

وزارة المالية والاقتصاد الوطني
Ministry of Finance & National Economy

SUDAN ECONOMIC POTENTIAL & DEVELOPMENT PROSPECTS

Sudan is an Afro-Arab country of multi-ethnic, multi-cultural and multi-lingual society. It enjoys a remarkable strategic location in the center of the African continent that marks a melding point between Arabs and sub-Saharan peoples. The country shares extensive borders with nine countries of Northern, Central, Eastern and Western Africa. Such juxtaposition engenders a mix of trade, culture, social, ethnic and other human ties built through history.

The country enjoys a total area of 2.5 million km², the largest in Africa. It extends from the hot arid North to West tropics in the South with diversified ecosystems that provide immense fertile land of about 80 million hectares (about 20% of this land space is cultivated), natural pastures of about 24 million hectares, forest area of about 64 million hectares and the remaining land is desert or semi-desert. Considerable water resources is available from the River Nile and its tributaries, seasonal streams and rains with annual amount of 109 billion m³ of water in addition to the underground water underlay the Nubian Sand-Stone Aquifer which is one of the the largest water reservoirs in the world of estimated potential rechargeable 29 billion m³ of water. Sudan also enjoys a long coastal line at the Red Sea.

Current estimates put the population in excess of 30 million with estimated annual growth rate of 2.6% and a population density of 10.2 per km², though this figure masks wide variation with respect to effective population density on arable land which exceeds 50 persons per km². About 67% of the population live in rural areas while 33% live in urban areas. The demographic characteristics of the country indicate a young population structure with the number of population under 15 years accounts for about 45% of total population, according to the last Census of 1993. Total estimated labor force accounts for 9 million with increasing female participation in economic activities. Unemployed people represent about 15% of the total labor force. Employment structure since 1996 is dominated by agriculture followed by services, industry, transport and construction with 55%, 10%, 5%,6% and 3% respectively. Broad agriculture and rural sector espouse about 77% of the labor force.

Agriculture remains the leading sector in the economy with an estimated contribution of 45% of GDP, and 85% of export earnings before the year 2000. The main export commodities are livestock (having potential animal wealth of about 128 million heads of sheep, goats, cattle and camels), sesame, groundnuts, cotton, vegetables, fruits, sugar and gum Arabic. Oil exports started in August and refined oil products and natural gas in July 2000.

In addition to its natural, agricultural and animal resources, Sudan abounds with potential mineral wealth of which petroleum, now exploited, is the most important with commercially proven and prospects for additional reserves. Gold mining and exports are on a rising trend while numerous minerals such as iron ore, copper, mica, zinc, chromate and manganese together with non-ferrous resources such as plaster, lime and black sand are also available in appreciable quantities and potentially tradable. This could pose a real base for industrial development.

The industrial sector still depends on agricultural raw materials inputs such as vegetable oil, sugar cane, cotton, hides, skins etc.. With more development of these natural resources agro-industrial potential

investment opportunities will thrive and encourage manufacturing of agricultural-related means of production required for improving productivities of both plant and animal sectors.

PEACE AND SOCIO-ECONOMIC STABILITY:

The daunting civil strife inflicting the South continues to impend national security and the very texture of the society in its various political, economic and social fabrics. The ramification of this war, flaring over since 1950s, has a devastating impingement not only at the war fields but on other areas in the form of influx of displaced people with the consequences of wide spread of poverty and pauperism. However, the quest for peace continues to be the main concern of the Government with commitment to building confidence through devolution of power and wealth sharing among all the States particularly the Southern States. The Government has assiduously engaged in efforts to end the war. It believes that stopping the war is a moral obligation to unravel the human tragedy of the people of the South and restore economic, social and security situations. The Government has announced its readiness to make peace through preparing the climate for talks, announcing repeatedly a cease-fire from one side, granting general amnesty for all those who carried arms against the Government and agreeing on Operation Life-line to save the citizens exposed to hunger and diseases. Since 1989, the Government and the rebels have entered into more than twelve rounds of talks outside the framework of IGAD Initiative. In a parallel line to the external mediation, the Government has doubled its efforts to achieve peace from-within. In April 1997 the Khartoum Peace Agreement was signed between the Government and a number of Southern rebel factions. This agreement recognizes for the first time in contemporary Sudan the right of self-determination for the South. It was followed by Fashoda and the Nuba Mountains Agreements. These agreements feature in the Permanent Constitution. A recent development was the signing of the new Nuba Mountains Agreement with the main rebel stream following the United States special envoy initiative. It is expected that with the successful implementation of this agreement the peace process will continue to cover the South.

ISSUES OF GOVERNANCE:

The Sudan Government is committed to adhere to the basic human rights enshrined in the divine laws and international covenants, ensuring the supremacy of society and its legitimate right to developing own indigenous democracy and peaceful exchange of power among the various partisan movement within the Federal System and united Sudan. Enforcing peace, restoring security and the rule of law, building confidence among all people and ensuring fair distribution of wealth and power are the main policy agenda of the Government. However, the rehabilitation of society's political, social and economic infrastructure are basic issues necessary to achieve peace, decent livelihood, fairness and justice together with fostering democracy among all citizens having different social, ethnic, religious and cultural background without discrimination.