

**Embassy of the Republic of the Sudan
Ankara**

Investment Climate and the Trade Opportunities in Sudan

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1-Basic Information:

Location:

Sudan is located in the north-eastern part of Africa. It is bordered by nine countries, they are: Egypt in the north, Libya in the north-west, Chad and Central African Republic in the west, The Democratic Republic of Congo in the south west, Uganda and Kenya in the south, Ethiopia and Eritrea in the east. It is also bordered by the Kingdom of Saudi Arabia via the Red Sea.

Area:

Sudan is the largest country in Africa with an area of 2,5 million square kilometres which is the equivalent of 1 million square miles (three times the area of Turkey) and it comes No.10 internationally in area.

The Climate:

The climate of the country ranges gradually from semi-desert dry belt in the north to moderate rain-savannah belt in the centre, to a heavy-rain equatorial belt in the south. The temperatures range between 45° as the warmest degree in summer to 6° as the minimum degree in winter.

The Population:

According to the estimates of Central Bureau of statistics, the population of the country in the year 2005 reached 35,5 million with an annual population growth rate of 2,53%.

The Language:

Arabic is the official language of Sudan and it is predominant in all parts of the country. English is also used in the South and in the fields of business.

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2-Political System:

Sudan is a presidential, parliamentary Republic with a multi-party system. Sudan adopted the federal system where the country is divided into 26 states; each one has its own government and parliament. The Comprehensive Peace Agreement (CPA) between the Government and Sudan People's Liberation movement was concluded in Kenya in January 2005 and a government of national unity was formed in July in the same year.

In Darfoor, a peaceful settlement was reached by the mediation of the African Union in Abuja-Nigeria last month and arrangements are underway to resume the developmental projects of the region.

3-The National Resources of Sudan:

Agriculture:

Sudan is very rich in national resources, whether in agriculture or animal production or mining, and here we can mention the following figures:

- The suitable arable land in the country is more than 84 million hectare, only 12,6 million of it is currently being utilized, that is why Sudan is considered one of three countries that can feed the entire world with Australia and Canada.
- Enormous water resources (rain water, rivers, surface and underground water).

According to the Nile Basin Water Agreement of 1959;

Sudan's share of the Nile water is 18,5 billion cubic metres per year, but Sudan presently is using only 12,2 billion cubic metres of it.

The total seasonal inflow of water is around 3,3 billion cubic meters.

The underground water resources are found under 50% of the lands of Sudan and estimated to be 15.2 billion cubic metres.

The strategic reserve is more than 200 times the total annual inflow from the Nile per year.

The animal wealth of Sudan according to (2002) estimates is more than 132 million head (sheep, cows, camels, coats).

The national pastures area is estimated to be 1050 million hectare.

In the mining field Sudan is very rich of different minerals, as of now Sudan exports 500,000 barrel of crude oil per day, and will rise to 1,000,000 a day by the end of 2007.

Sudan also exported 6,673,08 kilogram of gold in 2004 and 8,517,287 in 2005.

Sudan also has enormous reserves of iron, copper, silver, coal and many other minerals.

4- The Investment Climate in Sudan:

Sudan has one of the best and most generous investment encouragement acts in Africa and the Arab world, and due to that it gives numerous guarantees and incentives to the investors, here are some of them:

- a-** Exemption from tax and customs duties for ten years for the strategic projects and for five years for semi strategic projects.
- b-** Allocation of land for investment projects.
- c-** The import of raw materials.
- d-** Re-mission of profits and capitals.
- e-** Non-nationalization or non-confiscation of the projects.

Sudan is member of many regional and international organizations in the field of trade, for example; (COMMESA and Arab Free Zone) which give Sudan full and free access to a big market in Africa and Asia.

Sudan is a party to the following International Agreements in the field of investment:

- The Agreement of settlement of conflicts between Arab states and other states citizens, 1965.
- The general agreement for economic and technical cooperation for the states of Islamic Organization Conference, 1977.
- The Sudan's membership in the Arab corporation for the guarantee of Investment.
- Sudan's membership in the International Agency for the guarantee of Investment (Mega).

Sudan and Turkey have completed the ratification procedures of the Agreement of avoidance of double taxation, this agreement is now effective in both Turkey and Sudan.

The suitable investment projects in Sudan for Turkish Companies:

- 1- Construction (Highways, bridges, dams, buildings)
- 2- Agriculture (production of cotton, oil-seeds, sugar cane)
- 3- Food processing (vegetables, fruits)
- 4- Animal production (meat, fish, poultry, milk products)
- 5- Textile Industry
- 6- Manufacturing or assembling of different types of machinery and equipments.
- 7- Tourism
- 8- Medical Services

Items to be exported to Sudan from Turkey:

- 1- Different type of machinery (Agriculture, industrial, medical transport, airports and seaports equipments, construction equipments, etc.)
- 2- Seeds.

Items to be imported from Sudan to Turkey:

- 1- Oil seeds (sesame, groundnuts, sunflower seeds)
- 2- Cotton
- 3- Gum Arabic
- 4- Live animals
- 5- Fish
- 6- Vegetables
- 7- Fruits

5- The performance of Sudan Economy (2000-2005)

5.1. GDP Growth Rate:

2000: 8,3 %

2001: 6,4 %

2002: 6,5 %

2003: 6,0 %

2004: 7,7 %

2005: 8,0 %

5.2. Foreign Direct Investment:

2000: 392,2 million US Dollars

2001: 574 million US Dollars

2002: 713,2 million US Dollars

2003: 1329,2 million US Dollars

2004: 1511 million US Dollars

2005: 2304 million US Dollars

5.3. Average Annual Inflation Rate:

2000: 8,1
2001: 4,9
2002: 8,3
2003: 7,7
2004: 8,5
2005: 8,5

5.4. Exchange Rates (US Dollars against the Sudanese Dinnar):

2000: 257,14
2001: 258,35
2002: 263,39
2003: 260,98
2004: 257,91
2005: 245,3
2006 (May): 225,0

5.5. Trade Balance

Year	2000	2001	2002	2003	2004	2005
Export	1806,7	1698,7	1949,1	2542,2	3777,8	4824,3
Import	1366,4	2024,8	2179,2	2536,1	3586,2	5946,0
Trade Balance	440,3	-326,1	-230,1	6,1	191,6	-1121,7

5.6. Sudanese Turkish Trade Balance

(Million US \$)

Year	Export	Import	Balance	Total
2000	4.633	37.662	-33.029	42.295
2001	1.392	54.577	-53,185	55.969
2002	12.405	59.302	-46.897	71.707
2003	7.144	60.599	-53.455	67.743
2004	10.543	102.654	-92.111	113.197
2005	8.049	154.651	-149.605	162.700