4	6.0	(0.6)	7.8	62.6	(54.8)
Lebanon	13.9	49.2	(35.3)	30.3	7.2	23.1
Oman	0.5	55.1	(54.6)	3.1	159.4	(156.3)
Qatar	19.6	87.6	(68.0)	35.7	29.1	6.6
Saudi Arabia	607.5	637.8	(30.3)	549.1	648.8	(99.7)
Syria	16.2	8.2	8.0	22.3	5.6	16.7
Yemen	8.9	0.7	8.2	14.4	4.0	10.4

Source: Sudan Customs Authority and ministry of petroleum and Gaz.

* Preliminary data.

** Modified data

Note: Egypt and Libya data included in both (COMESA) and (GAFTA).

Table (9-5) explains that Sudan trade balance deficit with COMESA countries decreased from US \$ 153 million in 2017 to US \$ 94.4 million in 2018. Which comes because of a decline in the value of

exports to the COMESA countries from US \$ 646 million to US \$ 572.5 million by 11.4%, exports to COMESA represents 16.4% of total Sudan's exports in 2018, as shown in Table (9.2).

The value of Sudan's imports from COMESA declined from US \$ 799 million in 2017 to US \$ 666.9 million in 2018 by 16.5%, it represents 8.5% of total imports to Sudan in 2018, as shown in table (9.3).

The trade balance with GAFTA countries shifted from a surplus of US \$ 194.8 million in 2017 to a deficit of US \$ 59.9 million in 2018, due to the decrease of Sudan's exports to these countries from US \$ 2,812.8 million to US \$ 2,126.2 million by 24.4%, which represents 61.0% of total Sudan's exports in 2018.

The value of imports from GAFTA decreased from US \$ 2,618.0 million in 2017 to US \$ 2,186.0 million in 2018, by 16.5%, it represents 27.8% of total imports to Sudan in 2018.

Table (9-6) shows Sudan's exports to the Common Market for Eastern and Southern Africa (COMESA) and the Greater Arab Free Trade Area (GAFTA) for 2017 and 2018

Table (9-6)
Sudan's Exports to (COMESA) and (GAFTA)
For 2017 and 2018

(US \$ Million)

Commodities Group	2017 **			2018 *		
	GAFTA	COMESA	Other Countries	GAFTA	COMESA	Other Countries
Gold	1,548.4	-	10.1	818.9	-	13.4
Livestock	830.6	290.8	3.3	765.6	260.6	0.1
Fodders	69.6	0.3	21.6	68.3	0.1	23.7
Dura (Sorghum)	5.9	68.9	21.6	4.3	15.4	7.4
Melon Seeds	11.1	2.9	21.7	15.0	0.9	46.4
Chickpea	8.8	1.3	24.0	8.6	3.3	40.8
Other Agricultural Products	25.3	27.6	31.6	25.7	24.5	30.8
Groundnuts	13.6	1.4	66.7	13.9	3.7	45.9
Hides and Skins	9.0	6.8	9.6	7.1	2.6	6.3
Sesame	157.1	64.2	255.6	251.1	106.1	324.6
Meat	60.9	30.2	0.2	66.2	29.7	0.4
Cotton	40.2	39.8	98.8	40.2	40.3	118.6
Petroleum and Its Products	-	94.8	322.4	-	66.6	453.0
Gum Arabic	5.0	0.8	113.4	6.5	2.8	109.0
Other	27.4	16.0	81.8	34.8	16.0	35.2
Total	2,812.9	645.9	1,082.5	2,126.2	572.6	1,255.5

Source: Sudan Customs Authority and ministry of petroleum and Gaz.

* Preliminary data

** Modified data

Note: Egypt and Libya data included in both (COMESA) and (GAFTA).

Table (9-6) shows a decrease in the value of exports to GAFTA countries from US \$ 2,812.9 million in 2017 to US \$ 2,126.2 million in 2018 by 24.4%. Which comes because of the decrease of gold exports from US \$ 1,548.4 million to US \$ 818.9 million by 47.1% and livestock exports from US \$

830.6 million to US \$ 765.6 million by 7.8%. whereas, there is an increase in sesame exports from US \$ 157.1 million to US \$ 251.1 million, by 59.8%, and other exports from US \$ 27.4 million to US \$ 34.8 million by 27.0 %.

The Sudan's exports to COMESA countries decreased from US \$ 645.9 million in 2017 to US \$ 572.6 million in 2018 by 11.3%. Which comes because of the decline of the value of Petroleum and its Products exports from US \$ 94.8 million in 2017 to US \$ 66.6 million in 2018 by 29.7%. Moreover, the value of livestock exports declined from US \$ 290.8 million in 2017 to US \$ 260.6 million in 2018 by 10.4%, and Dura from US \$ 68.9 million to US \$ 15.4 million by 77.6%. Whereas, there is an increase in the value of sesame exports from US \$ 64.2 million to US \$ 106.1 million in 2018 by 65.3% , gum Arabic from US \$ 0.8 million to US \$ 2.8 million in 2018 by 250.0%, Groundnuts from US \$ 1.4 million to US \$ 3.7 million by 164.3% and Chickpea from US \$ 1.3 million to US \$ 3.3 million by 153.9 %.

Table (9-7) shows Sudan's Imports from Common Market for Eastern and Southern Africa (COMESA), and Greater Arab Free Trade Area (GAFTA) for 2017 and 2018.

Table (9-7)
Sudan's Imports from (COMESA) and (GAFTA)
For 2017 and 2018

(US \$ Million)

Commodity Group	2017 **			2018 *		
	GAFTA	COMESA	Other Countries	GAFTA	COMES	Other Countries
Petroleum products	835.5	39.9	69.6	808.4	32.0	182.7
Raw materials	158.7	50.3	76.7	133.7	48.8	67.3
Chemicals	417.3	87.9	514.9	334.6	59.7	443.3
Manufactured goods	603.0	312.6	1,308.8	477.0	274.7	922.4
Machinery and Equipment	221.0	44.9	1,491.2	176.9	28.6	1,229.5
Textiles	50.1	23.1	376.2	32.0	12.3	283.5
Foodstuffs	262.4	151.5	1,559.2	189.5	132.0	1,653.5
Beverages and Tobacco	2.8	35.5	3.4	0.7	35.5	2.7
Means of transport	58.8	7.7	826.5	29.8	3.0	591.7
Other	8.5	45.5	40.8	3.6	40.3	38.5
Total	2,618.1	799.0	6,267.2	2,186.0	666.9	5,415.2

Source: Sudan Customs Authority and ministry of petroleum and Gaz.

* Preliminary data.

** Modified data.

Note: Egypt and Libya data included in both (COMESA) and (GAFTA).

Table (9 - 7) shows a decline in Sudan's imports from GAFTA countries from US \$ 2,618.0 million in 2017 to US \$ 2,186.0 million in 2018 by 16.5%, whereas, the value of Sudan's imports from COMESA countries declined from US \$ 799.0 million to US \$ 666.9 million by 16.5%, as a result of the decline in all commodity groups of imports.

The most important imports from GAFTA are petroleum products, manufactures, chemicals and foodstuffs by 37.0%, 21.8%, 15.3% and 8.7% of total imports from the region respectively, where as the most important imports from COMESA are manufactures, foodstuffs and chemicals by 41.2%, 19.8% and 9.0% of total imports from the region respectively in 2018.

Fourth: Direction of Sudan's Foreign Trade for 2017 and 2018:

The group of Arab countries represents the main market for Sudanese exports by 61.0% of the total value of Sudan's exports during 2018 compared to 68.6% in 2017 as it shown in Table (9-8).Whereas. Asian countries remained the main source of Sudan's imports by 41.6% of the total value of imports during 2018 Compared to 41.7% during 2017; the following is the direction of both exports and imports:

(A) Exports:

Table (9-8) explains Sudan's exports to the main trade partners for 2017 and 2018¹.

Table (9-8)
Sudanese Exports to Major
Trade Partners for 2017 and 2018

(US \$ Millions)

Importers	2017 **		2018 *	
	Value (FOB)	Share of Total Exports%	Value (FOB)	Share of Total Exports%
United Arab Emirates	1,653.8	40.3	944.6	27.1
China	587.1	14.3	750.5	21.5
Saudi Arabia	607.5	14.8	549.1	15.8
Egypt	447.4	10.9	469.1	13.5
Ethiopia	127.9	3.1	86.7	2.5
India	97.0	2.4	154.6	4.4
France	58.5	1.4	52.8	1.5
Turkey	69.9	1.7	76.3	2.2
Jordan	24.8	0.6	23.0	0.7
Lebanon	13.9	0.3	30.3	0.9

1) For more details see Appendixes (18 A) and (18 B)

Importers	2017 **		2018 *	
	Value (FOB)	Share of Total Exports%	Value (FOB)	Share of Total Exports%
Eritrea	25.2	0.6	1.9	0.1
Netherlands	3.7	0.1	11.1	0.3
Qatar	19.6	0.5	35.7	1.0
Germany	20.6	0.5	12.9	0.4
Syria	16.2	0.4	22.3	0.6
Greece	9.3	0.2	8.7	0.2
Tunisia	7.6	0.2	12.6	0.4
United kingdom	19.6	0.5	8.7	0.2
Romania	19.0	0.5	13.0	0.4
Canada	0.4	0.0	0.1	0.0
Portugal	0.0	0.0	0.0	0.0
Other Countries	271.5	6.6	220.6	6.3
Total	4,100.4	100.0	3,484.7	100.0

Source: Sudan Customs Authority and ministry of petroleum and Gaz.

* Preliminary data.

** Modified data.

Table (9-8) shows that the United Arab Emirates, China, Saudi Arabia and Egypt are the largest markets for Sudanese exports in 2018, which representing 77.9% of the total exports. The value of exports to United Arab Emirates reached US \$ 944.6 million, representing 27.1% of the total value of exports in 2018, Compared to US \$ 1,653.8 million by 40.3% in 2017, gold, fodder, sesame and meat are considered as the biggest commodities exported to United Arab Emirates.

The value of exports to China increased from US \$ 587.1 million in 2017 to US \$ 750.5 million in 2018, representing 21.5% of total value of exports in 2018, whereas petroleum and its products, sesame, cotton, fodder, groundnuts and gum Arabic are the biggest commodities exported to China. The value of exports to Saudi Arabia decreased from US \$ 607.5 million in 2017 to US \$ 549.1 million in 2018, representing 15.8 % of the total value of exports in 2018, livestock, sesame and hides and skins are considered as the biggest commodities exported to Saudi Arabia.

The value of exports to Egypt increased from US \$ 447.4 million in 2017 to US \$ 469.1 million in 2018, representing 13.5% of the total value of Sudanese exports in 2018, livestock, sesame, cotton, meat and other agricultural products are considered as the biggest commodities exported to Egypt.

(B) Imports:

Table (9-8) shows the Sudanese imports from major trade partners for 2017 and 2018 ²

Table (9-9)
Sudanese imports from Major Trade Partners for 2017 and 2018
(US \$ Millions)

Sources of Imports	2017 **		2018 *	
	Value (C&F)	share of Total Imports	Value (C&F)	share of Total Imports
China	2,129.8	23.3	1,657.8	21.1
India	696.1	7.6	794.0	10.1
United Arab Emirates	1,079.2	11.8	746.0	9.5
Saudi Arabia	637.8	7.0	648.8	8.3
Egypt	549.8	6.0	417.8	5.3
Turkey	379.1	4.2	374.1	4.8
Thailand	80.6	0.9	180.9	2.3
Malaysia	73.6	0.8	59.2	0.8
Japan	310.6	3.4	143.5	1.8

1) For more details see Appendixes (19 A) and (19 B)

Germany	301.9	3.3	233.3	3.0
Ukraine	121.0	1.3	103.8	1.3
South Korea	164.9	1.8	112.9	1.4
Italy	125.8	1.4	91.5	1.2
Canada	35.6	0.4	36.5	0.5
Other Countries	2,447.8	26.8	2,250.0	28.7
Total	9,133.6	100.0	7,850.1	100.0

Source: Sudan Customs Authority and ministry of petroleum and Gaz.

* Preliminary data.

** Modified data.

Table (9-9) shows that China represents the largest source of imports to Sudan, which amounted to US \$ 1,657.8 million, representing 21.1% of total imports in 2018. The most important goods imported from China are machinery and equipments, manufactures, transport means and textiles. India ranked as a second in terms of imports, which amounted to US \$ 794.0 million, representing 10.1% of the total imports. The main imported commodities are foodstuffs, machinery and equipment, chemicals and manufactures. United Arab Emirates comes as a third. Which amounted to US \$ 746.0 million, by 9.5% of the total value of imports. The most important commodities imported from United Arab Emirates are petroleum products, foodstuffs and manufactures. Then comes from Saudi Arabia, which amounted to US \$ 648.8 million, by 8.3% of the total value of imports. The most important imported commodities are petroleum products, chemicals and manufactures. Then. Egypt, which amounted to US \$ 417.8 million, by 5.3% of the total value of imports. The most important imported commodities from Egypt are manufactures, chemicals and raw materials, followed by Turkish with imports of US \$ 374.1 million, by 4.8% of the total value of imports, the main commodities imported from it are machinery and equipments, foodstuffs and wheat.

CHAPTER TEN

BALANCE OF PAYMENTS

Balance of Payments

The balance of payments (BOPs) can be defined as a statistical statement that summarizes all economic transactions between residents and non-residents of the country “the country’s economy and the rest of the world” during a certain period. The BOPs statistics was compile according to the sixth Edition of the Balance of Payments and International Investment Position Manual “BPM6” issued by the International Monetary Fund in 2009. The BOPs statistics published in the Central Bank of Sudan periodicals based on the analytical presentation, whereas it published in the International Monetary Fund (IMF) periodicals based on BPM6 methodology through the standard format¹.

First: Components of balance of payments:

The balance of payments (BOPs) consists of the current account, the capital and financial account and the reserve assets in addition to errors and omissions item.

1. Current Account:

This account presents all transactions of goods and services, and consists of two components:

- a) Trade Balance (Visible Transactions), it is the difference between exports and imports of goods during a specified period.
- b) The balance of services, income and current transfers (Invisible Transactions) , it is the difference between the value of payments and receipts from all transactions related to services, income and current transfers, such as transportations, corporate profits, workers’ remittances, grants, gifts, ... etc, during a specified period.

¹ For more information see the Manual of the Balance of Payments and International Investment Position sixth Edition “BPM6” in www.imf.org

2. Capital and Financial Account:

It includes the capital account and the financial account, where the entitlements to non-residents treated as assets, and the obligations against them treated as liabilities, it includes two sub- accounts:

A. Capital Account: Capital account shows the credit and debit items of the non-produced, non-financial assets and the capital transfers between residents and nonresidents the acquisition and disposal. it records the Acquisition and disposals of non produced, nonfinancial assets, such as Natural resources include land, mineral rights, air space.... etc and contracts, leases, and licenses, As well as capital transfers, i.e. , one of the parties providing resources for capital purposes without receiving any economic value as a direct return; such as grants and grants “capital and cash” and debt forgiveness.

B. Financial Account: it registers all transactions associated with changes of ownership in the foreign financial assets and liabilities of an economy. It includes foreign direct investments, portfolio investments² as well as other investments. The other investments item includes net commercial facilities and loans, flows in non-reserve assets and liabilities of the Central Bank, the commercial banks, the public sector and the other sectors, Including the external debt instalments, interest and penalties of delay due payment arrears, which is not been repaid during the period whether they are assets or liabilities.

2) The portfolio investment, defined as the transactions and positions across the borders, which involves debt bills or equity other than those included in direct investment or reserve assets. Generally includes equity securities and debt securities in the form of bills and bonds issued by public and private institutions as well as money market instruments, the portfolio investment percentage should not exceed 10% of the invested capital.

3. Reserve Assets:

It means the changes in monetary authority holdings of monetary gold, special drawing rights (SDR)³ as well as the change in convertible currencies, the reserve position at the International Monetary Fund, and the other liabilities on the non-residents, which are available to the monetary authority.

4. Errors and Omissions item:

Although the balance of payments accounts are, in principle, balanced, imbalances result in practice, where this item called “Errors and Omissions”. It is a residual item to balance between the net current account and capital and financial account from one side and the balance of payment overall position from the other side, this item resulted from imperfections in data sources or differences in compilation methods. A positive value of net errors and omissions indicates a non-recorded unclassified net receipt, and a negative value indicates unclassified net payments.

Second: Balance of Payments performance for 2017 and 2018:

Table (10-1) and figure (10-1) presents a summary of the balance of payments performance, while table (10-2) provides the details of the balance of payments performance for 2017 and 2018.

The overall deficit of the balance of payments switched from US \$ 12.8 million in 2017 to US \$ 25.2 million in 2018.

The following are the most important developments in BOP between 2017 and 2018:

3. The SDR is an international reserve established by the International Monetary Fund in 1969 to complement the official reserves of member countries. SDRs can be exchanged for any freely usable currency, technically, it is not a currency or obligation on the IMF, but a potential claim against currencies, the value of SDR was equal to one US dollar or 88,671 gram of gold. , However, up from 1st October 2016, the value of the SDR has been determined by a basket of five major currencies: the Chinese Yuan, the US dollar, the euro, the Japanese yen and the Sterling pound. The IMF publishes its daily exchange rates on its website.

Table (10 - 1)
Balance of Payments Performance For 2017 and 2018

(US \$ Millions)

Item	**2017	*2018
1- Current Account	(4,851.1)	(4,928.1)
Trade Balance	(4,119.9)	(3,580.4)
Exports (FOB)	4,100.4	3,484.7
Imports (FOB)	(8,220.3)	(7,065.1)
Services, Income and Current Transfers Account	(731.2)	(1,347.7)
2- Capital and Financial Account	3,548.3	3,112.9
Deficit or Surplus in Current, Capital and Financial Account (1 + 2)	(1,302.8)	(1,815.2)
3- Reserve Assets	12.8	25.2
4- Errors and Omissions	1,290.0	1,790.0
5- Over-all position	(12.8)	(25.2)

Source: Central Bank of Sudan – Statistics Directorate

* Preliminary Data.

** Adjusted Data.

Figure (10-1)
Balance of Payments performance for 2017 and 2018

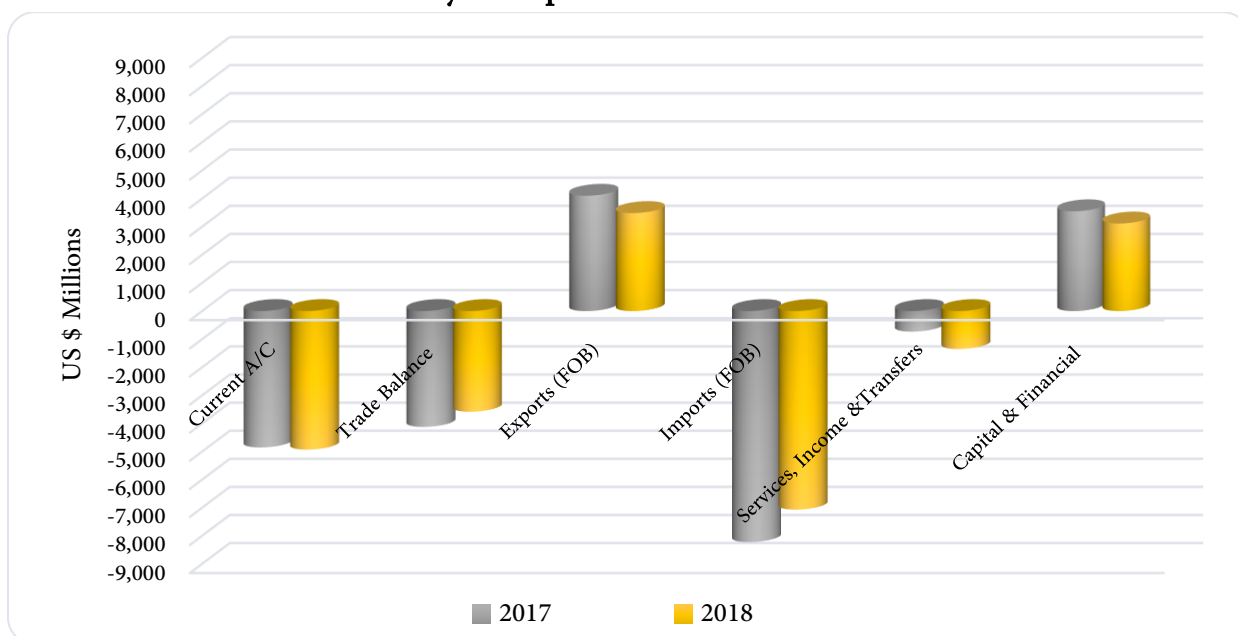


Table (10 - 2)
Balance of Payments for 2017 and 2018

(US \$ Millions)

Item	**2017	*2018	Changes	Changes%
A) Current Account	(4,851.1)	(4,928.1)	(77.0)	1.6
(1)Visible Transactions:				
I. Exports (FOB)	4,100.4	3,484.7	(615.7)	(15.0)
Petroleum	417.2	519.6	102.4	24.5
Crude Oil	321.5	440.4	118.8	37.0
Petroleum products	95.7	79.2	(16.5)	(17.2)
Gold	1,558.5	832.2	(726.3)	(46.6)
Animal Resources	837.0	773.4	(63.7)	(7.6)
Agriculture product	1,043.8	1,166.2	122.4	11.7
Others	243.8	193.2	(50.5)	(20.7)
II. Imports (FOB)	(8,220.3)	(7,065.1)	1,155.2	(14.1)
Government Imports	(803.2)	(146.1)	657.0	(81.8)
Private Sector Imports	(7,417.1)	(6,918.9)	498.2	(6.7)
Trade Balance (I + II)	(4,119.9)	(3,580.4)	539.5	(13.1)
(2)Invisible Transactions:				
Services, Income and Current Transfers Account	(731.2)	(1,347.7)	(616.5)	84.3
Receipts	2,817.2	2,245.1	(572.1)	(20.3)
Payments	(3,548.4)	(3,592.9)	(44.5)	1.3
B) Capital and Financial Account	3,548.3	3,112.9	(435.4)	(12.3)
Capital Account	151.5	162.9	11.4	7.5
Financial Account	3,396.8	2,950.0	(446.8)	(13.2)
Direct Investment (Net)	1,065.3	1,135.8	70.5	6.6
Portfolio Investment (Net)	(21.8)	3.0	24.9	(113.8)
Other Investments (Net)	2,353.4	1,811.2	(542.1)	(23.0)
1. Official Loans	(162.7)	(377.4)	(214.6)	131.9
Drawings	119.2	182.5	63.3	53.1
Repayments ***	(282.0)	(559.9)	(277.9)	98.6
2. Trade Facilities (Net)	508.0	411.0	(97.0)	(19.1)
3. General Government Net Foreign Assets	1,440.9	1,895.4	454.4	31.5
4. Commercial Banks Net Foreign Assets	(134.5)	38.0	172.6	(128.3)
5. Monetary Authority Net Foreign Assets	665.7	(191.9)	(857.5)	(128.8)

Item	**2017	*2018	Changes	Changes%
6. Other Net Foreign Assets	36.0	36.0	0.0	0.0
Deficit or Surplus in Current and Capital and Financial Account (A + B)	(1,302.8)	(1,815.2)	(512.4)	39.3
C) Errors and Omissions	1,290.0	1,790.0	500.0	38.8
D) Change in Reserve Assets	12.8	25.2	12.4	96.8
Overall balance(A+B+C)	(12.8)	(25.2)	(12.4)	96.8

Source: Central Bank of Sudan – Department of Statistics

* Preliminary Data.

**Amended Data.

*** Include the principal of due loan arrears, which has not been repaid through the year.

Note: net item means assets minus liabilities

1- The Current Account

Table (10 - 2) indicates an increase of deficit in the current account from US \$ 4,851.1 million to US \$ 4,928.1 million by 1.6%, this was mainly due to the deficit in services, income and current transfers account despite the improvement of the trade balance deficit.

(a) Visible Transactions (Trade Balance):

The exports decreased from US \$ 4,100.4 million to US \$ 3,484.7 by 15.0%. Which comes because of a decrease of gold exports value from US \$ 1,558.5 million to US \$ 832.2 by 46.6%, and its exported quantities from 37.5 tons to 20.2 tons, and the decrease of Livestock exports from US \$ 837.0 million to US \$ 773.3 by 7.6%. While the petroleum exports increased from US \$ 417.2 million to US \$ 519.6 by 24.5%, and the agriculture goods exports increased from US \$ 1,043.8 million to US \$ 1,166.2 by 11.7%.

On the other side, imports decreased from US \$ 8,220.3 million to US \$ 7,065.1 million, by 14.1%, this was mainly due to a decrease of the government sector imports from US \$ 803.2 million to US \$ 146.1 million by 81.8%, and the private sector imports decrease from US \$ 7,417.1 million to US \$ 6,918.9 million by 6.7%.

(b) Invisible Transactions:

It includes non-commodity receipts and payments, which comprise services, income and current transfer's transactions. The invisible transactions deficit increase from US \$ 731.2 million in 2017 to US \$ 1,347.7 million in 2018 by 84.3%, due to the decrease of invisible receipts in current transfers account by 31.8% and services account by 18.6% and increase in invisible payments in current transfers and income account by 56.3 and 17.2% respectively.

Table (10-3)**Invisible Transactions for 2017 and 2018**

(US \$ Millions)

Item	2017**	2018 *	Change	Change %	Item	2017**	2018 *	Change	Change %
Invisible Receipts(a+b+c)	2,817.2	2,245.1	(572.1)	(20.3)	Invisible payments(a+b+c)	3,548.4	3,592.9	44.5	1.3
(a) Services	1,509.4	1,228.8	(280.6)	(18.6)	(a) Services	1,568.3	1,145.0	(423.4)	(27.0)
Travel	1,029.1	1,043.5	14.4	1.4	Travel	28.7	13.2	(15.5)	(54.1)
Transport	130.7	127.5	(3.2)	(2.4)	Transport	913.4	785.3	(128.1)	(14.0)
Communication services	0.7	0.1	(0.6)	(85.7)	Communication services	16.2	6.5	(9.6)	(59.5)
Construction Services	0.0	0.0	0.0	0.0	Construction Services	1.8	0.0	(1.8)	(100.0)
Insurance	0.1	0.0	(0.1)	(100.0)	Insurance	0.0	0.0	(0.0)	(90.8)
Financial Services	7.7	2.7	(5.0)	(65.4)	Financial Services	54.2	43.5	(10.7)	(19.7)
Computer and Information Services	0.0	0.0	0.0	0.0	Computer and Information Services	8.4	1.6	(6.8)	(80.9)
License and Privilege Fees	0.0	0.0	0.0	0.0	License and Privilege Fees	0.0	0.0	0.0	0.0
Other Business Services	311.4	29.8	(281.5)	(90.4)	Other Business Services	276.0	185.0	(91.0)	(33.0)
Personal, Cultural and Recreational Services	3.4	0.0	(3.4)	(100.0)	Personal, Cultural and Recreational Services	0.6	0.6	(0.0)	(5.9)
Government Services not included elsewhere	26.4	25.2	(1.2)	(4.4)	Government Services not included elsewhere	269.0	109.3	(159.8)	(59.4)

Item	2017**	2018 *	Change	Change %	Item	2017**	2018 *	Change	Change %
(b) Income	3.5	127.1	123.6	3,531.4	(b)Income	1,654.9	1,939.5	284.6	17.2
Compensation of employees	0.0	125.0	125.0	0.0	Compensation of employees	103.1	74.5	(28.6)	(27.8)
Investment Income:	3.5	2.1	(1.4)	(40.2)	Investment Income:	1,551.8	1,865.0	313.2	20.2
Direct Investment	0.1	0.7	0.6	600.0	Direct Investment	196.1	265.9	69.8	35.6
Portfolio Investment	1.7	0.2	(1.4)	(82.4)	Portfolio Investment	2.0	1.9	(0.1)	(5.0)
Other Investment	1.7	1.2	(0.6)	(32.3)	Other Investment	1,353.7	1,597.2	243.5	18.0
(c)Current Transfers	1,304.2	889.2	(415.1)	(31.8)	(c)Current Transfers	325.2	508.5	183.2	56.3
Government	452.1	378.2	(74.0)	(16.4)	Government	10.9	26.9	16.0	.1468
Private Sector	852.1	511.0	(341.1)	(40.0)	Private Sector	314.3	481.5	167.2	53.2
Workers' remittances	212.9	300.2	87.3	41.0					
Other	639.2	210.8	(428.4)	(67.0)					
Surplus(+) or Deficit(-)in Invisible Transactions A/C						(731.2)	(1,347.7)	(616.5)	84.3

Source: Central Bank of Sudan – Statistics directorate

* Preliminary Data.

* *Amended Data

*** Includes principal interest payments and accrued of interests “contractual and delay” accumulated on foreign loans.

Invisible receipts decreased from US \$ 2,817.2 million to US \$ 2,245.1 million by 20.3%, due to a decrease in the receipts of current transfers account by 31.8%.

The receipts of current transfers account decreased from US \$ 1,304.2 million to US \$ 889.2 million by 31.8%, caused by the decrease in the private sector transfers which caused by the decrease in the other transfers by 67.0%,despite of the increase of Workers remittances by 41.0%,also the government transfers decrease by 16.4% .

The receipts of services account decreased from US \$ 1,509.4 million to US \$ 1,228.8 million by 18.6%, caused by the decrease in other business services receipts by 90.4%.

The invisible receipts of income account increased from US \$ 3.5 million to US \$ 127.1 million by 3,531.4%, because of the rise in the receipts of Compensation of employees by US \$125 million

which is the Compensation of employees of those who their work period finished in the oil companies.

The invisible payments increased from US \$ 3,548.4 million to US \$ 3,592.9 million by 1.3%, caused by the increase in current transfers payments by 56.3% and the payments of income account by 17.2%.

The current transfers payments increased from US \$ 325.2 million to US \$ 508.5 million by 56.3%, that is due to the increase in government transfer by 146.8% and current transfer of private sector payments by 53.2%.

The payments of income account increased from US \$ 1,654.9 million to US \$ 1,939.5 million by 17.2%, due to the increase in payments of income in direct investments by 35.6%.

2- Capital and Financial Account:

Table (10-4) shows the details of capital and financial account for 2017 and 2018, where the net capital and financial account decreased from US \$ 3,548.3 million to US \$ 3,112.9 million by 12.3%, due to the decrease in the financial account by 13.2%.

Table (10-4)
Capital and Financial Account for 2017 and 2018

(US \$ Millions)

Item	2017*	2018**	Change	Change%
Capital and Financial Account:	3,548.3	3,112.9	(435.4)	(12.3)
1- Capital Account	151.5	162.9	11.4	7.5
2- Financial Account	3,396.8	2,950.0	(446.8)	(13.2)
Foreign Direct Investment (Net)	1,065.3	1,135.8	70.5	6.6
In Sudan	1,146.3	1,246.8	100.4	8.8
Equity Capital (Direct Investment))	(81.0)	(111.0)	(29.9)	37.0
Portfolio Investments(Net)	(21.8)	3.0	24.9	(113.8)
Assets	(21.8)	3.0	24.9	(113.8)
Liabilities	0.0	0.0	0.0	0.0
Other Investments (Net)	2,353.4	1,811.2	(542.1)	(23.0)
A. Official Loans Liabilities	(162.7)	(377.4)	(214.6)	131.9

Item	2017*	2018**	Change	Change%
Drawings	119.2	182.5	63.3	53.1
Repayments ***	(282.0)	(559.9)	(277.9)	98.6
B. Trade Credits and Facilities (Short-term movements)	508.0	411.0	(97.0)	(19.1)
Assets	(177.1)	(177.7)	(0.7)	0.4
Liabilities	685.0	588.8	(96.3)	(14.1)
C. Public sector Net Foreign Assets	1,440.9	1,895.4	454.4	31.5
Assets	0.0	0.0	0.0	0.0
Liabilities	1,440.9	1,895.4	454.4	31.5
D. Monetary Authorities Net Foreign Assets	665.7	(191.9)	(857.5)	(128.8)
E. Commercial Banks Net Foreign Assets	(134.5)	38.0	172.6	(128.3)
Assets	(201.0)	(132.7)	68.3	(34.0)
Liabilities	66.4	170.7	104.3	157.0
F. Other net foreign assets	36.0	36.0	0.0	0.0
Assets	36.0	36.0	0.0	0.0
Liabilities	0.0	0.0	0.0	0.0

Source: Central Bank of Sudan. – Statistics directorate

. * Preliminary Data

** Amended Data

*** includes the principal of the due loan arrears, which has not been repaid through the year.

Table (10-4) shows a decrease in the net inflows of other investments net from US \$ 2,353.4 million to US \$ 1,811.2 million by 23.0%. Which comes because of a decreased in Official Loans by 131.9%, due to loan repayment by 98.6%, and a decreased in the net foreign asset of Monetary Authorities from US \$ 665.7 million to negative US \$ 191.9 million by 128.8. A matter that can be attributed to the decrease of currency and deposits from US \$ 683.1 million to negative US \$ 140.3 million by 120.5% and the decrease of the Trade Credits and Facilities net (Short-term movements) by 19.0%. While the Commercial Banks Net Foreign Assets increased from minus US \$134.5 million to US \$38 million by 128.3% and the increase of the Public sector net foreign assets by 31.5%. The net direct investment increase from US \$ 1,065.3 million to US \$ 1,135.8 million by 6.6% and Portfolio Investments(net) increased from minus US \$ 21.8 million to US \$ 3.0 million by 113.8%.

Table (10-5) and table (10-6) shows details of foreign loans position for 2017 and 2018.

Table (10- 5)
Drawings of Foreign Loans for 2017 and 2018

(US \$ Millions)

Source of Funding	2017	2018*	Contribution %
Arab Fund For Economic & Social Development	41.6	31.5	17.3
Islamic Development Bank (Jeddah)	21.8	8.6	4.7
Saudi Fund for Development	8.5	14.6	8.0
Kuwaiti Fund For Economic Development	35.0	72.5	39.7
OPEC Fund for international Development.	2.6	0.4	0.2
International Fund for Agricultural Development (IFAD)	4.7	2.1	1.1
Arab Monetary Fund (A M F)	3.1	43.6	24
Abu Dhabi fund for Economic Development	1.9	0.0	0.0
Other Countries	0.0	9.2	5.0
Total	119.2	182.5	100.0

Source: Central Bank of Sudan –External Debt Unit

* Preliminary Data.

Table (10-5) reflects an increase in total foreign loans drawings from US \$ 119.2 million to US \$ 182.5 million by 53.1%. Share of Kuwaiti fund for economic development 39.7%, Arab Monetary Fund (AMF) 24% and Arab Fund for Economic & Social Development 17.3% of total drawings during of 2018.

Table (10- 6)
Repayments of principal of Foreign Loans for 2017 and 2018

(US \$ Millions)

Source of Funding	2017**	2018*	Contribution %
Arab Fund For Economic and Social Development	39.6	0.0	0.0
International Monetary Fund (I M F)	7.5	0.0	0.0
Islamic Development Bank (Jeddah)	34.1	0.0	0.0
Saudi Fund for Development	0.0	1.3	5.4
Arab Monetary Fund (A M F)	36.5	22.1	90.5
Kuwait Fund For Economic Development	4.0	1.0	4.1
China	0.0	0.0	0.0
International Fund for Agricultural Development (IFAD)	7.2	0.0	0.0
Total	128.9	24.4	100.0

Source: Central Bank of Sudan –External Debt Unit

* Preliminary Data.

* *Amended Data

Note: Arrears on due original loans excluded.

Table (10-6) shows decrease in foreign loans repayments from US \$ 128.9 million in 2017 to US \$ 24.4 million in 2018 by 81.0 %. The share of the Arab Monetary Fund (AMF) 90.5%, Saudi Fund for Development 5.4% and Kuwait Fund for Economic Development 4.1% of the total foreign loans repayments in 2018.

Third: Sudan External Obligations:

The total external obligations of Sudan increased from US \$ 48.2 billion by the end of 2017 to US \$ 49.9 billion by the end of 2018 by 3.5%, including all sources of financing as shown in table (10-7); the increase in total external debt was mainly due to an increase in total delay interest and exchange rate fluctuations ⁴ during 2018.

4) The US dollar exchange rate fluctuations against the other currencies.

The major creditors contributed to total Sudan external debt, the non Paris Club member countries contributed 39.7%, Paris Club countries 31.5%, international foreign Commercial Banks 12.2% and the regional and international institutions 11.4%.

Table (10 - 7)
Sudan External Debt for 2017 and 2018

(US \$ billions)

Year Source of Funding	2017**	2018*				
	Total Debt	Principle	Contractual interests	Delay interests	Total debt	Weights out of total debt %
Non Paris Club countries	18.6	6.9	2.5	10.4	19.8	39.7
Paris Club countries	15.3	3.2	1.6	10.9	15.7	31.5
International and Regional Institutions	5.7	4.0	0.5	1.2	5.7	11.4
Foreign international Commercial Banks	6.0	3.0	0.2	2.9	6.1	12.2
Foreign Suppliers Facilities	2.6	2.6			2.6	5.2
Total	48.2	19.7	4.8	25.4	49.9	100.0

Source: Central Bank of Sudan - External Debt Unit.

* Preliminary Data.

** Amended Data.

Fourth: Indicators of external debt sustainability for Sudan in 2018:

Table (10-8) show the most important indicators of external debt sustainability in Sudan for 2018, these indicators usually used to measure the ability of the country to serve its debt and meet its external obligations according to the available financial resources, such as exports and government revenues, in addition to the size of Gross Domestic Product (GDP). It's worth mentioning that the international recognized standard indicators for the external debt sustainability is 30% for GDP, 100% for exports and 200% for government revenues.

Table (10-8)
External Debt Sustainability Indicators
For 2017 and 2018

External Debt Sustainability Indicator	Standard indicator %	Sudan indicators (%)	
		2017**	2018*
Total debt to GDP	30	45	98.9
Total debt to total exports	100	1,175.5	1,432.0
Total debt to total government revenues	200	417.5	972.6

Source: Central Bank of Sudan - External Debt Unit.

* Preliminary Data.

** Amended Data.

Appendices

Appendix (1)
Currency in Circulation 2007 – 2018

SDG Thousands

End of Period	With Banks	With Public	Total
December-09	766,179	8,066,174	8,832,353
December-10	829,278	10,067,961	10,897,239
November-11	810,092	12,850,083	13,660,175
November-12	1,118,420	16,751,485	17,869,905
November-13	1,234,486	19,178,412	20,412,898
November-14	1,716,978	23,343,097	25,060,075
November-15	1,845,066	27,495,372	29,340,437
2016			
March	1,942,762	28,259,443	30,202,205
June	2,242,593	31,699,131	33,941,724
September	2,787,074	32,486,838	35,273,912
December	2,192,278	38,712,019	40,904,297
2017			
March	2,821,951	41,380,028	44,201,979
June	3,459,935	46,814,530	50,274,464
September	3,860,279	47,342,627	51,202,906
December	3,785,843	61,455,040	65,240,883
2018			
March	2,600,531	74,925,546	77,526,077
June	3,929,252	82,280,772	86,210,024
September	1,339,113	92,170,669	93,509,782
December	1,089,399	112,832,214	113,921,613

Source : Central Bank of Sudan

Appendix (2)
Coins in Circulation 2007 – 2018

SDG Thousands

End of Period	With Banks	With Public	Total
December-09	-	60,663	60,663
December-10	-	66,918	66,918
November-11	-	75,541	75,541
November-12	-	88,679	88,679
November-13	-	94,168	94,168
November-14	-	153,096	153,096
November-15	-	193,508	193,508
2016			
March	-	195,191	195,191
June	-	196,018	196,018
September	-	195,961	195,961
December	-	200,100	200,100
2017			
March	-	205,452	205,452
June	-	208,476	208,476
September	-	208,673	208,673
December	-	208,785	208,785
2018			
March	-	208,887	208,887
June	-	208,938	208,938
September	-	208,959	208,959
December	-	208,965	208,965

Source : Central Bank of Sudan

Appendix (3)
Analysis of Currency in Circulation By Denomination
As at December, 2017 and December, 2018

SDG Thousands

	2017 *	2018
Notes:		
50 SDG	45,157,320.0	83,600,902.5
20 SDG	15,382,660.0	22,715,624.1
10 SDG	3,719,970.0	6,156,798.7
5 SDG	435,530.0	830,790.2
2 SDG	253,120.0	325,051.3
1 SDG	83,500.0	83,481.1
Total	65,032,100.0	113,712,647.9
Coins:		
1 SDG	131,921.5	132,105.4
50 PTs	48,327.6	48,327.8
20 PTs	18,090.5	18,090.1
10 PTs	8,995.6	8,992.8
5 PTs	1,446.0	1,447.1
1 PTs	1.8	1.9
Total	208,783.0	208,965.1
Grand Total	65,240,883.0	113,921,613.0

Source : Central Bank of Sudan

*Amended data

Appendix (4)
Money Supply 2007 – 2018

SDG Million

PARTICULAR / YEAR	31/12/2009	31/12/2010	31/12/2011	31/12/2012	31/12/2013	31/12/2014	31/12/2015	31/12/2016	31/12/2017	31/12/2018
Money Supply :	28,314.5	35,497.9	41,853.1	58,663.0	66,445.7	77,739.0	93,642.6	120,800.1	203,367.5	430,786.0
Currency With Public	8,066.2	10,068.0	12,850.1	16,751.0	19,178.4	23,343.1	27,495.4	38,712.0	61,455.0	112,832.2
Demand Deposits	8,040.2	9,840.3	12,000.0	14,242.0	16,486.9	19,743.0	25,376.3	33,460.8	59,545.5	119,611.6
Quasi –Money	12,208.1	15,589.6	17,003.0	27,670.0	30,780.4	34,652.9	40,770.9	48,627.2	82,367.0	198,342.2
Net Foreign Assets:	(4,589.7)	(4,020.3)	(5,659.1)	(6,879.7)	(12,266.2)	(12,094.0)	(26,153.5)	(36,320.9)	(40,242.4)	(287,166.0)
CBOS External Assets	3,180.7	4,044.6	3,671.7	7,717.3	9,496.2	9,029.9	6,401.0	6,109.8	6,812.5	52,144.4
IMF Accounts	(3,480.7)	(3,816.8)	(4,052.2)	(6,665.9)	(8,606.8)	(8,448.3)	(8,215.0)	(8,580.8)	(9,186.0)	(64,136.0)
Foreign Short Term Liabilities	(251.2)	(40.3)	(77.4)	(33.4)	(33.0)	(75.2)	(13.5)	(221.3)	(181.8)	(3,735.9)
Payment Agreements	(62.3)	(57.3)	(61.5)	(102.4)	(135.7)	(140.9)	(143.2)	(159.4)	(173.1)	(1,158.3)
Rescheduling Accounts	(1,082.4)	(1,210.2)	(1,293.6)	(2,130.7)	(2,753.0)	(2,886.1)	(2,944.1)	(3,186.7)	(3,390.2)	(23,012.0)
Foreign Long Term Liabilities	(2,418.7)	(2,854.5)	(3,215.9)	(5,525.0)	(7,465.5)	(7,999.8)	(17,643.8)	(24,299.2)	(29,091.2)	(201,253.3)
Other Foreign Liabilities	(1,643.7)	(2,328.0)	(2,343.5)	(3,239.6)	(5,468.4)	(4,725.7)	(5,516.2)	(7,539.6)	(8,656.5)	(55,882.0)
Net Foreign Assets (Commercial Banks)	1,168.6	2,242.3	1,713.3	3,100.0	2,700.0	3,152.0	1,921.3	1,556.4	3,623.9	9,867.2
Evaluation Adjustment	8,566.5	9,433.6	8,224.7	15,986.2	24,740.7	23,790.5	22,769.1	26,627.9	35,354.4	532,458.8
Claims on Public Sector	8,988.5	13,122.2	17,652.4	22,282.8	33,900.7	42,842.2	53,242.3	69,294.9	105,786.7	162,023.6
Net Claims on Government	6,631.6	10,167.1	14,218.2	18,354.0	28,929.9	34,911.0	42,124.5	54,216.7	76,439.1	116,993.3
Claims on State and Local Governments	76.5	145.3	612.8	758.4	966.5	1,922.8	2,046.5	3,342.0	4,794.1	11,700.8
Claims on Public Enterprises	2,280.5	2,809.7	2,821.4	3,170.4	4,004.3	6,008.3	9,071.4	11,736.2	24,553.6	33,329.5
Claims on Private Sector	16,139.8	17,990.7	19,830.1	27,278.0	33,478.1	37,283.5	43,509.2	54,010.2	75,060.0	127,415.6
Non Financial Institutions	15,513.2	17,372.5	19,426.7	26,965.6	33,033.8	35,919.8	41,606.3	52,561.4	72,735.5	123,107.2
Non bank Financial Institutions	626.6	618.2	403.4	312.4	444.3	1,363.7	1,902.8	1,448.7	2,324.5	4,308.4
Other Items Net	(790.7)	(1,028.3)	1,805.0	(4.2)	(13,407.6)	(14,083.2)	275.6	7,188.1	27,408.8	(103,946.1)

Source: Central Bank of Sudan

Appendix (5)-A
Assets and Liabilities of the Central Bank of Sudan 2009- 2018

Assets

SDG Thousands

End of Period	Notes, and Balances with Banks	Foreign Securities	Other External Assets	Government Musharaka Certificates	Banks Loans	Temp. Advances to Central Govt.	Long-Term Loans to Govt.	Central Bank Ijara Certificates *	Advances to Public Enterprises	Participation in Banks	Other Participations	Other Accounts	Total
Dec. 2009	3,069,267	105,897	3,533	577,052	737,065	2,876,883	1,325,967	18,985	96,487	1,042,043	236,828	13,182,639	23,272,646
Dec. 2010	3,890,712	147,965	3,950	1,565,310	612,725	3,886,263	1,325,967	63,490	69,329	1,384,264	276,895	12,864,443	26,091,313
Dec. 2011	3,525,584	139,914	4,222	2,217,090	657,665	1,499,331	5,212,230	58,490	76,579	1,714,770	320,596	15,692,974	31,119,445
Dec. 2012	7,480,674	234,602	0	3,375,065	632,273	3,499,329	5,212,230	62,485	286,539	2,030,432	437,447	29,412,032	52,663,109
Dec. 2013	9,179,951	314,250	0	4,797,509	3,003,065	4,500,000	5,212,230	185,830	232,451	2,152,552	559,327	41,048,011	71,185,176
Dec. 2014	8,725,566	302,393	0	4,897,364	4,791,882	2,240,000	9,712,228	0	290,184	2,249,035	603,741	44,092,648	77,905,041
Dec. 2015	6,110,229	288,790	0	3,725,862	8,317,835	3,500,000	11,938,968	0	522,345	2,647,399	610,882	61,131,474	98,793,785
Dec. 2016	5,692,671	415,094	0	4,397,125	7,911,429	8,900,000	11,938,968	0	669,925	2,713,434	729,855	84,437,110	127,805,610
Dec. 2017	6,262,560	547,989	0	1,953,889	13,945,532	14,753,333	15,356,568	0	252,023	2,705,434	852,563	131,418,700	188,048,591
2018													
January	17,356,037	1,350,994	0	1,953,889	13,998,211	14,663,286	15,356,568	0	453,032	2,805,434	1,520,912	257,202,233	326,660,594
February	17,453,930	1,337,423	0	1,934,094	15,567,004	15,073,681	15,356,568	250,000	451,214	2,871,434	1,520,912	260,688,901	332,505,161
March	20,550,957	1,344,830	0	1,931,966	14,589,798	17,286,331	15,356,568	250,000	451,616	2,871,434	1,520,912	264,192,157	340,346,567
April	21,326,329	1,331,112	0	1,931,966	15,194,177	21,146,314	15,356,568	750,000	451,776	2,946,434	1,520,912	261,778,818	343,734,405
May	21,549,371	1,300,529	0	1,931,689	14,968,309	23,482,044	15,356,568	450,000	447,666	2,946,434	1,520,912	262,405,090	346,358,611
June	21,744,487	1,293,889	0	1,931,689	14,860,809	25,148,650	15,356,568	450,000	446,773	2,946,434	1,520,912	262,088,132	347,788,343
July	19,773,951	1,303,793	0	1,931,689	16,299,173	26,935,689	15,356,568	400,000	448,704	3,032,797	1,536,720	266,679,029	353,698,114
August	19,064,787	1,302,792	0	1,920,100	16,238,557	36,283,167	15,355,395	800,000	448,348	3,107,797	1,557,525	269,131,589	365,210,057
September	21,033,779	1,296,240	0	1,918,293	16,063,386	39,596,463	15,355,395	1,650,000	447,464	2,727,164	1,557,525	272,374,365	374,020,074
October	56,168,833	3,284,619	0	1,918,293	15,668,026	43,398,084	15,355,395	1,750,000	968,785	2,802,164	3,354,533	588,056,660	732,725,394
November	47,522,562	3,373,282	0	1,917,831	17,270,020	48,330,724	15,355,395	1,650,000	969,895	2,802,164	3,383,419	592,273,147	734,848,439
December	48,762,392	3,380,065	0	1,917,831	17,018,885	56,137,980	14,915,062	1,650,000	971,242	2,873,179	3,441,189	606,232,861	757,300,684

Source: Central Bank of Sudan

*Since October 2005 Central Bank Ijara certificates was used

Appendix (5)-B
Assets and Liabilities of the Central Bank of Sudan (2009- 2018)

Liabilities											SDG Thousands
End of the Period	Currency in Circulation	Government A/Cs	Central Bank Musharaka Certificates	Bank's Accounts	Payment Agreements	Other Sight Liabilities	Time Liabilities	Other Accounts	Capital and Reserves	Others	Total
December 2009	8,832,353	1,072,488	0	5,878,616	62,321	251,528	2,418,711	2,729,044	253,341	1,774,244	23,272,646
December 2010	10,897,239	591,304	0	5,594,931	57,299	525,102	2,854,524	3,057,132	291,328	2,222,454	26,091,313
December 2011	13,660,175	755,331	0	6,250,950	61,541	593,108	3,215,901	3,125,554	283,265	3,173,620	31,119,444
December 2012	17,869,905	853,826	0	10,183,003	102,434	883,017	5,524,968	4,528,245	314,766	12,402,945	52,663,109
December 2013	20,412,898	1,006,327	0	13,255,191	135,748	1,132,027	7,465,488	7,132,437	526,589	20,118,470	71,185,176
December 2014	25,060,075	1,426,284	0	16,864,056	140,897	1,159,132	7,999,773	6,538,829	540,316	18,175,679	77,905,041
December 2015	29,340,437	973,837	0	20,092,217	143,226	1,070,900	17,643,810	7,414,103	732,316	21,419,937	98,830,785
December 2016	40,904,297	2,903,373	0	23,308,352	159,419	1,331,252	24,299,242	9,628,745	773,589	24,497,342	127,805,610
December 2017	65,240,883	4,801,265	0	42,799,526	173,090	1,371,241	29,091,241	10,870,443	2,562,557	31,138,345	188,048,591
2018											
January	69,590,405	9,806,797	0	66,256,138	461,726	3,724,322	74,777,943	27,716,283	2,562,557	71,764,423	326,660,594
February	74,492,409	9,265,554	0	66,090,700	457,652	3,707,254	74,738,348	28,016,166	2,562,557	73,174,522	332,505,161
March	77,526,077	9,868,686	0	69,103,570	458,826	3,724,737	74,760,316	28,266,003	2,562,557	74,075,792	340,346,567
April	81,596,239	8,507,055	0	70,953,037	78,777	3,689,156	74,683,342	27,803,336	2,562,557	73,860,907	343,734,405
May	84,408,861	8,987,463	0	72,833,458	75,837	3,488,547	74,592,384	27,732,371	2,562,557	71,677,134	346,358,611
June	86,210,024	8,465,475	0	73,299,889	74,652	3,466,017	74,552,975	28,317,311	2,603,011	70,798,991	347,788,343
July	87,161,574	8,231,262	0	77,706,026	440,554	3,461,864	74,574,065	28,428,589	2,603,011	71,091,169	353,698,114
August	91,585,940	9,614,930	0	83,680,718	439,937	3,453,194	74,573,514	29,513,451	2,603,011	69,745,364	365,210,057
September	93,509,783	10,031,566	0	89,213,101	439,957	3,439,197	74,542,542	29,127,852	2,603,011	71,113,067	374,020,074
October	100,094,778	20,851,706	0	148,964,719	1,158,649	9,031,021	197,033,263	74,760,004	2,603,011	178,228,243	732,725,394
November	107,429,280	21,038,401	0	152,373,587	1,160,868	8,453,729	197,049,754	73,187,576	2,603,011	171,552,233	734,848,439
December	113,921,614	17,872,452	0	168,809,531	1,158,309	11,987,880	201,253,343	70,738,728	2,603,011	168,955,817	757,300,684

Source: Central Bank of Sudan

Appendix No. (6)-A
Consolidated Balance Sheet of The Commercial Banks (2009-2018)

Assets

SDG Thousands

End of Period	Cash	Due From Central Bank of Sudan	Due from Banks	Foreign Correspondents	Central Government Certificates	Advances *	Other Accounts	Total
December 2009	766,179	4,983,554	1,120,122	2,221,219	3,594,167	18,163,469	5,818,178	36,666,888
December 2010	829,278	5,001,407	1,446,020	3,494,093	4,906,753	20,599,396	6,830,789	43,107,736
December 2011	810,092	6,027,415	1,510,667	2,489,283	6,131,694	22,867,050	6,667,883	46,504,084
December 2012	1,118,420	12,015,294	1,470,676	4,893,611	7,277,005	30,482,751	9,791,805	67,049,562
December 2013	1,234,486	13,205,260	2,165,731	4,696,049	7,589,658	37,657,122	10,931,453	77,479,759
December 2014	1,716,978	17,174,095	2,719,939	5,148,873	8,773,292	44,320,716	12,463,156	92,317,049
December 2015	1,845,066	19,973,900	3,175,897	3,858,707	11,191,416	53,456,764	15,435,820	108,937,570
December 2016	2,192,278	24,127,809	3,702,574	3,724,012	12,469,181	67,688,597	18,809,094	132,713,544
December 2017	3,785,843	47,688,281	2,372,570	6,746,856	17,654,465	102,927,668	30,070,124	211,245,807
2018								
January	3,744,024	68,860,347	2,790,787	12,857,956	18,093,836	108,858,843	32,837,724	248,043,517
February	2,920,131	86,549,938	3,365,066	18,150,155	18,067,177	112,496,500	35,442,615	276,991,581
March	2,600,531	88,953,856	4,004,485	22,422,199	18,363,672	113,159,087	34,663,361	284,167,191
April	3,384,208	90,795,497	3,936,420	22,582,102	18,252,258	117,094,093	33,342,742	289,387,321
May	2,836,042	94,264,240	4,006,508	22,547,173	18,698,164	118,448,924	33,450,725	294,251,775
June	3,929,252	93,698,487	3,759,338	20,202,782	18,943,292	121,773,682	33,642,310	295,949,142
July	3,441,156	100,532,264	3,846,965	19,945,260	20,896,568	123,282,275	33,900,896	305,845,384
August	2,330,815	108,569,404	4,109,658	21,013,124	21,660,515	126,937,734	37,341,826	321,963,077
September	1,339,113	111,711,257	4,139,609	19,478,990	21,364,733	131,335,489	39,574,000	328,943,191
October	1,550,627	148,419,451	4,853,831	31,138,072	21,371,304	139,348,237	40,144,918	386,826,439
November	1,550,160	152,776,992	5,137,985	28,803,777	21,587,693	147,418,387	43,412,515	400,687,509
December	1,089,399	181,418,129	5,547,441	27,639,166	22,669,571	167,703,204	41,783,637	447,850,547

Source: Central Bank of Sudan

*Total advances in local and foreign currency

Appendix No. (6)-B
Consolidated Balance Sheet of The Commercial Banks (2009-2018)

Liabilities

SDG Thousands

End of Period	Federal Government Deposits	State & Local Gov. , Institutions and Private Sector Deposits	Central Bank of Sudan	Commercial Banks and Others	Foreign Correspondents	Capital Resarves	Other Accounts	Total
December 2009	671,314	20,176,725	1,657,314	824,284	1,052,575	6,677,989	5,606,687	36,666,888
December 2010	927,143	24,947,222	891,001	895,382	1,251,813	7,477,913	6,717,262	43,107,736
December 2011	88,109	27,687,507	721,016	1,059,401	776,031	9,035,971	7,136,048	46,504,084
December 2012	157,055	39,387,283	1,213,069	802,931	1,793,468	10,830,670	12,865,088	67,049,562
December 2013	126,031	44,007,037	1,544,495	1,639,272	1,996,426	13,149,116	15,017,382	77,479,759
December 2014	66,711	53,402,658	2,850,807	1,818,365	1,996,986	14,739,386	17,442,136	92,317,049
December 2015	78,852	63,340,701	4,325,786	1,692,013	1,937,450	16,254,425	21,308,343	108,937,570
December 2016	104,598	79,459,529	2,711,910	1,909,420	2,167,616	18,423,745	28,041,325	132,818,142
December 2017	191,197	138,914,816	7,936,719	3,453,713	3,122,993	22,847,199	34,779,170	211,245,807
2018								
January	305,281	170,725,202	7,359,869	3,415,161	6,375,370	30,332,193	29,530,441	248,043,517
February	259,991	190,998,873	8,372,369	3,806,540	8,414,661	31,669,944	33,469,204	276,991,581
March	392,762	194,200,700	7,457,373	4,257,001	12,755,324	29,878,914	35,225,116	284,167,191
April	427,733	199,532,656	7,232,337	4,229,222	12,023,614	29,428,947	36,512,812	289,387,321
May	414,886	203,666,564	8,211,107	4,620,377	11,813,963	29,447,766	36,077,113	294,251,775
June	338,039	204,859,982	8,279,291	4,423,801	10,773,338	29,549,249	37,725,441	295,949,142
July	333,720	211,555,996	9,812,014	4,446,643	10,820,876	29,434,875	39,441,261	305,845,384
August	228,735	221,118,876	10,186,364	5,914,678	10,660,346	29,553,048	44,301,031	321,963,077
September	287,510	224,788,995	10,243,001	5,883,827	10,435,899	29,579,358	47,724,601	328,943,191
October	328,195	264,403,281	9,997,094	8,511,237	14,116,696	31,427,977	58,041,959	386,826,439
November	369,058	269,662,053	10,505,763	9,001,451	14,456,848	31,420,190	65,272,145	400,687,509
December	541,454	302,437,775	10,464,716	6,023,622	17,771,952	31,058,511	79,552,517	447,850,547

Source : Central Bank of Sudan

Appendix (7)-A
Position of Commercial Banks Advances in Local Currency (2009 - 2018)

SDG Thousands

End of Period	Agriculture	Industry	Exports	Imports	Local Trade	Transport & Storage	Constructions	Mining & Energy	Others	Total
December 2009	1,941,564	1,207,210	365,860	1,649,226	2,672,242	1,070,821	1,235,584	51,447	4,790,723	14,984,677
December 2010	2,614,947	1,583,100	464,254	1,100,047	2,820,078	930,223	1,588,123	40,347	6,064,010	17,205,129
December 2011	2,663,902	2,066,471	666,217	1,346,902	3,128,664	1,196,323	2,000,477	31,125	7,101,964	20,202,045
December 2012	3,673,477	3,123,959	850,880	792,717	3,285,559	1,998,820	2,721,599	85,111	8,282,889	24,815,011
December 2013*	5,229,370	5,195,515	1,186,519	987,800	3,180,619	3,136,690	3,565,315	188,623	9,996,827	32,667,278
December 2014	6,698,212	5,839,140	1,488,275*	802,564	3,630,552	3,201,635	6,678,284	361,340	11,305,696	38,517,423
December 2015	8,401,164	6,890,855	1,383,122	1,032,686	5,799,644	3,329,773	9,091,760	308,051	13,782,503	50,019,557
December 2016	11,830,288	8,059,067	1,538,986	2,417,254	8,698,763	4,439,470	10,193,986	591,689	16,427,991	64,197,494
December 2017	21,011,323	15,703,014	3,452,475	2,920,251	12,011,072	5,785,361	14,634,274	2,279,952	21,791,198	99,588,920
2018										
January	21,415,444	17,747,359	4,356,892	2,868,075	11,318,651	5,936,895	15,271,126	1,474,714	22,083,609	102,472,766
February	19,118,409	18,790,249	4,746,154	2,681,563	10,814,821	6,191,827	15,531,012	1,487,369	24,027,642	103,389,047
March	18,769,939	19,730,589	5,062,518	2,586,680	10,123,861	6,580,670	15,237,303	1,550,344	24,256,365	103,898,269
April	19,755,133	21,390,105	4,850,402	2,370,995	9,757,364	7,162,458	15,394,901	1,585,532	26,174,646	108,441,537
May	19,410,749	22,159,095	5,546,304	2,349,982	9,644,528	7,235,101	15,914,202	1,542,850	25,800,054	109,602,865
June	17,852,016	22,942,377	5,616,766	2,207,761	9,400,228	7,431,187	16,200,134	1,676,797	28,576,749	111,904,013
July	18,137,761	23,937,268	5,431,346	2,044,062	9,261,443	7,718,819	16,287,269	1,722,062	29,503,922	114,043,952
August	17,608,141	24,433,068	5,453,549	1,990,049	8,883,356	7,924,518	16,112,114	1,884,883	33,453,752	117,743,430
September	20,804,743	25,047,217	5,229,952	2,058,051	8,030,700	8,214,983	16,072,727	1,947,719	34,227,554	121,633,646
October	20,656,957	26,050,632	5,218,004	1,661,797	6,804,053	8,410,483	16,344,550	2,130,710	36,296,879	123,574,065
November	20,588,960	27,829,443	6,960,640	1,745,245	7,074,927	8,909,657	16,575,596	2,341,192	38,534,512	130,560,172
December	19,634,945	33,737,207	10,554,376	1,643,933	8,907,176	9,465,724	19,896,340	2,771,648	39,923,356	146,534,707

Source: Central Bank of Sudan

*Amended Data

Appendix (7)-B
Position of Commercial Banks Advances in Foreign Currency (2009 - 2018)

SDG Thousands

End of Period	Agriculture	Industry	Exports	Imports	Local Trade	Transport & Storage	Constructions	Mining & Energy	Others	Total
December 2009	15,369	503,616	72,531	1,471,020	213,373	65,276	2,721	312,042	522,844	3,178,792
December 2010	23,257	600,496	70,514	1,307,255	204,762	35,257	142,791	294,332	715,603	3,394,267
December 2011	9,957	414,568	19,347	1,027,696	158,203	12,355	212,999	126,897	682,984	2,665,006
December 2012	71,886	790,661	58,634	1,468,494	608,667	227,328	662,190	4,306	1,775,574	5,667,740
December 2013	73,215	879,066	10,446	1,386,922	308,112	503,491	710,377	0	1,118,215	4,989,844
December 2014	209,893	851,587	580	828,283	168,187	945,310	464,629	0	846,548	4,315,017
December 2015	171,779	766,049	0	409,414	130,322	685,389	568,583	3,130	702,541	3,437,207
December 2016	119,654	883,714	0	268,718	136,549	505,295	523,372	32,603	1,021,198	3,491,101
December 2017	140,280	656,492	0	313,836	114,071	292,831	637,652	70,561	1,113,025	3,338,748
2018										
January	388,730	1,477,590	8,468	688,300	161,228	644,371	1,294,113	12,109	1,711,168	6,386,077
February	654,658	2,152,564	4,840	977,694	215,910	680,352	2,104,514	17,508	2,299,413	9,107,453
March	681,167	2,135,106	16,477	960,306	225,925	635,825	2,114,989	17,574	2,473,448	9,260,818
April	761,517	2,010,490	16,476	922,999	223,712	635,371	2,104,328	17,278	1,960,384	8,652,557
May	665,489	2,127,466	16,475	915,361	133,638	369,440	2,079,812	16,621	2,521,756	8,846,059
June	804,105	2,085,572	16,476	906,755	123,402	356,596	2,074,843	8,239	3,493,681	9,869,669
July	715,301	2,032,628	16,337	896,470	211,403	351,675	2,078,046	8,345	2,928,117	9,238,323
August	714,473	1,988,694	16,337	888,812	87,865	184,406	2,081,122	8,335	3,224,261	9,194,304
September	556,200	2,100,446	16,330	925,896	85,750	184,308	2,075,733	8,264	3,748,916	9,701,844
October	692,183	3,309,858	16,239	1,355,063	95,415	300,145	3,217,137	13,176	6,774,956	15,774,173
November	1,627,350	3,283,351	16,211	1,355,180	92,631	209,682	3,221,306	13,231	7,039,274	16,858,215
December 2018	4,053,094	3,453,393	71,908	1,661,691	783,926	199,421	3,950,088	13,276	6,981,700	21,168,497

Source: Central Bank of Sudan

Appendix (7)-D
Flow of Banking Finance According to Modes of finance (2009– 2018)

SDG Thousands

Period	Murabaha	Musharaka	Mudaraba	Salam	Mugawla	Ijara	Istisnaa	Gard Hassan	Others	Total
2009	8,186,340	1,641,402	956,036	349,618	1,005,582	24,779	0	0	3,496,029	15,659,786
2010	11,474,102	1,981,884	1,480,020	257,586	2,295,556	52,190	0	0	4,566,100	22,107,438
2011	14,312,933	1,548,468	1,424,744	174,806	1,952,167	35,795	0	0	3,880,274	23,329,187
2012*	12,021,906	2,636,883	1,296,315	459,838	2,160,054	89,595	20,115	125,475	5,292,662	24,102,842
2013	18,012,731	3,740,711	1,772,902	665,257	3,929,456	331,230	32,387	99,619	5,238,195	33,822,488
2014	20,180,433	3,625,294	2,086,517	1,464,259	5,178,257	144,597	43,193	208,716	5,747,359	38,678,626
2015	26,968,511	3,822,837	3,582,143	1,622,869	8,402,243	200,215	47,226	120,915	9,426,317	54,193,276
2016	38,518,716	5,593,984	4,165,534	2,499,694	17,271,520	290,365	52,265	240,811	14,722,414	83,355,303
2017	60,723,766	8,099,318	9,740,088	728,467	32,375,192	545,895	442,742	294,132	12,141,659	125,091,258
2018	78,705,264	9,196,459	7,560,347	2,030,221	26,417,767	1,058,173	1,114,718	543,988	18,059,319	144,686,256

Source: Central Bank of Sudan

Central Government. Finance not include.

* Since 2012 New modes are included

Appendix (7)-G
Flow of Banking Finance According to Sectors (2009 - 2018)

SDG Thousands											
End of Period	Agriculture	Industry	Exports	Social Dev.*	Local Trade	Imports	Transport & Storage	Mining & Energy	Constructions	Others	Total
2009	1,686,144	1,556,534	369,991	469,490	2,320,902	0	999,376	0	0	8,257,349	15,659,786
2010	1,599,767	3,826,921	479,243	616,207	2,872,820	2,317,386	1,011,451	76,683	2,052,286	7,254,674	22,107,438
2011	1,483,929	5,531,022	864,965	582,212	3,763,217	2,562,856	1,421,267	520,530	991,330	5,607,859	23,329,187
2012**	2,873,014	4,577,492	1,065,594	0	4,168,358	1,259,869	1,636,122	129,241	2,152,871	6,240,281	24,102,842
2013	6,721,005	5,486,736	2,259,228	0	4,368,770	1,885,977	3,433,868	488,470	3,042,285	6,136,149	33,822,488
2014	6,062,080	5,155,753	1,771,516	0	6,588,343	2,968,207	2,237,273	610,440	3,848,082	9,436,932	38,678,626
2015	11,089,383	7,899,342	2,230,537	0	9,928,501	1,568,853	2,508,466	401,219	5,936,956	12,630,020	54,193,276
2016	18,893,594	9,570,887	1,629,062	0	16,627,297	3,012,642	3,455,749	941,562	9,873,789	19,350,723	83,355,303
2017	23,393,922	17,341,814	3,848,350	0	22,275,949	4,072,425	5,160,239	3,835,468	16,965,584	28,197,507	125,091,258
2018	36,629,814	37,925,355	10,968,004	0	6,766,338	1,831,493	7,767,042	3,883,941	13,818,413	25,095,856	144,686,256

Source: Central Bank of Sudan

Central Government. Finance not include.

*Social Development Finance included in other economic sectors since 2012

** **Amended Data

Appendix (8)

Spread of Banks Branches During 2017- 2018

B a n k s	Central Bank of Sudan		Specialized Banks		Commercial Banks						Total*	
					National Banks		Joint Venture Banks		Foreign Banks			
States	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec
	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
Khartoum	1	1	35	36	9	10	279	286	13	15	336	347
Sinar	1	1	14	13	1	1	12	18	0	0	27	32
Gazira	1	1	31	31	2	2	35	34	0	0	68	67
Blue Nile	1	1	3	3	0	0	9	6	0	0	12	9
White Nile	1	1	11	11	6	6	23	26	0	0	40	43
Gadarif	1	1	15	12	2	2	20	19	0	0	37	33
Kassala	1	1	3	7	0	0	16	18	0	0	19	25
Red Sea	1	1	5	5	1	1	27	26	0	0	33	32
Northern	1	1	17	18	1	1	25	27	0	0	43	46
River Nile	1	1	19	19	2	2	12	15	0	0	33	36
North Kordofan	1	1	16	10	4	2	26	24	0	0	46	36
Southern Kordofan	1	1	10	8	4	3	7	4	0	0	21	15
Western Kordofan	0	0	2	9	0	3	4	7	0	0	6	19
Northern Darfur	1	1	17	9	0	1	10	8	0	0	27	18
Southern Darfur	1	1	3	7	1	1	11	13	0	0	15	21
Western Darfur	1	1	1	4	2	0	4	5	0	0	7	9
Center Darfur	1	1	1	3	0	0	1	0	0	0	2	3
Eastern Darfur	1	1	2	4	0	1	4	5	0	0	6	10
Total	17	17	205	209	35	36	525	541	13	15	778	801

Source: Central Bank of Sudan

* The Central Bank Of Sudan Branches are not Include in Total

Appendix (9 - A)
Real Gross Domestic Product by Economic Activity at 1982/1981 prices (2008-2018)

SDG MILLION											
Sector	**2008	**2009	**2010	**2011	**2012	**2013	**2014	**2015	**2016	**2017	*2018
Agriculture, Forests, and Fisheries	7.0	6.8	7.6	8.1	8.8	8.5	9.4	9.9	9.2	9.9	10.3
Processing Industries, Handcraft and Mining and quarrying Sector	6.5	7.1	7.5	7.2	5.9	6.5	6.4	6.6	7.2	7.5	7.7
Mining and quarrying	2.6	2.6	2.6	1.7	0.5	0.8	0.8	0.7	5.1	5.2	5.4
Processing Industries and Handcraft	2.6	3.1	3.5	4.3	4.2	4.3	4.2	4.4	0.6	0.6	0.5
Electricity, Water and Gas	0.6	0.6	0.6	0.7	0.7	0.8	0.8	0.9	0.9	1.0	1.1
Building and Construction	0.7	0.8	0.8	0.6	0.5	0.6	0.6	0.6	0.6	0.7	0.7
Service Sector	9.9	11.0	11.4	11.8	13.0	14.5	15.9	16.3	17.6	18.3	18.7
Trade, Hotels and Restaurants	2.1	2.1	2.2	2.6	2.5	2.6	2.7	2.8	3.2	3.1	3.2
Finance, Insurance and Banking	2.8	3.0	3.2	3.3	3.5	3.7	3.8	4.0	3.6	3.9	4.0
Transport, Communications and Saving	1.9	2.5	2.7	2.7	2.8	3.3	3.9	4.1	5.0	5.3	5.4
Government Services	2.8	2.9	3.0	3.1	3.5	4.2	4.5	4.5	4.9	5.2	5.3
Other Services***	0.4	0.4	0.5	0.1	0.7	0.7	0.9	0.9	0.9	0.8	0.8
GDP at constant prices	23.4	24.9	26.5	27.0	27.7	29.6	31.6	32.8	34.1	35.7	36.7
GDP Deflator	5,786.2	5,604.6	6,066.7	6,736.4	8,040.0	10,288.1	14,159.2	16,126.1	16,111.4	17,761.3	22,866.5
GDP at Current Prices ****	135,511.7	139,386.5	160,647.0	182,151.3	222,547.9	304,116.8	447,998.2	528,937.4	605,409.0	815,855.0	1,176,630.0
Growth Rates %	4.6	6.2	6.5	2.1	2.4	6.8	7.0	4.0	3.6	4.7	2.8

Source: Central Bureau of Statistics

* Preliminary Data.

** Amended Data

Appendix (9 - B)
Gross Domestic Product by Economic Activities at current prices (2008-2018)

SDG MILLION

Sector	**2008	**2009	**2010	**2011	**2012	**2013	**2014	**2015	**2016	**2017	*2018
Agriculture, Forests, and Fisheries	49,032.0	44,971.0	54,465.0	58,221.0	76,262.0	92,990.0	143,775.0	183,150.0	146,931.0	184,059.0	218,087.0
Processing Industries, Handcraft and Mining and quarrying Sector	38,225.0	34,427.0	36,151.0	42,504.0	39,780.0	63,559.0	79,769.0	117,862.0	110,975.0	144,066.0	281,250.0
Mining and quarrying	23,144.0	15,777.0	14,943.0	16,680.0	11,171.0	27,558.0	32,852.0	24,188.0	44,914.0	56,656.0	128,846.0
Processing Industries and Handcraft	9,862.0	11,769.0	12,975.0	16,560.0	20,336.0	23,845.0	29,559.0	60,091.0	41,125.0	60,326.0	108,789.0
Electricity, Water and Gas	508.0	794.0	893.0	1,005.0	1,164.0	1,275.0	1,388.0	5,503.0	2,045.0	2,672.0	4,488.0
Building and Construction	4,711.0	6,087.0	7,340.0	8,259.0	7,109.0	10,881.0	15,970.0	28,080.0	22,891.0	24,412.0	39,127.0
Service Sector	48,255.0	59,988.0	70,031.0	81,426.0	106,506.0	147,567.0	224,455.6	281,925.0	347,503.0	487,730.0	677,293.0
Trade, Hotels and Restaurants	18,376.0	20,613.0	23,381.0	24,838.0	35,172.0	49,283.0	73,551.0	99,166.0	131,477.0	167,852.0	191,276.00
Finance, Insurance and Banking	10,251.0	12,528.0	15,633.0	21,370.0	28,568.0	41,706.0	57,093.0	44,453.0	60,743.0	67,708.0	105,624.00
Transport, Communications and Saving	10,157.0	14,252.0	16,904.0	18,743.0	23,204.0	29,689.0	60,074.0	84,454.0	102,109.0	145,960.0	234,996.00
Government Services	8,313.0	9,370.0	10,157.0	11,227.0	12,410.0	16,136.0	23,378.0	36,857.0	30,343.0	39,458.0	42,922.00
Other Services***	937.0	1,611.0	2,132.0	3,280.0	4,636.0	7,120.0	4,876.0	10,696.0	22,831.0	66,752.0	102,475.00
Imports Duties	221.0	1,614.0	1,824.0	1,968.0	2,516.0	3,633.0	5,483.6	6,299.0	NA	NA	NA
GDP at Current Prices ****	135,512.0	139,387.0	160,647.0	182,151.0	222,548.0	304,117.0	447,998.0	582,937.4	605,409.0	815,855.0	1,176,630.0

Source: Central Bureau of Statistics

* Preliminary Data.

** Amended Data

Appendix No (10)

Cultivated and Harvested Area for seasons (2015-2016 & 2017-2018)

Area :Thousands Feddans		production: Thousand Metric Tons							Productivity: Kilogram / Feddans			
Season <												

SOURCE: MINISTRY OF AGRICULTURE AND FORESTRY- AGRICULTURAL STATISTICS ESTIMATION

Appendix No (11)

Sugar Production for the period (2007/2008 - 2017/2018)

Thousand Metric Tons

Year	El Ginaid	New Halfa	Sennar	Hager Assalaya	Kenana	White Nile	Total
2008/2007	84.8	81.1	85.5	90.8	402.3	-	744.5
2009/2008	87.6	84.2	87.1	97.5	382.1	-	738.5
2010/2009	88.2	57.3	76.6	75.5	344.4	-	642
2011/2010	91.8	74.7	70.8	93.7	355.8	-	686.8
2012/2011	92.4	66.0	76.7	89.6	349.8	56.4	680.1
2013/2012	76.7	56.2	76.0	89.6	471.1	73.0	842.6
2014/2013	73.1	59.5	73.1	65.4	349.8	74.4	695.3
2015/2014	67.6	64.3	58	324.8	64.5	67.6	642
2016/2015	55	54.6	54.6	52.7	299.7	78.0	605.6
2017/2016	71.1	57.5	54.3	50.3	299.6	42.4	575.1
2018/2017	66.6	58.1	56.1	45.1	302.7	29.5	558.0

Source: Sudanese Sugar Company, Kenana Sugar Company and White Nile Sugar Company

Appendix No (12)

Transport and Transportation for the Period (2013-2018)

Item	2013	2014	2015	2016	2017	2018
Air Transportation*						
Cargo on International and Domestic Passenger Aircrafts(Thousand /Tons)	38	29	33	37	612	82
Passengers on International and Domestic Travel (Thousand Passengers)	2,629	2,299	2,717	4,163	191	33
Sudanese Navy Lines:						
Goods transported (thousand tons)	323	75	1,820	NA	NA	NA
Transported Passengers(thousand tons)	21	67	25	NA	NA	NA
Sudan Railway Corporation:						
Goods transported (thousand tons)	1,102	857	718	618	636	431
Transported Passengers(thousand tons)	13	188	179	211	184	486
River Transport corporation						
Goods transported (thousand tons)	2	14	25	NA	NA	NA
Transported Passengers(thousand tons)	0	33	12	NA	NA	NA
Road Transport						
Goods transported (thousand tons)	8,683	8,783	13,684	5,629	6,806	6,163
Transported Passengers(thousand tons)	47,400	30,000	19,174	3,061	7,021	9,054

Source: Transport Union, River Transport union, Sudan Railway Corporation, Ministry of Transport, Roads and Bridges, Khartoum International Airport Company.

Includes air transport through Sudanese airports through Sudanese Airways and other airlines

Appendix No (13)
Manufacturing production during the period (2013-2018)

Item	Unit	2013	2014	2015	2016	2017	2018
Sugar	Thousand Tons	842.6	695.3	642	605.6	575.1	558.0
Ethanol	Million Liters	67	70	36	24	25	NA
Flour	Thousand Tons	1,694	1,957	2,000	2,126	1,590	2,2580
Soft Water	Million Liters	882	794	455	434	680	389 **
Biscuits	Thousand Tons	69	81	NA	NA	NA	NA
Sweets and Tahniah	Thousand Tons	106	106	NA	NA	NA	NA
Jams	Thousand Tons	16	18	NA	14	10	NA
Tomato Paste	Thousand Tons	NA	NA	NA	NA	NA	NA
Vegetable Oil	Thousand Tons	210	130	148	256	282	198
Leather	Million Units	NA	NA	NA	NA	26.7	26.9
Polish	Thousand Tons	51	75	100	NA	40.7	43.5
Refrigerators & Air Coolers	Thousand Units	161	180	119	141	120	266.7
Cement	Million Tons	2.9	3.4	3.7	4.0	4.3	4.1
Liquid Batteries	Thousand Units	NA	NA	32	NA	NA	NA
Ceramic	Million Square Meters	4	9.5	11.5	18	31	45
Reinforcing Steel	Thousand Tons	443	443	624	NA	36.0	33.9
School Books	Million Books	35	35	30	NA	NA	NA
School Notebooks	Million Dozens	22	22	15	NA	NA	NA
Tractors	unit	227	122	229	167	322	208
Agricultural Equipment†	unit	653	417	681	1,020	962	578
Big Buses	unit	42	150	0	NA	60	96
Buses	unit	0	43	26	35	1	7
Pick ups	unit	0	74	72	168	68	100
Salon Cars	unit	2,435	1,521	1,647	2,721	3,649	932
Station Wagon	unit	0	2	99	59	120	200
Trucks	unit	129	52	61	77	83	59
Motor Bikes	unit	NA	150	922	1,166	2,466.3	2595.4

Source: ministry of industry, General Department of information – Giad industrial area & Saria industrial Compound.

Appendix No. (14)
Balance of Payments During the period 2014 - 2018

US \$ Million

	2014**	2015**	2016**	2017**	2018*
A- Current A/C	(3,545.5)	(5,560.4)	(4,282.9)	(4,851.1)	(4,928.1)
Exports (FOB)	4,453.7	3,169.0	3,093.6	4,100.4	3,484.7
Petroleum	1,357.6	627.2	335.7	417.2	519.6
Gold	1,271.3	725.7	1,043.8	1,558.5	832.2
Others	1,824.8	1,816.1	1,714.1	2,124.6	2,132.9
Imports (FOB)	(8,290.2)	(8,558.2)	(7,479.5)	(8,220.3)	(7,065.1)
Government purchases	(1,217.4)	(880.6)	(606.2)	(803.2)	(146.1)
Private sector purchases	(7,072.7)	(7,677.6)	(6,873.4)	(7,417.1)	(6,918.9)
Trade Balance	(3,836.4)	(5,389.2)	(4,385.9)	(4,119.9)	(3,580.4)
Services, Income & Transfers A/C	291.0	(171.6)	103.0	(731.2)	(1,347.7)
Receipts	3,580.5	3,066.1	2,859.8	2,817.2	2,245.1
Payments	(3,289.5)	(3,237.3)	(2,576.7)	(3,548.4)	(3,592.9)
B- Capital & Financial A/C	2,198.1	5,399.1	3,559.4	3,548.3	3,112.9
Capital A/C	212.8	250.3	147.7	151.5	162.9
Financial A/C	1,985.4	5,148.8	3,411.7	3,396.8	2,950.0
Direct Investment (Net)	1,251.3	1,728.4	1,063.8	1,065.3	1,135.8
Portfolio Investment (Net)	8.5	(2.8)	(0.4)	(21.8)	3.0
Other Investment (Net)	725.6	3,423.2	2,348.3	2,353.4	1,811.2
A – Official Loans	(276.3)	5.8	9.7	(162.7)	(377.4)
<i>Drawings</i>	298.3	430.8	201.1	119.2	182.5
<i>Repayments</i>	(574.6)	(425.0)	(191.4)	(282.0)	(559.9)
B - Trade credits and facilities(Net)	355.0	539.2	393.4	508.0	411.0
C - Commercial Banks' (Net Foreign Assets)	(34.6)	207.0	192.8	(134.5)	38.0
D - Monetary authority (Net Foreign Assets)	236.5	2,068.2	886.8	665.7	(191.9)
E - General Government Net Foreign Assets	367.0	485.0	853.5	1,440.9	1,895.4
F - Other Net Foreign Assets	78.0	118.0	(12.0)	36.0	36.0
Current And Capital and Financial A/Cs (Deficit (-) or Surplus (+))	(1,347.4)	(161.7)	(723.5)	(1,302.8)	(1,815.2)
Errors & Omissions	1,344.1	199.7	704.8	1,290.0	1,790.0
Convertible Currencies Reserve Assets	3.3	(38.4)	18.7	12.8	25.2
Over All Balance	(3.3)	38.4	(18.7)	(12.8)	(25.2)

Source: Central Bank of Sudan

*Provisional Data ** Modified Data

Appendix No. (15)
Drawings of loans and grants During the period 2014 - 2018

US \$ Million

Item	2014	2015	2016	2017	2018*
Loans	298.3	430.8	201.2	119.2	182.5
Arab Monetary Fund	0.0	113.4	0.0	3.1	43.6
OPEC	8.1	0.0	3.6	2.6	0.4
IFAD	1.0	0.0	0.8	4.7	2.1
Islamic Development Bank	41.2	20.4	27.8	21.8	8.6
Kuwaiti Fund for Economic Development	53.5	80.7	22.6	35.0	72.5
Abu Dhabi Fund for Economic Development	0.0	59.7	4.4	1.9	0.0
Arab Fund for Economic and Social Development	113.8	92.8	94.8	41.6	31.5
Saudi Fund for Development	59.6	63.7	47.2	8.5	14.7
China	0.0	0.0	0.0	0.0	0.0
India	21.2	0.0	0.0	0.0	0.0
Turkey	0.0	0.0	0.0	0.0	0.0
Iran	0.0	0.0	0.0	0.0	0.0
Algeria	0.0	0.0	0.0	0.0	0.0
OTHER	0.0	0.0	0.0	0.0	9.2
Grants:	454.2	0.0	14.6	203.2	123.2
Commodity Grants	0.0	0.0	0.0	0.0	0.0
IFAD	2.7	0.0	0.2	11.9	12.1
Islamic Development Bank	0.0	0.0	0.0	0.0	0.0
African Development Bank	8.8	0.0	0.0	0.0	6.3
Kuwaiti Fund for Economic Development	9.3	0.0	3.1	3.6	1.4
Arab Fund for Economic and Social Development	102.3	0.0	1.5	0.4	0.0
Saudi Fund	1.6	0.0	0.5	0.9	0.0
United Nations Organization	313.4	0.0	0.0	168.6	94.3
World Bank	0.0	0.0	0.8	3.9	0.6
International Cooperation	0.0	0.0	3.8	0.0	0.0
International Monetary Fund	0.0	0.0	0.0	0.0	0.0
The Support Fund	8.8	0.0	4.7	13.9	8.4
European Union	7.2	0.0	0.0	0.0	0.0
Total	752.5	430.8	215.7	322.4	305.7

Source : Central Bank of Sudan - *Provisional Data

Appendix No. (16 – A)

Sudan's Foreign Trade Exports by Commodity during the period 2014 - 2018

(Value in US \$ Million)

Commodities	Unit	2014		2015		2016		2017		2018	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Petroleum and Minerals			2,665,441		1,380,028		1,407,320		2,011,572		1,376,867
Crude Oil	Barrels	12,821,818	1,194,302	12,115,647	573,906	6,898,396	271,062	5,886,116	321,537	6,437,432	440,367
Benzene	M.T	172,145	156,768	79,571	50,995	146,601	64,651	123,562	64,962	104,725	50,552
Kerosene	" "	1,693	-	4,416	2,070.0	-	-	56,637	27,394.5	55,946	26,772.6
Light Gas	" "	-	-	-	-	-	-	23,923	2,949	1,535	957
F/O& HCGO	" "	-	-	-	-	-	-	-	-	-	-
Furnace	" "	43	102	-	-	-	-	-	-	-	-
Mixed butagas	" "	165	295	100	110	-	-	-	-	-	-
Diesel	" "	-	-	-	-	-	-	-	-	-	-
Others Petroleum Products	Value	-	6,116	-	101	-	-	85	364	233	930
Gold	K.G.	30,445	1,271,322	19,389	725,697	26,973	1,043,838	37,517	1,558,529	20,176	832,230
Copper Waste &Scrap	M.T	4,433	11,466	3,973	10,866	4,296	10,701	5,848	13,974	3,692	11,812
Lead Waste & Scrap	" "	3,111	3,632	6,236	6,871	5,175	6,435	8,882	10,222	6,420	7,360
Chromium	" "	42,870	11,346	13,800	2,982	1,093	156	11,583	2,619	10,963	2,039
Aluminum scrap	" "	2,748	3,572	2,086	2,683	3,823	5,098	5,413	7,772	1,839	2,962
Iron Waste & Scrap	" "	2,806	596	1,455	1,135	259	176	358	141	178	73
Other	Value	-	5,924	-	2,612	-	5,203	-	1,110	-	812
Agricultural Products			772,695		778,404		786,682		1,082,553		1,206,616
Sesame	M. T	299,707	466,338	307,363	453,478	467,629	379,347	550,496	412,715	704,568	576,155
Gum Arabic	" "	61,833	99,651	92,368	113,310	64,274	100,751	83,616	118,427	81,421	117,313
Cotton	Bales	99,374	34,028.0	29,644	39,365.0	67,958	80,001.0	107,682	139,053.8	111,134	159,481
Groundnuts		5,888	6,123	3,296	2,994	32,686	26,693	106,133	80,421	80,768	59,846
Melon Seeds	M. T	41,386	16,548	56,302	30,650	35,926	20,670	48,477	32,835	92,200	61,324
Dura (Sorghum)	" "	19,071	6,036	107,341	28,169	108,191	28,180	567,319	103,225	141,152	27,149
Fodder	" "	303,250	77,985	280,834	54,529	264,456	64,741	521,375	91,318	527,536	92,039
Chickpea	" "	-	-	-	-	-	-	47,946	32,808	107,056	49,468
Other Agricultural Products		253,349	65,986	149,418	55,909	219,283	86,299	183,775	71,750	307,436	63,841
Live Stock			856,732		910,926		764,761		922,933		855,833
Sheep	Head	4,062,014	549,782	5,476,356	492,794	3,967,143	363,699	147,643	457,415	152,427	467,129
Camels	" "	155,729	207,850	194,834	260,009	225,459	271,898	256,445	302,025	192,207	216,843
Goats	" "	320,691	22,302.0	452,062	30,409.0	275,650	18,391.0	289,232	19,350.5	235,797	16,987.4

Commodities	Unit	2014		2015		2016		2017		2018	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Cattle	" "	16,389	10,474	24,149	13,843	99,070	54,889	94,710	51,753	103,489	63,426
other live stock	Value	-	2,550	-	7,245	-	2,264	-	3,331	-	1,340
Meat	M. T	4,154	19,840	17,954	70,081	8,874	37,074	15,197	61,094	362,863	66,607
Hides & Skins	Value	-	43,510	-	34,197	-	14,719	-	24,851	-	15,905
Fish(Fresh or Chilled)	M. T	634	424	2,610	2,348	1,821	1,827	3,843	3,114	4,118	7,596
Manufactured Products			136,334		80,006		76,604		70,554		30,045
Sugar	M. T	109,663	96,770	181,173	58,580	105,187	40,520	36,740	10,759	1,206	2,003
Ethanol	" "	32,438	19,709	15,795	8,763	9,757	5,701	18,170	10,559	12,484	9,438
Cement		124,727	12,339.0	94,729	8,703.0	6,566	530.0	-	-	-	-
Soft Drink	" "	11,685	4,720	7,827	2,503	5,344	2,542	15,013	6,739	11,803	6,555
Crude Groundnuts Oil	" "	1,909	2,492	560	945	21,534	25,953	33,030	38,089	8,194	9,789
Sesame Oil	" "	225	304	329	512	1,005	1,358	391	638	384	746
Sunflower Oil		-	-	-	-	-	-	2,845	2,866	20	20
Palm Oil		-	-	-	-	-	-	129	180	21	30
Crude Oil	" "	-	-	-	-	-	-	513	725	1,193	1,463
Other Exports	Value	-	22,521	-	19,647	-	58,272	-	12,768	-	15,321
Grand Total			4,453,723		3,169,011		3,093,639		4,100,381		3,484,682

Appendix No. (16 – B)
Sudan's Foreign Trade Main Importers during the period 2014 - 2018
(Value in US \$ Million)

Importers	2014	2015	2016	2017	2018
Industrial Countries	227,467	171,765	199,226	254,878	219,259
Belgium	9,382	1,312	2,203	2,319	1,577
Canada	63,115	28,132	120	366	60
Finland	204	1	-	638	12
France	39,931	45,664	46,155	58,493	52,796
Germany	13,255	11,217	14,149	20,551	12,931
Greece	17,033	15,783	10,166	9,298	8,685
Italy	10,631	5,761	16,859	17,323	8,313
Japan	3,995	2,330	3,391	3,330	2,291
Netherlands	5,600	8,349	17,802	3,731	11,069
Spain	1,611	349	174	13,442	4,534
Sweden	554	26	5	66	224
United Kingdom	11,239	7,463	10,911	19,566	8,701
United States	11,127	2,799	9,803	16,177	18,264
Poland	9,109	-	16,613	704	458
Romania	9,470	7,542	4,742	18,962	13,042
Turkey	21,211	35,037	46,133	69,912	76,303
African countries	387,836	433,367	519,051	643,647	589,928
Egypt	212,398	304,366	411,855	447,357	469,134
Eritrea	19,261	21,426	20,773	25,153	1,914
Ethiopia	115,870	86,711	71,771	127,908	86,682
Kenya	989	1,185	189	29,074	11,546
Libya	5,067	471	582	806	450
Swaziland	8,817	329	1,481	678	571
Uganda	3,024	142	76	53	77
Algeria	1,853	3,504	2,107	2,094	5,583
Nigeria	3,705	2,256	1,537	3,160	1,386
Tunisia	16,852	12,977	8,680	7,364	12,584
Asian countries	1,468,162	787,681	575,753	776,066	1,006,071
China	1,418,287	739,519	459,390	587,113	750,532
Hong Kong	9	1,875	71	33	461
India	44,330	37,355	88,404	97,037	154,551
Indonesia	438	4,894	3,850	23,777	32,883
Malaysia	80	256	3,234	12,670	1,926
Pakistan	1,777	568	11,902	50,083	61,804
South Korea	64	1,468	220	2,609	3,812
Singapore	2,771	1,401	6,543	1,753	-

Importers	2014	2015	2016	2017	2018
Taiwan	406	345	2,139	991	102
Arab countries	2,108,687	1,507,220	1,725,180	2,354,864	1,638,394
Bahrain	1,161	523	1,239	3,057	6,941
Iraq	289	164	1,768	1,194	1,092
Jordan	32,127	29,003	29,716	24,791	22,991
Kuwait	16,639	6,703	5,151	5,352	7,773
Lebanon	29,325	36,877	24,315	13,948	30,284
Oman	2,576	413	2,255	516	3,144
Qatar	10,311	21,870	15,273	19,605	35,741
Saudi Arabia	635,259	657,620	506,469	607,459	549,138
Syria	60,264	10,821	13,097	16,236	22,278
United Arab Emirates	1,311,639	740,292	1,115,686	1,653,798	944,641
Yemen	9,097	2,934	10,211	8,908	14,371
Other Countries	261,571	268,978	74,429	70,926	31,030
Grand Total	4,453,723	3,169,011	3,093,639	4,100,381	3,484,682

Appendix No. (17 – A)

Sudan's Foreign Trade Imports during the period 2014 – 2018

(Value in US \$ Million)

Commodities	Unit	2014		2015		2016		2017		2018	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Foodstuffs			2,247,902		2,132,867		1,775,471		1,944,129		1,969,049
Wheat	M. T	2,177,962	1,046,482	1,522,731	532,167	1,343,681	448,990	2,213,331	671,197	2,352,831	720,857
Wheat Flour	" "	64,557	35,915	441,389	223,584	608,497	287,344	253,931	118,053	539	225
Sugar	" "	810,626	460,107	1,299,255	550,127	611,984	272,597	709,553	329,252	1,233,167	560,385
Tea	" "	35,184	69,548	30,235	52,424	31,406	54,904	33,365	58,621	35,066	59,325
Coffee	" "	23,590	34,453	38,016	46,409	37,014	44,699	49,109	59,973	51,702	62,673
Dairy Products	" "	17,686	58,145	34,529	89,051	39,312	98,940	38,175	89,023	28,947	73,367
Fish & Canned Fish	" "	1,294	2,281	3,073	5,322	3,118	5,977	2,036	3,853	1,656	3,170
Meat & Meat Products	" "	118	352	345	928	164	396	75	183	232	192
Fruits & Fruit Products	" "	66,052	37,000	86,430	41,837	62,418	33,160	38,723	25,082	11,279	7,687
Vegetables & Vegetable Products	" "	73,508	67,525	123,834	96,458	138,718	113,580	89,117	63,720	65,195	46,589
Confectionery, Sweets, & Biscuit	" "	16,031	20,615	34,074	29,540	34,120	32,493	27,808	25,101	19,286	10,460
Lentils	" "	42,548	51,575	49,809	52,973	13,202	13,393	60,024	61,764	63,493	65,316
Animal & Vegetable Oils	" "	164,575	213,204	273,946	243,193	244,689	197,248	253,186	230,445	187,899	166,489
Spices	" "	4,073	10,712	10,617	16,651	9,229	13,193	16,762	23,686	8,557	13,196
Rice	" "	55,082	30,008	137,898	31,989	69,863	35,980	73,601	38,834	81,747	41,784
Other	Value	0	109,980	0	120,214	0	122,577	0	145,340	0	137,334
Beverages & Tobacco			96,116		79,314		80,241		41,633		38,844
Soft Drinks	Value	-	33,041	0	37,797	-	32,792	0	3,546	0	1,357
Cigarettes	" "	-	14,793	0	1,442	-	328	0	1,167	0	793
Tobacco	" "	-	48,282	0	40,075	-	47,121	0	36,920	0	36,694
Other	" "	-	0	0	0	-	0	0	0	0	0
Raw Materials :			1,756,434		1,446,896		918,123		1,153,408		1,207,494
Petroleum Products	M. T										
Crude Plastic	" "	103,008	189,589	140,595	224,352	146,173	199,975	154,026	178,824	145,701	167,814
Crude Rubber	" "	798	2,999	2,731	1,136	2,318	901	883	1,162	200	185
Tallow	" "	13,935	19,821	16,519	22,485	15,743	21,021	16,527	19,757	199	333
Seeds for Sowing	" "	1,418	12,245	746	9,366	924	8,540	39,136	41,558	34,388	33,074
Packing Paper	" "	0	4	0	0	0	0	0	3	0	0
Other	Value	0	8,157	0	131	0	224	0	7,008	0	14,994

Commodities	Unit	2014		2015		2016		2017		2018	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Machinery & equipments :			1,543,284		1,649,696		1,613,303		1,714,140		1,410,137
Non-Electrical Appliances	M. T	86,265	493,773	104,967	460,842	102,823	418,997	118,162	457,297	85,543	384,838
Electrical Appliances	Value	0	264,648	0	297,987	0	345,862	0	450,766	0	379,504
Refrigerators	No.	7,253	28,833	8,059	28,908	9,577	34,115	12,046	37,380	9,345	30,020
Air Conditioners	" "	3,098	21,644	4,911	29,134	5,464	29,864	14,482	56,856	13,019	50,453
Machinery Spare Parts	Value	0	321,482	0	301,964	0	320,353	0	61,860	0	70,925
T.V., Radios , Recorders, Tapes, etc.	" "	0	78,384	2,728	75,879	0	82,436	0	119,846	0	94,257
Dry Batteries	No.	3,149	4,060	3,606	7,387	1,771	4,338	18,438	20,937	12,924	15,462
Accumulators	" "	8,154	29,581	11,250	33,063	12,516	38,032	13,259	40,946	12,468	39,587
Tractors	" "	11,699	128,234	23,134	185,726	16,430	153,212	48,027	301,152	40,649	235,231
Ovens	" "	596	1,710	952	2,503	1,265	3,339	2,502	12,311	1,805	4,158
Other	Value	0	170,935	0	226,303	0	182,755	0	154,790	0	105,702
Transport Equipments			706,595		910,569		902,716		885,822		589,371
Railway Locomotives	No.	0	13	1,544	40,457	0	0	0	0	375	4,448
Railway Wagons	" "	1,651	7,935	2,431	7,856	929	811	1,489	14,815	47	1,715
Motor Cars	" "	14,096	152,199	18,373	204,730	22,746	244,570	18,220	205,426	8,530	92,717
Trucks & Lorries	" "	18,729	215,265	41,425	275,992	42,154	247,902	16,770	193,007	12,061	120,365
Busses	" "	639	5,994	2,191	19,709	1,176	12,634	5,200	52,683	4,001	31,578
Tires & Tubes	" "	67,659	137,583	83,141	140,609	64,796	142,588	58,268	137,363	64,286	132,902
Autos Spare Parts	Value	0	124,649	0	151,561	0	155,510	0	199,849	0	129,416
Motor-Cycles	No.	3,663	20,568	3,698	20,121	10,618	49,006	12,915	49,165	7,571	23,604
Bicycles	" "	1,005	2,209	1,105	3,741	1,774	3,814	2,490	6,845	1,625	2,860
Aircrafts Spare Parts	Value	0	15,709	0	34,880	0	30,573	0	14,011	0	29,070
Locomotive Spare Parts	" "	0	22,566	0	5,740	273	12,392	0	10,970	0	18,879
Ferries & Steamers	No.	106	1,905	183	5,173	715	2,916	140	1,402	59	1,671
Other	Value	0	0	0	0	0	0	0	287	0	145
Textiles			308,098		395,317		378,529		426,950		316,059
Yarn	M. T	3,077	5,496	4,648	6,201	4,619	6,299	1,667	2,003	1,553	1,946
Sewing Threads	" "	960	3,991	1,041	3,199	886	2,659	0	0	0	0
Woven Synthetic Fabrics	" "	15,324	90,103	21,939	96,537	26,955	115,839	0	0	0	0
Woven Cotton Fabrics	" "	124	292	70	164	149	215	431	3,785	28	71
Woven Flax. Fabrics	" "	352	475	785	103	73	70	2,455	7,117	118	127
Man-Made Filaments& Staple	" "	87	457	114	630	42	125	36,442	125,957	26,175	92,999
Wadding Of Textile Materials	" "	2,513	5,783	3,168	6,773	4,176	9,079	6,131	15,019	5,640	14,262

Commodities	Unit	2014		2015		2016		2017		2018	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Carpets	Value	0	3,077	0	4,082	0	4,526	0	6,005	0	3,848
Special Woven Fabrics	M. T	3,030	18,804	5,877	36,651	7,273	35,047	7,196	36,205	4,125	25,592
Knitted Or Crocheted Fabrics	" "	0	4	0	5	1	27	39	287	3	1,734
Ready Made Clothes	Value	0	178,651	0	240,442	0	204,193	0	178,093	0	113,224
Other	"	0	965	0	530	0	450	0	52,480	0	62,255
Other	Value	0	16,786	0	24,173	0	23,531	0	94,779	0	114,929
Grand Total			9,211,300		9,509,115		8,310,607		9,133,668		7,850,081

Appendix No. (17 – B)
Sudan's Foreign Trade Main exporters during the period 2014 – 2018

(Value in US \$ Million)

Suppliers	2014	2015	2016	2017	2018
INDUSTRIAL COUNTRIES	2,274,441	2,190,930	2,178,270	2,427,755	2,098,598
AUSTRIA	10,554	6,462	4,322	12,695	6,280
AUSTRALIA	300,730	88,862	33,708	12,704	29,114
BELGIUM	21,490	24,922	25,305	20,325	15,866
CANADA	274,667	137,528	78,666	35,610	36,498
SWITZERLAND	24,077	27,855	38,265	46,069	32,013
DENMARK	11,032	7,990	11,916	16,165	9,395
GERMANY	249,236	208,898	219,279	301,867	233,324
SPAIN	22,095	28,572	28,950	25,880	29,853
FINLAND	4,535	6,881	2,823	6,495	4,598
FRANCE	72,157	71,343	63,176	63,352	48,264
UNITED KINGDOM	135,368	107,817	86,024	93,568	75,625
GREECE	9,328	5,515	3,226	5,365	3,477
IRELAND	5,782	7,762	4,129	6,604	20,119
ITALY	146,112	159,836	141,789	125,797	91,484
JAPAN	212,536	301,754	283,149	310,605	143,501
NETHERLANDS	97,354	71,615	78,483	80,856	66,940
NORWAY	1,470	2,745	4,291	3,619	424
PORTUGAL	9,032	5,114	6,268	9,782	12,235
NEW ZEALAND	32,780	52,118	54,556	43,972	33,751
SWEDEN	60,102	86,578	56,967	60,217	30,674
UNITED STATES	49,743	28,653	23,054	57,156	35,594
BULGARIA	1,215	659	1,084	30,459	4,921
CYPRUS	11,606	55,156	5,349	12,235	4,088
HUNGARY	2,612	658	15,044	9,734	2,320

Suppliers	2014	2015	2016	2017	2018
POLAND	22,980	47,980	9,672	9,070	7,346
Russia	-	37,162	317,010	478,740	595,659
TURKEY	283,585	410,410	502,842	379,077	374,054
UKRAINE	197,848	198,156	74,820	121,003	103,849
Malta	4,361	175	327	155	56
Other Industrial Countries	54	1,754	3,776	48,580	47,275
African countries	978,545	725,352	869,419	873,060	876,757
DJIBUTI	-	82	-	11	-
ETHIOPIA	29,900	31,201	43,767	40,759	71,705
KENYA	84,114	77,952	55,093	62,593	68,000
UGANDA	40,781	35,901	45,604	41,677	54,243
ZIMBABWE	28,679	35,288	29,654	36,189	26,886
EGYPT	742,566	491,921	569,351	591,332	549,817
ZAMBIA	4,485	1,420	7,221	4,338	958
Libya	432	3,999	2,054	1,123	1,260
BURUNDI	400	156	1,228	968	767
MALAWI	-	2,887	542	386	2,317
SWAZILAND	11,159	12,939	19,337	25,291	19,240
NIGERIA	454	832	5,117	9,301	12,806
MOROCCO	6,339	7,274	4,439	21,204	24,839
TUNISIA	1,315	3,737	12,384	5,421	4,841
ALGERIA	27,921	10,521	83	37	4
Other African Countries	-	9,242	73,545	32,430	39,072
Asian countries	3,921,570	4,222,820	3,457,119	3,495,347	3,121,553
BANGLADESH	39,946	57,709	30,132	67,828	49,549
CHINA	1,847,871	2,159,247	2,179,917	2,129,846	1,657,756
HONG KONG	10,025	12,962	7,346	3,433	3,563
INDONESIA	91,878	132,528	119,838	115,570	118,512

Suppliers	2014	2015	2016	2017	2018
INDIA	736,458	794,650	632,924	696,087	794,044
IRAN	23,636	26,948	28,855	46,770	44,862
S.KOREA	119,298	176,542	167,729	164,901	112,897
MALAYSIA	684,011	317,094	48,884	73,646	59,243
PAKISTAN	63,829	101,111	70,144	57,863	64,748
SINGAPORE	7,492	4,836	6,244	5,634	10,122
THAILAND	247,869	353,825	103,648	80,628	180,931
TAIWAN	29,939	61,009	43,426	37,061	12,792
SRI LANKA	1,146	2,158	3,249	161	846
VIET NAM	14,867	20,190	13,847	14,876	11,367
other	3,305	2,011	936	1,042	320
Arab countries	1,635,091	1,471,048	1,517,905	2,037,860	1,760,738
ARAB EMIRRRATES	941,468	835,967	868,888	1,079,221	746,018
BAHRAIN	2,667	2,859	3,501	13,805	1,818
JORDAN	98,083	126,088	75,726	100,249	96,173
KUWAIT	14,392	17,805	10,322	6,019	62,624
LEBANON	13,228	12,867	16,145	49,169	7,184
OMAN	30,265	15,349	10,484	55,057	159,413
QATAR	73,844	18,649	3,311	87,645	29,052
SAUDI ARABIA	415,290	436,679	523,432	637,796	648,759
SYRIA	4,224	4,579	5,815	8,193	5,650
YEMEN	41,630	206	281	705.914182	4047.56866
Other Countries	654,846	754,898	284,253	295,949	143,338
Grand Total	9,211,300	9,509,115	8,310,607	9,133,668	7,850,081