



**Bank of Sudan**

**The 43<sup>rd</sup> Annual Report  
2 0 0 3**

P.O. Box : 313 Khartoum, Sudan.  
Telephone : +249-1-87056600  
Website : [www.bankofsudan.org](http://www.bankofsudan.org)  
[www.sudanbank.org](http://www.sudanbank.org)

His Excellency  
The President of the Republic,

According to Article (1/59) of the Law of the Bank of Sudan for 2002, it is my pleasure to present to you the Balance Sheet of the Bank of Sudan for the year ending 31<sup>st</sup> December 2003 as approved by the Auditor General, along with the Annual Report for the year 2003.

Dr. Sabir M. Hassan  
Governor and Chairman  
Board of Directors Bank of Sudan.

## **Board of Directors of the Bank of Sudan**

Dr. Sabir Mohamed Hassan  
Governor and Chairman of the Board of Directors.

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Dr. Abdel Muneim Mahmoud Al Gussi  
First Dep. Governor and Member of the Board.

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Dr. Ahmed Ali Abdalla  
Member of the Board.

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Mr. Ahmed Omer Abdel Rahman  
Member of the Board.

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Dr. Babikir Mohamed Tom  
Member of the Board.

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Dr. Siddiq Nasir Osman  
Member of the Board.

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Dr. Abdel Hamid El Tijani  
Member of the Board.

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Dr. Akwei Dwal Akwei  
Member of the Board.

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Mr. Albert Raghieb Amin  
Member of the Board.

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Mr. Al Jaily Mohamed Bashir  
Secretary of the Board.

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## **Introduction**

The year 2003 underwent a number of economic, financial and monetary developments both on the international and domestic levels. On the international level the world economy continued its recovery and growth rate rose from 3% in 2002 to 3.2% in 2003 in the aftermath of the war in Iraq, and for overtaking speculations that had preceded it. Moreover, there was an improvement in the financial markets, in investment movements, and in the consumer confidence especially in the United States, Japan and in some of the developing countries. That growth was accompanied by a slight increase in inflation, especially in the major industrial countries, which rose from 1.2% in 2002 to 1.3% in 2003. As well, inflation rose significantly in the developing countries from 5.3% in 2002 to 5.9% in 2003. Also some negative indicators appeared represented by a slow industrial growth, poor foreign trade, a depression in the prices of shares and stocks, and adverse effects of SARS in some Asian countries.

On the domestic level, real Gross Domestic Product decreased from 6.5% in 2002 to 6.1% in 2003 due to a decrease in growth rate in the agricultural sector from 7.3% in 2002 to 5.2% in 2003, a result of a deterioration in the traditional rain fed agriculture. Consequently, traditional rain fed agriculture growth dropped from 37.1% in 2002 to -4.9% in 2003. Moreover, inflation rate dropped from 8.3% in 2002 to 7.4% in 2003.

Concerning the local monetary developments, money supply rate increased by the same rate of the 2002 which is 30.3%, and that was attributed mainly to the increase in total banking advances from 193,201 million dinars in 2002 to 294,759 million dinars in 2003, an increase of 52.6%.

Concerning the external sector performance, balance of payments surplus increased from 300.3 million dollars in 2002 to 422.6 million dollars in 2003, and that was due to a fall in the balance of trade from 344.7 million dollars in 2002 to 108.99 million dollars in 2003. In addition to all this, movements in the capital and financial accounts rose from 841.4 million dollars in 2002 to 1,389.9 million dollars in 2003.

# **INTRODUCTION**

## **CHAPTER ONE**

# **THE MAJOR DEVELOPMENTS IN THE INTERNATIONAL ECONOMY DURING 2003**

## **CHAPTER ONE**

### **The Major Developments in the International Economy During 2003**

The world economy began to recover by the end of 2001 due to a growth in the volume of trade and industrial production. This continued through 2003 in which world growth rate rose to 3.2% compared with 3.0% in 2002. That recovery was due to the quick sequences of the aftermath of the war in Iraq in a speed that overtook projections, improvement in money markets, a surge in investments, an increase in consumers' confidence especially in the United States and Japan, and in some developing countries especially in Asia. All this was associated with inflationary pressures, un-restricted economic policies and low interest rates.

This slight world economic recovery continued in spite of some persisting risks related to sharp changes in exchange rates, resumption of protective policy pressures in many countries as a result of certain international economic imperatives, especially in the current accounts, and some limited improvement in solving economic structural adjustment problems in the major industrial countries.

On the other hand, there were some negative indicators represented by sluggish world industrial productivity, slow external trade growth, a fall in the prices of stocks and the negative impact of SARS on the economies of some Asian countries. All these factors had negatively affected world trade movement and the efforts to alleviate poverty.

Here below is the illustration of some of the economic indicators in the industrial countries, the countries in economic transition and in the developing countries.

#### **Growth, Inflation, Unemployment Rates and Current Account Position in the Major Industrial Countries: -**

Table (1-1) and Figure (1-1) reflect growth, inflation, unemployment rates, and current account position in the major industrial countries for the years 2002 and 2003.



**Table (1-1)**  
**Growth, Inflation, Unemployment Rates and Current Account Position**  
**In The Main Industrial Countries, For The Years 2002 & 2003**

Country	Growth Rate %		Inflation Rate %		Unemployment Rate %		Current A/C. (Billions US\$)	
	2002*	2003**	2002*	2003**	2002*	2003**	2002*	2003**
Main Industrial Countries	1.8	1.8	1.2	1.3	6.4	6.7	-186.6	-245.2
U.S.A	2.4	2.6	1.1	1.5	5.8	6.0	-480.9	-553.3
Japan	0.2	2.0	-1.7	-2.5	5.4	5.5	112.7	121.1
Germany	0.2	N.A	1.6	0.9	8.6	9.5	46.1	57.0
France	1.2	0.5	1.9	1.6	8.8	9.5	25.9	21.4
Italy	0.4	0.4	2.7	2.9	9.0	9.0	-6.7	-16.0
United Kingdom	1.9	1.7	3.1	2.8	5.2	5.2	-14.4	-17.1
Canada	3.3	1.9	1.0	3.5	7.6	7.9	14.9	13.6
Group of other Industrial Countries	3.0	1.9	1.4	2.0	N.A.	N.A.	120.3	124.6

Source: World Economic Outlook Sept.2003.

\* Actual.

\*\* Estimates.

**Figure (1-1)**  
**Growth, Inflation, Unemployment Rate**  
**In The Main Industrial Countries**  
**For 2003**

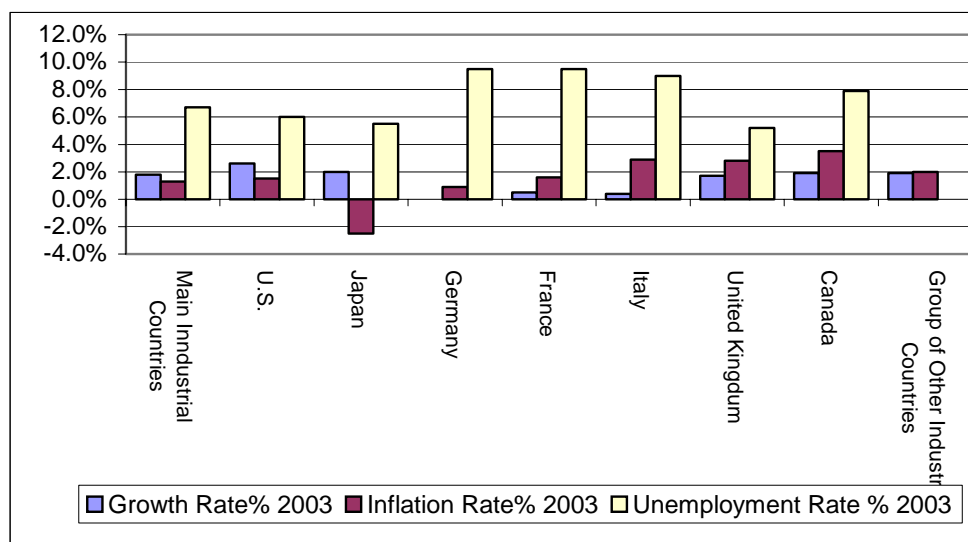


Table (1-1) shows that growth rate of the industrial countries as a group remained constant as in 2002, i.e. within 1.8%. However, inflation rate increased from 1.2% to 1.3%, while unemployment rate rose from 6.4% to 6.7%, current account deficit increased from US\$ 186.6 billion to US\$ 245.2 billion.

Growth rates decreased in France, the United Kingdom and Canada, while they increased in the other major countries. Inflation rates also increased in the United States, Italy and Canada. Unemployment rates increased in the United States, Japan, Germany, France, Italy and Canada. Deficit in current accounts increased in the United States, Italy, and the United Kingdom.

Growth rates in the other industrial countries decreased from 3.0% in 2002 to 1.9% in 2003. Inflation rates also increased from 1.4% to 2.0%, and current account surplus rose from US\$ 120.3 billion to US\$ 124.6 billion.

### **Growth, Inflation, Unemployment Rates and Current Account Position in the Developing Countries: -**

Table (1-2) and Figure (1-2) reflect the growth rates, inflation, and current account position in the developing countries for the years 2002 and 2003.

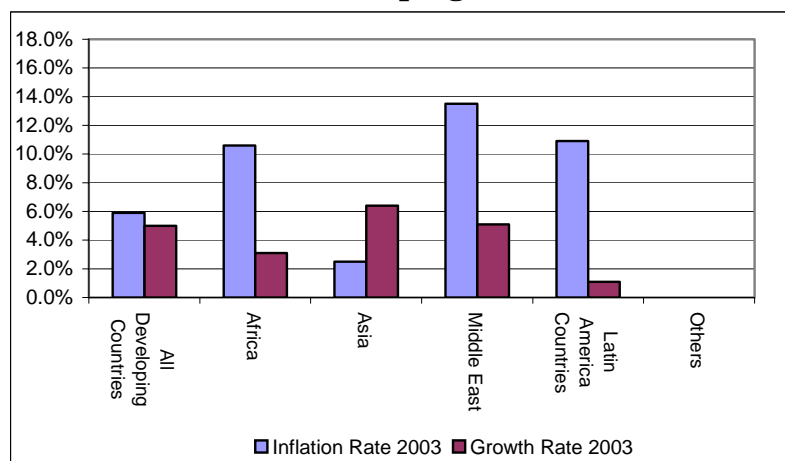
**Table (1-2)**  
**Growth Rates, Inflation Rates and Current Account Position**  
**In The Developing Countries for the Years 2001 and 2002**

Country	Growth Rate %		Inflation Rate %		Current A/C. (Billions \$)	
	2002*	2003**	2002*	2003**	2002*	2003**
All Developing Countries	4.6	5.0	5.3	5.9	74.0	65.7
Africa	3.1	3.7	9.3	10.6	-5.9	-3.8
Asia	6.4	6.4	2.0	2.5	65.4	42.4
Middle East	4.8	5.1	15.7	13.5	29.3	40.6
Latin America Countries	-0.1	1.1	8.7	10.9	-14.9	-13.5
Others	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Source: World Economic Outlook, Sept. 2003.

\* Actual \*\* Estimates

**Figure (1-2)**  
**Growth and, Inflation Rates**  
**In The Developing Countries**



It is clear from Table (1-2) that growth rates of all developing countries increased from 4.6% in 2002 to 5.0% in 2003, whereas the inflation rates increased from 5.3% to 5.9% and the current account surplus decreased from US\$ 74.0 billion to US 65.7 billion.

Growth rate in Africa increased from 3.1% in 2002 to 3.7% in 2003, while the inflation rate increased from 9.3% to 10.6%. However, net current account deficit decreased from US\$ 5.9 billion in 2002 to a deficit of US\$ 3.8 billion in 2003.

Growth rate in Asian countries remained constant as in 2002 within the range of 6.4%, while inflation rate increased from 2.0% to 2.5%, and current account surplus decreased from US\$ 65.4 billion to US\$ 42.4 billion.

The economies of the Middle East countries witnessed some significant improvement due to the increase in oil production and the increase in oil average price. Hence, growth rate rose from 4.8% in 2002 to 5.1% in 2003, and inflation rate decreased from 15.7% to 13.6%. Current account surplus increased from US\$ 29.3 billion to US\$ 40.6 billion.

Growth rate in Latin American countries reversed from -0.1% in 2002 to 1.1% in 2003, while inflation rate rose from 8.7% to 10.9% and current account deficit decreased from US\$ 14.9 billion to US\$ 13.5 billion.

### **Growth and Inflation Rates and Current Account Position of the Countries in Economic Transition:**

Table (1-3) and Figure (1-3) reflect growth and inflation rates and the current account position of the countries in economic transition for the years 2002 and 2003.

**Table (1-3)**  
**Growth Rates, Inflation Rates, and The Current Account Position**  
**The Countries in Economic Transition for the Years 2001 & 2002**

Indicators Country	Growth Rate %		Inflation Rate %		Current A/C. (Billions US\$)	
	2002*	2003**	2002*	2003**	2002*	2003**
Countries In Economic Transition	4.2	4.9	11.1	9.7	9.9	10.0
East and Central Europe	3.0	3.4	5.6	4.0	-22.1	-26.0
Russia	4.3	6.0	16.0	14.4	30.9	36.1
Others	4.9	5.8	14.5	13.1	32.0	36.0

Source: World Economic Outlook, September 2003.

\* Actual \*\* Estimates.

**Figure (1-3)**  
**Growth and Inflation Rates**  
**of Countries in Economic Transition for the Years 2000 & 2001**

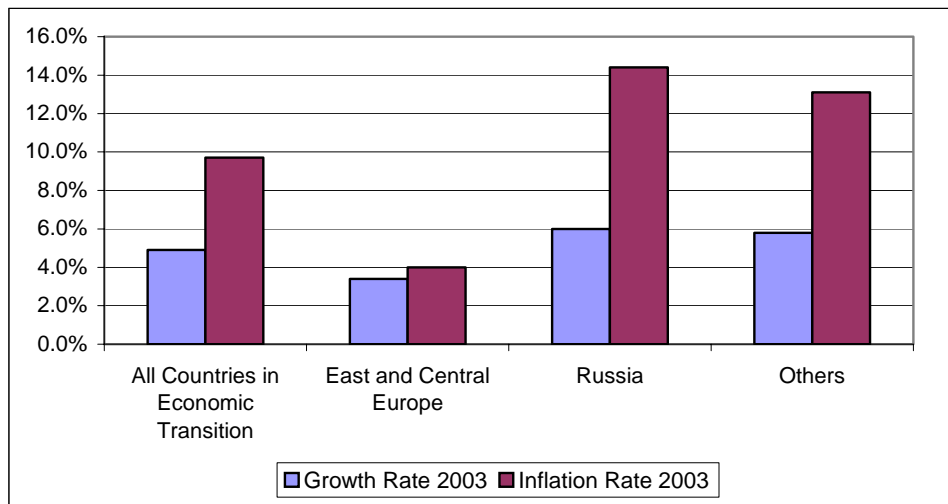


Table (1-3) shows that the economies of all the countries in economic transition significantly improved as their growth rate rose from 4.2% in 2002 to 4.9% in 2003. Inflation rate decreased from 11.1% to 9.7%, while current account surplus rose from US\$ 9.9 billion to US\$ 10.0 billion.

Growth rate in east and central European countries rose from 3.0% in 2002 to 3.4% in 2003, and inflation rate decreased from 5.6% to 4.0%, while current account deficit increased from US\$ 11.1 billion to US\$ 26.0 billion.

The Russian economic performance significantly improved with an increase in growth rate from 4.3% in 2002 to 6.0% in 2003. Inflation rate decreased from 16.0% to 14.4%, and current account surplus increased from US\$ 30.9 billion to US\$ 36.1 billion.

Concerning the other countries in economic transition, their growth rates increased from 4.9% in 2002 to 5.8% in 2003. Inflation rate in those countries decreased from 14.5% to 13.1%, while current account surplus increased from US\$ 32.0 billion to US\$ 36.0 billion.

#### **External Debt: -**

Table (1-4) reflects the external debt of the developing countries and the countries in economic transition and its ratio to the GDP for the years 2002 and 2003.

**Table (1-4)**  
**External debt as a Percentage of GDP**  
**In the Developing Countries and Countries in Economic Transition**  
**For the years 2001 & 2002**

(US\$ Billions)

Country	2002*		2003**	
	External Debts	% of GDP	External Debt	% of GDP
<u>Developing Countries Group</u>	2,191.5	40.9	2,219.2	37.7
Africa	264.7	59.3	267.9	49.2
Asia	675.5	27.4	683.8	25.3
Latin America	743.8	45.3	758.6	44.1
Middle East and Turkey	507.5	62.7	508.9	54.8
<u>Countries in Economic Transition</u>	424.1	N.A.	438.5	N.A.
Eastern & Central Europe	221.8	N.A.	237.6	N.A.
Russia	154.6	N.A.	150.8	N.A.
Central Asia & Others	47.7	N.A.	50.1	N.A.

Source: World Economic Outlook, Sept. 2003.

\* Actual Estimates \*\* Estimates

Table (1-4) shows that total external debt of the developing countries increased from US\$ 2,191.5 billion in 2002 to US\$ 2,219.2 billion in 2003.

With regard to the countries in economic transition, their total external debt increased from US\$ 424.2 billion in 2002 to US\$ 438.5 billion in 2003.

Table (1-5) illustrates the debt-service and it's percentage to exports for both the developing countries and the countries in economic transition for the years 2002 and 2003.

**Table (1-5)**  
**Debt Service as Percentage to Exports For The**  
**Developing Countries and The Countries in Economic Transition**  
**(In U.S.\$ Billions)**

Country	Years	2002*		2003**	
		Debt-Service	% To Exports	Debt-Service	% To Exports
<u>Developing Countries Group</u>		324.8	5.9	327.1	5.0
Africa		33.6	9.0	27.2	5.5
Asia		107.4	3.2	108.3	2.9
Middle East		40.0	3.5	43.0	3.5
Latin America		143.9	13.0	148.6	11.3
<u>Countries in Economic Transition</u>		65.9	N.A.	79.0	N.A.
Eastern & Central Europe		36.2	N.A.	43.3	N.A.
Russia		25.1	N.A.	30.4	N.A.
Central Asia & Others		4.6	N.A.	5.3	N.A.

Source: World Economic Outlook, Sept. 2003.

\* Actual \*\* Estimates

It is observed from Table (1.5) that the debt service for the developing countries rose from US\$ 324.8 billion in 2002 to US\$ 327.1 billion in 2003. Debt service for the countries in economic transition rose from US\$ 65.9 billion to US\$ 79.0 billion.

### **Major International Economic Conferences and Meetings During the year 2003: -**

#### **1. COMESA Summit.**

The 8<sup>th</sup> COMESA summit was held in Khartoum during 9-17 March 2003, attended by delegates from nineteen COMESA countries and by a number of representatives of foreign financial organizations and institutions.

A final communiqué was issued incorporating the following:

- Formation of the executive office for 2003/2004 with Sudan as Chairman, Uganda as vice Chairman and Ethiopia as Secretary.
- The necessity of speeding up steps towards reaching customs union stage.
- The summit called upon non-member countries in the Free Trade Zone to exert energy to join the free trade zone as quickly as possible.
- The summit took note of the need of the member countries for the existence of an institutional framework for trade and services.
- The summit called for the holding of a regional conference to discuss the problem of acute food shortage in the region, and to come up with specific recommendations to achieve food security in the region.
- The summit called for the necessity for entering into a dialogue with the European Union about the economic cooperation agreement.
- The summit recommended the necessity of coordinating efforts between the COMESA Secretariat and the Secretariat of the New Partnership for Africa's Development (NEPAD) by making programs for agricultural development and the basic infrastructure in the region.
- The necessity of the contribution of the member countries in different COESA institutions membership.
- The necessity of resolving conflicts and establishment of peace in the region.
- That the center for COMESA court of justice is Khartoum.

#### **2. The Annual Meeting of the Arab Financial Institutions:**

- The annual meeting of the Arab Financial Institutions was held in Abu Dhabi, capital of the United Arab Emirates during the period 22-23 April 2003. The meeting included the governors\* and shareholders of the joint Arab financial organizations represented by: the Arab Fund for Economic and Social Development, the Arab Corporation for Investment Security, the Arab Bank for Economic Development in Africa, the Arab

Organization for Investment and Agricultural Development and the Arab Monetary Fund. The following are among the important topics discussed by the meeting:

- To review the annual reports.
- Discussion of the reports presented by the Boards of Directors of the aforesaid organizations, especially the financial reports.
- Election of Chairpersons and Vice Chairs for the council of governors and shareholders for the coming round.
- Approval of the report of the auditors in those organizations and appointment of auditors for the next year, and approval of the annual budget.

The following are among the important resolutions:

Approval of the budget of the Arab Fund for Economic and Social Development for 2002, and the profit and loss account, the reserve, and the report of the Board of Directors on these statements. The election of Kuwait representative as Chairman of the council of governors of the Arab Fund for Economic and Social Development for the annual 32<sup>nd</sup> round, and the representative of Lebanon as Vice Chair.

- 1- Approval of the annual budget, the profit and loss account, the report of the auditors and the report of the Board of Directors for the year 2002 for the Arab Organization for Investment Security, and election of the representative of Oman Sultanate as Chairman of the Council of the Organization's shareholders, and the election of the representative of Palestine as Vice Chair for the 30th round of the council of the shareholders of the Arab Organization for Investment Security.
- 2- Approval of the budget of the Arab Bank for Economic Development in Africa, the profit and loss account for the financial year 2002, the auditors report and the election of the representative of Oman Sultanate as Chairman of the Board of Directors in its 29th annual and the election of the representative of Palestine as Vice Chair.<sup>1</sup>
- 3- Approval of the budget of the Arab Organization for Investment and Agricultural Development for 2002, the profit and loss account, the reserve and the report of the Board of the Directors on these statements. The representative of Egypt was elected Chairman of the council of shareholders during the annual 27<sup>th</sup> round and election of the representative of Kuwait as Vice Chair. Approval of the application for membership from the Republic of Comoro Islands for the establishment of the Organization,

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<sup>1</sup> Governor means Minister in that concern country.

and approval of its application for five shares at nominal value in the capital of the Organization.

- 4- Approval of the consolidated Balance Sheet of the Arab Monetary Fund for 2002, and the recommended allocations for reserves, and the approval of the annual report of the Fund. The representative of Oman Sultanate to the Fund was elected Chairman of the Board of Directors during its annual 26th round and the election of the representative of Palestine as Vice Chair. The suggestion from the Council of the Executive Directors was approved considering the contribution of the Arab Monetary Fund to increase the capital of the Arab Organization for Investment Security as direct investment from the Fund. Also the council of the Executive Directors was empowered to study the new ideas and suggestions presented by the Republic of Sudan concerning its debt towards the Fund and taking of an appropriate resolution on the issue.

### **3. The 10<sup>th</sup> Annual Meeting of the African Bank for Export and Import:**

The 10<sup>th</sup> general assembly of the shareholders of the African Bank for Export and Import was held in Lusaka - Zambia during 23-24 May 2003, attended by the delegates representing three categories of shareholders in the Bank. A number of working papers were discussed which emphasized the problems of trade in general and imports in particular. A number of recommendations were issued summarized as follows:

- The importance of coordinating efforts to activate the role of the government institutions and organizations and those of the non-governmental organizations in contributing towards solving some African economic issues, development of exports, financing of the infrastructure, extending finance to the least developed countries, normalization of relations with the international financial institutions and donors to benefit from their services and facilities.
- Taking measures which could help in the development of inter-African trade, and expansion of the scope of business with the outside world.
- The importance of coordination and cooperation between the African banks and the African Bank for Export and Import.
- Urging the shareholders of the African Bank for Export and Import to speed up payment of their outstanding arrears to enable the member states to benefit from the services and facilities extended by the bank.

### **4. The Annual 38<sup>th</sup> Meeting of the African Development Bank Group:**

The annual 38<sup>th</sup> meeting of the African Development Bank group was held in Addis Ababa – Ethiopia during 3-5 June 2003. The meeting was attended by 37 Governors from Africa and other shareholder countries



such as the United States of America, Japan and some European countries. The meeting discussed the following issues:

- The statement of the Executive Director on the performance of the Bank.
- Appointment of the executive office and the steering committee of the Bank for 2003-2004.
- Appointment of a new Executive Director for Canada Group for 2003-2004.
- To study and discuss a statement for transferring the head office of the Bank temporarily to Tunisia.
- Approval of the annual balance sheet and the profit and loss account of the African Development Fund for 2002, and provision for net profits.
- Approval of the amended agreement between the bank and the African Development Fund and the United Nations Populations Fund, and the cooperation agreement between the Bank and the Economic Cooperation for the West African Countries group, in addition to a draft agreement for cooperation between the Bank's group and the International Labor Organization.
- Approval of the statement of the consultative committee of the Council of Governors for their meeting held in December 2002.
- To look into the applications from Morocco and Senegal to host the next annual meeting.

#### **5. The 27<sup>th</sup> Annual Meeting of the Council of Governors of the African Central Banks.**

The 27<sup>th</sup> annual meeting of the Association of the Governors of the African Central Banks was held in Kampala – Uganda between 18-19, 2003. The meeting was attended by some of the Governors and representatives of a number of the African Central Banks, beside the representatives of some of the international and regional organizations. Discussions centered on (NEPAD) as an important and ambitious initiative in the area of regional integration for the countries in the African continent. The meeting came up with a number of recommendations the important of which are the following:

1. Approval of the report of the 26<sup>th</sup> meeting of the Council of Governors of the African Central Banks, and the statement of the Executive Office on the activities of the Council for 2003, the Council's amended constitution, and approval of the performance in the statement of the African monetary cooperation program.
2. To urge member Central Banks in the Association to settle arrears of their shares before December 2003.

3. Appointment of the Governor of the Central Bank of Uganda as Chairman for 2003/2004 round, and a Governor from central African countries group as Vice Chair.
4. The hosting of one of the countries of the central African region of the next annual meeting in August 2004.
5. The adoption of the topic for the next symposium on (The Role of the Central Banks in Combating Money Laundering: Cooperation and Experience Exchange).
6. Speeding up cooperation between the concerned parties in the framework of NEPAD and the African Union.

#### **6. The 28<sup>th</sup> Annual Meeting of the Islamic Bank for Development:**

The 28<sup>th</sup> annual meeting of the Islamic Bank for Development - Jeddah was held in Alma Ata – Kazekistan during the period 2-3 September 2003. The meeting was attended by delegates from 52 countries out of 55 member countries of the Bank, in addition to representatives of some private sector institutions and of the international and regional financial institutions as observers.

In the course of the 28<sup>th</sup> meeting a number of bilateral meetings and symposiums were held among which was the holding of the 14<sup>th</sup> annual meeting under the title, “Cooperation Between Member Countries of the Islamic Conference Organization”. Furthermore, the 3<sup>rd</sup> annual meeting of the general assembly for the Islamic Corporation for the Development of the Private Sector, and the 10<sup>th</sup> annual meeting of the Council of the Governors of the Islamic Organization for Investment Security and Exports Guarantee were held. Also, the meeting of the Governors of the Islamic Bank for Development for the African countries was held. The following were among the important resolutions of the 28<sup>th</sup> annual meeting:

1. Approval of the audited accounts of the Bank and affiliated funds which are: “waqf” i.e. endowment fund, exports credit program, Islamic banks fund, investment fund in “awqaf” endowment properties, transfer of the profit and loss account of the bank as at the end of the financial year 1423 H. to the general reserve.
2. Approval of the audited accounts of the Islamic Bank for Development Fund on investment allocations for 2002.
3. Allocation of US\$ 5 million to finance technical assistance grants for 1425 H.
4. Holding the 29<sup>th</sup> annual meeting of the Council of the Governors of the Islamic Bank for Development in Tahrán, and the fixing of the date of the meeting in consultation with the host country.
5. Approval of the application from Uzbekistan to join the membership of the Islamic Bank for Development.

6. Approval to hold the 38<sup>th</sup> annual meeting for the Council of the Governors of the Islamic Bank for Development in Yemen.

**7. The 5<sup>th</sup> Ministerial Meeting for the World Trade Organization:**

The 5<sup>th</sup> ministerial meeting for the World Trade Organization was held in Cancun – Mexico during 10-14 September 2003 attended by delegates from the member countries, countries in the membership processes and many experts and technocrats in the sectors related to the Organization. The deliberations focused on a number of topics pertaining to the issues of the Organization, performance developments, and the previous ministerial resolutions held in Doha. The important issues centered on support to agriculture, intellectual property rights, entering into markets, the conditions of the least developed countries and favorable treatment, which, these issues are known as the Doha Agenda. In addition to this there were the issues of investment, government procurements, competition and commercial facility arrangements, i.e. those topics known as the Singapore Issues.

However, there was no an agreement reached on all the aforesaid issues between the developing countries and the industrial countries as the meeting wound down to the following:

1-That the situation on the Singapore Issues had been sufficiently treated in the Doha meeting and in the previous meetings. There was an agreement that it is difficult for the developing countries group to give more concessions in this regard if the developed countries do not give similar parallel concessions on the issues of agriculture as the developed countries did not give proper consideration to the content of the Doha conference resolutions, and conversely reverted to more agriculture support. An example to that was the support the United States offered to cotton growers, which led to the fall in its international prices, and to great losses sustained by the cotton exporting developing countries.

2-All the issues of contention were referred to general secretariat of the Organization and specialized committees in Geneva for more study and deliberations, and then raise them to the 6<sup>th</sup> ministerial meeting.

**8. Meetings of the Governors of the Central Banks and Ministers of Finance of COMESA countries:**

The meeting of the Governors of the Central Banks and Ministers of Finance of COMESA countries was held in Nairobi-Kenya during the period 14-18 August 2003, with the participation of delegates from 14 COMESA member countries among them was Sudan. Among the important resolutions of those meetings are the following:

- Approval of the work plan concerning the application of the Regional Payment and Settlement System (REPSS) pending application as at the first year 2005.
- Formation of a team work to revise compatibility standards pertaining to the financial and monetary indicators for COMESA countries, the importance of competence as mentioned in the monetary and financial cooperation program for Africa.
- The importance that COMESA member countries present detailed reports about the economic performance in their home countries, and about what has been achieved so far in macro economic compatibility during the coming meetings of the Governors of the Central Banks and Ministers of Finance of COMESA member countries.
- The importance of compatibility in tax policies between the COMESA member countries in anticipation of the customs union stage in December 2004.
- The importance of formulation of specific strategies for poverty reduction, and the taking of advantage of the numerous regional and international initiatives as (NEPAD), and formulation of clear programs for the establishment of a unified investment zone in COMESA.
- The importance of taking training seriously to enhance national capacities of COMESA member countries.
- Appointment of a new Executive Director for the COMESA Clearing House, and a technical advisor to the House.
- Dissolution of the COMESA banks association.

# **CHAPTER TWO**

## **BANK OF SUDAN POLICIES**

## **CHAPTER TWO**

### **Bank of Sudan Policies**

The Bank of Sudan lays out and executes the comprehensive banking policy, the monetary and credit policies within the framework of the macroeconomic policy of the state, taking into consideration the international developments and the importance of developing the banking system to comply with the financial and banking standards. Based on this, the comprehensive banking policy for (1999-2002) was issued targeting the development of the banking system at different aspects, development of management of liquidity, organization of the foreign exchange market, introduction of banking technology and entrenching Islamization processes in the banking system. To implement those policies an annual specific work program was laid down for the year 2003.

Hence, the Bank of Sudan issued the monetary and credit policy for the year 2003, which aimed at achieving a growth rate of the Gross Domestic Product of 5.8%, an average inflation rate not exceeding 7% per annum, and 5% by the end of the year, a growth in the broad money of 22.3% during the year, maintenance of flexibility and stability of the exchange rate, beside banking soundness.

#### **A. The Performance of the Comprehensive Banking Policy during the Year 2003: -**

Here below a review of the performance of the comprehensive banking policy during the year 2003: -

##### **1. Banking System Supervision and Development: -**

The banking system organization Act of 1991 was amended by the Act of 2003 to cope with local and international banking changes. In the area of banking supervision the basic conditions required to establish banks were revised, and the regulations organizing the activities of the finance companies were issued. As well, circulars concerning the application of the Accounting and Auditing system for the Islamic Financial Institutions were completed. Moreover, an explanatory circular for governance, transparency and disclosure, and institutional control circular was issued. Also guidelines for the banking Risks Administration were issued, besides reducing the administrative costs to the international standard rate of (55%). Work continued to reduce non-performing loans, which dropped from 13% by the end of December 2002 to 11% by the end of December 2003.

## **2. Banks Restructuring Program:-**

Implementation of the restructuring program of the banking system started in the year 2000 with the aim of establishing large and sound financial institutions to cope with international banking competition. The program was composed of eight main phases consisting of merging, minimum capital level required, public sector banks, commercial banks, specialized banks, branches of foreign banks, non-performing loans in the banking system, and the factors that assist in implementing the program. Work to implement the program continued during the year 2003, and here below is a review of the work in-progress.

Concerning the private sector, five banks fulfilled the capital increase requirement which amounted to three billion Sudanese dinars, while nine banks raised their capitals to two billion dinars, three banks raised their capitals to one billion Sudanese dinars, two others chose the merge option, while one failed to meet the requirements of the first stage of the program.

Concerning the public sector banks, Bank of Khartoum completed the final stage by increasing its capital to three billion Sudanese dinars and has been changed into a public limited company in preparation for privatization. El Nilein Bank for Industrial Development fulfilled the requirements of the final stage by increasing its capital to three billion Sudanese dinars and steps are underway to implement the reform program in the framework of the completion of privatization processes.

The Savings and Social Development Bank has fulfilled the requirements of the final stage by increasing its capital to three billion Sudanese dinars and further requires additional capital to be capable to carry out its role in social development and poverty alleviation. Meanwhile, the Agricultural Bank is continuing the reform program and is in the process of increasing its capital.

As for the branches of the foreign banks, two of them were given a grace period to increased their paid up capital from US\$ 10 million to US\$ 12 million, while the third started work in the year 2003 with a capital of US\$12 million.

## **3. Instruments of Liquidity Management: -**

In the framework of economic reform to reduce inflation rates, achievement of efficient utilization of resources, stability in the exchange rate, an increase in economic growth rate, reliance on real resources instead of borrowing from the banking system, and to develop instruments of managing liquidity Central Bank Musharaka Certificates (CMCs) were introduced in June 1998, and the Government Musharaka Certificates (GMCs) in the last quarter of

the same year. Government Investment Certificates (GMCs) were introduced in the year 2003 (more details in Chapter Six).

#### **4. Financing of the Banks and Public Enterprises From Bank of Sudan:-**

Among the main functions of the Bank of Sudan is the role of the lender of the last resort by helping the banks in overcoming temporary liquidity crises, bridging financing gaps of the public enterprises especially the agricultural. In this context the Bank of Sudan developed two windows, one for liquidity deficit finance and the other for investment finance.

Credit extended by the Bank of Sudan to the banks rose from SDD 13,063 billion in 2002 to SDD 26,665 billion in 2003, i.e. by 104%. Also credit extended to the public enterprises increased from SDD 3,359 billion in 2002 to SDD 13,567 billion in 2003, i.e. by 316%.

#### **5. Foreign Exchange Market: -**

The concerned policies of the Foreign Exchange Market for the year 2003 and the associated measures aimed to achieve a number of objectives including maintaining the stability of the exchange rate, continuing in foreign exchange liberalization, encouraging dealing in other foreign currencies beside the American dollar, and achievement of banking soundness according to the specific regulations governing foreign exchange finance operations. To achieve those objectives the following measures were adopted: -

- Strengthening the foreign exchange resources in the banks and in foreign exchange bureaus through sale, and by providing these resources through Bank of Sudan window. Bureaus were permitted to deal in incoming and outgoing transfers. They were also encouraged to deal in transfers in all kinds of convertible currencies. Bank of Sudan, furthermore, encouraged banks and bureaus and all other parties that deal in foreign exchange to deal in the other convertible currencies beside the American dollar.
- Liberalization of all current account operations.
- Taking the necessary arrangements to manage gold reserves and foreign assets. Processes are under way to register foreign capital invested in the Sudan.

#### **6. Banking Technology: -**

In the context of developing banking technology, the banking policy for 2003 aimed to establish a network and an information technology center of



the Bank of Sudan, development of the basic banking systems including the system of branches, finance, supervision, financial and managerial returns. In this regards the following were achieved:-

- Implementation of 85% of the network, and the Information Center of the Bank of Sudan.
- Implementation of the requirements for the basic banking systems, and Shamikh electronic payment card from the accounts in the banks. In this respect, six banks participated in offering this service through sixteen branches.
- 64 branches have been connected with the banking network during 2003, raising the number of branches connected to the network by the end of 2003 to 247 representing about 50% of the total branches.

#### **7. Sharia High Supervisory Board for the Banking and Financial Institutions:-**

During the year 2003, the Board continued to issue a number of edicts (fatawa), and resolutions in many aspects. It participated in training courses related to Islamic banking practices, and Accounting Standards for Islamic financial services. Regarding researches the Board conducted a number of studies. Furthermore, the Board organized conferences, seminars, and lectures in coordination with related administrations in the Bank of Sudan, and offered consultations pertaining to Islamic legal aspects. In addition, the Board participated in a number of meetings and seminars outside Sudan.

#### **(B) Monetary and Credit Policy: -**

Among the Main Guidelines: -

- 1- Each bank should determine the reasonable amount of liquidity in cash in all of its branches to meet the daily withdrawals of its customers bearing in mind the (10% of the total deposits) as an indicators.
- 2- Each bank should retain a legal monetary reserve in local and foreign currencies at a percentage rate not less than 14% of the total deposits in local and foreign currencies
- 3- Application of murabaha profit margin at a percentage rate of 12% per annum as an indicator.
- 4- Banks should direct a percentage rate not less than 10% of the total credit for the productive families, small producers, professionals, and handicrafts.

As for the performance of the monetary policy during the year 2003, broad money registered a growth rate of 30.3%, while inflation rate registered 7.7%, and Gross Domestic Product achieved a growth rate of 6.1%, which was the targeted rate.

# **CHAPTER THREE**

## **GROSS DOMESTIC PRODUCT**

### CHAPTER THREE

#### Gross Domestic Product

Gross Domestic Product (GDP) is the total market value of all final goods and services recently produced in the national economy within a time period (usually one year). There are numerous approaches of measuring the Gross Domestic Product. The method used in this report is the value added approach, i.e. a summation of all the values of the goods and services at current prices excluding the value of intermediate goods in the production process.

Table (3-1) shows GDP at constant prices of 1981/82, and the current prices of 2003.

**Table (3 -1)**  
**Gross Domestic Product**  
**At Constant Prices of 1981/82**  
**(Value in SDD Millions)**

	2002*			2003**		
	Value	Growth Rate %	Share	Value	Growth Rate %	Share
A. Agriculture	701.6	7.3	46.2	738.1	5.2	45.6
(i) Agrarian Component:	382.7	3.0	25.1	402.4	5.1	24.9
Irrigated Agriculture	192.9	2.2	12.7	201.2	4.3	12.1
Mechanized Rainfed Agriculture	20.0	27.1	1.3	35.6	78.2	2.2
Traditional Rainfed Agriculture	123.4	38.2	8.1	117.3	- 4.9	7.3
Forestry and Others	46.4	4.0	3.1	48.3	4.0	3.0
(ii) Livestock Component:	318.9	2.5	20.9	335.7	5.3	20.7
Animal Resources	318.9	2.5	20.9	335.7	5.3	20.7
B. Industry:	352.6	8.1	23.1	390.0	10.6	24.2
Industry and Mining	139.1	12.0	9.1	155.0	11.4	9.6
Manufacturing	120.6	7.1	7.9	132.7	10.0	8.2
Electricity and Water	52.3	3.7	1.7	26.6	5.1	1.7
Building and Construction	67.6	4.0	4.4	75.7	12.0	4.7
C. Services:	470.4	4.0	30.9	489.2	4.0	30.2
Governmental Services	89.3	4.0	5.9	92.9	4.0	5.7
Other Services	381.1	4.0	25.0	396.3	4.0	24.5
GDP at constant Prices	1524.6	6.5	100.0	1,617.3	6.1	100.0
GDP Deflator	254194	-	-	275142		
GDP at Current Prices	3,875,438.2	-	-	4,449,868.3		

\* Amended figures

\*\* Preliminary figures

Source: Ministry of Finance and National Economy

It is clear from Table (3-1) that the rate of growth of the GDP has declined from 6.5% in 2002 to 6.1% in 2003 basically due to a decrease in growth of the agricultural sector as hereby explained.

#### **A- The Agricultural Sector:**

The growth rate of the agricultural sector in its two parts, the agrarian and animal, has noticeably decreased from 7.3% in 2002 to 5.2% in 2003 mainly due to a deterioration in the traditional rain-fed agriculture.

The agrarian section includes the irrigated, rain-fed mechanized and the traditional rain-fed agriculture, in addition to forestry contributing 54.5% of the total share of the agricultural section. The growth rate in this section has declined from 13.1% in 2002 to 5.1% in 2003 mainly due to a noticeable decline in the growth rate of the traditional rain-fed agriculture from 37.3% in 2002 to - 4.9% in 2003 in spite of an increase in the growth rate of the irrigated agriculture from 0.3% in 2002 to 4.3% in 2003, and an increase in the growth rate of the rain-fed mechanized agriculture from 27.4% to 78.2%, while the growth rate of forestry and others remained constant at 4.0%.

The animal section contributed 45.5% of the total share of the agricultural sector, and its growth rate increased from 2.5% in 2002 to 5.3% in 2003 due to an improvement in natural conditions.

#### **B. The Industrial Sector :**

The growth rate of industry increased in general from 8.1% in 2002 to 10.6% in 2003 due to a noticeable increase in the growth rate of the manufacturing sector from 7.1% in 2002 to 10.0% in 2003, leading to an increase in its percentage contribution into the Gross Domestic Product from 23.1% to 24.1% as shown in Table (3-2).

Electricity and water growth rate increased from 3.7% in 2002 to 5.1% in 2003, with its percentage contribution into the Gross Domestic Product remained constant at 1.7% during the years 2002 and 2003 as shown in Table (2-3).

Growth rate of the construction sector noticeably increased from 4.0% in 2002 to 12.0% in 2003, leading to an increase in its percentage contribution into the Gross Domestic Product from 4.4% to 4.7%.

#### **C-Services Sector:**

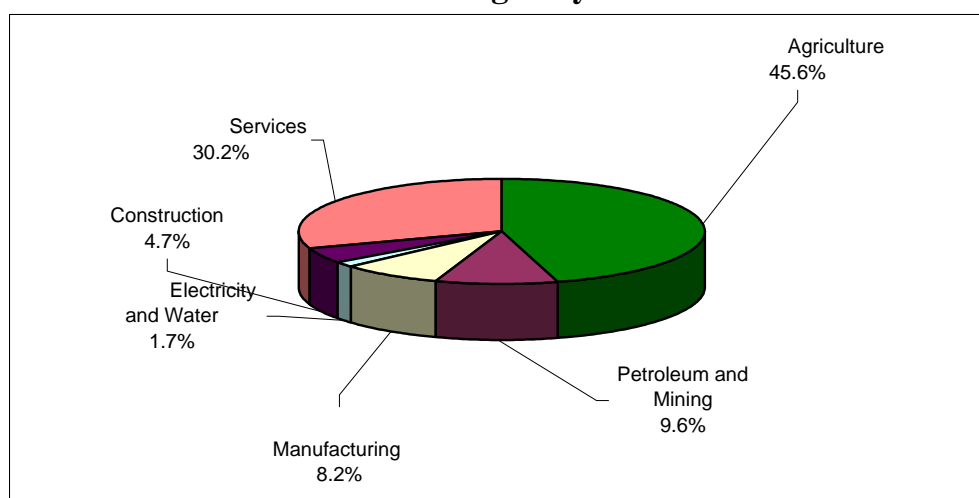
Growth rate of the services sector remained constant at 4.2% during the years 2002 and 2003 with a slight decrease in its percentage contribution in Gross Domestic Product from 30.9% to 30.2%.

**Table (3-2)**  
**Percentage Share of the Economic Sectors**  
**Into the Gross Domestic Product (GDP)**

Sector	2002 %	2003 %
1- Agriculture	46.0	45.6
2- Petroleum and Mining	9.1	9.6
3- Manufacturing	7.9	8.2
4- Electricity and Water	1.7	1.7
5- Construction	4.4	4.7
6- Services	30.9	30.2
GDP at Constant Prices	100.0	100.0

Source: Ministry of Finance and National Economy

**Figure (3-1)**  
**Percentage Share of the Economic Sectors into the Gross Domestic**  
**Product during the year 2003**



### **Inflation:**

Table (3-3) and Appendix (x) show that the average annual inflation rate during the year 2003 - measured in terms of the consumer price index (CPI) - has declined from 8.3% in 2002 to 7.4% in 2003.

**Table (3 -3)**  
**Inflation Rates**

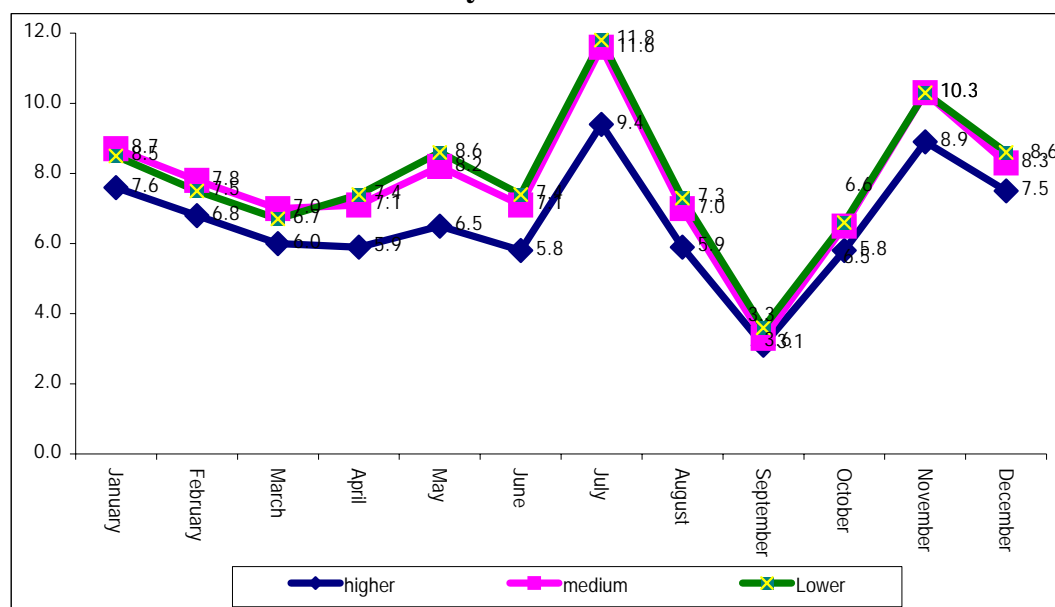
Base Year 1990 = 100

Income groups	2002		2003	
	End December	Annual Average	End December	Annual Average
Higher Income	7.9	9.4	7.5	6.6
Middle Income	8.3	8.3	8.3	7.7
Lower Income	7.8	7.4	8.6	7.9
Geometric Mean	8.0	8.3	8.1	7.4

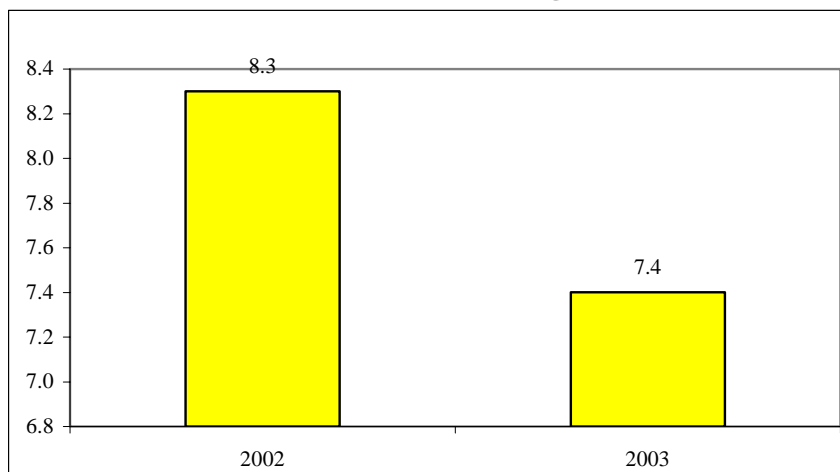
Source: Central Bureau of Statistics.

Figure (3-2) illustrates inflation trend during the year 2003, whereas figure (3-3) shows geometric mean of the average annual inflation rate during the period (2002 – 2003).

**Figure (3-2)**  
**Inflation Rate during 2003**  
Base year 1990=100



**Figure (3-3)**  
**Geometric Mean of the Average**  
**Annual Inflation rate during 2002-2003**



**Gross National Product:**

Table (3-4) shows that the growth rate of the GNP at constant prices of 1981/82 has slightly decreased from 8.2% in 2002 to 8.1% in 2003 due to the decline in net invisible receipts and payments at constant prices from US\$ 628.84 million in 2002 to US\$ 413.36 million in 2003, as a result of the increase in the current transfers of the private sector, in addition to an appreciation in the exchange rate of the Sudanese dinar against the United States dollar from SDD 263.31 to SDD 260.92.

**Table (3 -4)**  
**Gross National Product**  
**At Constant Prices 1981/82**  
(SDD Millions)

Sectors	2002	2003
1. GDP at 1981/1982 Prices*	1,524.6	1,617.3
2. Annual Growth Rate %	6.5 %	6.1 %
3. Net Invisible Receipts and Payments at Constant Prices 1981/82**	-65.1	-39.2
4. Gross National Product	1,459.5	1,578.1
5. Annual Growth Rate %	8.2%	8.1%

Source: \* Ministry of Finance and National Economy.

\*\* Bank of Sudan

# **CHAPTER FOUR**

# **PRODUCTION**



## **CHAPTER FOUR**

### **Production**

This chapter covers the agricultural sector with its two components of agrarian and animal as well as industrial, electricity and services sectors. The agricultural sector remained in the forefront of the productive sectors in the Sudan for a long time with a share of 50.0% in the Gross Domestic Product. But, since the beginning of 1999, the petroleum sector has been leading the productive sectors in terms of contribution into exports and public revenues.

#### **First: The Agricultural Sector:**

Agricultural sector is considered one of the most important sectors in the Sudanese economy in terms of its contribution into the Gross Domestic Product (GDP) amounting to 45.6%, in addition to the fact that most of the population depends on it for livelihood and employment. It equally provides most of the primary products for the local industry in addition to its greater share in non-petroleum exports.

The growth rate of this sector decreased from 7.3% in 2002 to 5.2% in 2003, its share into the GDP decreasing from 46.0% to 45.6% due to the deterioration in the production of the traditional rain-fed agriculture.

The agricultural production is divided into two parts, crops and animal production.

#### **(A) Crops Production:**

The crops sector consists of mechanized rain-fed agriculture (12 million feddans), traditional rain-fed agriculture (24 million feddans), irrigated agriculture (4 million feddans), forestry and pastoral sectors (60 million feddans) contributing 55.0% into the Gross Domestic Product.

Below are details of production of the main crops for 2002/2003 season consisting of cotton, Arabic gum, sorghum, millet, wheat, groundnuts, sesame, and sunflower.

#### **1-Cotton, Cash Crops:**

Cotton represents one of the corner stones of the national economy for its effective economic and social contribution, in addition to the dependency of some other economic sectors upon it. The importance of this crop declined gradually over the years due to a reduction in the area brought under cultivation, lack of early preparations for the season, lack of necessary

finance at the right time (presently the state raised a slogan for its rehabilitation).

Cotton production increased from 378 thousand bales during the season 2001/2002 to 449 thousand bales during the season 2002/2003 a percentage rate of 18.7%, due to an increase in the area brought under cultivation from 299 thousand feddans to 370 thousand feddans, a percentage rate of 23.7%. However, productivity decreased as a result of lack of earlier preparations and for the effects of pests and insects during the season.

Table (4-1) shows cotton production for the seasons 2001/2002 and 2002/2003:

**Table (4-1)**  
**Cotton Production**

2001/2002			2002/2003		
Area 000's Feddans	Prod. Per Feddan (Quintals)	Production 000's Bales	Area 000's Feddans	Prod. Per Feddan (Quintals)	Production 000's Bales
299	4.7	378	370	4.4	449

Source: Sudan Cotton Company

## **2-Arabic Gum:**

The importance of Arabic Gum, both Talh and Heshab, as a major cash crop declined during the last years. At the time when it registered its highest production during 1994/1995 season which reached 84.1 thousand tons, Arabic gum productivity started to drop in the subsequent years to reach 15.9 thousand tons in 2002/2003 season, due to adverse natural conditions which led to the deterioration in productivity.

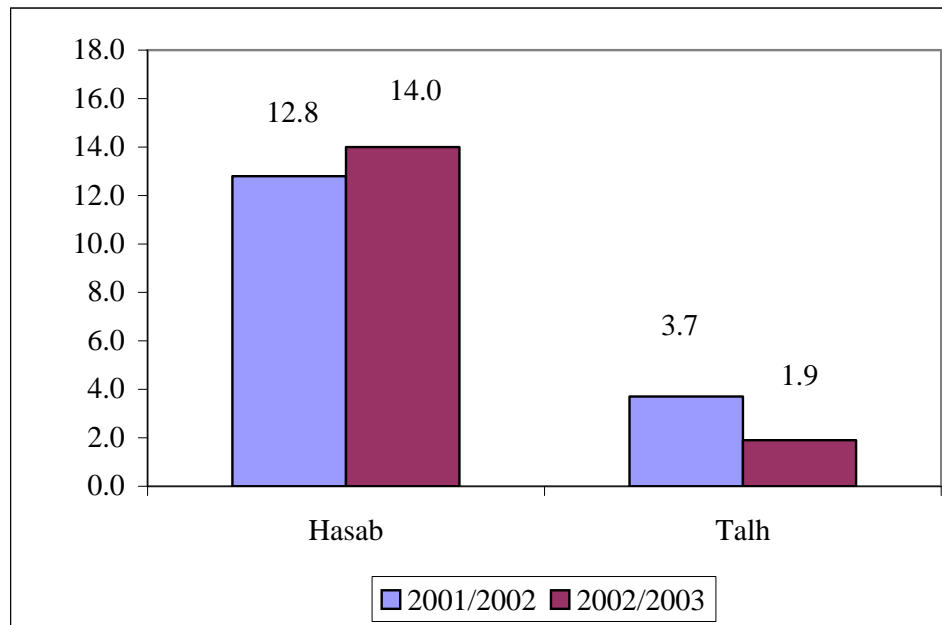
Table (4-2) and Figure (4-1) show Arabic Gum production for the seasons 2001/2002- 2002/2003.

**Table (4-2)**  
**Gum Arabic Production**  
**(Thousand Metric Tons)**

Crops	2001/2002	2002/2003
Gum Heshab	12.8	14.0
Gum Talh	3.7	1.9
Total	16.5	15.9

Source: Arabic Gum Company

**Figure (4-1)**  
**Arabic Gum Production**



### 3-Main Food Crops:

#### 1/Sorghum, Grain:

Sorghum production decreased from 4,394 thousand tons in 2001/2002 season to 2,825 thousand tons in 2002/2003 season a percentage of 35.7% due to the decrease in productivity per feddan from 327 kg to 223 kg in 2002/2003 season.

#### 2/ Millet:

Millet production slightly increased from 578 thousand tons in 2001/2002 season to 581 thousand tons in 2002/2003 season, a percentage of 0.5% due to the increase in the area harvested.

#### 3/Wheat:

Wheat production increased from 247 thousand tons in 2001/2002 season to 330 thousand tons in 2002/2003 season, a percentage of 33.6% due to the increase in the area brought under cultivation. Likewise, productivity increased from 898 kg per feddan to 1,068 kg per feddan.

Table (4-3) and Figure (4-2) show some of the main food crops for 2001/2002 and 2002/2003 seasons.

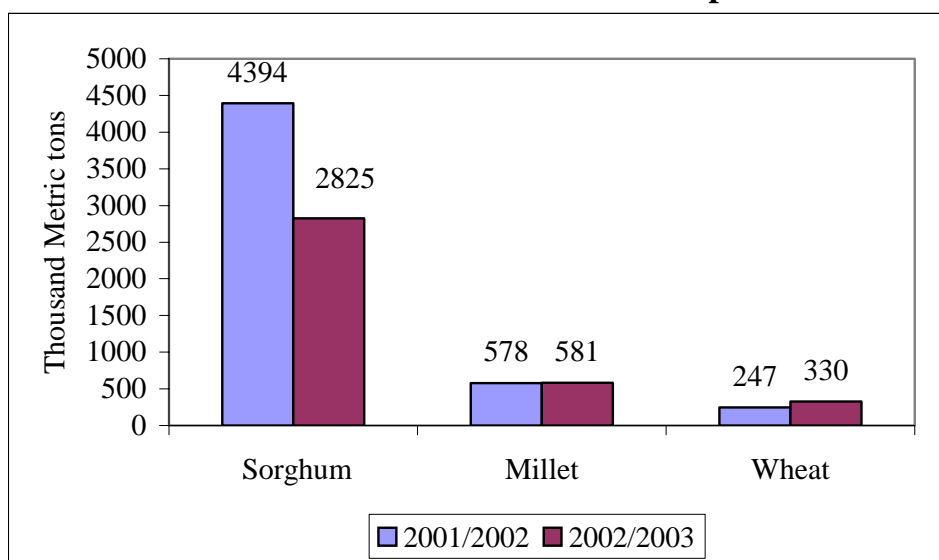
**Table (4-3)**  
**Production of Main Food Crops**

(Area in 000's Feddans, Production in 000's Metric Tons, Average Productivity per Feddan in Kilograms)

Season	Sorghum (Dura)			Millet (Dukhun)			Wheat		
	Area	Prod.	Prod. Per Feddan	Area	Prod.	Prod. Per Feddan	Area	Prod.	Prod. Per Feddan
2001/2002	13,719	4,394	327	6,800	578	85	275	247	898
2002/2003	18,336	2,825	223	9,323	581	100	321	330	1,068

Source: Agricultural statistics (Ministry of Agriculture)

**Figure (4-2)**  
**Production of Main Food Crops**



#### 4-Main Oil Crops:

##### 1. Groundnuts:

Groundnuts production dramatically decreased from 990 thousand tons in 2001/2002 season to 550 thousand tons in 2002/2003 season, a percentage of 44.4%, due to the decrease in areas harvested from 3,646 thousand feddans in 2001/2002 season to 2,439 thousand feddans in 2002/2003 season, a percentage of 33.1%, and also productivity decreased from 272 kg to 226 kg per feddan.

##### 2. Sesame:

Sesame production significantly dropped from 274 thousand tons in 2001/2002 season to 122 thousand tons in 2002/2003 season, a percentage of 55.5% due to the reduction in areas harvested from 3,780 thousand feddans to 2,796 thousand feddans, a percentage of 26.0%, and to the effect of a drop in international prices of sesame.

### 3. Sunflower:

Sunflower production increased from 4 thousand tons in 2001/2002 to 18 thousand tons in 2002/2003 season, a percentage of 350% due to the increase in productivity from 160 kg in 2001/2002 to 633 kg per feddan in 2002/2003 season.

Table (4-4) and Figure (4-3) show some of the main oil crops for 2001/2002 and 2002/2003 seasons.

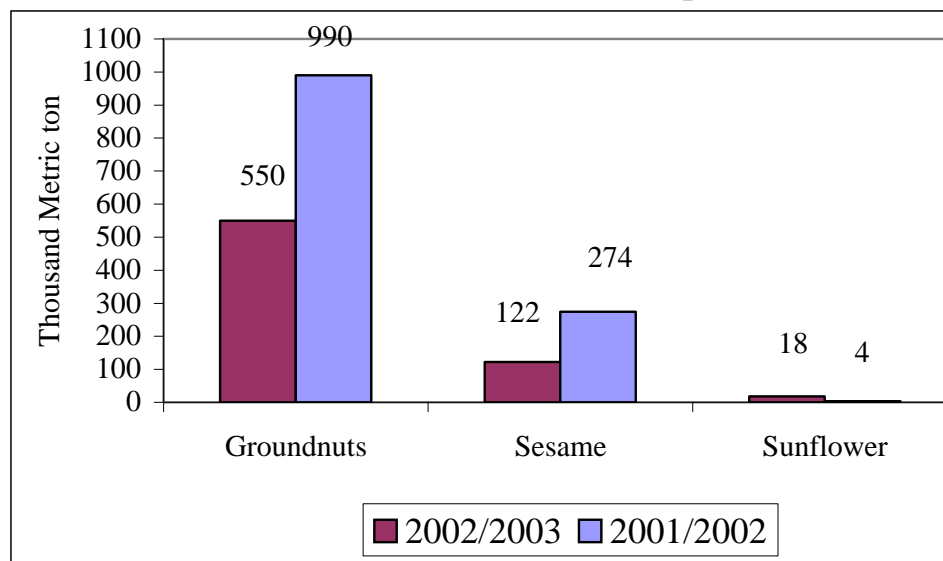
**Table (4-4)**  
**Production of Main Oil Crops**

(Area in 000's Feddans, Production in 000's M.T. Average Feddan Productivity in Kilograms)

Season	Groundnuts			Sesame			Sunflower		
	Area	Prod.	Prod. Per Feddan	Area	Prod.	Prod. Per Feddan	Area	Prod.	Prod. Per Feddan
2001/2002	3,646	990	272	3,780	274	72	25	4	160
2002/2003	2,439	550	226	2,796	122	66	32	18	633

Source: Agricultural Statistics (Ministry of Agriculture)

**Figure (4-3)**  
**Production of Main Oil crops**



### (B) Animal Production:

Estimates of the animal resources increased from 132 million heads in 2002 to 134 million heads in 2003, a percentage of 1.0%, contributing 45% into the total production of the agricultural sector.

Table (4-5) (4-6) and Figure (4-4) show more details of these estimates.

**Table (4-5)**  
**Animal Resources Estimates**  
**(In Millions of Heads)**

Type	2002	2003	Change %
Cattle	39,479	39,667	0.47
Sheep	48,136	48,440	0.63
Goats	41,485	42,030	1.3
Camels	3,342	3,503	4.8
Total	132,442	133,640	0.9

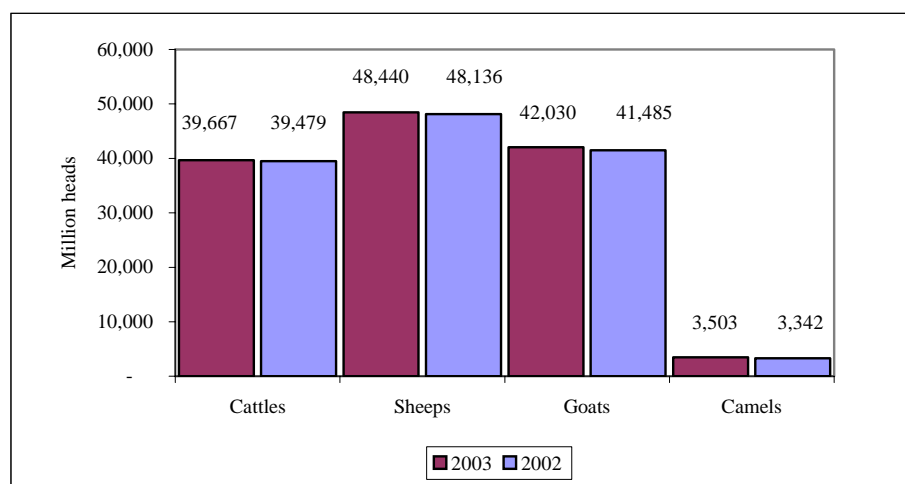
Source: Ministry of Animal Resources

**Table (4-6)**  
**Estimates of Livestock**  
**(Thousand Metric Tons)**

Year	2002	2003	% Change
Meat	1,628	1,663	2.2
Milk	7,298	7,387	1.2
Fish	60	68	13.3
Poultry Meat	18	20	11.1
Eggs	22	25	13.6

Source: Ministry of Animal Resources

**Figure (4-4)**  
**Estimates of livestock Production**



**Second: The Industrial Sector:**

The industrial sector comes second to the agricultural sector in importance and is consisting of mining and manufacturing. Its growth rate increased from 8.1% in 2001 to 10.6% in 2003, its contribution into the Gross Domestic Product increasing from 23.1% in 2002 to 24.1% in 2003.

Below are details of the main industrial products:

**1/Mining:****Oil Production:**

Crude oil production increased in 2003 compared to 2002 from 85,929.7 thousand barrels to 95,770.8 thousand barrels, a percentage of 11.5%. Also petroleum byproducts increased from 2,683.7 thousand metric tons in 2002 to 2,789.1 thousand metric tons in 2003, a percentage of 3.9%.

Table (4-7) shows production of crude oil and Table (4-8) shows production of petroleum byproducts. Figure (4-5) shows petroleum byproducts.

**Table (4-7)**  
**Production of Crude Oil**

(Thousands metric tons)

Product	Unit	2002	2003
Crude oil	000' Barrels	85,929.7	95,770.8

Source: Sudan Oil Corporation.

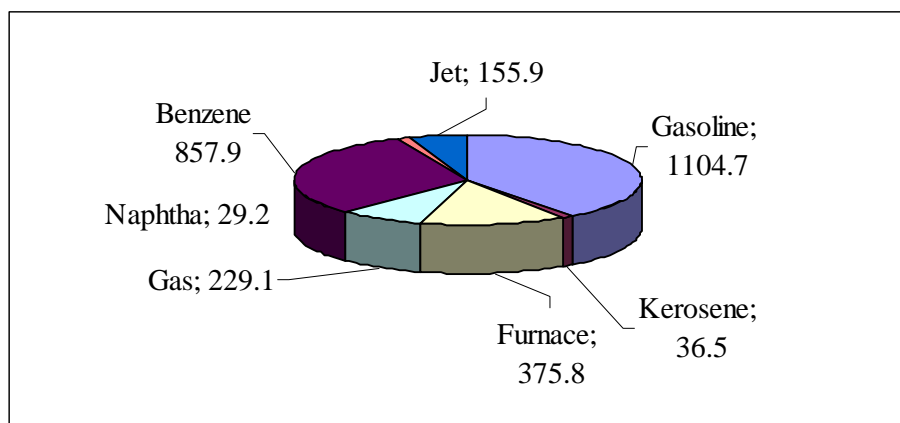
**Table (4-8)**  
**Production of Petroleum and Petroleum Byproducts**

(Thousands Metric Tons)

Particulars	2002		2003	
	Production	% Share	Production	% Share
Petroleum Byproducts				
Gasoline	1,022.9	38.1	1,104.7	39.6
Kerosene	33.5	1.2	36.5	1.3
Fuel Oil	299.0	11.1	375.8	13.5
Gas	240.7	9.0	229.1	8.2
Benzene	884.6	33.0	857.9	30.8
Naphtha	34.1	1.3	29.2	1.0
Jet	168.9	6.3	155.9	5.6
Total	2,683.7	100.0	2,789.1	100.0

Source: Sudan Oil Corporation

**Figure (4-5)**  
**Shares of Petroleum Products**



## 2/Heavy Industries:

### GIAD Industrial City:

GIAD Industrial complex consists of three main units, which are: vehicles industry, metallurgical industry, and the administrative unit.

#### (i) Vehicles Industry:

This unit consists of four workshops and six assembly lines for tractors and various means of transport.

The Table below shows the productive capacity and production of vehicles for the years 2002 and 2003.

**Table (4-9)**  
**Vehicles Production**  
(Production in Units)

Particulars	Productive Capacity (Unit)	Actual Production	
		2002	2003
1- Tractors	1,800	96	240
2- Agricultural Equipment	1,094	186	322
3- Buses	300	31	74
4- Minibuses	600	51	-
5-Pickups	3,000	246	532
6- Salon Cars	3,000	887	610
7- Station Wagons (Mehirra)	1,800	26	20
8- Trucks	4,400	240	190
9 -Motor Cycles	-	500	-
10- Assortments of Products	-	436	629
11- Special Products	250	26	516

Source: Giad Industrial City



In general, production in Giad continued during the year 2003, when production of tractors, agricultural equipment, buses, pickup cars, and the production of an assortment of products (trailers, commercial boxes, trucks, fuel and water tankers) increased. Also there was an increase in the production of special products (money vans, garbage collection wagons, fire extinguisher cars, and mobile hospitals as well as mobile workshops). However, there was a decline in the production of trucks (light and heavy trucks), motorcycles, minibuses, saloon cars and station wagons (Mehirra).

**(ii) Metallurgical Industry:**

This sector is composed of five factories; steel, aluminum cables, copper cables, aluminum profiles, pipes and tubes.

Table (4-10) shows productive capacity and actual production of these factories during the years 2002 and 2003.

**Table (4-10)**  
**Production of Aluminum Industries**

Particulars	Productive Capacity in (Tons)	Actual Production	
		2002	2003
1- Iron bars	150,000	53,035.3	63,936
2- Aluminum Electric Wires And Copper Cables	3,000	1,142.8	1,267.9
3- Aluminum Profiles	3,000	1,492.9	609.9
4- Pipes and Tubes	70,000	700	1,403.4

Source: GIAD Industrial Complex

Metallurgical production in GIAD increased during 2003 where iron bar production reached 20.6%, aluminum electric wires, lead wires and cables 10.9%, pipes and tubes 100.5%, whereas the production of aluminum profiles declined by 59.1%.

**3/ Saria Industrial Complex:**

Saria industrial complex was established in 1997 as a public sector investment, and started with shoes, dry cells and ready-made clothes. In November 1998 its ownership changed to the private sector when these factories started to produce competitive goods in the local market. Some other factories have been added to the complex like the electrical appliances, electronics equipments, plastics and packing.

Table (4-11) shows the main products of Saria Industrial Complex for the year 2002 and 2003.

**Table (4-11)**  
**Saria Industrial Complex**  
 (Production in Units)

Factory	Unit	Production	
		2002	2003
Dry Cells	Cells	1,704	3,657
Packing	Square Meter	1,109,819	1,168,077
Televisions	Television	2,968	2,921

Source: Saria Industrial Complex

Saria Industrial Complex production increased by 114.6% due to the installation of a new assembly line according to the Japanese and Asian specifications. Similarly production of the packing materials factory increased by 5.3%, where as televisions production decreased by 1.6% due to the decline in demand as a result of technical problems related to the initial production.

#### 4/ Sugar:

Sugar production increased from 697 thousand tons in 2002 to 728 thousand tons in 2003, a percentage of 4.4% due to the significant increase in production of Kenana sugar factory, which operates at 132.7% of its productive capacity. Sugar factories production was at an approximate 111.2% of their productive capacity during the year 2003.

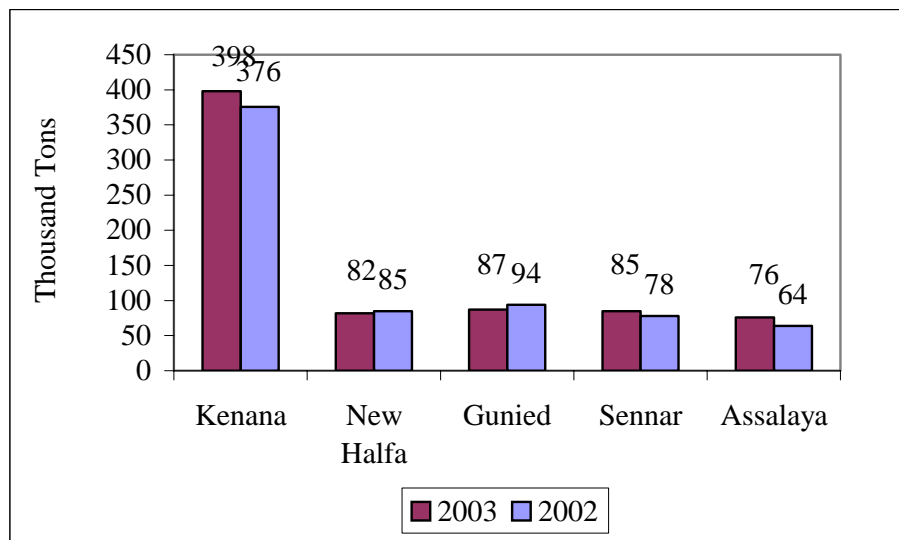
Table (4-12) and Figure (4-5) show the production of sugar industries for the years 2002 and 2003.

**Table (4-12)**  
**Production of Sugar Factories**  
 (In Thousands of Tons)

Factory	Productive Capacity	Actual Production		% Change
		2002	2003	
Kenana	300	376	398	5.9
New Halfa	75	85	82	-3.5
Jenaid	60	94	87	-7.5
Sinnar	110	78	85	9.0
Assalaya	110	64	76	18.8
Total	655	697	728	4.4

Source: The Sudanese Sugar Company and Kenana Sugar Co.

**Figure (4-6)**  
**Production of Sugar Industries**



#### 5/ Pharmaceutical Industry:

Pharmaceutical industry started in the Sudan in 1961 with the Sudanese Chemical Industries. This sector developed to reach 17 factories (private, public and joint venture sectors).

Table (4-13) shows various pharmaceutical products for year 2003.

**Table (4-13)**  
**Production of Pharmaceutical Industries.**

Products/units	Productive Capacity	Actual production		Utilized Capacity
		2002	2003	
Tablets (Millions Tablets)	1,500.0	615.0	1000.0*	-
Capsules (Millions Capsules)	400.0	180.0	900.0	225%
Spoon Syrup (Millions of Bottles)	100.0	48.0	7.0	7.0%
Liquid Syrup (Millions of Bottles)	9.0	49.0	2.4	26.7%
Vein Analyses (Millions of Packages)	4.0	1.2	3.4	85.0%
Syringes (Millions Syringes)	30.0	7.2	12.0	40.0%

\* Figures in Tons

Source: Ministry of Industry.

**6/ Refrigerator Factories:**

Until recently, refrigerator industry was a monopoly of Cold Air Engineering Company. Later on Liebher and Star companies entered the business, which brought about a kind of competition reflected in improved product quality.

Table (4-14) shows the productive capacity and actual production of refrigerator factories comprising Cold Air Engineering Company, Modern Factory for Refrigerators (Liebher), Star International Company and other factories for the year 2002 and 2003.

**Table (4-14)**  
**Production of Refrigerators Factories**  
**(Thousand Units)**

Particulars	Productive Capacity	Actual Production		Change %
		2002	2003	
Total Production	95.0	45.0	46.0	2.2%

Source: Ministry of Industry

Refrigerator production increased in year 2003 by 2.2% compared to year 2002. The refrigerator industries operated at 48.4% of their total productive capacity during the year 2003.

**7/ Soft Drinks:**

The total production of soft drinks increased from 192 million liters in 2002 to 312 million liters in 2003 by 62.5% due to the increase in the production of the existing factories. Soft drinks industries operated at 52% of their productive capacity during the year 2003.

Table (4-15) shows total production of soft drinks industries during the years 2002 and 2003.

**Table (4-15)**  
**Production of Soft Drinks**  
**(Thousands of Liters)**

Particulars	Productive Capacity	Actual Production		Change %
		2002	2003	
Total Production	600,000	192,000	312,000	62.5%

Source: Ministry of Industry

**8/ Oil and Soap Factories:**

Oil production dropped by 21.1% from 114 thousand tons in 2002 to 90 thousand tons in 2003 due to import of oil from Malaysia. Soap production increased by 6.7% from 75 thousand tons in 2002 to 80 thousand tons in 2003. Both oil and soap factories operated at 16.0% of their productive capacity during the year 2003.

Table (16-4) shows the total production of oil and soap during the year 2002 and 2003.

**Table (4-16)**  
**Production of Oil and Soap**  
(Thousands of Tons)

Particulars	Productive Capacity	Actual Production		% Change
		2002	2003	
Oil	600	114	90	-21.1%
Soap	460	75	80	6.7%

Source: Ministry of Industry

**9/ Leather Factory:**

The production of leather decreased from 8 million pieces in 2002 to 7.2 million pieces during the year 2003 by 10% due to a variety of reasons of which stoppage of some tanneries was the most significant, low productivity of others, permission to export un-tanned hides and skins, and a decline in its international prices. At the same time the production of shoes decreased by 6% from 40 million pairs in the year 2002 to 37.6 million pairs in the year 2003.

The number of tanneries operating in the Sudan amounted to 21 of which 4 are large, 4 medium size and 13 small size tanneries. Three of the tanneries are out of work.

Table (4-17) shows the total production of leather and shoes industries during the year 2002 and 2003.

**Table (4-17)**  
**Production of Leather and Shoes**

Particulars	Unit	Productive Capacity	Actual Production		Change (%)
			2002	2003	
Leather	Millions of Pieces	20.0	8.0	7.2	-10.0%
Shoes	Millions of Dozens	100.0	40.0	37.6	- 6.0%

Source: Ministry of Industry.

### 10/ Cement Factories:

Cement is produced in Atbara factory, which was established in 1947, and in Rabak factory that was established in 1956 and both are private sectors. Currently the public policy aims at privatization as Atbara cement factory has already been sold, and similar arrangements are under way to sell Rabak cement factory as well as providing opportunities for the establishment of new factories to bridge the gap between demand and supply.

Table (4-18) shows actual production of cement factories during 2002 and 2003.

**Table (4-18)**  
**Production of Cement**  
(Thousands Metric Tons)

Factories	Actual Production		Rate of Change
	2002*	2003	
Rabak	162.8	199.9	23.0%
Atbara	42.0	72.0	71.4%
Total	204.8	271.9	32.8%

Source: Atbara and Rabak Cement Factories.

\* Amended Figures.

Cement production increased by 32.8% from 204.8 thousand metric tons in 2002 to 271.9 thousand metric tons in 2003 due to maintenance and rehabilitation of the existing factories that consequently lead to an improved productive capacity.

### 11/ Wheat Flour :

In spite of the existence of 33 flourmills in the Sudan, 27 of them are out of work due to constraints confronting the industry in general such as power problems, shortage in raw materials, and lack of competition and poor quality. Flourmills production increased by 6%, from 840 thousand tons in 2002, to 890 thousand tons in 2003. The productive capacity of flourmills amounted

3,300 thousand tons per annum although its production amounted to 890 thousand tons in 2003, that is to say the utilized capacity amounted to 27% only.

Table (4-19) shows total production of wheat flourmills during the years 2002 and 2003.

**Table (4-19)**  
**Flourmills Production.**

(Thousands Tons)

Particulars	Productive Capacity Per Year	Actual Production		Rate of Change
		2002	2003	
Total production	3,300.0	840.0	890.0	6.0%

Source: Ministry of Industry

## 12/ Yarn and Textile Factories:

Out of 15 yarn factories, only 6 are operating, whereas the number of textile factories is 56 only 4 are in operation.

Table (4-20) shows the total production of yarn and textile during the years 2002 and 2003.

**Table (4-20)**  
**Yarn and Textile Production**

Type	Units	Productive Capacity	Actual Production		Rate of Change
			2002	2003	
Yarn	Thousands of Tons	61.0	5.5	3.3	-40.0%
Textile	Millions of Yards	300.0	15.0	15.0	0.0%
Ready Made Clothes	Millions of Pieces	22.1	1.5	1.0	-33.3%

Source: Ministry of Industry.

Yarn factories operated at 5.4%, while textile factories operated at 5.0% of their total productive capacity during the year 2003. The production of textile remained constant at 15.0 million yards during the years 2002 and 2003, whereas yarn production decreased by 40.0% from 5.5 thousand tons in 2002 to 3.3 thousand tons in 2003. Also production of ready-made clothes decreased from 1.5 million pieces to 1.0 million pieces by 33.3% due to the stoppage of some factories and shortage of produced quantities in some other factories.

**13/ Paint Factories:**

The number of paint factories amounted 12, eleven of which are in operation, and one of them has already stopped production.

Table (4-21) shows the productive capacity and the production of paints industries in 2002 and 2003.

**Table (4-21)**  
**Paints Factories Production**

Particulars	Productive Capacity	Actual Production		Rate of Change
		2002	2003	
Total Production	100.0	27.0	17.5	-35.2%

Source: Ministry of Industry

Total production of paints decreased by 35.2% from 27.0 thousand tons during the year 2002 to 17.5 thousand tons during the year 2003. The paints factories operated at 17.5% of their productive capacity during the year 2003.

**14/Other Industries:**

Table (4-22) shows the productive capacity and total production of other industries.

**Table (4-22)**  
**Production of Other Industries**

Type	Units	Productive Capacity	Actual Production		Rate of Change
			2002	2003	
Tyres	Thousands of Pieces	450.0	145.7	110.6	-24.1
Cigarettes	Thousands of Pieces	7.5	2.20	2.3	4.5
Dry cells	Millions of Units	120.0	57.1	44.0	-22.9
Matches	Thousands Cartons	400.0	201.0	419.2	108.6

Source: Ministry of Industry.

The important thing illustrated in the previous Table is the decline in the production of tyres in terms of number and weight, and in the production of dry cells as a result of competition from the imports, while match and cigarette production increased.



**Third: Electricity and Water.****1/ The National Electricity Corporation:****(a) Power Generation:**

The total power generated from all the power stations amounted to 3,354.0 Gega watts/h in this year, an increase of 8.4% of the total power generated in 2002, which amounted to 3,093.5 Gega watts/h.

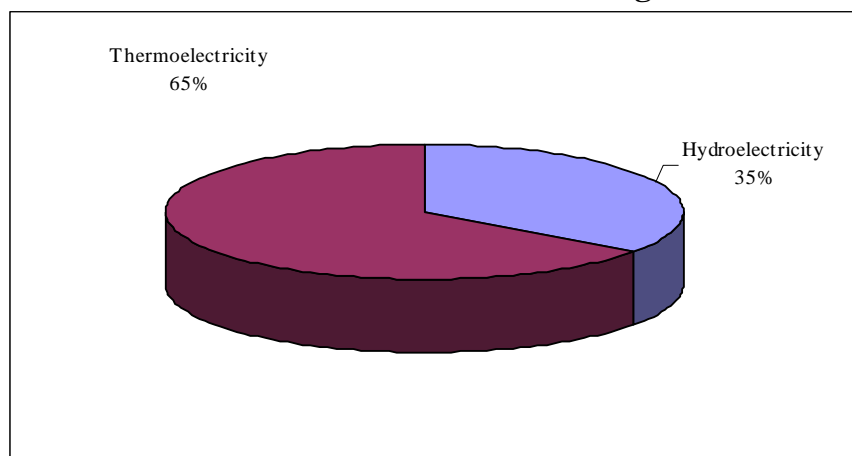
Table (4-23) shows the electric power generated in the Sudan during the years 2002 and 2003.

**Table (4-23)**  
**Electric Power Generated in the Sudan**  
(Gegawatts/Hour)

Power Generated	2002	2003	Rate of Increase
Water Generated	1,287.2	1,163.2	-9.6
Steam Generated	1,806.3	2,190.8	21.3
Total Power Generated	3,093.5	3,354.0	8.1

Source: National Electricity Corporation.

**Figure (4-7)**  
**Sources of Electric Power Generation During the Year 2003**

**(b) Power Consumption:**

Total power consumed this year amounted to 2,320.0 Gegawatts/h, a 32.0% increase from 1,757.9 Gegawatts/h.

Table (4-24) shows electric power consumed by sectors during the years 2002 and 2003.

**Table (4-24)**  
**Electric Power Consumption by Sector**  
**(Gegawatts/hour)**

Sector	2002	2003	Rate of Change
Residential	1,006.3	1,134.0	12.7
Industrial	343.0	513.5	49.7
Agricultural	75.6	17.9	-76.0
Governmental	210.0	341.4	62.6
Unified Sectors *	123.0	313.2	154.6
Total	1,757.9	2,320.0	32.0

\* Includes Commercial Sector and Light Load.

Source: National Electricity Corporation

## 2/ National Water Corporation:

The basic objective for drinking water in the National Comprehensive Strategic Program (1999-2003) was that there would be a big transition in coverage in water supply by 100% for the rural areas first, and secondly for the urban centers to meet the demand of the World Health Organization (WHO). In 2003 rural areas water supply accounted for 75%, while the urban centers accounted for 60%.

Table (4-25) shows total water produced during the years 2002 and 2003.

**Table (4-25)**  
**Water Production**  
**(Thousands Cubic Meters Per Day)**

Sector	2002	2003	Rate of Change
Urban	1,030	1,133	10.0
Rural	450	517	14.9
Total	1,480	1,650	11.5

Source: National Electricity Corporation

The total production of the National Water Corporation increased by 11.5% from 1,480 thousand cubic meters per day in 2002 to 1,650 thousand cubic meters per day in 2003.

## Fourth: Service Sector:

### 1/ Transport and Communications:

Means of transport in the Sudan are composed of shipping lines, airways, railways, river transport and land transport.

Table (4-26) shows total goods and passengers transported by the different modes of transport during the years 2002 and 2003

**Table (4-26)**  
**Modes of Transport in the Sudan During the years 2002 and 2003.**

	2002		2003		Rate of Change	
	Goods (000) Tons	Goods (000) Tons	Goods (000) Tons	(000) Passengers	Goods %	Passengers %
Sudan Shipping Line	198.8	41.9	192.9	20.2	-2.9	-51.8
Sudan Air ways *	17.74	493.5	12.46	495.57	-29.8	0.42
Sudan Railways	1,277.6	144.1	1,266.0	109.0	-0.9	-24.4
River Transport	50.2	8.1	43.6	4.6	-13.1	-43.2
Land Transport **	4,385.2	28,852.8	14,991.2	25,791.2	241.9	-10.6

\* Passengers and Goods Transported Internally and Internationally

\*\* They include Lorries, Trucks, Minibuses and Buses.

Source: The Abovementioned Authorities.

The number of passengers transported by the Sudan Airways and goods transported by land during 2003 increased. It is noteworthy however that there was a decline in the number of passengers and volume of goods transported by the Sudan Shipping Line, the Sudan Railways, river transport as well as passengers transported by land.

## 2/ Roads and Bridges:

Table (4-27) shows roads and bridges during the years 2002 and 2003.

**Table (4-27)**  
**Roads and Bridges up to 2003**

Particulars	Accomplished at the end of the year		Rate of Change
	2002	2003	
Length of the Roads Accomplished (KM)*	3,800	4,120	8.4
Number of Bridges Accomplished	23	26	13.0

The accomplished represents asphalt layer completed 100%.

Source: National Corporation for Roads and Bridges

The length of the asphalted roads increased by 8.4% from 3,800 kilometers by the end of the year 2002 to 4,120 kilometers up to the end of the year 2003. The number of bridges constructed increased by 13.0% from 23 at the end of 2002 to 26 at the end of 2003.

## 3/ The National Corporation for Communications:

### (a) Sudan Telecommunications Company (Sudatel)

The Sudan Telecommunications Company was established in 1994 as a public liability company responsible for fitting, maintenance and operation related to the telecommunications through various networks, sectors and means of national and international linkage systems.

Table (4-28) shows the performance of the company during 2002 and 2003.

**Table (4-28)**  
**Sudan telecommunications Company Services (Sudatel)**

Particulars	2002	2002	Rate of Growth
Network Capacity (Line)	1,213,000	1,738,600	43.3
Sector Capacity	928,000	1,306,436	40.8
Number of Customers	700,000	936,756	33.8

Source: Sudan Telecommunications Company Services (Sudatel)

The number of subscribers increased by 33.8% from 700,000 at the end of 2002 to 936,756 at the end of 2003 as a result of the expansion in the network and sectors.

**(B) The Sudanese Mobile Phone Company:**

The Company was established in 1996 and obtained membership of the European Union of mobile phones as well as the membership of the International Association for Telecommunications in the same year, and it started business in February 1997.

Table (4-29) shows the performance of the company during 2002 and 2003.

**Table (4-29)**  
**Sudanese Mobile Phones Company Services (MobiTel)**

Particulars	2002	2003	Rate of Growth
Number of Subscribers	265,520	554,072	108.7
Number of Towns Covered	25	40	60.0

Source: Sudanese Mobile Phones Company (MobiTel)

The number of subscribers increased by 108.7% from 265,520 at the end of 2002 to 554,072 at the end of 2003, while coverage of towns increased by 60.0% in 2003 compared to 2002.

**C/ Sudanese Company for Internet Services (SUDANET):**

The Sudanese Company for Internet Services was established in December 1996, and an international network for information was introduced in March 1997 with 100% local paid up capital. Sudanet services cover Khartoum State in addition to some cities such as Port Sudan, Gadareif , Kassala, Dongola, Sennar, Medani, El Obeid, Nyala, El fasher and El Hassaheisa.

Table (4-30) shows the performance of the company during 2002 and 2003.

**Table (4-30)**  
**Sudanese Company for Internet Services (Sudanet)**

Particulars	2002	2003	Rate of Increase
Number of subscribers	10,016	23,019	129.8
Entrance Windows	2,100	2,880	37.1
Outgoing Capacity in (Kilobytes)**	3,000	5,000	66.7
Incoming Capacity in (Kilobytes)**	14,000	12,000	-14.3

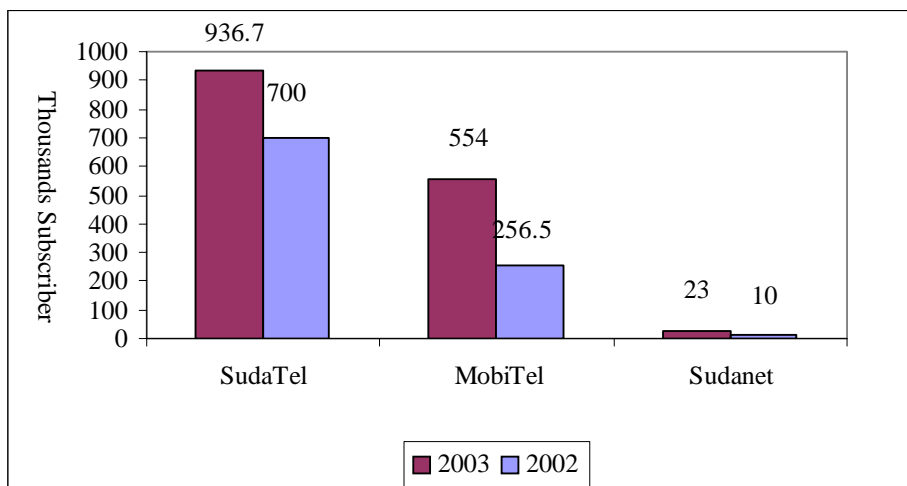
\*\* Capacity development means development in the capabilities of outgoing and incoming information.

Source: Sudanese Company for Internet Services (Sudanet)

The number of subscribers increased by 129.8% from 10,016 in 2002 to 23,019 in 2003. The Internet windows increased by 37.1% from 2,100 during 2002 to 2,880 during the year 2003.

Similarly, the capacities of the outgoing information increased by 66.7% from 3,000 kilobytes during 2002 to 5,000 kilobytes during 2003. Incoming information decreased by 14.3% from 14,000 Kilobyte during 2002 to 12,000 kilobytes during 2003.

**Figure (4-8)**  
**Subscribers of Telecommunications Medium**



# **CHAPTER FIVE**

## **MONEY SUPPLY**

## CHAPTER FIVE

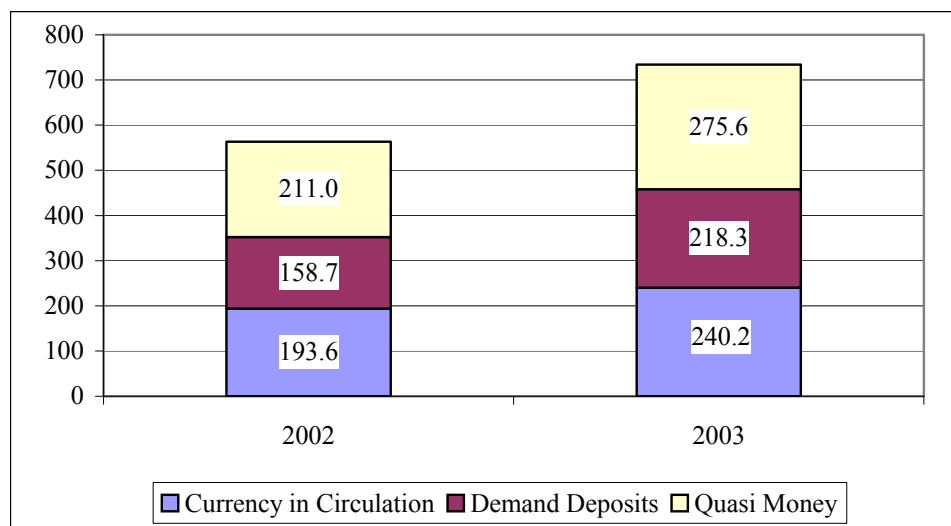
### Money Supply

Money supply is considered as one of the factors that have an important impact on the macro economic performance. (In its broad sense M<sub>2</sub>) is composed of currency with the public, demand deposits, margins on letters of credit, and time deposits, which increased by 30.3% in 2003. This was attributed to the rise in the current means of payment from SDD 352,263 million in 2002 to SDD 458,481 million in 2003 i.e. by 30.15%. This resulted from the increase in demand deposits from SDD 158,681 million in 2002 to SDD 218,274 million in 2003 i.e. by 37.56% and an increase in currency with the public from SDD 193,582 million in 2002 to SDD 240,207 million in 2003 i.e. by 24.09%. Quasi money rose from SDD 211,004 million in 2002 to SDD 275,605 million in 2003 i.e. by 30.62%.

**Table (5-1)**  
**Money Supply and Factors Affecting it.**  
(SDD Millions)

	2002	2003	Changes During 2003	
			Change	%
A/ Money Supply (M <sub>2</sub> )	<u>563,267</u>	<u>734,087</u>	<u>170,819</u>	<u>30.33</u>
Means of Current Payments (M <sub>1</sub> )	352,263	458,482	106,218	30.15
- Currency with the Public	193,582	240,207	46,625	24.09
- Demand Deposits	158,681	218,274	59,593	37.56
Quasi-Money	211,004	275,605	64,601	30.62
B/ Factors Affecting Money Supply				
Foreign Assets (Net)	<u>-624,446</u>	<u>-569,905</u>	<u>54,541</u>	<u>-8.73</u>
Revaluation	794,318	816,977	22,659	2.85
Net Domestic Assets	393,395	487,015	93,620	23.8
1-Claims on Public Sector	148,065	140,305	-7,760	-5.24
1-1-Central, State & Local Governments	130,760	111,666	-19,094	-14.6
1-2-Public Enterprises	17,305	28,639	11,334	65.5
2-Claims on Private Sector	178,425	279,721	101,296	56.77
3-Claims on Non-Banking Financial Institutions	3,216	3,742	526	16.36
4-Other Net Items	63,689	63,247	-442	-0.69
Total (B= A)	<u>563,267</u>	<u>734,087</u>	<u>170,820</u>	<u>30.33</u>

**Figure (5-1)**  
**Components of Money Supply**  
 (2002-2003)  
 (SDD Billions)



**Factors Affecting Money Supply: -**

The Following are factors affecting money supply during the years 2002 and 2003:

**1- Net Domestic Assets: -**

The impact of net domestic assets on money supply was expansionary which rose from SDD 393,395 million in 2002 to SDD 487,015 million in 2003 i.e. by 23.80%. This resulted from the rise in net outstanding claim of the banking system on the private sector by SDD 101,296 million, and the outstanding claims of the banking system on the non-bank financial institutions by SDD 526 million, where as other items net decreased by SDD 442 million.

**2-Net Foreign Assets: -**

The concretionary effect of net foreign assets on money supply continued, because foreign assets are less than foreign liabilities. This concretionary effect continued during the year 2003 and throughout the previous years. This occurred in spite of the rise in net foreign assets from SDD -624,446 million in 2002, to SDD -569,905 million in 2003 i.e. by 8.73%.

**Re-evaluation: -**

Revaluation refers to the changes in foreign balances due to movements in the exchange rate. This led to an increase in money supply by 2.85% during the year 2003.



**Second: Reserve Money: -**

Reserve money – composed of currency in circulation, commercial banks reserves, and demand deposits with the Bank of Sudan, increased from SDD 280,292 million in 2002 to SDD 354,814 million in 2003, i.e. by 26.59%.

**Table (5-2)**  
**Reserve Money and Corresponding Assets**  
(SDD Millions)

	2002	2003	Change During 2003	
			Change	%
A/ Liabilities: -				
Reserve Money	280,292	354,814	74,522	26.59
1- Currency in Circulation	205,574	252,053	46,479	22.61
1-1 With the Public	193,582	240,208	46,626	24.09
1-2 Cash in Commercial Banks	11,992	11,845	-147	-1.23
2- Banks' Reserves with Bank of Sudan	63,021	75,390	12,369	19.63
3- Other Current Deposits at Bank of Sudan	11,697	27,371	15,674	134
B/ Corresponding Assets				
1- Net Foreign Assets	-738,644	-685,386	53,258	-7.21
2- Revaluation	793,631	816,575	22,944	2.89
3- Net Domestic Assets	225,305	223,625	-1,680	-0.75
3-1- Net Claims on Government	114,971	83,066	-31,905	-27.75
3-1-1-Claims on Government	142,245	147,850	5,605	3.94
3-1-2-Government Deposits	-27,274	-64,784	-37,510	137.53
3-2-Claims on Commercial Banks	17,148	33,491	16,343	95.31
3-3-Claims on Public Enterprises and Specialized Banks	5,744	17,343	11,599	201.93
3-4 Central Bank Musharaka Certificates (CMCs)	-756	-2,751	-1,995	263.89
3-5 Other Items Net	88,198	92,476	4,278	4.85
Total (B = 1 + 2 + 3)	280,292	354,814	74,522	26.59

**Figure (5-2)**  
**Reserve Money Components as at 31 December 2003**

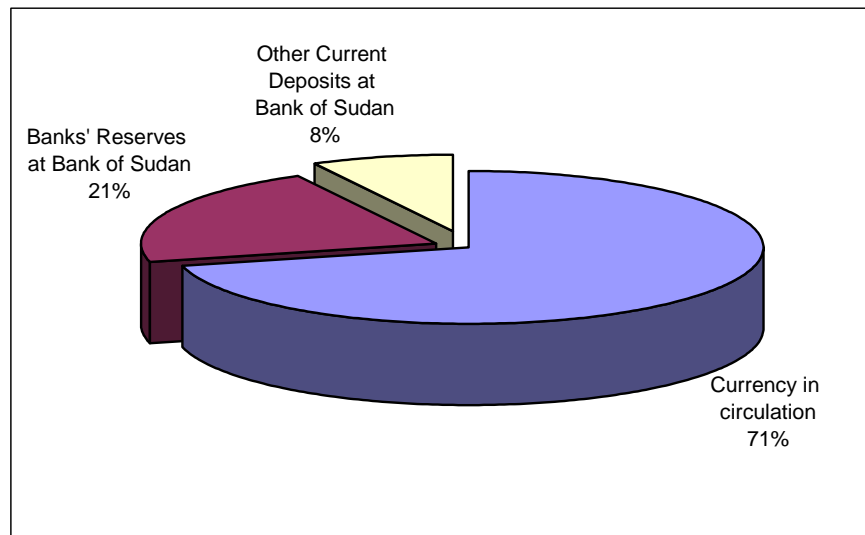


Table (5-2) shows the changes, which took place in reserve money, and in the corresponding assets during the years 2002 and 2003. Figure (5-2) shows components of reserve money as at the end of December 2003.

**Liabilities: -**

Money in circulation is one of the main reasons for the increase in reserve money, which increased from SDD 205,574 million in 2002 to SDD 252,053 million in 2003 i.e. by 22.61%. This led to an increase in the currency with the public from SDD 193,582 million in 2002 to SDD 240,208 million in 2003 i.e. by 24.09%, in spite of the decrease in cash in commercial banks from SDD 11,992 million in 2002 to SDD 11,845 million in 2003 i.e. by 1.23%. Banks' Reserves at Bank of Sudan rose from SDD 63,021 million in 2002 to SDD 75,390 million in 2003 i.e. by 19.63%.

**Assets: -**

The main factor behind the rise in corresponding assets to reserve money, was the increase in the net foreign assets from SDD 738,644 million in 2002 to SDD 685,386 million in 2003, i.e. by 7.2%, and to the increase in the re-evaluation item from SDD 793,631 million in 2002 to SDD 816,575 million in 2003 i.e. by 2.89%, in spite of the decrease in the net domestic assets from SDD 225,305 million in 2002 to SDD 223,625 million in 2003 i.e. by 0.75%. This decrease in the net domestic assets occurred due to a big increase in government deposits that rose from SDD 27,274 million in 2002 to SDD 64,784 million in 2003 i.e. by 3.94%. Claims on the government increased from SDD 142,245 million in 2002 to SDD 147,850 million in 2003 i.e. by 3.94%. Likewise, claims on the commercial banks rose by 95.3%, those on

the public enterprises and specialized banks by 201.93%, while other items net increased by 4.85%.

**Third: - Money Multiplier and the Velocity of Circulation: -**

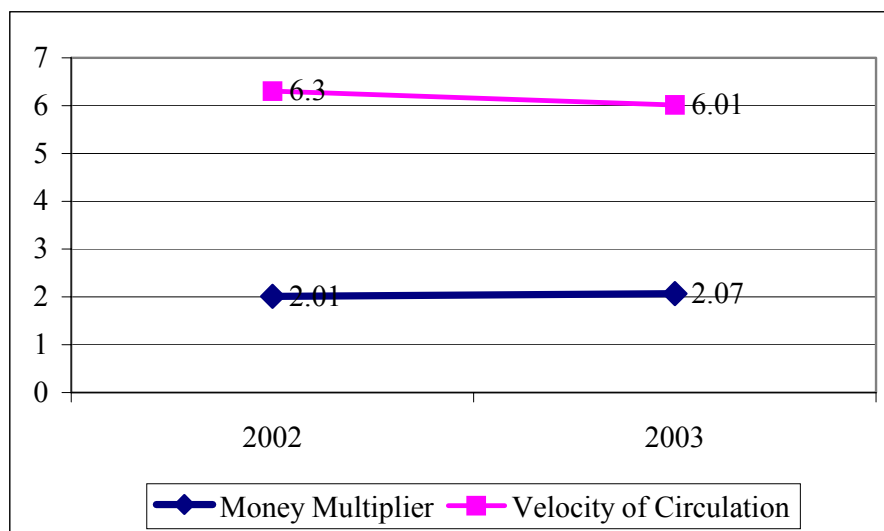
The increase in money supply led to an increase in money multiplier<sup>1</sup> from 2.01 in 2002 to 2.07 in 2003, while velocity of circulation<sup>2</sup> decreased from 6.30 in 2002 to 6.01 in 2003.

Table (5-3) shows the money multiplier and the velocity of circulation during 2002 and 2003 based on Gross Domestic Product amounting to SDD 3,839,096.6 million in 2002 and SDD 4,408,600.9 million in 2003.

**Table (5-3)**  
**Money Multiplier and Velocity of Circulation**

	2002	2003
Money Multiplier	2.01	2.07
Velocity of Circulation	6.30	6.01

**Fig. (5-3)**  
**Money Multiplier and Velocity of Circulation**



<sup>1</sup> Money multiplier = Money supply (M<sub>2</sub>) / Reserve money

<sup>2</sup> Velocity of circulation = GDP/money supply / (M<sub>2</sub>)

# **CHAPTER SIX**

## **BANKS AND FINANCIAL INSTITUTIONS**

## CHAPTER SIX

### Banks and Financial Institutions.

This chapter explains the performance of the banks and financial institutions during the year 2003. The banks include Bank of Sudan (central bank), commercial and specialized banks; where as financial institutions include Exchange Bureaus, Sudan Financial Services Company Ltd, Bank Deposits Security Fund, Khartoum Stock Exchange and Insurance companies.

#### Firstly: The Banks

##### 1: Bank of Sudan

Bank of Sudan was established according 1959 Act, which has been amended several times to cope with the economic and financial developments. The recent amendment took place in 2002. Bank of Sudan functions can be summarized in the issue of the currency (of various types); issue of monetary and financial policies; supervision, developing, raising the efficiency of the banking system to achieve balanced economic and social development beside the stability of the exchange rate of the Sudanese Dinar. Furthermore, the bank works as a government bank and financial advisor.

##### 1. Bank of Sudan Balance Sheet:

**Table (6-1)**  
**Bank of Sudan Balance Sheet**  
(SDD Millions)

	31/12/2002	31/12/2003	Change	%
<b>Liabilities:</b>				
Notes and Coins in Circulation	205,575	252,053	46,478	22.6
Sight Liabilities	103,505	171,835	68,330	66.0
Federal Governments	27,274	64,784	37,510	137.5
State & Local Government	6,012	6,746	734	12.2
Public Enterprises	4,790	19,735	14,945	312.0
Local Banks	65,429	80,570	15,141	23.1
Foreign Correspondents	25,829	29,791	3,962	15.3
Time Liabilities	207,328	218,634	11,306	5.5
Payments Agreements	19,118	15,312	-3,806	-19.9
Capital and Reserves	2,782	4,392	1,610	57.9
Other Accounts	239,839	260,793	20,954	8.7
<b>Total Liabilities</b>	<b>803,976</b>	<b>952,810</b>	<b>148,834</b>	<b>18.5</b>

	31/12/2002	31/12/2003	Change	%
<b>Assets:</b>				
Bank Notes and Balances	115,331	225,211	109,880	95.3
Foreign Securities	3,796	3,897	101	2.7
Other foreign Assets	413	410	-3	-0.7
Loans and Advances to Banks	15,071	26,665	11,594	77.0
Temporary Advance to Government	30,875	37,494	6,619	21.4
Long Term Loans to Government	107,303	107,303	0	0
Advances Under Article 48(A)*	3,295	7,897	4,602	139.7
Contributions in Banks Capital	2,077	3,776	1,699	81.8
Other Contributions	10,377	5,933	-4,444	42.8
Non-Transferable Treasury Bills	0	0	0	0
Other Accounts	515,438	534,224	18,786	3.6
<b>Total Assets</b>	<b>803,976</b>	<b>952,810</b>	<b>148,834</b>	<b>18.5</b>

\*It was Article (57) A before amendment of the Bank of Sudan Act in 2002

Bank of Sudan assets increased from SDD 803,976 million in 2002 to SDD 952,810 million in 2003, by 18.5% as shown in Table (6-1).

Bank notes and balances increased from SDD 115,331 million in the year 2002 to SDD 225,211 million in the year 2003, by 95.3% due to issuance of new denomination. Credits and loans to the banks increased from SDD 15,071 million in the year 2002 to SDD 26,665 million in the year 2003 by %77.0.

Borrowings under Article (48) A registered a noticeable increase from SDD 3,295 million in the year 2002 to SDD 7,897 million in the year 2003 by 139.7%, also participation in banks' capital increased from SDD 2,077 million in the year 2002 to SDD 3,776 million in the year 2003 by 81.8%, this resulted from the restructuring program.

On the liabilities side, coins and bank notes increased from SDD 205,575 million in the year 2002 to SDD 252,053 million in the year 2003 by 22.6%, also federal government deposits increased from SDD 27,274 million in 2002 to SDD 64,684 million in the year 2003 by 137.5% due to the increase in government revenues. Public corporations deposits registered the biggest percentage increase, from SDD 4,790 million in 2002 to SDD 19,735 million in 2003, by 312%, where as local banks deposits increased from SDD 65,429 million in 2002 to SDD 80,570 million in the year 2003, by 23.1%. This was in line with the continuing increase during the last years. Payment agreements debt decreased from SDD 19,118 million in the year 2002 to SDD 15,312 million in the year 2003 by 19.9%.

**Table (6-2)**  
**Bank of Sudan Balance Sheet Indicators**

	2002	2003
1. Capital and Reserves to Total Liabilities	0.35%	0.46%
2. Total government debt to Total Assets	17.60%	16.02%
3. Temporary Advances to Total Government Debt	24.15%	29.73%
4. Currency in Circulation to Total Liabilities	25.57%	26.45%
5. Government deposits to Total Liabilities	4.14%	7.50%
6. Contributions in Local Banks Capital to Total Contributions	16.68%	38.89%

Appendix (vi) shows the Balance Sheet of the Bank of Sudan on a monthly basis for the years 2002 & 2003 and as at the end of December for the previous ten years.

## 2. The Commercial Banks:

The commercial banks include public and private sector banks. As for the public sector banks, Bank of Khartoum was transferred into a public enterprise, El Nilein Bank is under reform as preparation for privatization, this is in the framework of the banking system reform and restructuring program.) The program resulted in the increase of capitals and banks' reserves from SDD 73,692 million in the year 2002 to SDD 110,308 million in the year 2003 as shown in Table (3-6), (more details in Chapter Two). The number of the commercial banks in the Sudan amounted to twenty-three with branches spread all over the country.

### 1-2 Balance Sheet of The Commercial Banks:

**Table (6-3)**  
**Commercial Banks Consolidated Balance Sheet**  
(SDD Millions)

	31/12/2002	31/12/2003	Change	%
<b>Liabilities:</b>				
Deposits:	363,074	472,952	109,877	30.3
Public	339,219	422,059	82,840	24.4
Government	8,270	9,610	1,340	16.2
Public Enterprises	15,586	41,283	25,697	164.9
Banks:	24,187	31,858	7,671	31.7
Bank of Sudan	7,263	14,910	7,647	105.3
Other Banks	3,206	2,156	1,050-	32.7-
Foreign Correspondents	13,718	14,792	1,074	7.8
Capital and Reserves	73,692	110,308	36,616	49.7
Other Accounts	150,284	174,479	24,195	16.1
<b>Total liabilities</b>	<b>611,238</b>	<b>789,597</b>	<b>178,359</b>	<b>29.2</b>

	31/12/2002	31/12/2003	Change	%
<b>Assets:</b>				
Local Currency	11,992	11,845	147-	1.2-
Balances with Bank of Sudan	55,689	79,165	23,476	42.2
Other Banks	6,496	9,225	2,729	42
Foreign Correspondents	127,916	130,273	2,357	1.8
Total Advances	193201	294,759	101,558	52.6
Other Assets	215944	264,330	48,386	22.4
Total Assets	611,238	789,597	155,890	29.2

Table (6-3) shows the consolidated balance sheet of the commercial banks as at the end of the year 2003 compared to the end of the year 2002. Appendix VII shows the assets and liabilities of the commercial banks on a monthly basis for the years 2002 & 2003, and the position at the end of the previous ten years.

Total assets/liabilities of the commercial banks increased from SDD 611,238 million in 2002 to SDD 789,597 million in 2003, by 29.2%. On the liabilities side, public deposits increased from SDD 339,219 million in 2002 to SDD 422,059 million in 2003 by 24.4%. Public enterprises deposits rose significantly from SDD 15,586 million in 2002 to SDD 41,283 million in 2003 by 164.9%, where as dues to the Bank of Sudan increased from SDD 7,263 million in 2002 to SDD 14,910 million in 2003 by 105.3%. Also capital and reserves rose from SDD 73,692 million in 2002 to SDD 110,308 million in 2003 by 49.7%.

On the Assets side, local currency decreased from SDD 11,992 million in 2002 to SDD 11,845 million in by 1.2%. Balances with Bank of Sudan and other banks increased from SDD 55,689 and SDD 6,496 million in 2002 to SDD 79,165 and SDD 9,225 million in 2003 by 42.2% and 42.0% respectively. On the other hand finance extended by commercial banks increased from SDD 193,201 million in 2002 to SDD 294,759 million in 2003, by 52.6%. Other assets registered an increase from SDD 215,944 million in the year 2002 to SDD 264,330 million in 2003 by %22.4.

**Table (6-4)**  
**Summary of Commercial Banks Balance Sheet Indicators**

	2002%	2003%
1- Total Deposits to Total Liabilities	59.4	59.9
2- Capital and Reserves to Total Liabilities	12.1	14.0
3- Finance to Total Assets	31.6	37.3
4- Finance to Total Deposits	53.2	62.3
5- Liquid Assets to Total Deposits	18.6	19.2

On the liabilities side, total deposits with commercial banks increased from SDD 363,075 million in 2002 to SDD 472,952 million in 2003 by 30.3%.



Tables (6-5) (a) and (6-5) (b) show the deposits in local and foreign currency. Deposits in local and foreign currencies increased from SDD 216,177 million and SDD 146,898 million in 2002 to SDD 287,140 million and SDD 185,812 million in 2003 by 32.8% and 26.5% respectively.

**Table (6-5)(A)**  
**Details of Deposits In Local Currency**  
(SDD Millions)

Depositors	Dec-02		Dec-03		Current Deposits		Savings, Investments and Others	
	Current Deposits	Savings, Investment & Others	Current Accounts	Savings, Investment & Others	Change	%	Change	%
Federal & State Governments.	6,169	690	5,616	1	-553	-9	-689	-99.9
Public Corporations.	6,224	427	2,821	1,213	-3,403	-54.7	786	184.1
Private Sector & Financial Institutions	138,741	63,926	189,478	88,011	-50,737	36.6	24,085	37.7
Total	151,134	65,043	197,915	89,225	46,781.00	31	24,182	37.2
Grand Total	216,177		287,140		70,963		32.8	

**Table (6-5)(B)**  
**Details of Deposits In Foreign Currency**  
(SDD Millions)

Depositors	Dec-02		Dec-03		Current Accounts		Savings, Investments and Other	
	Current Accounts	Savings, Investment & Other	Current Accounts	Savings, Investment & Other	Change	%	Change	%
Federal & State Governments.	1,349	61	3,854	140	2,505	185.7	79	129.5
Public Corporations.	601	5,599	1,319	10,104	718	119.5	4,505	80.5
Private Sector & Financial Institutions.	50,280	89,008	53,589	116,806	3,309	6.6	27,798	31.2
Total	52,230	94,668	58,762	127,050	6,532	12.5	32,382	34.2
Grand Total	146,898		185,812		38,914		26.5	

## 2-2 Commercial Banks Finance:

Total banking finance increased from SDD 193,201 million in 2002 to SDD 294,759 million in 2003 by 52.6 %. Finance in local and foreign currencies increased from SDD 160,020 million and SDD 33,181 million in 2002 to SDD 216,023 million and SDD 78,736 million in 2003 by 35.0% and 137.3% respectively as shown in Tables (6-6) (a) and (6-6) (b).

**Table (6-6) (A)**  
**Position of Commercial Bank's Advances By Sector in Local Currency**  
(SDD Millions)

Period	Agriculture	Industry	Exports	Imports	Local trade	Other	Total	Annual % Change
31/03/2002	17,370	17,875	23,327	624	21,951	31,271	112,418	-
	15.40%	15.90%	20.80%	0.60%	19.50%	27.80%	100.00%	
30/06/2002	15,669	20,970	24,496	1,988	25,796	41,933	130,852	-
	12.00%	16.00%	18.70%	1.50%	19.70%	32.10%	100.00%	
30/09/2002	21,759	21,054	20,945	1,163	30,730	42,807	138,458	-
	15.70%	15.20%	15.10%	0.80%	22.20%	31.00%	100.00%	
31/12/2002	22,837	20,850	21,970	7,078	36,230	51,055	160,020	43.70%
	14.30%	13.00%	13.70%	4.40%	22.60%	32%	100.00%	
31/03/2003	22,088	23,739	20,873	926	40,610	51,005	159,784	-
	13.80%	14.80%	13.10%	0.60%	25.40%	32.30%	100.00%	
30/06/2003	23,140	24,035	20,762	368	47,693	51,601	167,599	-
	13.80%	14.30%	12.40%	0.20%	28.50%	30.80%	100.00%	
30/09/2003	21,494	19,705	22,293	339	54,927	59,798	178,556	-
	12.00%	11.00%	12.50%	0.20%	30.80%	33.50%	100.00%	
31/12/2003	26,851	24,637	27,516	1,107	69,735	66,177	216,023	35.00%
	12.50%	11.40%	12.70%	0.50%	32.30%	30.60%	100.00%	

Central Government Excluded

**Table (6-6)(B)**  
**Position of Commercial Banks Advances By Sector in Foreign Currency**  
(SDD Millions)

Period	Agriculture	Industry	Exports	Imports	Local Trade	Other	Total	Annual% Change
31/03/2002	-	5,562	8,358	11,544	3,498	3,679	32,641	-
		17.00%	25.60%	35.40%	10.70%	11.30%	100.00%	
30/06/2002	-	4,822	8,100	10,873	3,052	3,510	30,357	-
		15.90%	26.70%	35.80%	10.00%	11.60%	100.00%	
30/09/2002	19	5,203	1,298	18,744	2,572	3,772	31,608	-
	0.10%	16.50%	4.10%	59.30%	8.10%	11.90%	100.00%	
31/12/2002	841	4,558	1,298	18,998	3,195	4,291	33,181	15.50%
	2.50%	13.70%	3.90%	57.30%	9.60%	13.00%	100.00%	
31/03/2003	825	3,802	642	28,977	2,659	51,971	42,102	-
	2.00%	9.00%	1.50%	68.80%	6.30%	12.40%	100.00%	
30/06/2003	820	4,785	898	43,481	9,913	4,667	64,564	-
	1.30%	7.40%	1.40%	67.40%	15.30%	7.20%	100.00%	
30/09/2003	470	4,974	453	54,251	3,002	6,594	69,744	-
	0.70%	7.10%	0.60%	77.80%	4.30%	9.50%	100.00%	
31/12/2003	471	4,881	83	64,302	2,181	6,818	78,736	137.30%
	0.60%	6.20%	0.10%	81.70%	2.80%	8.60%	100.00%	

Central Government Excluded

Table (6-7) shows the flow of credit offered by the commercial banks according to modes of finance for the years 2002 and 2003. Flow of finance by Murabaha mode increased from SDD 74,265.5 million in 2002 to SDD 125,859 million in 2003, by 69.5%. Also finance by Musharaka mode

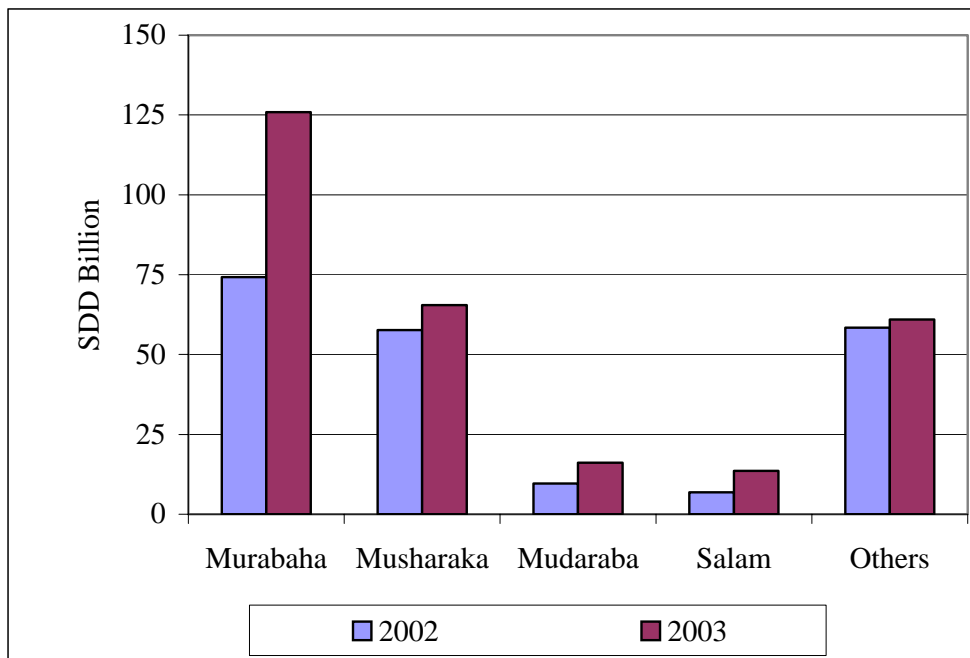
increased from SDD 57,651.2 million in 2002 to SDD 65,458.6 million in 2003, by 13.5%. Where as finance by Mudaraba and Salam modes of finance increased from SDD 9,568.6 million and SDD 6,855.6 million in 2002 to SDD 16,092.7 million and SDD 13,521.1 million in 2003, by 68.2% and 97.2% respectively.

**Table (6 -7)**  
**Credit Flow by Mode of Finance**  
(SDD Millions)

Mode of Financing	2002	% Share	2003	% Share	% Change
Murabaha	74,265.5	35.9	125,859.1	44.7	69.5
Musharaka	57,651.2	27.9	65,458.6	23.2	13.5
Mudaraba	9,568.6	4.6	16,092.7	5.7	68.2
Salam	6,855.6	3.3	13,521.1	4.8	97.2
Others*	58,439.7	28.3	60,994.0	21.6	4.4
Total	206,780.6	100.0	281,925.5	100.0	36.3

\*Including Ijara and Mugawla Modes.

**Figure (6-1)**  
**Credit by Mode of Finance**  
(SDD Billions)



### 2.3 Specialized Banks:

Specialized banks include the Agricultural Bank, Saving Social and Development Bank, which owned by the public sector, whereas Financial Investment Bank owned by the private sector. The Estates Bank has been sold to the private sector during 2003 and became a private company under the name; The Estates Commercial Bank and now is under the process of the transfer into a public limited liability company within two years.

**Table (6-8)**  
**Specialized Banks**  
**Summary of Balance Sheets of Specialized Banks**  
(SDD Millions)

	2002	2003	Change	%
<b>The Agricultural Bank</b>				
Assets:	25,494.30	32,327.50	6,833.20	26.8
Cash in Tills	1,292.40	2,442.60	1,150.20	89
Investments	514.4	4,314.80	3,800.30	738.6
Foreign Assets	118.7	69	-49.7	-41.9
Fixed Assets	711.4	701	-10.4	-1.5
Other	22,857.30	24,800.10	1,942.80	8.5
Liabilities:	25,494.30	32,327.50	6,833.20	26.8
Deposits	3,358.70	12,193.20	8,834.50	263
Other liabilities & Accounts payable	23,800.10	18,714.80	-5,085.30	-21.4
Paid up capital *	-1,410.50	5,200	6,610.50	-468.7
Profits	-254	-3,780.50	-3,526.50	1,388.40
<b>Estates Bank</b>				
Assets:	8,347	7,997.10	-349.9	-4.2
Cash in tills	1,031	944	-87	-8.4
Investments	2,398	2031.5	-366.5	-15.3
Foreign Assets	99	151	52	52.5
Fixed Assets	3,786	3,838.40	52.4	1.4
Other	1,033	1,032.20	-0.8	-0.08
Liabilities	8,347	7,997.10	-349.9	-4.2
Deposits	1,463.20	1,596.30	133.1	9.1
Other liabilities & Account payable	6,346.79	5,992.60	-354.2	-5.6
Paid up capital *	537	537.1	0.1	0
Profits	0.01	-128.9	-128.91	0

	2002	2003	Change	%
<b>Savings &amp; Social Development Bank</b>				
Assets	9,219.00	15,489.40	6,270.40	68
Cash in tills	1,745.50	4,633.10	2,887.60	165.4
Investments	5,138.90	6,133.50	994.6	19.4
Foreign Assets	312.4	1,945.70	1,633.30	522.8
Fixed Assets	1,041.00	1,591.90	550.9	52.9
Other	981.2	1,185.20	204	20.8
Liabilities	9,219.00	15,489.40	6,270.40	68
Deposits	5,921.80	8,736.20	2,814.40	47.5
Other liabilities & Accounts payable	1,158.80	3,085.00	1,926.20	166.2
Paid up capital *	2,205.90	3,658.10	1,452.20	65.8
Profits	-67.5	10.1	77.6	-115
<b>Financial Investment Bank</b>				
Assets	5,024.60	8,311.60	3,287.00	65.4
Cash in tills	653.8	1,438.80	785	120.1
Investments	4,036.30	6,151.10	2,114.80	52.4
Foreign Assets	214.7	357.3	142.6	66.4
Fixed Assets	101.2	346.3	245.1	242.2
Other	18.6	18.1	-0.5	-2.7
Liabilities	5,024.60	8,311.60	3,287.00	65.4
Deposits	490.6	1,139.90	649.3	132.3
Other liabilities & Accounts payable	1,461.30	3,986.10	2,524.80	172.8
Paid up capital *	3,000	3,000	0	0
Profits	72.7	185.6	112.9	155.3

\* Capital account figures are negative because they include losses transferred from the previous years.

Source: Agricultural Bank, Estates Bank, Financial Investment Bank, and Savings & Social Development Bank.

#### **a. Agricultural Bank:**

Table (6-8) shows that total Assets /Liabilities of the Agricultural Bank increased from SDD 25,494.3 million in 2002 to SDD 32,327.5 million in 2003, by 26.8%.

On the assets side, cash increased from SDD 1,292.4 million in 2002 to SDD 2,442.6 million in 2003, by 89.0%. Investments registered a high increase from SDD 514.5 million in 2002 to SDD 4,314.8 million in 2003, by 738.6%.

On the liabilities side all items registered an improvement with the exception of credit balances, other liabilities and profits. Deposits increased from SDD 3,358.7 million in 2002 to SDD 12,193.2 million in 2003 by 263.0%.

**Table (6-9)**  
**Agricultural Bank Finance By Sector**

Sector	2002	Percentage to Total Finance %	2003	Percentage to Total Finance %
Agriculture	8,157	86	13,553	81.6
Animals Products	474	5	1,377	8.3
Local Trade	95	1	1,194	7.2
Households & Small Producers	473	5	312	1.9
Transport	284	3	-	-
Other	0	0	160	1
Total	9,483	100	16,596	100

Source: Agricultural Bank

Table (6-9) shows the financing nature of the Agricultural Bank by sector, where the two parts of the agricultural sector (animals and plants) registered the biggest share by 89.2% and 91% of the total finance during 2002 and 2003 respectively, followed by local trade, social and transport sector.

**b. Estates Bank:**

The overall assets/liabilities position of the Estates Bank decreased from SDD 8,347 million in 2002 to SDD 7,997.1 million in 2003 by 4.2%. This was due to the decrease in the liabilities side including account payables and other liabilities, from SDD 6,346.8 million in 2002 to 5,992.6 million in by 5.6%. On the assets side, investments decreased from SDD 2,398 million in 2002 to SDD 2,031.5 million in by 15.3%, Table (6-10) shows that the total finance extended increased from SDD 1,846.8 million to SDD 2,031.53 in 2003 by 10%.

**Table (6-10)**  
**Estates Bank Finance to the Different Sectors**  
SDD Millions

Sector	2002	Percentage to Total Finance%	2003	Percentage to Total Finance%
Agriculture	25.1	1.4	25.09	1.24
Industry	23.2	1.3	21.99	1.08
Commercial	47.5	2.6	46.98	2.31
Estate	154.1	8.3	1,566.56	77.11
Households & Small Producers	16.5	0.9	9.38	0.47
Services	27.3	1.5	24.88	1.22
Transport	128.7	7	83.58	4.11
Other *	1424.4	*77.0	253.07	12.46
Total	1846.8	100	2,031.53	100

Source: Estates Bank \* Include Exports and Imports

**c. Savings and Social Development Bank:**

Total assets/liabilities of the Savings and Social Development Bank increased from SDD 9,219.0 million in 2002 to SDD 15,489.4 million in 2003 by 68.0%.

On the assets side cash increased from SDD 1,745.5 million in 2002 to SDD 4,633.1 million in 2003, by 165.4%, where as investments increased from SDD 5,138.9 million in 2002 to SDD 6,133.5 million in 2003 by 19.4%. On the liabilities side deposits and capital increased from SDD 5,921.8 million and 2,205.9 million in 2002 to SDD 8,736.2 million and SDD 3,658.1 million in 2003 by 47.5% and 65.8% respectively.

**Table (6-11)**  
**Savings & Social Development Bank**  
**Finance to the Different Sectors**  
(SDD Millions)

Sector	2002	% to Total Finance	2003	% to Total Finance
Agriculture & Industry	1,022.40	18.3	1,314.50	19.7
Transport & Storage	701.6	12.6	826.5	12.4
Handicraft	72.2	1.3	53	0.8
Households and Small Producers	1079.5	19.3	1122.2	16.8
Services	380.1	6.8	268.5	4
Exports	104.3	1.9	161.2	2.4
Local Trade	73.2	1.3	71.2	1
Housing	11.5	0.2	14.2	0.2
Direct investment	-	-	1,099.00	16.4
Staff loans	355.7	6.4	360	5.4
Others	1,776.40	31.9	1,394.30	20.9
Total	5,576.90	100	6,684.60	100

Source: Saving & Social Development Bank

Table (6-11) shows financing of the Savings and Social Development Bank according to sectors during 2002-2003. Total financing rose from SDD 5,576.9 million in 2002 to SDD 6,684.6 million in 2003, by 20.0%.

**4. Financial Investment Bank:**

Total assets (liabilities) increased from SDD 5,024.6 million in the year 2002 to SDD 8,311.6 million in 2003, by 65.4% this was due to the noticeable increase in cash and fixed assets from SDD 653.8 million and SDD 101.2 million in 2002 to SDD 1,438.8 million and SDD 346.3 million in 2003 by 120.1% and 242.2% respectively. Also investments increased from SDD 4,036.3 million in the year 2002 to SDD 6,151.1 million in 2003 by 52.4%.

On the assets side, deposits, accounts payable, other liabilities and profits registered biggest percentage increase amounted to 132.3%, 172.8% and 155.3 respectively.

**Table (6-12)**  
**Specialized Banks**  
**Balance Sheet Indicators**

	2002 %	2003 %
Agricultural Bank: -		
Capital to Liabilities	-5.5	16.1
Capital to Deposits	-42	42.6
Investments to Total Deposits	15.3	35.4
Cash in Tills to Deposits	38.5	20
Total Deposits to Liabilities	13.2	37.7
Fixed Assets to Capital	-50.4	13.5
Estates Bank: -		
Capital to Liabilities	6.4	6.7
Capital to Deposits	36.7	33.6
Investments to Total Deposits	163.9	127.3
Cash in Tills to Deposits	70.5	59.1
Total Deposits to Liabilities	17.5	20
Fixed Assets to Capital	705	714.7
Savings & Development Bank: -		
Capital to Liabilities	23.9	23.6
Capital to Deposits	37.3	41.9
Investments to Total Deposits	86.8	70.2
Cash in Tills to Deposits	29.5	53
Total Deposits to Liabilities	64.2	56.4
Fixed Assets to Capital	47.2	43.5
Financial Investment Bank: -		
Capital to Liabilities	59.7	36.1
Capital to Deposits	611.5	263.2
Investments to Total Deposits	822.7	539.6
Cash in Tills to Deposits	133.3	126.2
Total Deposits to Liabilities	9.8	13.7
Fixed Assets to Capital	3.4	11.5

### **Banking Prevalence:**

The number of branches of the commercial banks and other banks rose slightly from 533 branches in 2002 to 535 in 2003. The branches of Bank of Sudan remained as they were in 2002 (twelve branches).



**Table (6-13)**  
**Geographical Distribution of Banks Branches.**

State	2002		2003		Change
	No.	%	No.	%	
Khartoum State	182	34	183	34	1
Central States (Gezira , Sennar, Blue Nile & White Nile)	108	20	108	20	-
Eastern States (Gadarif, Kassala and Red Sea)	73	14	74	14	1
Northern States (Nahr Elneel & Northern)	59	11	59	11	-
Kordofan States (North, South & West)	53	10	53	10	-
Darfur States (North, South & West)	41	8	41	8	-
Southern States (Bahr Elgazal, Upper Nile, & Equatoria)	17	3	17	3	-
Total	533	100	535	100	2

## Secondly: Financial Institutions:

### 1.Exchange Bureaus: -

Exchange bureaus number increased from eight in 2002 to ten in 2003, their resources (purchases) increased from US\$ 131.1 million in 2002 to US\$ 330.3 million in 2003, by 152.0%. Also their total uses (sales) increased from US\$ 128.5 million in the year 2002 to US\$ 327.6 million in 2003, by 155.0%. The big increase in resources and uses of bureaus was attributed to the permission to work in outward and inward transfers to activate their role in the market and to attract more resources through the official channels

Table (6-14) shows the monthly purchases and sales of the exchange bureaus during 2003.

**Table (6-14)**  
**Total Purchases and Sales of the Exchange Bureaus**

During January - December 2003 (US\$ million)

Month	Purchases	Sales
January	31.6	28.8
February	29.9	30.5
March	30.4	30.3
April	29.5	29.8
May	33	32.4
June	34.8	35.3
July	36.2	35.9
August	26.6	26.4
September	24.5	26.4
October	19.6	19
November	17	16.5
December	17.2	16.3
Total	330.3	327.6

## 2. Sudan Financial Services Company limited:

The company manages the shares owned by Bank of Sudan and Ministry of Finance in banking and financial institutions. In addition it helps the Central Bank in managing the liquidity besides establishing specialized financial services funds. The company was jointly established by Bank of Sudan and the Ministry of Finance in 1998 with a two trunch capital setting:

- a. Accounting value of the banks owned by Bank of Sudan and Ministry of Finance (entirely or partially).
- b. Paid up capital amounting to SDD 2 million.

The company continued its work during 2003 to organize auctions of buying and selling Central Bank Musharaka Certificates (CMCs), Government Musharaka Certificates (GMCs) and Government Investment Certificates (GICs) as shown in tables (6-15) to (6-18):

**Table (6 -15)**  
**Position of CMCs. ,Sales and Purchases**  
(During the year 2003)

Particulars	No. Of Certificates	Value in SDD Millions
Sold Certificates	22,583.00	22,901.50
Purchased Certificates	19,123.00	19,291.70
Certificates with Banks and Institutions	3,460.00	31,107.60

Source: Sudan Financial Services Company Ltd.

**Table (6-16)**  
**Prices of Sales and Purchases of CMCs**  
(During the Year 2003)

	Lower Price(SDD)	Higher Price (SDD)
Selling Price	1,000.00	1,019.00
Auction Buying Price	1,000.50	1,035.00
Out of Auction Buying Price	1,000.50	1,035.00

Source: Sudan Financial Services Company Ltd.

**Table (6-17)**  
**Position of Government Musharaka Certificates (GMCs)**  
 (By the end of the year 2003)

Date of Issue	Period	Date of Liquidation	No. Of Sold Certificates	Price of Certificates (SDD)	Value in SDD Millions
1/1/2003	Year	15/2/2004	43,884	500,000	21942.0
1/1/2003	Six Months	15/8/2003	13,996	500,000	6,998.0
1/4/2003	Year	15/5/2004	27,110	500,000	13,555.0
1/4/2003	Six Months	15/11/2003	24,969	500,000	12,484.5
1/7/2003	Year	15/8/2004	37,700	500,000	18,850.0
1/7/2003	Six Month	15/2/2004	19,356	500,000	9,678.0
1/10/2003	Year	15/11/2004	18,394	500,000	9,197.0
1/10/2003	Six Month	15/5/2004	17,834	500,000	8,917.0
Total			203,243		101,621.5

Source: Sudan Financial Services Company

**Table (6-18)**  
**Position of Government Investment Certificates**  
 ( By the end of 2003)

	Number of Certificates	Value in SDD millions	%
Bank of Sudan	134,550	1,345.5	22.43
Banks	128,849	1,100.0	18.33
Companies & Funds	119,070	500.0	8.33
Public	217,531	3,054.5	50.91
Total	600,000	6,000.0	100.00

Source: Sudan Financial Services Company

### **3.Bank Deposits Security Fund:**

The Fund was established according to the bank deposits security Fund Act for 1996. The goals of the Fund were determined by Article (5) as follows: -

a. Security of the banks deposits according to Article (19) of the Fund Act, and all banks working in the Sudan are members of the Fund.

b. Protect the depositors, ensure stability, soundness and confidence in the banks.

The annual participations of banks in the Fund rose from SDD 364 million in 2002 to SDD 530 million in 2003, by 45.6%. The surplus of SDD 1,686 million was invested in different channels including, Government Musharaka Certificates (GMCs), the share of the Sudan Telecommunications Company and other investments.

**4. Khartoum Stock Exchange: -**

The Khartoum Stock Exchange provides long-term finance, and it participates in organizing and supervising the issuance of the financial securities, and handling their deals (buying and selling). It also helps to raise investment consciousness among the public.

**Table (6-19)  
Trading In Khartoum Stock Exchange**

Sector	2002			2003		
	No. of Shares (in Thousands)	Volume of Trading (SDD Millions)	%	No. of Shares (in Thousands)	Volume of Trading (SDD Millions)	%
Banks	1,926,566.30	1,359.40	5.46	8,950,989.50	3,970.00	16.26
Insurance	6.7	2.3	0.01	0.4	0.1	0
Commerce	2,130,592.30	912.3	3.66	790,228.00	194.6	0.8
Industry	16.4	0.5	0	54.4	1.6	0.01
Agriculture	-	-	-	-	-	-
Funds	-	1,075.40	4.32	-	741.4	3.04
Certificates	-	10,885.30	43.71	-	6,266.30	25.67
Others	3,055.30	10,670.30	42.84	4,184.40	13,236.40	54.22
Total	4,060,237.00	24,905.50	100	9,745,456.70	24,410.40	100

Source: Khartoum Stock Exchange

Table (6-19) shows that, the total volume of trading in stocks decreased from SDD 24,905.5 million in 2002 to SDD 24,410.4 million in 2003, i.e by 2.0%. The number of companies trading in the market amounted to 47 in 2003, 16 of them were in the banking sector, 9 were in the insurance sector, 7 were in the commercial sector, 3 in the industrial sector, 1 in the agriculture sector, and 11 for other sectors. The number of agencies working in the market amounted to 19 companies. The number of shares traded increased from 4,060 million in 2002 to 9,746 million, by 140.0%, of which banking and commercial sectors constitute the highest portion of the circulated shares amounted to 91.8% and 8.1% respectively.

**5. Insurance market:**

The number of insurance and re-insurance companies decreased from 17 in 2002 to 15 in 2003. Insurance industry includes investment of recourses in certificates, investment deposits and estates.

Gross premiums of the insurance companies rose from SDD 13,448 million in 2001 to SDD 17,226 million in 2002, by 28.1%. Net premiums rose from SDD 8,127 million in 2001 to SDD 9,927 million in 2002, 22.1% as shown in Table (6-20).

**Table (6-20)**  
**Gross and Net Insurance Premiums\***  
(SDD Millions)

	2001	2002	%Change
Gross Premiums	13,443	17,226	28.1
Net Premiums	8,127	9,927	22.1

Source: Insurance Supervision Authority.

\* Latest Available Data.

Total refund increased from SDD 6,624 million in 2001 to SDD 8,382 million in 2002 by 26.5%. Also, net refunds rose slightly from SDD 4,687 million in 2001 to SDD 5,095 million in 2002, by 8.7%.

**Table (6-21)**  
**Gross and Net Insurance Claims**  
(SDD Millions)

	2001	2002	%Change
Gross Refunds	6,624	8,382	26.5
Net Refunds	4,687	5,095	8.7

Source: Insurance Supervision Authority.

# **CHAPTER SEVEN**

## **GOVERNMENT FINANCE**

## CHAPTER SEVEN Government Finance

The budget of the year 2003 was based on specific priorities in the context of the results of the final stage of the ten year National Comprehensive Economic Program, and the third year of the presidential second term. Among the important guidelines of the budget are maintenance of the economic stability, revamp of macro and microeconomic policies to enhance productive capacities of the country and to strengthen its capabilities to absorb investment, concern for scientific research, and development of the human resources for social development and poverty alleviation.

The budget aimed at achieving real GDP growth of about 5.8% and an inflation rate of 7%, and maintenance of the exchange rate of the local currency.

### Fiscal Performance For 2003:-

Actual fiscal performance for 2003 revealed that total public revenues reached SDD 703.6 billion at a percentage rate exceeding expectations during the year by 19.9%. Total current expenditure registered SDD 563.3 billion exceeding the expected percentage by 10.4%. As a result current fiscal performance registered a surplus of SDD 140.3 billion compared with an estimate of SDD 76.2 billion for 2003, (Table 7-1).

**Table (7-1)**  
**The Public Sector fiscal Performance**  
(2002-2003)  
(SDD Billions)

Year	2002			2003		
	Estimated	Actual	% of Perform.	Estimated	Actual	% of Perform.
Total Ordinary Revenues	482.3	472.2	97.9	586.6	703.6	119.9
Total Current Expenditure	438.9	377.0	85.9	510.4	563.3	110.4
Surplus (+) Deficit (-)	43.4	95.2	219.4	76.2	140.3	184.1
Development & Investment Expenditure	159.1	140.8	88.5	186.0	172.9	92.9
Total Public Expenditure	-115.7	-45.6	39.4	-109.8	-32.6	29.7
Deficit Finance	115.7	45.6	39.4	109.8	32.6	
a) External Financing	23.0	8.3	36.1	40.0	22.4	56.0
b) Domestic Financing	92.7	37.3	40.2	69.8	10.2	14.6

Source: Ministry of Finance & National Economy.

On the other hand, development and investment expenditure recorded SDD 172.9 billion representing 92.9% of the estimates for the year 2003, while total public sector deficit decreased from SDD 45.6 billion in 2002 to SDD 32.6 billion in 2003 by 28.5%. This was due to the general inclination to develop resources by improving taxation capacities both horizontally and vertically, continuation to offer facilities to encourage investment and expand economic activity, beside streamlining expenditure. Total deficit amounting to SDD 32.6 billion was financed from external sources by SDD 22.4 billion, while local sources amounted to SDD 10.2 billion for the year 2003.

### Public Revenues: -

Table (7-2) shows actual performance of the public revenues during the year 2003 compared to the year 2002.

**Table (7-2)**  
**Actual Performance of the Public Revenues**  
(2002-2003)  
(SDD Billions)

Particulars	2002				2003			
	Estimated	Actual	% of Perform.	% of Total	Estimated	Actual	% of Perform.	% of Total
I- Tax revenue (a+b)	<u>241.5</u>	<u>213.7</u>	<u>88.5</u>	<u>45.3</u>	<u>268.5</u>	<u>266.8</u>	<u>99.4</u>	<u>37.9</u>
a) Direct Taxes	50.0	41.2	82.4	8.7	53.5	52.3	97.7	7.4
- Income Tax	4.5	5.3	117.8		6.0	7.6	126.7	
- Business Profit Tax	32.0	24.3	76.0		33.0	31.3	94.8	
-Development Tax	-	0.4	-		-	-	-	
-SNWA	5.0	4.8	96.0		7.0	5.0	71.4	
- Stamps	8.5	6.4	75.3		7.5	8.4	112.0	
- Others	-	-	-		-	-	-	
b) Indirect Taxes(1+2+3)	<u>191.1</u>	<u>172.5</u>	<u>90.0</u>	<u>36.5</u>	<u>215.0</u>	<u>214.5</u>	<u>99.8</u>	<u>30.5</u>
1- Customs Duties	99.5	103.2	103.7		114.7	117.7	102.6	
- Imports Duties	68.1	75.4	110.7		77.2	84.7	109.7	
- Exports Duties	-	-	-		0.3	0.3	100.0	
- Others	31.4	27.8	88.5		37.2	32.7	87.9	
2) Excise Duties	39.9	27.8	69.7		40.0	41.1	102.8	
3) VAT	52.1	41.5	79.7		60.3	55.7	92.4	
II- Non Tax Revenue	<u>240.8</u>	<u>258.5</u>	<u>107.3</u>	<u>54.7</u>	<u>318.0</u>	<u>436.8</u>	<u>137.4</u>	<u>62.1</u>
Total Ordinary Revenues (I+II)	<u>482.5</u>	<u>472.2</u>	<u>97.9</u>	100.0	<u>586.5</u>	<u>703.6</u>	120.0	<u>100.0</u>

Source: Ministry of Finance and National Economy.

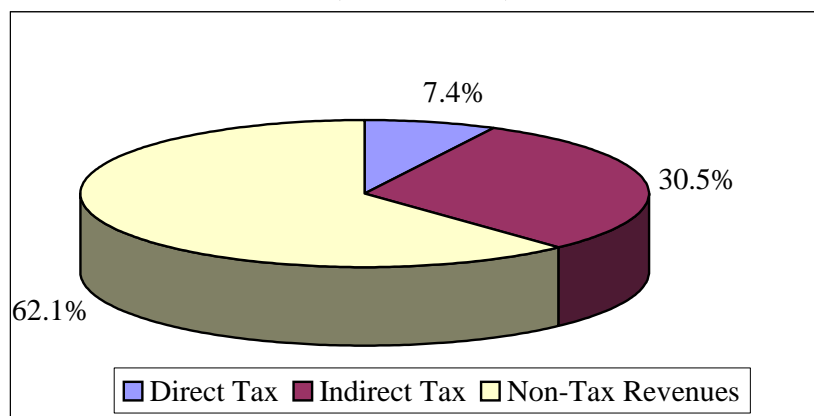
Total Public revenues increased from SDD 472.2 billion in 2002 to SDD 703.6 billion in year 2003, by 49.0%. Total non-tax revenues amounted to SDD 436.8 billion in 2002, an increase of 68.9%, contributing 62.1% of the



total revenues, which is 137.4% of the estimates for the year 2003. Tax revenues increased from SDD 213.7 billion in 2002 to SDD 266.8 billion in 2003, an increase of 24.8%. In spite of that its share in the total public revenues decreased from 45.5% in 2002 to 37.9% in 2003, comprising direct income tax which increased from SDD 41.2 billion in 2002 to SDD 52.3 billion in 2003, i.e. by 26.9% contributing 7.4% into the total public revenues compared to 8.7% in 2002.

On the other hand, indirect tax revenues registered a significant increase from SDD 172.5 billion in year 2002 to SDD 214.5 billion in 2003, a percentage of 24.3%, thus representing 30.5% of the total public revenues.

**Figure (7-1)**  
**Actual Performance of the Public Revenues**  
For the Year 2003  
(SDD Billions)



### **Public Corporations, Enterprises and Government Investments Revenues:**

Table (7-3) shows actual revenue received from public corporations, enterprises and government investments for 2003 compared to 2002.

**Table (7-3)**  
**Public Corporations, Enterprises,**  
**And Government Investments Revenues**  
(SDD Billions)

Year	2002			2003		
	Estimates	Actual	% Of Perform.	Estimates	Actual	% Of Perform.
a) Profits of Public Enterprises and Corporations.	17.0	17.4	102.4	22.0	22.8	103.6
b) Proceeds of Govt. Investments	12.0	7.7	64.2	11.3	10.9	96.5
Total	<u>29.0</u>	<u>25.1</u>	<u>86.6</u>	<u>33.3</u>	<u>33.7</u>	<u>101.2</u>

Source: Ministry of Finance and National Economy

Actual revenue from government owned corporations, or has shares in them increased from SDD 25.1 billion in 2002 to SDD 33.7 billion in 2003, i.e. by 34.3%, and a percentage performance of 101.2% in 2003.

### Public Expenditure:

Table (7-4) reflects actual performance of the public expenditure during 2003 compared to 2002.

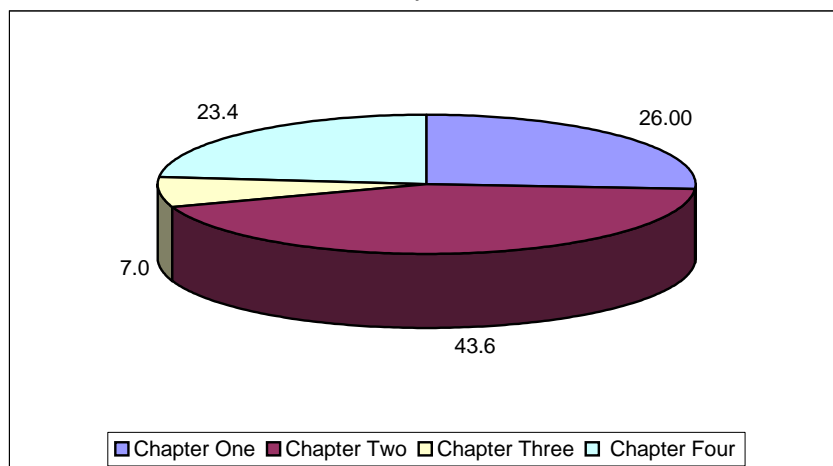
**Table (7-4)**  
**Public Expenditure**  
(2002-2003)  
(SDD Billions)

Years	2002			2003		
Items	Estimates	Actual	% of Total	Estimates	Actual	% of Total
Chapter One: Wages, Salaries, and Social Subsidies	170.9	164.9	31.8	198.9	191.2	26.0
Chapter Two: Centralized Items & Steering Expenditure	231.2	179.2	34.6	253.4	320.7	43.6
Chapter Three: Contribution to States' Support Fund	36.8	32.9	6.4	58.0	51.4	7.0
Chapter Four: Development Expenditure, Contribution in Capital, State Development	159.1	140.8	27.2	186.0	172.9	23.4
Total	<u>598.0</u>	<u>517.8</u>	<u>100.0</u>	<u>696.3</u>	<u>736.2</u>	<u>100.0</u>

Source: - Ministry of Finance and National Economy.

Actual public expenditure amounted to SDD 736.2 billion, with a performance that exceeded estimates by 5.7%, and with an increase of 42.2 over that of the previous year. That included current expenditure of SDD 563.3 billion, i.e. by 80.9% of the estimates for 2003, and with an increase of 49.4% of 2002. The increase was a result of an increase in the expenditure in Chapter Two by 78.9%, and the Chapter Three by 56.2%. Development expenditure registered an increase of 22.8% and a performance of 92.9% of the estimates for 2003.

**Figure (7-2)**  
**Actual Public Expenditure**  
For the year 2003



**Development Expenditure: -**

Table (7-5) shows actual development expenditure for 2003 compared to 2002.

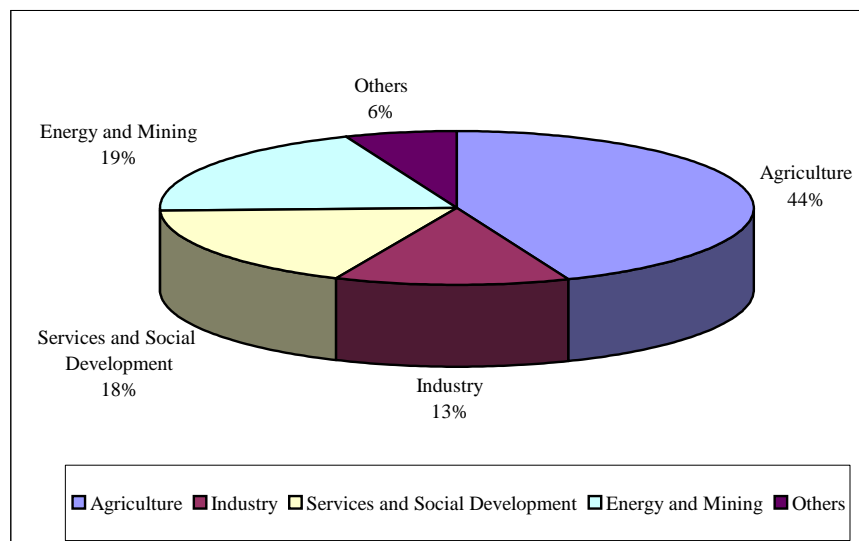
**Table (7-5)**  
**Development Expenditure**  
(SDD Billions)

Sector	2002				2003			
	Estimates	% of Estimates	Actual Perform.	% of Total Perform.	Estimates	% of Estimates	Actual Perform	% of Total Perform.
1-Agriculture	23.9	24.5	11.4	20.7	35.7	36.2	38.8	44.0
2- Energy & Mining	17.5	18.0	19.3	35.2	15.1	15.3	17.1	19.4
3-Water	4.1	4.2	1.0	1.8	5.9	6.0	1.3	1.5
4-Transport & Communications	13.3	13.8	3.8	6.9	11.2	11.4	8.8	9.9
5- Social Development	19.6	20.1	1.4	2.5	17.4	17.7	5.5	6.2
6- Industry	10.6	10.9	14.1	25.8	4.4	4.5	11.2	12.7
7-Peace & Resettle. Program	7.5	7.7	3.6	6.6	8.3	8.4	4.9	5.6
8-Development Reserve	0.8	0.8	0.3	0.5	0.5	0.5	0.6	0.7
Total	97.3	100.0	54.9	100.0	98.5	100.0	88.2	100.0
Sources of Finance								
Local Finance	74.4	76.4	45.5	82.9	58.5	59.4	66.5	75.4
External Finance	23.0	23.6	9.4	17.1	40.0	40.6	21.7	24.6

Source: Ministry of Finance and National Economy.

Expenditure on actual development rose from SDD 54.9 billion in 2002 to SDD 88.2 billion in 2003 i.e. by 89.2% of the estimates amounting to SDD 98.5 billion. Percentage expenditure on agriculture was 44% of the total expenditure followed by energy and mining by 19.4%, industry by 12.7%, transport and communications by 9.9%, water by 1.5%, social development and resettlement programs by 11.8% and development reserve by 0.7%. Deficit was financed from local sources by SDD 66.5 billion, and from external sources by SDD 21.7 billion.

**Figure (7-3)**  
**Actual Development Expenditure**  
(SDD Billions)



#### **Bank of Sudan Lending to the Government:**

Article (48-A) of the Bank of Sudan Act for 2002 stipulates that Bank of Sudan offers a temporary loan to the government not exceeding 15% of the total estimates of the local revenues for the fiscal year in which the advance was offered, provided that the advance be repaid within a period not exceeding six months subsequent to the end of the fiscal year in which the advance was offered.

Net advance to the government dropped from SDD 114.9 billion in 2002 to SDD 83.1 billion in 2003 due to the significant increase in government deposits with the Central Bank rising from SDD 27.3 billion in 2002 to SDD 64.8 billion in 2003, by 137.4%, in addition to a decrease in Government Musharaka Certificates (GMCs + Investment Securities)\* from SDD 3.9 billion to SDD 2.9 billion, by 25.6%. On the other hand, temporary advance offered to the government rose from SDD 30.9 billion in 2002 to SDD 37.5 billion in 2003, by 21.4%.

#### **Foreign Exchange Budget:**

Table (7-6) shows foreign exchange budget for the year 2003 compared to that of 2002.

**Table (7-6)**  
**Foreign Exchange Budget (2002-2003)**  
(US\$ Millions)

Years	2002			2003		
	Estimates	Actual Perform.	% Of Perform. *	Estimates	Actual Perform.	% Of Perform.
Exports	1,556.0	1,949.1	125.3	2,063.0	2,354.6	114.1
Invisible Receipts	1,025.5	1,281.8	124.9	1,094.7	1,381.9	126.2
Drawings of Loans	604.0	44.7	7.4	500.8	84.9	16.9
Short-term Capital Movements	65.0	222.4	342.2	45.0	5.3	11.8
Direct Investment	645.0	713.2	110.6	825.6	1,349.2	163.4
a) Total Receipts	<u>3,895.5</u>	<u>4,211.2</u>	<u>108.1</u>	<u>4,529.1</u>	<u>5,175.9</u>	<u>114.3</u>
Imports	1,484.0	2,293.8	154.6	2,055.0	2,651.2	129.0
Invisible payments	1,455.0	1,910.6	131.3	1,787.3	1,795.2	100.4
Loans Repayment	178.0	87.8	49.3	292.1	185.2	63.4
b) Total Payments	<u>3,117.0</u>	<u>4,292.2</u>	<u>137.7</u>	<u>4,134.4</u>	<u>4,631.6</u>	<u>112.0</u>
Foreign Exchange Budget Deficit (a-b)	778.5	-81.0	-	394.7	544.3	-

Source: Bank of Sudan and Ministry of Finance

\* Amended Figures from Annual Report of 2002.

Total foreign exchange receipts for 2003 rose from US\$ 4,211.2 million in 2002 to US\$ 5,175.9 million in 2003, an increase of 22.9%, while total payments rose from US\$ 4,292.2 million in 2002 to US\$ 4,631.6 million in 2003 increasing by 7.9%. All receipts items rose significantly from the previous year, except short-term capital movement. Payments, however, did not rise much more than those of the last year, which lead to a surplus in the budget of about US\$ 544.3 million.<sup>1</sup>

<sup>1</sup>\*/Chapter Six contains a more comprehensive definition of GMC and Investment Securities.

# **CHAPTER EIGHT**

## **FOREIGN TRADE**

## CHAPTER EIGHT

### Foreign Trade

#### Introduction:

In conformity with the policy of liberalization announced in February 1992, the government policy during 2003 continued to strive towards removing restrictions and impediments on foreign trade. Therefore, there has been much concern to improve exports standards, and attempts to open up new markets as well as improve traditional markets. In the area of imports, all procedures have been developed, such as offering facilities in foreign exchange, and other external facilities.

In the framework of COMESA that aims for the establishment of an economic unity, Sudan continued to apply zero tariff to encourage its trade with eight out of twenty COESA countries.

#### Trade Balance:

Trade balance deficit amounted to US\$ 339.7 million in 2003, compared with the deficit of US\$ 497.3 million in 2002. This decrease is attributed to a big increase in exports amounting to US\$ 593.1 million, a percentage of 30.4% which surpassed increase in imports proceeds amounting to US\$ 435.5 million, by 17.8%.

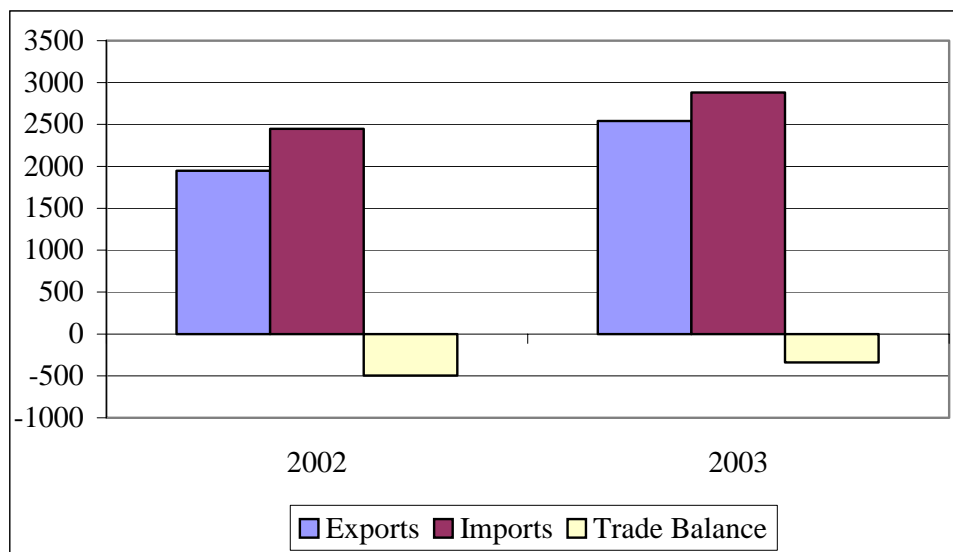
Table (8-1) and Figure (8-1) shows total exports and imports, the Balance of Trade, and percentage changes during the year 2003 compared with the year 2002.

**Table (8-1)**  
**Trade Balance**

	(US\$ Millions)	
Item	2002	2003
<u>Exports:</u>	<u>1,949.1</u>	<u>2,542.2</u>
Oil Exports	1,510.9	2,047.7
Non-Oil Exports	438.2	494.5
Annual % Change of Exports	14.7%	30%
<u>Imports (CIF)</u>	<u>2,446.4</u>	<u>2,881.9</u>
Annual % Change of Imports	6.3%	17.8%
Trade Balance	-497.3	-339.7

Source: Sudan Customs Authority

**Figure (8-1)**  
**Trade Balance**  
(US\$ Millions)



### Structure of Foreign Trade:

#### First: Exports:

The major exports of Sudan are composed of oil and petroleum byproducts, agricultural and animal products, and manufactured goods such as sugar, metals and most important among them was gold.

Table (8-2) and Figure (8-2) show oil and non-oil exports proceeds for the years, 2002 and 2003.

**Table (8-2)**  
**Commodity Exports for the Years 2002 and 2003**  
(US\$ Millions)

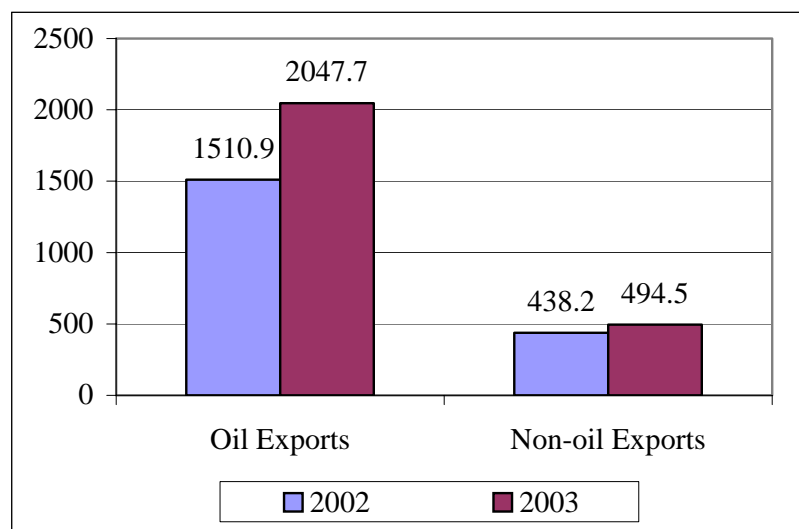
Commodity	Unit	2002		2003	
		Quantity	Value	Quantity	Value
Crude Oil	Barrels	62,198,718	1,396.50	72,430,017	1,934.02
Benzene	M.T.	450,758	93.10	319,536	75.86
Kerosene	M.T.	-	-	-	-
Natural Gas	M.T.	92,586	17.40	68,830	15.60
Naphtha	M.T.	32,170	2.80	25,645	2.43
Oil Fuel	M.T.	8,031	1.10	28,184	19.79
Mixed Gas	M.T.	95	0.01	-	-
Cotton	Bale	397,349	62.20	507,109	107.76
Livestock	Head	1,475,220	117.20	1,016,312	97.68
Sesame	M.T.	155,393	74.60	108,692	74.37
Gold	K.G.	8,660	52.50	7,784	58.59
Gum Arabic	M.T.	36,193	31.90	36,164	35.42
Meat	M.T.	7,478	17.30	8,046	21.58



Hides and Skins	Valuse	-	3.00	-	18.65
Molasses	M.T.	154,600	7.90	193,977	8.65
Sugar	M.T.	22,934	10.50	16,170	7.00
Dura	M.T.	36,109	4.80	11,631	2.08
Groundnuts	M.T.	13,158	5.70	376	0.22
Others	Value	-	50.60	-	62.73
Total			1,949.11		2,542.17

Source: Sudan Customs Authority.

**Figure (8-2)**  
**Commodity Exports**  
(US\$ Millions)



### 1- Oil Exports:

Total crude oil exports rose from 62,199 thousand barrels in 2002 to 72,430 thousand barrels in 2003. Oil fuel exports also increased from 8.0 metric tons to 28.2 thousand metric tons. Benzene exports decreased from 450.7 metric tons to 319.5 thousand metric tons, Gas decreased from 92.6 metric tons to 68.8 thousand metric tons, naphtha exports dropped from 32.2 thousand metric tons to 25.6 thousand metric tons.

Total crude oil exports proceeds rose from US\$ 1,396.5 million in 2002 to US\$ 1,934.0 million in 2003, by 38.5% due to an increase in barrel average price from US\$ 22 in 2002 to US\$ 26.7 in 2003. Petroleum byproducts exports proceeds dropped from US\$ 114.4 million in 2002 to US\$ 113,7 million in 2003 due to a decrease in benzene exports from US\$ 93.1 million in 2002 to US\$ 75.9 million in 2003. Naphtha, natural gas and oil fuel proceeds increased from US\$ 21.3 million in 2002 to US\$ 37.8 million in 2003 due to an increase in oil fuel exports proceeds from US\$ 1.1 million in 2002 to US\$ 19.8 million in 2003.

## **2- Non-Oil Exports:**

Non-oil exports proceeds (agricultural, animal, industrial and others) increased from US\$ 438.2 million in 2002 to US\$ 494.5 million in 2003 by 13%. Below are details of important exports.

### **A) Cotton:**

Cotton occupied the first place in non-oil exports, rising from US\$ 62.2 million in 2002 to US\$ 107.8 million in 2003 by 73% due to an increase in exported quantities from 397 thousand bales to 507 thousand bales, in addition to an increase in average of its international prices.

### **B) Sesame:**

Sesame exports earnings stabilized in two years, 2002 and 2003 amounting to US\$ 74.6 million and US\$ 74.4 million respectively in spite of the decrease in exported quantities from 155.4 thousand tons in 2002 to 108.7 thousand tons in 2003, and that was due to an increase in average of its international prices.

### **C) Gum Arabic:**

Gum Arabic exports earnings rose from US\$ 31.9 million in 2002 to US\$ 35.4 million in 2003 by 11% in spite of the decrease in the exported quantities by .08%. This increase in proceeds was due to an increase in its average international prices.

### **D) Dura (Sorghum):**

Dura exports earnings dropped from US\$ 4.8 million in 2002 to US\$ 2.1 million in 2003 by 56.3% due to a decrease in exported quantities by 67.9% in spite of the increase in its average international prices by 6.8% because international institutions opted to buy from the local market.

### **E) Molasses:**

Molasses exports earning rose from US\$ 7.9 million in 2002 to US\$ 8.6 million in 2003 by 8.7% due to an increase in exported quantities by 25.5%.

### **F) Sugar:**

Sugar exports earnings dropped from US\$ 10.5 million in 2002 to US\$ 7.0 million in 2003 by 33.3% due to a decrease in exported quantities by 29.5%.

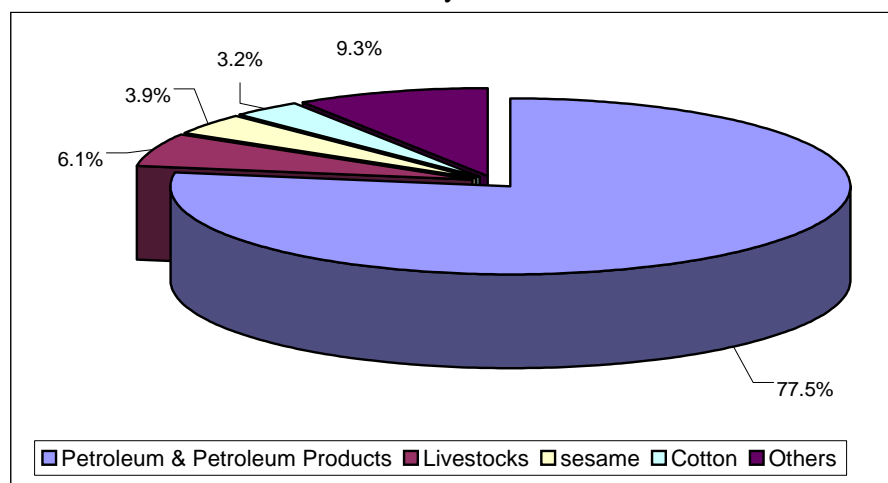
### **G) Livestock and Meat:**

Livestock exports earnings retreated to occupy second place among non oil exports. It decreased from US\$ 117.2 million in 2002 to US\$ 97.7 million in 2003 by 17%, at the same time meat exports earnings rose from US\$ 17.3 million in 2002 to US\$ 21.6 million in 2003 by 24.9%.

### **H) Gold:**

Gold exports proceeds increased from US\$ 52.5 million in 2002 to US\$ 58.6 million in 2003 by 11.6% in spite of the decrease in exported quantities by 10.1%, and that was due to an increase in average international prices by 17.2%.

**Figure (8-3)**  
**Commodity Exports Classification**  
**(Relative Importance)**  
 For the year 2003



### Second: Imports: -

Major imports include machineries, capital equipment, manufactured goods, and means of transport, chemicals, foodstuffs, textiles, and other raw materials.

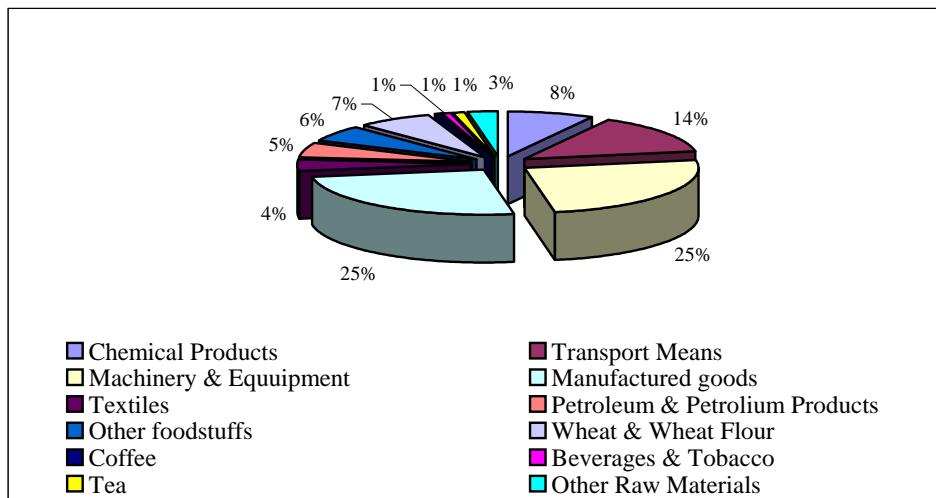
Table (8-3) and Figure (8-4) show imports according to commodity for 2002 and 2003, while Figure (8-5) shows commodity composition of the imports

**Table (8-3)**  
**Imports by Commodity**  
 (US\$ Millions)

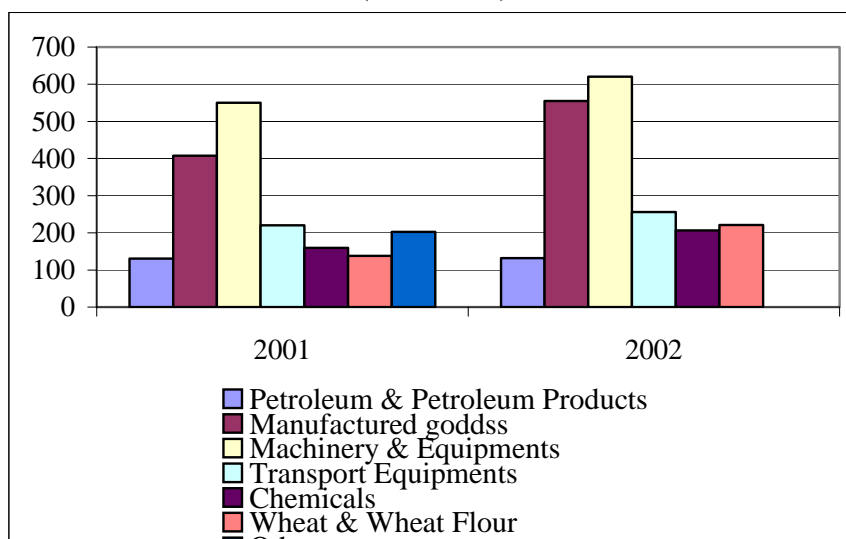
Commodity	2002		2003	
	Value	%	Value	%
Manufactured Goods	555.0	22.7	728.7	25.3
Machinery & Equipment	620.8	25.4	717.9	24.9
Means of Transport	255.8	10.5	409.1	14.2
Chemicals	206.5	8.4	231.3	8.0
Wheat and Wheat Flour	221.3	9.0	200.7	7.0
Other Foodstuffs	172.5	7.0	170.1	5.9
Petroleum Products	132.3	5.4	148.7	5.2
Textiles	140.3	5.7	124.7	4.3
Other Raw Materials	68.7	2.8	79.3	2.8
Tea	30.7	1.3	32.4	1.0
Beverages and Tobacco	26.5	1.1	22.0	0.8
Coffee	16.0	0.7	17.0	0.6
Total	2,446.4	100	2,881.9	100

Source: Sudan Customs Authority.

**Figure (8-4)**  
**Imports by Commodity 2003**



**Figure (8-5)**  
**Imports Structure**  
(2002-2003)



Imports value increased from US\$ 2,446.4 million in 2002 to US\$ 2,881.9 million in 2003 by 17.8%, as shown in Table (8-3). Most exports items significantly increased like manufactured goods, machinery and equipment. But, means of transport items registered the highest imports value, as they constituted the basis for new investments.

Investment imports value increased (import through concession) from US\$ 661.1 million in 2002 to US\$ 1,195.5 million in 2003 by 81%. It is worth to mention that official statistical data for foreign investments show that the

position of Sudan in Africa is the second and is in the seventh place worldwide.

### Sudan Foreign Trade Trend:

The trend of the Sudanese major exports during the five previous years changed from the European to the non-Arab Asian countries, while Arab countries represented the major source of Sudanese imports during the year 2003.

#### 1- Exports:

Table (8-4) shows the Sudanese exports trend and percentages during the years 2002 and 2003.

**Table No. (8-4)**  
**Exports Trend**  
(Value in US\$)

Importers	2002		2003	
	Value	% Total Imports	Value	% Total Imports
<u>Asian Countries</u>	<u>1,437.2</u>	<u>73.7</u>	<u>2,057.0</u>	<u>80.9</u>
China	1,281.3	65.7	1,761.9	69.3
Japan	64.2	3.3	167.7	6.6
Singapore	62.5	3.2	16.7	0.7
India	5.9	0.3	33.2	1.3
South Korea	3.5	0.2	18.3	0.7
Other Asian Countries	19.8	1.0	59.2	2.3
<u>Arab Countries:</u>	<u>309.6</u>	<u>15.9</u>	<u>299.2</u>	<u>11.8</u>
Saudi Arabia	119.2	6.1	114.8	4.5
United Arab Emirates	62.6	3.2	83.0	3.3
Egypt	57.0	3.0	48.2	1.9
Lebanon	23.5	1.2	23.6	0.1
Syria	19.6	1.0	12.1	0.5
Yemen	15.2	0.8	3.7	0.1
Other Arab Countries	12.5	0.6	13.8	0.5
<u>European Countries:</u>	<u>138.0</u>	<u>7.1</u>	<u>150.1</u>	<u>5.9</u>
European Union Countries	75.7	3.9	72.0	2.8
United Kingdom	60.8	3.1	66.4	2.6
Other European Countries	1.5	0.1	11.7	0.5
The United States of America	1.5	0.1	2.7	0.1
Other Countries	62.8	3.2	33.2	1.3
Total	1,949.1	100	2,542.2	100

Non Arab Asian group of countries constituted the major market for Sudan exports (basically oil) during the year 2003 amounting to US\$ 2,057 million which represented 80.9% of the total exports compared with 73.7% in 2002.

China is considered to be the biggest importer of Sudanese exports amounting to US\$ 1,761.9 million 69.3% of the total exports, followed by Japan with US\$ 167.7 million representing 6.6% of the total exports.

Sudanese exports to the Arab countries dropped from US\$ 309.6 million in 2002 to US\$ 299.2 million in 2003 representing 11.8% of the total exports, Saudi Arabia in the lead with US\$ 114.8 million, with a share of 4.5%, followed by United Arab Emirates with US\$ 83 million, by 3.3%.

Exports to the European countries rose from US\$ 138 million to US\$ 150.1 million by 5.9% in 2003 with European Union countries taking the lead with US\$ 72.0 million with the share of 2.8%, followed by the United Kingdom with US\$ 66.4 million with the share of 2.6%, then the other European countries with US\$ 11.7 million with the share of 0.5%.

## 2- Imports:

Table (8-5) shows sources of Sudanese imports and percentages for the years 2002 and 2003.

**Table No. (8-5)**  
**Sources of Imports**  
(Value in US\$ Millions)

Sources of Imports	2002		2003	
	Value	% Total Imports	Value	% Total Imports
<u>1-Arab Countries:</u>	<u>897.7</u>	<u>36.7</u>	<u>1,146.4</u>	<u>39.8</u>
Saudi Arabia	581.8	23.8	723.9	25.2
United Arab Emirates	173.0	7.1	180.0	6.2
Egypt	53.8	2.2	116.4	4.0
Other Arab Countries	89.1	3.6	126.1	4.4
<u>2-Asian Countries :</u>	<u>561.6</u>	<u>23.0</u>	<u>639.6</u>	<u>22.2</u>
China	196.3	8.0	229.1	7.9
India	104.6	4.3	116.0	4.0
Japan	77.2	3.2	85.0	2.9
South Korea	43.7	1.8	51.1	1.8
Indonesia	38.0	1.6	39.9	1.4
Other Asian Countries	101.8	4.1	118.5	4.2
<u>3-European Countries:</u>	<u>566.8</u>	<u>23.1</u>	<u>640.5</u>	<u>22.2</u>
European Union Countries	377.5	15.4	408.5	14.1
United Kingdom	113.0	4.6	125.6	4.4
Other West European Countries	76.3	3.1	106.4	3.7
<u>4-Australia</u>	<u>69.0</u>	<u>2.8</u>	<u>59.2</u>	<u>2.0</u>
<u>5-United States of America</u>	<u>13.6</u>	<u>0.6</u>	<u>11.1</u>	<u>0.4</u>
<u>6-Other Countries</u>	<u>337.7</u>	<u>13.8</u>	<u>385.1</u>	<u>13.4</u>
Total	2,446.4	100	2,881.9	100

The group of Arab countries constituted the major source of imports to Sudan in 2003 as their share amounted to US\$ 1,146.4 million representing 39.8% of the total imports. Saudi Arabia lead the group with US\$ 723.9 million, with a share of 25.2% of the total imports, followed by the United Arab Emirates with US\$ 180.0 million, with a share of 6.2%, Egypt with US\$ 116.4 million, with a share of 4.0%.

On the other hand the Sudanese imports from non Arab Asian countries amounted to US\$ 639.6 million representing 22.2% of the total imports. China topped these countries accounting for US\$ 229.1 million with a share of 7.9%, followed by India with the amount of US\$ 116.0 million with a share of 4.0%, Japan with the amount of US\$ 85.0 million with a share of 2.9%.

The European countries came in the third place in 2003 amounting to US\$ 640.5 million representing 22.2% of the total imports. The European Union countries were in the top place with the amount of US\$ 408.5 million with a share of 14.1%, followed by the United Kingdom with the amount of US\$ 125.6 million with a share of 4.4%, the other European countries with the amount of US\$ 106.4 million with a share of 3.7%.

Imports from Australia and the United States decreased from 69.0 and 13.6 million United States dollars in 2002 to 59.2 and 11.1 million United States dollars in 2003 respectively.

# **CHAPTER NINE**

## **BALANCE OF PAYMENTS**



## CHAPTER NINE

### Balance of Payments

The current account deficit persisted during the previous years amounting to US\$ 1,216.79 million in 2001, and began to recede in 2002 and 2003 to reach US\$ 973.56 million and US\$ 522.35 million respectively. Capital Account continued to improve as it rose from US\$ 534.47 million in 2001 to US\$ 841.45 million in 2002, and US\$ 1389.93 million in 2003. This led to an improvement in the overall position and to an increase in the reserves of convertible currencies from US\$ 127.6 million in 2001 to US\$ 300.3 million in 2002 and US\$ 422.56 million in 2003. Table (9-1) shows a summary of for the years 2002 and 2003.

**Table (9-1)**  
**Balance of Payments**  
**2002 - 2003**  
(US\$ Millions)

	2002 Adjusted	2003
<b>A- Current Account (1+2)</b>	<u>-973.56</u>	<u>-522.35</u>
1- Balance of Trade	-344.72	-108.99
2- Services, Income and Transfers	-628.84	-413.36
<b>B- Capital &amp; Financial Account</b>	<u>841.45</u>	<u>1,389.93</u>
Deficit or surplus in Current Account and Capital & Financial Account (a+b)	<u>-132.11</u>	<u>867.58</u>
<b>C- Errors and Omissions</b>	<u>432.14</u>	<u>-445.02</u>
<b>D- Convertible Currencies Reserves **</b>	<u>-300.03</u>	<u>-422.56</u>

\*Capital Account has been revised to include Capital Account and previous monetary movements except official balances of the convertible currencies and are now termed Capital & Financial Account.

\*\* Sign (-) means an increase in Reserves.

**Figure (9-1)**  
**Balance of Payments 2002-2003**

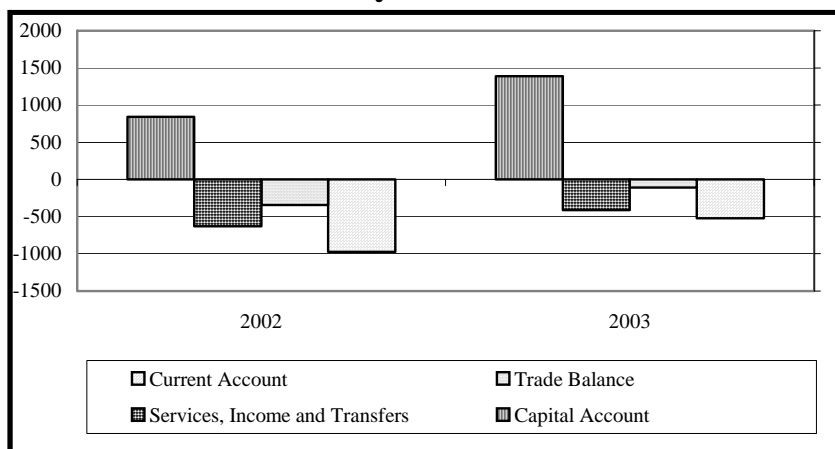


Table (9-2) shows details of the Trade Balance for 2002 and 2003, while Appendix (xvii) reflects the Balance of Payments for five years (1999-2003)

**Table (9-2)**  
**Balance of Payments (Millions US\$)**

	2002	2003
<b>A/ Current Account</b>		
<b>Exports (FOB)</b>	<u>1,949.11</u>	<u>2,542.17</u>
Petroleum	1510.83	2,047.17
Others	438.28	494.47
<b>Imports (FOB)</b>	<u>-2,293.83</u>	<u>-2,651.16</u>
Government Purchases	-226.64	-307.10
Private Sector Purchases	-2,067.19	-2,344.06
Balance of Trade	-344.72	-108.99
<b>Services, Income and Transfers Account</b>	<u>-628.84</u>	<u>-413.36</u>
Receipts	1,281.77	1381.86
Payments	1,910.61	-1,795.22
Deficit (-) or surplus (+) in Current Account	<u>-973.56</u>	<u>-522.35</u>
<b>B/ Movements in Capital and Financial Account</b>	<u>841.45</u>	<u>1,389.93</u>
Direct Investment (Net)	713.18	1,349.19
Investment Fund (Net)	14.78	35.25
Other Investments (Net)	<u>113.49</u>	<u>5.49</u>
<b>(1) Official Loans</b>	<u>-43.02</u>	<u>-100.30</u>
Drawings	44.75	84.93
Repayments	-87.77	-185.23
<b>(2) Trade Facilities (Net)</b>	222.40	5.27
<b>(3) Commercial Banks Net Foreign Assets</b>	128.02	-4.89
<b>(4) Bank of Sudan Short-Term Loan</b>	64.18	119.79
<b>(5) Bilateral Agreements</b>	-2.05	-14.21
Deficit or Surplus in Current, Capital and Financial Accounts	<u>132.11</u>	<u>867.58</u>
Errors and Omissions	<u>432.14</u>	<u>-445.02</u>
<b>C/ Official Reserve Assets of Convertible Currencies</b>	-300.03	-422.56

**Components of the Balance of Payments:****First: - Current Account: -****A/Visible Transactions:**

Balance of Trade decreased from US\$ 344.72 million in 2002 to US\$ 108.99 million in 2003 i.e. by 68.6% due to an increase in exports proceeds from US\$ 1,949.11 million to US\$ 2,542.17 million. In spite of an increase in imports from US\$ 2,293.83 million in 2002 to US\$ 2,651.16 million in 2003 (including commodity grants which fell from US\$ 32.04 million to US\$ 14.64 million), Government imports rose from US\$ 226.64 to US\$ 307.10 million. Private sector imports rose from US\$ 2,067.19 million in 2002 to US\$ 2,344.06 million in 2003 i.e. by 35% and 13% respectively.

Table (9-3) explains quarterly details for the visible trade during 2003 compared to 2002.

**Table (9-3)**  
**Visible Transactions 2003**  
(US\$ Millions)

	Gross 2002 Modified	1 <sup>st</sup> Q. 2003	2 <sup>nd</sup> Q. 2003	3 <sup>rd</sup> Q. 2003	4 <sup>th</sup> Q. 2003	Total 2003
<u>Exports</u>	<u>1,949.11</u>	<u>692.49</u>	<u>563.06</u>	<u>565.41</u>	<u>721.21</u>	<u>2,542.17</u>
Petroleum	1,510.83	585	455.93	465.64	541.13	2,047.70
Others	438.28	107.49	107.13	99.77	180.08	494.47
<u>Imports</u>	<u>-2,293.83</u>	<u>-561.28</u>	<u>-692.24</u>	<u>-689.01</u>	<u>-708.63</u>	<u>-2,651.16</u>
<u>Government Purchases</u>	<u>-226.64</u>	<u>-55.4</u>	<u>-71.96</u>	<u>-50.02</u>	<u>-129.72</u>	<u>-307.1</u>
In convertible currencies	-194.6	-51.81	-70.95	-46.11	-123.59	-292.46
Others	-32.04	-3.59	-1.01	-3.91	-6.13	-14.64
<u>Private Sector Imports</u>	<u>-2,067.19</u>	<u>-505.88</u>	<u>-620.28</u>	<u>-638.99</u>	<u>-578.91</u>	<u>-2,344.06</u>
Deficit (-) or Excess (+) in Visible Trade	-344.72	131.21	-129.18	-123.6	-12.58	-108.99

**Table (9-4)**  
**Invisible Transactions**  
(US\$ Millions)

	2002	2003		2002	2003
<u>Invisible Receipts</u>	<u>1,281.77</u>	<u>1,381.86</u>	<u>Invisible Payments</u>	<u>1,910.61</u>	<u>1,795.22</u>
<u>Services</u>	<u>132.17</u>	<u>136.9</u>	<u>Services</u>	<u>818.18</u>	<u>686.16</u>
Travel	108.10	117.88	Travel	91.43	119.13
Transport	16.68	9.07	Transport	686.14	538.26
Communication Services	4.09	2.50	Communication Services	5.15	1.52
Construction Services	0.03	0.51	Construction Services	0.00	0.65
Insurance	0.01	0.00	Insurance	0.14	0.00
Financial Services	0.42	0.83	Financial Services	0.5	0.16
Computer Services and Information	0.46	0.00	Computer Services and Information	0.76	0.84
License and Privilege Fees	0.00	0.00	License and Privilege Fees	0.00	0.00
Other Business Services	0.64	0.36	Other Business Services	0.18	0.14
Personal, Cultural and Recreational Services	0.00	0.31	Personal, Cultural and Recreational Services	0.00	0.01
Unclassified Government Services	1.74	5.44	Unclassified Government Services	33.88	25.45
<u>Income</u>	<u>29.21</u>	<u>10.01</u>	<u>Income</u>	<u>637.98</u>	<u>592.25</u>
Employees Compensations	7.50	5.24	Employees Compensations	3.59	0.65
<u>Investment Returns</u>	<u>21.71</u>	<u>4.77</u>	<u>Investment Returns</u>	<u>634.39</u>	<u>591.60</u>
Government	0.00	0.00	Direct Investment Returns	632.78	531.42
Others	21.71	4.77	Income from Debt (Interests)	0.00	60.18
			Others	1.61	0.00
<u>Current Transfers</u>	<u>1,120.39</u>	<u>1,234.95</u>	<u>Current Transfers</u>	<u>454.45</u>	<u>516.81</u>
<u>Government</u>	<u>150.20</u>	<u>16.59</u>	<u>Government</u>	<u>2.24</u>	<u>6.66</u>
Grants	34.52	16.59	Grants	0.00	0.00
Other Transfers	115.68	0.00	Other Transfers	2.24	6.66
<u>Private Sector</u>	<u>970.19</u>	<u>1,218.36</u>	<u>Private Sector</u>	<u>452.21</u>	<u>510.15</u>
			Deficit (-) or Surplus (+)	-628.84	-413.36

### **B/Invisible Transactions:**

Table (9-4) shows details of the invisible transactions for the years 2002-2003 during which deficit in Services Account, Income and Transfers dropped from US\$ 628.84 million in 2002 to US\$ 413.36 million in 2003 i.e. by 34.3%. This is due to an increase in invisible receipts from US\$ 1,281.77 million to US\$ 1,381.86 million, and to a decrease in invisible payments from US\$ 1,910.61 million in 2002 to US\$ 1,795.22 million in 2003.

Invisible Receipts slightly increased in Travel receipts under Services item, from US\$ 108.10 million in 2002 to US\$ 117.88 million in 2003, while Investment income decreased from US\$ 21.7 million to US\$ 4.77 million. Current Receipts increased from US\$ 1,120.39 million in 2002 to US\$ 1,234.95 million in 2003 much of which is from the private sector.

Invisible Payments comprised Services including Travel that rose from US\$ 91.43 million in 2002 to US\$ 119.13 million in 2003, and Transport that dropped from US\$ 686.14 million to US\$ 538.26 million. Likewise, Investment repayments to foreign companies working in oil exploration decreased from US\$ 632.78 million in 2002 to US\$ 531.42 million in 2003. Current Transfers increased from US\$ 454.45 million in 2002 to US\$ 516.81 million in 2003 most of which was private sector transfers.

**Second: Capital and Financial Account:**

Some revisions had taken place during 2003 in classifying the items of the Capital Account according to the fifth edition of the Balance of Payments brochure issued by the IMF in which movements in the Financial Account were added (previously called Money Movements) to the Capital Account to become Capital and Financial Account (excluding official reserve assets for convertible currencies).

Capital and Financial Account items are composed as shown in Table 9-5) from the following:

- A) Capital Account: Comprises capital movements and transfers that lead to changes in fixed assets ownership, or that a creditor drops the overdue debt for free. It also includes ownership of non-financial assets, or authority of disposition like intellectual property rights, trademark, goodwill, patent right and copyrights.
- B) Financial Account: Records economic transactions involving assets and foreign financial obligations that include direct foreign investments, treasury bills investments portfolio, and other investments which incorporate trade facilities and advances, also non-reserve assets movements, and Central Bank and commercial banks liabilities.

Movements in net Capital and Financial Account increased from US\$ 841.45 million in 2002 to US\$ 1,389.93 million in 2003 as explained in Table (9-5). Net Direct Investment rose from US\$ 713.18 million in 2002 to US\$ 1,349.19 million in 2003 i.e. by 89.2% (machineries and investment equipments inclusive).

Movements in investments portfolio rose during 2002 and 2003 to US\$ 14.78 million and US\$ 35.25 million respectively as they included non-resident investments in musharaka certificates and government securities.

**Table (9-5)**  
**Capital and Financial Account**  
(US\$ Millions)

	2002	2003
<u>Capital and Financial Account</u>	<u>841.45</u>	<u>1,389.93</u>
<u>A/Capital Account</u>	-	-
Exemption from Debt	-	-
Ownership of Non-Financial Assets	-	-
Others	-	-
<u>B/Financial Account</u>	<u>841.45</u>	<u>1,389.93</u>
<u>Direct Investment</u>	<u>713.18</u>	<u>1,349.19</u>
Inside Sudan	713.18	1,349.19
Outside Sudan	-	-
<u>Fund Investments</u>	<u>14.78</u>	<u>35.25</u>
Assets	14.78	35.25
Liabilities	0	0
<u>Other Investments</u>	<u>113.49</u>	<u>5.49</u>
<u>1/Net Government Loans Inward (+) Outward (-)</u>	<u>-43.02</u>	<u>-100.3</u>
<u>Government Loan Flows</u>	<u>44.75</u>	<u>84.93</u>
World Bank	-	-
African Development Bank	-	-
OPEC Fund	-	8.09
IFAD	4.09	4.59
Islamic Bank For Development	12.47	7.54
Arab Fund For Economic And Social Development	0.73	16.31
Saudi Fund	-	8.14
Abu Dhabi Fund	8.87	4.9
Kuwaiti Fund	1.79	4.9
Oman	0	29.26
Qatar	15	-
China	1.8	1.2
<u>Government Loans Repayments</u>	<u>-87.77</u>	<u>-185.23</u>
IMF	-24	-26.3
World Bank	-0.5	-4.5
African Development Bank	-	-2.5
OPEC Fund	-4	-8.93
IFAD	-2.9	-2.79
Islamic Bank For Development	-4.1	-3.68
Arab Fund For Economic and Social Development	-15	-11.5
Arab Monetary Fund	-	-3
Saudi Fund	-7.15	-5.53
Abu Dhabi Fund	-1.04	-1.37
Kuwaiti Fund	-2.39	-11.77
Egypt	-0.5	-0.5
Turkey	-2.84	-2.84
China	-6	-79.82
Malaysia	-17.35	-20.2
<u>2/Commercial Facilities (Short-Term Movements)</u>	<u>222.4</u>	<u>5.27</u>

<u>Assets</u>	<u>301.26</u>	<u>305.65</u>
<u>Liabilities</u>	<u>-78.86</u>	<u>-300.38</u>
<u>3/Monetary Authorities Net Foreign Assets</u>	<u>64.18</u>	<u>119.62</u>
Assets (Non-Reserve)	-	-0.17
Liabilities (Bank of Sudan External Obligations)	64.18	119.79
<u>4/Trade and payments Agreements</u>	<u>-2.05</u>	<u>-14.21</u>
Assets	-	-
Liabilities	-2.05	-14.21
<u>5/Commercial Banks Net Foreign Assets</u>	<u>-128.02</u>	<u>-4.89**</u>
Assets	-145.61	-8.97
Liabilities	17.59	4.08

Source: Bank of Sudan and Ministry of Finance

\*Addition of Foreign Currency Balances excluding Reserve in convertible Currencies

\*\*Sign (-) refers to an increase in External Assets

Movements in Net Other Investments decreased from US\$ 113.49 million in 2002 to US\$ 5.49 million in 2003 in spite of an increase in movements in Bank of Sudan external obligations from US\$ 64.18 million to US\$ 119.62 million due to an increase in net foreign assets of the commercial banks by US\$ 4.89 million only in 2003 compared to an increase of US\$ 128.02 in 2002, and a decrease in net movements in trade facilities from US\$ 222.4 million in 2002 to US\$ 5.27 million in 2003, and an increase of net official loans from minus US\$ 43.02 million (out flows) in 2002 to minus US\$ 100.30 million in 2003 (details in Chapter Ten), and also an increase in repayments of the bilateral agreements obligations from US\$ 2.05 million to US\$ 14.21 million.

## 2. Official Reserve:

Official reserve item from foreign exchange balances has become markedly outstanding from the other items in the Balance of Payments showing the overall position, though bearing in mind that a minus sign refers to an increase in the official reserve balances. Movements in convertible currencies balances rose from US\$ 300.03 million in 2002 to US\$ 422.56 million in 2003 i.e. by 41%, equivalent to two months average import value.

# **CHAPTER TEN**

## **FOREIGN LOANS AND GRANTS**



## CHAPTER TEN

### Foreign Loans and Grants

The persistent efforts of the state to consolidate the tenets of cooperation with all the countries, the international and regional institutions and organizations have led to an increase in drawings of external loans and grants from US\$ 79.27 million in 2002 to US\$ 101.76 million in 2003 i.e. by 28.37%. This chapter highlights the position of the external loans, grants and repayments during the year 2003.

#### Foreign Loans:

Total drawings rose from US\$ 44.75 million in 2002 to US\$ 84.93 million in 2003 which contributed in financing projects such as electricity, building of dams and roads, and in financing a number of other projects related to education and health.

The contribution of the state of Oman was US\$ 29.26 million, the Saudi Fund US\$ 8.14 million, the Kuwaiti Fund US\$ 4.90 million all of which were used to finance the construction of Mereowi dam. The Arab Fund For Economic and Social Development contributed US\$ 16.31 million used to rehabilitate Atbara-Haya-Port Sudan road. OPEC Fund loan reached US\$ 8.09 million and was used to finance construction of the electricity grid and other projects. The Islamic Bank for Development loan amounted to US\$ 7.54 million and was used to rehabilitate El Ruseiris Electricity station and other projects. Total drawings from IFAD amounted to US\$ 4.59 million and were used to finance rural development projects in south Kordofan state, while China loan amounting to US\$ 1.20 million was used to rehabilitate Khartoum State electricity facilities.

Table (10 – 1) shows details of drawings of loans and grants during the years 2002 and 2003.

**Table (10 - 1)**  
**Drawings of Loans and Grants**  
**For the years 2002 & 2003**  
(US\$ Millions)

Particulars	2002	2003
<u>Loans</u>	<u>44.75</u>	<u>84.93</u>
OPEC Fund	-	8.09
IFAD	4.09	4.59
Islamic Bank for Development	12.47	7.54
Kuwaiti fund	1.79	4.90
Abu Dhabi Fund	8.87	4.90
Arab Fund for Economic & Social Development	0.73	16.31

Saudi Fund	-	8.14
Qatar	15.00	-
Oman	-	29.26
China	1.80	1.20
<u>Grants</u>	<u>34.52</u>	<u>16.83</u>
Commodity Aid	32.04	14.64
IFAD	-	0.05
Islamic Bank for Development	1.26	1.42
Arab Fund for Economic & Social Development	0.42	0.43
Saudi Fund	0.80	0.29
Total	79.27	101.76

Source: Ministry of Finance

### Foreign Grants:

Foreign grants significantly dropped from US\$ 34.52 million in 2002 to US\$ 16.83 million in 2003 i.e. by 51.25%, and that was due to an apparent decrease in commodity grants from voluntary organizations from US\$ 32.04 million in 2002 to US\$ 14.64 million in 2003. Total drawings from the Islamic Bank for Development grants amounted to US\$ 1.42 million and were used for health and services projects. However, grants from the Arab Fund for Economic and Social Development were US\$ 0.43 million, while grants from Saudi Fund were US\$ 0.29 million and all were used to finance health projects. Drawings from IFAD grants amounted to US\$ 0.05 million, which were allocated for rural development schemes in south Kordofan State.

### Loans Repayments:

Table (10 -2) shows the position of public sector loans as at 31/12/2003 for which total outstanding obligations, excluding scheduled loans and interests, amounted to US\$ 7.64 billion, while the un-disbursed balance amounted to US\$ 1.04 billion.

Total foreign loans repayments rose from US\$ 87.77 million in 2002 to US\$ 185.23 million in 2003 i.e. by 111.04%, while oil development, Khartoum refinery and other development loans repayments receded. Repayments of China loans amounted to US\$ 79.82 million, IMF loans to US\$ 26.30 million, Malaysia loans to US\$ 20.20, Kuwaiti Fund loans to US\$ 11.77 million, Arab Fund for Economic and Social Development to US\$ 11.50 million and the OPEC loans to US\$ 8.93 million, in addition to other repayments. Foreign loans repayments represented 7.29% of the total exports for the year 2003.

**Table (10-2)**  
**Position of the Public Sector Loans as at 31.12.2003**  
 (US\$ 000's)

	Principal Amount	Drawings During 2003	Repayments in 2003	Total Repayments Up to 2003	Outstanding Debts 31.12.2003	Un-disbursed Balance 31.12.2003
<b>International Organizations:-</b>						
World Bank loans and IDA	1,255,554.00	-	4,500.00	60,825.00	1,192,079.00	2,650.00
IFAD	141,686.00	4,590.00	2,790.00	21,895.00	99,471.00	20,320.00
IMF	1,322,769.00	-	26,300.00	775,905.00	546,864.00	-
Islamic Bank for Development	164,639.68	7,540.00	3,680.00	13,623.00	70,504.00	80,512.68
OPEC	147,398.98	8,090.00	8,930.00	94,718.00	29,036.00	23,644.98
Arab Monetary Fund	255,477.00	-	3,000.00	3,963.00	251,514.00	-
Arab Fund for Social and Economic Development	711,194.28	16,310.00	11,500.00	230,656.51	240,167.00	240,370.77
African Development Fund	289,162.00	-	-	12,436.00	253,179.00	23,547.00
African Development Bank	112,554.00	-	2,500.00	28,817.00	83,737.00	-
European Investment Bank	55,736.00	-	-	915.00	54,549.00	272.00
<b>Total</b>	<b>4,456,170.94</b>	<b>36,530.00</b>	<b>63,200.0</b>	<b>1,243,753.51</b>	<b>2,821,100.00</b>	<b>391,317.43</b>
<b>Paris Club (non-rescheduled):-</b>						
Austria	32,417.00	-	-	-	32,417.00	-
Belgium	3,057.00	-	-	-	3,057.00	-
Canada	4,136.00	-	-	-	4,136.00	-
Denmark	24,344.00	-	-	-	24,344.00	-
France	123,429.00	-	-	-	123,429.00	-
Germany	11,025.00	-	-	-	11,025.00	-
Italy	81,613.00	-	-	-	81,613.00	-
Japan	104,320.00	-	-	-	104,320.00	-
Norway	23,085.00	-	-	-	23,085.00	-
Spain	14,983.00	-	-	-	14,983.00	-
Switzerland	16,103.00	-	-	-	16,103.00	-
United Kingdom	1,698.00	-	-	-	1,698.00	-
United States	524,845.00	-	-	-	524,845.00	-
<b>Total</b>	<b>965,055.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>965,055.00</b>	<b>-</b>

	Principal Amount	Drawings During 2003	Repayments in 2003	Total Repayments Up to 2003	Outstanding Debts 31.12.2003	Un-disbursed Balance 31.12.2003
Arab Countries						
Abu Dhabi Fund	302,210.63	4,900.00	1,370.00	2,686.00	151,473.00	148,051.63
Kuwait	925,149.00	4,900.00	11,770.00	207,656.00	604,736.00	112,757.00
Saudi Fund for Development	1,482,756.00	8,140.00	5,530.00	71,151.00	1,193,478.00	218,127.00
Egypt	37,942.00	-	500.00	6,498.00	31,444.00	-
Algiers	122.00	-	-	86.00	36.00	-
Iraq	104,907.00	-	-	33,347.00	71,560.00	-
Libya	585,672.00	-	-	205,753.00	305,302.00	74,617.00
Oman	106,000.00	29,260.00	-	-	29,260.00	76,740.00
Qatar	29,000.00	-	-	-	29,000.00	-
Total	3,573,758.63	47,200.00	19,170.00	527,177.00	2,416,289.00	630,292.63
Other Countries:						
Czechoslovakia	58,041.00	-	-	20,000.00	38,041.00	-
Hungary	9,928.00	-	-	3,991.00	5,937.00	-
Poland	20,130.00	-	-	-	20,130.00	-
Romania	125,568.00	-	-	-	125,568.00	-
USSR (former) Scheduled Loans	14,345.00	-	-	-	14,345.00	-
China	1,095,532.00	1,200.00	79,820.00	306,820.00	782,284.00	6,428.00
India	6,643.00	-	-	-	6,341.00	302.00
Malaysia	200,000.00	-	20,200.00	27,700.00	172,300.00	-
Pakistan	9,979.00	-	-	-	-	9,979.00
Turkey	42,484.00	-	2,840.00	11,337.00	31,147.00	-
Yugoslavia (Croatia)	39,906.00	-	-	-	39,906.00	-
Yugoslavia (Serbia)	42,634.00	-	-	14,694.00	27,940.00	-
Iran	179,576.00	-	-	-	179,576.00	-
Total	1,844,766.00	1,200.00	102,860.00	384,542.00	1,443,515.00	16,709.00
Grand Total	10,839,750.57	84,930.00	185,230.00	2,155,472.51	7,645,959.00	1,038,319.06

Sources: Ministry of Finance

**Table (10-3)**  
**Loans and Grants Contracted During the Year 2003**  
(US\$ Millions)

Name of Project	Total Loans & Grants	Loan Fees	First Repayment Date	Repayment Period	Total Drawings	Amounts Drawn Down
<u>Loans:</u>	114.35					0.15
<u>Islamic Development Bank:</u>	42.35					
Establishment of 22 Schools in Southern States	8.93	2.5%	30/4/2003	31/12/2010	25 Years	-
Health Centers, Malaria and Tuberculosis Combat	9.08		30/4/2003			-
From Normal Sources	6.12	2.5%		30/6/2010	25 Years	
From Sources of Least Developed Countries	2.96	0.75%		30/6/2013	30 Years	
Mitigation of Effects of Desertification in Greater Darfur States	24.34		3/9/2003			-
From Normal Sources	9.47%	2.57%		30/6/2011	25 Years	-
From Sources of Least Developed Countries	2.36	0.75%		30/6/2014	30 Years	
Istisna'aa	12.51	6.0%			12 Years	
Abu Dhabi Fund	50.00					
Mereowi Dam Project	50.00	2.0%	26/4/2003	30/10/2008	20 Years	-
<u>OPEC Fund</u>	12.00					0.15
Rehabilitation of Al Ruseiris Dam Lower Watergates	12.00	2.0%	21/8/2003	15/9/2008	20 Years	0.15
China	10.0					
Water Equipment From Bushan Company	10.0	3.5%	1/8/2003	1/9/2004	4 Years	-
<u>Grants:</u>	17.42					14.99
<u>Grants in Cash:</u>	11.84					0.35
Islamic Bank for Development	0.41					0.02
Institutional Support for Improvement of and Establishment of Center for Woman Studies	0.12		22/4/2003			0.02
Documentation and Re-evaluation of Experience of Sudan in Area of Islamic Banks	0.29					
Arab Fund for Econ. & Social evelopment	11.35					0.25
Drinking Water Projects in South Sudan and War Affected Areas	10.00		6/4/2003			0.04
Rehabilitation of Basic Buildings and Services AlGash	1.00		7/12/2003			
Updating of Customs Data	0.35		12/7/2003			0.21
IFAD	0.08					0.08
South Kordofan Rural Development Project	0.08		21/1/2003			0.08
<u>Commodity Grants:</u>	5.58					14.64
WFP	5.58					2.48
Labor Against Food Project	0.16					0.10
School Feeding Project	1.44					1.66
Refugees Project	3.98					0.72
Commodity Grants From Other Organizations	N.A.					12.16
<u>Total Loans &amp; Grants</u>	131.77					15.14

Total loans and grants contracted during the year 2003 amounted to US\$ 131.77 million composed of loans, grants in cash and commodity grants to

the amount of US\$ 114.35 million, US\$ 11.84 million and US\$ 5.58 million respectively. Abu Dhabi Fund loans represented 43.73%, Islamic Bank for Development 37.03%, the OPEC Fund 10.49%, and China 8.75% out of the total loans.

#### **Sudan External Obligations:**

Total external obligations of the Sudan amounted to US\$ 24,191 million by the end of 2003 compared with US\$ 23,608 million as at the end of 2002 as shown in the following Table.

**Table (10-4)**  
**Position of Sudan External Obligations**  
**as at 31.12.2002 - 31.12.2003**  
(US\$ Millions)

Items	2002	2003			
	Total Obligations	Principal Amount	Contractual Interest	Delay Interest	Total Obligations
Internal Institutions	4,110	2,932	956	271	4,159
Non-Paris Club	8,655	4,165	1,275	3,554	8,994
Paris Club	7,066	2,344	1,422	3,495	7,261
International Commercial Banks	2,918	1,543	1,375	-	2,918
Foreign Suppliers	859	859	-	-	859
<b>Total</b>	<b>23,608</b>	<b>11,843</b>	<b>5,028</b>	<b>7,320</b>	<b>24,191</b>

Total debt of the international and regional institutions incorporate debts due to the international organizations such as the IMF, the World Bank, the African Development Bank, the Arab institutions such as the Arab Monetary Fund, the Arab Fund for Economic and Social Development, the OPEC Fund, the Saudi Fund for Development and others.

Paris Club countries comprise countries of the European Common Market in addition to the United States of America, Japan and Canada. Non-Paris Club countries refer to the Arab countries, economic transition countries and Asian countries like India, China, Pakistan, Iran and Malaysia.

Foreign Commercial Banks loans refer to facilities offered to the government of the Sudan and the private sector against government guarantee. Foreign Suppliers facilities are debts of the Foreign Suppliers to the Sudanese private sector, and they are amounts against which local counterparts had already been deposited with the Bank of Sudan.

Total external obligations towards the international, regional and Arab organizations amounted to US\$ 4,159 million by the end of 2003. Settlement of these obligations requires over-bridge loans from a group support to remove the debt burden of the IMF, the World Bank and the

African Development Bank. This requires support from the Arab and the European countries because IMF debts and those of the international financial institutions are not subject to forgiveness. However, debts of the rest of the regional and Arab institutions can reasonably be re-scheduled in such a way that would facilitate settlement, and allow Sudan to obtain additional flows of resources from these same institutions.

Total debts owed to Paris Club countries amounted to US\$ 7,261 million by the end of 2003. Four protocols had already been signed with this group covering over-dues up to 1984. However, Sudan did not benefit from the amortizations agreements because they do not entail forgiveness of principal and interest. Instead delay interest penalty conditions were imposed for failure to settle the debts, beside the fact that Sudan did not have an economic program under the supervision of the IMF. Post 1984 loans are not subject to re-schedule agreements, and are treated in the framework of HIPC's. Under this initiative Sudan has the right to benefit from it as all the conditions apply on it which call for forgiveness of up to 90% of the total external debt in present value according to Colon conditions.

Non-Paris Club total obligations amounted to US\$ 8,994 million by the end of 2003. Settlement of such debts requires external active approach for forgiveness and amortization of the balance for periods that would consider the economic circumstances of the Sudan. On the other hand there are international attempts to convert debts into contributions in local currency to finance economic and development projects.

Total obligations due to the International Commercial Banks and to the Foreign Suppliers amounted to US\$ 2,918 million and US\$ 859 million respectively. An agreement on the debts of the International Commercial Banks had been signed and is subject to re-scheduling, but Sudan did not benefit from it because it did not entail forgiveness. This debt can be treated through swap operations with high discount rates of over 80% of the total debt, and this could probably be the best way for settling it. Foreign suppliers debt requires a proper means of assessing the exchange rate that would settle creditors' overdue.

**CHAPTER ELEVEN**

**THE ACCOUNTS OF THE  
BANK OF SUDAN  
FOR THE YEAR 2003**



**CHAPTER ELEVEN.**  
**The Accounts of the Bank of Sudan**  
**for the Year 2003**

This chapter shows the Balance Sheet (the financial position) of the Bank of Sudan, and the Profit and Loss Account (income) for the period ending 31st December 2003, which is certified by the Auditor General.

**1/The Balance Sheet: -**

Table No: (11-1) explains the Balance Sheet of the Bank of Sudan as at 31st December 2003 which has already been analyzed in Chapter six of this report.

Table No: (11-1)  
**Bank of Sudan**  
**The Financial Position as at 31st December 2003.**  
(SDD 000s)

Particulars	2002	2003	Particulars	2002	2003
<b>Assets</b>			<b>Liabilities</b>		
<b>Foreign Assets</b>			Currency in Circulation	-	-
Foreign Correspondents	112,337,994	222,943,518	Bank Notes	204,460,476	250,314,579
Securities and Participations in Foreign Banks	3,794,832	3,896,505	Coins	1,114,219	1,737,933
	<b>116132826</b>	<b>226840023</b>	<b>Sight Liabilities</b>	<b>205574695</b>	<b>252052512</b>
Other External Assets (Foreign Notes)*	3,406,037	2,678,138	Government A/Cs	13,665,396	15,683,050
			Banks Accounts	51,087,646	64,547,894
<b>Loans and Advances</b>			Current Accounts	38,738,016	86,663,883
Commercial Banks Advances	16,358,418	37,364,939	Payment Agreements	19,118,520	15,311,676
Temporary Loans to Government	30,875,403	37,493,663	Other Sight Liabilities	193,289,727	209,257,024
Long-term Scheduled Loans	107,303,021	107,303,021	Foreign Correspondents	25,828,711	29,790,994
	<b>154536842</b>	<b>182161623</b>		<b>341728016</b>	<b>421254521</b>
Participations in Commercial Banks	2,076,991	6,826,421	Time Liabilities	233,807,016	245,367,007
Other Investments	5,495,064	6,671,141	Other Accounts	8,865,688	18,841,908
Other Accounts	516,640,984	527,335,414	Central Bank CMCs	5,638,014	3,314,415
Fixed Assets	33	33	Provisions	1,244,373	3,096,550
Affiliate Company Investments (Financial Services).	4,881,827	563,580	Net Profit Due to Govt	1,920,688	3,312,150
	<b>803170604</b>	<b>953076373</b>		<b>251,475,779*</b>	<b>273932030</b>
			<b>Capital and Reserves</b>		
<b>Contra Accounts</b>			Capital	300,150	600,000
Customers Liabilities on Letters of Credit Opened	3,486,830	4,265,394	General Reserve	300,150	600,000
Bills Held for Collection	4,557	4,557	Other Reserve	3,791,814	4,637,310
Government Liabilities for Guarantees Issued by Bank	1,012,016,297	972,270,257		<b>803,170,604*</b>	<b>953076373</b>
Liabilities on Travelers Checks	6,332	6,332	<b>Contra Accounts</b>		
African Development Bank Loan	-	1,189,972	Liabilities on Letters of Credit Opened	3,486,830	4,265,394
	<b>1015514016</b>	<b>977736512</b>	Liab. on Bills Collected	4,557	4,557
			Guarantees offered on Behalf of Govt	1,012,016,297	972,270,257
			Travelers Checks	6,332	6,332
			African Development Bank Loan	-	1,189,972
				<b>1015514016</b>	<b>977736512</b>

\*Amended Figures

Ibrahim Adam Habib General  
Manager Gen. Adm. For Financial  
Affairs and Services

Dr. Sabir Mohamed Hassan  
Chairman Board of Directors

### Auditors Report to the Bank of Sudan

We have audited the financial statements of the Bank of Sudan as set out on pages (1) to (16) which have been prepared under the historical cost convention and the accounting policies set out on page (1).

**The Respective Responsibilities of Directors and Auditors:**

The Bank's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion based on our audit of those statements and to report our opinion to you.

**Basis of the Opinion:**

We conducted our audit in accordance with Accepted Auditing Standards. Our audit includes examination on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and whether the accounting policies are appropriate to the Bank's circumstances consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud, error or any other irregularity. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Auditors' Opinion:**

In our opinion the financial statements give a true and fair view of the Bank's affairs as at 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with Bank of Sudan rules and regulations.

Abubakr Abd Alla Marin  
Auditor General,  
Republic of the Sudan.

**Table No: (11-2)**  
**Bank of Sudan**  
**Profit and Loss Account for the Year Ending 31st December 2003**  
(SDD 000s)

Particulars	2002	2003
<b>Revenues</b>		
Foreign Exchange Operations Income	7,296,593	12,978,935
Investments Income	7,692,176	4,152,853
Other Income	2,466,507	1,765,957
<b>Total Revenues</b>	<b>17,455,276</b>	<b>18,897,745</b>
<b>Expenditure</b>		
Currency Issuance Expenses	5,233,850	3,384,955
Administrative costs	4,945,237	6,458,667
General Expenses	945,550	281,378
Provision for Annual Incentives	750,000*	1,000,000
Provision for Employees Insurance	-	-
Provision for Depreciation	100,000	200,000
Provision for Doubtful Debt	350,485	1,780,000
<b>Total Expenditure</b>	<b>12,325,122*</b>	<b>13,105,000</b>
<b>Net Income</b>	<b>5,130,154</b>	<b>5,792,745*</b>
<b>Appropriations</b>		
Transfers to Reserves	3,209,466*	1,880,895
General Reserve Transfer	-	599,700
Transferable Net Profits to Government in Accordance with Article 18 of the Bank of Sudan Act. 2002.	1,920,688	3,312,150
	5,130,154	5,792,745

\*Amended Figures.

**First: Revenues: -**

Total revenues increased from SDD 17,455 million in 2002 to SDD 18,898 million in 2003 i.e. by 8.3% due to the increase in the foreign exchange operations returns by SDD 5,682 million. Returns on investment and other items decreased by SDD 3,539 million and SDD 701 million respectively.

**Second: Expenditure: -**

Total expenditure of the Bank rose from SDD 12,325 million in 2002 to SDD 13,105 million in 2003 i.e. by 6.3%. This was attributed to the increase in administrative costs, provision for depreciation and the provision for doubtful debts.

**Third: Profits: -**

Net Profits rose from SDD 5,130 million in 2002 to SDD 5,792 million in 2003 i.e. by 12.9%. Profits were distributed by crediting the Provisions Account with SDD 2,481 million, and by transferring SDD 2,481 million to the Government Account in accordance with Article (18) of the Bank of Sudan Act.

# **STATISTICAL APPENDICES**

**Appendix (1)**  
**Khartoum Banks Clearing House**  
1994 - 2003

( SDD Millions)

	Settlements		Clearings	
	Daily Rate	Total	Daily Rate	Total
<b>1994</b>				
Jan -March	99	2,210	441	9,829
April - June	141	3,114	560	12,130
July - September	159	3,802	619	15,178
October - December	155	4,196	679	17,575
<b>1995</b>				
Jan -March	211	5,294	819	20,464
April - June	243	5,869	974	23,408
July - September	249	6,305	1,084	27,227
October - December	285	7,290	1,656	42,244
<b>1996</b>				
Jan -March	350	8,604	1,870	46,303
April - June	406	9,352	1,820	42,001
July - September	562	14,607	2,078	54,040
October - December	549	14,072	2,406	60,386
<b>1997</b>				
Jan -March	664	14,520	2,747	59,980
April - June	639	14,493	2,804	63,671
July - September	646	15,938	2,907	71,691
October - December	638	15,942	3,294	82,450
<b>1998</b>				
Jan -March	807	18,745	3,685	86,278
April - June	831	18,071	9,508	208,147
July - September	774	19,558	3,497	88,465
October - December	927	23,557	3,899	99,309
<b>1999</b>				
Jan -March	1,014	22,972	4,522	102,679
April - June	1,075	26,113	4,866	118,452
July - September	911	21,536	4,271	100,775
October - December	849	20,957	4,874	121,043
<b>2000</b>				
Jan -March	1,036	24,152	5,131	113,979
April - June	1,113	27,454	5,094	125,691
July - September	1,270	31,710	5,305	132,640
October - December	1315	32,677	5,752	142,989
<b>2001</b>				
Jan -March	1,426	32,655	6,073	139,289
April - June	1,582	38,945	6,542	161,258
July - September	3,347	46,070	11,200	164,625
October - December	1,481	35,970	6,793	164,598
<b>2002</b>				
Jan -March	1,885	45,177	7,175	172,148
April - June	1,993	50,435	7,793	197,179
July - September	1,256	51,283	5,357	203,539
October - December	1,256	53,912	5,357	210,755
<b>2003</b>				
January	1,259	56,355	5,478	215,940
February	1,370	51,941	5,769	195,255
March	1,139	60,901	4,825	242,981
April	2,011	50,275	8,987	224,663
May	2,381	59,519	9,997	249,915
June	2,499	62,468	9,715	242,872
July	2,423	65,422	9,924	267,946
August	2,445	63,570	9,739	243,468
September	2,293	57,319	8,725	226,847
October	2,518	62,944	9,964	249,097
November	2,279	54,685	8,671	208,096
December	3,678	73,557	14,417	288,345

**Appendix No. ( II )**  
**Currency in Circulation**  
1994-2003  
**( SDD Millions )**

End of Month	With Banks	With Public	Total
Dec.1994	1,215	14,790	16,005
Dec.1995	2,254	24,863	27,117
Dec.1996	4,284	44,439	48,723
Dec.1997	5,123	58,494	63,617
Dec.1998	4,332	82,140	86,472
Dec.1999	5,800	108,108	113,908
Dec.2000	13,403	142,082	155,485
Dec.2001	12,801	153,836	166,637
2002			
March	12,508	161,378	173,886
June	11,752	163,817	175,569
September	13,964	172,626	186,590
December	11,992	193,582	205,574
2003			
March	13,397	198,185	211,582
June	14,626	193,844	208,470
September	16,287	207,345	223,632
December	11,845	240,207	252,052

**Appendix No.( III )**  
**Coins in Circulation**  
**(1994 - 2003)**  
**(SDD.000's)**

End of Month	With Banks	With Public	Total
Dec.1994	-	5,806	5,806
Dec.1995	-	14,052	14,052
Dec.1996	-	24,575	24,575
Dec.1997	-	81,311	81,311
Dec.1998	-	299,710	299,710
Dec.1999	-	484,590	484,590
Dec.2000	-	764,195	764,195
Dec.2001	-	952,268	952,268
2002			
March	-	1,148,153	1,148,153
June	-	1,030,557	1,030,557
September	-	1,079,861	1,079,861
December	-	1,114,218	1,114,218
2003	-		
March	-	1,174,638	1,174,638
June	-	1,300,585	1,300,585
September	-	1,518,949	1,518,949
December	-	1,344,754	1,344,754



**Appendix No. ( IV )**  
**Analysis of Currency in Circulation by Denomination**  
**As at 31 Dec. 2002 & 31 Dec. 2003**

(SDD 000s)

<b>Denomination</b>	<b>2002</b>	<b>2003</b>
<b>Notes</b>		
1000 Dinar	83,722,023.5	113,419,552.5
500 Dinnar	66,296,551.9	83,865,272.9
200 Dinar	21,222,013.0	22,553,925.7
100 Dinar	25,968,381.7	10,144,139.1
50 Dinar	6,248,798.5	3,434,029.9
25 Dinar	186,592.5	177,225.8
10 Dinar	425,840.2	425,778.1
5 Dinar	155,775.4	155,772.1
Others	234,499.5	16,138,882.6
1 Dinar	2,603.0	2,674.0
Others	5,799.1	399,549.9
<b>Total</b>	<b>1,114,218.7</b>	<b>1,737,933.5</b>
<b>Grand Total</b>	<b>205,574,694.9</b>	<b>252,052,512.2</b>

Appendix No. (V)  
Money Supply  
1994-2003  
(SDD Millions)

	30/6/ 1994	31/12/ 1994	30/6/ 1995	31/12/ 1995	30/6/ 1996	31/12/ 1996	30/6/ 1997	31/12/ 1997	30/6/ 1998	31/12/ 1998	30/6/ 1999	31/12/ 1999	30/6/ 2000	31/12/ 2000*	30/6/ 2001	31/12/ 2001	30/6/ 2002	31/12/ 2002	30/6/ 2003	31/12/ 2003
<b>Money Supply :</b>																				
<b>Currency With Public</b>	11,171	14,790	17,683	24,863	33,160	44,440	49,755	58,494	66,320	82,140	93,724	108,108	117,007	142,082	138,648	153,836	163,817	193,582	193,844	240,207
<b>Demand Deposits</b>	7,713	9,948	12,850	16,787	25,920	32,810	33,517	43,155	46,100	48,722	59,229	61,505	75,749	92,505	115,945	117,551	143,945	158,682	166,078	218,274
<b>Quasi -Money</b>	12,833	15,797	18,348	28,937	35,630	39,350	52,344	58,065	68,137	76,090	85,072	88,305	94,781	112,084	157,306	160,826	192,969	211,003	251,549	275,605
<b>Total</b>	<b>31,717</b>	<b>40,535</b>	<b>48,881</b>	<b>70,587</b>	<b>94,710</b>	<b>116,600</b>	<b>135,616</b>	<b>159,714</b>	<b>180,557</b>	<b>206,952</b>	<b>238,025</b>	<b>257,918</b>	<b>287,537</b>	<b>346,671</b>	<b>411,899</b>	<b>432,213</b>	<b>500,731</b>	<b>563,267</b>	<b>611,471</b>	<b>734,086</b>
<b>Net Foreign Assets:</b>																				
<b>BOS External Assets</b>	984	3,126	5,256	8,597	15,067	15,474	16,035	14,046	15,567	21,547	39,323	48,634	64,161	73,103	48,885	41,249	66,254	119,797	157,616	229,717
<b>Fund Accounts</b>	-36,971	-72,421	-97,013	-148,195	-244,297	-251,070	-260,174	-269,489	-303,885	-366,725	-397,363	-398,756	-397,982	-373,834	-352,740	-358,365	-385,103	-384,331	-394,813	-415,376
<b>Short Term Loans</b>	-2,313	-5,170	-6,657	-9,818	-15,531	-18,818	-20,350	-19,781	-23,503	-27,939	-27,728	-25,681	-29,026	-27,848	-25,942	-26,078	-26,404	-26,479	-26,443	-26,734
<b>Payment Agreements</b>	-2,211	-4,192	-5,297	-8,366	-14,116	-14,476	-15,755	-17,004	-19,207	-23,299	-24,955	-24,913	-24,737	-24,616	-22,536	-19,637	-19,721	-19,119	-16,967	-15,312
<b>Resheduling Accounts</b>	-10,536	-20,413	-25,574	-40,874	-69,310	-71,212	-77,553	-83,991	-95,112	-115,988	-111,755	-125,426	-125,475	-124,365	-124,390	-126,337	-127,739	-126,458	-125,970	-125,723
<b>Time Liabilities</b>	-9,502	-19,911	-34,959	-42,314	-78,277	-79,753	-87,019	-97,620	-110,565	-134,379	-155,013	-170,115	-170,078	-181,256	-181,160	-195,146	-197,294	-207,328	-206,707	-218,633
<b>Other Liabilities</b>	-8,030	-15,305	-9,305	-30,834	-51,653	-52,039	-64,344	-59,784	-67,430	-82,460	-102,232	-91,572	-88,621	-89,049	-96,226	-92,937	-93,484	-94,726	-93,394	-113,325
<b>Net Foreign Assets ( Commercial Banks)</b>	8,276	9,291	9,974	14,055	23,049	25,676	33,220	40,086	49,947	59,200	66,226	65,123	66,606	69,843	87,075	80,624	90,619	114,198	99,996	115,481
<b>Total</b>	<b>-60,303</b>	<b>-124,995</b>	<b>-163,575</b>	<b>-257,749</b>	<b>-435,068</b>	<b>-446,218</b>	<b>-475,940</b>	<b>-493,537</b>	<b>-554,188</b>	<b>-670,043</b>	<b>-713,497</b>	<b>-722,706</b>	<b>-705,152</b>	<b>-678,022</b>	<b>-667,034</b>	<b>-696,627</b>	<b>-692,872</b>	<b>-624,446</b>	<b>-606,682</b>	<b>-569,905</b>
<b>Evaluation Adjustment</b>	66,822	132,495	171,878	267,534	455,054	465,729	496,105	529,305	598,261	731,140	795,228	796,126	799,433	777,555	751,918	766,300	799,286	794,318	801,668	816,977
<b>Domestic Credit</b>																				
<b>Net Claims on Government</b>	14,876	16,215	16,060	25,117	36,722	47,525	49,774	57,458	63,819	71,809	70,415	100,971	99,399	106,102	122,683	137,364	142,922	130,760	97,884	111,666
<b>Claim on State&amp;local Governments</b>	31,717	40,535	-	-	-	-	-	-	-	-	-	71	6	5	5	526	1,977	1,328	1,641	1,283
<b>Claim on Puplic Enterprises</b>	772	1,466	1,046	1,539	1,546	2,041	2,082	1,894	1,955	2,783	2,896	8,176	16,547	22,789	25,682	23,868	15,239	17,305	20,838	28,639
<b>Total</b>	<b>47,365</b>	<b>58,216</b>	<b>17,106</b>	<b>26,656</b>	<b>38,268</b>	<b>49,566</b>	<b>51,856</b>	<b>59,352</b>	<b>65,774</b>	<b>74,592</b>	<b>73,311</b>	<b>109,218</b>	<b>115,952</b>	<b>128,896</b>	<b>148,370</b>	<b>161,758</b>	<b>160,138</b>	<b>149,393</b>	<b>120,363</b>	<b>141,588</b>
<b>Claims on Private Sector</b>																				
<b>Commercial Banks</b>	6,273	8,919	10,130	13,193	19,706	32,124	36,128	39,711	41,768	44,764	49,799	43,937	47,176	87,062	117,819	130,487	152,639	180,313	211,254	282,180
<b>Specialized Banks</b>	17	17	17	17	17	17	101	164	160	523	548	260	322	0	0	0	0	0	0	0
<b>Total</b>	<b>6,290</b>	<b>8,936</b>	<b>10,147</b>	<b>13,210</b>	<b>19,723</b>	<b>32,141</b>	<b>36,229</b>	<b>39,875</b>	<b>41,928</b>	<b>45,287</b>	<b>50,347</b>	<b>44,197</b>	<b>47,498</b>	<b>87,062</b>	<b>117,819</b>	<b>130,487</b>	<b>152,639</b>	<b>180,313</b>	<b>211,254</b>	<b>282,180</b>
<b>Other Items Net</b>	3,257	6,420	13,323	20,936	16,730	18,718	18,809	23,997	28,772	25,923	32,247	31,083	29,806	31,180	60,825	70,295	81,540	63,689	84,868	63,246

**Appendix No.(VI)**  
**ASSETS AND LIABILITIES OF THE BANK OF SUDAN (1994 - 2003)**

(SDD Millions)

**Assets**

End of Period	Foreign Notes, Cheques & Banks Balances	Foreign Securities	Other External Assets	Government Main A/C	Government Musharaka Certificates	Loans and Advances	Temp. Advances	long-term Loan to govt. Under sec.(57)	Central Bank Musharaka Certificates	Advances To public Interprises	Participation in Banks	Other Participations	Non-Transferable Treasury Bills	Other Accounts	Total
Dec-94	3,082	1.9	604	6,125	-	329	9,891	932		217	28.5	1.5	593	66,865	88,669
Dec.95	8,587	10.5	1,208	6,125	-	310	19,247	932		217	45.5	1.5	593	137,155	174,432
Dec.96	18,537	10.5	565	6,125	-	220	51,677	932		217	132	2	593	245,436	324,447
Dec.97	14,036	10.5	575	6,125	-	2,198	59,577	932		217	191	42	593	299,222	383,718
Dec.98	21,446	100	794	6,125	-	5,621	68,577	932		217	523	4,261	593	410,590	519,779
Dec.99	48,534	100	406	0	-	6,660	12,000	95,080		3,453	548	6,303	0	459,437	632,521
Dec.2000	71,721	702	406	0	-	6,070	8,000	107,303		12,929	641	7,121	0	476,249	691,142
Dec.2001	36,784	2,500	412	0	21,257	10,590	18,000	107,303	4,701	13,571	1,993	1,240	0	496,629	714,981
Dec.2002	115,331	3,796	413	0	3,905	15,071	30,875	107,303	4,882	5,549	2,077	1,590	0	513,184	803,976
2003															
January	127,089	3,796	412	0	4,923	18,873	31,875	107,303	4,888	4,154	2,077	1,590	0	515,215	822,196
February	133,089	3,845	412	0	5,023	21,204	34,275	107,303	4,893	4,154	2,077	1,590	0	519,478	837,344
March	130,152	3,897	412	0	6,788	21,584	34,175	107,303	4,901	4,154	2,077	1,590	0	515,005	832,039
April	145,540	3,897	411	0	6,788	24,088	34,075	107,303	4,908	4,067	2,077	1,590	0	512,164	846,908
May	155,056	3,897	412	0	6,788	21,930	38,975	107,303	4,914	4,067	5,177	2,898	0	508,785	860,202
June	151,757	5,201	411	0	6,088	22,949	32,756	107,303	4,884	5,673	7,120	2,898	0	510,937	857,975
July	154,462	5,202	412	0	7,434	30,057	36,656	107,303	4,889	12,775	7,120	2,898	0	527,177	898,384
August	162,977	5,203	412	0	8,934	27,671	42,556	107,303	6,889	14,615	8,120	3,123	0	533,526	921,328
September	161,332	5,203	412	0	17,841	30,536	42,456	107,303	1,411	14,455	8,120	3,123	0	522,396	914,586
October	168,520	3,897	412	0	9,341	27,776	42,356	107,303	1,192	13,483	6,826	3,776	0	519,017	903,899
November	189,312	3,897	411	0	9,404	32,596	42,256	107,303	-282	13,638	6,826	3,776	0	522,712	931,848
December	225,211	3,897	410	0	2,896	26,665	37,494	107,303	-739	13,567	6,826	3,776	0	525,504	952,810

**Appendix No.(VI)**  
**ASSETS AND LIABILITIES OF THE BANK OF SUDAN(1994-2003)**

(SDD Millions)

**Liabilities**

END OF PERIOD	CURRENCY IN CIRCULATION	GOVERNMENT A/CS	Central Bank Musharaka Certificates	BANK'S ACCOUNTS	OTHER ACCOUNTS	PAYMENT AGREEMENTS	OTHER SIGHT LIABILITIES	TIME LIAB.	CAPITAL & RESERVES	OTHERS	T O T A L
Dec.94	16,006	676	-	3,461	35,678	4,192	911	20,194	103	7,448	88,669
Dec.95	27,117	260	-	6,833	73,382	8,366	1,433	42,901	162	13,978	174,432
Dec.96	48,723	7,028	-	13,370	131,419	14,476	4,471	80,707	243	24,010	324,447
Dec.97	63,617	8,591	-	20,939	146,891	17,004	2,863	98,441	678	24,693	383,718
Dec.98	86,472	3,012	-	23,419	203,558	23,299	2,343	135,508	1,044	41,124	519,779
Dec.99	113,908	4,019	-	33,308	230,381	24,913	2,516	170,706	1,251	51,519	632,521
Dec.2000	155,485	6,807	-	42,055	248,640	24,616	4,260	181,256	1,667	26,356	691,142
Dec.2001	166,637	9,615	5,340	55,084	239,557	19,637	3,687	195,147	2,726	17,551	714,981
Dec.2002	205,575	27,274	5,638	65,429	226,111	19,119	5,201	207,328	2,782	39,519	803,976
<b>2003</b>											
JANUARY	201,935	40,674	6,244	65,031	233,527	19,128	19,269	207,182	2,782	26,426	822,196
FEBRUARY	212,590	38,189	10,923	64,294	228,971	17,052	17,168	207,065	2,784	38,307	837,344
MARCH	211,582	44,803	7,565	64,993	227,234	17,017	6,524	206,858	2,799	42,665	832,039
APRIL	211,549	51,942	7,722	69,578	226,759	16,996	12,050	206,956	4,392	39,265	846,908
MAY	208,637	60,255	12,444	72,539	227,499	16,992	11,234	206,960	4,392	39,250	860,202
JUNE	208,471	68,621	11,729	69,645	226,647	16,968	3,885	206,708	4,392	40,910	857,975
JULY	217,867	65,704	9,673	82,348	243,082	15,544	7,694	206,861	4,392	43,218	896,384
AUGUST	222,230	79,688	11,535	81,948	241,725	15,484	13,929	206,379	4,392	44,017	921,328
SEPTEMBER	223,632	72,472	2,346	94,890	243,222	15,489	6,558	207,016	4,392	44,570	914,586
OCTOBER	230,331	58,202	2,311	85,124	248,040	15,418	7,885	206,973	4,392	45,222	903,899
NOVEMBER	261,255	64,973	2,109	80,512	241,604	15,391	10,057	206,648	4,392	44,908	931,849
DECEMBER	252,053	64,784	2,012	80,570	244,130	15,312	20,664	218,633	4,392	50,260	952,810

**Appendix No. VII**  
**Consolidated Balance Sheet of The Commercial Banks**  
**2003-1994**  
**(SDD Millions)**

**ASSETS**

End of Period	Cash	Due From Bank of Sudan	Due from Local Banks	Foreign Correspondents	Claim on Central Government	Advances	Other Accounts	Total
Dec.1994	1,215	4,082	339	10,804	208	10,073	30,908	57,628
Dec. 1995	2,254	5,760	277	16,869	164	14,515	63,681	103,520
Dec.1996	4,284	9,988	210	29,981	121	33,948	82,912	161,444
Dec.1997	5,123	22,949	104	44,499	32	41,556	123,245	237,508
Dec.1998	4,332	26,292	738	63,922	132	47,383	185,376	328,176
Dec.1999	5,800	32,109	2,688	68,566	159	48,732	266,794	424,848
Dec.2000	13,402	43,747	5,941	73,657	4,216	79,223	136,882	357,068
Dec.2001	12,801	44,609	4,151	89,730	7,332	111,339	185,386	455,348
Dec.2002	11,992	55,690	6,496	127,916	20,877	160,020	228,247	611,238
<b>2003</b>								
January	12,176	55,270	6,229	130,715	20,529	159,262	241,319	625,500
February	14,897	52,182	7,522	133,620	18,351	163,449	255,863	645,884
March	13,397	59,537	5,160	120,125	20,945	159,783	274,887	653,834
April	14,605	57,126	7,126	115,975	22,088	166,665	282,654	666,239
May	14,301	64,810	5,680	129,713	27,109	164,325	307,291	713,229
June	14,626	67,558	9,014	117,798	27,150	167,599	325,121	728,866
July	13,796	72,434	8,168	124,971	24,344	169,578	338,362	751,653
August	15,084	69,911	6,875	123,873	24,719	172,972	340,907	754,341
September	16,287	78,492	9,968	130,387	26,433	178,556	314,375	754,498
October	13,785	76,746	8,440	140,661	30,518	183,688	305,992	759,830
November	20,059	84,917	9,952	125,385	29,796	204,207	315,564	789,880
December	11,845	79,165	9,225	130,273	35,044	216,023	308,022	789,597

**Appendix No. ( VII )**  
**Consolidated Balance Sheet of The Commercial Banks**  
**1994-2003**  
**(SDD Millions)**

**LIABILITIES**

End of Period	Government Deposits	State, Local & Private Deposits	Bank of Sudan	Other Banks	Foreign Banks	Capital Reserves	Other Accounts	Total
Dec.1994	806	22,630	100	248	1,513	3,864	28,469	57,628
Dec.1995	315	41,327	752	368	2,814	5,470	52,474	103,520
Dec.1996	767	67,026	82	784	4,305	11,145	77,335	161,444
Dec.1997	400	96,354	109	169	4,414	14,768	121,295	237,508
Dec.1998	424	119,689	319	678	4,722	20,338	182,006	328,176
Dec.1999	3,527	141,992	3,015	1,402	3,443	24,464	247,005	424,848
Dec.2000	6,352	190,872	2,510	1,691	3,814	32,200	119,629	357,068
Dec.2001	7,076	267,112	2,506	1,276	9,106	47,640	120,632	455,348
Dec.2002	5,088	357,987	7,263	3,205	13,718	73,692	150,285	611,238
<b>2003</b>								
January	4,915	372,950	8,061	3,323	17,797	68,044	150,410	625,500
February	6,508	377,780	7,710	2,743	17,697	68,086	165,360	645,884
March	6,875	377,725	13,414	2,493	17,510	70,852	164,965	653,834
April	7,025	392,882	9,551	2,522	17,198	70,833	166,228	666,239
May	7,284	408,315	9,813	2,288	16,181	69,232	200,116	713,229
June	6,953	404,895	12,071	1,995	17,802	71,242	213,908	728,866
July	6,156	415,734	8,901	1,980	16,487	71,517	230,878	751,653
August	6,999	423,083	7,589	1,820	15,721	70,626	228,503	754,341
September	6,776	435,433	8,231	1,282	15,383	74,814	212,579	754,498
October	5,727	448,307	11,125	2,573	16,224	75,729	200,145	759,830
November	6,119	453,779	16,383	2,861	15,285	75,712	219,741	789,880
December	6,444	466,508	14,910	2,156	14,792	110,308	174,479	789,597

**Appendix No. (VIII )**  
**Analysis of Commercial Banks Advances**  
**1994-2003**

( SDD Millions )

End of Period	Agriculture	Industry	Exports	Imports	Local trade	Others	Total
Dec.1994	2,946	1,840	2,236	105	566	2,380	10,073
Dec.1995	3,579	2,618	3,946	1,227	418	2,726	14,514
Dec.1996	8,997	6,385	6,643	1,705	1,216	9,003	33,948
Dec.1997	12,522	7,284	8,387	858	1,738	10,767	41,556
Dec.1998	15,763	8,908	8,114	325	2,038	12,235	47,383
<b>1999</b>							
March	13,074	9,726	10,519	1,141	2,215	12,816	49,491
June	10,387	9,003	11,943	4,648	2,938	13,949	52,868
September	13,171	9,470	10,529	1,849	2,866	13,447	51,332
December	14,833	7,184	8,359	1,519	2,816	14,021	48,732
<b>2000</b>							
March	12,081	7,120	12,004	306	3,730	14,905	50,146
June	10,513	9,041	13,446	154	4,068	15,967	53,189
September	13,575	9,063	12,841	1,560	4,914	20,083	62,036
December	17,807	8,343	16,839	1,125	8,243	26,867	79,224
<b>2001</b>							
March	17,248	14,035	21,204	2,102	11,306	25,885	91,780
June	17,044	20,211	18,521	1,782	12,434	28,295	98,287
September	19,347	18,643	20,278	944	16,684	31,044	106,940
December	19,605	16,445	21,832	4,107	20,900	28,450	111,339
<b>2002</b>							
March	17,370	17,875	23,327	624	21,951	31,271	112,418
June	15,669	20,970	24,496	1,988	25,796	41,933	130,852
September	21,759	21,054	20,945	1,163	30,730	42,807	138,458
December	22,837	20,850	21,970	7,078	36,230	51,055	160,020
<b>2003</b>							
January	23,022	22,395	23,375	1,018	38,672	50,780	159,262
February	22,913	23,903	23,750	920	42,077	49,885	163,448
March	22,088	23,739	20,873	926	40,610	51,548	159,784
April	22,486	23,325	21,066	541	43,331	55,915	166,664
May	22,706	23,826	22,732	599	42,388	52,074	164,325
June	23,140	24,035	20,762	368	47,693	51,601	167,599
July	24,311	22,258	21,317	409	48,598	52,685	169,578
August	23,356	22,448	22,290	393	51,094	53,391	172,972
September	21,494	19,705	22,293	339	54,927	59,798	178,556
October	22,741	20,701	22,547	822	56,817	60,060	183,688
November	24,213	22,466	25,698	494	65,209	65,998	204,078
December	26,851	24,637	27,516	1,107	69,735	66,177	216,023

**Appendix No ( IX )  
Spread of Banks During 2001**

Banks	Bank of Sudan		Specialized Banks'		Commercial Banks						Total	
					National Banks		Joint Venture Banks		Foriegn Banks			
	Dec 2002	Dec 2003	Dec 2002	Dec 2003	Dec 2002	Dec 2003	Dec 2002	Dec 2003	Dec 2002	Dec 2003	Dec 2002	Dec 2003
Khartoum State	1	1	20	16	47	67	112	94	3	6	183	184
Central States (Sinar , Gazira , Blue Nile & Wihte Nile )	2	2	30	29	30	34	48	44	-	1	110	110
Eastern States (Gadarif , Kasala & Red Sea )	2	2	23	21	13	17	37	34	-	2	75	76
Northern States (Northern & River Nile )	2	2	25	25	15	17	19	17	-	0	61	61
Kordfan States (North,Southren, Western )	1	1	17	16	16	18	20	18	-	1	54	54
Darfur States ( Northern,Southren & West)	2	2	14	13	9	10	18	17	-	1	43	43
Southern States (Bahr Elgazal, Upper Nile & Equatoria )	2	2	4	4	8	9	5	4	-	0	19	19
<b>Total</b>	<b>12</b>	<b>12</b>	<b>133</b>	<b>124</b>	<b>138</b>	<b>172</b>	<b>259</b>	<b>228</b>	<b>3</b>	<b>11</b>	<b>545</b>	<b>547</b>



**Appendix (X)**  
**Inflation Rates During the Period 1993-2003**  
**(Base Year 1990 =100)**

<b>Year</b>	<b>Higher Income</b>	<b>Middle Income</b>	<b>Lower Income</b>	<b>Geometric Mean</b>
<b>1993</b>				
End December	118.7	118.6	119.4	118.9
Annual Average	99.7	98.3	99.8	99.3
<b>1994</b>				
End December	110.6	105.6	107.4	107.8
Annual Average	116.7	115.4	116.9	116.3
<b>1995</b>				
End December	68.0	70.8	71.1	70.0
Annual Average	70.5	68.4	68.4	69.1
<b>1996</b>				
End December	107.9	114.3	115.2	112.4
Annual Average	123.3	132.7	135.3	130.3
<b>1997</b>				
End December	31.8	22.0	31.3	31.7
Annual Average	46.5	46.7	46.4	46.5
<b>1998</b>				
End December	9.2	7.9	8.0	8.3
Annual Average	16.8	17.1	17.6	17.2
<b>1999</b>				
End December	16.0	17.0	16.8	16.6
Annual Average	16.7	16.0	15.7	16.1
<b>2000</b>				
End December	3.9	3.3	4.0	3.7
Annual Average	7.9	8.0	8.4	8.2
<b>2001</b>				
End December	8.3	7.4	6.6	7.4
Annual Average	5.0	4.9	4.8	4.9
<b>2002</b>				
End December	7.9	8.3	7.8	8.0
Annual Average	9.4	8.3	7.4	8.3
<b>2003</b>				
End December	7.5	8.3	8.6	8.1
Annual Average	6.6	7.7	7.9	7.4

**Source: Central Bureau Of Statistics**

**Appendix XI**  
**Cotton Production During 2000/2001 - 2002/2003**

	2000/2001			2001/2002			2002/2003		
	Area (000's) feddans	Yield Per feddan	Output (000's) Bales	Area (000's) feddans	Yield Per feddan	Output (000's) Bales	Area (000's) feddans	Yield Per feddan	Output (000's) Bales
<b>(a) Extra long staple cotton:</b>									
Gezira scheme	77.0	4.6	92.6	105.1	5.1	137.8	203.7	5.1	246.5
White Nile	2.5	1.6	1.2	-	-	-	0.4	3.4	0.4
Upper Nile	4.2	1.3	1.5	7.6	0.6	1.4	6.7	0.7	1.4
Toker	5.6	1.5	2.0	-	-	-	-	-	-
El Rahad	-	-	-	-	-	-	2.4	3.1	2.0
<b>Total</b>	<b>89.3</b>	<b>-</b>	<b>97.3</b>	<b>112.7</b>	<b>-</b>	<b>139.2</b>	<b>213.2</b>	<b>-</b>	<b>250.3</b>
<b>(b) Long staple cotton:</b>									
Gezira scheme	-	-	-	-	-	-	-	-	-
El Rahad	-	-	-	-	-	-	-	-	-
White Nile	-	-	-	-	-	-	-	-	-
New Halfa	-	-	-	-	-	-	-	-	-
El Suki	-	-	-	-	-	-	-	-	-
Blue Nile	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(c) Medium staple cotton:</b>									
Gezira scheme	123.0	4.8	164.4	85.0	5.7	138.4	41.2	5.1	64.8
Zeidab	-	-	-	-	-	-	-	-	-
White Nile	21.4	2.6	15.7	13.0	3.0	10.1	9.5	3.5	9.0
New Halfa	40.0	4.0	44.0	38.3	4.2	43.7	33.5	4.0	38.2
El Suki	15.1	3.9	16.4	13.5	4.3	15.9	18.0	4.4	22.5
El Rahad	42.1	3.6	41.6	20.0	4.5	24.3	40.0	4.0	47.5
Blue Nile	27.3	2.1	14.5	11.2	2.0	6.0	8.8	2.1	5.9
Acala Company	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>268.9</b>	<b>-</b>	<b>296.6</b>	<b>181.0</b>	<b>-</b>	<b>238.4</b>	<b>151.0</b>	<b>-</b>	<b>187.9</b>
<b>(d) Short staple cotton:</b>									
El Damazin	-	-	-	2.0	-	0.1	-	-	-
El Gadarif	-	-	-	-	-	-	-	-	-
Nuba Mountains	21.6	1.5	1.7	4.0	-	0.3	6.6	1.1	11.2
<b>Total</b>	<b>21.6</b>	<b>-</b>	<b>1.7</b>	<b>6.0</b>	<b>-</b>	<b>0.4</b>	<b>6.6</b>	<b>-</b>	<b>11.2</b>
<b>Grand total</b>	<b>379.8</b>	<b>-</b>	<b>395.6</b>	<b>299.7</b>	<b>-</b>	<b>378.0</b>	<b>370.8</b>	<b>-</b>	<b>449.4</b>

Source: Sudan Cotton Company

**Appendix XII**  
**Production of Sugar During 1990/91-2002/2003**  
**(Metric Tons)**

<b>Year</b>	<b>Gunied</b>	<b>New Halfa</b>	<b>Sinnar</b>	<b>Hajar Assalaya</b>	<b>Kenana</b>	<b>Total</b>
1990/91	40,125	43,792	58,788	37,644	252,234	432,583
1991/92	53,162	65,218	55,665	43,600	225,813	443,458
1992/93	49,078	53,149	52,540	50,558	265,000	470,325
1993/94	43,720	53,022	41,835	35,685	248,791	423,053
1994/95	44,124	57,227	42,244	31,555	253,000	428,150
1995/96	43,524	55,269	44,650	35,858	280,000	459,328
1996/97	46,000	52,100	36,000	33,400	333,000	500,500
1997/98	58,567	61,615	43,005	38,023	356,000	557,228
1998/99	69,550	75,546	55,001	45,234	365,000	610,331
1999/2000	71,696	86,378	64,522	54,193	387,044	663,833
2000/2001	84,000	84,000	63,000	58,000	402,000	691,000
2001/2002	94,000	85,000	78,000	64,000	376,000	697,000
2002/2003	81,595	87,068	85,021	76,383	398,000	728,067

Source: Sudan Sugar Company and Kenana Sugar company

**Appendix XIII A**  
**Electric Generation in and off Network System**  
**Gegawatts/Hour**

Station	Area	2001	2002	2003
<b>In Network System</b>				
Water Generated Power	El Roseris, Sinnar, Kassala, El Girba	1,268.4	1,287.2	1,163.2
Dr.Sherif Gas	Khartoum State	1,005.6	1,097.6	1,167.8
Dr.Sherrif Gas	Khartoum State	209.5	220.0	301.8
New Burii Gas	Khartoum State	138.7	211.0	0.0
Burii Gas	Khartoum State	0.0	16.2	5.5
Kuku Gas	Khartoum State	30.7	20.8	21.0
Kilo Gas	Khartoum State	10.7	12.6	0.0
Kassala	Eastern State	19.2	12.0	0.0
Elgerba	Eastern State	13.4	19.8	0.0
Gari	Khartoum State	0.0	0.0	485.1
<b>Total</b>		<b>2,696.2</b>	<b>2,897.0</b>	<b>3,144.4</b>
<b>Off Network System</b>				
Eldueim	Sinnar State	2.7	0.3	0.0
Wadi Halfa	Northern State	2.0	2.2	2.4
Atbara	Nahr Elniel State	48.5	51.0	52.4
Karema	Northern State	0.0	3.77	0.0
Shendi	Nahr Elniel State	22.0	20.9	24.8
Dongola	Northern State	10.7	9.6	0.0
Elobeid	Northern Kordofan	25.7	27.1	29.7
Umruaba	Northern Kordofan	2.3	5.6	7.3
Elfasher	Northern Darfur	8.0	8.1	0.0
Elganeina	Western Darfur	1.5	2.2	0.3
Nyala	Sothern Darfur	6.8	10.1	18.5
Port Sudan	Red Sea State	64.9	54.3	72.2
Juba	Bhar El Jabel State	0.5	0.6	0.6
Wau	Bhar El Gazal State	0.5	0.6	1.1
Malakal	Upper Nile State	0.2	0.1	0.4
<b>Total</b>		<b>196.3</b>	<b>196.5</b>	<b>209.7</b>
<b>Grand Total</b>		<b>2,892.5</b>	<b>3,093.5</b>	<b>3,354.1</b>

Source: National electricity corporation

**Appendix XIII B**  
**Electric Power Generated by Type**  
 Gegawatt/Hour

Generation Type	2002	2003	Rate of Increase %
Water	1,287.2	1,163.2	-9.6
Steam	1,115.6	1,167.8	4.7
Diesel	380.7	209.7	-44.9
Gas	310.0	328.2	5.9
Mixed (various power sources)	-	485.1	100
<b>Total</b>	<b>3,093.5</b>	<b>3,354.0</b>	<b>8.4</b>

Source: National Electricity Corporation

**Appendix XIV A**  
**Modes of Transport and communication**

<i>Particulars</i>	<b>2002*</b>	<b>2003</b>	<b>Rate of Increase %</b>
<b>Sudan Airways</b>			
Passengers On International Flights in (thousands)	364.6	375.4	3.0
Passengers On domestic Flight in (thousands)	128.8	120.2	-6.7
Goods on International Passengers Flights (Thousand tons)	16.8	11.6	-31.0
Goods on Domestic Passengers Flights (Thousand tons)	1.0	0.9	-10.0
<b>Sudan Shipping Line</b>			
Goods Carried in (Thousands Tons)	198.8	192.9	-3.0
Passengers in (Thousands)	41.9	20.2	-51.8
<b>Sudan Railways:</b>			
Goods Carried in (thousand tons)	1,277.6	1,266.0	-0.9
Passengers in (thousands)	144.0	109.0	-24.4
<b>River Transport Corporation:</b>			
Goods Carried in (thousand tons)	50.2	43.1	-14.1
Passengers in (thousands)	8.1	4.1	-49.4
<b>Land Transport:</b>			
Goods Carried in (thousand tons)	4,385.2	14,991.2	241.9
Passengers in (thousands)	28,852.8	25,791.2	-10.6

**\*Sudan Airways Figures Adjusted**

Source: The Above mentioned Sources

**Appendix XIV B**  
**Modes of Land Transport**

Particulars	2002*	2003	Rate of Increase %
<b>Length of the Achieved Roads (Kms)</b>	3,800	4,120	8.4
Number of Bridges	23	26	13.0
<b>Modes of Land Transport</b>			
Lorries	2,413	10,271	325.7
Minibuses	2,337	2,797	19.7
Buses	587	309	-47.4
Trucks	1,047	3,058	192.1

Source: National Corporation for Roads and Bridges Land (Transport Unit)

**Appendix (XV)**  
**Sudan Foreign Trade**  
**1- Exports by Commodity During 2001-2003**  
**(Value In US.000'S)**

Commodity	Unit	2001		2002		2003	
		Qty	Value	Qty	Value	Qty	Value
<b>Petroleum &amp; Minerals</b>			<b>1,422,585</b>		<b>1,565,284</b>		<b>2,112,555</b>
Crude Oil	Barrel	56,162,168	1,269,222	62,198,718	1,396,455	72,415,017	1,934,020
Benzene	M.T	483,668	88,431	450,758	93,143	319,536	75,860
Kerosen	" "	2,047	420	-	-	-	-
Light Petroleum Gas	" "	100,187	18,593	92,586	17,364	68,830	15,598
Naphta	" "	-	-	23,170.00	2,760.00	25,645	2,430
Furnace	" "	-	-	8,031.00	1,124.00	28,184	19,788
Gasolene	" "	-	-	95.00	11.00	-	-
Mixed butagas	" "	-	-	-	-	-	9
Gold	K.G	6,833	43,697	8,660	52,507	7,784	58,588
Lead waste & Scrap	M.T	861	110	641	77	1,155	129
Iron waste & Scrap	" "	14,783	1,314	21,498	1,571	45,113	4,394
Copper Waste & Scrap	" "	943	798	222	272	25,164	1,739
Chromium	" "	-	-	-	-	-	-
<b>Agricultural Products:</b>			<b>216,222</b>		<b>214,472</b>		<b>255,561</b>
Cotton	Bales	233,705	44,387	397,349	62,154	397,349	62,154
Cotton Waste	"	219	12	-	-	-	-
Groundnuts	M.T	17,250	8,775	13,157	5,696	13,157	5,696
Sesame	" "	183,084	104,490	155,393	74,575	155,393	74,575
Gum Arabic	" "	22,986	24,275	36,193	31,851	36,193	31,851
Dura	" "	2,151	353	36,019	4,811	36,019	4,811
Melon Seeds	" "	61,389	18,387	38,022	10,456	38,022	10,456
Hibiscus Flower	" "	15,838	11,817	21,704	19,998	21,704	19,998
Senna pods	" "	844	368	1,095	449	1,095	449
Henna	" "	572	645	1,143	1,184	1,143	1,184
Lubban	" "	247	371	-	787	63	787
Sun Flower Seeds	" "	-	-	41.00	10.00	41	10
Vegetables	" "	-	-	1,097.00	303.00	1,097	303
Fruits	" "	6,183	2,342	6,250	2,198	6,250	2,198
<b>Animal Resources:</b>			<b>19,941</b>		<b>138,452</b>		<b>138,440</b>
Sheep & Lambs	Heads	150	1	1,269,513	95,251	1,083,568	81,022
Goats	"	400	10	95,948	2,464	94,153	3,853
Cattle	"	42	35	3,751	563	184	166
Camels	"	7,136	1,575	105,408	18,671	61,036	12,394
Gazal	"	165	66	600	226	425	243
meat	M.T	5,385	13,741	7,478	17,301	8,046	21,578
Hides & Skins	Value	-	4,203	-	2,990	-	18,649
Fresh Fish or Frozen	M.T	228	310	1,593	986	5,935	535
<b>Manufactured Goods:</b>			<b>29,353</b>		<b>23,915</b>		<b>18,504</b>
Unrefined Groundnuts Oil	M.T	7,127	4,136	3,962	3,083	28	27
Sesame Oil	" "	1,812	906	74	85	58	97
Suger	" "	38,087	12,112	22,934	10,473	16,170	6,995
Molasses	" "	96,614	7,900	154,600	7,908	193,977	8,645
Yarn	" "	503	1,204	4	1	-	-
Shells	" "	294	417	349	329	310	316
Cotton Textiles	Value	-	-	-	-	-	-
Cake & Meal	M.T	19,737	2,678	19,866	2,036	29,118	2,424
other	Value	-	10,602	-	6,992	-	17,116
<b>Grand Total</b>			<b>1,698,703</b>		<b>1,949,115</b>		<b>2,542,176</b>

Source : Sudan Customs Authority



**Appendix (XV)**  
**Sudan Foreign Trade**  
**2- Imports by Commodity During 2001-2003 ('000 US\$)**

Commodity	Unit	2001		2002		2003	
		Quantity	value	Quantity	value	Quantity	value
<b>Food stuffs:-</b>							
Rice	M.T	45,444	12,520	35,943	8,683	37,553	10,159
Wheat	"	519,029	109,672	1,026,672	199,295	904,834	190,497
Weat flour	"	131,253	28,424	99,923	22,024	46,891	10,247
Sugar	"	71,486	20,086	74,483	19,930	29,688	9,751
Tea	"	20,091	31,058	29,563	30,687	25,794	32,433
Coffee	"	7,998	11,451	12,642	16,022	13,749	16,979
Dairy Products	"	6,879	16,494	11,302	27,921	23,911	29,799
Fish & Canned Fish	"	89	140	434	390	324	209
Meat & Meat Products	"	1	3	189	225	150	143
Fruits and Fruits Products	"	2,731	3,413	5,078	5,463	6,950	6,791
Vegetables & Vegetable Products	"	3,484	2,277	5,099	4,355	10,656	9,073
Confectionary, Sweets & Biscuits	"	5,553	7,735	9,828	6,807	7,037	5,305
Lentils	"	8,738	7,066	19,541	8,297	28,748	12,848
Animal & Vegetable Oils	"	14,154	8,391	23,908	12,216	55,194	28,105
Spices	"	1,390	2,324	1,417	2,358	1,989	3,096
Others	Value	-	155,286	-	75,875	-	54,821
<b>Total</b>			<b>416,340</b>		<b>440,548</b>		<b>420,256</b>
<b>Beverages &amp; Tobacco :-</b>							
Soft Drinks	M.T	2,477	12,218	3,694	11,355	3,716	7,865
Cigarettes	M.T	41	401	63	621	60	1,076
Tobacco	M.T	1,879	11,045	2,223	13,652	2,291	13,015
Others	Value	-	-	-	868.00	-	-
<b>Total</b>			<b>23,664</b>		<b>26,496</b>		<b>21,956</b>
<b>Means of Transport :-</b>							
Aircraft	No.	16	983	18	6,502	22	9,722
Railway Locomotives	"	3	1,222	2,014	703	68	2,358
Railway Wagons	"	-	-	2	2	130	7,098
Saloon Cars	"	7,417	45,895	7,897	64,120	9,093	76,845
Trusks & Lorries	"	4,010	85,437	4,514	91,978	24,843	135,652
Buses	"	770	9,132	201	4,949	79	11,569
Tyres & Tupes	M.T	963,702	16,942	1,299,306	25,924	1,405,557	34,620
Ferries & Steamers	Value	29	190	11	761	128	947
Auto-spare parts	M.T	-	27,018	-	27,558	-	90,192
Moto - cycles	No.	900	1,029	2,854	1,945	4,389	2,741
Bicycles	Value	37,065	4,370	61,209	4,777	84,698	5,121
Locomotive spare parts	"	-	3,178	-	9,976	-	8,866
Aircrafts spare parts	"	-	6,673	-	8,259	-	5,258
Others	"	-	18,461	-	8,378	-	18,091
<b>Total</b>			<b>220,530</b>		<b>255,832</b>		<b>409,080</b>

## Cont. Appendix (XV)

Commodity	Unit	2001		2002		2003	
		Quantity	value	Quantity	value	Quantity	value
<b>Raw Materials:-</b>							
Crude Rubber	M.T	733	1,033	3,128	3,211	3,480	4,565
Packing paper	"	138	41	1,395	259	1,285	394
Crude Plastic	"	4,533	6,055	35,120	29,806	43,731	37,695
Petroleum & Petroleum Product	"	354,694	98,146	477,052	132,254	502,034	148,712
Seeds for Sowing	"	81	757	1,164	1,770	1,030	2,418
Grease	"	3,504	2,590	75,046	26,881	76,597	30,633
Others	Value	-	82,468	-	6,715	-	3,621
<b>Totals</b>			<b>191,090</b>		<b>200,896</b>		<b>228,038</b>
<b>Chemicals :-</b>							
Medical & Pharmaceutical Prod.	Value	-	46,623	-	65,202	-	79,769
Chemical Compounds	"	-	25,126	-	57,562	-	70,359
Perfumes & Cosmetics	M.T	7,044	11,914	10,723	19,272	17,368	20,985
Fertilizers	" "	123,412	14,735	127,572	18,191	131,086	20,011
Insecticides	" "	422	1,517	1,066	1,889	2,666	4,630
Explosives	" "	3,260	2,454	635	2,001	2,306	4,493
Tanning & Dyeing Materials	" "	4,220	4,375	6,867	5,124	8,098	7,061
Others	Value	-	53,166	-	37,216	-	23,990
<b>Total</b>			<b>159,910</b>		<b>206,457</b>		<b>231,298</b>
<b>Manufactured Goods:-</b>							
Leather Products	M.T	1,493	2,297	2,093	3,299	2,054	4,344
Rubber Products	" "	594	2,343	1,132	2,448	816	2,286
Manufacture wood & cork	" "	47,514	14,801	57,891	21,062	70,162	23,408
Glass & Glass ware	" "	26,355	11,819	55,915	21,549	58,019	24,346
Iron & Steel	" "	147,632	99,051	380,639	146,891	476,399.00 0	224,696
Manufactured Metals	" "	8,219	18,372	16,282	34,691	12,845	36,097
Footwear	Value	-	9,980	-	12,686	-	13,908
Jute & Sacks	No.	10,221,802	11,118	115,458,289	31,723	86,511,300	53,735
Books Magazines & News	M.T	1,493	3,145	682,417	4,853	1,875	3,583
Cement & Asbestos Pipes	" "	375,499	26,371	1,363,833	94,146	1,540,853	106,123
Scientific Equipments	Value	29,916	19,056	-	30,607	-	45,116
Paper Products	M.T	25,561	26,151	39,022	37,487	40,430	36,148
Plastic Products	" "	13,426	18,267	29,961	43,105	33,508	46,927
Ceramic Products	" "	19,691	8,253	40,525	14,205	55,365	16,962
Toys & Sport Equipment	Value	-	3,962	-	4,769	-	13,682
Others	Value	-	132,904	-	51,493	-	77,316
<b>Total</b>			<b>407,890</b>		<b>555,014</b>	-	<b>728,677</b>

## Cont. Appendix (XV)

Commodity	Unit	2001		2002		2003	
		Quantity	value	Quantity	value	Quantity	value
<b>Machinery &amp; Equipments:-</b>							
Electrical Appliances	M.T	31,523	162,903	45,764	224,923	46,456	211,334
Non Electrical Appliances	" "	17,528	78,593	54,896	111,733	23,196	114,827
Refrigerators	No.	16,912	9,112	27,850	8,759	32,280	11,755
Air-conditioning	"	10,966	5,834	23,293	8,642	25,426	8,276
Machinery Spare parts	M.T	-	102,653	-	147,886	-	150,466
T.V. Radios & Record	Value	-	72,401	-	69,613	-	119,623
Dry Cells	No.	3,349	10	80,817	553	27,768	12
Batteries	"	2,803,897	4,693	2,198,559	5,389	4,607,781	9,082
Tractors	"	214	5,384	917,258	2,855	405	7,632
Ovens	"	10,021	403	7,506	1,600	3,434	177
Others	Value	-	108,544	-	38,854	-	84,738
<b>Total</b>			<b>550,530</b>		<b>620,807</b>		<b>717,922</b>
<b>Textiles:-</b>							
Woven cotton fabrics	M.T	105	328	157	403	197	482
Sewing Threads	" "	1,004	595	198	606	153	544
Woven Synthetic Fabric	" "	7,729	33,341	9,683	35,128	10,422	35,969
Woven Flax Fabrics		207	167	38	31	495	463
Specially Woven Clothes	" "	134	2,666	1,233	6,171	939	5,482
Manufactured Clothes	" "	20	25	101	2,437	-	1
Cotton Clothes	" "	223	1,372	195	955	-	7
Ready Made Clothes	Value	-	37,508	-	45,882	-	35,837
Carpets	M.T	-	501	-	584	-	928
Knitted or Crocheted Fabrics	" "	221	919	3	7	862	239
Wadding of Textile Material	" "	5,546	8,271	5,366	6,104	5,340	4,661
Others	Value		53,007	-	42,026		40,075
<b>Total</b>			<b>138,700</b>		<b>140,334</b>	<b>-</b>	<b>124,688</b>
Others			192,306				
<b>Grand Total</b>			<b>2,300,960</b>		<b>2,446,384</b>		<b>2,881,915</b>

Source :Sudan Customs Authority

**Appendix (XVI)**  
**Foreign Trade**  
**A- Main Importers**

(US\$ Millions)

Importers	2001	2002	2003
European Com. M. Countries	139.5	135.3	59.2
Other West European Countries	1.6	1.2	85.4
U.S.A	2.6	1.5	2.7
Other North European Countries	9.1	15.7	11.7
Japan	82.6	64.3	167.7
P. D.R. of China	1,002.2	1,281.3	1,761.9
Korea	67.0	3.5	18.3
Indonesia	0.8	0.4	12.0
Malaysia	16.2	2.0	-
Singapore	137.1	62.5	16.7
Taiwan	0.6	0.8	0.9
India	9.2	5.9	33.2
Saudi Arabia	24.2	119.3	114.8
Egypt	33.7	57.0	48.2
Other Arab Countries	139.0	142.6	140.5
Other Countries	33.3	55.8	69.0
<b>Total</b>	<b>1,698.7</b>	<b>1,949.1</b>	<b>2,542.2</b>

Source : Sudan Customs Authority

**Appendix (XVI)**  
**Foreign Trade**  
**B- Main Exporters**  
**U S \$ Millions**

<b>Exporters</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
<b>Arab Countries:-</b>	<b>419.0</b>	<b>899.5</b>	<b>1,147.15</b>
Saudi Arabia	197.8	581.8	723.9
United Arab Emirates	122.4	173.0	180.01
Egypt	46.8	53.8	116.4
Other Arab countries	52.0	90.9	126.83
<b>Asian Countries:-</b>	<b>450.9</b>	<b>565.3</b>	<b>639.62</b>
China	169.0	196.3	229.1
India	87.7	104.6	115.96
Japa	53.4	77.2	85.0
South Korea	33.3	43.7	51.1
Indonesia	21.4	38.0	39.9
Other Asian Countries	86.1	105.5	118.52
<b>European Countries:</b>	<b>502.9</b>	<b>640.4</b>	<b>640.49</b>
European Union Countries	296.0	451.1	322.4
United Kingdom	137.9	113.0	125.6
Other European Countries	69.0	76.3	192.5
Australia:-	51.8	69.0	59.21
<b>United States of America:-</b>	<b>16.0</b>	<b>13.6</b>	<b>11.09</b>
Other Countries	860.3	258.6	384.36
<b>Total</b>	<b>2,300.90</b>	<b>2,446.40</b>	<b>2,881.92</b>

**Appendix (XVII)**  
**Balance of Payments**  
**(1999-2003)**  
**(US\$ Millions)**

	1999	2000	2001	2002 Adjusted	2003
A-Current Account					
<u>Exports (FOB)</u>	<u>780.1</u>	<u>1,806.70</u>	<u>1,698.70</u>	<u>1,949.11</u>	<u>2,542.17</u>
Petroleum	275.9	1,350.76	1,376.66	1,510.83	2,047.70
Others	504.2	455.94	322.04	438.28	494.47
<u>Imports (FOB)</u>	<u>-1,256.20</u>	<u>-1,366.41</u>	<u>-2024.84</u>	<u>-2,293.83</u>	<u>-2,651.16</u>
Government Purchases	-233.5	-155.58	-118.79	-226.64	-307.10
Private Sector Purchases	-1,022.70	-1,210.83	-1,906.05	-2,067.19	-2,344.06
<u>Trade Balance</u>	<u>-476.1</u>	<u>440.29</u>	<u>-326.14</u>	<u>-344.72</u>	<u>-108.99</u>
<u>Services, Income &amp; Transfers A/C</u>	<u>44.69</u>	<u>-957.87</u>	<u>-890.65</u>	<u>-628.84</u>	<u>-413.36</u>
Receipts	836.78	722.28	859.25	1,281.77	1,381.86
Payments	-792.09	-1,680.15	-1,749.90	-1,910.61	-1,795.22
<u>Current A/C Deficit (-) or Surplus (+)</u>	<u>-431.41</u>	<u>-517.58</u>	<u>-1,216.79</u>	<u>-973.56</u>	<u>-522.23</u>
B-Capital & Financial A/C*	<u>418.37</u>	<u>299.66</u>	<u>490.45</u>	<u>841.45</u>	<u>1,389.93</u>
Direct Investment (Net)	370.8	392.21	574.00	713.18	1,349.19
Portfolio Investment (Net)	0.00	0.00	0.72	14.78	35.25
<u>Other Investment (Net)</u>	<u>47.57</u>	<u>-92.55</u>	<u>-84.27</u>	<u>113.49</u>	<u>5.49</u>
A-Official Loans	<u>-21.32</u>	<u>-119.39</u>	<u>-83.34</u>	<u>-43.02</u>	<u>-100.30</u>
Drawings	47.38	16.46	21.84	44.75	84.93
Repayments	-68.70	-135.85	-105.18	-87.77	-185.23
B-Trade Credit & Facilities (Net)	96.83	72.80	21.1	222.40	5.27
C-Commercial Banks' Net Foreign Assets	-23.54	-18.36	-41.73	-128.02	-4.89
D-Bank of Sudan Foreign Liabilities (Short Term)	-3.70	-26.60	40.54	64.18	119.62
E-Payments Agreements	-0.70	-1.00	-20.84	-2.05	-14.21
<u>Current and Capital A/C Deficit or Surplus</u>	<u>-13.04</u>	<u>-217.92</u>	<u>-726.34</u>	<u>-132.11</u>	<u>867.58</u>
<u>Errors &amp; Omissions</u>	<u>123.04</u>	<u>325.92</u>	<u>598.74</u>	<u>432.14</u>	<u>-445.02</u>
Convertible Currency Reserves (Overall Balance)*	-110.00	-108.00	127.60	-300.03	-422.56

\* Adjusted according to the 5th edition of the Balance of Payments Manual.

**Appendix (XVIII)**  
**Public Sector Operations**  
(SDD Billions)

Particulars	1993/94	1994/95	1996	1997	1998	1999	2000	2001	2002	2003
<b>A-Ordinary Public Revenues</b>	<b>13.11</b>	<b>28.47</b>	<b>69.78</b>	<b>108.56</b>	<b>159.2</b>	<b>205.2</b>	<b>334.0</b>	<b>365.2</b>	<b>472.2</b>	<b>703.6</b>
Direct Taxes	4.15	8.35	20	21.68	31.2	36.1	38.1	40.8	41.2	52.3
Indirect Taxes	6.14	12.52	40.4	60.89	85.0	117.9	122.1	147.2	172.5	214.5
Others	2.82	7.6	9.3	25.99	43.0	51.2	173.8	177.2	258.5	436.8
<b>B-Current Public Expenditure</b>	<b>11.94</b>	<b>27.82</b>	<b>83.00</b>	<b>124.36</b>	<b>157.5</b>	<b>197.5</b>	<b>312.5</b>	<b>342.8</b>	<b>377.0</b>	<b>563.3</b>
Economic Services	2.56	9.10	8.40	2.44	5.80	9.9	9.70	12.7	7.6	12.7
Social Services	0.75	10.40	20.60	3.32	23.2	32.8	32.4	36.4	32.7	20.8
Loans Repayments	1.07	1.20	6.10	93.60	14.70	20.2	40.20	34.5	29.2	57.1
Defence & Security	3.86	5.71	13.30	15.40	52.20	108.5	151.00	100.4	127.6	103.9
State Governments	0.4	0.71	12.70	4.80	9.90	12.8	24.20	25.0	38.9	38.7
Others	3.3	0.70	21.90	4.80	51.70	13.3	55.00	133.8	141.0	330.1
<b>Surplus (+) Deficit (-)</b>	<b>1.17</b>	<b>0.65</b>	<b>-13.2</b>	<b>-15.8</b>	<b>1.7</b>	<b>7.7</b>	<b>21.50</b>	<b>22.40</b>	<b>95.20</b>	<b>140.3</b>
<b>C-National Develop. Exp.</b>	<b>2.54</b>	<b>3.71</b>	<b>7.79</b>	<b>5.98</b>	<b>18.0</b>	<b>29.5</b>	<b>39.7</b>	<b>47.4</b>	<b>140.8</b>	<b>172.9</b>
Agricultural Sector	0.5	0.3	2.45	1.82	5.50	9.5	13.00	11.5	11.4	38.8
Energy and Mining	0	0	0	2.54	5.60	3.1	5.50	10.5	19.3	17.1
Water	0	0	0	0	1.80	2.3	1.90	1.5	1.1	1.3
Transport & Communication	0.8	0.3	0.3	0.88	-	1.8	4.70	4.0	3.8	8.8
Social Development	-	-	-	-	-	4.3	2.8	7.3	1.3	5.5
Industrial Development	0.01	0.08	1.38	-	0.6	7.1	6.6	9.8	14.1	11.2
Development Reserve	-	-	-	-	-	0.2	3.0	0.6	0.3	0.6
Peace and Settlement Program	-	-	-	-	-	1.2	2.2	2.2	3.6	4.9
Services sector	0.6	0.3	1.26	-	2.0	-	-	-	-	-
Others	0.63	2.73	2.4	0.74	2.5	-	-	-	85.9	84.7
<b>D-Public Sector Overall Pos.</b>	<b>-1.37</b>	<b>-3.06</b>	<b>-21.01</b>	<b>-21.78</b>	<b>-16.3</b>	<b>-21.8</b>	<b>-18.2</b>	<b>-25.0</b>	<b>-45.6</b>	<b>-32.6</b>
Deficit Finance	1.37	3.06	21.01	21.78	16.3	21.8	18.2	25.0	45.6	32.6
Foreign Loans	0.39	0.05	2.20	2.39	3.4	10.5	11.6	5.4	8.3	22.4
Banking Finance (Net)	0.98	3.01	18.81	19.39	12.9	11.3	6.6	19.6	37.3	10.2
Self-Finance (Net)	0	0	16.44	7.9	3.9	0	0	0.0	0.0	0
Local Resources	0.98	3.01	2.37	11.49	9.0	11.3	6.6	19.6	37.3	10.2

Source: Ministry of Finance and National Economy.