



CENTRAL BANK OF SUDAN
45TH ANNUAL REPORT
2005

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National Library Cataloging - Sudan

330.9624 Central Bank of Sudan

C. A

Annual Report 2005/ Central Bank of Sudan.

- 1st . ed.- Damascus: Al-Salhani Corporation, 2006.

208 P. : illus. ; 24 cm.

ISBN: 99942-834-9-9

1. Sudan - Economic Condition - reports, statistics.
 2. Bank, Central - Sudan - reports, statistics.
 3. Banks - Sudan - reports, statistics.
- A. Title.



Printed by

Salhani Est. - Damascus

Tel.: 6712777



**His Excellency
The President of the Republic,**

It gives me great pleasure to submit to Your Excellency, according to Article (59/1) of the Central Bank of Sudan Act for the year (2002), amendment (2005), the Balance Sheet of the Central Bank of Sudan for the year ending 31st December 2005 as approved by the Auditor General, along with the Annual Report for the year 2005.

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

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INTRODUCTION

The year 2005 experienced a number of macro economic and monetary developments on both the international and domestic levels. The overall growth rate of the world economy registered a drop from 5.1% in 2004 to 3.8% in 2005, mainly due to the deterioration in the economic performance of the major industrial countries.

The slow growth in the industrial countries was attributed to the increase in oil prices and the deterioration in the confidence of the investors of the business sector in most of the industrial countries. However, despite these negative factors, the average inflation rate and the unemployment rate improved slightly.

The economies of the developing countries witnessed a decrease in the rate of economic growth coupled with a slight increase in the average rate of inflation from 5.8% in 2004 to 5.9% in 2005, mainly due to the increase in oil prices.

In the Sudan, the economy recorded a decline in the growth rate. This could be attributed to the slow growth of the oil sector, further deterioration on the balance of payments current account along with the increase in the monetary expansion.

The real GDP growth rate declined from 9.1% in 2004 to 8.3% in 2005. The distribution of the GDP showed a substantial drop in the rate of growth of the oil sector from 46.0% in 2004 to 11.3% in 2005. The deterioration in this sector, together with the other various bottlenecks led the manufacturing sector to operate below capacity, registering a remarkable drop in its growth rate from 21.5% in 2004 to 2.8% only in 2005.

In the monetary sector, the growth rate of broad money accelerated from 30.8% in 2004 to 43.5% in 2005. This was attributed to the increase in the means of current payments by SDD 208.6 billion and in quasi money by SDD 209.1 billion. However, despite the increase in the expansion of money supply and the drop in the economic growth rate, inflation measured by the cost of living indices abated slightly from 8.7% in 2004 to 8.4% in 2005.

On the external sector of the economy, the balance of payments surplus more than doubled from US\$ 422.6 million in 2004 to US\$ 827.5 million in 2005. The balance of the

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current account deteriorated further from a negative balance of US\$ 818.23 million in 2004 to a higher deficit of US\$ 2,767.95 million in 2005. The deficit in the current account was more than offsetted by the huge surplus in the capital and financial account from US\$ 1,353.9 million in 2004 to US\$ 2,880.2 million in 2005.

CHAPTER ONE

MAJOR INTERNATIONAL ECONOMIC DEVELOPMENTS DURING 2005



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CHAPTER ONE

MAJOR INTERNATIONAL ECONOMIC DEVELOPMENTS DURING 2005

The world economy receded and registered relatively low growth rates during 2005 following the economic recovery it registered in 2004. It recorded a growth rate of 3.4% during 2005 compared with 5.1% in 2004. The fall in world economic growth was attributed to the decline in the performance of the developed industrial countries - particularly the United States of America - as a result of the rise in petroleum prices, on the one hand, and to the deterioration in investors' confidence in the business sector in most industrial countries, on the other hand. Also the growth rate in the developing countries, as a whole, dropped as most of these countries are petroleum importers.

In what follows is a review of some economic indicators in the industrial and developing countries:

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

The major industrial countries recorded a noticeable decline in their growth rate in 2005 compared with the rate of 2004. The decline in their overall current account deficit continued while they witnessed a slight improvement in the unemployment rate and the average inflation rate. Table (1-1) and figure (1-1) show details of the changes that occurred in the respective indicators.

Table (1-1)

Growth, Inflation, Unemployment Rates and Current Account Position in the Major Industrial Countries for the years 2004 and 2005

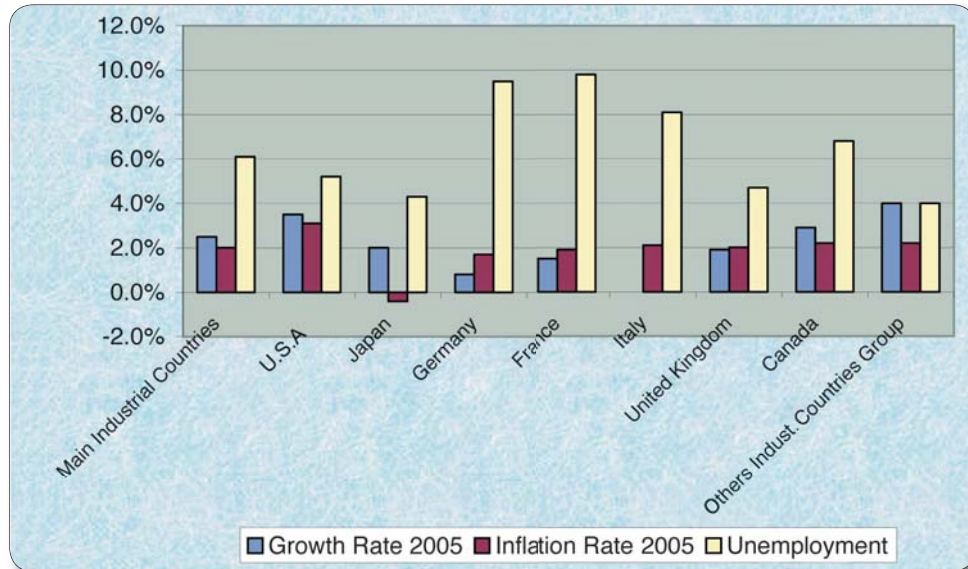
Indicators	Growth Rate %		Inflation Rate %		Unemployment Rate %		Current A/C. (Billions US\$)	
	2004*	2005**	2004*	2005**	2004*	2005**	2004*	2005**
Country								
Major Industrial Countries	3.3	2.5	2.2	2.0	6.3	6.1	(314.0)	(451.1)
U.S.A.	4.2	3.5	2.7	3.1	5.5	5.2	(668.1)	(759.0)
Japan	2.7	2.0	0.0	(0.4)	4.7	4.3	172.1	153.1
Germany	1.6	0.8	1.8	1.7	9.2	9.5	103.8	121.1
France	2.0	1.5	2.3	1.9	9.7	9.8	(8.4)	(27.3)
Italy	1.2	0.0	2.3	2.1	8.5	8.1	(15.0)	(29.9)
United Kingdom	3.2	1.9	1.3	2.0	4.8	4.7	(42.1)	(41.0)
Canada	2.9	2.9	1.8	2.2	7.2	6.8	22.2	16.7
Other Industrial Countries Group	5.6	4.0	2.4	2.2	4.1	4.0	90.2	78.0

* Actual.

** Estimates.

SOURCE: World Economic Outlook Sept.2005

Figure (1-1)
Growth, Inflation and Unemployment Rates in the Major Industrial Countries for the year 2005



The growth rate of the major industrial countries as a whole dropped from 3.3% in 2004 to 2.5% in 2005, and the overall current account deficit rose from US\$ 314 billion in 2004 to US\$ 451.1 billion in 2005. Regarding the average inflation rate and the unemployment rate, they decreased from 2.2% to 2.0% and from 6.3% to 6.1% for the two periods respectively.

Looking at the indicators of growth and inflation and the current account position of the main industrial countries group, we find that the rates of growth for all of them – with the exception of Canada – declined in varying degrees whereas Canada maintained the growth rate which prevailed in 2004. As for the inflation rate, it decreased in Japan, Germany, France and Italy and it increased in the U.S.A., Canada and the U.K. Also, the current account surplus in Japan and Canada receded but recorded a marked rise in Germany. The current account deficit of the U.K. dropped slightly.

For the group of other industrial countries, their growth rate dropped from 5.6% in 2004 to 4% in 2005 but they succeeded in lowering the average inflation rate from 2.4% to 2.2% and the unemployment rate from 4.1% to 4%. However, the current account surplus for this group of countries receded from US\$ 90.2 billion to US\$ 78.0 billion.





Growth and Inflation Rates and the Current Account Position in the Developing Countries:

The developing countries experienced a noticeable decline in their combined growth rate in 2005 compared to 2004 and the average inflation rate rose slightly whereas their overall current account surplus recorded a considerable rise during the above-mentioned two periods. Table (1-2) and Figure (1-2) show details of the changes in the alluded to indicators.

Table (1-2)
Growth Rates, Inflation Rates and Current Account Position in the Developing Countries for the years 2004 and 2005

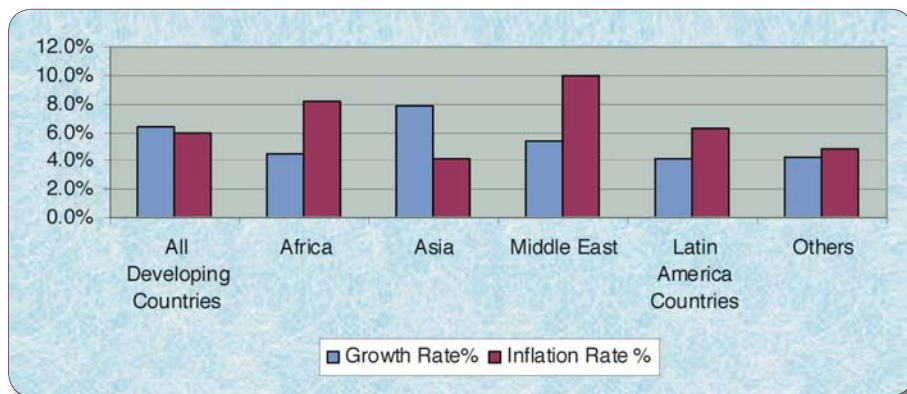
Indicators	Growth Rate %		Inflation Rate %		Current A/C. (Billions US\$)	
	2004*	2005**	2004*	2005**	2004*	2005**
Country						
All Developing Countries	7.3	6.4	5.8	5.9	227.7	410.1
Africa	5.3	4.5	7.8	8.2	0.6	12.5
Asia	8.2	7.8	4.2	4.2	93.0	109.7
Middle East	5.5	5.4	8.4	10.0	102.8	217.6
Latin American Countries	5.6	4.1	6.5	6.3	18.3	21.6
Others	6.5	4.3	6.5	4.8	(50.1)	(56.4)

* Actual.

** Estimates.

SOURCE: World Economic outlook September 2005.

Figure (1-2)
Growth and Inflation Rates in the Developing Countries for the Year 2005



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The growth rate in the developing countries as a whole decreased from 7.3% in 2004 to 6.4% in 2005 and the average inflation rate increased from 5.8% to 5.9% while the aggregate current account surplus increased from US\$ 227.7 billion to US\$ 410.1 billion for the two periods respectively.

For the developing African countries, their growth rate went down from 5.3% in 2004 to 4.5% in 2005 and the inflation rate rose from 7.8% in 2004 to 8.2% in 2005 while their current account position recorded a rise in the surplus from US\$ 0.6 billion in 2004 to US\$ 12.5 billion in 2005.

The growth rate in the Asian developing countries group contracted from 8.2% in 2004 to 7.8% in 2005 and the group maintained the average inflation rate of 4.2% registered in 2004. As for the current account position of these countries, it registered a marked rise in surplus from US\$ 93 billion in 2004 to US\$ 109.7 billion in 2005.

The growth rate in the Middle East developing countries group also slightly decreased from 5.5% in 2004 to 5.4% in 2005 and the average inflation rate went up from 8.4% in 2004 to 10% in 2005 whereas the surplus in their current account rose from US\$ 102.8 billion in 2004 to US\$ 217.6 billion in 2005.

Also the growth rate in the countries of Latin America declined from 5.6% in 2004 to 4.1% in 2005 while they posted a slight drop in the average inflation rate from 6.5% in 2004 to 6.3% in 2005. Their current account reflected a rise in surplus from US\$ 18.3 billion in 2004 to US\$ 21.6 billion in 2005.

Regarding the other developing countries, their growth rate also decreased from 6.5% in 2004 to 4.3% in 2005 and the average inflation rate decreased from 6.5% in 2004 to 4.8% in 2005 while the current account deficit worsened from US\$ 50.1 billion in 2004 to US\$ 56.4 billion in 2005.

External Debt of Developing Countries:

Despite that many developing countries met the conditions set for benefiting from debt reductions according to the Heavily Indebted Poor Countries (HIPC) Initiative, yet a number of them have not entered into arrangements for actually benefiting from the debt reductions, a situation that is not reflected in a reduction in the total debt of these countries. Their total indebtedness rose slightly by the end of 2005 compared to 2004, though the ratio of debt to the Gross Domestic Product (GDP) of these countries recorded a marked reduction. Tables (1-3) and (1- 4) show details of the evolution of indebtedness and the related indicators for the years 2004 and 2005.





Table (1-3)
External Debt of the Developing Countries For the years 2004 and 2005
 (US\$ Billions)

Year	2004*		2005**	
	External Debts	% of GDP	External Debts	% of GDP
Developing Countries as a Group	3,035.2	35.7	3,181.0	31.9
Africa	293.2	42.8	285.8	36.0
Asia	746.0	23.3	834.0	23.2
Latin America	831.3	41.4	842.4	35.5
Middle East	340.8	41.2	345.1	33.5

* Actual. ** Estimates.

SOURCE: World Economic Outlook September 2005.

Table (1-4)
Debt Service and its Percentage to Exports in the Developing Countries
 (U.S. \$ Billions)

Year	2004*		2005**	
	Debt Service	% To Exports	Debt Service	% To Exports
Developing Countries as a Group	443.3	14.0	488.5	12.5
Africa	29.4	12.0	31.8	10.5
Asia	98.6	7.9	105.0	7.0
Middle East	155.6	33.2	144.0	26.3
Latin America	34.2	7.9	40.7	6.9

* Actual. ** Estimates.

SOURCE: World Economic Outlook September 2005.

The total external debt of the developing countries increased from US\$ 3,035.2 billion by the end of 2004 to US\$ 3,181 billion at the end of 2005. Due to the increase in the total GDP of these countries, the ratio of the external debt to GDP fell from 35.7% in 2004 to 31.9% in 2005.



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Regarding the external debt of countries of the African continent, it decreased from US\$ 293.2 billion at the end of 2004 to US\$ 285.8 billion at the end of 2005 and the external debt of the developing Asian countries increased from US\$ 746 billion to US\$ 834 billion. Also, Latin America external debt increased from US\$ 831.3 billion to US\$ 842.4 billion and the Middle East external debt increased from US\$ 340.8 billion to US\$ 345.1 billion respectively during the same two periods.

With respect to the total size of the debt service for all the developing countries, it increased from US\$ 443.3 billion in 2004 to US\$ 488.5 billion in 2005, whereas the debt service ratio to total exports of developing countries declined from 14% in 2004 to 12.5% in 2005, due to an increase in the volume of exports of these countries.

For African countries, the ratio of debt service to total exports dropped from 12% in 2004 to 10.5% in 2005, for Asian countries, from 7.9% to 7%, and for Middle East countries from 33.2% to 26.3% for both periods respectively.

Major Economic Conferences, Regional and International Meetings during 2005:

1) The Annual Meetings of the Arab Financial Institutions:

The Joint Annual Meetings of the Arab Financial Institutions was held in the United Arab Emirates, Abu Dhabi, during the period 12-13 April 2005 with the participation of the Arab Finance Ministers, Governors of the Central Banks and Members of the Boards of Directors of the Arab Financial Institutions. The meetings focused on discussing the financial positions of the Arab Institutions through reviewing their annual performance reports, balance sheets and final accounts for the year 2004, in addition to reviewing their administrative structures. The meetings also considered a cluster of issues of concern to the Arab countries and the ways and means to deal with the present challenges confronting the world in general and the Arab countries in particular. The Arab Institutions concluded their meetings by adopting a number of decisions, important among which are the following:

1. Election of the Governor of the State of Qatar as Chairman of the Board of Governors and the Governor of the State of Kuwait as Vice-Chairman during its Thirty First Annual Meeting.
2. Transfer of the net realized income of the Arab Bank for Economic Development in Africa for the year ending 2004 to the Reserve Account.
3. Exceptional approval for allocating 15% of the Bank's net income as a grant in support of the Palestinian People.





4. Application of a weighted scale of adjustment formula for determining quotas of Member States in the Bank regarding net income, equity and the reserves.

2) The Thirtieth Annual Meeting of the African Development Bank Group:

The Thirtieth Annual Meeting of the African Development Bank Group was held in the Nigerian capital of Abuja during the period 14-19 May 2005 with the participation of all Member States. The Meeting discussed a number of issues of concern to the Group such as investment in infrastructure, reform of the pension system and financial markets.

The agenda of the meeting also included election of a new President of the Group to succeed the outgoing President. The Board of Governors could not resolve the issue of electing the new President during the Meeting. In the Extraordinary Meeting of the Bank's Group, which was convened in Tunisia during the period 21-22 July 2005, the candidate of Rwanda was elected as President of the African Development Bank Group for the next five years.

3) The Tenth Summit of the COMESA Heads of State and Government:

The Tenth Summit of the COMESA Heads of State and Government was held in Kigali - Rwanda during the period 25/05 - 02/06/2005. It was attended by delegations from 18 Member States in addition to Libya, which was admitted as a member during these meetings. Also, representatives of a number of international, regional organizations, and COMESA institutions participated in the Meeting. The final communiqué of the Summit included a number of resolutions, important among which are the following:

- Setting up the Executive Bureau for the year 2005/2006 as follows: Rwanda as Chairman, Djibouti as Vice-Chairman and Uganda as Rapporteur.
- Ratification of the establishment of the Customs Union by December 2008.
- Appeal to the States that have not yet joined the Free Trade Area to speed up the process of joining to enable them to become members of the Customs Union.
- Commended the expansion that occurred in intra- COMESA trade and urged the businessmen to intensify efforts to establish more business ties among themselves.
- Urged Member States to eliminate non-tariff barriers so as to increase the volume of intra-regional trade.

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- Appeal to Member States that have not yet ratified the Protocol of the COMESA Fund to proceed towards ratifying it before December 2005.
- Approval of the Structure of the prospective COMESA Regional Investment Agency.
- Concentration on developing the infrastructures as a basis for regional integration.
- Appeal to the developed countries to meet their commitments as embodied in the decisions of the Doha Round of Multilateral Trade System.
- Acceptance of Libya as a member of COMESA.

4) The Thirtieth Annual Meeting of the Islamic Development Bank Group:

The Thirtieth Annual Meeting of the Islamic Development Bank Group was held in Petrajaya, Malaysia during the period 23-24 June, 2005 under the motto of: "The Islamic Development Bank: Thirty Years of Human Development". It was attended by all of the 56 Member States of the Bank in addition to representatives of Islamic banks, national finance institutions in the Member States and some international and regional finance institutions as observers. On the margins of the Annual Meeting of the Bank, was held the Fifth Meeting of the General Assembly of the Islamic Institutions for the Development of the Private Sector, which discussed the annual report, financial statements and the external auditor report. Important among the decisions taken by the Bank's Group Thirtieth Meeting are:

1. Approval of the audited Bank Accounts and its affiliated Funds which include: Waqf Fund, Export Finance Programme, Investment Fund in the Waqf Properties for the year 1425AH and the Islamic Development Bank Fund for the Investment Shares for the year 1425AH.
2. Allocation of 5% from the anticipated Bank's net income for the financial year 1426 AH to the technical assistance grants.
3. Allocation of 2% from the anticipated Bank's net income for the financial year 1426 AH to the education grants programme for talented students to be paid to the programme in the financial year 1427 AH.
4. Re-election of Dr. Ahmed Mohamed Ali as President of the Islamic Development Bank.
5. Approval of the establishment of a corporation for trade financing and development to be named "The Inter-national Islamic Corporation for Trade Financing" with an authorized capital of US\$ 3 billion and a subscribed capital of US\$ 500 million.





6. Approval of holding the Thirty Fifth Annual Meeting of the Board of Governors in the Republic of Azerbaijan at a date to be determined in consultation with the host country.
7. Electing the Governor of the State of Kuwait as the Chairman of the Board of Governors for the period 1426 AH – 1427 AH and the Governors of the Republics of Senegal and Sudan as Vice-Chairs.

5) The Twenty Ninth Annual Meeting of The Association of African Central Banks:

The Twenty Ninth Annual Meeting of the Association of African Central Banks (AACB) was held in Accra, Ghana during the period 25-29 July 2005. It was attended by representatives of most African Central Banks, besides representatives of a number of regional and international organizations. Chief among the decisions taken by the Meeting are:

1. Approval of the Report of the Twenty Eighth Meeting of the Association of African Central Banks (AACB) and the Report of the Executive Bureau on the activities of the Association for the year 2005.
2. The Bureau commended the efforts exerted by the sub-regional groups with regard to implementing the African Monetary Cooperation Programme.
3. Election of the Governor of the Central Bank of Ghana as Chairman of the AACB for the year 2005 and the Governor for the Southern Africa Sub-region as Vice-Chairman.
4. Hosting of the Thirtieth Annual Meeting of the AACB by the Southern Africa Sub-region at a date and in a venue to be determined subsequently.
5. Approval, in principle, for setting up of a working group of experts of payments and settlement for the African Central Banks and to mandate the Executive Bureau of the AACB to prepare options for implementation.

6) The Twelfth Annual Meeting of The African Export Import Bank:

The Twelfth Annual Meeting of the General Assembly of the African Export Import Bank was held in Harare, Zimbabwe during the period 1-3 December 2005. The activities of the Meeting included:

1. African Bankers Forum.
2. Seminar on the Consultative Group for Trade and Export Promotion in Africa which was supposed to have been conducted during the Meeting but did not take place due to lack of quorum for holding the meeting itself.



7) The Tenth Meeting of the Committee of Governors of Central Banks of the COMESA Countries:

This meeting was held in Burundi during the period 15-20 November 2005. It was attended by 14 Central Banks including the Central Bank of Sudan.

The meeting took a number of resolutions, important among which are:

1. Election of the Executive Committee of Governors for the period November 2005 - November 2006 as follows:

Burundi	Chairman
Zambia	1 st Vice-Chairman
Madagascar	2 nd Vice-Chairman
Congo, DRC	Rapporteur
2. The Meeting took note of the status of implementation of the resolutions of the Ninth Meeting of the Governors on the progress of work with regard to the Regional Payments and Settlement System (REPSS), Monetary and Financial Harmonization Programme, COMESA Fund, Export Promotion Strategy of COMESA, Unified Investment Area of COMESA, Inter African Trade Exchange, Re-insurance Company and the African Trade Insurance Agency.
3. Approved restructuring of meetings of COMESA Monetary Cooperation Committees.
4. Approval for establishing three sub-committees, namely the Sub-Committee for the Monetary and Exchange Rate Policies, the Sub-Committee for Development and Stability of the Financial Sector and the Sub-Committee for Mobilization of Financial Resources.
5. Took note of the proposal on accelerating the Steps of Monetary Unification in COMESA.
6. Approved the Future Structure of the COMESA Clearing House.
7. Approved the annual activities, audited financial accounts for the financial year ended at 31st March 2005, and the proposed budget for the COMESA Clearing House for the period April 2006 – March 2007.

8) Meetings of Inter-Governmental Committee and Council of Ministers of the COMESA Countries:

These meetings were convened during the period 29/11- 06/12/2005 in Lusaka, Zambia. All Member States, with the exception of Comoros, participated in the meetings along with representatives of a number of international and regional organizations and institutions as





well as representatives of COMESA organs and institutions. The meetings embraced the following:

First: Meetings of the COMESA Inter-Governmental Committee:

These meetings were conducted at the level of experts of the government organs of the Member States during the period 29/11 - 04/12/2005 under the motto of “Deepening Regional Integration through the Customs Union”. The most important issues discussed during these meetings were:

1. Administrative and budgetary issues.
2. COMESA Court of Justice Plan of Action and its Budget for 2006.
3. Report of the PTA Bank.
4. Reports of the Sub-Committees (Trade and Customs Committee and Report of the Sixth Meeting of Ministers of Transport and Communications).

Second: Meetings of COMESA Council of Ministers:

These meetings were held on Fifth and Sixth December 2005 in the presence of the Foreign Trade Ministers and aides of all the COMESA countries, except the Comoros. The Council considered, approved and took the necessary decisions regarding the reports, which were discussed and submitted to it by the meeting of the Committee of Experts of the Government Organs of COMESA countries.

9) The Sixth Ministerial Meeting of the World Trade Organization (WTO):

The Sixth Ministerial Meeting of the World Trade Organization (WTO) was held in Hong-Kong during the period 13-18/12/2005. Delegates attended it from its 149 Member States after accession to membership of the Kingdom of Saudi Arabia and the Republic of Tonga in addition to delegates of countries that are in the process of accession, including the Sudan, as well as several international economic and financial institutions, which are concerned with trade. The meeting discussed, under different core themes, several issues, programmes and proposals related to the multilateral trade system and the role of the Organization in handling this system. The issues discussed were represented in the following:

- Status and future negotiations on agriculture and non-agricultural commodity products.
- Service negotiations.
- Intellectual Property Rights.



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- Environment and Trade.
- Special and Differential Treatment.
- Problems of developing countries, Least Developed Countries (LDCs) and small-scale economies.
- Trade and Transfer of Technology.
- Electronic Commerce.
- Technical Cooperation.
- Trade Facilitation.
- Financial support to boost capacities for trade competitiveness.
- Issues of accession to the WTO.

The meetings witnessed intensive deliberations, in particular on the set core proposals on:

- Agricultural Support Negotiations.
- Market Access for non-agricultural commodities.
- Services Negotiations.
- Problems of Developing Countries and LDCs.

Considerable agreement occurred during the meetings and most of what was discussed under the afore-mentioned core issues was adopted.

The principal results and decisions of the meetings, especially those considered as a success to the developing countries, are the following:

- Agreement was reached on elimination of all forms of support to agricultural exports on a harmonized and gradual manner until the end of the year 2013 taking into consideration the developing countries programmes relating to financing, guarantees and insurance for exports. With regard to the cotton commodity specific-ally, which is an important export item for several developing countries, agreement was reached on the elimination of all forms of support extended for its growing in the developed countries by the end of the year 2006. However, the developed countries shall provide the developing countries with opportunities that are not governed by quotas or tariffs for accessing their cotton markets and also to grant the cotton producing countries technical assistance to develop competitive capacities in that regard.

Regarding trade in services and guidelines for negotiations, the respective decisions were as follows:





- It was emphasized that negotiations on the trade in services shall continue at the multilateral and bilateral levels with the aim of reinforcing the economic growth opportunities for the trading partners in general and boosting the economies of the developing and least developed countries. This is in addition to the acknowledgement of the right of countries to implement the necessary measures for regulating trade in services that shall not contravene the principles and requirements of the General Agreement on Trade in Services (GATS). The Agreement calls for non-discrimination between the foreign and local investor or the local and foreign producer in order to establish conditions for fair and transparent competition.
- The meetings recognized the need for the WTO Members to actively engage in the negotiations with the aim of achieving higher levels of liberalization of the services in a harmonized, gradual way that provides flexibility for dealing with the developing and least developed countries. This shall allow for speeding up and facilitating their accession to the WTO, take into account their development needs, existing economic and institutional levels and top national objectives. They shall also not be required to make commitments that exceed those to which similar member developing countries were subject to.
 - Emphasis was laid on the importance of providing the developing and least developed countries with reason-able opportunities for accessing markets for trade in services in the developed countries in the areas of service exports where the former have comparative advantage. This is in line with the resolutions of the Doha round announced in November 2001.
 - In the context of the same resolutions, stress was put on the importance of giving special consideration to the proposals, offers and issues which have trade dimensions for countries with small scale economies.
 - The meetings agreed on maintaining the system of bids and offers as a fundamental method for the negotiations in the services and which shall be adopted on a bilateral and multilateral basis. The results of negotiations shall be generalized according to the principle of “Most Favoured Nation” (MFN) treatment as one of the basic principles of the GATS.
 - The meetings underscored the importance of the provision, by the Secretariat of the WTO, of the necessary assistance to the developing countries for capacity building to enable them to participate effectively and positively in the negotiations. The principal focuses of this assistance shall be in the following areas:

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- Collection, analysis and evaluation of trade in service statistics
- Building supervisory and control systems.
- Assessment of benefits and costs arising from access-ion to the GATS.
- Legislative reforms.



CHAPTER TWO

THE CENTRAL BANK OF SUDAN POLICIES



CHAPTER TWO THE CENTRAL BANK OF SUDAN POLICIES

The policies of the Central Bank of Sudan for the year 2005, aimed at the coordination and complementarity with the fiscal policy in the context of the macro economy. These policies were represented in the following four basic pillars:

- 1) Monetary policy and the developing of liquidity management.
- 2) Credit policy.
- 3) Policies and organization of the foreign exchange market.
- 4) Banking and supervision policy and the development of the banking technology.

The monetary and credit policy for 2005, aims, among other things, at the achievement of a real growth rate in GDP of 8.3% and the maintenance of the inflation rate around 7.5% through targeting a nominal growth in the money supply of 28%,* in addition to the maintenance of the stability of the exchange rate.

A review of the Central Bank of Sudan policies for the year 2005 is presented hereunder according to the previous pillars:

First Pillar: Monetary Policy:

The Central Bank of Sudan managed the liquidity in a manner that met the requirements of the economic activity, avoided the inflationary pressures and maintained the economic stability through the intervention of the Monetary Operations Unit. The Bank also employed liquidity management instruments, including open market operations, foreign exchange swaps and Murabaha profit margins. To improve the liquidity management instruments, the Central Bank of Sudan, Ijarah Certificates (Shihab) were introduced in September 2005 as one of the instruments of liquidity management, alongside the Government Musharaka Certificates (GMCs) and the Government Investment Certificates (GICs). The Central Bank of Sudan suspended the operations of the deficit finance window and replaced it by allowing banks to hold investment certificates to be utilized via immediate selling to the Central Bank of Sudan for obtaining liquidity. The Central Bank of Sudan stands ready to resell these to the banks in case of need.

As for the actual performance of monetary policy during 2005, the money supply registered a growth rate of 43.5% while the average annual inflation rate reached 8.5%, and gross domestic product (GDP) grew by 8.3%, compared to the targeted rates of 28%* and 7.5% and 8.3% respectively. More details about the performance of the components of money supply, deposits and financing are presented in Chapters Five and Six.

* Adjusted to 33% during 2005



Second Pillar: Credit Policy:

The credit policy for 2005 included a number of directions, the most important of which are:

- 1) Banks shall maintain adequate internal liquidity in the form of cash and assets made up of Government Musharaka Certificates (GMCs) and other Investment Certificates to meet the daily withdrawals of its customers in all of their branches, while taking into consideration the minimum ratio that was in place (10% of total deposits) as an indicative rate.
- 2) Each bank must keep a statutory reserve in local and foreign currencies of not less than 14% of the specified deposits.
- 3) Banks must direct a percentage of not less than 10% of the total bank credit to the productive families, small producers, craftsmen and professionals.
- 4) Applying a Murabaha profit margin of 10% per annum as an indicator for the local and foreign currencies. The percentage of credit extended by each bank through the Murabaha mode of financing must not exceed 30% as an indicator of the total balance of credit of each bank at any time.

Third Pillar: Foreign Exchange Policies:

To allow more room for free dealing and flexibility in the foreign exchange market, achieve real exchange rate and provide a favourable atmosphere for investment, the following amendments in the foreign exchange policies were introduced:

- 1) The policy of attaining the real value of the Sudanese dinar continued and consequently the value of the US dollar vis-à-vis the Sudanese dinar reached 230.54 SDD by the end of the year 2005.
- 2) Some restrictions regarding the replenishment of free accounts in foreign exchange and whose use in local currency is restricted were removed and banks were permitted to replenish them with more resources.
- 3) Banks were directed to sell the proceeds of exports to the concerned bank by applying the prevailing selling rate without adding any margin. In order to facilitate and simplify the export procedures, some amendments relating to the export procedures of some commodities were introduced and banks were permitted to issue export forms for some commodities and equipment. These export forms were previously issued by the Central Bank of Sudan according to specific conditions.

Concerning the imports, the prohibition of the deferred imports of the list of prohibited goods was cancelled with the exception of cigarettes and tobacco. Furthermore,

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amendments were effected in the regulations and procedures of imports and the addition of some clarifications to the terms of imports.

- 4) Banks were permitted to issue letters of guarantee in foreign exchange in favour of the domestic beneficiaries to enable them to participate in tenders if the conditions of the contract call for this.
- 5) Family maintenance expenses and any other transfers and current payments were added to the uses of the resources of the foreign exchange dealing rooms in banks. In addition to this, foreign exchange bureaus were permitted to sell foreign exchange to residents and non-residents to meet all visible and invisible payment with the exception of foreign diplomatic missions and the international and regional organizations and institutions operating in Sudan and its like as well as the foreigners who do not hold valid residence permits or authorized to visit or work, in addition to tourists.

Fourth Pillar: Banking and Supervision Policy:

A review of the performance of the banking and supervision policy for 2005 is given below:

1) Banking supervision and development:

One of the most important banking developments for the year 2005, which aims at enhancing and maintaining the soundness of the banking system was the elevation of risk management units in banks to departments. This is in addition to the development and activation of the procedures of corporate governance in the banks and the financial institutions, spelling out the responsibilities of the external auditors and consideration of the certified auditors reports and their direct responsibility to the Banking Supervision Department through the yearly audited financial statements. To broaden the base of banking services and cater for the financing of small producers, the banking supervision department monitored the implementation of preparing a project for a future outlook of the supporting policies to develop and upgrade the micro finance sector. In this regard, a comprehensive survey of the micro finance sector was carried out in order to provide information and data.

In the context of efforts to strengthen the banking system through approval and adoption of the international standards and completion of issuing the standards of the Accounting and Auditing Organization for Islamic Financial Institutions, the Central Bank of Sudan issued during 2005 the standards of Istisna'a and parallel Istisna'a. The Central Bank of Sudan also issued five standards from the standards of the above-mentioned Organization pertaining to the organization of external auditing operations of banks and financial institutions. To cater for the international standards (Basel Committee for Banking





Supervision and the Standards of the Council for Islamic Financial Services), the Standards and Systems Unit was instituted to monitor the application of these standards and train the staff on the directions of risk management in Islamic banks.

2) Restructuring and Reform of the Banking System:

Several banks succeeded in fulfilling the restructuring requirements of their positions during the year 2005. Regarding the restructuring programs through the gradual merger, numerous measures were taken with the aim of urging banks to undertake reform programs in the supporting areas which are peculiar to the accounting standards, technology, corporate governance and risk management. The reform programs will be implemented in three stages through mergers. These stages are as follows:

a) The First Stage: The Evaluation of banks through an Approved Competent Auditing Entity:

The competent entities for evaluating the banks according to the conditions and criteria set by the Central Bank of Sudan for the selection of these entities shall be announced. Consequently, an agreement will be reached with these entities regarding the bases and requirements for the financial evaluation of the banks, the determination of the net value and the price of the banks shares in the stock exchange. In this stage, the banks will be given the option of commencing the formation of groups as a step towards the merger operations alongside the determination of the group leaders according to the conditions stipulated by the Central Bank of Sudan.

b) The Second Stage: The Formation of Alliances among Banks:

The implementation of this stage basically depends upon the results of the financial evaluation of banks in the first stage on the light of which the group's alliances and group leaders will be determined.

c) The Third Stage: The Merger Among the Allied Groups:

This will be the actual execution stage of the merger among the allied banks under the supervision of the Central Bank of Sudan. In this stage, the banks will benefit from the incentives accompanying the merger operation. The bases and legalities pertaining to the merger will also be completed during this stage.

3) Banking Technology:

The banking technology policies aimed at continuing the completion of implementing the projects of connecting electronically the branches of banks with, their headquarters, the electronic cheques clearing, the electronic returns project and the banking system symbols. This is in addition to laying down the rules and regulations for operating the Automated Teller Machines, and the electronic transactions besides the continuation of the work of amending the policies and

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regulations affected by the introduction of technology through the preparation of a document for redesigning the work procedures for the clearing operations, and a regulation for organizing the clearing operations in addition to the commencement of issuing the Electronic Dealings Act.

Fifth Pillar: The Higher Sharia Board for the Banking System and Financial Institutions:

The Higher Sharia Board issued a number of edicts (Fatawa) and resolutions during 2005, in several areas, the most important of which are the following:

- Ijarah Sukuk proposed by the Ministry of Finance and National Economy (A) and (B).
- Rules and regulations of dealing with Islamic modes and instruments, certificates of ownership of the assets of the Central Bank of Sudan and its Ijarah.
- The proposal of the Financial Investment Bank on the Saudi Export Promotion Fund line of credit.

The Higher Sharia Board approved the specimen contracts for Islamic transaction modes on the light of the practical applications of banks for (Salam, Mudaraba, Musharaka, Declining Musharaka and Mogawalla"1"). The Higher Sharia Board has participated in the settlement of numerous disputes between the banks and their clients and into the resolution of disputes emanating from the Ministry of Justice peculiar to the banking business. Moreover, the Higher Sharia Board held a number of seminars in the branches of the Central Bank of Sudan and provided Shari'a consultations to the different departments of the Central Bank of Sudan.

Furthermore, the Higher Sharia Board participated in holding a number of lectures, seminars and meetings inside and outside Sudan in the area of Islamic banking business besides preparing researches, studies and notes.

Sixth Pillar: The Peace Phase:

The implementation of Item 14 of the Protocol of the Division of Wealth of the Comprehensive Business Agreement commenced. This item confirms the commitment to the basic principles of unity of: the Central Bank of Sudan, the Monetary Authority, monetary policy, the currency and the role of the Central Bank of Sudan in the economic stability. The organizational structure of the branch of the South (Bank of Southern Sudan) was set up and the training of some Southerners was effected and a plan for the work of the departments of the bank during the peace phase was prepared. The procedures for issuing the new currency and the reorganization of the structure of the Central Bank of Sudan continued during 2005.



CHAPTER THREE

GROSS DOMESTIC PRODUCT



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CHAPTER THREE GROSS DOMESTIC PRODUCT

The Gross Domestic Product (GDP) is the sum of the market value of all the final goods and services produced recently in the country within a specified period of time (usually one year). Various methods are used for computing GDP and this report uses the value - added method that is, adding the values of the final products (goods and services) at the current prices and deducting the value of intermediate goods and services included in the production process.

Table (3-1) presents the Gross Domestic Product at constant prices (based on the 1981/82 prices) and the current prices (2005 prices).

Table (3-1)
Real Gross Domestic Product by Economic Sector
(SDD Millions)

Sector	2004*			2005**		
	Value	Growth Rate %	Share %	Value	Growth Rate %	Share %
(A) Agriculture:	706.4	(3.5)	39.2	751.9	6.5	38.6
i) Agrarian Component:	338.3	26.6	18.8	383.5	13.4	19.7
Irrigated Agriculture	193.0	8.9	10.7	213.1	10.4	10.9
Mechanized Rainfed Agriculture	15.2	(53.7)	0.8	22.9	51.1	1.2
Traditional Rainfed Agriculture	80.1	(26.1)	4.4	96.5	20.6	4.9
Forestry and Others	50.0	2.5	2.8	51.0	2.0	2.6
ii) Animal Component:	368.1	1.0	20.4	368.4	0.1	18.9
Animal Resources	368.1	1.0	20.4	368.4	0.1	18.9
(B) Industry:	504.0	31.0	28.0	543.0	7.8	27.8
i) Mining and Quarrying	275.0	31.8	15.3	305.0	10.9	15.6
Petroleum	263.0	46.0	14.6	292.0	11.3	15.0
Others	12.0	2.0	0.7	13.0	2.0	0.7
ii) Manufacturing	128.0	21.5	7.1	131.0	2.8	6.7
iii) Electricity and Water	24.0	4.7	1.3	26.0	8.5	1.3
iv) Building and Construction	77.0	19.4	4.3	81.0	5.0	4.1
(C) Services:	590.7	10.4	32.8	655.6	11.0	33.6
Governmental Services	210.8	28.2	11.7	275.6	30.8	14.1
Other Services	379.9	2.5	21.1	380.0	0.03	19.5
GDP at Constant Prices	1,801.1	9.1	100.0	1,950.5	8.3	100.0
GDP Deflator	296,651.5	-	-	318,900.3	-	-
GDP at Current Prices	5,342,990.2	-	-	6,220,150.4	-	-

* Amended figures.

** Preliminary Figures.

Source: Ministry of Finance and National Economy.

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It is evident from Table (3-1) that GDP growth (at constant prices) decreased from 9.1% in 2004 to 8.3% in 2005 due to the drop in the growth rate of the industrial sector from 31% to 7.8% in spite of the significant increase in the growth rate of the agricultural sector from a negative of 3.5% to 6.5% and in the services from 10.4% to 11.0%.

(a) The Agricultural Sector:

The agricultural sector, with its agrarian and animal sub-sectors, recorded an increase in its growth rate from -3.5% in 2004 to 6.5% in 2005. This was attributable to the increase in the growth rate of the rainfed agriculture, with its mechanized and traditional sub-sectors, from -53.7% and -26.1% in 2004 to 51.1% and 20.6%, respectively, in 2005, and also to the increase in the growth rate of irrigated agriculture. However, the growth rate of the animal sub-sector decreased from 1.0% in 2004 to 0.1% in 2005.

The relative contribution of the agrarian sub-sector to the agricultural sector as a whole stood at about 51.0%. The growth rate of this sub-sector dropped from 26.6% in 2004 to 13.4% in 2005, due to the decrease in the growth rate of "Forestry and Others" from 2.5% in 2004 to 2.0% in 2005.

Regarding the animal sub-sector, its relative contribution to the agricultural sector in terms of GDP stood at 49.0%.

(b) Industrial Sector:

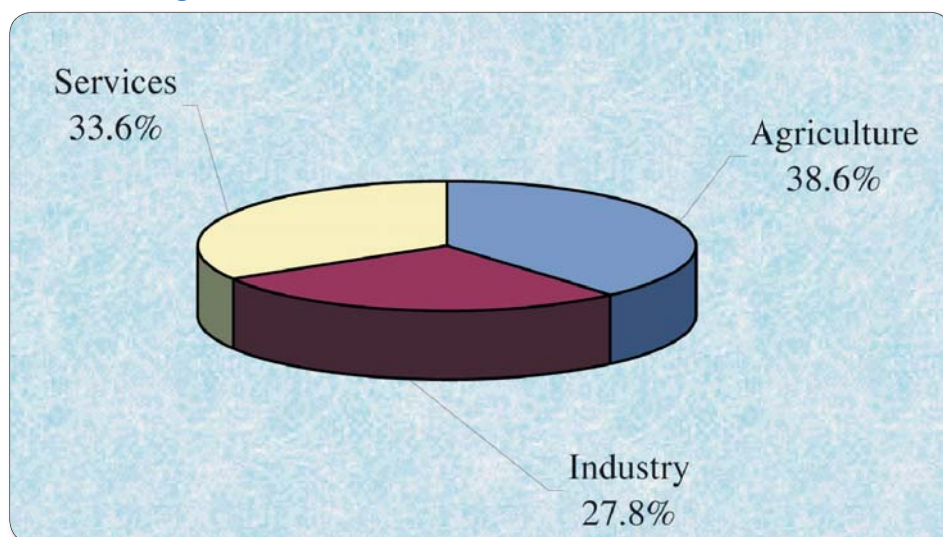
The growth rate of the industrial sector declined noticeably from 31.0% in 2004 to 7.8% in 2005 owing to the sharp fall in the growth rate of the mining and quarrying sector from 31.8% in 2004 to 10.9% in 2005. The contribution of the industrial sector to GDP decreased slightly from 28.0% in 2004 to 27.8% in 2005. Similarly, the growth rate of the building and construction sector contracted significantly from 19.4% in 2004 to 5.0% in 2005, leading to a slight drop in its rate of contribution to GDP from 4.3% to 4.1%. The growth rate of the electricity and water sector went up from 4.7% in 2004 to 8.5% in 2005, while its contribution to GDP remained unchanged at 1.3% for the two years (2004 and 2005) as illustrated in Table (3-1).

(c) The Services Sector:

The growth rate of the services sector slightly rose from 10.4% in 2004 to 11.0% in 2005 due to an increase in the growth rate of government services from 28.2% in 2004 to 30.8% in 2005, though other services decreased from 2.5% in 2004 to 0.03% in 2005.



Figure (3-1)
Percentage Share of the Economic Sectors in GDP in 2005



Inflation:

Inflation is a sustained rise in the general price level, that is, depreciation in the value of the currency during a specific period of time. The rise in prices is measured by the percentage change in the price indexes over a certain period of time.

Table (3-2) and Appendix (X) depicts the annual average inflation rate during 2005 - computed by the Consumer Price Index (CPI) – which decreased from 8.7% in 2004 to 8.4% in 2005.

Table (3-2)
Inflation Rates (%)
Base year 1990 = 100

Income groups	2004		2005	
	End of December	Annual	End of December	Annual
Higher Income	7.9	9.3	5.1	7.0
Middle Income	7.3	8.5	5.6	8.5
Lower Income	7.4	8.5	6.1	9.9
Geometric Mean	7.5	8.7	5.6	8.4

Source: Central Bureau of Statistics.

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Figure (3-2) illustrates the trend of inflation during 2004, while Figure (3-3) depicts the geometric mean of the annual average inflation rate during 2004 and 2005 and Appendix (X) presents the inflation rates during the period 1995 – 2005.

Figure (3-2)
Inflation Rate During 2005

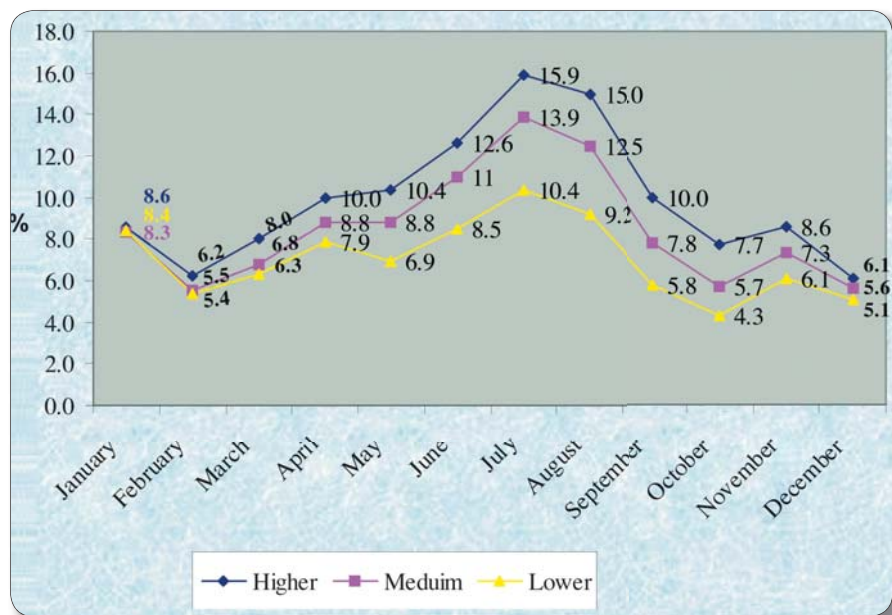
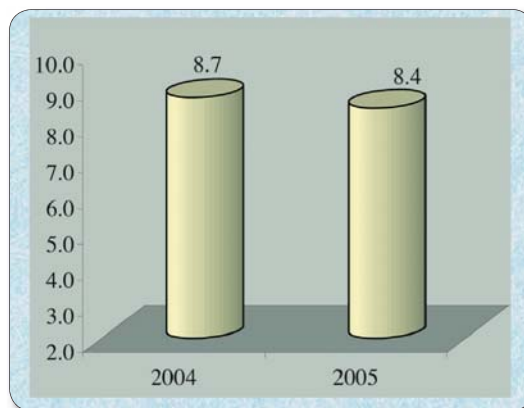


Figure (3-3)
Geometric Mean of the Annual Average Inflation Rate During 2004 - 2005





Gross National Product:

Gross National Product (GNP) refers to the total market value of the final goods and services produced in the country during the year as well as to net receipts of the national factors of production abroad and payments for foreigners.

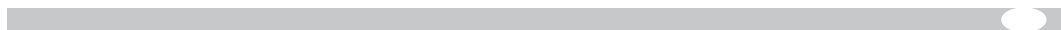
Table (3-3)
Gross National Product at 1981/82 Constant Prices
(SDD Millions)

Sector	2004* Adjusted	2005**
GDP at 1981/1982 Prices*	1,801.1	1,950.5
Annual Growth Rate (%)	9.1%	8.3%
Net Invisible Receipts and Payments at Constant Prices 1981/82**	(0.88)	(1.21)
Gross National Product	1,799.9	1,949.6
Annual Growth Rate (%)	8.3%	7.7%

** Central Bank of Sudan

Source: * Ministry of Finance and National Economy.

Table (3-3) shows that the growth rate of the Gross National Product (GNP) at the 1981/82 constant prices decreased from 8.3% in 2004 to 7.7% in 2005. This was attributable to the increase in the deficit of net invisible receipts and payments due to the increase in payments for travel expenses despite the improvement in the exchange value of the Sudanese Dinar vis-à-vis the US dollar from SDD 257.91 to SDD 243.58.



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CHAPTER FOUR

PRODUCTION



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CHAPTER FOUR PRODUCTION

This Chapter covers the agricultural sectors (with its two components: The agrarian and the animal) as well as the industrial and the services sectors.

The agricultural sector remained in the forefront of the productive sectors in the Sudan for many years, contributing a substantial share in the gross domestic product despite the decline in its growth rate during the last years. As for the industrial sector (including petroleum), its rate of growth has continued to increase since 1999 to become one of the important productive sectors in terms of the estimated contribution in export proceeds. This was accompanied by development and promotion into the services sector, particularly communications, roads and electricity.

Below detailed explanation of the production of these sectors and their contribution to the gross domestic product:

First: The Agriculture Sector:

The agriculture sector is considered as the main sector in the Sudanese economy in terms of its contribution to the gross domestic product by about 38.6% in 2005. This is beside the dependence of most of the rural population on it for provision of food and raw materials for local industries and job opportunities, in addition to its substantial contribution in the exports. Despite the drop in its percentage contribution to the gross domestic product from 39.2% in 2004 to 38.6% in 2005 due to the deterioration in the production of the mechanized and traditional rainfed agriculture, it continued to be the leading sector in the gross domestic product. Its growth rate increased from a negative rate of 3.5% in 2004 to 6.5% in 2005.

(A) The Agrarian Production:

The Sudan is considered as one of the biggest countries in terms of availability of cultivable agricultural land and the natural factors fitting it as the world food basket if these factors were utilized properly.

The agrarian production includes the mechanized rainfed agriculture, the traditional rainfed agriculture, the irrigated agriculture, the forestry and the pastoral. The agrarian production contributes 51.0% of the total agricultural sector.

Table (4-1) below illustrates the cultivated areas in 2003/04 and 2004/05 seasons:



Table (4-1)
The Cultivated Areas in 2003/04 and 2004/05 seasons
 (Area in Millions of Feddans)

Season	The mechanized rainfed agr.	The traditional rainfed agr.	The irrigated agr.	The total cultivated areas
2003/04	13.7	24.8	2.1	40.6
2004/05	11.1	19.2	2.1	32.4

Source: Ministry of Agriculture.
 Estimates of the Agricultural Statistics.

The above Table shows the drop in the cultivated areas in 2004/05 season compared with the previous one.

Below are the details of the production of the important crops during 2004/05 seasons, and include:

i) The Main Cash Crops (Cotton, Gum Arabic):

The production of the main cash crops increased in 2004/05 season compared with the preceding one:

1. Cotton:

Cotton was one of the main pillars of the national economy until the eighties, with an effective economic contribution in addition to the reliance of some of the other economic sectors on it.

Table (4-2) below shows Cotton production in 2003/04 and 2004/05 seasons:

Table (4-2)
Cotton Production in 2003/04 and 2004/05 Seasons

2003/04			2004/05		
Cultivated Areas (000's Feddan)	Average Prod. Per Feddan (Quintals)	Production (000's Bale)	Cultivated Areas (000's Feddan)	Average Prod. Per Feddan (Quintals)	Production (000's Bale)
408	2.3	346	516	3.6	451

Source: Sudan Cotton Company.

Cotton production increased from 346 thousand bales in 2003/04 season to 451 thousand bales in 2004/05 season i.e. by 30.3% due to the increase in the cultivated areas from 408 thousand feddans to 516 thousand feddans i.e. by 26.5% in addition to the increase in average productivity from 2.3 to 3.6 quintal/feddan.



2. Gum Arabic:

Table (4-3) below highlights the production of Gum Arabic in 2003/04 and 2004/05 seasons:

Table (4-3)

Gum Arabic Production in 2003/04 and 2004/05 Seasons (000's Tons)

Crops	2003/04	2004/05	Percentage Change
Hashab Gum	12.0	21.3	77.5%
Talh Gum	4.7	9.1	93.6%
Total	16.7	30.4	82.0%

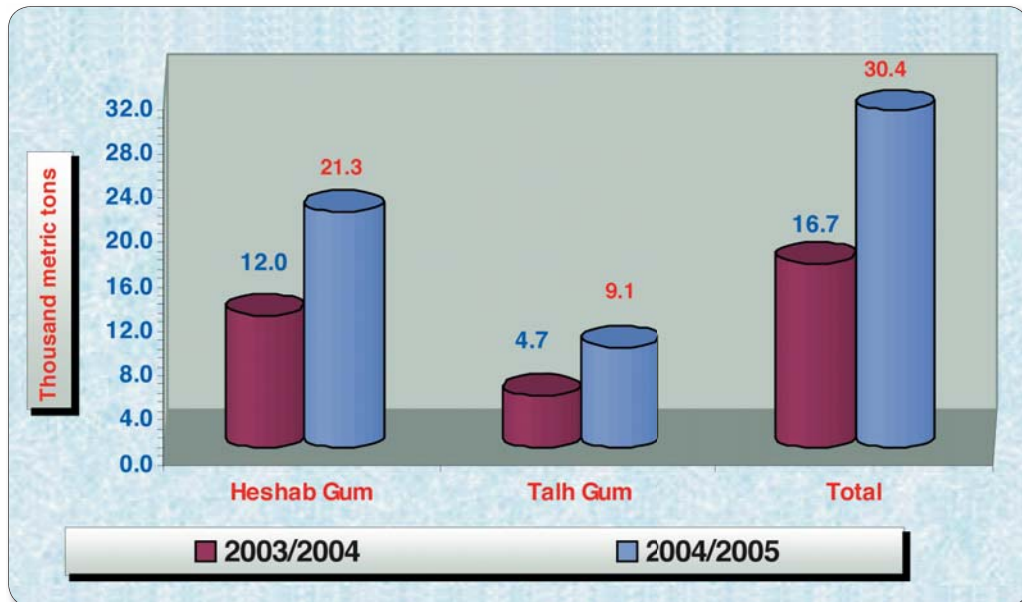
Source: Gum Arabic Company.

The production of Gum Arabic with its two varieties (hashab gum and talh gum) increased remarkably from 16.7 thousand tons in 2003/04 seasons to 30.4 thousand tons in 2004/05 seasons. This was attributed to the lately adopted government policy of deregulating monopoly of the Gum Arabic Co. Ltd. and the enter of other companies and individuals in purchase and sale of gum Arabic which encouraged the producers to increase their production.

Figure (4-1) below shows highlights the production of gum Arabic in 2004/05 season:

Figure (4-1)

Gum Arabic Production For the years (2003/04 and 2004/05)



ii) The Main Food Crops (Sorghum, Millet, Wheat):

The production of all the main food crops in 2004/05 season decreased compared with the preceding one. This was attributed generally to the drop in the cultivated and harvested areas in addition to the drop in productivity.

Table (4-4) below shows the production of the important main food crops in 2003/04 and 2004/05 seasons:

Table (4-4)
Production of the Main Food Crops in 2003/04 and 2004/05 Seasons

Season	Sorghum (Dura)			Millet (Dukhun)			Wheat		
	Cultivated Area in 000's Feddan	Production in 000's Metric Tons	Productivity KGs/ Feddan	Cultivated Area in 000's Feddan	Production in 000's Metric Tons	Productivity KGs/ Feddan	Cultivated Area in 000's Feddan	Production in 000's Metric Tons	Productivity KGs/ Feddan
2003/04	19,949	4,690	269	10,324	769	122	432	398	971
2004/05	15,562	2,678	266	6,996	280	74	407	364	953

Source: Ministry of Agriculture (Agricultural statistics).

1. Sorghum (Dura):

The production of sorghum witnessed noticeable decrease from 4,690 thousand tons in 2003/04 season to 2,678 thousand tons in 2004/05 season i.e. by 42.9%. This was attributed to the drop in the cultivated areas from 19,949 thousand feddans to 15,562 thousand feddans as well as the fall in the productivity from 269 kg/feddan to 266 kg/feddan.

2. Millet (Dukhun):

The production of millet decreased sharply from 769 thousand tons in 2003/04 season to 280 thousand tons in 2004/05 season i.e. by 63.6% as a result of the drop in the cultivated areas from 10,324 thousand feddans to 6,996 thousand feddans as well as the drop in productivity from 122 kg/feddan to 74 kg/feddan.

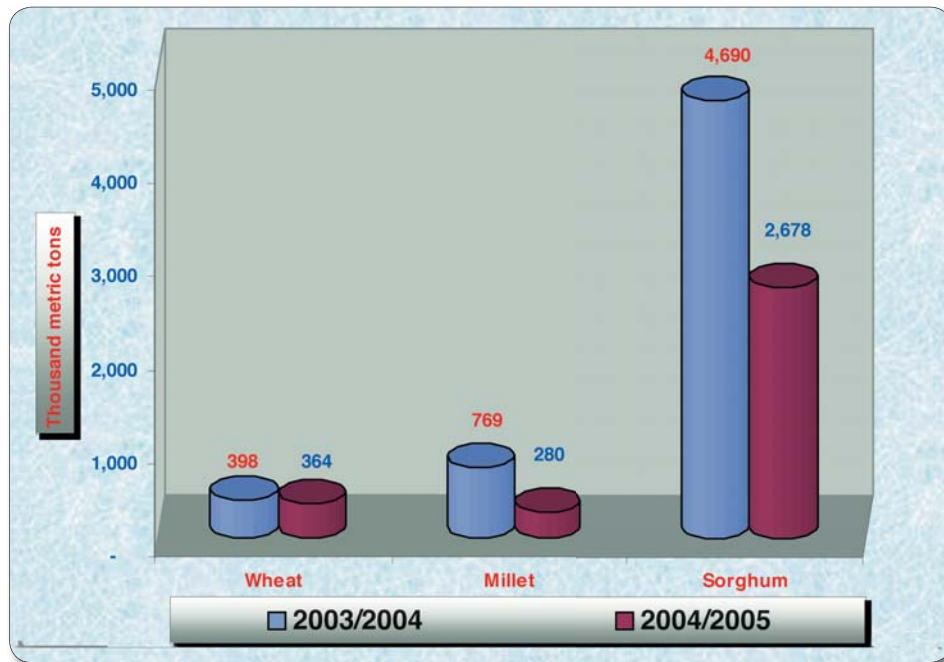
3. Wheat:

The output of wheat decreased by 8.5%, registering 364 thousand tons in 2004/05 season compared with 398 thousand tons in 2003/04 season. This was attributable to the decrease in area under cultivation from 432 thousand feddans to 407 thousand feddans and the drop in yield per feddan from 971 kg. to 953 kg.



Figure (4-2) below illustrates shows the production of the important main food crops in 2003/04 and 2004/05 seasons:

Figure (4-2)
Production of the Main Food Crops for the years (2003/04 and 2004/05)



iii) The Main Oil Seeds (Groundnuts, Sesame and Sunflower):

The production of groundnuts and sesame dropped while the output of sunflower increased in 2004/05 season compared with the previous season.

Table (4-5) below shows the production of the important main oil seeds in 2003/04 and 2004/05 seasons:

Table (4-5)
Production of the Main Oil Seeds in 2003/04 and 2004/05 Seasons

Season	Groundnuts			Sesame			Sunflower		
	Cultivated Area in 000's Feddan	Production in 000's Metric Tons	Productivity KGs/ Feddan	Cultivated Area in 000's Feddan	Production in 000's Metric Tons	Productivity KGs/ Feddan	Cultivated Area in 000's Feddan	Production in 000's Metric Tons	Productivity KGs/ Feddan
2003/04	3,757	790	311	4,419	399	105	15	7	538
2004/05	3,009	520	277	4,537	277	76	26	12	480

Source: Ministry of Agriculture (Agricultural statistics).

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1. Groundnuts:

The production of groundnuts decreased from 790 thousand tons in 2003/04 season to 520 thousand tons in 2004/05 i.e. by 34.2% brought about by the drop of 19.9% in the area under cultivation from 3,757 thousand feddans to 3,009 thousand feddans and the drop in yield per feddan from 311 kg. to 277 kg.

2. Sesame:

The output of sesame decreased from 399 thousand tons in 2003/04 season to 277 thousand tons in 2004/05 season i.e. by 30.6%. This was due to the drop in productivity from 105 kg./feddan to 76 kg./feddan despite the increase in the cultivated areas from 4,419 to 4,537 thousand feddans.

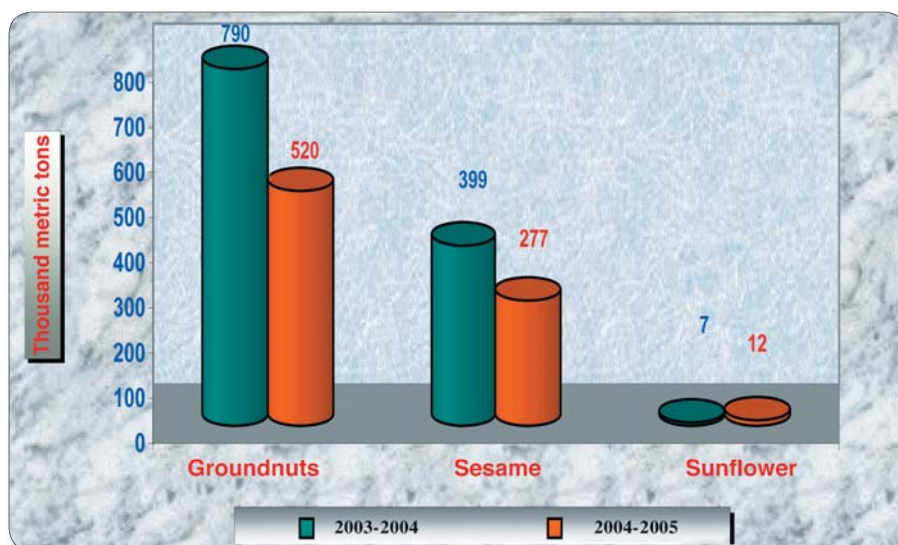
3. Sunflower:

Sunflower output increased sharply by 71.4% to reach 12 thousand tons in 2004/05 seasons compared with 7 thousand tons in the previous season. This was due to the increase of 73.3% in the area under cultivation from 15 thousand feddans in 2003/04 to 26 thousand feddans in 2004/05 seasons.

Figure (4-3) below shows the production of the main oil seeds in 2003/04 and 2004/05 seasons:

Figure (4-3)

Production of the Main Oil Seeds in the 2003/04 and 2004/05 Seasons





(B) Animal Production:

Sudan is considered one of the important African and Arab countries in terms of animal resources and its products. This contributes in improving the standard of living and achieving food security by providing various types of meat, fish, eggs as well as milk by-products for domestic consumption and exports.

Tables (4-6) and (4-7) and Figure (4-4) below shows details of these estimates:

Figure (4-4)
Estimates of Livestock during (2004 -2005)

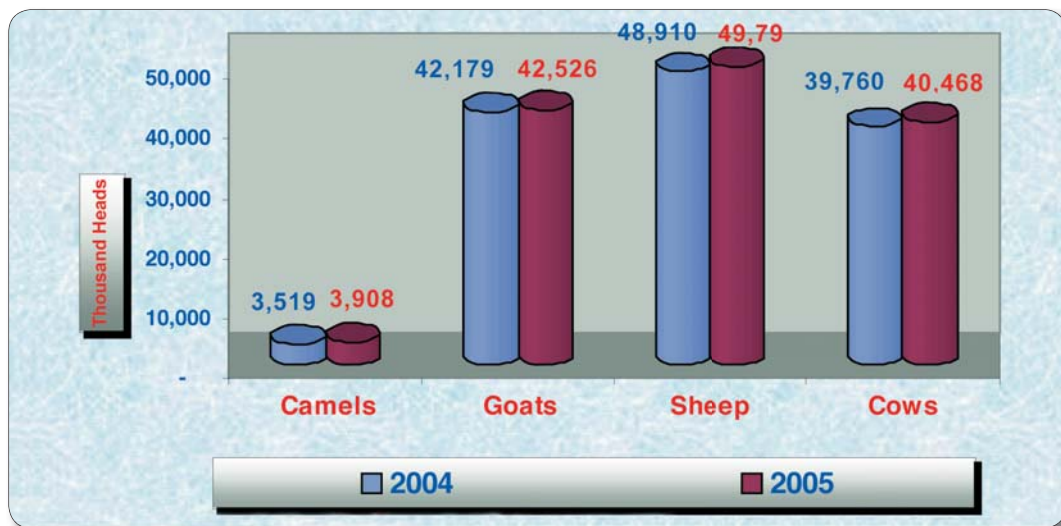


Table (4-6)
Animal Resources Estimates during the years 2004 and 2005
(In Thousand of Heads)

Type	2004	2005	% Change
Cows	39,760	40,468	1.8
Sheep	48,910	49,797	1.8
Goats	42,179	42,526	0.8
Camels	3,519	3,908	11.1
Total	134,368	136,699	1.7

Source: Ministry of Animal Resources.

The estimated total national livestock, which includes (cows, sheep, goats and camels) increased from 134 million heads in 2004 to 137 million heads in 2005 i.e. by 1.73%.



Table (4-7)
Estimates of Livestock Products during 2004 and 2005

Production (Thousand Ton)	2004	2005	% change
Meat	1,672	1,694	1.3
Milk	7,406	7,534	1.7
Fish	70	65	-7.1
Poultry Meat	22	24	9.1
Eggs	28	30	7.1

Source: Ministry of Animal Resources.

Second: The Industrial Sector:

This sector comes after the agricultural sector in terms of significance. It includes mining and manufacturing. Its growth rate decreased from 31.0% in 2004 to 7.8% in 2005. Also its contribution to the GDP dropped from 28.0% in 2004 to 27.8% in 2005. Below is a presentation of the important industrial products.

1) Oil:

Since 1999 oil became one of the country's exports and the biggest source of foreign currencies.

Table (4-8) below shows the production of crude oil and petroleum by-products in 2004 and 2005:



Table (4-8)
Production of Crude Oil and Petroleum Products in 2004 and 2005
 (Thousands metric tons)

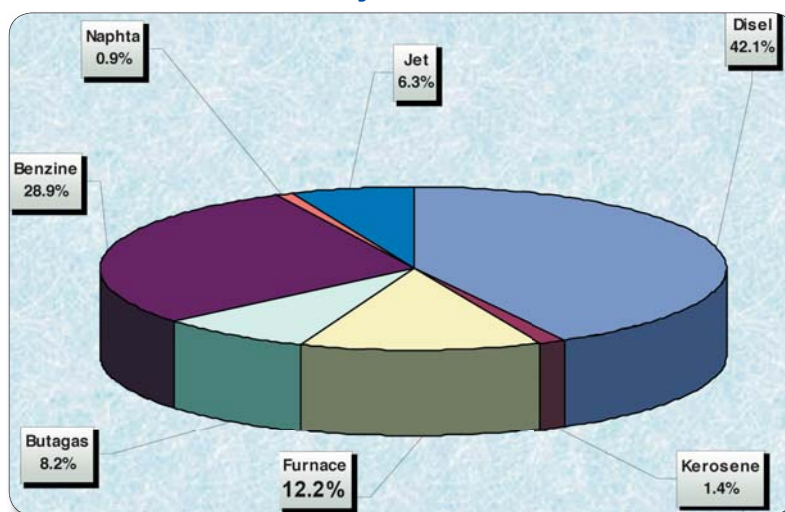
Particulars	2004		2005		% Change
Crude oil (Thousand of Barrels)	77,014.4		103,323.4		34.2
Petroleum Products	Production 000's MT	% Share of Total	Production 000's MT	% Share of Total	
Disel	1,301.3	41.2	1,335.8	42.1	34.5
Kerosene	38.0	1.2	44.0	1.4	15.8
Furnace	367.0	11.6	388.7	12.2	5.6
Butagas	278.9	8.8	259.5	8.2	- 7.0
Benzine	950.7	30.1	917.6	28.9	- 3.5
Naphta	27.9	0.9	27.9	0.9	0.0
Jet	197.0	6.2	201.2	6.3	2.1
Total	3,160.8	100.0	3,174.7	100.0	0.44

Source: Ministry of Energy and Mining.

The total production of crude oil increased from 77,014.4 thousand barrels in 2004 to 103,323.4 thousand barrels in 2005 i.e. by 34.1%. Also the total production of petroleum products rose from 3,160.8 thousand metric tons in 2004 to 3,174.7 thousand metric tons in 2005 i.e. by 0.44%.

Figure (4-5) below shows shares of petroleum by-products in 2004 and 2005:

Figure (4-5)
Shares of Petroleum by Products in 2004 and 2005



2. Giad Industrial Complex:

With the objective of increasing efficiency, mobilizing resources and attaining maximum productive capacity, the units of Giad Industrial Complex, were restructured during 2004, to become six specialized companies as follows:

1. Giad Automobiles Co.
2. Giad Heavy Trucks Co.
3. Giad Furniture and Medical Equipment Co.
4. Giad Pressing and Metal Forming Co.
5. Giad Vehicles Service Co.
6. Giad Tractors and Agricultural Equipment Co.

Tables (4-9) and (4-10) below illustrate the production of the companies of the movables and the metallurgical industries in 2004 and 2005:

Table (4-9)
Production of Metallurgical Industries in 2004 and 2005

Particulars	Actual Production "Tons"	
	2004	2005
1- Iron bars	35,740	67,015
2- Electric Aluminum Wires and Copper Cables	2,600	3,820
3- Aluminum Profiles	1,084	1,416
4- Pipes and Tubes	2,285	1,643

Source: Giad Industrial City.

Table (4-10)
Production of Movables in 2004 and 2005

Particulars	Actual Production "Per Unit"	
	2004	2005
1 - Tractors	48	424
2 - Agricultural Equipment	473	482
3 - Buses	51	12
4 - Minibuses	18	2
5 - Pickups	216	256
6 - Salon Cars	1,485	1,991
7 - Station Wagons (Mehirra)	-	18
8 - Trucks	436	219
9 - Motor Cycles	390	-
10 - Assortments of Products	304	9,729
11 - Special Products	70	10

Source: Giad Industrial City.



In general, the production in Giad Industrial Complex in 2005 experienced an increase in some industries of high demand in the domestic market such as: agricultural equipment, vehicles (Saloon Cars + Pickups assortments of products, iron bars, and electric aluminum wires and copper cables).

3) Saria Industrial Complex:

Work commenced in Saria Complex as a public sector investment in 1997. In November 1998 the ownership of the complex was transferred to the private sector. During 2005, the ownership of the complex was transferred once again to the public sector.

Table (4-11) below shows the main products of Saria Complex in 2004 and 2005:

Table (4-11)
Production of Saria Industrial Complex in 2004 and 2005

Factory	Unit	Production per Unit		Change %
		2004	2005	
Dry Battery Cells	Cells	4,000	5,000	25
Packing	Square Meter	1,052,829	505,000	-52
Televisions	Television	368	-	-
Plastic (Pipes/Tubes)	Ton	-	250	New Production lines
Shoes	Pairs	-	100,000	

Source: Saria Industrial Complex.

The production of Saria Complex decreased generally in all its products during 2005 compared with 2004, except dry battery cells, which increased by 25%. The drop in production was attributed to the delay in commencing production during the last quarter of 2005 as a result of the preparation of the factory beside the addition of new factories following the transfer of ownership.

4) Sugar Industry:

The Sudan is considered one of the leading countries in the field of sugar production. There are five factories; the most important of which is Kenana Sugar Factory considered as one of the biggest factories of Sugar in the African and Arab countries. This is in addition to the factories of the Sudanese Sugar Company, which include: (Gunied, New Halfa, Sennar and Hajar Assalaya).

Table (4-12) & Figure (4-6) below show the production of the sugar factories in 2004 & 2005:



Table (4-12)
Production of the Sugar Factories in 2004 and 2005
 (In Thousands of Tons)

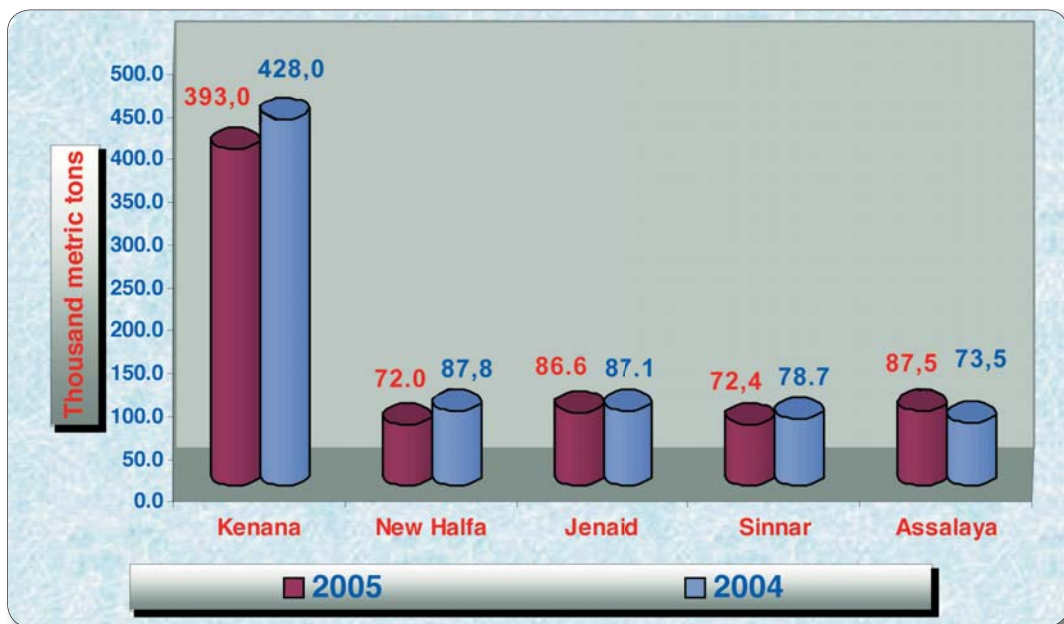
Factory	Designed Capacity	Actual Production		% Change
		2004	2005	
Kenana	300.0	428.0	393.0	- 8.2
New Halfa	75.0	87.8	72.0	- 18.0
Gunied	60.0	87.1	86.6	- 0.6
Sennar	110.0	78.7	72.4	- 8.0
Hajar Assalaya	110.0	73.5	87.5	19.1
Total	655.0	755.1	711.5	- 5.8

Source: The Sudanese Sugar Company and Kenana Sugar Co.

The total production of sugar for both the Sudanese Sugar Co. and Kenana Sugar Co. decreased from 755.1 thousand tons in 2004 to 711.5 thousand tons in 2005 i.e. by 5.8%. This was due to the drop in the production of all sugar factories except Hajar Assalaya Sugar Factory. The productive capacity of the sugar factories in 2005, reached about 108.6% of the designed capacity.

Figure (4-6) below illustrates the production of sugar factories in 2004 and 2005:

Figure (4-6)
The Production of Sugar Factories in 2004 and 2005





5) Pharmaceuticals Industry:

The pharmaceutical industry in Sudan, began in 1961 by establishing the Sudanese Chemical Industries Co.. At present, there are (14) companies working in the field of pharmaceutical industry, of which the main are: Sigma-tau Co., Abdel Moneim Pharmaceuticals Co., City-pharm Co., General Medical Co., Elie Pharmaceuticals Co. and Amipharma Co.

Table (4-13) below shows the different pharmaceutical products in 2004 and 2005:

Table (4-13)

Production of Pharmaceuticals Industry in 2004 and 2005

Products	Unit	Designed capacity	Actual production		Utilized Capacity
			2004	2005*	
Tablets	Million Tablets	1,200.0	150.6	536.2	44.7%
Capsules	Million Capsules	400.0	83.4	132.4	33.1%
Spoon Syrup	Millions of Bottles	9.5	1.2	9.0	94.7%
Liquid Syrup	Millions of Bottles	15.0	0.9	14.0	93.3%

* Primary data.

Source: Union of Chambers of Industry (Pharmaceutical Chamber) + (Ami-pharma Co. & Elie Pharmaceuticals Co.)

6) Refrigerators Industry:

The refrigerators industry was monopolized by Coldair Industrial Co. up to 2002. Thereafter, the modern factory for refrigerators (Liebherr) and Star International Co. entered the field of production. This created a somewhat competition and was reflected positively in the quality and volume of production.

Table (4-14) below highlights the designed capacity and the actual production of refrigerator factories in 2004 and 2005:

Table (4-14)

Production of Refrigerators in 2004 and 2005

(Thousand Units)

Particulars	Designed	Actual Production		%
	Capacity	2004	2005	Change
Total Production	95.0	46.6	47.0	0.9%

Source: Ministry of Industry

Production of refrigerators in 2005 increased by 0.9% compared with 2004. The refrigerator factories utilized 49.5% of its total designed capacities during 2005.

7) Soft Drinks Industry:

Soft drinks industry in the Sudan experienced a noticeable development since the end of the nineties when the biggest soft drinks company in the world invested in this field through its domestic agents, mainly: (Pepsi-cola, Coca-Cola and Stim), in addition to the investments of some domestic capital in the same field.

Table (4-15) below shows the total output of soft drinks factories in 2004 and 2005:

Table (4-15)
Production of Soft Drinks Factories in 2004 and 2005
(Thousand of Liters)

Particulars	Designed capacity	Actual Production		% Change
		2004	2005	
Total Production	600,000	370,000	432,000	16.8

Source: Ministry of Industry.

The total production of soft drinks increased from 370 million liters in 2004 to 432 million liters in 2005 i.e. by 16.8%. This was attributed to the increase in the production of some existing factories and the competition in attracting the consumers through modern ways of advertisements and the diversification in volume and type of their products.

Soft drinks factories utilized 87.5% of its designed capacities during 2005.

8) Vegetable Oils and Soap Industry:

These industries depend on the agricultural products such as (sesame, groundnuts, corn and sunflower) as inputs of production. The Sudan is one of the important countries in the world, which produces these crops. Hence vegetable oils and soap industry experienced development. Most of the factories are concentrated in Khartoum State and the Middle States of Sudan to meet the demand for local consumption.

Table (4-16) below highlights total production of vegetable oils and soap during 2004 and 2005:

Table (4-16)
Production of Vegetable Oils and Soap Factories in 2004 and 2005

Particulars	Designed capacity	Actual Production (Thousands of Tons)		% Change
		2004	2005	
Oil	600	130	150	15.4
Soap	460	95	95	-

Source: Ministry of Industry



Production of vegetable oils increased from 130 thousand tons in 2004 to 150 thousand tons in 2005 i.e. by 15.4%. The production of soap in 2005 remained at the level of 2004 i.e. 95 thousand tons.

The vegetable oil factories utilized 25% of its designed capacities.

9) Leather Industry:

Table (4-17) below shows total production of leather and shoes in 2004 and 2005:

Table (4-17)
Production of Leather and Shoes in 2004 and 2005

Particulars	Unit	Designed capacity	Actual Production		% Change
			2004	2005	
Leather	Millions of Pieces	20	9.0	10.0	11.1
Shoes	Millions of Pairs	100	38.0	40.0	5.3

Source: Ministry of Industry.

The output of leather industries increased from 9.0 million pieces in 2004 to 10.0 million pieces in 2005 i.e. by 11.0%. Also, production of shoes increased from 38.0 million pairs in 2004 to 40.0 million pairs in 2005 i.e. by 5.3%.

10) Cement Industry:

Cement is produced in Atbara Cement Factory, which was established in 1947, and Rabak Cement Factory, which was established in 1965 both of which were publically owned. However, in the context of the privatization policy, Atbara Cement Factory was sold to the Sudanese African Co. in September 2002 and Rabak Cement Factory to Star Emirates Co. in December 2004.

Table (4-18) below shows the actual production for Atbara and Rabak Cement Factories during 2004 and 2005:

Table (4-18)
Production of Cement in 2004 and 2005
(Thousands Metric Tons)

Factories	Actual Production		% Rate of Change
	2004	2005	
Atbara	240.0	240.1	-
Rabbak	67.1	91.1	35.8
Total	307.1	331.2	7.8

Source: Atbara and Rabak Cement Factories.

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Cement production increased from 307.1 thousand tons in 2004 to 331.2 thousand tons in 2005 i.e. by 7.8% as the production of Atbara Factory remained at the same level of 2004, while the production of Rabak Factory increased by 35.8%.

11) Wheat Flour:

Wheat flour is concentrated in two companies, namely Sega Co. and Wheata Co. despite the existence of a number of small and medium size flour mills, most of which stopped because of the constraints that face industry generally, such as shortages of power supply, insufficiency of raw materials and low quality of production.

Table (4-19) below shows total production of flour mills in 2004 and 2005:

Table (4-19)
Production of Flour Mills in 2004 and 2005

(In Thousands of Tons)

Particulars	Designed capacity	Actual Production		% Change
		2004	2005	
Total Production	3,300.0	870.0	1,300.0	49.4

Source: Ministry of Industry.

Wheat flour production increased by 49.4% from 870 thousand tons in 2004 to 1,300 thousand tons in 2005. The designed capacity of the flour mills amounted to about 3,300 thousand tons per annum while the utilized capacity in 2005 reached 1,300 thousand tons, i.e. 39.4% only.

12) Yarn and Textiles Industry:

The number of yarn and textiles factories operating in the Sudan up to 2005, reached 10 factories, of which 6 are yarn factories and 4 textile factories.

Table (4-20) below shows the total production of yarn and textiles during 2004 and 2005:

Table (4-20)
Production of Yarn and Textiles during 2004 and 2005

Particulars	Unit	Designed capacity	Actual Production		% Change
			2004	2005	
Yarn	Thousand tons	61.0	7.2	9.0	25.0
Textiles	Million yards	300.0	15.0	25.0	66.7
Ready made clothes	Million pieces	22.1	1.7	0.0	0.0

Source: Ministry of Industry.



The production of textiles increased from 15 million yards during 2004 to 25 million yards during 2005 i.e. by 66.7%. Also, yarn production increased from 7.2 thousand tons in 2004 to 9.0 thousand tons in 2005 i.e. by 25.0%.

Yarn factories operated with 11.8% of their designed capacities whereas textile factories operated with 5% only of their designed capacities during 2005. Also, the production of ready-made clothes has stopped in 2005 after it reached 1.7 million pieces in 2004.

13) Paint Factories:

The paint industry during 2005, numbered 11 factories.

Table (4-21) below shows the total designed capacity and the actual production for the paint factories during 2004 and 2005:

Table (4-21)
Production of Paint Factories during 2004 and 2005

(In Thousands of Tons)

Particulars	Designed capacity	Actual Production		% Change
		2004	2005	
Total Production	100.0	20.0	40.0	100.0

Source: Ministry of Industry.

Total production of paints increased from 20.0 thousand tons during 2004 to 40.0 thousand tons during 2005 i.e. by 100.0%. The paint factories operated at 40.0% of its designed capacities during 2005.

14) Other Industries:

Table (4-22) shows the revival of some industries, particularly foodstuffs. The actual production in 2005 for most of these industries surpassed their targets by more than 50%. This was attributable to the favour-able investment climate prevailing in the country lately and the stability of the power supply for the industrial sector. This encouraged the private sector to expand its investments in this respect.

Table (4-22) below illustrates the most important industries:

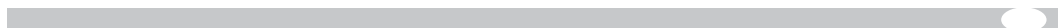


Table (4-22)
Production of Other Industries during 2004 and 2005

Particulars	Unit	Production (Plan for 2005)		Rate of implementation
		Plan	Actual Production	
Confectioneries	Thousand Tons	50.0	35.0	70.0
Biscuits	Thousand Tons	60.0	40.0	66.7
Jam	Thousand Tons	12.0	6.5	54.2
Juices	Thousand Tons	40.0	32.0	80.0
Dry Battery Cells	Million Battery	30.0	20.0	66.7
Matches	Thousand Cartons	450.0	350.0	77.8
Liquid Battery Cells	Thousand Unit	40.0	17.0	42.5
Printing	Million Cartridge	400.0	300.0	75.0

Source: Ministry of Industry.

Third: Electricity and Water Sector:

The rate of growth of the electricity and water sector increased from 4.7% in 2004 to 8.5% in 2005 whereas its contribution to the GDP remained constant at 1.3% during the two years.

(1) The National Electricity Corporation:

Due to the importance of electricity and its direct effects on all the productive and services economic sectors, the National Electricity Corporation, continued to follow its strategy of developing and promoting the sector by executing detailed plans in the areas of power generation, transmission, distribution and adoption of the Comprehensive System of Quality Control (ISO).

a) Generated Power:

The system of power generation in the Sudan consists of two parts:

- i) The national grid (inside the grid).
- ii) The separated areas (outside the grid).

Table (4-23) and Figure (4-7) below show the electric power generated in the Sudan during 2004 and 2005 and the sources of power generation in 2005:



Table (4-23)
Electric Power Generated in the Sudan during 2004 and 2005
 (giga watt/hr)

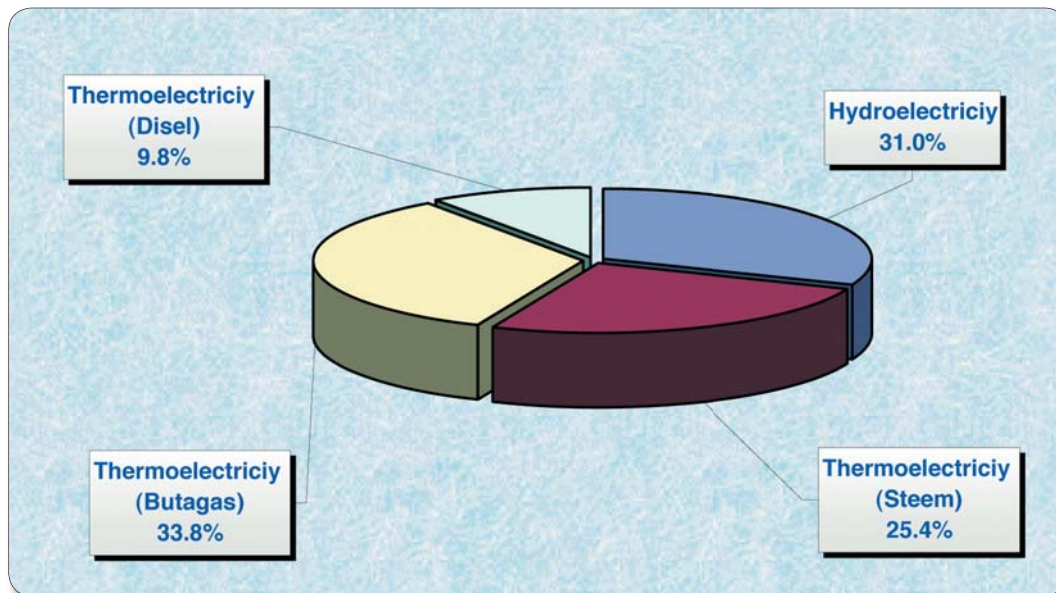
Power generated	2004*	2005	% Change
Hydro electric generation	1,106.8	1,263.3	14.1
Thermal electric generation:	<u>2,641.8</u>	<u>2,809.6</u>	<u>6.4</u>
a) Steam generation	1,037.2	1,035.9	- 0.1
b) Gas generation	1,255.8	1,375.3	9.5
c) Diesel generation	348.8	398.4	14.2
Total power generation	3,748.6	4,072.9	8.7

* Amended Figures.

Source: The National Electricity Corporation

The total power generated by all stations of the National Electricity Corporation during 2005 amounted to 4,072.9 giga watt/hr, by an increase of 8.7% over the power generated during 2004, which amounted to 3,748.6 giga watt/hr. Also, it can be seen that thermal generation constituted 70.5% and 69.0% of the total power generated during 2004 and 2005, respectively.

Figure (4-7)
Sources of Electric Power Generation during the year 2005



b) Consumed Power:

The total consumed power during 2005 amounted to 2,987.3 gega watt/hr with an increase of 19.7% over the consumed power of 2,494.9 gega watt/hr during 2004.

Table (4-24) below shows the consumed power by sector during 2004 and 2005:

Table (4-24)
Electric Power Consumed by Sector during 2004 and 2005
(gega watt/hr)

Sector	2004	2005	The consumption share of each sector (%)	% Change
Residential	1,261.9	1,520.8	50.9	20.5
Industrial	419.1	490.7	16.5	17.1
Agricultural	106.5	129.3	4.3	21.4
Other Sectors *	707.4	846.5	28.3	19.7
Total	2,494.9	2,987.3	100.0	19.7

* Includes Commercial and Governmental Sector

Source: National Electricity Corporation

(2) The National Water Corporation:

The main objective in the Comprehensive National Strategy (1999-2003) regarding the water sector, was to give priority in coverage, at the rate of 100%, for the rural areas and secondly to the urban areas in order to cope with the requirements of the World Health Organization (WHO) in 2004.

Table (4-25) below shows total water produced during 2004 and 2005:

Table (4-25)
Water Production According to Sectors during 2004 and 2005
(Thousands Cubic Meters Per Day)

Sector	2004	2005	% Rate of Change
Urban	1,246	1,371	10.0
Rural	1,135	1,249	10.0
Total	2,381	2,620	10.0

Source: National Water Corporation.



The total production of the National Water Corporation in the urban sector increased from 1,246 thousand cubic meters per day in 2004 to 1,371 thousand cubic meters per day in 2005 i.e. by an increase of 10.0%. As for the total production of water in the rural sector, it increased from 1,135 thousand cubic meters per day in 2004 to 1,249 thousand cubic meters per day in 2005 i.e. by an increase of 10.0%.

Fourth: The Services Sector:

The services sector include: government services and other services, of which the main are: transport, roads and bridges and communication.

The services sector witnessed a remarkable development with respect to its growth and contribution to the GDP. This was attributed to the government's policy of privatizing most of the public sector institutions operating in the area of services. This in turn gives opportunity to the private sector, (local and foreign) to invest in the other services sector. The result was a favourable climate for competition between the local and foreign investors in the provision of better services in the area of transport, roads and bridges and communications, thereby increasing their growth rates and contribution to the GDP.

(1) Transport:

The main modes of transport in the Sudan are: shipping lines, airlines, railways, river transport and land transport.

Table (4-26) below shows the goods and the number of passengers transported with these modes during 2004 and 2005:

Table (4-26)
Goods and Passengers Transported in 2004 and 2005

Mode of Transport	2004		2005		% change	
	Goods (in thousand tons)	Passengers (in thousands)	Goods (in thousand tons)	Passengers (in thousands)	Goods %	Passengers %
Land Transport *	5,825.4	12,460.0	9,221.9	15,256.0	58.3	22.4
River transport	35.0	11.7	73.0	19.0	108.6	62.4
Sudan Railways	1,265.4	63.8	1,137.1	55.4	-10.1	-13.2
Sudan Airways	9.4	562.8	8.0	441.5	-14.9	-21.6
Sudan Shipping Line	138.2	0	156.9	0	13.5	0

* Amended figures (includes Lorries, Trucks, Minibuses and Buses).
Source: The Above-mentioned Authorities.

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The number of passengers and the volume of goods, transported through land and river transport increased during 2005. This was attributed to the credit facilities given lately to the imports of trucks, securing safety of the marine passages in addition to the stability of the movements of marine vessels. On the other hand, the number of passengers and volume of goods transported through Sudan Airways and Sudan Railways, dropped during 2005. The volume of goods transported through Sudan Shipping Line increased whereas the transport of passengers through it stopped since 2004.

(2) Roads and Bridges:

The State (in collaboration with the private sector) continued its efforts to construct and rehabilitate national and internal roads and bridges. It completed most of the construction stages of the roads and bridges proposed to be built in 2005, which were estimated by about 598 km. The average rate of execution reached about 43.1% of all the construction stages of the plan for the year 2005.

Table (4-27) below shows the execution of the plan of the National Roads and Bridges Corporation in 2005:

Table (4-27)
Status of Execution of the Plan of the National Corporation
for Roads and Bridges in 2005

Particulars	Length (km)		(%) Change
	Planned	Executed	
A) Stages of execution of the new roads:			
1. Compaction of land	598	381	63.7
2. Back filling	598	238	39.8
3. Foundation layers	598	221	36.9
4. Asphalt Layer *	598	190	31.8
Average execution rate of all stages during the year.			43.1
B) Rehabilitation of existing roads:			
1. 100% achieved rehabilitation.	126	126	100
2. More than 50% achieved rehabilitation.	300	218	72.4
3. Less than 50% achieved rehabilitation.	350	35	10
Total of achieved rehabilitation during the year	776	379	48.8

* This constitutes 100% of paved roads during 2005

Source: National Corporation for Roads and Bridges.



(3) Communications:

Telecommunications was under the public sector up to 1994 when the private sector started to invest in this field, thereby creating a qualitative progress in the fixed telephone line, mobile telephone and the internet services. At present, the telecommunication market in the Sudan, witnesses a growing competition from the foreign investor.

a) Sudan Telecommunication Co. (Sudatel):

The company was established in 1994 as a public company in which the public sector owns 35.3% and the private sector 64.7%. The company carries the activities of installations, maintenance and operation functions related to telecommunications. This is done through the networks and the different national and international connection systems.

Table (4-28) below shows the services provided by the company during 2004 and 2005:

Table (4-28)
Sudan Telecommunications Company (Sudatel)
Services in 2004 and 2005

Particulars	2004	2005	% Change
Network Capacity (Line)	1,965,400	1,754,917	- 10.7
Sector Capacity (Line)	1,270,666	1,267,222	- 0.27
Number of Customers (Subscriber)	1,028,899	1,066,747	3.7

Source: Sudan Telecommunications Company (Sudatel).

The number of subscribers increased from 1,028,899 by the end of 2004 to 1,066,747 up to end of 2005 i.e. by 3.7%, whereas the network and sector capacities decreased by 27% and 10.7% respectively. This was due to separation between lines in the sectors and the change of some lines due to technical factors. It is worth-noting that the services of the company cover 189 cities across the different states.

b) Sudanese Mobile Telephone Co. (Mobitel):

The company was established in 1996 as a partnership between Sudatel Co. with 61.0% and the Kuwaiti MSI Co. with 39%. In the same year, it obtained the membership of the European Union of Mobile Phones as well as the membership of the International Association for Telecommunication. It commenced its commercial operations in February 1997. At the beginning of 2006, Sudatel share was sold to the Kuwaiti Co.. Hence Mobitel became 100% foreign investment.

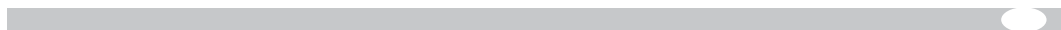


Table (4-29) below shows the service provided by the company during 2004 and 2005:

Table (4-29)
Sudanese Mobile Phones Services Co. (Mobitel) In 2004 and 2005

Particulars	2004	2005	% Rate of growth
Number of Subscribers	1,048,558	1,596,154	52.2
Number of Cities Covered	70	90	28.6

Source: Sudanese Mobile Phones Company (Mobitel).

The number of subscribers increased by 52.2% from 1,048,558 by the end of 2004 to 1,596,154 by the end of 2005. The number of cities covered increased from 70 to 90 i.e. by 28%.

c) Bashayer Co. for Mobile Phone Services (Areeba):

The number of subscribers up to the end of 2005 reached about 300,000 subscribers whereas the company's services cover (4) Cities: (3) Cities of Khartoum State in addition to Port Sudan.

c) Sudanese Co. for Internet Services (Sudanet):

The Sudanese Co. for Internet Services was established in December 1996. The international network for information was introduced in the Sudan in March 1997 with 100% local capital. Sudanet services cover Khartoum State, Medani, Gadarif, Port Sudan, Elobeid and Nyala.

Table (4-30) below shows the performance of services of the company during 2004 and 2005:

Table (4-30)
Sudanese Co. for Internet Services (Sudanet) in 2004 and 2005

Particulars	2004	2005
Number of Subscribers by the end of the year	23,019	*
Entrance windows	3,360	2,760
Capacity development (Mbps): **		
- Outgoing information	5.5	5.5
- Incoming information	11.5	9.5

* Subscription to the internet services was cancelled, and access to the internet service was made possible through the fixed telephone lines.

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

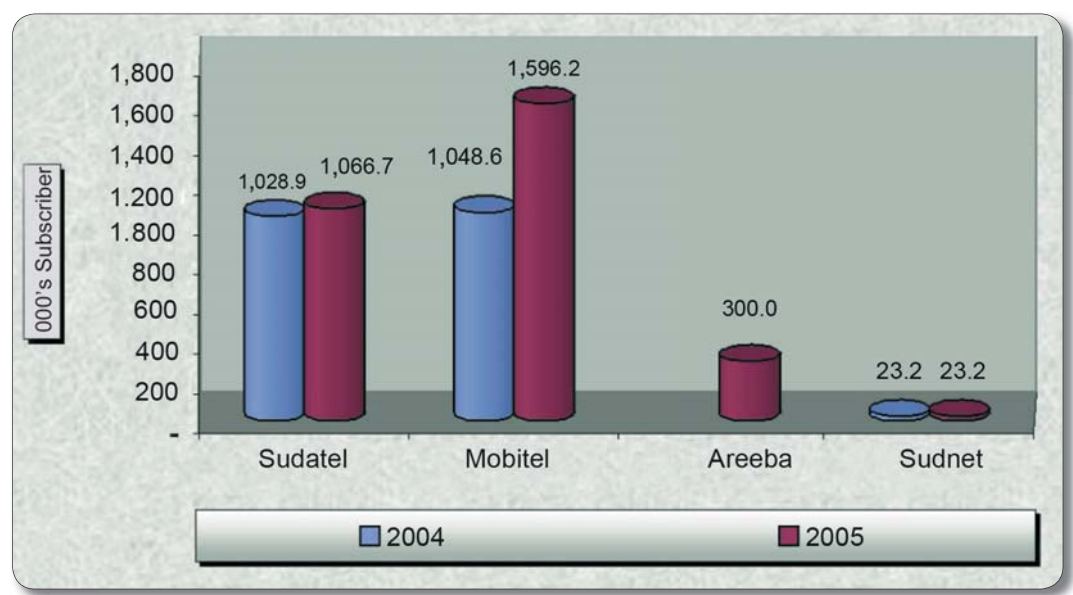
Source: Sudanese Co. for Internet Services (Sudanet).



Entrance window to the Internet Services dropped from 3,360 points during 2004 to 2,760 points during 2005 i.e. by 17.9%. Also, the capacities for incoming data decreased from 11.5 Mbps during 2004 to 9.5 Mbps during 2005 i.e. by 17.4% while the capacities for the outgoing data remained unchanged.

The E-mail Electronic Services were provided for 1,886 subscribers and the free services for 212 subscribers.

Figure (4-8)
Subscribers to Means of Telecommunications In 2004 and 2005



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CHAPTER FIVE
MONEY SUPPLY



CENTRAL BANK OF SUDAN





CHAPTER FIVE MONEY SUPPLY

Money supply is used as an intermediate target to achieve the objectives of macroeconomic policy. In its broad meaning (M2), it consists of currency with the public, demand deposits, margins on documentary letters of credit, margins on letters of guarantee and time deposits.

Table (5-1) presents money supply and the factors affecting it, using the monetary survey data, and it also shows the percentage contribution of each of the components of money supply, broadly defined (M2), in total money supply.

Table (5-1)
Money Supply and the Factors Affecting it for the years 2004 and 2005
(SDD Millions)

Particulars	2004	2005	Changes During 2005	
			Change	%
A. Money Supply (M2)	960,446	1,378,189	417,743	43.49
Means of Current Payments (M1)	604,369	813,006	208,637	34.52
- Currency with the Public	304,897	376,134	71,237	23.36
- Demand Deposits	299,472	436,872	137,400	45.88
Quasi-Money	356,077	565,183	209,106	58.72
B. Factors Affecting Money Supply				
Net Foreign Assets	-349,854	-71,208	278,646	- 79.65
Revaluation	799,762	763,513	-36,249	- 4.53
Net Domestic Assets	510,538	685,884	175,346	34.35
1- Claims on Public Sector	61,364	82,944	21,580	35.17
1-1- Central, State & Local Governments	32,514	42,995	10,481	32.24
1-2- Public Enterprises	28,850	39,949	11,099	38.47
2- Claims on Private Sector	421,162	669,679	248,517	59.01
3- Claims on Non-Banking Financial Institutions	1,861	10,157	8,296	445.78
4- Other Net Items	26,151	-76,896	-103,047	-394.05
Total (B + A)	960,446	1,378,189	417,743	43.49
Currency with the Public/ Money Supply	31.7%	27.3%	-	-
Demand Deposits/Money Supply	31.2%	31.7%	-	-
Quasi Money/Money Supply	37.1%	41.0%	-	-

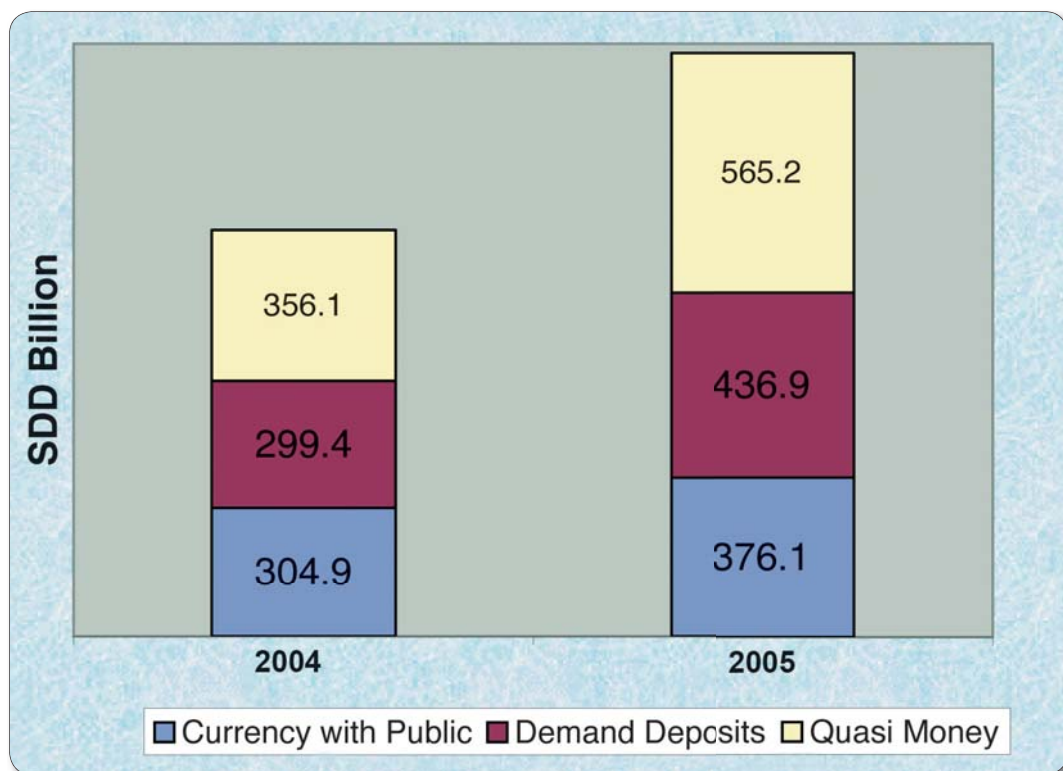
Source: Central Bank of Sudan

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Money Supply (M2):

The increase in money supply at the end of 2005 amounted to SDD 417.7 billion that is, by a growth rate of 43.5% compared to 30.8% for the previous year. This increase resulted from the rise in all current payment instruments by SDD 208.6 billion and quasi-money by SDD 209.1 billion. The increase in current payment instruments was attributable to the increase in currency with the public and demand deposits by SDD 71.2 billion and SDD 137.4 billion respectively.

Figure (5-1)
Components of Money Supply for the years 2004 and 2005





Factors Affecting Money Supply:

In what follows is a review of the factors affecting money supply during 2005:

(1) Net Domestic Assets:

The effect of net domestic assets on money supply was expansionary by SDD 175.3 billion, as it increased from SDD 510.5 billion in 2004 to SDD 685.9 billion in 2005 or by 34.3%. This was mainly due to the increase in the "Claims of the Banking Sector" on the Private Sector and on the Non-Banking Financial Institutions by SDD 248.5 billion and SDD 8.3 billion respectively, and to the increase in the "Claims of the Banking Sector on the Public Sector" which amounted to SDD 21.6 billion. The decrease in "Net Other Items" reached SDD 103 billion.

(2) Net Foreign Assets:

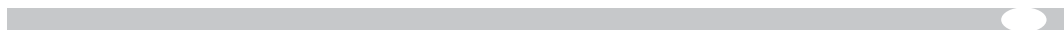
Net foreign assets increased from SDD -349.9 billion in 2004 to SDD -71.2 billion in 2005, or by 79.6%. This led to reducing the contractionary effect of net foreign assets on the money supply compared to last year.

(3) Revaluation:

This refers to the change in the value of foreign reserves as a result of changes in the exchange rate, which led to reducing its expansionary effect on money supply by 4.5% compared to the previous year.

Reserve Money (Monetary Base):

The reserve money consists of currency in circulation (currency with the public and cash with the commercial banks), commercial banks' reserves and demand deposits with the Central Bank of Sudan.



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Table (5-2) shows reserve money and the corresponding assets, as presented in the balance sheet of the Central Bank of Sudan.

Table (5-2)
Reserve Money and Corresponding Assets in 2004 and 2005
(SDD millions)

Particulars	2004	2005	Change During 2005	
			Change	%
(A) Assets:				
1- Net Foreign Assets	-472,917	-219,219	253,698	-53.65
2- Revaluation	796,747	757,100	- 39,647	- 4.98
3- Net Domestic Assets	129,486	73,856	55,630	-42.96
3-1- Net Claims on Government	- 2,836	- 21,418	- 18,582	655.22
3-1-1- Claims on Government	48,713	153,705	4,992	3.36
3-1-2- Government Deposits	51,549	175,123	23,574	15.56
3-2- Claims on Commercial Banks	29,985	34,970	4,985	16.62
3-3- Claims on Public Enterprises and Specialized Banks	15,481	19,767	4,286	27.69
3-4- Instruments of Liquidity Management (Shihab) *	0,0	- 13,500	- 13,500	-
3-5- Other Items Net	86,856	54,037	- 32,819	-37.79
Total Assets (1 + 2 + 3)	453,316	611,737	158,421	34.95
(B) Liabilities:				
Reserve Money				
1- Currency in Circulation	319,688	398,242	78,554	24.57
1-1 With the Public	304,897	376,134	71,237	23.36
1-2 Cash in Commercial Banks	14,791	22,108	7,317	49.47
2- Banks' Reserves with the Central Bank of Sudan	113,441	164,700	51,259	45.19
3- Current Deposits at the Central Bank of Sudan	20,187	48,795	28,608	141.71
Total Reserve Money (1 + 2 + 3)	453,316	611,737	158,421	34.95

Source: Central Bank of Sudan

• Ijarah Certificates of the Central Bank of Sudan.

The reserve money increased from SDD 453.3 billion in 2004 to SDD 611.7 billion in 2005, or by 34.9%. This increase resulted from the rise in currency in circulation by SDD 78.5 billion, commercial banks' reserves with the Central Bank of Sudan by SDD 51.3 billion and demand deposits with the Central Bank of Sudan by SDD 28.6 billion.



Figure (5-2)
Components of the Reserve Money by the end of December 2005

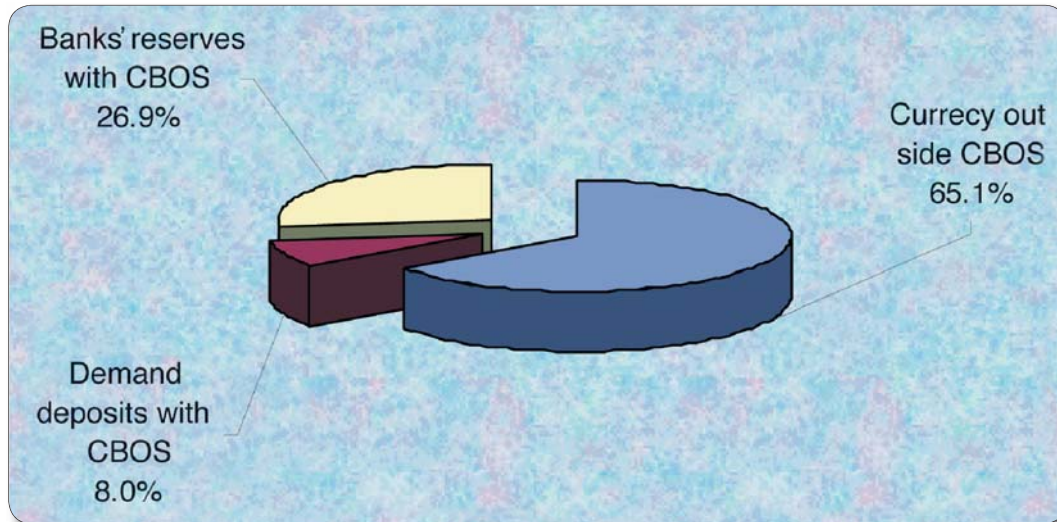


Table (5-2) shows the changes in reserve money and the corresponding assets during 2004 and 2005, and figure (5-2) shows the components of reserve money as a percentage of total reserve money by the end of December 2005.

Assets:

The main reason for the rise in assets corresponding to reserve money was the increase in net foreign assets from SDD -472.9 billion in 2004 to SDD -219.2 billion in 2005, or by 53.6%, despite the fall in the revaluation item from SDD 796.7 billion in 2004 to SDD 757.1 billion in 2005, or by 5.0%, and the decrease in net domestic assets from SDD 129.5 billion in 2004 to SDD 73.9 billion in 2005, or by 43.0%. This drop in net domestic assets was caused by the substantial increase in government deposits from SDD 151.5 billion in 2004 to SDD 175.1 billion in 2005, or by 15.6%. Also, claims on the government increased from SDD 148.7 billion in 2004 to SDD 153.7 billion in 2005, or by 3.4%. Claims on commercial banks and claims on public enterprises and specialized banks rose by 16.6%, 27.7% respectively. Other items net decreased by 37.8%. In addition, the Central Bank of Sudan Ijarah Certificates (Shihab) was issued in September 2005 as one of the instruments of liquidity management.

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Liabilities:

Current deposits with the Central Bank of Sudan, which are considered among the key reasons for the increase in money reserve, rose from SDD 20.2 billion in 2004 to SDD 48.8 billion in 2005. In addition, banks reserves with the Central Bank of Sudan rose from SDD 113.4 billion in 2004 to SDD 164.7 billion in 2005, or by 45.2%. Also, currency in circulation increased from SDD 319.7 billion in 2004 to SDD 398.2 billion in 2005, or by 24.6%. This was attributable to the increase in currency with the public from SDD 304.9 billion in 2004 to SDD 376.1 billion in 2005, or by 23.4% and also to the increase in currency with banks from SDD 14.8 billion in 2004 to SDD 22.1 billion in 2005, or by 49.5%.

The Money Multiplier and the Velocity of Circulation:

The increase in money supply led to the increase in the money multiplier (the quotient of dividing broad money supply (M2) by reserve money) from 2.12 in 2004 to 2.25 in 2005, while the velocity of circulation (the quotient of dividing GDP at current prices by broad money supply 'M2') from 5.56 in 2004 to 4.51 in 2005.

Table (5-3)
Money Multiplier and Velocity of Circulation in 2003 and 2004

Particulars	2004	2005
Money Multiplier	2.12	2.25
Velocity of Circulation	5.56	4.51

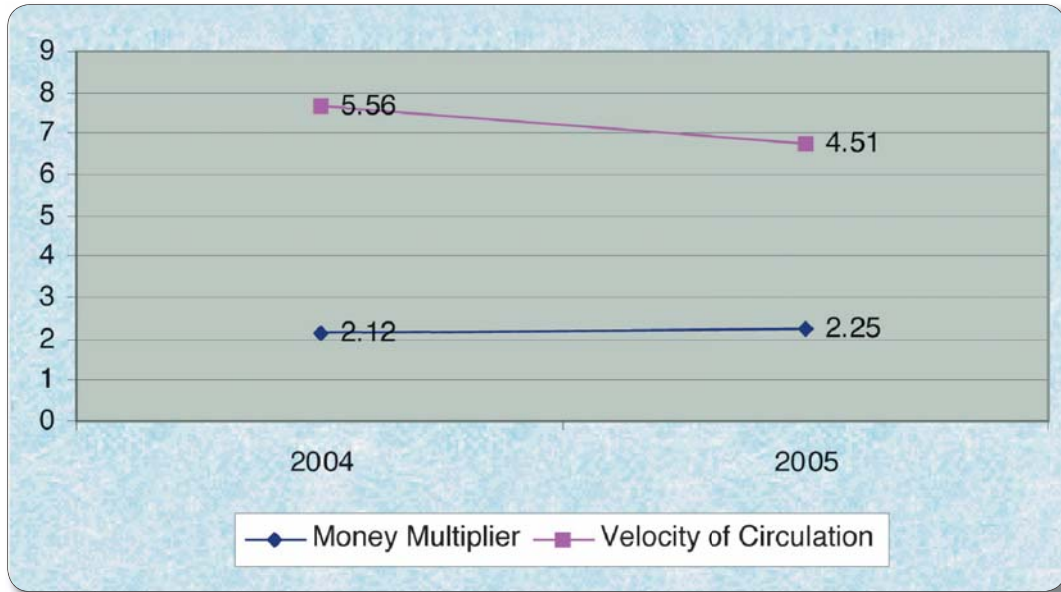
Source: Central Bank of Sudan

Table (5-3) shows the Money Multiplier and the Velocity of Circulation in 2004 and 2005, based on a GDP of SDD 5,342,990.2 million for 2004 and of SDD 6,220,150.4 million for 2005.





Figure (5-3)
Money Multiplier and Velocity of Circulation in 2004 and 2005



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CHAPTER SIX

BANKS AND FINANCIAL INSTITUTIONS



CENTRAL BANK OF SUDAN





CHAPTER SIX

BANKS AND FINANCIAL INSTITUTIONS

This Chapter presents the performance of the banking system (the Central Bank of Sudan, the Commercial and Specialized Banks), and the Other Financial Institutions which include, the Foreign Exchange Bureaus, Sudan Financial Services Co. Ltd., Banks Deposits Security Fund, Khartoum Stock Exchange, Insurance Market and the National Agency for the Insurance and Finance of Exports.

First: Banks:

(1) The Central Bank of Sudan:

The first Act of the Central Bank of Sudan was issued in 1959. This Act was amended several times to cope with the economic and financial developments. The latest amendment to this Act took place in 2005. The functions of the Central Bank of Sudan can be summarized as follows:

The issue of the currency in different denominations, formulation of the monetary and credit policies, regulating, supervising and developing the banking system and enhancing its efficiency in a manner that will attain balanced economic and social development. The Central Bank of Sudan, among other things, seeks to achieve the stability of the economy and the exchange rate of the national currency in addition to its role as the bank of the government, its advisor and agent.

1-1. The Central Bank of Sudan Balance Sheet:

The Central Bank of Sudan continued during the year 2005 its adoption of indirect monetary and credit policy by using government Musharaka Certificates (GMCs) and the Central Bank of Sudan Ijarah Certificates (Shihab) to regulate liquidity. The Bank worked through out the year to achieve monetary stability which is represented by, a stable general price level, setting of general indicators for the cost of finance and the stability of the exchange rate of the national currency.

Table (6-1) below highlights the balance sheet of the Central Bank of Sudan for 2004 and 2005:

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Table (6-1)
Central Bank of Sudan Balance Sheet for 2004 and 2005
(SDD Millions)

Particulars	31/12/2004	31/12/2005	Change	%
Assets:				
Bank Notes and Banks Balances	413,297	570,934	157,637	38.14
Foreign Securities	6,470	8,932	2,462	38.05
Other Foreign Assets	395	364	- 31	-7.85
Loans and Advances to Banks	21,364	15,637	-5,727	-26.81
Temporary Advance to Government under Article (48-1)	37,494	27,494	-10,000	-26.67
Long Term Loans to Government	107,303	105,103	-2,200	- 2.05
Loans and Advances to Public Enterprises	4,745	3,826	- 919	-19.37
Contributions in Local Banks Capital	8,621	19,333	10,712	124.25
Other Contributions	4,120	8,908	4,788	116.21
Other Accounts	530,896	621,337	90,441	17.04
Total Assets	1,134,705	1,381,868	247,163	21.78
Liabilities:				
Notes and Coins in Circulation	319,687	398,241	78,554	24.57
Sight Liabilities	292,602	416,558	123,956	42.36
Federal Government	151,549	175,123	23,574	15.56
State and Local Governments	8,571	16,029	7,458	87.01
Public Enterprises	10,759	31,977	21,218	197.21
Local Banks	121,723	193,429	71,706	58.91
Foreign Correspondents	21,536	29,572	8,036	37.31
Time Liabilities	221,147	215,382	- 5,765	- 2.6
Payment Agreements	14,098	12,089	- 2,009	- 14.39
Capital and Reserves	5,837	14,034	8,197	140.43
Other Accounts	259,798	295,992	36,194	13.93
Total Liabilities	1,134,705	1,381,868	247,163	21.78

Source: Central Bank of Sudan.

As can be seen from Table (6-1) above, the assets (the liabilities) of the Central Bank of Sudan increased from SDD 1,134.7 billion in 2004 to SDD 1,381.9 billion in 2005 i.e. an increase of 21.8%.



On the assets side, banknotes and balances increased from SDD 413.3 billion in 2004 to SDD 570.9 billion in 2005 i.e. an increase of 38.1%, while loans and advances to banks decreased from SDD 21.4 billion in 2004 to SDD 15.6 billion in 2005 i.e. a decrease of 26.8%.

The contribution in banks capital and other contributions increased from SDD 8.6 billion and SDD 4.1 billion in 2004 to SDD 19.3 billion and SDD 8.9 billion in 2005 i.e. an increase of 124.2% and 116.2% respectively. Loans and advances to public enterprises declined from SDD 4.7 billion in 2004 to SDD 3.8 billion in 2004 i.e. a decline of 19.4%. Temporary advances to government under Article (48-1) dropped from SDD 37.5 billion in 2004 to SDD 27.5 billion in 2005.

On the liabilities side, the banknotes and coins increased from SDD 319.7 billion in 2004 to SDD 398.2 billion in 2005 i.e. an increase of 24.6%. The Federal Government deposits also increased from SDD 151.5 billion in 2004 to SDD 175.1 billion in 2005 i.e. an increase of 15.6%. Deposits of public enterprises went up sharply from SDD 10.7 billion to SDD 32.0 billion in 2005 i.e. an increase of 197.2%, while deposits of local banks increased from SDD 121.7 billion in 2004 to SDD 193.4 billion in 2005 i.e. an increase of 58.9%. Payment agreements indebtedness decreased from SDD 14.1 billion in 2004 to SDD 12.1 in 2005.

The Indicators of the Balance Sheet of the Central Bank of Sudan:

The indicators of the balance sheet of the Central Bank of Sudan witnessed a remarkable improvement as the percentage of capital and reserves to total liabilities rose from 0.5% in 2004 to 1.0% in 2005 due to the noticeable increase in the reserves items. Total government indebtedness to total assets declined from 12.8% in 2004 to 9.0% in 2005, as a result of the government repayment of part of its indebtedness in addition to the rise in total assets. The percentage of the temporary advances to the government to total indebtedness declined from 75.9% in 2004 to 20.7% in 2005, while the percentage of contribution in banks capital to total contributions rose from 44.9% in 2004 to 52% in 2005 due to the increase in the Central Bank of Sudan contribution in the capitals of some local banks. The percentage of notes and coins increased from 28.2% in 2004 to 28.8% in 2005 whereas the percentage of government deposits to total liabilities decreased from 13.4% in 2004 to 12.7% in 2005, despite the significant rise in the government deposits. This was the result of the rise in total liabilities as shown in table (6-2) below:



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Table (6-2)
Central Bank of Sudan Balance Sheet Indicators in 2004 and 2005
(%)

		2004	2005
1	Capital and Reserves to Total Liabilities	0.51	1.01
2	Total Government Debt to Total Assets	12.76	9.60
3	Temporary Advances to Total Government Debt	25.89	20.74
4	Currency in Circulation to Total Liabilities	28.17	28.82
5	Government deposits to Total Liabilities	13.35	12.67
6	Contributions in Local Banks Capital to Total Contributions	44.87	52.01

Source: Central Bank of Sudan.

(2) Banks Operating in Sudan:

The number of banks operating in Sudan by the end of 2005 totalled 29 banks, 26 of which are commercial banks while the remaining 3 are specialized banks. The branches of these banks are distributed in the different States. During the year 2005, El-Salam Bank and Sudanese Egyptian Bank joined the list of Banks operating in Sudan.

2-1. The Consolidated Balance Sheet of Banks:

Table (6-3) below shows the consolidated balance sheet of banks for 2004 and 2005:





Table (6-3)
The Consolidated Balance Sheet of Banks for 2004 and 2005
 (SDD Millions)

Particulars	31/12/2004	31/12/2005	Change	%
Assets:				
Local Currency	14,791	22,107	7,316	49.46
Balances with Central Bank of Sudan	103,642	148,004	44,362	42.80
Other Banks	12,867	16,661	3,794	29.49
Foreign Correspondents	141,189	175,687	34,498	24.43
Total Advances	436,391	700,018	263,627	60.41
Other Assets	334,626	467,833	133,207	39.81
Total Assets	1,043,506	1,530,310	486,804	46.65
Liabilities:				
Deposits:	646,649	977,595	330,946	51.18
Public	569,107	801,659	232,552	40.86
Government	17,551	54,944	37,393	213.05
Public Enterprises	59,991	120,992	61,001	101.68
Banks	33,580	40,359	6,779	20.19
Central Bank of Sudan	10,646	6,654	- 3,992	- 37.50
Other Banks	4,807	6,028	1,221	25.40
Foreign Correspondents	18,127	27,677	9,550	52.68
Capital and Reserves	143,711	183,862	40,151	27.94
Other Accounts	219,566	328,494	108,928	49.61
Total Liabilities	1,043,506	1,530,310	486,804	46.65

Source: Central Bank of Sudan.

As can be seen from Table (6-3) above, the total assets (liabilities) of banks increased from SDD 1,043.5 billion by the end of 2004 to SDD 1,530.3 billion by the end of 2005 i.e. an increase of 46.7%.

On the assets side, the local currency rose from SDD 14.8 billion in 2004 to SDD 22.1 billion in 2005 i.e. a rise of 49.5%. Balances with the Central Bank of Sudan increased from SDD 103.6 billion in 2004 to SDD 148.0 billion in 2005. i.e. an increase of 42.8%. Balances

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with other banks also witnessed a rise from SDD 12.9 billion in 2004 to SDD 16.7 billion in 2005 i.e. a rise of 29.5%. On the other hand, the total of bank advances increased from SDD 436.4 billion in 2004 to SDD 700.0 billion in 2005, an increase of 60.4%. Furthermore, other assets experienced a rise from SDD 334.6 billion in 2004 to SDD 467.8 billion in 2005 i.e. a rise of 39.8%.

On the liabilities side, total deposits increased from SDD 646.6 billion in 2004 to SDD 977.6 billion in 2005 i.e. an increase of 51.2%. Also public deposits increased from SDD 569.1 billion in 2004 to SDD 801.7 billion in 2005 i.e. an increase of 40.9%. Moreover deposits of public enterprises rose from SDD 60.0 billion in 2004 to SDD 121.0 billion in 2005 i.e. an increase of 101.7%. The capital and reserves also witnessed a rise from SDD 143.7 billion in 2004 to SDD 183.9 billion in 2005 i.e. a rise of 27.9%, whereas amounts due to the Central Bank of Sudan dropped from SDD 10.6 billion in 2004 to SDD 6.6 billion in 2005 i.e. a drop of 37.5%.

Deposits in Local Currency:

The total of deposits in local currency in banks increased from SDD 392.1 billion in 2004 to SDD 712.2 billion in 2005 i.e. an increase of 81.6%. The percentage of the deposits of the Federal and States Governments, public enterprises and the Private Sector represented 4.1%, 8.7% and 87.2% of the total deposits respectively.

Table (6-4)-A below gives the details of the deposits in local currency for 2004 and 2005:

Table (6-4)-A
Details of Deposits in Local Currency in 2004 and 2005
(SDD Millions)

Years Depositors	Dec. 2004		Dec. 2005		Change	
	Current Accounts	Savings, Investment and Others	Current Accounts	Savings, Investment and Others	Current Accounts	Savings, Investment and Others
Federal and State overnments	8,677	124	21,453	7,539	12,776	7,415
Public Enterprises	5,935	1,938	10,848	51,066	4,913	49,128
Private Sector*	269,967	105,417	371,648	249,616	101,681	144,199
Total	284,579	107,479	403,949	308,221	119,370	200,742
Grand Total	392,058		712,170			

* Including Financial Institutions

Source: Central Bank of Sudan.



Deposits in Foreign Currency:

The total deposits in foreign currency in banks rose from SDD 254.6 billion in 2004 to SDD 265.4 billion in 2005 i.e. a rise of 4.2%. The percentage of deposits of the Federal and State Governments, Public Corporations and the Private Sector constituted 9.8%, 4.9% and 85.3% of the total deposits respectively.

Table (6-4)-B below presents the breakdown of the deposits in foreign currency for 2004 and 2005:

Table (6-4)-B
Details of Deposits in Foreign Currency in 2004 and 2005
 (SDD Millions)

Year Depositors	Dec. 2004		Dec. 2005		Change	
	Current Accounts	Savings, Investment and Others	Current Accounts	Savings, Investment and Others	Current Account Change	Savings, Investment and Others
Federal and State overnments.	7,929	821	24,292	1,661	16,363	840
Public Enterprises.	3,100	7,786	2,505	10,593	- 595	2,807
Private Sector *	80,637	154,318	83,108	143,266	2,471	-11,052
Total	91,666	162,925	109,905	155,520	18,239	- 7,405
Grand Total	254,591		265,425			

* Including Financial Institutions

Source: Central Bank of Sudan.

As can be seen from the above two tables (6-4)-A and (6-4)-B, the deposits in local and foreign currency increased from SDD 392.1 billion and SDD 254.6 billion in 2004 to SDD 712.2 billion and SDD 265.4 billion in 2005 i.e. an increase of 81.6% and 4.2% respectively.

The Indicators of the Consolidated Balance Sheet of Commercial Banks:

Some indicators of the consolidated balance sheet of banks witnessed an improvement as a result of the increase in the percentage of total deposits to total liabilities from 62% in 2004 to 63.9% in 2005, which demonstrates the increase in banking awareness. Also, the percentage of total bank finance to total assets rose from 41.8% in 2004 to 45.7% in 2005, in addition to the increase in the percentage of total bank finance to total deposits from 67.5% in 2004 to 71.6% in 2005. This increase resulted from the drop of the percentage

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of the total liquid assets to total deposits from 18.3% in 2004 to 17.4% in 2005. However, the percentage of total capital and reserves to total liabilities dropped from 13.8% in 2004 to 12% in 2005 despite the increase in the size of total capital and reserves due to the rise in total liabilities over and above the increase in capital and reserves as indicated in Table (6-5) below:

Table (6-5)
Summary of Commercial Banks Balance Sheets
Indicators in 2004 and 2005

(%)

Particulars	2004	2005
1- Total Deposits to Total Liabilities	61.97	63.88
2- Capital and Reserves to Total Liabilities	13.77	12.01
3- Total Finance to Total Assets	41.82	45.74
4- Total Finance to Total Deposits	67.48	71.61
5- Total Liquid Assets to Total Deposits	18.31	17.40

Source: Central Bank of Sudan.

2-2. Commercial Bank Finance: **The Stock of Banking Finance:**

Commercial banks extend finance to the private sector, public enterprises and state and local governments in local and foreign currencies.





Table (6-6)-A
Position of Commercial Banks' Advances by Sector in Local
Currency* in 2004 and 2005

(SDD Millions)

Sector Period	Agriculture	Industry	Exports	Imports	Local Trade	Others	Total	Annual % Change
31/03/2004	26,273	30,551	33,555	323	82,198	71,583	244,483	---
	10.8%	12.5%	13.7%	0.1%	33.6%	29.3%	100.0%	
30/06/2004	26,040	33,850	31,315	428	87,797	75,979	255,409	---
	10.2%	13.2%	12.3%	0.2%	34.4%	29.7%	100.0%	
30/09/2004	26,015	32,670	28,094	501	89,026	78,270	254,576	---
	10.2%	12.8%	11.0%	0.2%	35.0%	30.8%	100.0%	
31/12/2004	27,339	32,803	29,192	3,328	103,832	89,470	285,964	32.4%
	9.5%	11.5%	10.2%	1.2%	36.3%	31.3%	100.0%	
31/03/2005	29,929	40,674	33,396	7,752	125,166	98,407	335,324	---
	8.9%	12.1%	10.1%	2.3%	37.3%	29.3%	100.0%	
30/06/2005	32,415	44,293	33,795	8,332	133,053	107,182	359,070	---
	9.0%	12.3%	9.4%	2.3%	37.1%	29.9%	100.0%	
30/09/2005	33,490	45,518	33,936	9,018	141,264	127,951	391,177	---
	8.6%	11.6%	8.7%	2.3%	36.1%	32.7%	100.0%	
31/12/2005	30,339	69,410	30,161	12,158	149,437	178,520	470,025	64.4%
	6.5%	14.8%	6.4%	2.6%	31.8%	37.9%	100.0%	

* Including Private Sector and Public Corporations.

Source: Central Bank of Sudan.

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Table (6-6)-B
Position of Commercial Banks Advances by Sector in Foreign
Currency* in 2004 and 2005

(SDD Millions)

Sector Period	Agriculture	Industry	Exports	Imports	Local Trade	Others	Total	Annual % Change
31/03/2004	456	5,335	1070	68,065	4,487	7,925	87,338	---
	0.50%	6.10%	1.20%	77.90%	5.10%	9.10%	100.0%	
30/06/2004	1309	6,177	205	82,418	4,518	8,902	103,529	---
	1.30%	6.00%	0.20%	79.60%	4.40%	8.60%	100.0%	
30/09/2004	2089	4,754	---	95,309	3,848	9,160	115,160	---
	1.80%	4.10%	0.00%	82.80%	3.30%	8.00%	100.0%	
31/12/2004	1302	7,282	---	128,027	4,216	9,600	150,427	91.1%
	0.90%	4.80%	---	85.10%	2.80%	6.40%	100.0%	
31/03/2005	2,530	8,237	1,572	146,537	4,598	7,278	170,752	---
	1.5%	4.8%	0.9%	85.8%	2.7%	4.3%	100.0%	
30/06/2005	925	10,202	341	159,510	5,551	16,192	192,721	---
	0.5%	5.3%	0.2%	82.7%	2.9%	8.4%	100.0%	
30/09/2005	262	11,313	---	171,739	5,724	20,284	209,322	---
	0.1%	5.4%	---	82.1	2.7%	9.7%	100.0%	
31/12/2005	322	14,259	---	189,095	4,947	21,370	229,993	52.9%
	0.1%	6.2%	---	82.2%	2.2%	9.3%	100.0%	

* Including Private Sector and Public Enterprises.

Source: Central Bank of Sudan.

Tables (6-6)-A and (6-6)-B illustrated the increase in total bank finance from SDD 436.4 billion in 2004 to SDD 700.0 billion in 2005 i.e. an increase of 60.4% as the position of commercial banks advances in local and foreign currencies increased from SDD 286.0 billion and SDD 150.4 billion in 2004 to SDD 470.0 billion and SDD 230.0 billion in 2005, i.e. an increase of 64.4% and 52.9% respectively.



The Flow of Bank Finance According to the Modes of Finance:

The flow of bank finance is represented by the finance extended by commercial banks during the year to the different economic sectors.

The finance extended by commercial banks according to the different financing modes, increased to SDD 695.4 billion in 2005 compared to SDD 429.1 billion in 2004 i.e. an increase of 62.1%.

Table (6-7) below highlights the flow of commercial bank finance according to the financing mode in local and foreign currencies in 2004 and 2005:

Table (6 -7)
Flow of Bank Finance by Modes of Finance in Local
Currency in 2004 and 2005

(SDD Millions)

Mode of Finance	2004	% Share	2005	% Share	% Change
Murabaha	165,298	38.52	301,003	43.29	82.10
Musharaka	137,239	31.99	214,330	30.82	56.17
Mudaraba	24,625	5.74	29,233	4.20	18.71
Salam	12,653	2.95	14,516	2.09	14.72
Others*	89,256	20.80	136,286	19.60	52.69
Total Finance	429,071	100.00	695,368	100.00	62.06

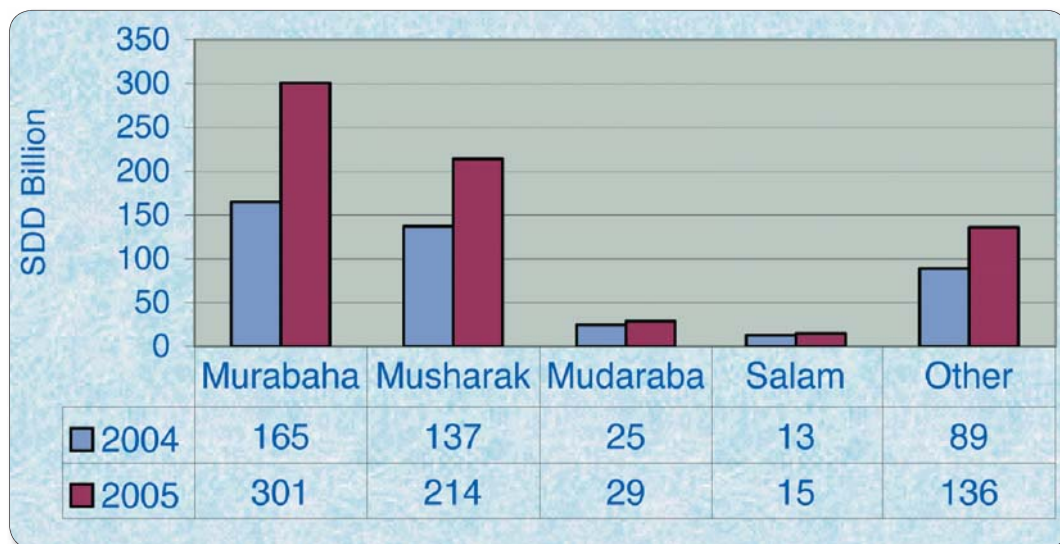
* Including Ijarah and Mugawla Modes.

Source: Central Bank of Sudan.

As can be seen from Table (6-7) above, there is an increase in the percentages of financing according to all modes; the flow of finance through Murabaha rose from SDD 165.3 billion in 2004 to SDD 301.0 in 2005, i.e. a rise of 82.1%. The finance via Musharaka mode also went up from SDD 137.2 billion in 2004 to SDD 214.3 billion in 2005, i.e. a rise of 56.2%.

Furthermore, finance through Mudaraba mode increased from SDD 24.6 billion in 2004 to SDD 29.2 billion in 2005, i.e. an increase of 18.7%. There was also a rise in the Salam mode from SDD 12.7 billion in 2004 to SDD 14.5 billion in 2005, i.e. a rise of 14.7%.

Figure (6-1)
Banks Advances by Mode of Finance in 2004 and 2005



The Flow of Bank Finance to the Economic Sectors:

The bank finance extended to the different economic sectors rose from SDD 429.1 billion in 2004 to SDD 695.4 billion in 2005 i.e. a rise of 62.1%.

Table (6-8) below illustrates the flow of bank finance according to the different economic sectors in local currency in 2004 and 2005:



Table (6 -8)
Flow of Finance by Sectors in Local Currency in 2004 and 2005
(SDD Millions)

Sector	2004		2005		% Change
	Flow of Finance	% Share	Flow of Finance	% Share	
Agriculture	46,092	10.74	57,111	8.21	23.91
Industry	47,727	11.12	83,049	11.94	74.01
Exports	45,734	10.66	33,949	4.88	- 25.77
Imports	24,263	5.66	70,172	10.09	189.21
Storage and Transport	26,170	6.10	60,543	8.71	131.35
Social Development*	19,643	4.58	24,739	3.66	25.94
Local Trade	104,087	24.26	149,361	21.48	43.50
Others**	115,355	26.88	216,444	31.13	87.63
Total	429,071	100.0	695,368	100.0	62.06

* Including Small Producers, Professionals and Craftsmen.

** Including Energy and Mining, Real Estate, and some other sectors.

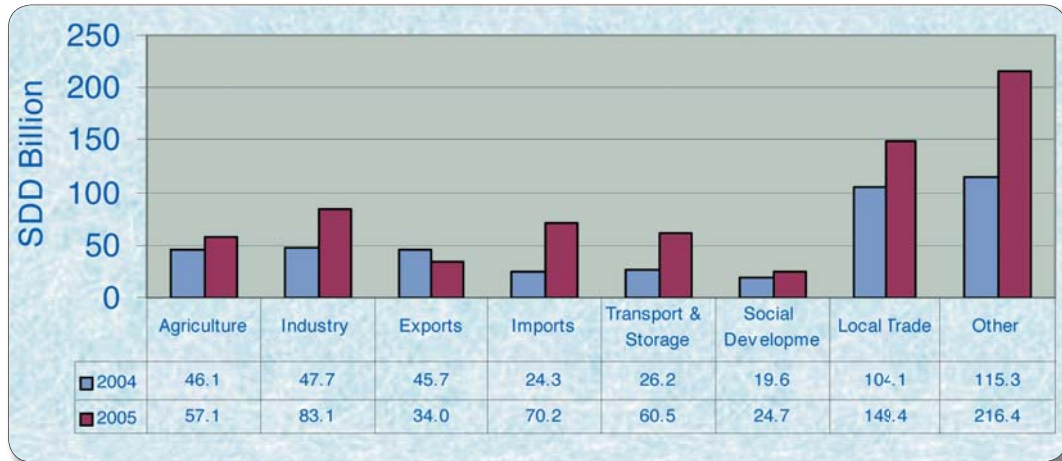
Source: Central Bank of Sudan.

As can be observed from Table (6-8) above, the finance accorded to the local trade sector rose from SDD 104.1 billion in 2004 to SDD 149.4 billion in 2005 i.e. a rise of 43.5%. This sector also secured the highest rate of the finance granted during 2005. The industrial sector ranked second as the total finance extended to it went up sharply from SDD 47.7 billion in 2004 to SDD 83.0 billion in 2005. This was followed by the import sector, which increased its total finance from SDD 24.3 billion in 2004 to SDD 70.2 billion in 2005. These sectors are followed by the transport and storages sector, agricultural sector, export sector and the social development sector, by SDD 60.5 billion, SDD 57.1 billion, SDD 33.9 billion and SDD 24.7 billion in 2005 respectively.

Figure (6-8) below highlights the flow of bank finance according to the economic sectors in 2004 and 2005:



Figure (6-2)
Flow of Finance by Sector in Local Currency in 2004 and 2005



2-3. Specialized Banks:

The specialized banks include: the Agricultural Bank of Sudan which concentrates all its operations in the agricultural area, Savings and Social Development Bank whose primary objective is the enhancement of the social development sector and the alleviation of poverty, and the Financial Investment Bank whose main focus is investment in financial papers.

Table (6-9) below shows the summary of the balance sheets of the specialized banks for 2004 and 2005:





Table (6-9)
Summary of Specialized Banks Balance Sheets for 2004 and 2005
(SDD Millions)

Particulars	2004	2005	Change	(%)
The Agricultural Bank of Sudan:				
Assets:	43,162.97	69,227.12	26,064.15	60.39
Cash in tills	2,389.61	2,849.02	459.41	19.23
Investments	6,409.81	17,623.00	11,213.19	174.94
Foreign Assets *	333.49	681.48	347.99	104.35
Fixed Assets	846.97	1,255.56	408.59	48.24
Others	33,183.09	46,818.06	13,634.97	41.09
Liabilities:	43,162.97	69,227.12	26,064.15	60.39
Deposits	12,130.24	13,898.13	1,767.89	14.57
Other Liabilities and Accounts Payable	24,081.36	43,803.07	19,721.71	81.90
Capital	6,728.53	10,982.70	4,254.17	63.23
Profits *	222.84	543.22	320.38	143.77
Savings and Social Development Bank:				
Assets:	23,637.3	27,331.4	3,694.1	15.63
Cash in tills	7,634.1	7,077.3	- 556.8	- 7.29
Investments	9,617.9	13,768.5	4,150.6	43.15
Foreign Assets *	3,473.3	2,583.7	- 889.6	- 25.62
Fixed Assets	1,597.1	2,116.3	519.2	32.51
Others	1,314.8	1,785.6	470.8	35.81
Liabilities	23,637.3	27,331.4	3,694.1	15.63
Deposits	11,788.9	15,420.4	3,631.5	30.80
Other Liabilities and Accounts Payable	7,287.5	6,174.2	-1,113.3	- 15.28
Capital	4,536.4	4,778.6	242.2	5.34
Profits *	24.5	958.2	933.7	3,811.02

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Table No. (6-9) Cont'd

(US\$ Millions)

Particulars	2004	2005	Change	(%)
Financial Investment Bank:				
Assets	10,958.7	36,207.9	25,249.2	230.40
Cash in tills	2,688.3	6,353.5	3,665.2	136.34
Investments	6,395.9	5,105.8	8,709.9	136.18
Foreign Assets *	293.5	12,999.6	12,706.1	4,329.17
Fixed Assets	334.8	218.0	116.8	34.89
Others	1,246.2	1,531.0	284.8	22.85
Liabilities	10,958.7	36,207.9	25,249.2	230.40
Deposits	2,773.0	18,574.0	15,801.0	569.82
Other liabilities and Accounts Payable	3,624.8	12,139.3	8,514.5	234.90
Capital	4,536.4	4,536.4	---	---
Profits	24.5	958.2	933.7	3,811.02

* Increase in the percentages of profits and foreign assets is due to the big improvement of these items in 2005 compared with 2004.

Source: Agricultural Bank of Sudan, Savings and Social Development Bank (Public Sector) and Financial Investment Bank (Private Sector).

(a) The Agricultural Bank of Sudan:

As can be observed from Table (6-9) above, the total assets (liabilities) of the Agricultural Bank of Sudan increased from SDD 43.2 billion in 2004 to SDD 69.2 billion in 2005 i.e. an increase of 60.4%.

On the assets side, the cash in tills rose from SDD 2.4 billion in 2004 to SDD 2.9 billion in 2005, a rise of 19.2%. Also, the investments rose sharply from SDD 6.4 billion in 2004 to SDD 17.6 billion in 2005, a rise of 174.9%. More-over, foreign assets increased from SDD 0.3 billion in 2004 to SDD 0.7 billion in 2005, an increase of 124.4%.

On the liabilities side, the deposits increased from SDD 12.1 billion in 2004 to SDD 13.9 billion in 2005, i.e. an increase of 14.6%. The capital and other liabilities and accounts payable also rose from SDD 6.7 billion and SDD 24.1 billion in 2004 to SDD 11.0 billion and SDD 43.8 billion in 2005 i.e. a rise of 63.2% and 81.9% respectively.



Sectoral Finance of the Agricultural Bank of Sudan:

Table (6-10) illustrates the finance granted to the different sectors in 2004 and 2005:

Table (6-10)
Agricultural Bank of Sudan Finance to the Different
Sectors in 2004 and 2005

(SDD Millions)

Sector	2004	Percentage to total finance %	2005	Percentage to total Finance %
Agriculture	14,126	87.4	23,380	79.3
Local Trade	1,474	9.1	1,783	6.0
Social Development	314	1.9	777	2.6
Transport	12	0.1	66	0.3
Others	235	1.5	3,494	11.8
Total	16,161	100.0	29,500	100.0

Source: Agricultural Bank of Sudan.

As can be seen from (6-10) above, the agricultural sector secured the highest share of the total finance granted in 2004 and 2005 i.e. 87.4% and 79.3% respectively. The sectors of local trade, social development, transport and other activities followed suit but obtained minor shares due mainly to the nature of the operations of the Agricultural Bank of Sudan which concentrates on the agricultural area.

(b) Savings and Social Development Bank:

The total assets (liabilities) of the Savings and Social Development Bank increased from SDD 23.6 billion in 2004 to SDD 27.3 billion in 2005 i.e. an increase of 15.6%. On the assets side, cash in the tills dropped from SDD 7.6 billion in 2004 to SDD 7.1 billion in 2005, i.e. a drop of 7.3%, while investments rose from SDD 9.6 billion in 2004 to SDD 13.8 billion in 2005, i.e. a rise of 43.2%.

On the liabilities side, deposits and capital increased from SDD 11.8 billion and SDD 4.5 billion in 2004 to SDD 15.4 billion and SDD 4.8 billion in 2005, i.e. an increase of 30.8% and 5.3% respectively.

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(c) The Savings and Social Development Bank Finance to the Different Sectors:

Table (6-11) below highlights the finance extended by the Savings and Social Development Bank to the different sectors in 2004 and 2005:

Table (6-11)
Savings and Social Development Bank Finance to the
Different Sectors

(SDD Millions)

Sector	2004	% to Total Finance	2005	% to Total Finance
Agriculture and Industry	3,024	29.8	3,705	25.7
Transport and Storage	658	6.5	433	3.0
Social Development	1,751	17.2	4,666	32.3
Exports	143	1.4	207	1.4
Local Trade	333	3.3	0.0	0.0
Housing	40	0.4	126	0.9
Others	4,197	41.4	5,294	36.7
Total	10,146	100.0	14,431	100.0

Source: Saving and Social Development Bank

As can be seen from Table (6-11) above, the total finance granted by the Savings and Social Development Bank to the different sectors rose from SDD 10.1 billion in 2004 to SDD 14.1 billion in 2005, i.e. a rise of 42.2%. It is also observed that the percentage of finance accorded to the social development increased from 17.2% in 2004 to 32.2% in 2005 while the percentage of finance extended to the agricultural and industrial sectors declined from 29.8% in 2004 to 25.7% in 2005.

(c) Financial Investment Bank:

The total assets (liabilities) of the Financial Investment Bank rose from SDD 11.0 billion in 2004 to SDD 36.2 billion by the end of 2005, i.e. a rise of 230.4%. This attributed to the remarkable increase in the cash in tills, investments and foreign assets from SDD 2.7 billion, SDD 6.4 billion and SDD 0.3 billion in 2004 respectively to SDD 6.4 billion, SDD 15.1 billion and SDD 13.0 billion in 2005 respectively i.e. a rise of 136.3%, 136.2% and



4,329.2% respectively. Fixed assets dropped from SDD 0.3 billion in 2004 to SDD 0.2 billion in 2005, i.e. a drop of 34.9%.

On the liabilities side, deposits, other liabilities and accounts payable and profits increased from SDD 2.8 billion, SDD 3.6 billion and SDD 0.02 billion in 2004 respectively to SDD 18.6 billion, SDD 12.1 billion and SDD 1.0 billion in 2005 respectively i.e. an increase of 569.8%, 234.9% and 3,811.0% respectively while capital remained unchanged.

The Financial Investment Bank Finance to the Different Sectors:

Table (6-12) below depicts the Financial Investment Bank finance to the different sectors in 2004 and 2005:

Table (6-12)
Financial Investment Bank Finance to the Different
Sectors in 2004 and 2005

(SDD Millions)

Sector	2004*	% To total Finance	2005	% To total Finance
Agriculture	35.3	1.4	0.0	0.0
Exports	846.2	32.0	670.7	38.6
Local Trade	1,760.2	66.6	1,068.1	61.4
Total	2,641.7	100.0	1,738.8	100.0

* Amended Figures.

Source: Financial Investment Bank.

As can be seen from Table (6-12) above, total finance granted by the Financial Investment Bank decreased from SDD 2.6 billion in 2004 to SDD 1.7 billion in 2005 i.e. 34.6%. It is to be noted that the percentage of finance extended to exports increased from 32% in 2004 to 38.6% in 2005, while the percentage finance extended to local trade decreased from 66.6% in 2004 to 61.4% in 2005.



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Indicators of the Specialized Banks Balance Sheets for 2004 and 2005:

Table (6-13) shows the indicators of the specialized banks balance sheets:

Table (6-13)
Indicators of the Specialized Banks Balance Sheets for 2004 and 2005
(%)

Particulars	2004	2005
Agricultural Bank of Sudan:		
Capital to Liabilities	15.59	15.86
Capital to Deposits	55.47	79.02
Investments to Total Deposits	52.84	126.80
Cash in Tills to Deposits	19.70	20.50
Total Deposits to Liabilities	28.10	20.08
Fixed Assets to Capital *	12.59	11.43
Savings and Development Bank:		
Capital to Liabilities	19.19	17.48
Capital to Deposits	38.48	30.99
Investments to Total Deposits	81.58	89.29
Cash in Tills to Deposits	64.76	45.90
Total Deposits to Liabilities	49.87	56.42
Fixed Assets to Capital	35.21	44.29
Financial Investment Bank:		
Capital to Liabilities	41.40	12.53
Capital to Deposits	163.59	24.42
Investments to Total Deposits	230.65	81.33
Cash in Tills to Deposits	95.95	34.21
Total Deposits to Liabilities	25.30	51.30
Fixed Assets to Capital	7.38	4.81

* Decrease in percentage is due to capital increase

Source: Central Bank of Sudan

Table (6-13) depicts diversity in the basic indicators of the specialized banks. The indicators of each bank are exhibited below.



First: The Agricultural Bank of Sudan:

The indicators of capital to liabilities, capital to total deposits, investments to total deposits and cash in the tills to total deposits went up from 15.6%, 55.5%, 52.8% and 19.7% in 2004 to 15.9%, 79%, 126.8% and 20.5% in 2005 respectively. This was attributed to the increase in capital, investment and cash in the tills while the indicators of total deposits to liabilities and fixed assets to capital dropped as a result of the rise in liabilities and capital.

Second: Savings and Social Development Bank:

The indicators of investment to total deposits, total deposits to total liabilities and fixed assets to capital rose from 81.6%, 49.9% and 35.2% in 2004 to 89.3%, 56.4% and 44.3% in 2005 respectively. This was due to the decline in total deposits and the rise in investments and cash in the tills, whereas the indicators of capital to total liabilities, capital to total deposits and the cash in the tills to total deposits dropped as a result of the increase in total liabilities and fixed assets.

Third: Financial Investment Bank:

The indicator of total deposits to total liabilities increased from 25.3% in 2004 to 51.3% in 2005 due to the rise in total deposit. However, all the remaining indicators of capital to total liabilities, capital to total deposits, investments to total deposits, the cash in the tills to total deposits and fixed assets to capital dropped as a result of the increase in the total liabilities and total deposits.

4-2 Geographical Distribution of Banks Branches:

The total number of the branches of the Central Bank of Sudan (12 branches) in 2005 remained constant as it was in 2004. However, the number of branches of the operating banks dropped from 526 in 2004 to 517 due to the closure of some branches in the different States of Sudan in the wake of the measures pertaining to the restructuring of banks as illustrated in Table (6-14).

Table (6-14)
Geographical Distribution of Banks Branches for 2004 and 2005

Year	State	2004		2005		Change
		No.	%	No.	%	
	Khartoum State	181	34.0	184	35.6	1.7
	Central States (Gezira, Sennar, Blue Nile and White Nile)	111	21.0	108	21.0	(2.7)
	Eastern States (Gadarif, Kassala and Red Sea)	71	14.0	71	13.7	0.0
	Northern States (Nahr Elneel & Northern)	57	11.0	56	10.8	(1.8)
	Kordofan States (North, South and West)	51	10.0	43	8.3	(15.7)
	Darfur States (North, South and West)	39	7.0	40	7.7	2.6
	Southern States (Bahr Elgazal, Upper Nile, and Equatoria)	16	3.0	15	2.9	(6.3)
	Total	526	100.0	517	100.0	(1.7)

Source: Central Bank of Sudan.

Second: Financial Institutions:

(1) Foreign Exchange Bureaus:

These are specialized private companies, which are considered part of the non-banking financial institutions because they perform part of the banking services. The number of these foreign exchange bureaus increased from 14 in 2004 to 15 in 2005.

Table (6-15) below depicts the monthly total purchases and sales of the foreign exchange bureaus in 2005.



Table (6-15)
Total Purchases and Sales of the Foreign Exchange Bureaus
During January - December 2005

(US\$ millions)

Month	Purchases	Sales
January	44.9	46.1
February	55.0	55.2
March	69.3	68.4
April	76.3	77.2
May	87.3	84.4
June	85.0	82.8
July	92.3	91.8
August	84.0	83.7
September	15.7	15.5
October	128.3	128.5
November	108.9	109.0
December	130.0	130.0
Total	977.0	972.6

Source: Central Bank of Sudan.

As can be observed from Table (6-15) above, the resources (purchases) of the foreign exchange bureaus went from US\$ 0.3 billion in 2004 to US\$ 1.0 billion in 2005, i.e. an increase of 233.3%. The total uses (sales) rose from US\$ 0.3 billion in 2004 to US\$ 1.0 billion in 2005, i.e. a rise of 233.3%.

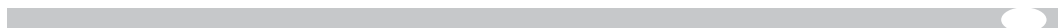
(2) Sudan Financial Services Company (SFS):

The Sudan Financial Services Company (SFS) was established in 1998 jointly by the Central Bank of Sudan and the Ministry of Finance and National Economy by virtue of its Act to operate in the sphere of issuing and marketing of Sukuk and Islamic Financial Papers with a capital which is made up of the following:

a) The accounting value of the banks wholly or partially owned by the Central Bank of Sudan and the Ministry of Finance and National Economy.

b) The paid up capital of SDD 2 million:

The company manages the shares owned by the Central Bank of Sudan and the Ministry of Finance and National Economy in the banking and financial institutions in addition to



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assisting the Central Bank in regulating liquidity. The company also arranges the formation of specialized funds in the financial services sector.

The company continued, during 2005, the auctions of selling and buying of the Government Musharaka Certificates (GMCs), Government Investment Certificates (GICs) and the Central Bank of Sudan Ijarah Certificates (Shihab).

Government Musharaka Certificates (GMCs):

The balance of Government Musharaka Certificates (GMCs) rose from 2,579, 800 certificates by the end of 2004 to 4,562,400 certificates by the end of 2005, i.e. a rise of 76.8%.

Table (6-16) below exhibits the position of Government Musharaka Certificates (GMCs) by the end of 2005:

Table (6-16)
Position of Government Musharaka Certificates (GMCs)
by the end of 2005

Entity	Number of Certificates	Value in SDD billions	%
Bank of Sudan	407,168	20.36	8.93
Banks	1,214,140	60.71	26.61
Companies & Funds	1,625,101	81.26	35.62
Public	1,315,970	65.80	28.84
Total	4,562,379	228.12	100.00

Source: Sudan Financial Services Company

As can be seen from Table (6-16) above, the sales of Government Musharaka Certificates (GMCs) to companies and funds accounted for the highest percentage i.e. 35.6%, whereas the share of the Central Bank of Sudan, at 8.9% constituted the lowest percentage.

The rate of return on Government Musharaka Certificates (GMCs):

Table (6-17) below depicts the returns on Government Musharaka Certificates (GMCs) during 2005.





Table (6-17)
The Returns of Government Musharaka Certificates (GMCs)
During 2005

No.	Date of Issue	Maturity	Rate of Return (%)
1	01/01/2004	One year	16.7
2	01/07/2004	Six months	8.6
3	01/04/2004	One year	21.2
4	01/10/2004	Six months	13.3
5	01/07/2005	One year	22.9
6	01/01/2005	Six months	14.9
7	01/10/2005	One year	22.6
8	01/04/2005	Six months	11.3

Source: Sudan Financial Services Company.

As can be observed from Table (6-17) above, the average rate of return on Government Musharaka Certificates reached 20.9% for one year maturity and 12.0% for six months maturity.

Government Investment Certificates (GICs):

The balance of the Government Investment Certificates increased from 1,280,000 certificates by the end of 2004 to 5,660,000 certificates by the end of 2005 i.e. an increase of 342.2%.

Table (6-18) below illustrates the position of the Government Investment Certificates (GICs) by the end of 2005.

Table (6-18)
Position of Government Investment Certificates (GICs)
by the end of 2005

Entity	Number of Certificates	Value in SDD billions	%
Central Bank of Sudan	60,000	0.60	1.06
Banks	1,801,782	18.02	31.84
Companies and Funds	2,895,120	28.95	51.15
Public	903,098	9.03	15.95
Total	5,660,000	56.60	100.00

Source: Sudan Financial Services Company.



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As can be seen from Table (6-18) above, the share of purchases of companies and funds of Government Investment Certificates (GICs) accounted for the highest percentage i.e. 51.2%, while the share of the Central Bank of Sudan accounted for the lowest percentage i.e. 1.1%.

The Rate of Return on Government Investment Certificates (GICs):

Table (6-19) below illustrates the rate of return on Government Investment Certificates (GICs) during 2005:

Table (6-19)
The Rate of Return of Government Investment Certificates (GICs)
During 2005

No.	Date of Issue	Maturity	Rate of Return (%)
1	25/08/2004	Six months	10.0
2	02/11/2004	Three months	4.0
3	02/11/2004	Three months	4.0
4	15/05/2003	Six months	10.0
5	01/03/2005	Three months	4.0
6	25/08/2004	Six months	10.0
7	02/11/2004	Three months	4.0
8	01/03/2005	Three months	4.0
9	08/06/2005	Three months	4.0
10	02/11/2004	Three months	4.0
11	01/03/2005	Three months	4.0
12	08/06/2005	Three months	4.0

Source: Sudan Financial Services Company.

As can be observed from Table (6-19) above, the average rate of return on Government Investment Certificates (GICs) reached 10% for 6-month maturity and 4% for 3-month maturity.

The Central Bank of Sudan Ijarah Certificates (Shihab):

To improve the instruments of liquidity management and subsequent to the liquidation of Central Bank of Sudan Musharaka Certificates (CMCs) in November 2004, the Central Bank of Sudan introduced Central Bank of Sudan Ijarah Certificates (Shihab) in September 2005.

Table (6-20) below exhibits the position of Central Bank of Sudan Ijarah Certificates (Shihab) during 2005:





Table (6-20)
Position of Central Bank of Sudan Ijarah Certificates (Shihab)
by the end of 2005

Particulars	Number of Certificates	Value in SDD billions
Total Certificates held with Banks	219,800	22.0
Certificates Sold	177,400	17.7
Certificates Bought	42,400	4.3
Net balance of Certificates with Banks	135,000	13.4

Source: Sudan Financial Services Company.

(3) Bank Deposits Security Fund:

The Fund was established according to the Banks Deposits Security Fund Act of 1996 to provide the Islamic insurance Service Fund to bank deposits. Article (5) of the Act defined the Fund's objectives as follows:

- a) Securing deposits in banks in accordance with Article (19) of the Fund's Act and all banks operating in Sudan are members of the Fund.
- b) Protection of depositors and securing the stability and soundness of banks and building up of confidence in them.

The annual contribution of the banks in the Fund went up from SDD 0.7 billion in 2004 to SDD 0.9 billion in 2005, i.e. an increase of 37.1%.

The resources of the Fund also rose from SDD 3.0 billion in 2004 to SDD 4.4 billion in 2005, i.e. a rise of 46.7%. Accordingly, the resources of the Fund invested in different investment channels increased from SDD 2.34 billion in 2004 to SDD 3.54 billion in 2005, i.e. an increase of 51.3%.

(4) Khartoum Stock Exchange:

In the context of the economic liberalization policy and the three year economic salvation program (1990-1993), Khartoum Stock Exchange was established in 1992 according to its Act, which was amended and ratified by the National Assembly in 1994. The Khartoum Stock Exchange became an autonomous legal entity as a result of this amendment and ratification. Dealing in the primary market started in October 1994 and in January 1995 the secondary market was inaugurated. The main objectives of the Stock Exchange are:

- Offering the private sector the opportunity to attract savings and invest them in financing economically viable projects.



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- Regulating and supervising the issue of financial papers and dealing in them via sale and purchase.
- To expand and reinforce private ownership of productive assets in the national economy.
- Encourage the transfer of publically owned capital assets to a larger segment of the community, improve and encourage investment in financial papers and create a favourable investment climate.

The stock exchange contributes in the provision of long-term finance and regulates the issue of financial papers, trading in them and promotes investment awareness among the public.

The activities of the secondary market witnessed brisk trading in the listed shares of all sectors with the exception of the agricultural sector.

The rates of trading in this year (2005) witnessed a considerable rise in most indicators compared to the previous year (2004).

Table (6-21) below shows the volume of trading in the Khartoum Stock Exchange in 2004 and 2005:

Table (6-21)
Volume of Trading in Khartoum Stock Exchange in 2004 and 2005

SECTOR	2004					2005				
	No. of Shares Traded (In thousand)	Volume of Trading (SDD millions)	Executed Contracts	No. of Listed Co's	(%)	No. of Shares Traded (In thousand)	Volume of Trading (SDD millions)	Executed Contracts	No. of Listed Co's	(%)
Banks	1,506,397.3	780.5	410	16	1.74	848,351.0	1,109.5	329	17	0.90
Insurance	7.4	0.4	4	9	-	2.1	0.8	11	9	-
Commerce	650,938.7	3,929.0	222	7	8.78	848,004.8	1,830.9	429	7	1.48
Industry	21,672.2	3,895.8	32	3	8.70	21,501.0	4,820.0	52	3	3.95
Agriculture	-	-	-	2	-	-	-	-	2	-
Funds	30.8	276.7	49	-	0.62	845.8	4,711.6	176	-	3.87
Certificates	102.1	11,370.2	1,679	-	25.40	308.1	19,440.8	1,497	-	15.95
Others	6,978.9	24,519.7	1,138	11	54.76	12,657.5	89,769.7	1,180	11	73.85
Total	2,186,127.4	44,772.3	3,534	48	100.00	1,731,670.4	121,683.3	3,673	49	100.00

Source: Khartoum Stock Exchange.

As can be seen from Table (6-21) above, the volume of trading in the Stock Exchange rose from SDD 44.8 billion in 2004 to SDD 121.7 billion in 2005, i.e. a rise of 171.7%, despite the drop in the number of shares traded from 2,186.1 million in 2004 to 1,731.7 million in 2005 i.e. a drop of 21%.



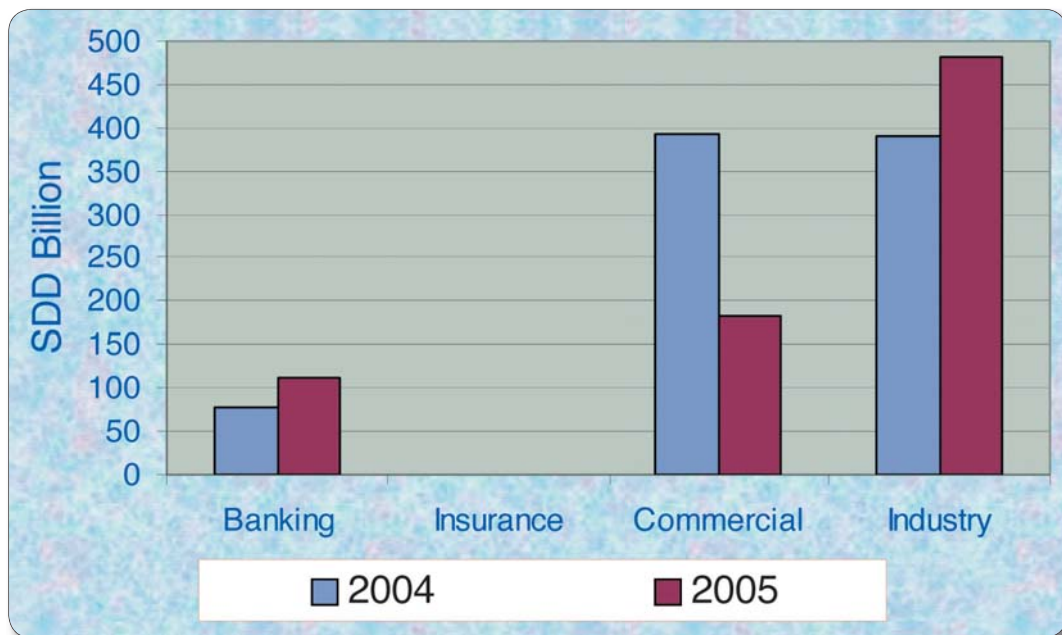
The number of listed companies in the Stock Exchange increased from 48 in 2004 to 49 by the end of 2005, of which seventeen from the banking sector, nine from the insurance sector, seven from the commercial sector, three from the industrial sector, two from the agricultural sector and eleven from the other sectors.

The number of the operating brokerage companies in the Stock Exchange reached twenty six in 2005 compared with nineteen in 2004. Furthermore, five investment funds were listed. These are: Sudatel Second, Industrial Finance Fund, Government Investment Funds November, 2004 issue, August, 2004 issue, February, 2005 issue, in addition to 42 of Government Musharaka Certificates (GMCs).

Figure (6-3) below describes the volume of trading in Khartoum Stock Exchange in 2004 and 2005:

Figure (6-3)

The Volume of Trading in Khartoum Stock Exchange in 2004 and 2005



(5) Insurance Market:

The number of companies operating in the field of insurance and reinsurance remained constant at 15 in 2005 as it was in 2004. These companies besides rendering insurance services invest the resources in financial papers (certificates), investment deposits in addition to investment in real estate.



Gross and Net Insurance Premium of Insurance Companies:

The total gross insurance premiums are represented by the amounts paid by the insured to the insurance companies, while the net insurance premiums are represented by the amounts paid by the insured after deducting the amounts paid by the insurance companies to reinsurance companies as insurance premiums.

Table (6-22) below highlights the gross and net insurance premiums for 2003 and 2004:

Table (6-22)
Gross and Net Insurance Premiums for 2003 and 2004
(SDD Millions)

Particulars	2003*	2004*	Rate of Change (%)
Gross Insurance Premiums	23,708	32,599	37.5
Net Insurance Premiums	14,856	18,866	27.0

* Amended figures

Source: Insurance Supervision Authority.

As can be explained by Table (6-22) above, gross insurance premiums went up from SDD 23.7 billion in 2003 to SDD 32.6 billion in 2004 i.e. an increase of 37.5%, whereas net insurance premiums increased from SDD 14.9 billion in 2003 to SDD 18.9 billion in 2004, i.e. an increase of 27.0%.

Gross and Net Insurance Claims:

The gross insurance claims are represented by the total amounts paid by the insurance companies to the insured against damage, while net insurance claims are represented by the net amounts paid to the insured after deducting the claims of the insurance companies against the re-insurance companies.

Table (6-23) below exhibits the gross and net insurance claims in 2003 and 2004:





Table (6-23)
Gross and Net Insurance Claims In 2003 and 2004

(SDD Millions)

Particulars	2003*	2004*	Rate of Change (%)
Gross Insurance Premiums	19,186	14,418	-24.9
Net Insurance Premiums	7,404	8,808	19.0

* Amended figures

Source: Insurance Supervision Authority.

As can be demonstrated from Table (6-23) above, gross insurance claims declined from SDD 19.2 billion in 2003 to SDD 14.4 billion in 2004, i.e. a decline of 24.9%, while net insurance claims rose from SDD 7.4 billion in 2003 to SDD 8.8 billion in 2004, i.e. a rise of 19%.

(6) The National Agency for Insurance and Finance of Exports:

The Agency was established by virtue of its Act in 2005 according to a joint initiative from the Central Bank of Sudan and the Ministry of Finance and National Economy with an authorized capital of SDD 6.0 billion and paid up capital of SDD 3.0 billion. The Ministry of Finance and the Central Bank of Sudan contribute to the capital of the Agency with a minimum of 25% for each while the rest of the capital is contributed by banks and insurance companies. The start of operations of the Agency is scheduled for January 2006. The Agency has been established as a body specialized in the insurance and finance of eligible Sudanese exports with the exception of oil and unprocessed gold. The key objectives of the Agency are the following:

1. To broaden the base of the national economy and avoid the dependence on oil.
2. To boost the volume of Sudanese exports.
3. To create foreign markets for the exporters and enable them to obtain adequate information about the need of international markets for Sudanese commodities.
4. To expand the sources of financing for the Sudanese exporters.



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CHAPTER SEVEN

GOVERNMENT FINANCE



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CHAPTER SEVEN GOVERNMENT FINANCE

In the context of the protocols of the Comprehensive Peace Agreement (CPA), the economic programme of the second presidency the medium-term economic programme (2004-2009) as well as the poverty alleviation strategy, the 2005 budget aimed at maintaining sustainable economic, political and social stability. Among the key guidelines of this budget are: continuing the positive growth rates in the GDP, directing macro and micro-economic policies to boost the productive capacity of the main sectors, rehabilitating the infrastructure, improving the absorptive capacity of investment, and devoting more attention to scientific research and human resources development for the purpose of attaining social development and combating poverty.

The budget aimed at achieving a GDP growth rate of 7.5%, an average inflation rate of 7.5%, while maintaining the stability and flexibility of the exchange rate of the national currency.

Fiscal Performance for the year 2005:

The actual performance of the budget for 2005, showed total public revenue at SDD 1,218.4 billion, which was less than the budget estimates by SDD 56.6 billion, or by 4.4%, which accounted for 18.7% of GDP. Total current expenditure stood at SDD 1,043.5 billion, compared to estimates of SDD 1,128.6 billion, a performance rate of 95.5%. As a result, the current budget registered a surplus of SDD 174.9 billion, compared to an estimated surplus of SDD 146.4 billion, indicating a decrease of SDD 55.4 billion from 2004, as shown in Table (7-1) below:

Table (7-1)
The Public Sector Fiscal Performance 2004 and 2005
(SDD Billions)

Year	2004			2005		
	Estimated	Actual	% of Perform.	Estimated	Actual	% of Perform.
Total Ordinary Revenue	821.0	1,023.9	124.7	1,275.0	1,218.4	95.5
Total Current Expenditure	689.4	793.6	115.1	1,128.6	1,043.5	92.4
Surplus (+) Deficit (-)	131.6	230.3	175.0	146.4	174.9	119.5
Development and Investment Expenditure	290.7	310.3	106.7	322.4	341.2	105.8
Total Public Sector Deficit	-159.1	-79.9	50.2	-176.0	-166.3	94.5
Deficit Finance	159.1	79.9		176.0	166.3	
a) External Financing	108.7	49.9	45.9	95.0	48.1	50.6
b) Domestic Financing	50.4	30.0	59.5	81.0	118.2	145.9

Source: Ministry of Finance & National Economy.

On the other hand, development and investment expenditure amounted to SDD 341.2 billion, representing 105.8% of the estimated amount for 2005 of SDD 322.4 billion. The public sector overall deficit rose from SDD 79.9 billion in 2004 to SDD 166.3 billion in 2005, or by 108.1%. This deficit was financed from external sources to the tune of SDD 48.1 billion and from domestic sources by SDD 118.2 billion in 2005.

Public Revenue:

Table (7-2) exhibits the actual performance of revenue during 2005, compared to 2004.



Table (7-2)
Actual Performance of the Public Revenues 2004 and 2005
(SDD Billions)

Particulars	2004				2005			
	Estimated	Actual	% of Perform.	% of Total	Estimated	Actual	% of Perform.	% of Total
I. Tax revenue (a+b)	372.6	420.3	112.8	41.0	467.4	500.7	107.1	41.1
a) Direct Taxes	68.5	74.6	108.9	7.3	95.0	95.1	100.1	7.8
- Income Tax	8.0	10.9	136.3		13.0	14.7	113.1	
- Business Profit Tax	45.9	47.2	102.8		61.0	61.0	100.0	
- Development Tax	0.0	0.0	0.0		0.0	0.0	0.0	
- SNWA	6.0	5.0	83.3		7.0	4.6	65.7	
- Stamps	8.6	11.5	133.7		14.0	14.8	105.7	
- Others	0.0	0.0	0.0		0.0	0.0	0.0	
b) Indirect Taxes(1+2+3)	304.1	345.7	113.7	33.7	372.4	405.6	108.9	33.3
1) Customs Duties	129.0	158.7	123.0		179.6	224.0	113.4	
- Imports Duties	95.5	118.8	124.4		148.5	153.1	103.1	
- Exports Duties	0.4	0.1	25.0		0.5	0.6	120.0	
- Others	33.1	39.8	120.2		30.6	70.3	229.7	
2) Excise Duties	102.5	113.9	111.1		99.0	94.9	95.9	
3) VAT	72.6	73.1	100.7		93.8	86.7	92.4	
II. Non Tax Revenue	448.4	603.6	134.6	59.0	807.6	717.7	88.9	58.9
Total Ordinary Revenue (I+II)	821.0	1023.9	124.7	100.0	1,275.0	1,218.4	95.6	100.0

Source: Ministry of Finance and National Economy.

Total public revenue increased from SDD 1,023.9 billion to SDD 1,218.4 billion, or by 19.0%. Non-tax revenues represented 58.9% of total revenues and amounted to SDD 717.7 billion, that is an increase of 18.9% over its level in 2004, and 88.9% of the estimates for 2005 as indicated in Table (7-2).

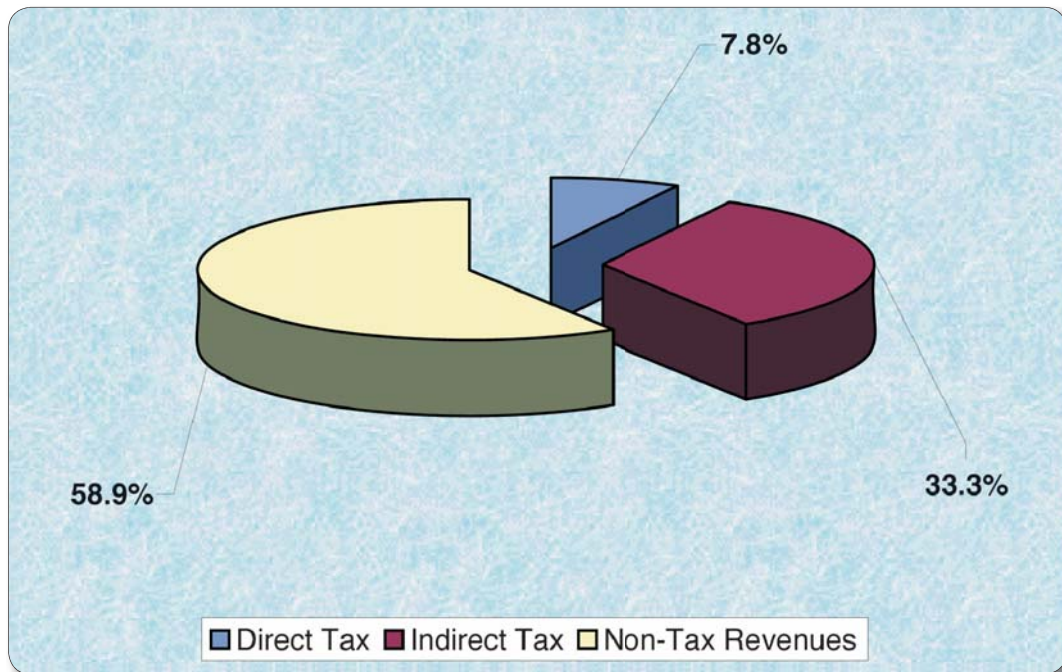
Tax revenues went up from SDD 420.3 billion to SDD 500.7 billion, an increase of 19.1%, and a contribution to total public revenues of 41.1% against 41.0% in the previous year.

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Tax revenues comprised revenues from direct and indirect taxes. Revenues from direct taxes increased from SDD 74.6 billion to SDD 95.1 billion, an increase of 27.5%, and a contribution of 7.8% to total public revenue, compared to 7.3% in the previous year.

On the other hand, revenues from indirect taxes rose from SDD 345.7 billion to SDD 405.7 billion, or by 17.4%, representing 33.3% of total public revenue compared to 33.7% in the previous year.

Figure (7-1)
Actual Performance of Public Revenues For the year 2005



Revenue from Public Corporations and Enterprises and Government Investments:

Table (7-3) presents the actual revenue of public corporations and enterprises and government investments in 2005 compared to 2004.





Table (7-3)
Public Corporations, Enterprises, and Government Investments
Revenue in 2003 and 2004

(SDD Billions)

Year	2004			2005		
	Estimates	Actual	% Of Perform.	Estimates	Actual	% Of Perform.
a) Profits of Public Enterprises and Corporations.	30.0	29.8	99.3	42.0	40.6	96.6
b) Proceeds of Government Investments	13.0	16.4	126.2	16.0	17.1	107.1
Total	43.0	46.2	107.5	58.0	57.7	99.5

Source: Ministry of Finance and National Economy.

Actual revenue of corporations and enterprises owned by the government or in which the government participated, rose from SDD 46.2 billion in 2004 to SDD 57.7 billion, an increase of 24.9% and an execution rate of 99.5% of the 2005 estimates compared to 107.5% in 2004.

Public Expenditure:

Table (7-4) reflects the actual performance of public expenditure during 2005, compared with 2004:

Table (7-4)
Public Expenditure 2004 and 2005

(SDD Billions)

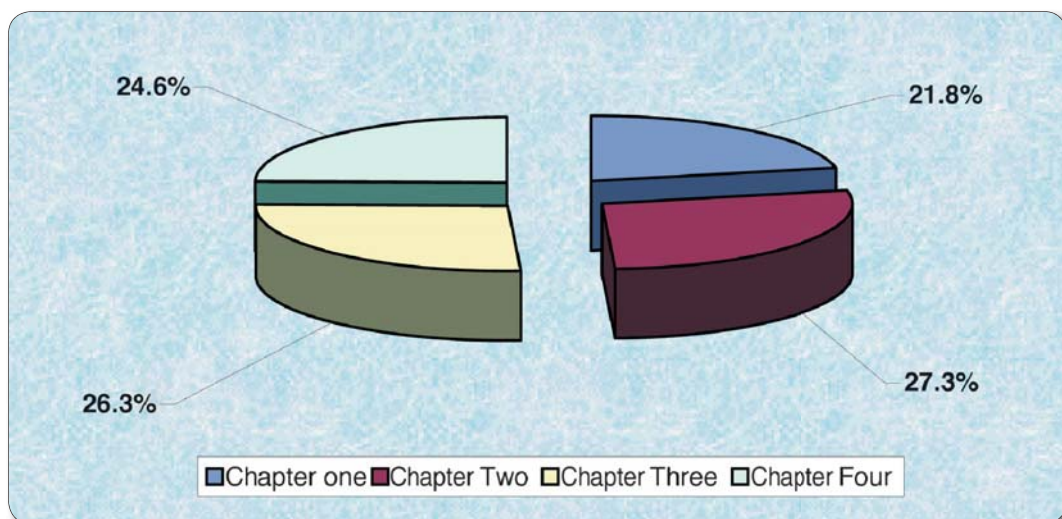
Years	2004			2005		
	Estimates	Actual	% Of Total	Estimates	Actual	% Of Total
Chapter One: Wages, Salaries, and Benefits	286.2	273.3	24.8	301.0	301.1	21.8
Chapter Two: Centralized Items, Operational Expenses and Social Subsidies	304.2	436.0	39.5	378.6	378.6	27.3
Chapter Three: Contribution to States' Support Fund	99.0	84.2	7.6	449.0	363.8	26.3
Chapter Four: Development Expenditure, Contribution in Capital and States Development	290.7	310.3	28.1	322.4	341.2	24.6
Total	980.1	1,103.8	100.0	1,451.0	1,384.7	100.0

Source: Ministry of Finance and National Economy.

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Total actual public spending reached SDD 1,384.7 billion, an increase of 25.4% over that of the previous year. This included SDD1,043.5 billion as current expenditure, representing 57.4% of estimated total expenditure for 2005, and an increase of 31.5% over 2004. This increase was accounted for by a rise in spending in Chapter Three of 332.1% and in Chapter One by 10.2%. However, the spending under Chapter Two dropped by 13.2%. Development expenditure increased by 10.0%, with an execution rate of 95.4% of the 2005 estimates.

Figure (7-2)
Actual Public Expenditure for 2005



Development Expenditure:

Table (7-5) presents actual spending on development in 2005 compared to 2004.

Table (7-5)
Actual Development Expenditure

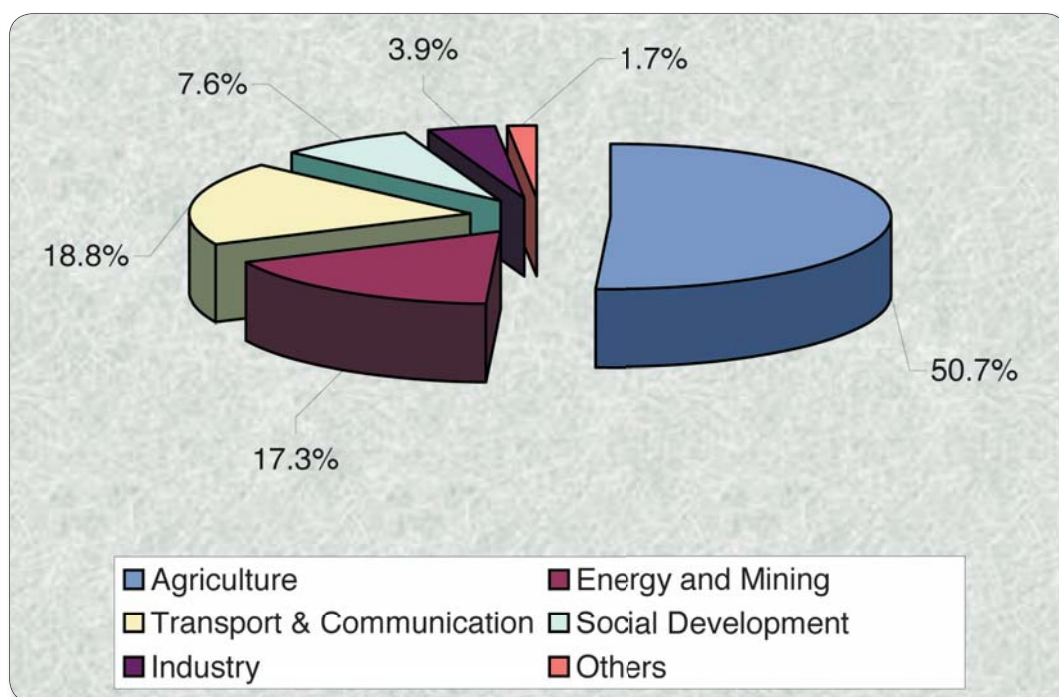
(SDD Billions)

Year	2004				2005			
	Estimates	% of Estimates	Actual Performance	% of Total Performance	Estimates	% of Estimates	Actual Performance	% of Total Performance
1- Agriculture	85.3	44.8	89.6	45.8	74.2	42.7	93.8	50.7
2- Energy and Mining	37.1	19.5	37.6	19.2	20.9	12.0	31.9	17.3
3- Water	8.7	4.6	7.2	3.7	1.8	1.0	0.6	0.3
4- Transport and Communications	23.1	12.1	20.5	10.5	31.1	31.1	34.7	18.8
5- Social Development	20.8	10.9	12.8	6.5	37.5	37.5	14.0	7.6
6- Industry	6.8	3.6	18.1	9.3	7.4	4.3	7.3	3.9
7- Peace and Resettlement Program	8.0	4.2	9.1	4.7	0.0	0.0	0.0	0.0
8- Development Reserve	0.5	0.3	0.6	0.3	1.0	0.6	2.6	1.4
Total	190.3	100.0	195.5	100.0	173.9	100.0	184.9	100.0
Sources of Finance:								
Local	83.5	43.5	146.9	75.1	90.7	52.2	141.6	76.6
External	106.7	56.0	48.6	24.9	83.2	47.8	43.3	23.3

Source: Ministry of Finance and National Economy.

Actual spending on development dropped from SDD 195.5 billion down to SDD 184.9 billion, or by 5.4%. Spending on agriculture, constituted 50.7% of the total, followed by transport and communications, at 18.8%, energy and mining, at 17.3%, industry, at 7.6%, social development, at 3.9%, and water, at 0.3%. The deficit was financed to the tune of SDD 141.6 billion from domestic sources and SDD 43.3 billion from external sources.

Figure (7-3)
Actual Spending on Development



Central Bank of Sudan Lending to the Government:

Article (48-1) of the Central Bank of Sudan Act (2002) allows temporary financing to the government up to 15% of total projected public revenues of the fiscal year following the year in which the finance is granted, provided that this finance would be repaid within the six months following the end of the fiscal year in which the finance was granted.

Net advances to the government decreased from SDD -2.8 billion in 2004 to SDD -21.4 billion in 2005 as a result of the substantial increase in the deposits of the government with the Central Bank of Sudan from SDD 151.5 billion in 2004 to SDD 175.1 billion in 2005, or by 15.6%, in spite of the rise the Central Bank of Sudan balance of government securities (Government Musharaka Certificates 'GMCs' and Government Investment Certificates 'GICs')¹ from SDD 3.8 billion in 2004 to SDD 21.0 billion in 2005 that is 457%. On the other hand, the balance of temporary advances extended to the government declined from SDD 37.5 billion in 2004 to SDD 27.5 billion in 2005.

¹. For more details see Chapter Six.



Foreign Exchange Budget:

Table (7-6) highlights the 2005 foreign exchange budget compared to 2004:

Table (7-6)
Foreign Exchange Budget 2004 and 2005

(US\$ Millions)

Years	2004			2005		
	Estimates	Actual * Perform.	% Of Perform.	Estimates	Actual Perform.	% Of Perform.
Exports	2,655.0	3,777.7	142.3	4,431.7	4,824.3	108.9
Invisible Receipts	1,163.0	1,698.8	146.1	1,240.9	2,083.6	167.9
Drawings of Loans **	207.0	213.2	94.2	395.9	222.4	56.2
Short-term Capital Movements	100.0	-151.1	53.3	466.6	565.9	121.3
Direct Investment	1,089.0	1,511.1	126.7	1,002.7	2,304.6	229.8
a) Total Receipts	5,214.0	7,049.7	136.3	7,537.8	10,000.8	132.7
Imports	2,635.0	3,586.2	136.1	4,714.0	5,946.0	126.1
Invisible payments	2,275.0	2,708.6	119.1	2,558.0	3,669.5	143.5
Loans Repayment	280.0	219.2	122.6	227.4	212.0	93.2
b) Total Payments	5,190.0	6,514.0	127.9	7,499.4	9,827.5	131.0
Foreign Exchange Budget Balance (a - b)	24.0	535.7	-	38.4	173.3	-

Source: Central Bank of Sudan and Ministry of Finance.

* Amended Figures from Annual Report of 2004.

** Drawings do not include the UN and its specialized agencies, the commodity grants and humanitarian aid from the bilateral cooperation countries.

The surplus in the foreign exchange budget stood at US\$ 173.3 million as total receipts in the 2005 foreign exchange budget increased from US\$ 7,049.7 million to US\$ 10,000.8 million, that is an increase of 41.8%. This was due to an increase in capital movements by 474.5% and also to exports, mainly petroleum exports, by 27.7%. Total payments increased, as well, from US\$ 6,514.0 million to US\$ 9,827.5 million, or by 50.9%.

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CHAPTER EIGHT

FOREIGN TRADE



CENTRAL BANK OF SUDAN



CHAPTER EIGHT FOREIGN TRADE

The government foreign trade policy during 2005 remained unchanged. Attention and focus continued on expanding the national export base in general and the non-oil exports in particular, in addition to strengthening their competitiveness and opening of new markets and the development of the traditional markets.

In the context of encouraging intra trade among the common market of East and Southern Africa countries (COMESA), the Sudan continued the practical application of the zero tariff with some member countries of this regional organizations.

Trade Balance:

The trade balance is the difference between the value of the exports and imports of a country. The trade balance will be favourable to a country when the value of its exports exceeds the value of its imports i.e. a surplus when the reverse happens i.e. the value of imports exceeds the value of exports, there will be a deficit and consequently the trade balance will be unfavourable to the country.

Table (8-1) below illustrates the volume of total exports, imports, trade balance and the annual rates of change for 2004 and 2005:

**Table (8-1)
Trade Balance for 2004 and 2005**

(US\$ Millions)

Item	2004	2005
Exports:	3,777.8	4,824.3
Oil Exports	3,100.5	4,187.4
Non-Oil Exports	677.3	636.9
Annual % Change of Exports	48.6%	27.7%
Imports (CIF)	4,075.2	6,756.8
Annual % Change of Imports	41.4%	65.8%
Trade Balance	-297.4	-1,932.5

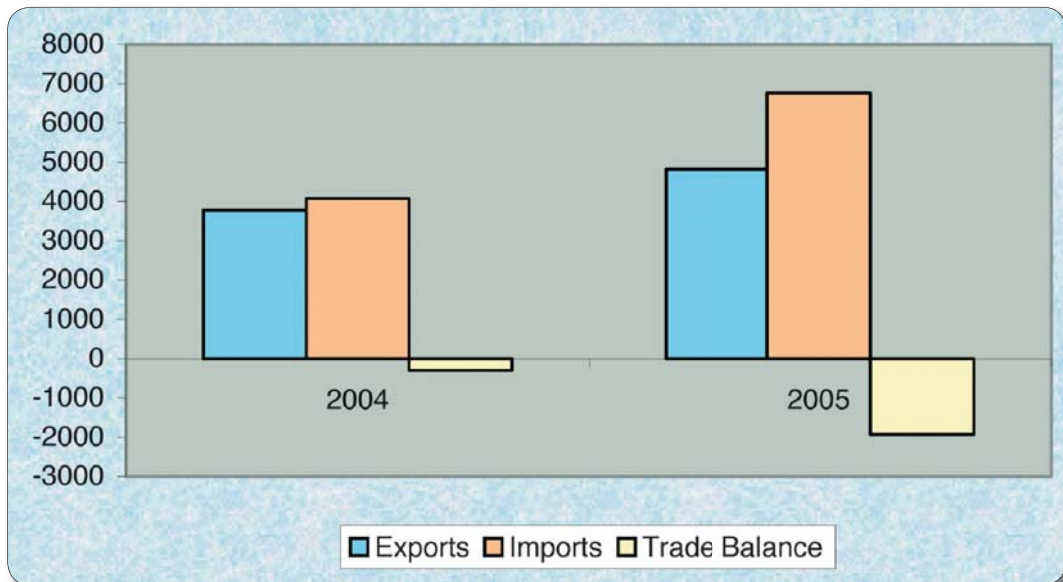
Source: Sudan Customs Authority

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As can be observed from Table (8-1) above, the trade balance deficit increased from US\$ 297.4 million in 2004 to US\$ 1,932.5 million in 2005, i.e. an increase of 549.8%. This increase is attributed to the large rise in the imports proceeds which soared from US\$ 4,075.2 million in 2004 to US\$ 6,756.8 million in 2005, i.e. a rise of 65.8%.

Figure (8-1) below highlights the volume of total exports, imports, trade balance and the annual rates of change for 2005 compared to 2004:

Figure (8-1)
Trade Balance



Structure of Foreign Trade:

First: Exports:

Since 1999 the oil and its by products became among the most important exports of Sudan. In 2005, the exports of oil and it's by products constituted 86.8% of total exports, while the agricultural products with its agrarian and animal sub-sectors ranked second followed by manufactured materials such as sugar and minerals, the most important of which is gold.

Table (8-2) and Figure (8-2) below highlights the proceeds of oil and non-oil exports for 2004 and 2005:





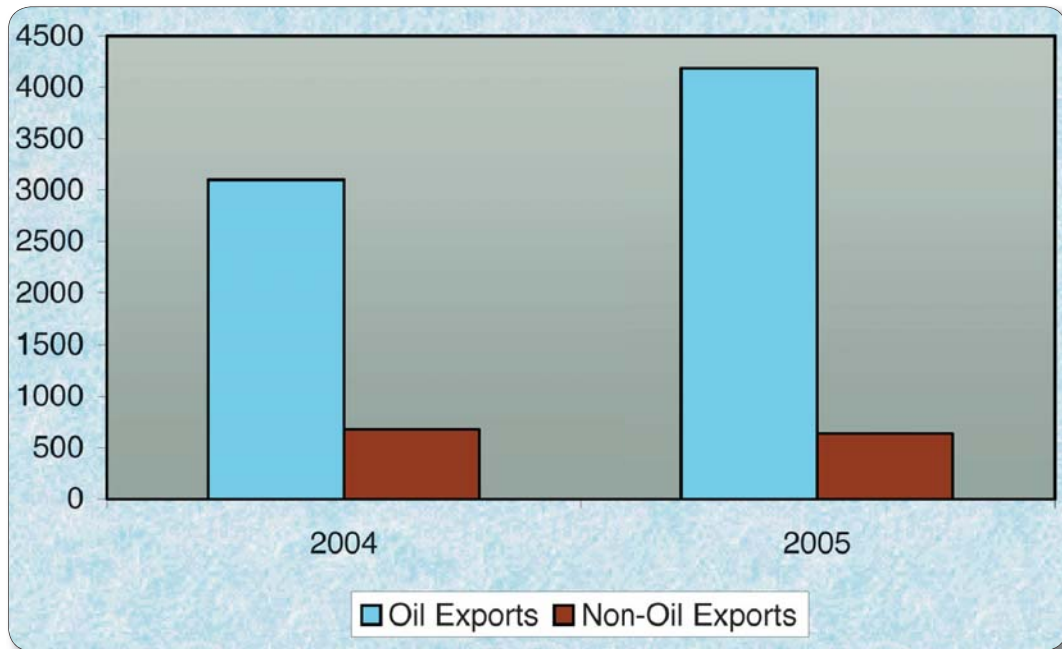
Table (8-2)
Commodity Exports for 2004 and 2005

(US\$ Millions)

Commodity	Unit	2004		2005	
		Quantity	Value	Quantity	Value
Crude Oil	Barrels	81,159,260	2,957.24	79,243,100	3,948.32
Benzene	M.T.	338,552	129.02	480,424	220.73
Kerosene	M.T.	-	-	-	-
Natural Gas	M.T.	38,280	10.28	30,858	9.98
Naphtha	M.T.	33,913	3.05	21,538	8.33
Furnace	M.T.	-	-	-	-
Mixed Gas	M.T.	3,444	0.89	-	-
Cotton	Bale	354,617	93.75	456,614	107.29
Livestock	Head	1,767,105	137.97	1,466,389	114.88
Sesame	M.T.	218,336	178.64	154,675	118.58
Gold	K.G.	6,673.1	50.42	8,517.3	63.65
Gum Arabic	M.T.	27,273	60.6	29,213	107.56
Meat	M.T.	5,661	17.93	5,647	18.16
Hides and Skins	Value	-	26.03	-	21.57
Molasses	M.T.	131,094	7.54	137,513	11.13
Sugar	M.T.	24,325	12.85	24,109	13.48
Dura	M.T.	16,722	3.07	2,336	0.49
Groundnuts	M.T.	3,182	2.38	3,214	2.01
Others	Value	-	86.1	-	58.12
Total		-	3,777.76	-	4,824.28

Source: Sudan Customs Authority.

Figure (8-2)
Commodity Exports for 2004 and 2005



Oil Exports:

The quantities of exported crude oil and its by-products (with the exception of Benzene) decreased from 81.2 million barrels in 2004 to 79.2 million barrels in 2005. The exports of Benzene increased from 338.5 thousand metric tons to 480.4 thousand metric tons in 2005. While the exports of Naphta and Gas declined from 33.9 and 38.3 thousand metric tons in 2004 to 21.5 and 30.8 thousand metric tons in 2005, respectively.

The export proceeds of crude oil rose from US\$ 2,957.2 million in 2004 to US\$ 3,948.3 million in 2005, i.e. a rise of 33.5%. This was due to the increase in the average price of the barrel from US\$ 36.4 million in 2004 to US\$ 49.8 million in 2005.

The export proceeds of the combined oil by-products increased from US\$ 143.2 million in 2004 to US\$ 239 million 2005, i.e. an increase of 67%. This is mainly attributed to the increase of the proceeds Benzene exports from US\$ 129.02 million in 2004 to US\$ 220.73 million in 2005.





Non-Oil Exports:

Total proceeds of non-oil exports (agricultural, livestock, industrial and others) decreased from US\$ 677.3 million in 2004 to US\$ 637 million in 2005 i.e. a decrease of 6%. The details of the key exports are given below:

a) Sesame:

Although sesame occupies the first rank in the list of non-oil exports, its export proceeds declined from US\$ 178.64 million in 2004 to US\$ 118.58 million in 2005 i.e. a decline of 34%. This decline was attributable to the drop in the quantities exported from 218.34 thousand metric tons in 2004 to 154.67 thousand metric tons in 2005 coupled with the slight decline in average international prices and the increase in local consumption.

b) Livestock and Meat:

The export proceeds of livestock and meat continued to rank second in the list of non-oil exports. But despite this fact, its proceeds registered a decrease from US\$ 137.97 million in 2004 to US\$ 114.9 million in 2005 i.e. a decrease of 17%. This was attributable to the drop in the quantities exported from 1,167,105 head in 2004 to 1,466,389 head in 2005. On the other hand, the proceeds of exports of meat witnessed a minor increase despite the decline in the quantities exported from 5,661 metric tons in 2004 to 5,647 metric tons in 2005.

c) Cotton:

The exported quantities of cotton rose from 354,617 bales in 2004 to 456,614 bales in 2005. This was reflected in its export proceeds, which rose from US\$ 93.75 million in 2004 to US\$ 107.29 million in 2005. This is attributable to the opening of new markets, the improvement in the international prices in addition to the increase in dealing with Egypt via COMESA.

d) Gum Arabic:

The export proceeds of gum Arabic jumped from US\$ 60.60 million in 2004 to US\$ 107.56 million in 2005 i.e. a jump of 77.5% this is due to the rise in the price of the ton in internationally besides the increase in the local production.

e) Sugar:

The proceeds of exports of sugar recorded a slight rise from US\$ 12.85 million in 2004 to US\$ 13.48 million in 2005, i.e. a rise of 5% and is due to the comparative advantage of the Sudanese in the European union and the increase in the local production.

f) Molasses:

The proceeds of exports of molasses increased from US\$ 7.54 million in 2004 to US\$ 11.3 million in 2005, i.e. an increase of 47.6% and this is due to the increase in the exported titles and the rise in the international price.



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g) Dura:

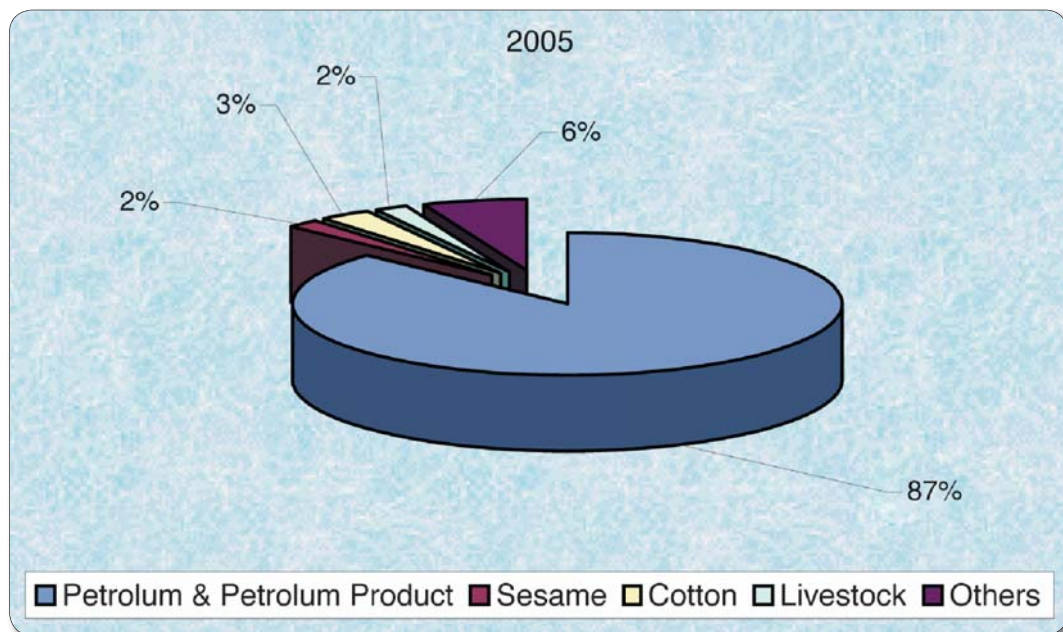
The proceeds of exports of dura declined from US\$ 3.07 million in 2004 to US\$ 0.49 million in 2005, i.e. a decline of 84%. This was attributable to the drop in the production from 4,690 thousand metric tons in season 2003/2004 to 2,678 thousand metric tons in season 2004/2005, i.e. a drop of 42.9%, coupled with the large decrease in exported quantities from 16.7 thousand metric tons to 2.3 thousand metric tons.

h) Gold:

The proceeds of exports of gold increased from US\$ 50.42 million in 2004 to US\$ 63.65 million in 2005, i.e. an increase of 26.2% and this was due to the increase in the quantities exported.

Figure (8-3) below highlights the commodity export classification (comparative advantage) for 2005:

Figure (8-3)
Commodity Exports Classification (Comparative Advantage)
for the year 2005





Second: Imports:

The major imports include: machineries and capital equip-ment, manufactured goods, means of transport, chemicals, foodstuffs, textiles and other materials.

Table (8-3) and Figure (8-4) below exhibit the imports by commodity for 2004 and 2005 while figure (8-5) below illustrates the structure of imports for the same period.

Table (8-3)
Imports by commodity for 2004 and 2005

(US\$ Millions)

Commodity	2004		2005	
	Value	% Total Imports	Value	% Total Imports
Machinery and Equipment	1,080.7	26.5	1,971.9	29.2
Manufactured Goods	996.5	24.5	1,627.9	24.1
Means of Transport	739.3	18.1	1,149.7	17.0
Chemicals	327.5	8.0	493.8	7.3
Wheat and Wheat Flour	257.2	6.3	383.6	5.7
Other Foodstuffs	195.5	4.8	363.9	5.4
Petroleum Products	101.4	4.3	322.0	4.8
Textiles	175.0	2.5	233.7	3.5
Other Raw Materials	96.4	2.4	104.5	1.5
Beverages and Tobacco	39.9	1.0	42.5	0.6
Tea	34.0	0.8	37.0	0.5
Coffee	31.8	0.8	26.3	0.4
Total	4,075.2	100	6,756.8	100

Source: Sudan Customs Authority.

Figure (8-4)
Imports by Commodity for 2005

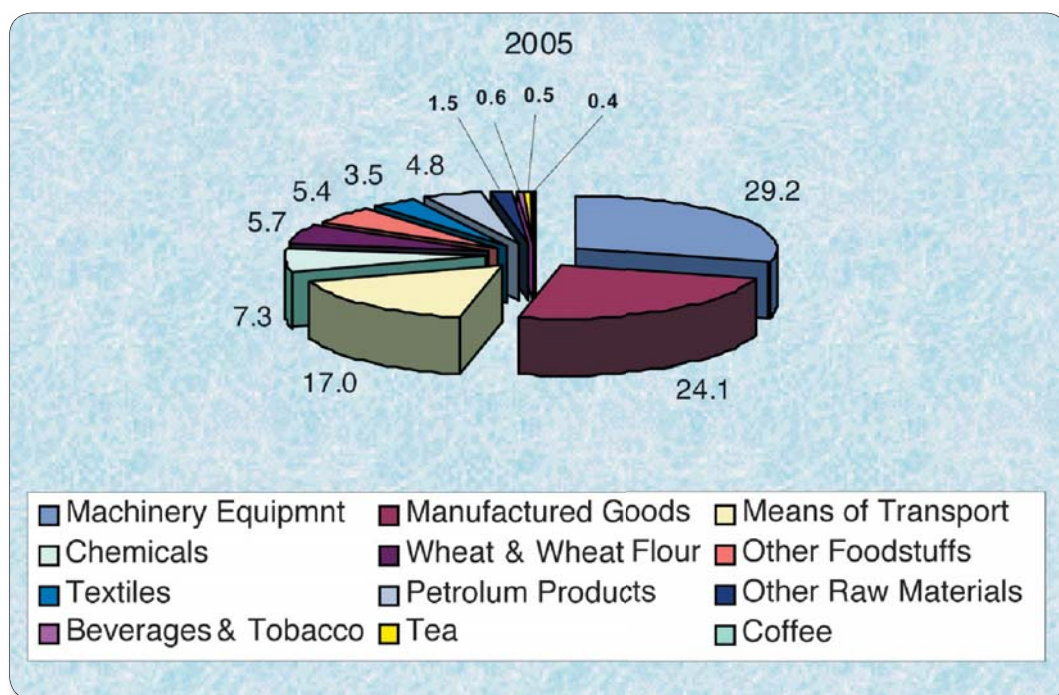
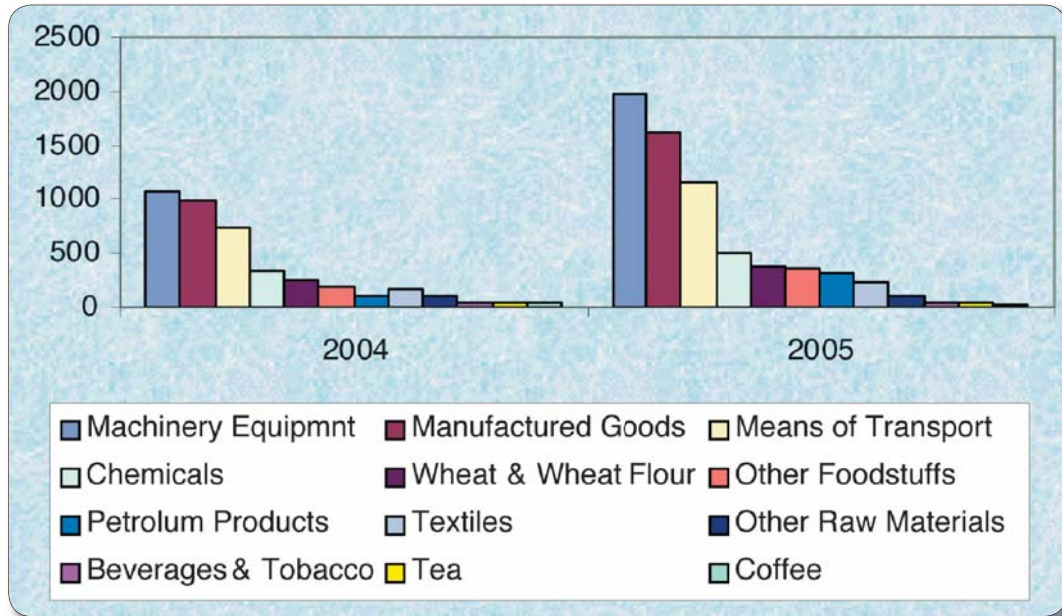


Figure (8-5)
Imports Structure for 2004 and 2005



As can be observed from Table (8-3) above, the value of imports went up from US\$ 4,075.2 million in 2004 to US\$ 6,756.8 million in 2005 i.e. a jump of 65.8%. All the key import items exhibited a noticeable rise. The machinery and equip-ment item registered an increase of 82.5%, the manufactured goods also witnessed a rise of 63.4% and the means of transport went up by 55.5%. Furthermore, the chemical product, the foodstuffs, petroleum product, other materials, beverages and tobacco and textiles recorded an increase of 50.8%, 56.4%, 217.5%, 8.4%, 6.5% and 33.6% respectively.

Direction of Sudan's Foreign Trade:

The Asian countries remained the key market for the Sudanese exports during the last seven years. They also represented the main source of Sudan imports during 2005.

(1) Exports:

Table (8-4) below reflects the direction of Sudan's exports and its percentage of total exports during 2005 compared to 2004:

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Table (8-4)
Direction of Exports by Value for 2004 and 2005
(Value in million US\$)

Importers	2004		2005	
	Value	% Total Exports	Value	% Total Exports
Asian Countries (except Arab Countries)	3,115.6	82.4	4,155.2	86.1
China	2,527.0	66.9	3,427.1	71.0
Japan	402.2	10.6	577.5	12.0
Singapore	49.7	1.3	5.8	0.1
India	27.9	0.7	30.8	0.6
South Korea	23.5	0.6	7.9	0.2
Other Asian Countries	85.3	2.3	106.1	2.2
Arab Countries:	429.9	11.4	377.8	7.8
Saudi Arabia	164.2	4.3	136.4	2.8
United Arab Emirates	90.1	2.4	90.0	1.9
Egypt	108.5	2.9	78.7	1.6
Lebanon	25.0	0.7	42.5	0.9
Syria	15.8	0.4	12.7	0.3
Yemen	3.4	0.1	10.8	0.2
Other Arab Countries	22.9	0.6	6.7	0.1
European Countries:	174.3	4.6	140.3	2.9
European Union Countries	103.5	2.7	109.8	2.3
United Kingdom	59.1	1.5	21.8	0.4
Other European Countries	14.7	0.4	8.7	0.2
The United States of America	2.8	0.1	12.3	0.3
Other Countries	55.2	1.5	138.7	2.9
Total	3,777.8	100.0	4,824.3	100.0

Source: Sudan Custom Authority.



The group of Asian non-Arab countries constituted the largest market for the Sudanese exports (especially oil) during 2005 as they stood at US\$ 4,155.2 million i.e. 86.1% of the value of exports compared to 82.4% in the previous year.

China whose imports of Sudanese exports stood at US\$ 3,427.1, representing 71% of the value of exports, topped the list of countries, followed by Japan whose imports of Sudanese goods reached US\$ 577.5 million constituting 12% of the total value of exports.

During 2005, the value of Sudanese exports to Arab countries witnessed a remarkable decrease as their value reached US\$ 377.8 million compared to US\$ 429.9 million in 2004, i.e. a decrease of 12.1%. The Kingdom of Saudi Arabia ranked first with total imports of Sudanese products of US\$ 136.4 million i.e. 2.8% followed by United Arab Emirates with total imports of US\$ 90.0 million i.e. 1.9% of total imports from Sudan.

Exports to the European countries declined from US\$ 174.3 million in 2004 to US\$ 140.3 million in 2005, i.e. a decline of 19.5%. The European Union countries topped the list of countries importing Sudanese goods with a total value of US\$ 109.8 i.e. 2.3%, followed by the United Kingdom and other European countries with a total value of US\$ 21.8 million and US\$ 8.7 million i.e. 0.4% and 0.2% respectively. On the other hand, the proceeds of exports to the United States of America registered a relative rise from US\$ 2.8 million in 2004 to US\$ 12.3 million in 2005.

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(2) Imports:

Table (8-5) below illustrates the sources of Sudanese imports and their percentages for 2004 and 2005:

Table (8-5)
Sources of Imports for 2004 and 2005

(Value in US\$ Millions)

Sources of Imports	2004		2005	
	Value	% Total Imports	Value	% Total Imports
1- Asian Countries: (Except Arab Countries):	1177.3	28.9	2,560.1	37.9
China	529.6	13.0	1,383.0	20.5
Japan	165.1	4.1	341.8	5.1
India	197.1	4.8	317.8	4.7
South Korea	89.3	2.2	149.8	2.2
Indonesia	50.2	1.2	49.9	0.7
Other Asian Countries	146.0	3.6	317.8	4.7
2- Arab Countries:	1051.1	25.8	1,765.5	26.1
Saudi Arabia	471.5	11.6	627.5	9.3
United Arab Emirates	239.2	5.9	394.7	5.8
Egypt	208.8	5.1	369.5	5.5
Other Arab Countries	131.6	3.2	373.8	5.5
3- European Countries:	992.0	24.3	1,526.1	22.6
European Union Countries	593.6	14.6	751.8	11.1
United Kingdom	151.3	3.7	221.9	3.3
Other European Countries	247.1	6.0	552.4	8.2
4- Australia	168.9	4.1	221.8	3.3
5- United States of America	34.0	0.8	129.7	1.9
6- Other Countries	651.9	16.0	553.6	8.2
Total	4075.2	100.0	6,756.8	100.0

Source: Sudan Customs Authority.



The group of Asian non-Arab countries represented the major source of Sudan's imports in 2005. These imports reached US\$ 2,560.1 million i.e. 37.9% of the value of total imports. China topped the list of these countries, as its exports to Sudan amounted to US\$ 1,383.0 million i.e. 20.5%, followed by Japan and India as their exports to Sudan stood at US\$ 341.8 million and US\$ 317.8 million i.e. 5.1% and 4.7% respectively.

On the other hand, Sudan imports from the group of Arab countries reached US\$ 1,765.5 million i.e. 26.1% of total imports. The Kingdom of Saudi Arabia ranked first among the group of these countries as its exports to Sudan amounted to US\$ 627.5 i.e. 9.3% of total imports, followed by the United Arab Emirates and Egypt with exports to Sudan of US\$ 394.7 million and US\$ 369.5 million i.e. 5.8% and 5.5% respectively.

Sudan's imports from the European countries ranked third in 2005. Their value reached US\$ 1,526.1 i.e. 22.6% of total imports. The European Union countries ranked first as their exports to Sudan stood at US\$ 751.8 million i.e. 11.1% of total imports.

Sudan's imports from Australia and the United States of America amounted US\$ 221.8 million and US\$ 129.7 million i.e. 3.3% and 1.9% respectively. Imports from other countries stood at 8.2% of total imports.

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CHAPTER NINE

BALANCE OF PAYMENTS



CENTRAL BANK OF SUDAN



CHAPTER NINE BALANCE OF PAYMENTS

The balance of payments is a statistical statement recording the economic transactions between a specific economy (resident) and the external world (non-resident) over a given period of time. It is prepared according to the Fifth Edition of the Balance of Payments Manual issued by the International Monetary Fund (IMF) in September 1993. The balance of payments consists of the current account (represented by the trade balance, the services, income and transfers account) and the capital and financial account.

Table (9-1) and Figure (9-1) present a summary of the balance of payments for the two years, 2004 and 2005:

**Table (9-1)
Balance of Payments for 2004 and 2005**

(US\$ Millions)

	2004	2005
(A) Current Account (1+2)	(818.23)	(2,767.95)
1. Trade Balance	191.57	(1,121.71)
2. Services, Income and Transfers	(1,009.80)	(1,646.24)
(B) Capital and Financial Account *	1,353.88	2,880.82
Deficit or Surplus in Current Account and Capital and Financial Account (A + b)	535.65	112.87
(C) Errors and Omissions	194.53	714.61
(D) Convertible Currencies Reserves**	(730.18)	(827.48)

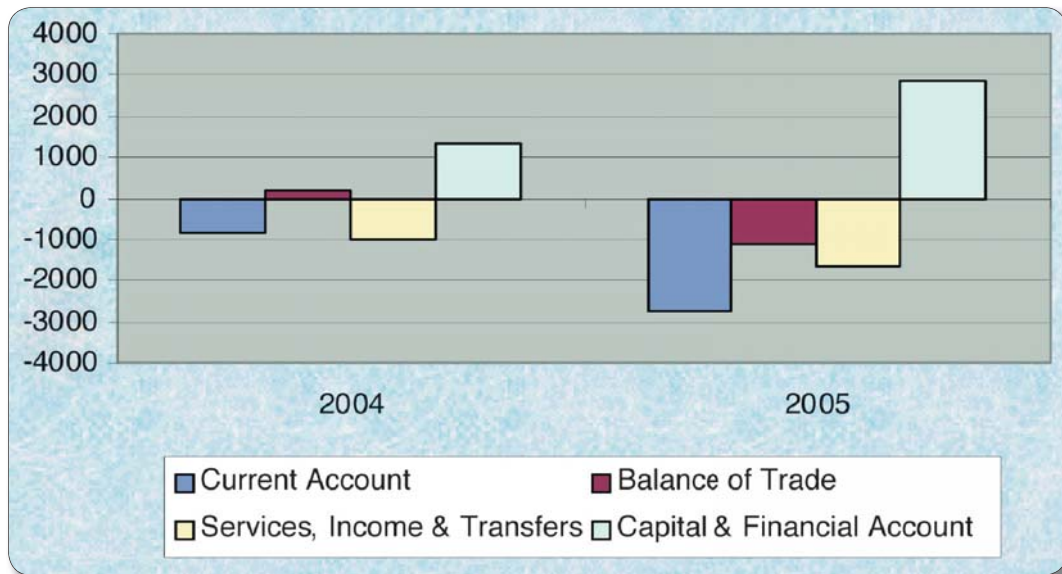
Source: Central Bank of Sudan.

* Since 2003, the Capital Account has been revised to include Capital Account and previous Monetary Movements except Official Balances of Convertible Currencies and it is now called the Capital and Financial Account.

** (-) Minus sign represents increase in reserves.

Figure (9-1)
Balance of Payments for 2004 and 2005

(US\$ Millions)



The overall position of the balance of payments continued to show a surplus during the year. At US\$ 827.48 million, the 2005 surplus was US\$ 97.30 million higher than the US\$ 730.18 million surplus realized in 2004 compared with a surplus of US\$ 422.56 million in 2003. This was attributable mainly to the increase in the Capital and Financial Account from US\$ 1,353.88 million in 2004 to US\$ 2,880.82 in 2005. The current account registered a substantial deficit of US\$ 2,767.95 million compared with a deficit of US\$ 818.23 million in 2004, leading to deterioration in the overall position of the balance of payments in 2005.

Table (9-2) presents the details of the balance of payments for 2004 and 2005 while Appendix (XVII) presents the balance of payments for the last five years (2000 – 2005).



Table (9-2)
Balance of Payments for 2004 and 2005

(US\$ Millions)

	2004	2005 Preliminary
(A) Current Account:		
Exports (FOB):	3,777.75	4,824.28
Petroleum	3,100.46	4,187.36
Others	677.29	636.92
Imports (FOB):	(3,586.18)	(5,945.99)
Government Purchases	(343.07)	(646.67)
Private Sector Purchases	(3,243.11)	(5,299.32)
Balance of Trade	191.57	(1,121.71)
Services, Income and Transfers Account:	(1,009.80)	(1,646.24)
a) Receipts	1,698.80	2,083.69
b) Payments	(2,708.60)	(3,729.93)
Deficit (-) or surplus (+) in Current Account	(818.23)	(2,767.95)
(B) Movements in Capital and Financial Account	1,353.88	2,880.82
Direct Investment (Net)	1,511.07	2,304.64
Investment Fund (Net)	19.94	50.55
Other Investments (Net)	(177.13)	525.63
(1) Official Loans:	(6.01)	10.39
a) Drawings	213.20	222.37
b) Repayments	(219.21)	(211.98)
(2) Trade Facilities (Net)	(58.06)	723.34
(3) Commercial Banks Net Foreign Assets	(28.99)	(151.00)
(4) Central Bank of Sudan Other Assets (Non-Reserves)	(10.17)	(13.00)
(5) Central Bank of Sudan Net External Borrowing Short-Term Loan	(69.19)	44.71
(6) Bilateral Agreements	(4.71)	(3.81)
(7) States' Governments	0.00	(85.00)
Deficit or Surplus in Current and Capital and Financial Accounts	535.65	112.87
Errors and Omissions	194.53	714.61
(C) Official Reserve Assets of Convertible Currencies:	(730.18)	(827.48)

Source: Central Bank of Sudan.

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Components of the Balance of Payments:

First: The Current Account:

a) Visible Transactions:

Table (9-3) presents the quarterly details of the visible trade during 2005 compared to 2004:

Table (9-3)
Visible Transactions for 2004 and 2005

(US\$ Millions)

	Total 2004 Adjusted	2005				
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Exports	3,777.75	1,037.8	1,270.02	1,321.87	1,194.59	4,824.28
Petroleum	3,100.46	888.31	1,115.11	1,165.10	1,018.84	4,187.36
Others	677.29	149.49	154.91	156.77	175.75	636.92
Imports	(3,586.18)	(1,111.73)	(1,338.76)	(1,578.02)	(1,917.48)	(5,945.99)
Government Purchases	(343.07)	(91.69)	(113.94)	(117.31)	(323.73)	(646.67)
In Convertible Currencies	(296.85)	(31.36)	80.60	(33.60)	(260.43)	(406.16)
Others	(46.22)	(60.33)	(33.34)	(83.71)	(63.30)	(240.51)
Private Sector Imports	(3,243.11)	(1,020.04)	(1,224.82)	(1,460.71)	(1,593.75)	(5,299.32)
Deficit (-) or Surplus (+) in Visible Trade	191.57	(73.93)	(68.74)	(256.15)	(722.89)	(1,121.71)

Source: Central Bank of Sudan.

The trade balance in 2005, registered a deficit of US\$ 1,121.71 million against a surplus of US\$ 191.57 million in 2004. This was due to the increase in imports from US\$ 3,586.18 million in 2004 to US\$ 5,945.99 million in 2005. Imports of the private sector went up from US\$ 3,243.11 million in 2004 to US\$ 5,299.32 million in 2005, or by 63%. Also, government imports increased from US\$ 343.07 million in 2004 to US\$ 646.67 million in 2005, by an increase of 88%, including commodity aid which rose remarkably from US\$ 46.22 million to US\$ 240.51 million in 2005, that is by 420%. As for exports, they increased from US\$ 3,777.75 million in 2004 to US\$ 4,824.28 million in 2005 due to the increase in petroleum



exports from US\$ 3,100.46 million to US\$ 4,187.36 million, while other exports decreased from US\$ 677.29 million in 2004 to US\$ 636.92 million in 2005.

(b) The Invisible Transactions:

Table (9-4) presents details of the invisible transactions for 2004 and 2005:

Table (9-4)
Invisible Transactions for 2004 and 2005

(US\$ Millions)

	2004	2005 Preliminary		2004	2005 Preliminary
Invisible Receipts	1,698.80	2,083.69	Invisible Payments	2,708.60	3,729.93
Services	44.13	113.90	Services	1064.53	1,844.38
Travel	21.18	89.13	Travel	175.62	667.47
Transport	9.54	3.40	Transport	841.03	1,079.66
			Petroleum Transport	433.50	403.98
			Other Commodity Transport	407.53	675.68
Communication Services	2.40	3.84	Communication Services	0.09	3.52
Construction Services	0.90	4.07	Construction Services	1.63	0.02
Insurance	0.00	0.00	Insurance	0.20	12.07
Financial Services	0.86	0.00	Financial Services	1.45	1.22
Computer Services and Information	0.00	0.00	Computer Services and Information	2.77	4.59
License and Privilege Fees	0.00	0.00	License and Privilege Fees	0.00	0.00
Other Business Services	0.00	0.06	Other Business Services	0.70	32.56
Personal, Cultural and Recreational Services	0.00	0.01	Personal, Cultural and Recreational Services	0.00	0.00
Unclassified Government Services	9.25	13.39	Unclassified Government Services	41.04	43.27
Income	21.83	44.11	Income	1134.52	1,405.92
Employees Compensations	1.72	1.94	Employees Compensations	2.14	1.73
Investment Returns	20.11	42.17	Investment Returns	1132.38	1,404.19

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Table No. (9-4) Cont'd

(US\$ Millions)

	2004	2005 Preliminary		2004	2005 Preliminary
Government	0.00	0.00	Direct Investment Returns	1037.92	1,334.80
Private Sector	0.00	0.00	Income from Debt	84.23	64.21
Others	20.11	42.17	Others	10.23	5.18
Current Transfers	1,632.84	1,925.68	Current Transfers	509.55	479.63
Government	52.66	245.18	Government	24.17	10.69
Grants	46.22	240.51	Grants	0.00	0.00
Other Transfers	6.44	4.67	Other Transfers	24.17	10.69
Private Sector	1,580.18	1,680.50	Private Sector	485.38	468.94
SNWA Remittances	1,401.23	1,014.11			
Cash Grants	178.95	666.39			
			Deficit (-) or Surplus (+)	-1,009.80	-1,646.24

Source: Central Bank of Sudan.

As Table (9-4) illustrates, there was a rise in the service, income and transfers account from US\$ 1,009.80 million in 2004 to US\$ 1,646.24 million in 2005, i.e. an increase of 63%. This deficit resulted from the increase in invisible payments by 38% whereas invisible receipts rose by 23%.

The invisible receipts increased from US\$ 1,698.80 million in 2004 to US\$ 2,083.69 million in 2005 due to the increase in the receipts from services, income and transfers. Regarding receipts from the services, the item "travel" constituted the highest rate of increase as it rose from US\$ 21.18 million in 2004 to US\$ 89.13 million in 2005, following increased foreign investors activity inside the country. Returns from income doubled from US\$ 21.83 million in 2004 to US\$ 44.11 million in 2005. Also, current transfers increased from US\$ 1,632.84 million in 2004 to US\$ 1,925.68 million in 2005 as a result of the increase in transfers to government, which included commodity aid. Private sector transfers increased due to the increase in the financial grants to NGOs.

The invisible payments went up from US\$ 2,708.6 million in 2004, to US\$ 3,729.93 in 2005, an increase in each of the invisible payments for services and income. Payments for services went up from US\$ 1,064.53 million in 2004 to US\$ 1,844.38 million in 2005, with the highest rates of increase being in the travel and transport items due to the increase



in imports and other business services. Income payments increased from US\$ 1,134.52 million in 2004 to US\$ 1,405.92 million in 2005, due to the increase in payments for returns of direct investment (mostly in the area of petroleum). Current transfers decreased from US\$ 509.55 million in 2004 to US\$ 479.63 million in 2005 because of a drop in government sector and private sector payments.

Second: The Capital and Financial Account:

The capital and financial account items consist of the following:

The Capital Account:

Comprises capital movements and transfers that lead to a change in ownership of fixed assets or foreign debt that a creditor decides to give up for free. It also includes acquisition of non-financial assets or dispensing of them, such as: intellectual property rights, trademark, goodwill, patent rights and copyrights.

The Financial Account:

The financial account registers the economy's transactions in assets and foreign financial obligations. It also includes foreign direct investments, portfolio investments and other recorded investments consisting of net commercial advances and loans, as well as movements in non-reserve assets and the liabilities of the Central Bank of Sudan and commercial banks.

Table (9-5) presents movements in net capital and financial account which went up from US\$ 1,353.88 million in 2004 to US\$ 2,880.82 million in 2005:

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**Table (9-5)
Capital and Financial Account**

(US\$ Millions)

		2004	2005
1-	Capital and Financial Account:	1,353.88	2,880.82
1-1	(A) Capital Account	0.00	0.00
	Exemption from Debt	0.00	0.00
	Acquisition of Non-Financial Assets	0.00	0.00
	Others	0.00	0.00
1-2	(B) Financial Account	1,353.88	2,880.82
1-2-1	Direct Investment:	1,511.07	2,304.64
	In Sudan	1,511.07	2,304.64
	Abroad	0.00	0.00
2-2-1	Portfolio Investments:	19.94	50.55
	Assets	27.97	66.76
	Liabilities	-8.03	-16.21
3-2-1	Other Investments:	-177.13	525.63
	(1) Net Government Loans Inward (+) Outward (-)	-6.01	10.39
1-3-2-1	Government Loan Flows:	213.2	222.37
	Arab Monetary Fund	22.83	15.70
	OPEC Fund	1.31	1.51
	IFAD	6.34	6.91
	Islamic Development Bank	20.59	25.61
	Arab Fund For Economic And Social Development	46.16	81.07
	Saudi Fund	20.67	24.79
	Abu Dhabi Fund	17.48	21.66
	Kuwaiti Fund	13.78	15.33
	Oman	53.92	23.11
	Qatar	3.52	4.27
	China	6.60	2.41
	Government Loans Repayments:	(219.21)	(211.98)



Table No. (9-5) Cont'd

(US\$ Millions)

		2004	2005
	IMF	(32.48)	(33.00)
	World Bank & IDA	(5.00)	(3.00)
	African Development Bank	(6.00)	(3.00)
	OPEC Fund	(7.20)	(3.98)
	IFAD	(3.41)	(2.29)
	Islamic Bank For Development	(9.87)	(5.52)
	Arab Fund For Economic and Social Development	(3.15)	(8.63)
	Arab Monetary Fund	(9.39)	(0.35)
	Saudi Fund	(3.52)	(5.43)
	Abu Dhabi Fund	(1.17)	(1.68)
	Kuwaiti Fund	(8.43)	(5.41)
	Turkey	(2.84)	(2.84)
	China	(86.40)	(90.00)
	Malaysia	(39.21)	(46.85)
	India	(1.14)	0.00
1-2-3-2	(2) Trade Credits and Facilities (Short-term Movements):	(58.06)	723.34
	Assets	437.75	1,209.05
	Liabilities	(495.81)	(485.71)
1-2-3-3	(3) Monetary Authorities Net Foreign: Assets:	(79.36)	31.71
	Assets	(10.17)	(13.00)
	Liabilities	(69.19)	44.71
1-2-3-4	(4) States Governments:	0.00	(85.00)
	Assets	0.00	(85.00)
	Liabilities	0.00	0.00
1-2-3-5	(5) Trade and Payments Agreement:	(4.71)	(3.81)
	Assets	0.00	0.00
	Liabilities	(4.71)	(3.81)
1-2-3-6	(6) Commercial Banks Net Foreign Assets:	(28.99)	(151.00)
	Assets	(42.01)	(198.73)
	Liabilities	13.02	47.73

Source: Central Bank of Sudan.

(-) Refers to an increase in external assets.



CENTRAL BANK OF SUDAN

Net direct investment increased from US\$ 1,511.07 million in 2004 to US\$ 2,304.64 million in 2005, i.e. 52.51%. Portfolio investments also increased from US\$ 19.94 million in 2004 to US\$ 50.55 million in 2005. Similarly, other investments (net) improved from an outflow of US\$ 177.13 million in 2004 to US\$ 525.63 million in 2005, due to the increase in net trade facilities from a reverse flow of US\$ 58.06 million in 2004 to US\$ 723.34 million in 2005. Also, official loans improved by swinging from outflows of US\$ 6.01 million in 2004 to US\$ 10.39 million in 2005. Net foreign assets of the Central Bank of Sudan improved from an outflow of US\$ 79.36 million in 2004 to US\$ 31.71 million in 2005.

Third: The Official Reserves:

The official reserves of foreign convertible currencies show the overall position of the balance of payments, taking into account that the sign (-) indicates an increase in the balance of official reserves.

The movements of official reserves of foreign convertible currencies increased from US\$ 730.18 million in 2004 to US\$ 827.48 million in 2005, representing two-month imports coverage.



CHAPTER TEN

FOREIGN LOANS AND GRANTS



CENTRAL BANK OF SUDAN





CHAPTER TEN FOREIGN LOANS AND GRANTS

Foreign resource flows from loans and grants during 2005 increased to reach US\$ 467.53 million compared with US\$ 265.01 million during the previous year, or 76.42%. This is attributable to the open and outward looking policy of the Government.

This Chapter reviews the position of drawings and repayments of foreign loans and grants during 2005.

First: Foreign Loans:

Drawings from foreign loans rose from US\$ 213.20 million in 2004 to US\$ 222.37 million in 2005. These loans contributed to the construction of Merawi Dam and roads in addition to financing education and health projects.

Drawings from loans extended by the Government of Oman amounted to US\$ 23.11 million, from Saudi Fund for Development, at US\$ 24.79 million from Abu Dhabi Fund for Development, at US\$ 21.67 million and from the Kuwaiti Fund for Development at US\$ 15.33 million. Drawings from loans extended by the Arab Fund for Economic and Social Development, at US\$ 81.08 million, were used to meet expenditures in respect of Atbara – Port Sudan – Haya Highway Project, Merawi Dam Construction Project and some other projects. Drawings from the loan of the Islamic Development Bank, at US\$ 25.61 million were utilized to cover spending on the construction of Khartoum State Water Purification Project of the Um Rowaba – Abu Jibaiha Ring Road Project, as well as for funding other projects. Also, total drawings from the International Fund for Agricultural Development (IFAD) loan amounted to US\$ 6.91 million, and were used for financing the Rural Development Scheme of Northern Kordofan and other projects. Drawings from the OPEC Fund loan totalled US\$ 1.51 million and were utilized for financing the Circular Electricity Line and Building of the Lower Gates of the Roseires Dam, Rehabilitation of the Gezira Scheme Irrigation infrastructure and Rehabilitation of Irrigation in the Northern State. The loan from China, amounting to US\$ 2.41 million, was used for funding the project for rehabilitation of the Electric Power of the National Capital.

Drawings from the Indian Finance Facility rose from US\$ 3.52 million in 2004 to US\$ 4.28 million in 2005 and were used for funding the projects for rehabilitation of locomotives, solar cells and other projects.



CENTRAL BANK OF SUDAN

Table (10-1)
Drawings of Loans and Grants For the years 2004 and 2005
(US\$ Millions)

Particulars	2004	2005
Loans:	<u>213.20</u>	<u>222.37</u>
OPEC Fund	1.31	1.51
Arab Monetary Fund	22.83	15.70
IFAD	6.34	6.91
Islamic Development Bank	20.59	25.61
Kuwaiti Fund	13.78	15.33
Abu Dhabi Fund	17.48	21.67
Arab Fund for Economic and Social Development	46.16	81.08
Saudi Fund	20.67	24.79
Oman	53.92	23.11
China	6.60	2.41
India	3.52	4.28
Grants:	<u>51.81</u>	<u>245.18</u>
Commodity Grants	46.22	240.51
IFAD	0.14	0.00
Islamic Development Bank	0.74	0.30
Arab Fund for Economic and Social Development	4.17	4.37
Saudi Fund	0.04	0.00
African Development Bank	0.50	0.00
Total	265.01	467.53

Source: Central Bank of Sudan.

Second: Foreign Grants:

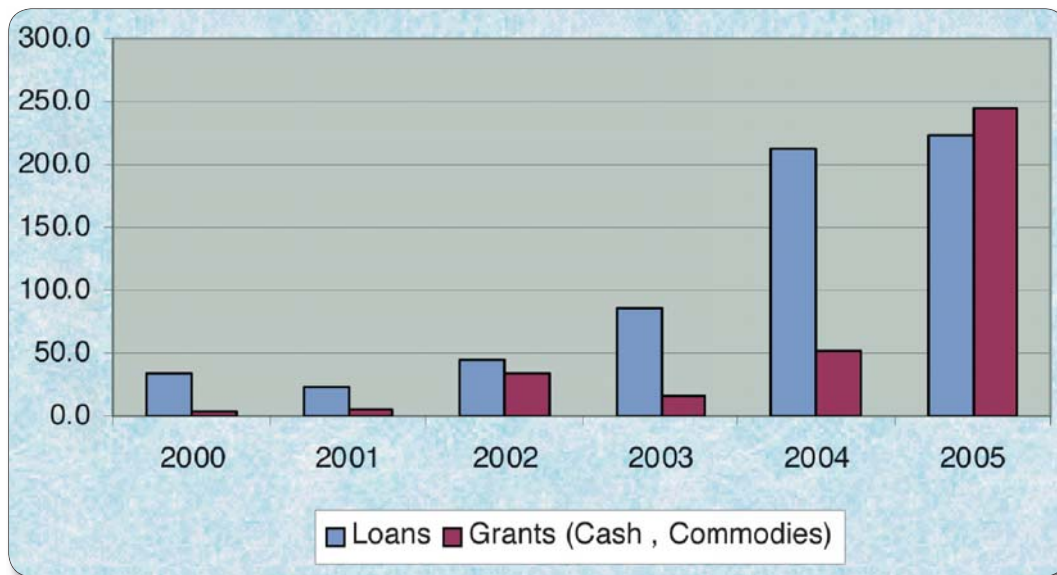
Total drawings from foreign grants in 2005 recorded a substantial increase amounting to US\$ 245.18 million as against US\$ 51.81 million in 2004, an increase of 273.2%, due to the large increase in commodity grants which stood at US\$ 240.51 million in 2005 as against US\$ 46.22 million in 2004.

Drawings from the grants of the Arab Fund for Economic and Social Development stood at US\$ 4.37 million in 2005, and were used to finance Drinking Water Schemes in the South in addition to the rehabilitation of utilities that were affected by the River Gash flooding in 2003 and updating of statistics and economic and social indicators. Drawings from the grants of the Islamic Development Bank amounted to US\$ 0.30 million in 2005



and were utilized for rehabilitating some schools as well as for constructing 22 schools in the Southern States and building and strengthening capacities of banking studies and information technology.

Figure (10-1)
Loans and Grants (Cash, Commodity) During the period 2000 and 2005
 (US\$ Millions)



Third: Repayment of Loans:

Total repayments of external debt constitute 4.39% in terms of total exports for 2005. Table (10-2) shows the position of public sector loans until 21st December 2005, when the obligations due for repayment (except rescheduled loans and interest payments) amounted to US\$ 30.54 billion and the balance remaining for drawing stood at US\$ 3.36 billion.

Total repayments of foreign loans dropped from US\$ 219.20 million in 2004 to US\$ 211.98 million in 2005, by a rate of 3.30%.

During 2005, repayments of loans from China amounted to US\$ 90.00 million, from Malaysia US\$ 46.85 million, the International Monetary Fund US\$ 33.00 million, Arab Fund for Economic and Social Development US\$ 8.63 million, Islamic Development Bank US\$ 5.52 million, Saudi Fund for Development US\$ 5.43 million, Kuwaiti Fund for Development US\$ 5.40 million, OPEC US\$ 3.98 million, African Development Bank, US\$ 3.00 million, World Bank US\$ 3.00 million, in addition to other repayments.



CENTRAL BANK OF SUDAN

Table (10-2)
Position of the Public Sector Loans as at 31.12.2005

	Principal	Drawings during 2005	Total Repayments up to 2005	Repayments during 2005	Cumulative Repayments as at 2005	Debt outstanding as at 31/12/2005	Balance to be drawn as at 31/12/2005
International Organizations:							
World Bank and IDA Loans	5,022,216.00	0.00	5,011,616.00	3,000.00	270,800.00	4,740,810.00	10,600.00
IFAD	566,744.00	6,912.36	5,291,075.00	2,292.00	110,146.00	418,747.46	37,850.54
IMF	5,291,076.00	0.00	528,893.46	33,000.0	3,316,040.00	1,975,036.00	0.00
Islamic Development Bank	658,558.72	25,612.99	485,291.97	5,520.00	109,334.00	375,957.97	173,266.75
OPEC	589,595.91	1,509.50	503,184.00	3,980.00	419,512.00	83,672.00	86,411.91
Arab Monetary Fund	1,205,541.98	15,700.00	1,128,924.00	351.00	52,076.00	1,076,848.00	75,317.98
Arab Fund for Social and Economic Development	2,844,777.11	81,072.82	2,243,425.33	8,631.00	954,980.04	1,288,745.30	601,351.78
African Development Fund	1,156,648.00	0.00	1,062,460.00	0.00	49,744.00	1,012,716.00	94,188.00
African Development Bank	450,216.00	0.00	450,216.00	3,000.00	147,768.00	302,488.00	0.00
European Investment Bank	222,944.00	0.00	221,856.00	0.00	3,660.00	218,196.00	1,088.00
Sub-Total	18,007,317.71	130,807.68	16,926,942.75	59,774.00	5,433,760.04	11,493,182.72	1,080,374.96
Paris Club (Non-Rescheduled):							
Austria	129,668.00	0.00	129,668.00	0.00	0.00	129,668.00	0.00
Belgium	12,228.00	0.00	12,228.00	0.00	0.00	12,228.00	0.00
Canada	16,544.00	0.00	16,544.00	0.00	0.00	16,544.00	0.00
Denmark	97,376.00	0.00	97,376.00	0.00	0.00	97,376.00	0.00

(US\$ 000's)

Table No. (10-2) Cont'd

(US\$ 000's)

	Principal	Drawings during 2005	Total Repayments up to 2005	Repayments during 2005	Cumulative Repayments as at 2005	Debt outstanding as at 31/12/2005	Balance to be drawn as at 31/12/2005
France	493,716.00	0.00	493,716.00	0.00	0.00	493,716.00	0.00
Germany	44,100.00	0.00	44,100.00	0.00	0.00	44,100.00	0.00
Italy	326,452.00	0.00	326,452.00	0.00	0.00	326,452.00	0.00
Japan	417,280.00	0.00	417,280.00	0.00	0.00	417,280.00	0.00
Norway	92,340.00	0.00	92,340.00	0.00	0.00	92,340.00	0.00
Spain	59,932.00	0.00	59,932.00	0.00	0.00	59,932.00	0.00
Switzerland	64,412.00	0.00	64,412.00	0.00	0.00	64,412.00	0.00
United Kingdom	6,792.00	0.00	6,792.00	0.00	0.00	6,792.00	0.00
United States	2,099,380.00	0.00	2,099,380.00	0.00	0.00	2,099,380.00	0.00
Sub-Total	3,860,220.00	0.00	3,860,220.00	0.00	0.00	3,860,220.00	0.00
Arab Countries:							
Abu Dhabi Fund	1,208,842.50	21,657.11	733,434.46	1,680.00	18,684.00	714,750.46	475,408.04
Kuwait	3,700,596.00	15,326.72	3,339,324.87	5,408.00	876,758.00	2,462,566.87	361,271.13
Saudi Fund for Development	5,931,024.00	24,785.08	5,194,426.30	5,430.00	313,394.00	4,881,032.30	736,597.70
Egypt	151,768.00	0.00	151,768.00	0.00	25,992.00	125,767.00	0.00
Algiers	488.00	0.00	488.00	0.00	344.00	144.00	0.00
Iraq	419,628.00	0.00	419,628.00	0.00	133,388.00	286,240.00	0.00
Libya	2,342,688.00	0.00	2,044,220.00	0.00	823,012.00	1,221,208.00	298,468.00
Oman	424,000.00	23,110.61	417,802.44	0.00	0.00	417,802.44	6,197.56

CENTRAL BANK OF SUDAN

Table No. (10-2) Cont'd

(US\$ 000's)

	Principal	Drawings during 2005	Total Repayments up to 2005	Repayments during 2005	Cumulative Repayments as at 2005	Debt outstanding as at 31/12/2005	Balance to be drawn as at 31/12/2005
Qatar	116,000.00	0.00	116,000.00	0.00	0.00	116,000.00	0.00
Total	14,295,034.50	84,897.52	12,417,092.06	12,518.00	2,191,572.00	10,225,520.06	1,877,942.44
Other Countries:							
Czechoslovakia	232,164.00	0.00	232,164.00	0.00	80,000.00	152,164.00	0.00
Hungary	39,712.00	0.00	39,712.00	0.00	15,964.00	23,748.00	0.00
Poland	80,520.00	0.00	80,520.00	0.00	0.00	80,520.00	0.00
Romania	502,272.00	0.00	502,272.00	0.00	0.00	502,272.00	0.00
USSR (former) Scheduled Loans	57,380.00	0.00	57,380.00	0.00	0.00	57,380.00	0.00
China	4,811,236.00	2,408.50	4,391,840.00	90,000.00	1,798,180.00	2,593,660.00	419,396.00
India	200,000.00	4,276.25	56,488.99	0.00	4,450.00	51,928.99	143,511.01
Malaysia	800,000.00	0.00	800,000.00	46,850.00	395,490.00	404,510.00	0.00
Pakistan	39,916.00	0.00	0.00	0.00	0.00	0.00	39,916.00
Turkey	169,936.00	0.00	169,936.00	2,836.00	65,212.00	104,724.00	0.00
Yugoslavia (Croatia)	159,624.00	0.00	159,624.00	0.00	0.00	156,624.00	0.00
Yugoslavia (Serbia)	170,536.00	0.00	170,536.00	0.00	58,776.00	111,760.00	0.00
Iran	718,304.00	0.00	718,304.00	0.00	0.00	718,304.00	0.00
Sub-Total	7,981,600.00	6,684.75	7,378,776.99	139,686.00	2,418,182.00	4,960,594.99	602,823.01
Grand Total	44,144,172.21	222,371.94	40,583,031.81	211,978.00	10,043,514.04	30,539,517.77	3,561,140.41

Source: Central Bank of Sudan



Loans and Grants concluded during 2005:

Table (10-3) below reflects the position of loans and grants concluded during 2005:

Table (10-3)
Loans and Grants Contracted During the Year 2005

(US\$ Millions)

Name of Project	Total Loans & Grants	Loan Fees	Signing date	Grace Period (Year)	Repayment Period (Year)	First Withdrawal Date
LOANS:	1,072.5					
Arab Fund for Economic and Social Development:	84.3					
Merawi Dam Road	13.2	3.0%	April, 2005	4	22	October, 2005
White Nile Sugar Factory	71.1	3.0%	April, 2005	7	16	September, 2005
IFAD:	25.5					
Agricultural Resources Development in Western Sudan	25.5	0.8%	February, 2005	10	30	March, 2006
Islamic Dev. Bank:	63.7					
Development of Irrigation in Three Areas	10.0	2.5%	April, 2005	7	18	Not yet
Development of Khartoum North Thermal Electricity Station	17.7	6.0%	June, 2005	2.5	12	May, 2006
Financing of Imports and Exports	36.0	0.71% + Libor	August, 2004	1.5	N.A	N.A
Arab Monetary Fund:	45.0					
Credit Facility for the Banking System	45.0	3.6%	November, 2005	2	4	November, 2005
Netherlands:	21.5					
Rehabilitation of River Transport	21.5	N.A	May, 2005	N.A	N.A	N.A
Iran:	18.5					
Atbara – Aldamer Potable Water Project	18.5	N.A	August, 2005	3	N.A	N.A.
China:	814.0					
Electric Generators (CNEEN Co.)	5.8	3.0%	January, 2005	2	5	Not yet
Rehabilitation of Cotton Ginning Factories with Boshan Co.	7.1	4.0%	April, 2005	2	6	Not yet
Khartoum North Thermal Electricity Station (CAMC Co.)	175.0	3.7%	April, 2005	3	9	September, 2005

CENTRAL BANK OF SUDAN

Table No. (10-3) Cont'd

(US\$ Millions)

Name of Project	Total Loans & Grants	Loan Fees	Signing date	Grace Period (Year)	Repayment Period (Year)	First Withdrawal Date
Gadarif Water Project	67.2	4.0%	April, 2005	2	6	Not yet
El-Fashir Water Project (CAMC Co.)	32.5	4.0%	April, 2005	2	6	Not yet
Drilling of 150 Wells (Tiingin Co.)	10.5	4.0%	April, 2005	2	6	Not yet
Irrigation Equipment (Boshan Co.)	10.0	4.0%	April, 2005	1.5	5	October, 2005
Engineering Equipment (Camco Co.)	13.3	4.0%	April, 2005	2	6	Not yet
Drilling of 50 Wells in Northern Kordofan State (Tiingin Co.)	3.7	4.0%	June, 2005	1	8	Not yet
Port Sudan Water Project (CMIC Co.)	463.0	4.0%	June, 2005	4	10	Not yet
A Loan not yet allocated	3.6	N.A	July, 2005	N.A	10	Not yet effective
Rabbak Grain Sylo	22.2	4.0%	December, 2005	2	6	Not yet effective
GRANTS:	3.3					
Cash Grants	1.6					
China:						
Non-Allocated Grant	1.2	N.A	July, 2005	N.A	N.A	Not yet effective
Frane:	0.4	N.A	N.A	N.A	N.A	N.A
Feasibility Study on Rehabilitation of Railways	0.4	N.A	April, 2005	N.A	N.A	N.A
Commodity Grants:	1.7					
(W.F.P.) Commodity Grants (School Nutrition and Food for Work Project)						
Cereals	1.2	N.A	N.A	N.A	N.A	N.A
Pulses	0.2	N.A	N.A	N.A	N.A	N.A
Oil and Salt	0.3	N.A	N.A	N.A	N.A	N.A
Total	1,075.8					

**Source: Ministry of Finance and National Economy.
Ministry of International Cooperation.
(N.A) = Not Available.**

Total loans and grants contracted during 2005, amounted to US\$ 1,075.8 million (Table 10-3), comprising loans, cash grants and commodity grants of US\$ 1,072.5 million, US\$ 1.6 million and US\$ 1.7 million respectively. The loans from China constituted 75.9%, from the



Arab Fund for Economic and Social Development, 6.4%, Islamic Development Bank, 4.9% and the Arab Monetary Fund, 3.4% of the total loans contracted during the year under review.

Sudan External Obligations:

External finance is regarded as an effective instrument of development in bridging the domestic gap between savings and investment and between exports and imports by making available liquidity in the form of foreign exchange. The developing countries receive loans and grants from the Inter-national Development Association (IDA) and the Development Assistance Committee (DAC) countries in support of their programmes for sustainable development and economic welfare.

Finance is provided through loans and assistance from various bilateral and multilateral sources such as governments and regional, national and international institutions as well as from the UN specialized agencies. Private loans e.g. for exports promotion, are considered as finance for buying goods and services and drawing from these loans is conditional upon shipment of the contracted goods and services or at the end of the agreed period for completion of work.

The debts to international and regional institutions include the debts due to the international financial institutions such as the IMF and World Bank, the debts to regional institutions such as the Arab Monetary Fund, Arab Fund for Economic and Social Development, OPEC Fund, Saudi Fund in addition to others.

The Paris Club countries include: Member States in the European Economic Community, U.S.A, Japan, Canada and Russia. Non-Paris Club countries comprise Arab countries, countries in economic transition and Asian countries such as India, China, Pakistan, Iran and Malaysia.

Indebtedness to foreign commercial banks refers to the facilities extended to the Government of the Sudan and to the private sector with the backing of government guarantees. Facilities provided by foreign suppliers refer to the value of goods and services imported for the Sudanese Private Sector on short-term basis, which represent amounts whose local counterparts were previously deposited with the Central Bank of Sudan but not transferred abroad due to the scarcity of foreign exchange then.

Sudan's total external obligations reached to US\$ 27,005 million by the end of 2005, compared to US\$ 26,784 million by the end of 2004.



CENTRAL BANK OF SUDAN

Table (10-4) below presents the position of Sudan external obligations:

Table (10-4)
Position of Sudan External Obligations
(US\$ Millions)

Items	2004	2005			
	Total Obligations	Principal Amount	Contractual Interest	Delay Interest	Total Obligations
International and Regional Institutions	4,601	3,086	1,094	281	4,461
Non-Paris Club	9,143	4,256	1,233	4,175	9,664
Paris Club	8,724	2,525	1,568	4,437	8,530
Foreign Commercial Banks	3,511	1,770	1,735	N.A	3,505
Foreign Suppliers	805	845	N.A	N.A	845
Total	26,784	12,482	5,630	8,893	27,005

Source: Central Bank of Sudan (External Debt Unit)

Total external obligations to international, regional and Arab institutions amounted to US\$ 4,461 million by the end of 2005. Settlement of these obligations requires bridge financing to Sudan from the Support Group to wipe of the debt owned to the IMF, World Bank, African Development Bank and European Investment Bank. In order for this to materialize, support of the Arab and European countries is necessary as debt to the IMF and other international institutions is not subject to forgiveness. However, debt to the rest of regional and Arab institutions can be rescheduled in a reasonable manner that enables its settlement and permits the Sudan to obtain additional resources from these institutions.

Sudan's external debt to members of the Paris Club amounted to US\$ 8,530 million at the end of 2005. Four rescheduling agreements were previously concluded with members of the Club (in 1979, 1981, 1983 and 1984) that covered the amounts due until 1984 for the debts signed before the cut-off date** (1st January, 1979). However, Sudan was unable to make use of these rescheduling agreements, as they did not include any exemptions for principal or interest. Rather, Sudan failed to repay its debt and conditions of delay interest

* The cut-off date means the date of calculating the position of the debts overdue, so that all the overdue amounts be treated using conditions that are different from those signed after that cut-off date.



were instead applied on it. Besides, Sudan had not adopted an economic programme under the IMF surveillance. As to the remaining debts after the cut-off date, they were not re-scheduled. These debts are to be treated within the Heavily Indebted Poor Countries (HIPC) initiative. Sudan has the right to apply to make use of this initiative as it meets all of its eligibility conditions. This initiative entitles the eligible country for a 90% debt relief according to the conditions of the Colongue Agreement.

The obligations of Sudan towards the non-Paris Club countries totaled US\$ 9,664 million at the end of 2005. These debts are dealt with through political lobbying to obtain exemption for interest or principal or both and rescheduling any outstanding debt over periods that take into consideration the economic situation of Sudan. On the other hand, there are international endeavours to convert these debts into contributions in national currency in economic and development projects.

The obligations to foreign commercial banks and foreign suppliers amounted to about US\$ 3,505 million and US\$ 845 million respectively. This debt is to be refinanced. A refinancing agreement was signed on 31st December 1980 concerning debts owed to the commercial banks and it was amended twice. The amendment called for adding up arrears of the principal and interest and rescheduling of these under new non-concessional conditions. Sudan did not make use of this arrangement.

CENTRAL BANK OF SUDAN



CHAPTER ELEVEN

THE CENTRAL BANK OF SUDAN ACCOUNTS FOR THE YEAR 2005



CENTRAL BANK OF SUDAN





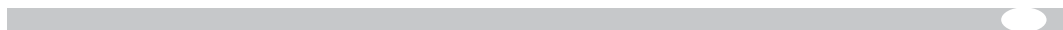
CHAPTER ELEVEN

THE CENTRAL BANK OF SUDAN ACCOUNTS FOR THE YEAR 2005

This Chapter presents the Balance Sheet (Financial Position) of the Central Bank of Sudan and the Profit and Loss Account (The Income Statement) for the year ending 31st December 2005, which were approved by the Auditor General.

FIRST: The Balance Sheet:

Table (11-1) shows the balance sheet of the Central Bank of Sudan as at 31st December 2005, which was previously analyzed in Chapter Six of this Report.



CENTRAL BANK OF SUDAN

**TABLE NO. (11-1)
THE CENTRAL BANK OF SUDAN FINANCIAL POSITION
AS AT 31/12/2005**

(SDD 000's)

PARTICULARS	2004	2005
<u>ASSETS:</u>		
Total Government indebtedness	629,706,069	655,176,876
Foreign Assets	420,161,208	580,228,610
Advances to Banks and Financial Institutions	29,858,117	23,983,664
Long-term Investments	16,503,801	60,086,337
Other Accounts	37,453,196	60,548,984
Fixed Assets	56	62
TOTAL ASSETS	<u>1,133,682,447</u>	<u>1,380,024,533</u>
<u>LIABILITIES:</u>		
Currency in Circulation	319,687,550	398,241,824
Current Accounts	292,759,791	410,206,781
Foreign Liabilities	479,673,946	450,301,366
Other Liabilities	17,144,668	76,555,122
Provisions and Claims	8,473,100	13,965,585
SUB-TOTAL	<u>1,117,739,055</u>	<u>1,349,270,678</u>
Capital and Reserves	8,674,855	17,537,607
Profits	7,268,537	13,216,248
SUB-TOTAL	<u>15,943,392</u>	<u>30,753,855</u>
Total Liabilities, Capital and Reserves	<u>1,133,682,447</u>	<u>1,380,024,533</u>
Contra Accounts	813,322,505	744,137,090

Ibrahim Adam Habib
General Manager
Financial Affairs
and Services Department

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

SECOND: The Income Statement:

Table (11-2) shows the income statement for the year 2005.

TABLE NO. (11-2)
THE CENTRAL BANK OF SUDAN INCOME STATEMENT
FOR THE YEAR ENDING 31/12/2005

(SDD 000's)

PARTICULARS	2004	2005
INCOME:		
Foreign Exchange Operations Income	20,312,151	31,861,245
Investments Income	3,730,829	8,947,780
Other Income	2,338,494	2,151,934
TOTAL INCOME	<u>26,381,474</u>	<u>42,960,959</u>
EXPENSES:		
1- Currency Issuance Expenses	1,652,452	2,047,209
2- Administrative Expenses	7,855,193	10,222,136
3- Capital Expenses (Depreciation)	368,725	283,988
Provisions and Claims	5,676,066	12,666,947
TOTAL EXPENSES AND PROVISIONS	<u>15,552,437</u>	<u>25,220,280</u>
TOTAL PROFIT FOR DISTRIBUTION	10,829,037	17,740,679
Transfer to Reserves	3,560,500	4,524,431
NET PROFIT DUE TO THE GOVERNMENT ACCORDING TO ARTICLE 18 OF THE ACT OF THE CENTRAL BANK OF SUDAN	7,268,537	13,216,248

Below are details of the changes in the items of the income statement.

1) Income:

Revenues increased from SDD 26.4 billion in 2004 to SDD 43.0 billion in 2005, an increase of 62.9%, resulting from the increase in the revenues from foreign exchange dealings of SDD 11.5 billion and investment revenues by SDD 5.2 billion while other income decreased by SDD 0.2 billion.

CENTRAL BANK OF SUDAN

2) Expenses:

The Bank's expenses (Items 1, 2 and 3 of Table "2-11") increased from SDD 9.9 billion in 2004 to SDD 12.5 billion in 2005; an increase of 26.3% resulting from the increase in the administrative costs and the expenses of issuing the currency, while the capital expenses witnessed a drop.

3) Profits:

Net profits increased to SDD 17.7 billion in 2005, compared with SDD 10.8 billion in 2004, an increase of 63.9%. Profits were distributed by crediting the reserves account with the amount of SDD 4.5 billion and transferring SDD 13.2 billion to the Government Account in conformity with Article (18) of the Central Bank of Sudan Act (2002).





THIRD: Auditor's Opinion:

We have audited the Accompanying Financial Statements (Balance Sheet, Income and Cash Flow Statements) of the Central Bank of Sudan for the year ended 31/12/2005.

The preparation of the Financial Statements is the responsibility of the Bank's management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements present a true and fair view of the position of the Bank as at 31/12/2005, and the results of its operations and cash flows for the year then ended and have been properly prepared and in accordance with the Accounting Standards issued by the Islamic Financial Institutions Committee.

CENTRAL BANK OF SUDAN



APPENDICES



CENTRAL BANK OF SUDAN



Appendix (I)
Khartoum Banks Clearing House 1995 - 2005

(SDD Millions)

	Settlements		Clearings	
	Daily Rate	Total	Daily Rate	Total
1995:				
January – March	211	15,882	819	61,392
April – June	243	17,607	974	70,224
July – September	249	18,914	1,084	81,682
October - December	285	21,870	1,656	126,731
1996:				
January – March	350	25,811	1,870	138,908
April – June	406	28,057	1,820	126,002
July – September	562	43,820	2,078	162,121
October - December	549	42,215	2,406	181,159
1997:				
January – March	664	43,560	2,747	179,940
April – June	639	43,479	2,804	191,013
July – September	646	47,814	2,907	215,073
October - December	638	47,826	3,294	247,350
1998:				
January – March	807	56,235	3,685	258,834
April – June	831	54,213	9,508	624,441
July – September	774	58,674	3,497	265,395
October - December	927	70,671	3,899	297,927
1999:				
January – March	1,014	68,916	4,522	308,037
April – June	1,075	78,339	4,866	355,355
July – September	911	64,609	4,271	302,325
October - December	849	62,870	4,874	363,128
2000:				
January – March	1,036	72,455	5,131	341,937
April – June	1,113	82,361	5,094	377,073
July – September	1,270	95,131	5,305	397,921
October - December	1,315	98,031	5,752	428,967

CENTRAL BANK OF SUDAN

Appendix (I) Cont'd

(SDD Millions)

	Settlements		Clearings	
	Daily Rate	Total	Daily Rate	Total
2001:				
January – March	1,426	97,966	6,073	417,867
April – June	1,582	116,834	6,542	483,775
July – September	3,347	138,211	11,200	493,874
October - December	1,481	107,911	6,793	493,794
2002:				
January – March	1,885	135,531	7,175	516,444
April – June	1,993	151,305	7,793	591,538
July – September	1,256	153,848	5,357	610,617
October - December	1,256	161,735	5,357	632,264
2003:				
January – March	1,256	169,197	5,357	654,176
April – June	2,297	172,262	9,566	717,450
July – September	2,387	186,312	9,463	738,262
October - December	2,825	191,186	11,017	745,538
2004:				
January – March	3,174	220,057	11,917	827,373
April – June	3,184	236,339	12,662	948,197
July – September	3,537	272,034	13,850	1,065,492
October – December	4,158	286,481	14,181	1,032,433
2005:				
January	3,988	83,752	15,314	321,599
February	3,908	74,261	14,883	327,434
March	4,135	111,643	15,563	420,193
April	4,130	94,994	16,673	383,472
May	4,709	122,426	17,469	454,200
June	4,456	111,398	15,743	393,577
July	4,504	108,090	18,247	437,932
August	4,838	120,947	17,351	433,780
September	4,469	107,254	17,082	409,961
October	4,018	108,492	17,415	470,203
November	4,944	113,702	17,957	413,019
December	4,713	117,819	19,936	498,396

Appendix (II)
Currency in Circulation 1995 – 2005

(SDD Millions)

End of Month	With Banks	With Public	Total
December, 1995	2,254	24,863	27,117
December, 1996	4,284	44,439	48,723
December, 1997	5,123	58,494	63,617
December, 1998	4,332	82,140	86,472
December, 1999	5,800	108,108	113,908
December, 2000	13,403	142,082	155,485
December, 2001	12,801	153,836	166,637
December, 2002	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
2004:			
March	14,010	156,135	270,145
June	13,918	254,189	268,107
September	16,789	265,105	281,894
December	14,791	304,897	319,688
2005:			
March	19,758	322,968	342,726
June	21,496	324,712	346,208
September	23,879	334,400	358,279
December	22,108	376,134	398,242

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Appendix (III) Coins in Circulation (1995 – 2005)

(SDD 000's)

End of Month	With Banks	With Public	Total
December, 1995	-	14,052	14,052
December, 1996	-	24,575	24,575
December, 1997	-	81,311	81,311
December, 1998	-	299,710	299,710
December, 1999	-	484,590	484,590
December, 2000	-	764,195	764,195
December, 2001	-	952,268	952,268
December, 2002	-	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	-	1,737,933	1,737,933
2004:			
March	-	1,971,232	1,971,232
June	-	2,155,269	2,155,269
September	-	2,433,126	2,433,126
December	-	2,588,504	2,588,504
2005:			
March	-	2,761,702	2,761,702
June	-	2,926,479	2,926,479
September	-	3,075,642	3,075,642
December	-	3,185,261	3,185,261

Appendix (IV)
Analysis of Currency in Circulation by Denomination
as at 31st December, 2004 and 31 December, 2005

(SDD 000s)

Denomination	2004*	2005
Notes:		
5000 SDD	0.0	60,458,070.0
2000 SDD	47,450,348.0	58,003,822.0
1000 SDD	150,306,962.5	180,047,631.5
500 SDD	91,499,529.4	74,610,982.7
200 SDD	16,107,974.3	9,880,059.6
100 SDD	7,582,550.7	8,032,512.8
50 SDD	3,150,428.1	3,028,108.9
25 SDD	185,708.4	185,675.2
10 SDD	425,732.9	425,723.7
5 SDD	155,771.9	155,771.3
Others	234,040.4	228,205.8
Total	317,099,046.6	395,056,563.4
Coins:		
50 SDD	923,923.4	1,301,987.7
20 SDD	825,344.7	973,494.9
10 SDD	625,879.4	689,027.0
5 SDD	188,404.8	195,795.9
2 SDD	18,070.2	18,070.1
1 SDD	678.8	676.9
Others	6,203.0	6,208.1
Total	2,588,504.3	3,185,260.6
Grand Total	319,687,550.9	398,241,824.0

* Amended Figures.

CENTRAL BANK OF SUDAN

Appendix (V) Money Supply 1996 - 2005

(SDD millions)

	31/12/ 1996	31/12/ 1997	31/12/ 1998	31/12/ 1999	31/12/ 2000*	31/12/ 2001	31/12/ 2002	31/12/ 2003	31/12/ 2004	31/12/ 2005
Money Supply:										
Currency With Public	44,440	58,494	82,140	108,108	142,082	153,836	193,582	240,207	304,897	376,134
Demand Deposits	32,810	43,155	48,722	61,505	92,505	117,551	158,682	218,274	299,472	436,872
Quasi - Money	39,350	58,065	76,090	88,305	112,084	160,826	211,003	275,605	356,077	565,183
Total	116,600	159,714	206,951	257,918	346,671	432,213	563,267	734,086	960,446	1,378,189
Net Foreign Assets:										
BOS External Assets	15,474	14,046	21,547	48,634	73,103	41,249	119,797	229,717	420,360	580,428
Fund Accounts	-251,070	-269,489	-366,725	-398,756	-373,834	-358,365	-384,331	-415,376	-411,848	-347,370
Short Term Loans	-18,818	-19,781	-27,939	-25,681	-27,848	-26,078	-26,479	-26,734	-26,472	-25,145
Payment Agreements	-14,476	-17,004	-23,299	-24,913	-24,616	-19,637	-19,119	-15,312	-14,098	-12,089
Rescheduling Accounts	-71,212	-83,991	-115,988	-125,426	-124,365	-126,337	-126,458	-125,723	-121,118	-111,409
Time Liabilities	-79,753	-97,620	-134,379	-170,115	-181,256	-195,146	-207,328	-218,633	-221,723	-215,912
Other Liabilities	-55,375	-59,061	-82,406	-91,572	-89,049	-92,938	-94,726	-113,325	-98,018	-87,712
Net Foreign Assets (Commercial Banks)	25,676	40,086	59,200	65,123	69,843	80,624	114,198	115,481	123,062	148,001
Total	-449,554	-492,815	-669,990	-722,706	-678,022	-696,627	-624,446	-569,905	-349,855	-71,208
Evaluation Adjustment	465,729	529,305	731,140	796,126	777,555	766,300	794,318	816,977	799,762	763,513
Domestic Credit										
Net Claims on Government	47,525	57,458	71,809	100,971	106,102	137,364	130,760	111,666	32,514	42,995
Claims on State and Local Governments	-	-	-	71	5	526	1,328	1,283	1,283	634
Claims on Public Enterprises	2,041	1,894	2,783	8,176	22,789	23,868	17,305	28,639	28,850	39,949
Total	49,567	59,352	74,592	109,218	128,896	161,758	149,393	141,588	62,647	83,578
Claims on Private Sector										
Commercial Banks	32,124	39,711	44,764	43,937	87,062	130,487	180,313	282,180	421,740	679,202
Specialized Banks	17	164	523	260	0	0	0	0	0	0
Total	32,141	39,874	45,287	44,197	87,062	130,487	180,313	282,180	421,740	679,202
Other Items Net	18,718	23,997	25,923	31,083	31,180	70,295	63,689	63,246	26,152	-76,896

* Revised figures according to the new presentation of Central Bank of Sudan Balance Sheet.

Appendix (VI)-A Assets and Liabilities of the Central Bank of Sudan 1995 – 2005

(A S S E T S) (SDD Millions)

End of Period	Foreign Notes, Cheques and Bank Balances	Foreign Securities	Other External Assets	Government Main A/C	Government Musharaka Certificates	Loans and Advances	Temp. Advances	Long-Term Loans to Govt.	Central Bank Musharaka Certificates	Advances to Public Enterprises	Participation in Banks	Other Participations	Non-Transferable Treasury Bills	Other Accounts	Total
Dec. 1995	8,587	10.5	1,208	6,125	0	310	19,247	932	0	217	45.5	1.5	593	137,155	174,432
Dec. 1996	18,537	10.5	565	6,125	0	220	51,677	932	0	217	132	2	593	245,436	324,447
Dec. 1997	14,036	10.5	575	6,125	0	2,198	59,577	932	0	217	191	42	593	299,222	383,718
Dec. 1998	21,446	100	794	6,125	0	5,621	68,577	932	0	217	523	4,261	593	410,590	519,779
Dec. 1999	48,534	100	406	0	0	6,660	12,000	95,080	0	3,453	548	6,303	0	459,437	632,521
Dec. 2000	71,721	702	406	0	0	6,070	8,000	107,303	0	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
Dec. 2003	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
Dec. 2004	413,297	6,470	395	0	3,763	21,364	37,494	107,303	0	11,361	8,621	4,120	0	520,517	1,134,705
2005:															
January	463,413	8,932	395	0	13,476	22,364	38,395	107,303	0	11,169	8,621	4,747	0	534,477	1,213,292
February	469,806	8,932	395	0	13,476	22,164	40,394	107,303	0	11,046	8,621	5,797	0	536,515	1,224,449
March	462,830	8,932	393	0	11,928	21,749	44,294	107,303	0	10,584	8,621	5,985	0	518,846	1,201,465
April	510,747	8,932	393	0	10,669	21,528	48,194	107,303	0	10,307	8,621	5,854	0	518,731	1,251,278
May	499,749	8,932	392	0	12,014	21,142	47,994	107,303	0	11,800	8,621	5,854	0	532,010	1,255,810
June	516,623	8,932	390	0	29,931	20,488	37,494	107,303	0	11,625	10,856	6,479	0	539,459	1,289,580
July	521,027	8,932	383	0	25,608	19,952	37,494	107,303	0	13,257	10,836	7,730	0	555,188	1,307,710
August	558,240	8,932	382	0	21,600	19,149	37,494	107,303	0	15,056	10,832	7,729	0	563,579	1,350,296
September	562,548	8,932	376	0	7,320	18,350	37,494	107,303	0	15,666	11,812	7,730	0	573,798	1,351,329
October	571,587	8,932	370	0	4,411	16,839	39,494	107,303	0	15,640	11,792	8,907	0	579,348	1,364,623
November	587,274	8,932	365	0	2,849	16,653	38,493	107,303	0	12,190	11,777	8,908	0	573,549	1,368,293
December	570,934	8,932	364	0	20,958	15,637	27,494	105,103	0	10,858	19,333	8,908	0	593,347	1,381,868



CENTRAL BANK OF SUDAN

Appendix (VI)-B Assets and Liabilities of the Central Bank of Sudan (1995 - 2005)

End of Period	(LIABILITIES)											(SDD Millions)										
	Currency in Circulation	Govern-ment A/Cs	Central* Bank Musharaka Certificates	Bank's Accounts	Other Accounts	Payment Agree-ments	Other Sight Liabilities	Time Liabilities	Capital and Reserves	Others	Total	Currency in Circulation	Govern-ment A/Cs	Central* Bank Musharaka Certificates	Bank's Accounts	Other Accounts	Payment Agree-ments	Other Sight Liabilities	Time Liabilities	Capital and Reserves	Others	Total
Dec. 1995	27,117	260	0	6,833	73,382	8,366	1,433	42,901	162	13,978	174,432	27,117	260	0	6,833	73,382	8,366	1,433	42,901	162	13,978	174,432
Dec. 1996	48,723	7,028	0	13,370	131,419	14,476	4,471	80,707	243	24,010	324,447	48,723	7,028	0	13,370	131,419	14,476	4,471	80,707	243	24,010	324,447
Dec. 1997	63,617	8,591	0	20,939	146,891	17,004	2,863	98,441	678	24,693	383,718	63,617	8,591	0	20,939	146,891	17,004	2,863	98,441	678	24,693	383,718
Dec. 1998	86,472	3,012	0	23,419	203,558	23,299	2,343	135,508	1,044	41,124	519,779	86,472	3,012	0	23,419	203,558	23,299	2,343	135,508	1,044	41,124	519,779
Dec. 1999	113,908	4,019	0	33,308	230,381	24,913	2,516	170,706	1,251	51,519	632,521	113,908	4,019	0	33,308	230,381	24,913	2,516	170,706	1,251	51,519	632,521
Dec. 2000	155,485	6,807	0	42,055	248,640	24,616	4,260	181,256	1,667	26,356	691,142	155,485	6,807	0	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	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	205,575	27,274	5,638	65,429	226,111	19,119	5,201	207,328	2,782	39,519	803,976
Dec. 2003	252,053	64,784	2,012	80,570	244,130	15,312	20,664	218,633	4,392	50,261	952,810	252,053	64,784	2,012	80,570	244,130	15,312	20,664	218,633	4,392	50,261	952,810
Dec. 2004	319,688	151,549	0	121,723	222,590	14,098	15,166	221,723	5,837	62,331	1,134,705	319,688	151,549	0	121,723	222,590	14,098	15,166	221,723	5,837	62,331	1,134,705
2005:																						
January	346,691	169,408	0	130,580	233,228	13,974	4,147	221,611	5,837	87,816	1,213,292	346,691	169,408	0	130,580	233,228	13,974	4,147	221,611	5,837	87,816	1,213,292
February	332,723	171,572	0	142,798	234,627	13,975	5,373	221,167	5,837	96,377	1,224,449	332,723	171,572	0	142,798	234,627	13,975	5,373	221,167	5,837	96,377	1,224,449
March	342,726	158,748	0	138,868	231,946	13,890	3,914	220,457	8,675	82,241	1,201,465	342,726	158,748	0	138,868	231,946	13,890	3,914	220,457	8,675	82,241	1,201,465
April	346,230	174,603	0	146,614	229,832	13,849	10,739	220,398	8,675	100,338	1,251,278	346,230	174,603	0	146,614	229,832	13,849	10,739	220,398	8,675	100,338	1,251,278
May	341,648	161,809	0	180,448	230,884	13,529	1,989	219,441	8,675	97,387	1,255,810	341,648	161,809	0	180,448	230,884	13,529	1,989	219,441	8,675	97,387	1,255,810
June	346,208	178,475	0	188,711	227,881	13,421	12,590	218,255	8,675	95,364	1,289,580	346,208	178,475	0	188,711	227,881	13,421	12,590	218,255	8,675	95,364	1,289,580
July	349,180	188,366	0	189,992	224,481	13,002	9,160	214,644	8,675	110,210	1,307,710	349,180	188,366	0	189,992	224,481	13,002	9,160	214,644	8,675	110,210	1,307,710
August	358,480	183,733	0	202,381	223,059	12,959	20,238	214,103	8,675	126,668	1,350,296	358,480	183,733	0	202,381	223,059	12,959	20,238	214,103	8,675	126,668	1,350,296
September	358,279	191,721	0	200,685	229,802	12,721	18,810	210,365	8,675	120,271	1,351,329	358,279	191,721	0	200,685	229,802	12,721	18,810	210,365	8,675	120,271	1,351,329
October	404,352	207,783	3,940	182,848	225,010	12,466	1,648	206,919	8,675	110,982	1,364,623	404,352	207,783	3,940	182,848	225,010	12,466	1,648	206,919	8,675	110,982	1,364,623
November	376,798	214,570	4,690	188,133	222,323	12,134	12,628	204,133	8,675	124,209	1,368,293	376,798	214,570	4,690	188,133	222,323	12,134	12,628	204,133	8,675	124,209	1,368,293
December	398,242	175,123	13,500	193,429	205,043	12,089	2,386	215,912	14,034	152,110	1,381,868	398,242	175,123	13,500	193,429	205,043	12,089	2,386	215,912	14,034	152,110	1,381,868

* Since October 2005, Central Bank of Sudan Musharaka Certificates were incorporated.

Appendix No. (VII)-A
Consolidated Balance Sheet of The Commercial Banks (1995-2005)

(ASSETS) (SDD MILLIONS)

End of Period	Cash	Due From Central Bank of Sudan	Due from Local Banks	Foreign Cores pondents	Claims on Central Govern- ment	Advances	Other Accounts	Total
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	185,377	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
Dec. 2003	11,845	79,165	9,225	130,273	35,044	216,023	308,022	789,597
Dec. 2004	14,791	103,642	12,867	141,189	46,637	285,964	438,416	1,043,506
2005:								
January	25,177	106,605	6,060	159,878	47,463	294,034	464,747	1,103,964
February	21,631	117,518	8,242	159,840	53,175	319,646	469,503	1,149,555
March	19,759	112,043	8,447	156,365	54,318	335,324	481,791	1,168,047
April	24,416	118,136	10,398	159,984	57,329	349,197	511,260	1,230,720
May	24,502	123,435	9,258	184,177	63,974	348,533	529,980	1,283,859
June	21,496	126,879	9,650	199,233	59,134	359,070	572,339	1,347,801
July	24,205	143,248	10,979	199,437	58,688	369,504	567,103	1,373,164
August	21,225	140,692	9,131	192,581	63,940	374,220	582,676	1,384,465
September	23,879	143,917	14,510	178,256	73,282	391,177	608,346	1,433,367
October	25,774	127,951	12,862	169,904	76,545	416,870	568,889	1,398,795
November	30,265	131,546	12,877	159,275	80,591	433,836	585,099	1,433,489
December	22,107	148,005	16,661	175,687	88,037	470,025	609,788	1,530,310

* Amended Figures.

CENTRAL BANK OF SUDAN

Appendix (VII)-B Consolidated Balance Sheet of the Commercial Banks (1995 – 2005)

(SDD Millions)

(LIABILITIES)

End of Period	Federal Government Deposits	State, Local and Private Deposits	Bank of Sudan	Other Banks	Foreign Banks	Capital Reserves	Other Accounts	Total
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
Dec. 2003	6,444	466,508	14,910	2,156	14,792	110,308	174,479	789,597
Dec. 2004	11,287	635,361	10,646	4,807	18,127	143,711	219,567	1,043,506
2005:								
January	15,192	691,432	9,686	2,954	25,839	139,707	219,154	1,103,964
February	18,637	723,958	9,646	2,226	21,362	136,604	237,122	1,149,555
March	15,233	743,650	9,023	2,761	20,895	136,261	240,224	1,168,047
April	13,469	783,755	8,718	2,237	22,073	134,759	265,709	1,230,720
May	14,674	815,002	10,428	2,136	21,812	133,626	286,181	1,283,859
June	18,798	820,174	10,811	2,188	22,153	136,177	337,500	1,347,801
July	19,179	843,863	11,209	5,538	25,289	133,628	334,458	1,373,164
August	21,920	845,878	9,068	4,702	22,470	135,011	345,416	1,384,465
September	27,648	860,745	7,516	6,777	25,470	134,696	370,515	1,433,367
October	24,193	856,643	8,486	10,521	23,463	135,374	340,115	1,398,795
November	25,004	884,482	7,061	6,346	29,330	133,500	347,766	1,433,489
December	23,624	953,971	6,654	6,028	27,677	183,862	328,494	1,530,310

Appendix (VIII)-A Position of Commercial Banks Advances in Local Currency (1995 - 2005)

(SDD Millions)

End of Period	Agriculture	Industry	Exports	Imports	Local trade	Others	Total
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
Dec. 1999	14,833	7,184	8,359	1,519	2,816	14,021	48,732
Dec. 2000	17,807	8,343	16,839	1,125	8,243	26,867	79,224
Dec. 2001	19,605	16,445	21,832	4,107	20,900	28,450	111,339
Dec. 2002	22,837	20,850	21,970	7,078	36,230	51,055	160,020
Dec. 2003	26,851	24,637	27,516	1,107	69,735	66,177	216,023
Dec. 2004	27,339	32,803	29,192	3,328	103,832	89,470	285,964
2005:							
January	26,974	34,622	29,933	6,224	107,472	88,809	294,034
February	28,379	38,468	31,884	6,845	117,531	96,539	319,646
March	29,929	40,674	33,396	7,752	125,166	98,407	335,324
April	30,128	42,022	34,125	6,898	133,986	102,039	349,197
May	30,478	43,752	33,540	5,900	132,944	101,920	348,533
June	32,415	44,293	33,795	8,332	133,053	107,182	359,070
July	33,541	45,093	34,519	11,388	133,330	111,632	369,503
August	32,866	44,532	33,392	9,276	135,878	118,277	374,221
September	33,490	45,518	33,936	9,018	141,264	127,951	391,177
October	35,330	46,705	34,883	13,626	148,964	137,362	416,870
November	36,903	46,939	38,291	13,824	155,218	142,660	433,835
December	30,339	69,410	30,161	12,158	149,437	178,520	470,025

CENTRAL BANK OF SUDAN

Appendix (VIII)-B Position of Commercial Banks Advances in Foreign Currency (1995 – 2005) (SDD Millions)

End of Period	Agriculture	Industry	Exports	Imports	Local trade	Others	Total
Dec. 1995	3,579	2,618	3,947	1,227	419	2,726	14,515
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
Dec. 1999	14,836	8,425	9,814	5,797	3,919	18,329	61,120
Dec. 2000	17,807	10,517	18,458	5,638	10,211	30,084	92,715
Dec. 2001	0	5,770	8,435	8,699	1,028	4,797	28,729
Dec. 2002	841	4,558	1,298	18,998	3,195	4,291	33,181
Dec. 2003	471	4,881	83	64,302	2,181	6,818	78,736
Dec. 2004	1,302	7,282	0	128,027	4,216	9,600	150,427
2005:							
January	1,581	7,102	814	131,714	4,318	10,203	155,732
February	1,386	7,709	3,159	131,501	4,617	9,477	157,849
March	2,530	8,237	1,572	146,537	4,598	7,278	170,752
April	2,105	8,908	0	154,253	4,558	8,179	178,002
May	2,110	10,887	0	157,442	4,863	14,622	189,924
June	925	10,202	341	159,510	5,551	16,192	192,721
July	360	10,026	9	162,773	4,866	19,513	197,547
August	286	9,568	0	168,366	5,163	20,923	204,306
September	262	11,313	0	171,739	5,724	20,284	209,322
October	415	10,803	25	178,672	5,969	21,658	217,542
November	344	12,760	0	180,581	6,346	22,677	222,708
December	322	14,259	0	189,095	4,947	21,371	229,994

Appendix (VIII)-C
Flow of Banking Finance According to Sectors (1999 - 2005)

(SDD Millions)

End of Period	Agriculture	Industry	Exports	Social Development	Local trade	Others	Total
Dec. 1999	16,541	14,330	14,453	5,563	7,009	15,826	73,721
Dec. 2000	18,284	17,986	24,591	7,265	11,656	21,541	101,325
Dec. 2001	22,745	22,986	20,550	9,655	31,386	39,060	146,382
Dec. 2002	32,730	28,001	34,308	9,143	40,562	62,038	206,781
Dec. 2003	45,021	29,913	34,033	12,293	65,100	95,564	281,926
Dec. 2004	46,092	47,727	45,734	19,643	104,087	165,788	429,070
Dec. 2005	57,110	83,049	33,949	24,739	149,361	347,159	695,368

Appendix (VIII)-D
Flow of Banking Finance According to Modes of Finance (1999 - 2005)

(SDD Millions)

Period	Murabaha	Musharaka	Mudaraba	Salam	Others	Total
Dec. 1999	36,203	22,717	3,025	3,727	8,048	73,721
Dec. 2000	34,188	43,446	3,555	3,397	16,739	101,325
Dec. 2001	57,869	45,329	9,148	7,299	26,737	146,382
Dec. 2002	74,266	57,651	9,569	6,856	58,440	206,781
Dec. 2003	125,859	65,459	16,093	13,521	60,994	281,926
Dec. 2004	165,298	137,238	24,625	12,653	89,257	429,070
Dec. 2005	301,003	214,330	29,233	14,516	136,286	695,368

CENTRAL BANK OF SUDAN

Appendix (IX) Spread of Banks During 2004- 2005 (SDD Millions)

Banks	Central Bank of Sudan		Specialized Banks		Commercial Banks						Total		
	National Banks		Joint Venture Banks		Foreign Banks		Total		Total				
	Dec 2004	Dec 2005	Dec 2004	Dec 2005	Dec 2004	Dec 2005	Dec 2004	Dec 2005	Dec 2004	Dec 2005	Dec 2004	Dec 2005	
States													
Khartoum State	1	1	16	16	27	11	133	152	5	5	182	184	
Central States (Sinar, Gazira, Blue Nile and White Nile)	2	2	32	32	21	9	57	66	1	1	113	108	
Eastern States (Gadarif, Kasala and Red Sea)	2	2	13	13	6	2	51	55	1	1	73	71	
Northern States (Northern and River Nile)	2	2	25	25	9	2	23	29	0	0	59	56	
Kordofan States (North, Southern and Western Kordofan)	1	1	16	11	14	7	20	24	1	1	52	43	
Darfur States (Northern, Southern and Western Darfur)	2	2	13	14	7	3	19	23	0	0	41	40	
Southern States (Bahr Elgazel, Upper Nile and Equatoria)	2	2	4	4	4	0	8	11	0	0	18	15	
Total	12	12	119	115	88	34	311	360	8	8	538	517	



Appendix (X)
Inflation Rates During the Period (1995-2005)
(Base Year 1990 =100)

Year	Higher Income	Middle Income	Lower Income	Geometric Mean
1995				
End of December	68.0	70.8	71.1	70.0
Annual Average	70.5	68.4	68.4	69.1
1996				
End of December	107.9	114.3	115.2	112.4
Annual Average	123.3	132.7	135.3	130.3
1997				
End of December	31.8	22.0	31.3	31.7
Annual Average	46.5	46.7	46.4	46.5
1998				
End of December	9.2	7.9	8.0	8.3
Annual Average	16.8	17.1	17.6	17.2
1999				
End of December	16.0	17.0	16.8	16.6
Annual Average	16.7	16.0	15.7	16.1
2000				
End of December	3.9	3.3	4.0	3.7
Annual Average	7.9	8.0	8.4	8.2
2001				
End of December	8.3	7.4	6.6	7.4
Annual Average	5.0	4.9	4.8	4.9
2002				
End of December	7.9	8.3	7.8	8.0
Annual Average	9.4	8.3	7.4	8.3
2003				
End of December	7.5	8.3	8.6	8.1
Annual Average	6.6	7.7	7.9	7.4
2004				
End of December	7.9	7.3	7.4	7.5
Annual Average	9.3	8.5	8.5	8.7
2005				
End of December	5.1	5.6	6.1	5.6
Annual Average	7.0	8.5	9.9	8.4

Source: Central Bureau of Statistics



Appendix (XI)
Estimates or Production of the Main Crops
During 2003/04 and 2004/05 Seasons

Crop	Season	Sector	2003/04			2004/05				
			Cultivated Area	Harvested Area	Production	Productivity	Cultivated Area	Harvested Area	Production	Productivity
1) Sorghum (Dura)	a) Irrigated Sector		1,017	927	686	740	949	888	775	873
	b) Mechanized Sector		10,608	9,406	2,254	240	8,489	4,868	974	200
	c) Traditional Sector		8,324	7,119	1,750	246	6,124	4,323	929	215
Total			19,949	17,452	4,690		15,562	10,079	2,678	
2) Wheat	a) Irrigated Sector		426	404	395	977	403	379	363	958
	b) Mechanized Sector		-	-	-	-	-	-	-	-
	c) Traditional Sector		6	6	3	500	4	3	1	500
Total			432	410	398		407	382	364	
3) Millet	a) Irrigated Sector		18	13	2	135	11	9	2	150
	b) Mechanized Sector		572	482	81	168	169	97	12	124
	c) Traditional Sector		9,734	5,790	686	114	6,816	3,674	266	71
Total			10,324	6,285	769		6,996	3,780	280	
4) Sesame	a) Irrigated Sector		-	-	-	-	-	-	-	-
	b) Mechanized Sector		2,498	2,169	259	89	2,426	1,970	171	87
	c) Traditional Sector		1,921	1,614	140	86	2,111	1,657	106	64
Total			4,419	3,783	399		4,537	3,627	277	

Productivity Kg./Feddian Production Thousand Metric Tons Cultivated and Harvested Areas Thousand Feddians

Appendix (XI) Cont'd

Crop	Sector	2003/04			2004/05				
		Cultivated Area	Harvested Area	Production	Productivity	Cultivated Area	Harvested Area	Production	Productivity
5) Groundnuts	a) Irrigated Sector	217	196	201	1,026	203	194	203	1,046
	b) Mechanized Sector	-	-	-	-	-	-	-	-
	c) Traditional Sector	3,540	2,346	589	251	2,806	2,095	317	151
Total		3,757	2,542	790		3,009	2,289	520	
6) Cotton	a) Irrigated Sector	431	380	234	563	516	459	311	675
	b) Mechanized Sector	24	11	4	364	20	17	1	88
	c) Traditional Sector	-	-	-	-	-	-	-	-
Total		455	391	238		536	476	312	
7) Sunflower	a) Irrigated Sector	8	8	5	625	19	19	12	684
	b) Mechanized Sector	7	5	2	137	9	6	0	143
	c) Traditional Sector	-	-	-	-	-	-	-	-
Total		15	13	7		28	25	12	
8) Hibiscus Flower	a) Traditional Sector	1,279	1,143	488	427	917	430	17	40
	i) Rice	18	18	36	2,000	17	14	20	1,400
	ii) Maize	-	-	-	-	36	31	25	806
	iii) Beans	-	-	-	-	367	213	8	38
Total		18	18	36		420	258	53	
Grand Total	a) Irrigated Sector	2,135	1,946	1,559	-	2,118	1,962	1,686	-
	b) Mechanized Sector	13,709	12,073	2,600	-	11,149	6,989	1,183	-
	c) Traditional Sector	24,804	18,018	3,656	-	19,145	12,395	1,644	-
Total		40,648	32,037	7,815		32,412	21,346	4,513	

Source: Ministry of Agriculture - Estimates of the Agricultural Statistics.

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Appendix (XII) Cotton Production During 2002/03 - 2004/05

	2002/03			2003/04			2004/05		
	Area (000's) Feddan	Yield Per feddan	Output (000's) Bale	Area (000's) Feddan	Yield Per feddans	Output (000's) Bale	Area (000's) Feddan	Yield Per feddan	Output (000's) Bale
(a) Extra long staple cotton:									
Gezira scheme	203.7	5.1	246.5	248.7	3.5	216.2	243.8	4.2	232.5
White Nile	0.4	3.4	0.4	1.3	1.2	0.4	-	-	-
Upper Nile	6.7	0.7	1.4	4.0	0.8	0.7	-	-	-
Toker	-	-	-	-	-	-	-	-	-
El Rahad	2.4	3.1	2.0	4.1	2.0	2.1	-	-	-
Total	213.2	-	250.3	258.1	-	219.4	243.8	4.2	232.5
(b) Long staple cotton:									
Gezira scheme	-	-	-	-	-	-	-	-	-
El Rahad	-	-	-	-	-	-	-	-	-
White Nile	-	-	-	-	-	-	-	-	-
New Halfa	-	-	-	-	-	-	-	-	-
El Suki	-	-	-	-	-	-	-	-	-
Blue Nile	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
(c) Medium staple cotton:									
Gezira scheme	41.2	5.1	64.8	33.2	5.1	40.0	82.0	4.7	87.6
Blue Nile	8.8	2.1	5.9	8.0	1.6	3.3	23.5	2.4	11.4
White Nile	9.5	3.5	9.0	12.7	4.0	13.0	24.8	2.9	12.5
New Halfa	33.5	4.0	38.2	42.8	5.5	44.0	49.8	3.7	42.8
El Suki	18.0	4.4	22.5	19.5	3.1	1.7	24.8	3.1	15.1
El Rahad	40.0	4.0	47.5	25.6	2.9	23.5	54.3	3.9	47.9
Upper Nile	-	-	-	-	-	-	9.0	0.6	1.0
Total	151.0	-	187.9	141.8	-	125.5	268.2	-	218.3
(d) Short staple cotton:									
El Damazin	-	-	-	-	-	-	-	-	-
El Gadarif	-	-	-	-	-	-	-	-	-
Nuba Mountains	6.6	1.1	11.2	8.0	1.0	0.8	4.0	-	-
Total	6.6	-	11.2	8.0	-	0.8	4.0	-	-
Grand total	370.8	-	449.4	407.9	-	345.7	516.0	-	450.8

Source: Sudan Cotton Company.



Appendix XIII Sugar Production During 1990/91-2004/05

(Metric Tons)

Year	Gunied	New Halfa	Sinar	Hajar Assalaya	Kenana	Total
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
1999/00	71,696	86,378	64,522	54,193	387,044	663,833
2000/01	84,000	84,000	63,000	58,000	402,000	691,000
2001/02	94,000	85,000	78,000	64,000	376,000	697,000
2002/03	81,595	87,068	85,021	76,383	398,000	728,067
2003/04	87,082	87,759	78,692	73,488	428,000	755,021
2004/05	86,615	72,002	72,400	87,515	393,002	711,534

Source: Sudan Sugar Company and Kenana Sugar company

CENTRAL BANK OF SUDAN

Appendix (XIV)-A Electric Generation in and off Network System (Gega watts/Hour)

Station	Area	2002	2003	2004	2005
In Grid System					
Hydro Generated Power	El Roseris, Sinnar, and Jebal Awlia	1,287.20	1,163.20	1,106.80	1,263.30
Dr.Sherif Gas	Khartoum State	1,097.60	1,167.80	1,030.00	1,035.88
Dr.Sherrif Gas	Khartoum State	220.00	301.80	18.50	62.36
New Burri Gas	Khartoum State	211.00	0.00	33.50	0.00
Burii Gas	Khartoum State	16.20	5.50	0.00	0.00
Kuku Gas	Khartoum State	20.80	21.00	4.50	0.00
Kilo Gas	Khartoum State	12.60	0.00	1.90	0.00
Kassala	Kassala State	12.00	0.00	14.00	9.27
Elgerba	Kassala State	19.80	0.00	23.50	7.44
Gari	Khartoum State	0.00	485.1	1,236.00	1,312.98
Alfao	Gadarif State	0.00	0.00	22.80	34.24
Total		2,897.00	3,144.40	3,491.50	3,725.47
Off Grid System					
Karema	Northern State	0.00	0.00	0.00	19.48
Wadi Halfa	Northern State	2.200	2.40	2.60	3.43
Atbara	Nahr Elniel State	51.00	52.40	51.20	57.75
Shendi	Nahr Elniel State	20.90	24.80	16.30	16.33
Dongola	Northern State	9.60	0.0	6.10	17.66
Elobeid	Northern Kordofan	27.10	29.70	35.20	48.49
Umruaba	Northern Kordofan	5.60	7.30	6.00	7.54
Elfasher	Northern Darfur	8.10	0.00	8.80	13.88
Elganeina	Western Darfur	2.20	0.30	1.00	2.77
Nyala	Sothern Darfur	10.10	18.50	17.70	26.40
Port Sudan	Red Sea State	54.30	72.20	94.20	109.21
Juba	Bhar El Jabel State	0.63	0.60	3.90	8.26
Wau	Bhar El Gazal State	0.60	1.10	0.30	0.73
Malakal	Upper Nile state	0.10	0.40	4.80	5.07
Elnehood	Western Kordofan	0.00	0.00	1.10	5.18
Kadogli	Southern Kordofan	0.00	0.00	7.90	4.35
Al-Deain	Southern Dar-fur	0.00	0.00	0.00	1.67
Total		196.50	209.70	257.10	348.11
Grand Total gega watts/hr.		3,093.50	3,354.00	3,748.6	4,072.86

Source: National Electricity Corporation

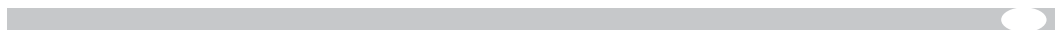


Appendix (XIV)-B Electric Power Generated by Type

(Gegawatt/Hour)

Generation Type	2004	2005	Change %
Hydro	1,106.80	1,263.30	14.1
Steam	1,037.20	1,035.90	- 0.1
Diesel	1,255.80	1,375.30	9.5
Gas	348.80	398.40	14.2
Total	3,748.60	4,072.90	8.7

Source: National Electricity Corporation



CENTRAL BANK OF SUDAN

Appendix (XV)-A Modes of Transport and communication during (2004 - 2005)

Particulars	2004	2005	Change %
Sudan Airways:*			
Passengers On International Flights (Thousands)	307.7	312.9	1.7
Passengers On domestic Flight (Thousands)	255.1	128.6	- 49.6
Goods on International Passengers Flights (Thousand tons)	7.2	6.7	6.9
Goods on Domestic Passengers Flights (Thousand tons)	2.2	1.4	36.4
Sudan Shipping Line:			
Goods Carried (Thousands Tons)	138.2	156.9	13.5
Passengers (Thousands)	0.0	0.0	0.0
Sudan Railways:			
Goods Carried (Thousand tons)	1,265.4	1,137.1	- 10.1
Passengers (Thousands)	63.8	55.4	- 13.2
River Transport Corporation:			
Goods Carried (Thousand tons)	35.0	73.0	108.6
Passengers (Thousands)	11.7	19.0	62.4
Land Transport:			
Goods Carried (Thousand tons)	18,930.5	7,375	- 61.0
Passengers (Thousands)	27,952.2	15,256.0	- 54.4

* Revised figures.

Source: The Above mentioned Sources

Appendix (XV)-B Modes of Land Transport (During 2004 – 2005)

Particulars	2004	2005	Change %
Lorries	10,271	10,476	2.0
Minibuses	2,797	2,908	4.0
Buses	622	684	10.0
Trucks	5,314	5,951	12.0
Oil and Liquid Transporting Tankers	1,360	1,428	5.0

Source: Land Transport Unit.

Appendix (XVI)-A
Sudan's Foreign Trade
1- Exports by Commodity during 2003 – 2005

(Value in US\$ 000's)

Commodity	Unit	2003		2004		2005	
		Qty	Value	Qty	Value	Qty	Value
Petroleum and Minerals			2,112,555		3,170,685		4,268,186
Crude Oil	Barrel	72,415,017	1,934,020	81,159,260	2,957,243	79,243,100	3,948,318
Benzine	M.T	319,536	75,860	338,552	129,019	480,424	220,728
Kerosene	" "	-	-	-	-	-	-
Light Petroleum Gas	" "	68,830	15,598	38,280	10,282	30,858	9,984
Naphtha	" "	25,645	2,430	33,913	3,052	21,538	8,330
Furnace	" "	28,184	19,788	-	-	-	-
Mixed butagas	" "	-	-	3,444	890	-	-
Gasolene	" "	-	9	-	-	-	-
Gold	K.G	7,784	58,588	6,673,080	50,420	8,517	63,648
Lead waste and Scrap	M.T	1,155	129	4,195	877	7,758	940
Iron waste and Scrap	" "	45,113	4,394	97,921	15,569	80,609	12,402
Copper Waste and Scrap	" "	25,164	1,739	2,762	3,333	2,972	3,836
Chromium	" "	-	-	-	-	-	-
Agricultural Products:			255,561		386,358		365,326
Cotton	Bales	457,702	107,761	354,617	93,752	456,614	107,286
Cotton Waste	" "	-	-	-	-	-	-
Groundnuts	M.T	376	225	3,182	2,381	3,214	2,014
Sesame	" "	108,692	74,371	318,336	178,642	154,675	118,575
Gum Arabic	" "	36,164	35,416	27,273	60,598	29,213	107,556
Dura	" "	11,631	2,083	16,722	3,068	2,336	492
Melon Seeds	" "	49,355	13,994	43,646	11,396	37,260	9,978
Hibiscus Flower	" "	17,931	16,652	25,899	30,067	18,773	15,406



CENTRAL BANK OF SUDAN

Appendix (XVI)-A Cont'd

(Value in US\$ 000's)

Commodity	Unit	2003		2004		2005	
		Qty	Value	Qty	Value	Qty	Value
Senna pods	" "	1,823	872	2,509	2328	1,590	1,487
Henna	" "	1,364	1,326	1,704	1,547	668	839
Lubban	Value	-	804	639	594	16,289	240
Sun Flower Seeds	" "	-	-	-	-	-	-
Vegetables	" "	759	237	442	109	2	1
Fruits	" "	5,761	1,820	8,359	1,822	4,934	1,452
Animal Resources:		-	138,440	-	183,794	-	155,358
Sheep and Lambs	Heads	1,083,568	81,022	1,583,970	119,407	1,266,388	95,401
Goats	"	94,153	3,853	96,852	2,469	111,490	2,789
Cattle	"	184	166	-	-	1,327	159
Camels	"	61,036	12,394	85,762	15,883	86,915	16,441
Gazal	"	425	243	521	190	269	85
Meat	M.T	8,046	21,578	5,661	17,935	5,647	18,158
Hides and Skins	Value	-	18,649	-	26,026	-	21,573
Fresh Fish or Frozen	M.T	5,935	535	3,237	1,884	2,978	752
Manufactured Goods:		-	18,504	-	23,474	-	27,150
Unrefined Groundnuts Oil	M.T	28	27	1,014	1,105	2,045	2,107
Sesame Oil	" "	58	97	55	123	100	151
Sugar	" "	16,170	6,995	24,325	12,846	24,109	13,482
Molasses	" "	193,977	8,645	131,094	7,538	137,513	11,133
Yarn	" "	-	-	-	-	-	-
Shells	" "	310	316	323	273	350	277
Cotton Textiles	Yard	-	-	-	-	-	-
Cake and Meal	M.T	29,118	2,424	19,166	1,589	-	-
Others	Value	-	17,116	-	13,453	-	8,258
Grand Total		-	2,542,176	-	3,777,764	-	4,824,278

Source: Sudan Customs Authority

Appendix (XVI)-B
Sudan's Foreign Trade
2- Imports by Commodity During 2002-2005

(Value in US\$ 000's)

Commodity	UNIT	2002		2003		2004		2005	
		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
Food Stuffs:									
Wheat	M.T	1,026,627	199,295	904,834	190,497	1,061,007	255,593	1,452,658	373,912
Wheat Flour	" "	99,923	22,024	46,891	10,247	5,210	1,633	54,701	9,722
Sugar	" "	74,483	19,930	29,688	9,751	16,952	2,813	16,987	7,586
Tea	" "	29,563	30,687	25,794	32,433	28,635	34,024	25,765	36,974
Coffee	" "	12,642	16,022	13,749	16,979	25,628	31,777	17,132	26,289
Dairy Products	" "	11,302	27,921	23,911	29,799	20,935	27,976	24,714	47,787
Fish and Canned Fish	" "	434	390	324	209	175	142	390	368
Meat and Meat Products	" "	189	225	150	143	217	344	122	46
Fruits and Vegetable Products	" "	5,078	5,463	6,950	6,791	15,491	9,797	22,488	15,834
Vegetable and Vegetable Products	" "	5,099	4,355	10,656	9,073	13,839	10,410	11,425	12,964
Confectionery, Sweets & Biscuits	" "	9,828	6,807	7,037	5,305	7,816	9,889	20,920	16,703
Lentils	" "	19,541	8,297	28,748	12,848	33,268	12,959	47,622	20,372
Animal and Vegetable Oils	" "	23,908	12,216	55,194	28,105	33,774	20,528	56,278	33,319
Spices	" "	1,417	2,358	1,989	3,096	1,976	4,348	4,874	6,145
Rice	" "	35,943	8,683	37,553	10,159	36,145	9,451	48,068	12,478
Others	Value	-	75,875	-	54,821	0	86,830	-	190,298
Total			440,548		420,256		518,514		810,796



CENTRAL BANK OF SUDAN

(Value in US\$ 000's)

Appendix (XVI)-B Cont'd

Commodity	UNIT	2002		2003		2004		2005	
		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
Beverages and Tobacco:									
Soft Drinks	M.T	3,694	11,355	3,716	7,865	3,142	24,142	8,134	21,887
Cigarettes	"	63	621	60	1,076	83	1,739	124	6,876
Tobacco	"	2,223	13,652	2,291	13,015	2,461	14,058	2,153	13,782
Others	Value		868	-	-	0	0	-	0
Total			26,496		21,956		39,939		42,545
Crude Materials:									
Petroleum Products	M.T	477,052	132,254	502,034	148,712	324,106	101,434	984,220	322,006
Crude Plastic	"	35,120	29,806	43,731	37,695	61,184	60,421	54,580	61,292
Crude Rubber	"	3,128	3,211	3,480	4,565	1,359	2,942	1,594	18,191
Tallow	"	75,046	26,881	76,597	30,633	15,884	16,059	28,579	13,343
Seeds for Sowing	"	1,164	1,770	1,030	2,418	2,238	2,453	4,041	4,760
Packing Paper	"	1,395	259	1,285	394	994	326	1,236	6,875
Others	Value	-	6,715	-	3,621	0	14,188	0	16
Total			200,896		228,038		197,823		426,483
Chemicals:									
Medical & Pharmaceutical Products		-	65,202	-	79,769	-	111,770	0	137,743
Chemicals Products	Value	-	57,562	-	70,359	-	98,346	0	104,032
Fertilizers	"	127,572	18,191	131,086	20,011	130,223	29,612	318,318	83,237
Tanning and Dyeing Materials	M.T	6,867	5,124	8,098	7,061	9,185	10,907	14,304	14,917
Perfumes and Cosmetics	"	10,723	19,272	17,368	20,985	16,663	29,559	17,840	59,556
Explosives	"	635	2,001	2,306	4,493	2,545	5,505	5,516	18,027
Insecticides	"	1,066	1,889	2,666	4,630	1,705	8,633	992	6,605
Others	Value	-	37,216	-	23,990	-	33,155	0	69,724
Total			206,457		231,298		327,487		493,841

Appendix (XVI)-B Cont'd

(Value in US\$ 000's)

Commodity	UNIT	2002		2003		2004		2005	
		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
Manufactured Goods:									
Leather Products	M.T	2,093	3,299	2,054	4,344	3,024	7,897	5,006	10,848
Manufactured Rubber	" "	1,132	2,448	816	2,286	2,044	4,520	6,147	31,435
Manufactured Plastic	" "	29,961	43,105	33,508	46,927	34,136	71,252	107,420	73,341
Manufactured Wood and Cork	" "	57,891	21,062	70,162	23,408	77,629	30,958	139,387	52,321
Glass and Glassware	" "	55,915	21,549	58,019	24,346	58,919	30,044	143,581	39,283
Iron and Steel	" "	380,639	146,891	476,399	224,696	473,617	342,227	2,657,597	716,624
Manufactured Metal	M.T	16,282	34,691	12,845	36,097	21,154	57,846	50,134	86,375
Footwear	Value	-	12,686	-	13,908	0	32,160	0	32,661
Jute and Sacks	No.	115,458,289	31,723	86,511,300	53,735	58,203,565	46,253	18,369,284	46,065
Books, Magazines, and Newspapers	M.T	682,417	4,853	1,875	3,583	2,134	21,223	3,395	44,732
Cement and Asbestos Pipes	" "	1,363,833	94,146	1,540,853	106,123	108,690	79,416	1,144,251	109,956
Scientific Equipments	Value	-	30,607	-	45,116	0	75,715	0	104,948
Paper Products	M.T	39,022	37,487	40,430	36,148	39,005	54,969	98,851	64,575
Ceramic Products	" "	40,525	14,205	55,365	16,962	55,458	22,737	67,232	50,244
Toys and Sport Goods	Value	-	4,769	-	13,682	0	38,954	0	50,339
Others	" "	-	51,493	-	77,316	0	80,333	0	114,117
Total			555,014		728,677		996,504		1,627,864



CENTRAL BANK OF SUDAN

(Value in US\$ 000's)

Appendix (XVI)-B Cont'd

Commodity	UNIT	2002		2003		2004		2005	
		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
Machinery and Equipments:									
Non-Electrical Appliances	M.T	45,764	224,923	46,456	211,334	134,358	369,529	189,497	524,902
Electrical Appliances	"	54,896	111,733	23,196	114,827	28,635	206,751	60,492	241,100
Refrigerators	No.	27,850	8,759	32,280	11,755	33,040	13,635	184,620	15,632
Air Conditioners	"	23,293	8,642	25,426	8,276	53,411	15,093	183,579	85,752
Machinery Spare Parts	Value	-	147,886	-	150,466	0	242,096	0	370,922
TV, Radios and Recorders Etc.	No.	-	69,613	-	119,623	0	177,521	0	369,050
Dry Batteries	"	80,817	553	27,768	12	66,000	22	708,500	114
Accumulators	"	2,198,559	5,389	4,607,781	9,082	4,034,707	8,862	459,244	15,149
Tractors	"	917,258	2,855	7,632	405	3,271	27,523	31,554	281,327
Ovens	"	7,506	1,600	3,434	177	8,490	510	30,400	14,456
Others	Value	-	38,854	-	84,738	0	19,111	0	53,479
Total			620,807		717,922		1,080,653		1,971,883
Transport Equipments:									
Railway Locomotives	No.	2,014	703	68	2,358	70	2,429	8	9,917
Railway Wagons	"	2	2	130	7,098	77	4,793	2,220	1,823
Motor Cars	"	7,897	64,120	9,093	76,845	19,915	134,402	44,465	164,769
Trucks and Lorries	"	4,514	91,978	24,843	135,652	20,874	217,390	29,212	342,765
Buses	"	201	4,949	79	11,569	1,660	17,587	145	6,063
Tyres and Tubes	"	1,299,306	25,924	1,405,557	34,620	1,872,254	50,703	2,168,959	42,787
Auto-Spare Parts	Value	-	27,558	0	90,192	0	239,209	0	310,418
Motor-Cycles	No.	2,854	1,945	4,389	2,741	7,075	4,915	5,942	8,558
Bicycles	"	61,209	4,777	84,698	5,121	84,490	6,349	274,509	8,333
Aircrafts	"	18	6,502	22	9,722	33	12,052	2,006	2,595
Aircrafts Spare Parts	Value	-	8,259	-	5,258	0	9,183	0	124,827
Locomotive Spare Parts	"	-	9,976	-	8,866	0	10,341	0	15,944
Ferries and Steamers	No.	11	761	128	947	290	14,724	1,696	819
Others	Value	-	8,378	-	18,091	0	15,265	0	110,121
Total			255,832		409,080		739,342		1,149,739

Appendix (XVI)-B Cont'd

(Value in US\$ 000's)

Commodity	UNIT	2002		2003		2004		2005	
		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
Textiles:									
Yarn	M.T	157	403	197	482	316	835	1,041	3,330
Sewing Threads	" "	198	606	153	544	234	1,044	349	1,130
Woven Synthetic Fabrics	" "	9,683	35,128	10,422	35,969	13,391	68,971	18,687	91,404
Woven Cotton Fabrics	" "	195	955	-	7	30	144	133	322
Woven Flax Fabrics	" "	38	31	495	463	351	306	1,957	1,792
Man-Made Filament and Staple	" "	3	7	862	239	30	141	96	504
Wadding of Textile Materials	" "	5,366	6,104	5,340	4,661	1,743	3,264	1,360	3,081
Carpets	Value	-	584	-	928	0	789	0	2,176
Special Woven Fabrics	M.T	1,233	6,171	939	5,482	928	9,326	1,182	9,985
Knitted or Crocheted Fabrics	" "	101	2,437	-	1	0	0	19	31
Ready Made Clothes	Value	-	45,882	-	35,837	0	82,168	0	113,881
Others	" "	-	42,026	-	40,075	0	7,980	0	6,033
Total			140,334		124,688		174,968		233,669
Others			-		-		-		-
Grand Total			2,446,384		2,881,915		4,075,230		6,756,820

Source: Sudan Customs Authority



CENTRAL BANK OF SUDAN

Appendix (XVII)-A Sudan's Foreign Trade A- Main Importers

(US\$ Millions)

Importers	2003	2004	2005
Asian Countries:	2,057.0	3,115.6	4,155.2
China	1,761.9	2,527.0	3,427.1
Japan	167.7	402.2	577.5
Indonesia	12.0	50.6	40.1
India	33.2	27.9	30.8
South Korea	18.3	23.5	7.9
Other Asian Countries	63.9	84.8	71.8
Arab Countries:	299.2	429.9	377.8
Saudi Arabia	114.8	164.2	136.4
United Arab Emirates	83.0	90.1	90.0
Egypt	48.2	108.5	78.7
Other Arab Countries	53.2	67.1	72.7
European Countries:	150.1	174.3	140.3
European Union Countries	72.0	103.5	109.8
United Kingdom	66.4	56.1	21.8
Other West European Countries	11.7	14.71	8.7
U.S.A.	2.7	2.8	12.3
Other Countries	33.2	55.2	138.7
Total	2,542.2	3,777.8	4,824.3

Source: Sudan Customs Authority.

Appendix (XVII)-B
Sudan's Foreign Trade
B - Main Exporters

(US\$ Millions)

Exporters	2003	2004	2005
Asian Countries:	639.6	1,177.3	2,560.1
China	229.1	529.6	1,383.0
India	116.0	197.1	317.8
Japan	85.0	165.1	341.8
South Korea	51.1	89.3	149.8
Indonesia	39.9	50.2	49.9
Other Asian Countries	118.5	146.0	317.8
Arab Countries:	1,147.2	1,051.1	1,765.5
Saudi Arabia	723.9	471.5	627.5
United Arab Emirates	180.0	239.2	394.7
Egypt	116.4	208.8	369.5
Other Arab Countries	126.8	131.6	373.8
European Countries:	640.5	992.0	1,526.1
European Union Countries	322.4	593.6	751.8
United Kingdom	125.6	151.3	221.9
Other West European Countries	192.5	247.1	552.4
Australia	59.2	168.9	221.8
U.S.A.	11.1	34.0	129.7
Other Countries	384.4	651.9	553.6
Total	2,881.9	4,075.2	6,756.8

Source: Sudan Customs Authority.

CENTRAL BANK OF SUDAN

Appendix (XVIII) Balance of Payments

(US\$ Millions)

	2000	2001	2002 (Amended)	2003	2004	2005
A) Current Account:	<u>-540.22</u>	<u>-1284.93</u>	<u>-962.70</u>	<u>-938.58</u>	<u>-818.23</u>	<u>-2,767.95</u>
Exports (FOB):	1806.70	1698.70	1949.11	2542.17	3777.75	4,824.24
Petroleum	1350.76	1376.66	1510.83	2047.70	3100.46	4,187.36
Others	455.94	322.04	438.28	494.47	677.29	636.92
Imports (FOB):	<u>-1366.41</u>	<u>-2024.84</u>	<u>-2152.83</u>	<u>-2536.10</u>	<u>-3586.18</u>	<u>5,945.99</u>
Government Purchases	- 155.58	- 118.79	- 142.37	- 292.46	- 343.07	-646.67
Private Sector Purchases	-1210.83	-1906.05	-2010.46	-2243.64	-3243.11	-5,299.32
Trade Balance	440.29	-326.14	-203.72	6.07	191.57	-1,121.71
Services, Income and Transfers A/C:	<u>-980.51</u>	<u>-958.79</u>	<u>-758.98</u>	<u>-944.65</u>	<u>-1009.80</u>	<u>-1,646.24</u>
Receipts	722.27	859.25	1196.82	1281.68	1698.80	2,083.69
Payments	-1702.78	-1818.04	-1955.80	-2226.33	- 2708.60	- 3,729.93
B) Capital and Financial A/C:	<u>299.66</u>	<u>490.45</u>	<u>841.45</u>	<u>1389.93</u>	<u>1353.88</u>	<u>2,880.82</u>
1- Direct Investment (Net)	392.21	574.00	713.18	1349.19	1511.07	2,304.64
2- Portfolio Investment (Net)	0.00	0.72	14.78	35.25	19.94	50.55
3- Other Investment (Net):	<u>-92.55</u>	<u>- 84.27</u>	<u>113.49</u>	<u>5.49</u>	<u>- 177.13</u>	<u>525.63</u>
a- Official Loans:	<u>-119.39</u>	<u>- 83.34</u>	<u>-43.02</u>	<u>- 100.30</u>	<u>- 6.01</u>	<u>10.39</u>
Drawings	16.46	21.84	44.75	84.93	213.20	222.37
Repayments	-135.85	-105.18	-87.77	- 185.23	- 219.21	-211.98
b- Trade Credit and Facilities (Net)	72.80	21.10	222.40	5.27	- 58.06	723.34
C) Commercial Banks' (Net Foreign Assets)	- 18.36	- 41.73	-128.02	- 4.89	- 28.99	- 151.00
D) Central Bank of Sudan (Net Foreign Assets)	0	0	0	- 0.17	- 10.17	- 13.00
E) Central Bank of Sudan Foreign Liabilities (Short Term)	- 26.60	40.54	64.18	119.62	- 69.19	44.71
F) Payment Agreements	- 1.00	-20.84	- 2.05	-14.21	- 4.71	- 3.81
G) Short-term Capital Movements	0	0	0	0	0	- 85.00
CURRENT AND CAPITAL and Financial A/ Cs (Deficit (-) or Surplus (+)	<u>-240.56</u>	<u>-794.48</u>	<u>-121.25</u>	<u>451.35</u>	<u>535.65</u>	<u>112.87</u>
ERRORS AND OMISSIONS	<u>348.56</u>	<u>666.88</u>	<u>421.28</u>	<u>- 28.79</u>	<u>194.53</u>	<u>714.61</u>
CONVERTIBLE CURRENCY RESERVES (Overall Balance) *	-108.00	127.60	-300.03	-422.56	-730.18	-827.48

* Sign (-) Indicates increase in reserves.

Appendix (XIX)
Public Sector Operations (1993/94 – 2005)

(SDD Billions)

Particulars	1993/94	1994/95	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
A) Ordinary Public Revenues:	13.11	28.47	69.8	108.6	159.2	205.2	334.0	365.2	472.2	703.6	1,023.9	1,218.4
Direct Taxes	4.15	8.35	20.0	21.7	31.2	36.1	38.1	40.8	41.2	52.3	74.6	95.1
Indirect Taxes	6.14	12.52	40.4	60.9	85.0	117.9	122.1	147.2	172.5	214.5	345.7	405.1
Others	2.82	7.60	9.3	26.0	43.0	51.2	173.8	177.2	258.5	436.8	603.6	717.7
B) Current Public Expenditure:	11.94	27.82	83.0	124.4	157.5	197.5	312.5	342.8	377.0	563.3	793.6	1,043.5
Economic Services	2.56	9.10	8.4	2.4	5.8	9.9	9.7	12.7	7.6	12.7	273.3	301.1
Social Services	0.75	10.40	20.6	3.3	23.2	32.8	32.4	36.4	32.7	20.8	27.1	32.7
Loans Repayments	1.07	1.20	6.1	93.6	14.7	20.2	40.2	34.5	29.2	57.1	8.7	48.9
Defence & Security	3.86	5.71	13.3	15.4	52.2	108.5	151.0	100.4	127.6	103.9	320.0	283.8
State Governments	0.40	0.71	12.7	4.8	9.9	12.8	24.2	25.0	38.9	38.7	84.2	363.8
Others	3.30	0.70	21.9	4.8	51.7	13.3	55.0	133.8	141.0	330.1	80.3	13.2
Surplus (+) Deficit (-)	1.17	0.65	-13.2	-15.8	1.7	7.7	21.5	22.40	95.20	140.3	230.3	174.9



CENTRAL BANK OF SUDAN

Appendix (XIX) Cont'd (SDD Billions)

Particulars	1993/94	1994/95	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
C- National Develop- Expenditure:	2.54	3.71	7.8	6.0	18.0	29.5	39.7	47.4	140.8	172.9	310.3	341.2
Agricultural Sector	0.50	0.30	2.5	1.8	5.5	9.5	13.0	11.5	11.4	38.8	89.6	93.8
Energy and Mining	0.00	0.00	0.0	2.5	5.6	3.1	5.5	10.5	19.3	17.1	37.6	31.9
Water	0.00	0.00	0.0	0.0	1.8	2.3	1.9	1.5	1.1	1.3	7.2	0.6
Transport and Communication	0.80	0.3	0.3	0.9	0.0	1.8	4.7	4.0	3.8	8.8	20.5	34.7
Social Development	0.00	0.00	0.0	0.0	0.0	4.3	2.8	7.3	1.3	5.5	12.8	14.0
Industrial Development	0.01	0.08	1.4	0.0	0.6	7.1	6.6	9.8	14.1	11.2	18.1	7.3
Development Reserve	0.00	0.00	0.0	0.0	0.0	0.2	3.0	0.6	0.3	0.6	0.6	2.6
Peace and Settlement Program	0.00	0.00	0.0	0.0	0.0	1.2	2.2	2.2	3.6	4.9	9.1	0.0
Services sector	0.60	0.3	1.3	0.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.63	2.73	2.4	0.7	2.5	0.0	0.0	0.0	85.9	84.7	114.8	156.3
D- Public Sector Overall Pos.	-1.37	-3.06	-21.0	-21.8	-16.3	-21.8	-18.2	-25.0	-45.6	-32.6	-79.9	-166.3
Deficit Finance	1.37	3.06	21.0	21.8	16.3	21.8	18.2	25.0	45.6	32.6	79.9	166.3
Foreign Loans	0.39	0.05	2.2	2.4	3.4	10.5	11.6	5.4	8.3	22.4	49.9	48.1
Banking Finance (Net)	0.98	3.01	18.8	19.4	12.9	11.3	6.6	19.6	37.3	10.2	30.0	118.2
Self-Finance (Net)	0.00	0.00	16.4	7.9	3.9	0	0	0	0	0	0	0
Local Resources	0.98	3.01	2.4	11.5	9.0	11.3	6.6	19.6	37.3	10.2	30.0	118.2

Source: Ministry of Finance and National Economy.