



CENTRAL BANK OF SUDAN

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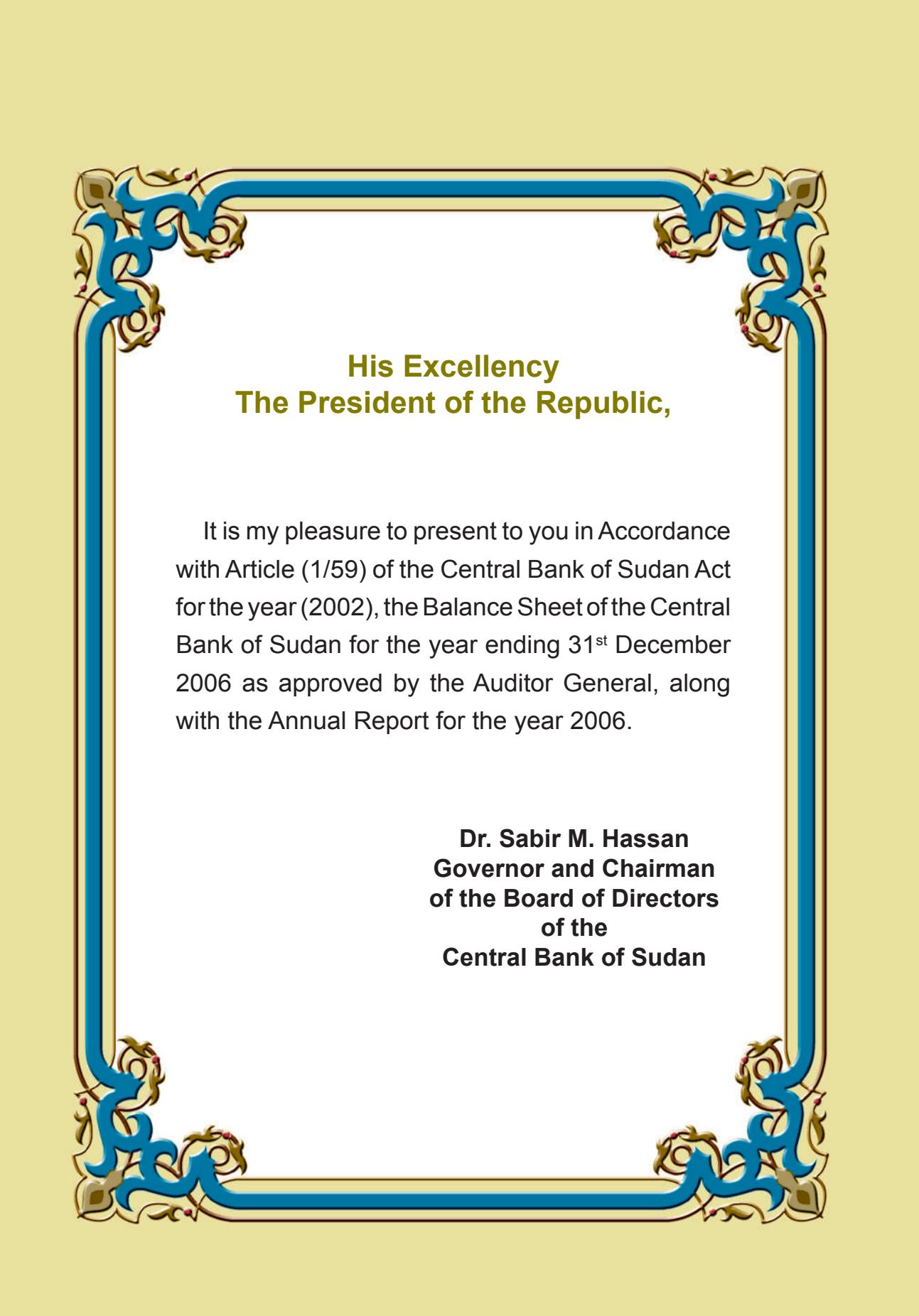
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His Excellency The President of the Republic,

It is my pleasure to present to you in Accordance with Article (1/59) of the Central Bank of Sudan Act for the year (2002), the Balance Sheet of the Central Bank of Sudan for the year ending 31st December 2006 as approved by the Auditor General, along with the Annual Report for the year 2006.

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

CENTRAL BANK OF SUDAN

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INTRODUCTION

The year 2006 witnessed a number of macro economic and monetary developments on both the international and domestic levels. On the international level, the economy revived and registered a growth rate of (5.1%) compared to (4.9%) in 2005 due to the distinguished performance in most of the emerging economies such as China. However, mounting growth in Growth Domestic Product (GDP), in the light of the utilization of most idle capacities, has led to the emergence of inflationary pressures in most economies that contributed to the increase in the international growth rate. The growth rate of developing countries had receded due to the increase in oil prices.

On the domestic level, real growth domestic product increased from (8.1%) in 2005 to (9.3%) in 2006, as a result of the increase in growth rate of the major sectors which contributed to the growth in Growth Domestic Product (GDP) such as the Agricultural Sector, Industrial Sector and the Service Sector. Moreover, the average annual inflation rate dropped from (8.4%) in 2005 to (7.2%) in 2006.

Concerning monetary developments, the increase in money supply amounted to SDD 384 billion in 2006, by a growth rate of (27.4%) over the previous year. This increase was attributed to the rise in all current means of payment by SDD 233.6 billion and quasi money by SDD 150.4 billion.

With regard to the developments in the performance of the external sector, overall balance of payments surplus switched from a surplus of US\$ 530.5 million in 2005 to a deficit of US\$ 208.6 million in 2006 due to the significant increase in the current account deficit from US\$ 2,769.1 million in 2005 to US\$ 4,338.2 million in 2006.

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CHAPTER ONE

MAJOR INTERNATIONAL ECONOMIC DEVELOPMENTS DURING 2006



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CHAPTER ONE

MAJOR INTERNATIONAL ECONOMIC DEVELOPMENTS DURING 2006

The world economy picked up during 2006 and recorded a growth rate of 5.1% compared with a growth rate of 4.9% in 2005. The rise in the world Gross Domestic Product growth rates was attributed to the outstanding performance of most economies of the industrial countries such as the United States of America, Japan, France and Germany and some of the emerging economies such as China. Hence, the rising growth in the world Gross Domestic Product - in view of the utilization of most of the idle capacities - resulted in the appearance of inflationary pressures in most of the economies which contributed to the rise in the world growth rate. However, the growth rates in the developing countries receded due to the rise in the oil prices particularly since most of these countries are oil-importing countries.

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, as a whole, registered a noticeable improvement in their growth rate in 2006 compared with the rate for 2005. Similarly, the unemployment rate in these countries improved; the inflation rate witnessed a slight rise and their current account deficit deteriorated.

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 2005 and 2006

Indicators	Growth Rate %		Inflation Rate %		Unemployment Rate %		Current A/C. (Billions US\$)	
Country	2005*	2006**	2005*	2006**	2005*	2006**	2005*	2006**
Major Industrial Countries	2.6	3.1	2.0	2.1	6.0	5.6	(486.3)	(571.1)
U.S.A.	3.2	3.4	3.0	2.9	5.1	4.8	(791.5)	(869.1)
Japan	2.6	2.7	(1.3)	0.0	4.4	4.1	165.7	167.3
Germany	0.9	2.0	7.0	1.1	9.1	8.0	114.9	120.6
France	1.2	2.4	1.8	1.9	9.5	9.0	(33.6)	(38.6)
Italy	0.0	1.5	2.1	2.3	7.7	7.6	(28.5)	(25.6)
United Kingdom	1.9	2.7	2.2	2.9	4.8	5.3	(48.3)	(55.9)
Canada	2.9	3.1	3.2	1.9	6.8	6.3	26.3	25.5
Other Industrial Countries	4.5	4.9	(0.4)	(0.8)	4.0	3.7	86.2	78.5

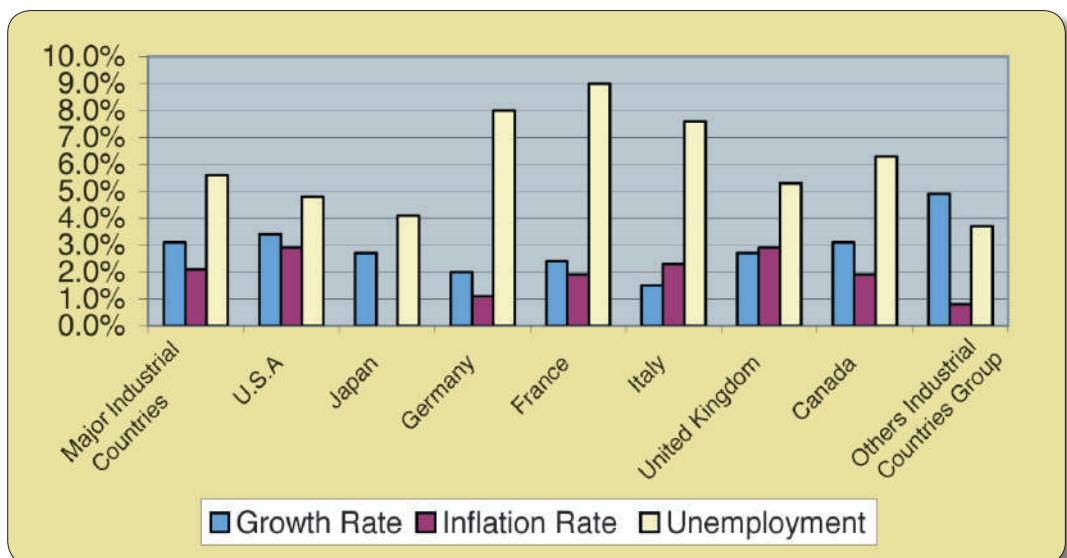
SOURCE: World Economic Outlook Sept.2006

* Actual.

** Estimates.

() Indicates minus

Figure (1-1)
Growth, Inflation and Unemployment Rates in the Major Industrial Countries for the year 2006



The growth rate of the major industrial countries rose from 2.6% in 2005 to 3.1% in 2006. The unemployment rate for these countries as a whole improved from 6.0% to 5.6% and the inflation rate rose slightly from 2% to 2.1% while their current account worsened as the deficit rose from US\$ 486.3 billion to US\$ 571.1 billion.

Looking at the indicators of growth, inflation and the current account of the main countries of this group, we find that the rates of growth of the entire group of countries went up during 2006 compared with 2005. Also, the inflation rates of the group moved up except for the United States of America and Canada while the unemployment rates for the whole group of countries, excluding the United Kingdom, declined. The current account position for each of Japan, Germany and Italy improved while that of each of the U.S.A., France and the U.K. deteriorated. The current account surplus of Canada receded.

Regarding the group of other industrial countries, their combined growth rate rose from 4.5% in 2005 to 4.9% in 2006; their inflation rate was up from 0.4% to 0.8%. The group unemployment rate declined from 4% to 3.7% whereas the current account surplus contracted from US\$ 86.2 billion to US\$ 78.5 billion.

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

The growth rate of the developing countries group as a whole dropped slightly in 2006 compared with 2005. Similarly, the inflation rate decreased and their combined current account surplus also improved.

Table (1-2) and Figure (1-2) show details of the alluded to indicators:

Table (1-2)
Growth Rates, Inflation Rates and Current Account Position in the Developing Countries for the years 2005 and 2006

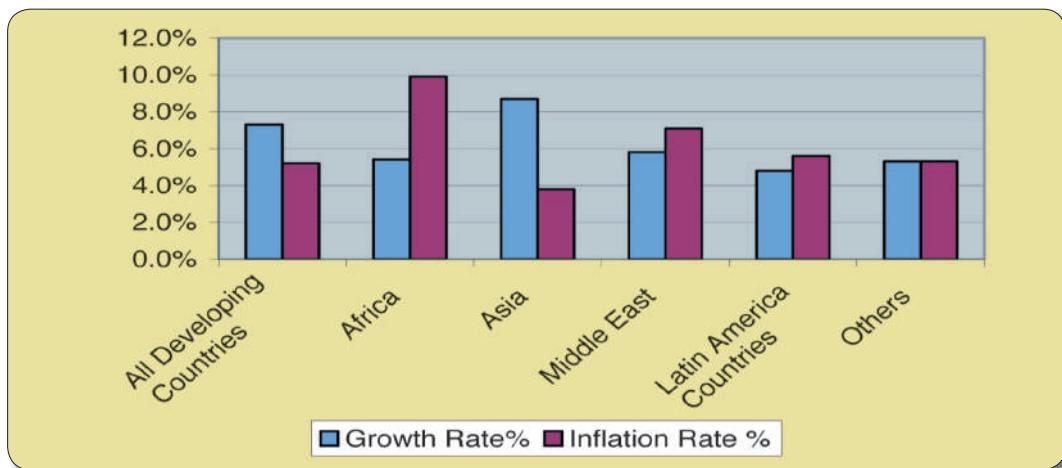
Indicators	Growth Rate %		Inflation Rate %		Current A/C. (Billions US\$)	
Country	2005*	2006**	2005*	2006**	2005*	2006**
All Developing Countries	7.4	7.3	5.3	5.2	424.7	586.7
Africa	5.4	5.4	8.5	9.9	18.4	33.1
Asia	9.0	8.7	3.5	3.8	165.3	184.6
Middle East	5.7	5.8	7.7	7.1	182.9	282.1
Latin American Countries	4.3	4.8	6.3	5.6	33.7	34.7
Others	5.4	5.3	4.8	5.3	(63.3)	(74.8)

SOURCE: World Economic Outlook September 2005.

* Actual.

** Estimates.

Figure (1-2)
Growth and Inflation Rates in the Developing Countries for the Year 2006



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The growth rate of the developing countries decreased from 7.4% in 2005 to 7.3% in 2006, the inflation rate declined slightly from 5.3% to 5.2% while their aggregate current account surplus improved from US\$ 424.7 billion to US\$ 586.7 billion for the two periods respectively.

The developing African countries maintained the growth rate of 5.4% which prevailed in 2005; inflation rate rose from 8.5% in 2005 to 9.9% in 2006, and current account surplus improved from US\$ 18.4 billion in 2005 to US\$ 33.1 billion in 2006.

The growth rate of the Asian developing countries group receded from 9% in 2005 to 8.7% in 2006. Their inflation rate rose from 3.5% to 3.8% while the current account surplus rose from US\$ 165.3 billion to US\$ 184.6 billion for the two periods respectively.

The growth rate of the Middle East developing countries rose slightly from 5.7% in 2005 to 5.8% in 2006, inflation rate declined from 7.7% in 2005 to 7.1% in 2006, while current account surplus rose from US\$ 182.9 billion to US\$ 282.1 billion for 2005 and 2006 respectively.

The growth rate of the Latin American Developing Countries rose from 4.3% in 2005 to 4.8% in 2006, inflation rate shrank from 6.3% to 5.6% whereas current account surplus improved from US\$ 33.7 billion in 2005 to US\$ 34.7 billion in 2006.

The Other Developing Countries registered a decline in their growth rates from 5.4% in 2005 to 5.3% in 2006, a rise in the inflation rate from 4.8% to 5.3% for 2005 and 2006, respectively, and also a rise in current account deficit from US\$ 63.3 billion in 2005 to US\$ 74.8 billion in 2006.

External Debt of Developing Countries:

Several developing countries met the conditions set for benefiting from debt reductions according to the Heavily Indebted Poor Countries (HIPC) Initiative, yet a number of these countries have not entered into arrangements for actually benefiting from these reductions, a situation which have not led to a reduction in the size of the overall debt of these countries.

Hence, their total indebtedness rose by the end of 2006 compared to 2005 while the percentage of debt to the Gross Domestic Product (GDP) of these countries had dropped.

Table (1-3) shows details of the evolution of indebtedness of the developing countries for 2005 and 2006.



Table (1-3)
External Debt of the Developing Countries For the years 2005 and 2006
(US\$ Billions)

Year	2005*		2006**		
	Country	External Debts	% of GDP	External Debts	% of GDP
Developing Countries as a Group		3,012.3	28.9	3,150.6	26.2
Africa		289.4	35.9	244.1	26.2
Asia		808.3	20.3	892.9	19.7
Latin America		754.1	31.0	442.0	26.6
Middle East		221.8	22.4	243.4	20.1

SOURCE: World Economic Outlook September 2006.

* Actual.

** Estimates.

The total external debt of the developing countries rose from US\$ 3,012.3 billion by the end of 2005 to US\$ 3,150.6 billion at the end of 2006. Due to the considerable increase in the total GDP of these countries, the percentage of their external debt to GDP fell from 28.9% in 2005 to 26.2% in 2006.

The external debt of countries of the African continent decreased from US\$ 289.4 billion, by the end of 2005, to US\$ 244.1 billion by the end of 2006 whereas the total external debt of the developing Asian countries rose from US\$ 808.3 billion to US\$ 892.9 billion. The external debt of Latin America dropped noticeably from US\$ 754.1 billion to US\$ 442 billion while the external debt of the Middle East countries rose from US\$ 221.8 billion to US\$ 243.4 billion.

With regard to the total size of the debt service of the developing countries as a whole, it rose from US\$ 597.8 billion in 2005 to US\$ 628.5 billion in 2006. The debt service in terms of the total exports of the entire developing countries dropped noticeably from 15.3% for 2005 to 13.3% for 2006 due to an increase in the volume of exports of these countries.

The ratio of debt service to total exports of the African countries declined from 10.9% in 2005 to 9.9% in 2006, for Asian countries from 7.1% to 6.3%, for the Middle East countries from 4.9% to 4.0% and for the Latin American countries from 35.0% to 27.9% for the same years respectively as shown in table (1-4).

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Table (1-4)

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

Year	2005*		2006**	
Country	Debt Service	% To Exports	Debt Service	% To Exports
Developing Countries as a Group	597.8	15.3	628.5	13.3
Africa	34.3	10.9	37.7	9.9
Asia	107.5	7.1	114.7	6.3
Middle East	28.2	4.9	29.7	4.0
Latin America	200.3	35.0	186.2	27.9

SOURCE: World Economic Outlook September 2006.

* Actual.

** Estimates.

Major Economic Conferences, Regional and International Meetings during 2006:

1) The Annual Meetings of the Arab Financial Institutions:

The activities of the Joint Annual Meetings of the Arab Financial Institutions were held in Rabat, Kingdom of Morocco on (18th and 19th) April, 2006 with the participation of the Arab Finance Ministers, Governors of the Central Banks and Members of the Boards of the Arab Financial Institutions. The meetings focused on discussing the financial performance of the Institutions and reviewed and adopted their administrative structures. The meetings also considered a cluster of issues and challenges confronting the Arab countries, especially under the developments and changes which the international arena witnesses in various spheres, particularly the economic and financial aspects and which call for more cooperation, coordination and unity among the Arab countries.

The Arab Institutions concluded their meetings by adopting a number of decisions, important among which were:

- Election of the Governor of the United Republic of the Comoros as Chairman of the Governing Council of the Arab Monetary Fund and the Governor of the State of Kuwait as Vice-Chairman during its Twenty Ninth Annual Meeting.
- Adoption of the consolidated final accounts of the Arab Monetary Fund for 2005 and the proposed allocations to the reserves for the year ending in December, 2005.



- c) Allocation of 10% from the net income of the Arab Monetary Fund, Arab Bank for Economic Development in Africa, Arab Fund for Economic and Social Development and the Arab Authority for Investment and Agricultural Development for 2005 in support of the efforts exerted to lift the hardship off the Palestinian People.
- d) Selection of the Governor of the State of Kuwait as Chairman of the Governing Council of the Arab Bank for Economic Development in Africa in its Thirty Second Annual Meeting and election of the Governor of Lebanon as Vice-Chairman.
- e) Election of the Governor of the United Arab Emirates as Chairman of the Governing Council of the Arab Fund for Economic and Social Development and election of the Governor of the Kingdom of Bahrain as Vic-Chairman.
- f) Approval of admission of the Kingdom of Bahrain to the Establishment Agreement of the Arab Authority for Investment and Agricultural Development and acceptance of its subscription to the capital of the Authority of ten shares of nominal value and authorization of the Board of Directors of the Corporation to undertake all the necessary implementation measures.

2) Meetings of the Inter-Governmental Organs and the Council of Ministers of the COMESA Countries:

These meetings were convened during the period (11-16 May, 2006) in Rwanda with the participation of all Member States, except Libya and along with representatives of international and regional organizations and institutions as well as representatives of COMESA organs and institutions.

First: Meetings of the COMESA Inter-Governmental Organs:

These meetings were conducted at the level of experts of government organs of Member States in Rwanda during the period (11-13 May, 2006). During these meetings, a number of issues were discussed, important among which were:

- Report of the Committee on Administrative and budgetary matters
- Various aspects of cooperation with regional organizations in Africa and international organizations.
- Report of the COMESA Court of Justice.
- Report of the Eighteenth Meeting of the Trade and Customs Committee.
- Second Meeting of the Information Technology Committee.

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- Report of the Secretariat on implementation of the COMESA Programmes such as Transport and Communications, Industry and Mining, Monetary Affairs, Agriculture, in addition to reports of the COMESA Institutions.

Second: Meetings of COMESA Council of Ministers:

These meetings were held in Kigali during (15 and 16 May, 2006) in the presence of all the Foreign Trade Ministers and their aides of the COMESA countries, except Libya. The Ministers discussed the reports and recommendations submitted by the Committee of Experts of the Inter-Governmental Organs. The Council also adopted all the reports and recommendations on the implementation of the COMESA programs. The State of Djibouti stated that it has completed all the arrangements to host the Meetings of the Summit of the COMESA countries in addition to meetings of the Committee on Administrative and budgetary matters and meetings of the Inter-Governmental Organs of the COMESA countries scheduled to convene in November 2006.

3) The Thirty Second Annual Meeting of the African Development Bank Group:

This Meeting was convened in Ouagadougou, Burkina Faso during 17 and 18 May, 2006 in the presence of the Heads of State of Burkina Faso (the Host Country), Rwanda, Liberia and Mozambique and the Prime Minister of Cote d'Ivoire, in addition to the Governors of the African Member States and the Non-Regional Members from the European, American and Asian Countries:

The Meeting discussed several issues, important among which were:

- Adoption of the debt initiative of the Heavily Indebted Poor Countries (HIPCs).
- Review of the temporary Headquarters Agreement of the African Development Bank in Tunisia as the situation in Cote d'Ivoire (the original headquarter of the Bank) was still unstable. The Meeting agreed on the extension of the period of stay in Tunisia for another year until the security situation in Cote d'Ivoire improves.
- Emphasis on the necessity to implement the initiative on the provision of rural water in the African countries as the Bank allocated US\$ 35 billion for this purpose.
- It was agreed to hold the next annual meeting of the African Development Bank Group in China in May, 2007.



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

The Thirty First Annual Meeting of the Islamic Development Bank Group was held in Kuwait on (30th and 31st May, 2006) in the presence of delegations from 56 countries representing the Member States of the Islamic Development Bank Group, in addition to representatives of Islamic banks, national finance institutions in the Member States and representatives of international and regional finance institutions which cooperate with the Islamic Development Bank.

On the sidelines of the Meeting, the Thirteenth Annual Meeting of the Board of Governors of the Islamic Corporation for Investment Shares and Export Credit was held as well as the Sixth Meeting of the General Assembly of the Islamic Corporation for Development of the Private Sector. Important among the decisions taken by the Thirty First Annual Meeting of the Islamic Development Bank Group were:

1) Approval of the final accounts for each of:

The Islamic Banks Portfolio, Islamic Development Bank Fund for Investment Shares, Islamic Corporation for Investment Insurance and Export Credit and the Islamic Corporation for Promotion of the Private Sector.

2) Allocation of an amount equivalent to 2% of the Bank's net income expected for the financial year 1427 H, provided that it shall not be less than US\$ 2 million, for the programme of study scholarships for talented students in the form of grants to be paid to the programme in 1428H. This is besides the financial allocations extended to the programme from the Waqf Fund.

3) Raise-up the authorized capital of the Bank by 15 billion Islamic dinar to become 30 billion Islamic dinar.

4) Establishment of a special fund within the Bank Group to assist in combating poverty and providing work opportunities in the Member States of the Islamic Conference Organization.

5) Election of Each of:

- Governor for Republic of Senegal Chairman

- Governor for Republic of Surinam Vice-Chairman

- Governor for the Syrian Arab Republic Vice-Chairman

as the Bureau for the thirty second Annual meeting of the Bank Group.

6) The Thirty Second Annual Meeting shall be held in the Republic of Senegal provided that the date of the meeting shall be determined in consultation with the Authorities in the Republic of Senegal.

As the Bureau for the Thirty second Annual Meeting of the Bank Group.

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5) The Thirtieth Annual Meeting of the Association of African Central Banks (AACB):

The Thirtieth Meeting of the Association of African Central Banks was held during the period (14-18 August, 2006) in Wind hawk, Namibia in the presence of representatives of most African Central Banks besides representatives of a number of Regional and International Organizations.

This Meeting was preceded by a symposium titled “Domestic Capital Markets and Mobilization of Resources for Growth and Poverty Reduction”. The Meeting concluded with the adoption of decisions, chief among which were:

- Adoption of the Report of the Twenty Ninth Meeting of the Association of African Central Banks.
- Constitution of the Bureau of the Association in the following manner:

- Governor, Central Bank of Namibia	Chairman
- Governor, Central Bank of Libya	Vice-Chairman
- Governor, Central Bank of Sudan	Chairperson, North African Group
- Governor, Central Bank of Sao Tome Principal	Chairperson, Central Africa Group
- Governor, Central Bank of Ghana	Chairperson, West Africa Group
- Governor, National Bank of Rwanda	Chairperson, East Africa Group
- Governor, Central Bank of Botswana	Chairperson, Southern Africa Group
- The next meeting of the Association will be held in Libyan Arab Jamaheria in August 2007.

6) Meetings of the Thirtieth Ordinary Session of the Board of Governors of the Arab Central Banks and Monetary Authorities:

The Algerian capital witnessed, on the 4th of September, 2006, the holding of the Thirtieth Annual Ordinary Session of the Board of Governors of the Arab Central Banks and Monetary Authorities with the participation of Governors of the Arab Central Banks and Monetary Authorities, their Deputies and Observers from the Regional and International Organizations. The Session concluded its business with a number of decisions summarized in the following:

- 1) Election of the Governor of the Central Bank of Syria as Chairman of the Thirtieth Session of Governors of the Arab Central Banks and Monetary Authorities and the Governor of the Central Bank of Iraq as Vice-Chairman.
- 2) Approval of the report of recommendations of the Arab Committee for Banking Supervision including the recommendations in the working papers on the preparatory arrangements for implementing Basel II resolutions.



- 3) Approval of the report and recommendations of the Arab Committee on Payment Systems.

7) The Thirteenth Meeting of the African Export Import Bank:

The Annual Thirteenth Meeting of Shareholders of the African Export Import Bank was held in Wind hawk, Namibia on (8th September, 2006) with the participation of several major shareholders. The quorum reached 60.9% of the total shareholders. The agenda of the Meeting were restricted to the following focal points.

- Approval of the Minutes of the Twelfth Meeting of the shareholders.
- Discussion of the Report of the Reconciliation Committee which was formed at the shareholders meeting in Accra, Ghana on 1st April, 2006 for the selection of an independent Legal Counsel to provide a legal statement on the dispute between the Arab Republic of Egypt (The Host Country) and the African Export and Import Bank resulting from the selection of the Bank President.
- Review of the Bank annual report and the general accounts for the financial year ending on 31/12/2005.

8) The Joint Meeting of the World Bank and the International Monetary Fund:

The annual meetings of the Britton Woods Institutions (the World Bank and the International Monetary Fund) were held in Singapore on 19th and 20th September 2006. Delegations of all the Member States in the two institutions participated in these meetings in addition to the participation of the heads and directors of the International and Regional Institutions.

The most important decisions reached in these meetings were the following:

- The necessity for benefiting from the positive effects of globalization in order to reduce poverty in the world.
- The necessity for eliminating bureaucracy, which stands as an obstacle to investment worldwide so as to facilitate movement of capital.
- Approval of increase in the IMF quotas of some countries which showed strong economic growth in the previous years such as China, Turkey, Mexico and South Korea together with the necessity of focusing on maintaining the voting power of the developing countries, including African ones.
- The necessity for continuing the Doha talks for securing equitable exchange conditions that will assist in generating development and eradicating poverty.

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- Work towards resolving some of the problems confronting the Fund which included three main points, viz, continuing rise in oil prices, global imbalances and use of products protection methods.

9) The Eleventh Meeting of the Committee of Governors of Central Banks of the COMESA Countries:

The Eleventh Meeting of the Committee of Experts of Central Banks of the COMESA countries was held in Antananarivo, the capital city of Madagascar during the period 16-19 October, 2006 with the participation of delegations of 14 COMESA Member States, in addition to some representatives of regional organizations such as: the Trade and Development Bank for Eastern and Southern Africa "PTA Bank ", African Development Bank, COMESA Clearing House, African Union, Secretariat of the Association of African Central Banks and East African Community. The Central Bank of Tanzania participated as an observer.

The following decisions were taken by the Committee in the light of the report of the Experts Committee in the area of monetary affairs:

- 1) Adoption of the Work Plan of the Development and Stability of the Financial Sector Committee.
- 2) Direction of the Development and Stability of the Financial Sector Committee to conduct a study on an evaluation of the financial sector of the Member States according to the outcome of the questionnaires received from the countries targeted by the study and whose number totals (10) including the Sudan.
- 3) Direction of the Sub-Committee on Monetary Policies and Exchange Rate Policies to obtain the conclusions of the Seminar which was organized in Nairobi and the other Seminar which was organized in Bamako on the Modality of Coordination and Harmonization of the Statistical Concepts and Frameworks.
- 4) Provision of the Secretariat with detailed performance reports on the performance of countries within the framework of the monetary harmonization programme at the end of June of each year as the latest date.
- 5) Adoption of the Work Plan of the Clearing House for 2007 and the Work Plan of the Sub-Committee on Monetary Policies and Exchange Rate Policies for 2007.
- 6) The Central Banks shall cooperate with regard to combating the financing of terrorism and instituting legal frameworks to contain the money laundering phenomenon.

10) The Eleventh Summit of the COMESA Heads of State and Government:

These meetings were held during the period 6-16 November, 2006 in Djibouti with the participation of all the COMESA Member States in addition to COMESA institutions and representatives of the International and Regional Organizations under the motto of "Deepening Regional Integration through the Customs Union". The Summit took a number of decisions, important among which were:

- Constitution of the Bureau of the COMESA Council of Ministers and hence the Summit in the following manner:
 - Djibouti Chairperson
 - Kenya Vice-Chairperson
 - Burundi Reporter
- The Summit adopted the Report of the Twenty Second Ministerial Council and the Seventh Report of the Foreign Ministers and called for accelerating the pace for achieving the Customs Union.
- The Summit directed that the PTA Bank should be relocated from Nairobi, Kenya to Bujumbura, Burundi with effect from March, 2007 in implementation of the Addis Ababa Summit decision in May, 2002.
- The Summit valued the setting up of the COMESA Fund Protocol and the start of its implementation with effect from 14th November, 2006. The Summit directed the Secretariat to speed up execution of the Protocol.
- The Summit approved the decision of the Central Bank Governors Committee to establish the COMESA Monetary Institution to embark on undertaking the measures, which lead to monetary union. The Summit also directed the COMESA Clearing House to accelerate the implementation and activation of the Regional Payments and Settlement System and its adoption by the end of 2007.
- The Summit valued accession of Libya and the Republic of Comoros to the Free Trade Area and called for acceleration of implementation of the measures for establishing the Customs Union by 2008.
- Agreement was reached on holding the next Summit in Kenya in May, 2007.

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CHAPTER TWO

CENTRAL BANK OF SUDAN POLICIES



CHAPTER TWO CENTRAL BANK OF SUDAN POLICIES

The Central Bank of Sudan policies for the year 2006 were issued comprising the monetary and credit policy, foreign exchange policies and banking and supervision policy in addition to the issues related to the banking activities in Southern Sudan.

First: Monetary and Credit Policy:

1) Objectives of the Policy:

The monetary and credit policy for the year 2006 in coordination with the fiscal policy, aimed at the achievement of the directives of the macro economic policy which were represented in the achievement of a real growth rate in GDP of 10% and the maintenance of the inflation rate around 8% on average, through targeting a nominal growth in the money supply of 30% in addition to the maintenance of the stability and flexibility of the exchange rate.

The Central Bank of Sudan during the year 2006, managed and organized the liquidity by using the instruments of monetary and credit policy in the manner which enabled the provision of adequate liquidity to meet the requirements of the economic activity, helped containment of the inflationary pressures and maintenance of the stability of the economy.

With respect to the actual performance, the average inflation rate reached 7.2% in the year 2006, compared with the targeted rate of 8% in spite of the increasing inflationary pressures during the second half of the year as a result of the expansionary spending of the government and the increase in the prices of some basic commodities due to the increase in the prices of oil.

The measures undertaken by the Monetary Operations Unit through the open market operations in the Sukouk and the foreign exchange operations, in addition to the improvement in the exchange rate of the dinar, helped in influencing money supply and reduction of the monetary expansion. The real growth rate in money supply by the end of December 2006, reached 27.2% compared with the targeted rate of 30%. GDP also grew by 9.3% compared with the targeted rate of 10%.

2) The Monetary Policy Instruments:

a) Open Market Operations:

The Bank focused on the employment of open market operations in the government "Sukouk" represented in the Government Musharaka Certificates (GMCs), the Government Investment Certificates (GICs) and the Central Bank of Sudan, Ijarah Certificates (CICs), in addition to the foreign exchange sales operations, in managing and organizing liquidity during the year 2006.



Also, the continued improvement in the exchange rate of the dinar during the year 2006, helped in the containment of a substantial portion of the liquidity emanating from the external sector.

b) The Statutory Reserve:

The monetary policy directed the banks to maintain cash balances with the Central Bank of Sudan in the form of a statutory reserve in local and foreign currencies of not less than 13% of the deposits in the two currencies. The ratio of the statutory reserve is considered one of the successful instruments in managing the liquidity of the banks. The specified ratio in the monetary policy helped in containing the monetary expansion together with the provision of sufficient resources for the banks to extend finance.

c) Internal Liquidity:

The question of determining the internal liquidity was left for the banks while taking into consideration the ratio of 10% as an indicator. The actual ratio of the internal liquidity of the banks reached about 13.2% on average on December, 2006.

d) Murabaha Profit Margins:

The Murabaha profit margin was fixed at 10% as an indicator. The weighted average for the Murabaha profit margins ranged between 10.1% and 12.6% and the monthly average ranged between 8% and 18% during the year.

3) Inter-Banks Market:

The market is still inactive and ineffective in the management of liquidity in spite of the encouragement of the Central Bank of Sudan to the operating banks to maintain deposits in local and foreign currencies, sale and purchase of financial papers among them.

4) Financing Banks from the Central Bank of Sudan:

Central Bank of Sudan continued to perform its role "as the Lender of last resort" to the banks during the year 2006 through the available finance windows in the monetary policy. Finance to the banks was carried through the sale and purchase of financial papers to overcome their liquidity shortages, in addition to the extension of finance to bridge their seasonal finance gaps via the investment window.

5) Other Measures and Regulations:

The measures and regulations specified in the monetary policy helped in increasing the finance extended from the banks to the private sector by 44.4% in the year 2006. This was attributed to the increase in the resources of the banks as a result of the rise in banking deposits and capital and the introduction of new banks in the banking sector. The percentage of finance to total deposits increased from 76.4% on December 2005 to 90.5% on December 2006. (More details of the components of money supply and finance are found in chapters five and six).

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Second: Foreign Exchange Policies:

The foreign exchange policies for the year 2006, aimed to maintain the stability of the exchange rate of the Sudanese dinar by adopting the managed flexible exchange rate policy, enhancing building up foreign exchange reserves, completing the unification of the foreign exchange market and its liberalization.

The following is a review of the performance of the Foreign Exchange Policies for the year 2006:

1. Elimination of some restrictions regarding replenishment of free accounts in foreign exchange and recorded in local currency. Banks were permitted to replenish them with more resources.
2. Banks were directed to use the proceeds of exports for all purposes, except the clean transfers, selling and crediting free accounts. With regard to imports, the import account was abolished. Dealing in import transactions shall be affected directly with the margin.
3. Unification of the Central Bank of Sudan sales of foreign exchange dealing in the commercial banks and foreign exchange bureaus. Moreover, purchases of the resources of the foreign companies working in the field of gold and metal extraction, shall be effected in favour of the commercial banks and foreign exchange bureaus instead of the Central Bank of Sudan.
4. Abolishing of foreign exchange dealing rooms in the banks and permitting them to sell in cash within the limit of an amount not exceeding US\$ 5,000. Banks and foreign exchange bureaus were, also permitted to sell for the purpose of outward transfers without presentation of documents within the limit of US\$ 3,000 or its equivalent in other currencies. Moreover banks were permitted to change the exchange rates of currencies more than once during the day with the necessity of declaring them to their clients. Foreign exchange bureaus were also permitted to sell any amount in cash without presentation of any documents.
5. Foreign exchange bureaus were permitted to deal with foreign contractors contracting with the government and the public sector institutions in addition to the sale of foreign exchange for the purpose of transferring sales surpluses of foreign airways companies working in the country.

In the area of the exchange rate, the exchange rate of the Sudanese dinar against the dollar registered continued improvement during the year 2006, from 230.67 dinar on December 2005, to 202.48 dinar at the end of December, 2006.

Third: Banking and Supervision Policy:

To complete the structuring of the banking system and the financial institutions in the manner which achieves the safety and soundness of the banking system and building of a strong banking system competent to provide its services in the required efficiency, the Central Bank of Sudan adopted the following banking and supervision policies during the year 2006:

1. Restructuring of banks to strengthen and enhance their financial positions.
2. Encourage banks to expand their banking services base, and complete the rules and regulations for licensing the conventional banks in the South.
3. Continue in formulating the rules and regulations related to licensing the work of non-banking financial institutions.
4. Prepare the policies to develop the micro finance and work towards developing control and supervision regulations to finance the small and medium enterprises.
5. Raise the efficiency of the control systems to comply with the International Accounting Standards (IAS), the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and completion of the implementation of the Financial Sector Assessment Program (FSAP).
6. Upgrade the clients risk section in Central Bank of Sudan to Credit Information Center.
7. Work towards raising the percentage of capital adequacy to 12% and reduce non-performing loans to 8%.
8. Obligate the banks to use developed technological banking systems which will meet the requirements of the safe connection of the national network.

The following is a review of the performance of the Banking and Supervision Policy for the year 2006:

1) Banking Supervision and Development:

One of the most important banking achievements in the year 2006, which aims at enhancing and maintaining the safety and soundness of the banking system, was the preparation and issuance of the rules and regulations governing the Islamic and conventional banking business, in addition to the development and activation of the procedures of corporate governance in the banks and financial institutions. And in order to broaden the base of the banking services and cater for the financing of small producers, the Banking Supervision Department, in coordination with a Sudanese consultancy firm, prepared a number of studies to develop the micro finance sector. The Department also, prepared a Regulation for licensing micro finance banks, issued the policies regarding them, established a micro finance unit and commenced furnishing it with competent and qualified cadre to promote this sector.

2) Restructuring and Reform of the Banking System:

Several banks succeeded in fulfilling the restructuring requirements of their positions during the year 2006. Regarding strengthening and enhancing the financial positions of the banks, most of the banks were able to raise their capital to SDD 3 billion in accordance with the first stage of the structuring program. In the second stage which has started, banks will raise their capital to SDD 6 billion during three years, from 2006 to 2009.

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3) Banking Technology:

In the context of developing banking technology in accordance with the Central Bank of Sudan Policy, the year 2006, witnessed the establishment of the Payment Systems and Banking Technology Department, which belongs to the Financial Institutions and Systems Wing in the Central Bank of Sudan. The most important function of the Department is the direct supervision of the formulation of the strategy and technical development plans of the national nature to the banking sector and formulating the policies, procedures and regulations for the National Payment System. The year 2006, also witnessed completion of the implementation of the targeted banking technological projects represented in the National Payment Switch which commenced its work on February 2006, the Electronic Cheque Clearing which commenced actual operation on December, 2006 and the Electronic Returns whose project implementation was completed and the work will commence as from the 15th February, 2007.

Fourth: Banking Activity in Southern Sudan:

In the context of the Central Bank of Sudan implementing item (14) of the Protocol of Wealth Sharing which emphasis commitment to the basic principles represented in the Unity of: the Central Bank of Sudan, the Monetary Authority, monetary policy, the currency and the role of the Central Bank of Sudan in maintaining economic stability, restructuring the Central Bank of Sudan was completed in preparation for adopting the dual banking system, the establishment of the Bank of Southern Sudan (BOSS), issue of the unified new currency and formulation of the rules and regulations which govern the establishment of conventional banks in the South.

In accordance with that, two banks, namely Kenyan Commercial Bank and the Nile Commercial Bank were licensed to conduct banking business in the South. A number of the employees working in the different departments of the Bank were dispatched to train the employees in the Bank of Southern Sudan (BOSS). Moreover a number of the employees working in the Bank of Southern Sudan (BOSS) were trained in the Bank's headquarters in Khartoum.

For achieving the unity of the currency, the Sudanese pound was adopted instead of the Sudanese dinar to be used in the North and South of Sudan according to the text of the Comprehensive Peace Agreement (CPA), it will be in circulation at the beginning of the year 2007. The replacement of currency will continue up to June 2007 at which the pound will be the only legal tender currency.

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 (2006 prices).

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

Sector	2005*			2006**		
	Value	Growth Rate %	Share %	Value	Growth Rate %	Share %
(A) Agriculture:	754.2	7.2	39.6	816.9	8.3	39.2
i) Agrarian Component:	385.5	13.4	20.2	446.8	15.9	21.4
Irrigated Agriculture	206.7	7.1	10.9	230.9	11.7	11.1
Mechanized Rainfed Agriculture	27.1	78.7	1.4	31.2	15.0	1.5
Traditional Rainfed Agriculture	103.4	29.2	5.4	134.5	30.0	6.4
Forestry and Others	48.3	2.0	2.5	50.2	4.0	2.4
ii) Animal Component:	368.7	0.2	19.4	370.1	0.4	17.8
Animal Resources	368.7	0.2	19.4	370.1	0.4	17.8
(B) Industry:	539.8	7.6	28.3	588.6	9.0	28.3
i) Mining and Quarrying	300.9	9.4	15.8	330.4	9.8	15.9
Petroleum	288.2	9.7	15.1	317.0	10.0	15.2
Others	12.7	2.0	0.7	13.4	5.0	0.6
ii) Manufacturing	134.5	5.2	7.0	143.9	7.0	6.9
iii) Electricity and Water	25.9	8.5	1.4	27.9	8.0	1.4
iv) Building and Construction	78.5	5.0	4.1	86.4	10.0	4.1
(C) Services:	610.7	9.8	32.1	676.8	10.8	32.5
Governmental Services	230.7	24.5	12.1	258.8	12.2	12.4
Other Services	380.0	2.5	20.0	418.0	10.0	20.1
GDP at Constant Prices	1,904.7	8.1	100.0	2,082.3	9.3	100.0
GDP Deflator	337,730.1			362,483.0		
GDP at Current Prices	6,432,876.1			7,548,147.3		

Source: Ministry of Finance and National Economy.

* Amended figures.

** Preliminary Figures.

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It is evident from Table (3-1) that GDP growth (at constant prices) increased from 8.1% in 2005 to 9.3% in 2006 due to the rise in the growth rates of the agricultural sector from 7.2% to 8.3%, the industrial sector from 7.6% to 9.0% and the service sector from 9.8% to 10.8%.

(a) The Agricultural Sector:

The contribution of the Agricultural Sector, with its agrarian and animal sub-sector, to the Growth Domestic Product (GDP) dropped from 39.6% in 2005 to 39.2% in 2006, although its growth rate increased from 7.2% in 2005 to 8.3% in 2006. This was attributable to the rise in the growth rate of the irrigated agriculture, the forestry and others, and the traditional rain fed agriculture from 7.1% in 2005 to 11.7% in 2006, from 2.0% in 2005 to 4.0% in 2006 and from 29.2% in 2005 to 30.0% in 2006 respectively, despite the decline in the growth rate of the mechanized rain fed agriculture from 78.7% in 2005 to 15.0% in 2006.

The relative contribution of the agrarian sub-sector to the agricultural sector as a whole stood at 51.1%, the growth rate of this sub-sector contributed to the increase in the growth rate of this sector from 13.4% in 2005 to 15.9% in 2006. While the animal sub-sector, contributed by 48.9% of the total share of the agricultural sector in 2005 and 45.3% in 2006.

(b) Industrial Sector:

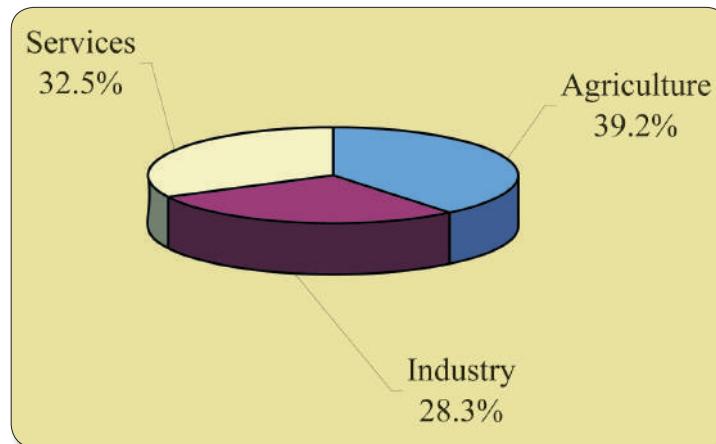
The growth rate of the industrial sector increased from 7.6% in 2005 to 9.0% in 2006 due to the rise in the growth rate of the mining and quarrying sector from 9.4% in 2005 to 9.8% in 2006. Despite this, the contribution of the industrial sector to GDP remained constant at 28.3% during the two years. Similarly, the growth rate of manufacturing rose from 5.2% in 2005 to 7.0% in 2006. The growth rate of the electricity and water sector witnessed a drop from 8.5% in 2005 to 8.0% in 2006, while its contribution to GDP remained unchanged at 1.4% for the two years (2005 and 2006). Furthermore the growth rate of the building and construction sector rose from 5.0% in 2005 to 10.0% in 2006 while its contribution to GDP remained constant at 4.1% for the two years.

(c) The Services Sector:

The contribution of the services sector to the gross domestic product (GDP) rose from 32.1% in 2005 to 32.5% in 2006, due to the increase in the growth rate of other services from 2.5% in 2005 to 10.0% in 2006, despite the decline in the growth rate of government services from 23.5% in 2005 to 12.2% in 2006.

Figure (3-1) highlights the percentage share of the economic sectors in GDP in 2006.

Figure (3-1)
Percentage Share of the Economic Sectors in GDP in 2006



Inflation:

Inflation is a sustained rise in the general price level, which results in the depreciation of the value of the currency during a specific period of time. Inflation is calculated from the weighted price index of a group of goods (basket of goods) and weighing them (the percentage of expenditure on the good to total expenditure) over a certain period of time.

Since January 2006 and up-to August slightly lower rates of inflation were experienced i.e. one digit inflation rate, but in the last quarter of the year (2006) the inflation rates started rising and reached two digit inflation rates. Despite this, the annual average inflation rate dropped from 8.4% in 2005 to 7.2% in 2006.

Table (3-2) depicts the annual average inflation rate during 2005 and 2006 - computed by the Consumer Price Index (CPI).

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

Income groups	2005		2006	
	End of December	Annual	End of December	Annual
Higher Income	5.1	7.0	16.3	8.1
Middle Income	5.6	8.5	15.4	7.1
Lower Income	6.1	9.9	15.7	6.5
Geometric Mean	5.6	8.4	15.8	7.2

Source: Central Bureau of Statistics.

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Figure (3-2) illustrates the trend of inflation during 2006, while Figure (3-3) depicts the geometric mean of the annual average inflation rate during 2005 and 2006 and Appendix (X) presents the inflation rates and consumer price index (CPI) during the period (1996 - 2006).

Figure (3-2)
Inflation Rate During 2006

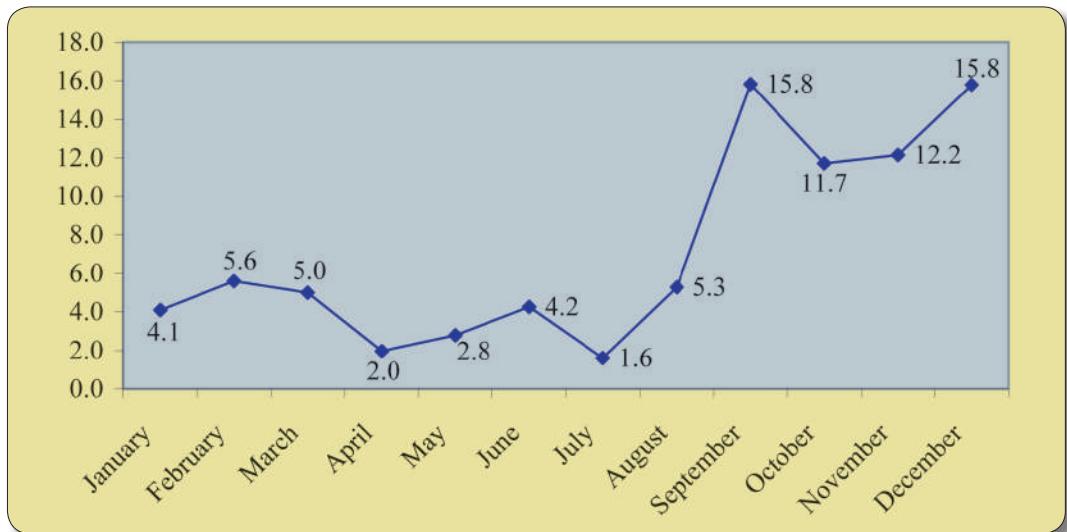
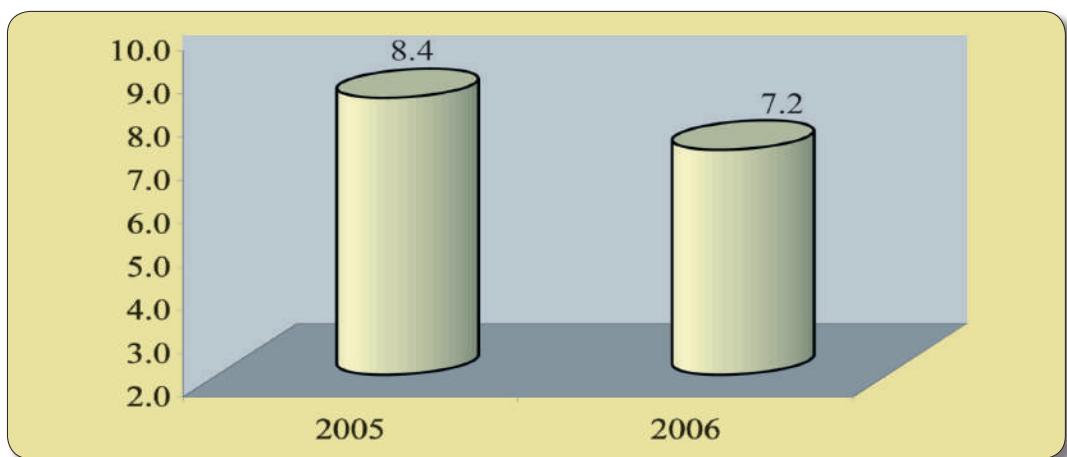


Figure (3-3)
**Geometric Mean of the Annual Average
Inflation Rate During 2005 - 2006**



Gross National Product:

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

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

(SDD Millions)

Sector	2005*	2006**
(A) GDP at 1981/1982 Prices	1,904.7	2,082.3
Annual Growth Rate (%)	8.1%	9.3%
Net Invisible Receipts and Payments In US\$ millions	(1,647.4)	(2,890.1)
The Annual Average Exchange Rate	243.58	217.13
(B) Net invisible Receipts and Payments At Constant Prices 1981/82	(1.1)	(1.7)
Gross National Product Deflator	337,730.1	362,483.0
Gross National Product (A + B)	1,905.6	2,080.6
Annual Growth Rate (%)	7.7%	9.3%

Source: Ministry of Finance and National Economy and Central Bank of Sudan.

* Amended figures.

** Preliminary Figures.

Table (3-3) shows that the growth rate of the Gross National Product (GNP) at the 1981/82 constant prices increased from 7.7% in 2005 to 9.3% in 2006. This was attributable to the rise in the growth rate of GDP at constant prices from 8.1% in 2005 to 9.3% in 2006, and to the improvement in the average exchange rate of the Sudanese dinar viz-a-viz the US\$ from SDD 243.6 in 2005 to SDD 217.1 in 2006, despite the rise in the deficit in net receipts and invisible payments from SDD 1,647.4 million in 2005 to SDD 2,890.1 million in 2006.

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CHAPTER FOUR

PRODUCTION



CENTRAL BANK OF SUDAN



CHAPTER FOUR PRODUCTION

This Chapter covers the agricultural sector 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 to 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 its considerable contribution to export proceeds. This was accompanied by development and promotion in the services sector, particularly communications, roads and electricity.

A detailed explanation of the production of these sectors and their contribution to the gross domestic products is given below:

First: The Agriculture Sector:

The agricultural sector is considered as one of the main sectors in the Sudanese economy as most of the population depends on it for the provision of food and raw materials for local industries and job opportunities, in addition to its substantial contribution to the exports. Despite the slight drop in its percentage contribution to the gross domestic product from 39.6% in 2005 to 39.2% in 2006 due to the deterioration in the production of the mechanized and traditional rain fed agriculture, it continued to be the leading sector in the gross domestic product. Its growth rate increased from 7.2% in 2005 to 8.3% in 2006. It also remained as the first contributor to the Domestic National Product (GDP).

(A) The Agrarian Production:

The agrarian production includes the mechanized rain fed agriculture, the traditional rain fed agriculture, the irrigated agriculture, the forestry and the pastoral. The agrarian production contributes 51.1% of the total agricultural sector.

Table (4-1) below illustrates the cultivated areas in 2004/05 and 2005/06 seasons:

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Table (4-1)
The Cultivated Areas in 2004/05 and 2005/06 seasons
(Area in Millions of Feddans)

Season	The mechanized rainfed agr.	The traditional rainfed agr.	The irrigated agr.	The total cultivated areas
2004/05	2.1	19.2	11.1	32.4
2005/06	1.8	19.1	14.9	35.8

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

The above Table shows the slight increase in the cultivated areas in 2005/06 season compared with the previous one due to the expansion in the irrigated agriculture.

Below are the details of the production of the important crops during 2005/06 season, and include:

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

The production of the main cash crops decreased in 2005/06 season compared with the preceding one as a result of the drop in the cultivated areas.

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 2004/05 and 2005/06 seasons:

Table (4-2)
Cotton Production in 2004/05 and 2005/06 Seasons

2004/05			2005/06		
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)
516	3.6	451	406.4	3.9	393.9

Source: Sudan Cotton Company.

Cotton production declined from 451 thousand bales in 2004/05 season to 393.9 thousand bales in 2005/06 season by 12.7% due to the decrease in the cultivated areas from 516 thousand feddans to 406.4 thousand feddans by 21.2% despite the increase in average productivity from 3.6 to 3.9 quintal/ feddan.

2. Gum Arabic:

Table (4-3) below highlights the production of Gum Arabic in 2004/05 and 2005/06 seasons:

Table (4-3)
Gum Arabic Production in 2004/05 and 2005/06 Seasons
(000's Tons)

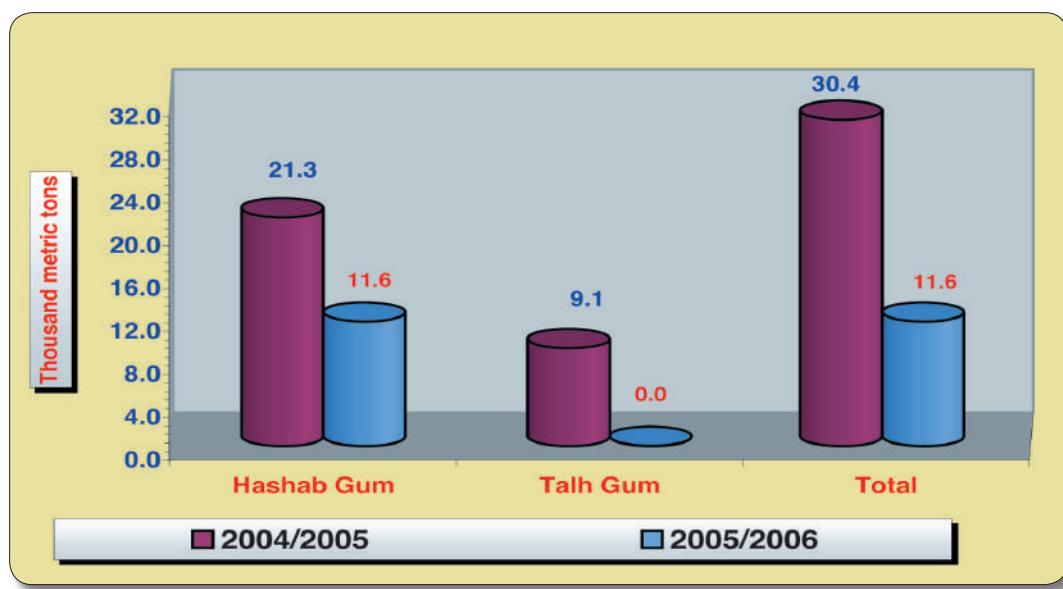
Crops	2004/05	2005/06	Percentage Change
Hashab Gum	21.3	11.6	(45.5)
Talh Gum	9.1	0.03	(99.7)
Total	30.4	11.6	(61.8)

Source: Gum Arabic Company.

The production of Gum Arabic with its two varieties (hashab gum and talh gum) dropped remarkably from 30.4 thousand tons in 2004/05 season to 11.6 thousand tons in 2005/06 season.

Figure (4-1) below shows the production of gum Arabic in 2004/05 - 2005/06 seasons:

Figure (4-1)
Gum Arabic Production For the Seasons (2004/05 and 2005/06)



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

The production of all the main food crops in 2005/06 season increased compared with the preceding one. This was attributed generally to the increase in the cultivated areas in addition to the rise in productivity.

Table (4-4) below shows the production of the important main food crops in 2004/05 and 2005/06 seasons:

Table (4-4)
Production of the Main Food Crops in 2004/05 and 2005/06 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
2004/05	15,282	2,619	266	6,996	280	74	407	364	953
2005/05	20,453	4,327	274	8,002	675	124	433	416	976

Source: Ministry of Agriculture - Agricultural statistics.

1. Sorghum (Dura):

The production of sorghum witnessed noticeable increase from 2,619 thousand tons in 2004/05 season to 4,327 thousand tons in 2005/06 season by 65.2%. This was attributed to the increase in the cultivated areas from 15,282 thousand feddans to 20,453 thousand feddans as well as the increase in the productivity from 266 kg/feddan to 274 kg/feddan.

2. Millet (Dukhun):

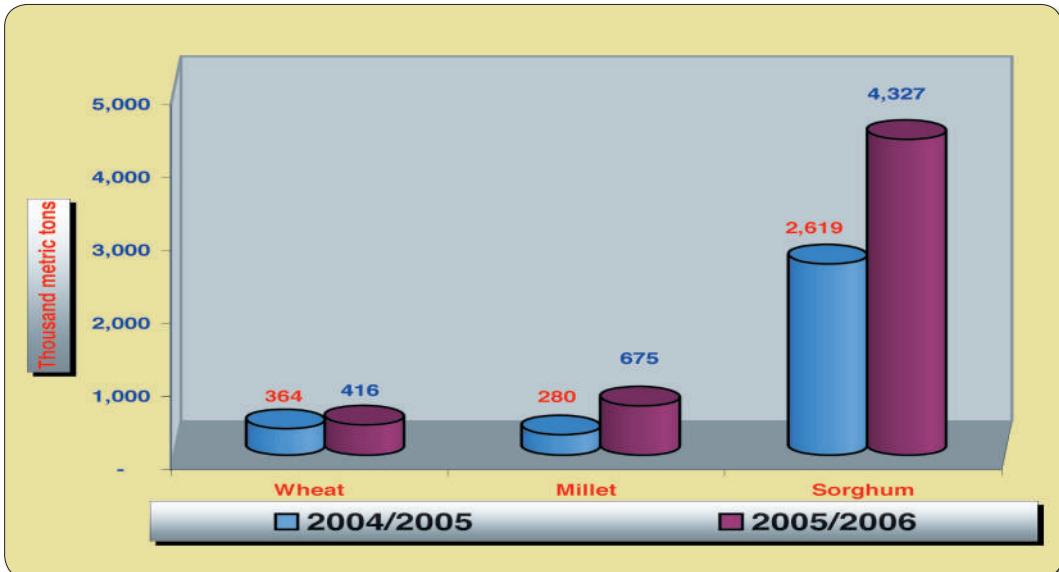
The production of millet increased sharply from 280 thousand tons in 2004/05 season to 675 thousand tons in 2005/06 season by 141.1% as a result of the rise in the cultivated areas from 6,996 thousand feddans to 8,002 thousand feddans as well as the rise in productivity from 74 kg/feddan to 124 kg/feddan.

3. Wheat:

The output of wheat rose from 364 thousand tons in 2004/05 season 416 thousand tons in 2005/06 season, by 14.3%. This was attributed to the increase in the area under cultivation from 407 thousand feddans to 433 thousand feddans and the rise in yield per feddan from 953 kg. to 976 kg.

Figure (4-2) below illustrates the production of the important main food crops in 2004/05 and 2005/06 seasons:

Figure (4-2)
Production of the Main Food Crops for the Seasons (2004/05 and 2005/06)



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

The production of groundnuts, sesame and sunflower increased in 2005/06 season compared with the previous season.

Table (4-5) below shows the production of the important main oil seeds in 2004/05 and 2005/06 seasons:

Table (4-5)
Production of the Main Oil Seeds in 2004/05 and 2005/06 Seasons

Crops	Groundnuts			Sesame			Sunflower		
Season	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
2004/05	3,009	520	277	4,537	277	76	26	12	480
2005/06	1,615	555	389	5,311	400	92	87	44	611

Source: Ministry of Agriculture - Agricultural statistics.

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1. Groundnuts:

The production of groundnuts increased from 520 thousand tons in 2004/05 season to 555 thousand tons in 2005/06 by 6.7% despite the drop in the area under cultivation from 3,009 thousand feddans to 1,615 thousand feddans by 46.3%. The yield per feddan went up from 227 kg. to 289 kg.

2. Sesame:

The output of sesame increased from 277 thousand tons in 2004/05 season to 400 thousand tons in 2005/06 season by 30.8%. This was due to the rise in productivity from 76 kg./feddan to 92 kg./feddan and the increase in the cultivated areas from 4,537 to 5,311 thousand feddans.

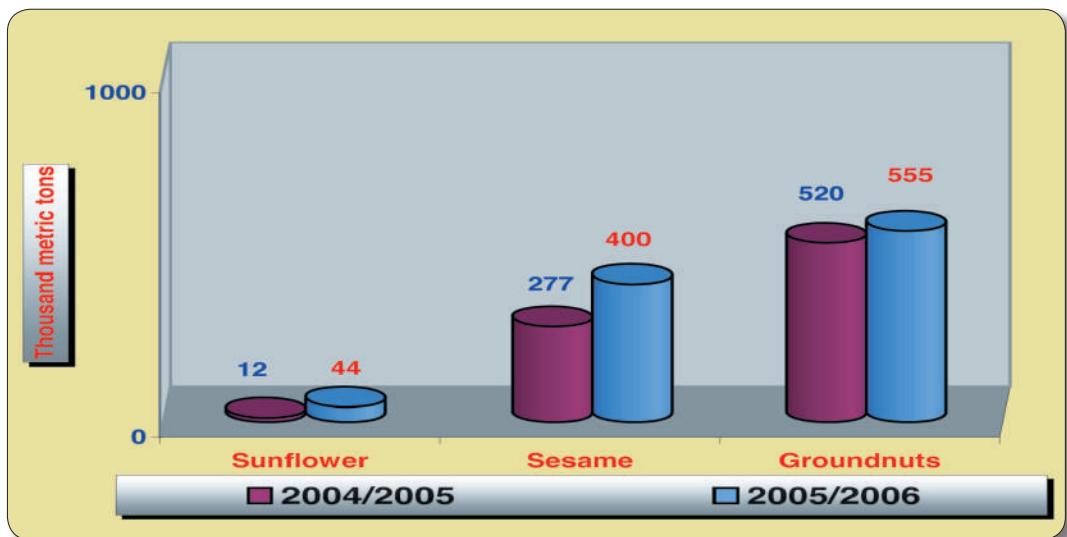
3. Sunflower:

Sunflower output increased by 266.7% to reach 44 thousand tons in 2005/06 season compared with 12 thousand tons in the previous season. This was due to the increase in the areas under cultivation from 26 thousand feddans in 2004/05 to 87 thousand feddans in 2005/06 season by 70.1%.

Figure (4-3) below shows the production of the main oil seeds in 2004/05 and 2005/06 seasons:

Figure (4-3)

Production of the Main Oil Seeds in the 2004/05 and 2005/06 Seasons



(B) Animal Production:

Sudan is considered one of the important Arab and African countries in terms of animal resources and its products. This contributes to 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 show the details of animal resources estimates for 2005 and 2006:

Table (4-6)
Animal Resources Estimates during the years 2005 and 2006

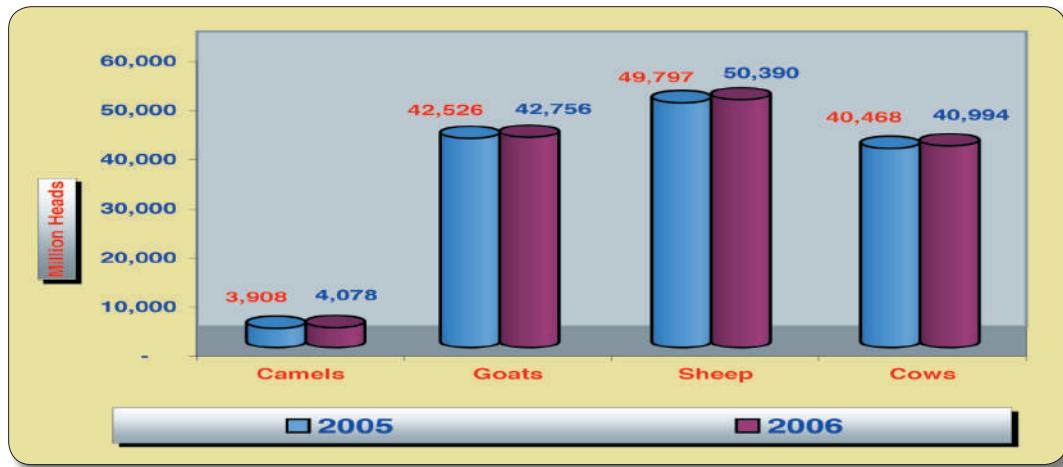
(In Thousand of Heads)

Type	2005	2006	% Change
Cows	40,468	40,994	1.3
Sheep	49,797	50,390	1.2
Goats	42,526	42,756	0.5
Camels	3,908	4,078	4.4
Total	136,699	138,218	1.1

Source: Ministry of Animal Resources.

The estimated total national livestock which includes (cows, sheep goats and camels) increased from 137 milion heads in 2005 to 138 milion heads in 2006 by 1.1%.

Figure (4-4)
Animal Resources Estimates during the years 2005 and 2006



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Table (4-7)
Estimates of Livestock Products during 2005 and 2006

(Thousand Ton)

Production	2005	2006	% change
Meat	1,694	1,725	1.8
Milk	7,534	7,298	(3.0)
Fish	65	70	7.7
Poultry Meat	24	25	4.2
Eggs	30	30	0.0

Source: Ministry of Animal Resources.

In general there is a slight increase in the livestock products with the exception of the milk by products.

Second: The Industrial Sector:

This sector comes after the agricultural sector in terms of significance. It includes mining and manufacturing. Its growth rate increased from 7.6% in 2005 to 9.0% in 2006. Also its contribution to the GDP remained unchanged at 28.3%. A presentation of the important industrial products is given hereunder:

1) Oil:

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

Table (4-8) shows the production of petroleum by-products in 2005 and 2006:

Table (4-8)
Production of Crude Oil and Petroleum Products in 2005 and 2006
(Thousands metric tons)

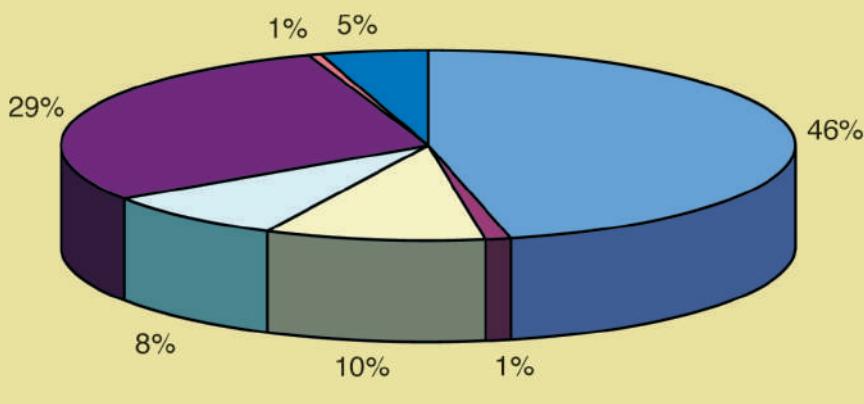
Particulars	2005		2006		% Change
Petroleum Products	Production 000's MT	% Share of Total	Production 000's MT	% Share of Total	
Diesel	1,335.8	42.1	1,816.9	46.45	36.0
Kerosene	44.0	1.4	41.4	1.06	(5.9)
Furnace	388.7	12.2	385.3	9.85	(0.9)
Butagas	259.5	8.2	322.6	8.25	24.3
Benzene	917.6	28.9	1,139.1	29.12	24.1
Naphtha	27.9	0.9	24.3	0.62	(12.9)
Jet	201.2	6.3	182.2	4.66	(9.4)
Total	3,174.7	100.0	3,911.8	100.00	23.2

Source: Ministry of Energy and Mining.

The total production of crude oil increased from 103,323.4 thousand barrels in 2005 to 132,737.5 thousand barrels in 2006 by 28.5%. Also the total production of petroleum products rose from 3,174.7 thousand metric tons in 2005 to 3,911.8 thousand metric tons in 2006 by 23.2%.

Figure (4-5) shows shares of petroleum by-products in 2005 and 2006:

Figure (4-5)
Shares of Petroleum by Products in 2005 and 2006



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2. Saria Industrial Complex:

Saria Complex is considered as one of the biggest industrial complexes. In November, 1998 the ownership of the complex was transferred to the private sector. During 2006, the ownership of the complex was transferred once again to the public sector.

Table (4-9) below shows the main products of Saria Complex in 2005 and 2006:

Table (4-9)
Production of Saria Industrial Complex in 2005 and 2006

Factory	Unit	Production per Unit		Change %
		2005	2006	
Dry Battery Cells	Cells	5,000	25,167	403.34
Packing	Square Meter	505,000	2,250,000	345.5
Televisions	Television	-	-	-
Plastic (Pipes/Tubes)	Ton	250	250	New Production lines
Shoes	Pairs	100,000	100,000	

Source: Saria Industrial Complex.

The production of Saria Complex in dry battery cells and packing factories rose considerably from 5000 and 505,000 units in 2005 to 25,167 and 2,250,000 units in 2006 respectively. This was mainly due to their rehabilitation.

3) Sugar Industry:

There are significant investments in Sudan in the field of sugar industry, the most important of which is Kenana Sugar Factory which is 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 (4-10) and Figure (4-6) below show the production of the sugar factories in 2005 and 2006:

Table (4-10)
Production of the Sugar Factories in 2005 and 2006
(Thousands of Tons)

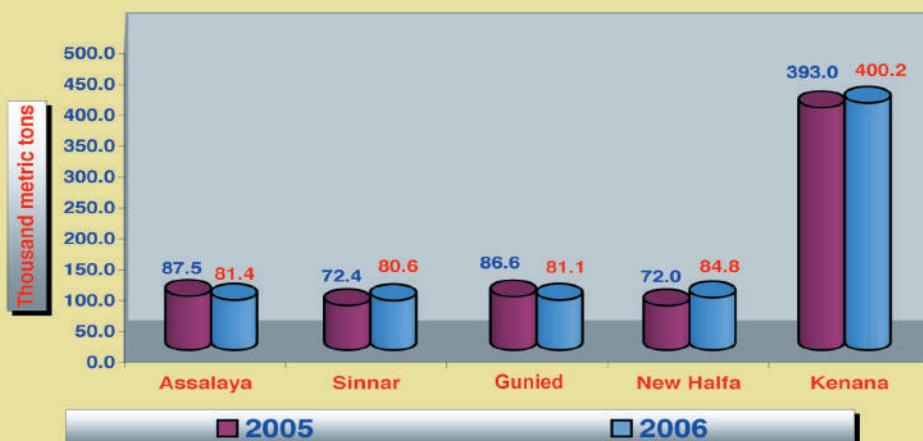
Factory	Designed Capacity	Actual Production		% Change
		2005	2006	
Kenana	300.0	393.0	400.2	1.8
New Halfa	75.0	72.0	84.8	17.8
Gunied	60.0	86.6	81.1	(6.4)
Sennar	110.0	72.4	80.6	11.3
Hajar Assalaya	110.0	87.5	81.4	(7.0)
Total	655.0	711.5	728.1	2.3

Source: The Sudanese Sugar Company and Kenana Sugar Co.

The total production of sugar for both the Sudanese Sugar Co. and Kenana Sugar Co. increased from 711.5 thousand tons in 2005 to 728.1 thousand tons in 2006 by 2.3%. This was due to the increase in the production of all sugar factories except Gunied and Hajar Assalaya Sugar Factories.

The productive capacity of the sugar factories in 2006, reached about 111.2% of their designed capacity.

Figure (4-6)
The Production of Sugar Factories in 2005 and 2006



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4) Refrigerators Industry:

There is a large wiber of large companies that deal in the industrial domain of these appliances such cold air Indus-trial Co., the modern factory for refrigerators (Liebherr) and Star International Co. This was reflected positively in the quality and volume of production.

Table (4-11) below highlights the designed capacity and the actual production of refrigerator factories in 2005 and 2006:

Table (4-11)
Production of Refrigerators in 2005 and 2006

(Thousand Units)

Particulars	Designed	Actual Production		%
	Capacity	2005	2006	Change
Total Production	95.0	47.0	48.0	6.4

Source: Ministry of Industry

Production of refrigerators in 2006 increased by 2.1% compared with 2005. The refrigerator factories utilized 52.6% of their total designed capacities during 2006.

5) Soft Drinks Industry:

This sector witnessed great attention and interest from the investors and experienced grand leap via the entry of large international companies which resulted in a significant development in all types of soft drinks.

Table (4-12) below shows the total output of soft drinks factories in 2005 and 2006:

Table (4-12)
Production of Soft Drinks Factories in 2005 and 2006

(Thousand of Liters)

Particulars	Designed capacity	Actual Production		% Change
		2005	2006	
Total Production	600,000	378,000	382,200	1.1

Source: Ministry of Industry.



The total production of soft drinks increased from 378 million liters in 2005 to 382 million liters in 2006 by 1.1%. 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 the products.

Soft drinks factories utilized 63.7% of their designed capacities during 2006.

6) Vegetable Oils and Soap Industry:

The vegetable oil industry is considered among the import-ant sectors and an excellent area for foreign and local investment. 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 growing demand.

Table (4-13) below highlights total production of vegetable oil and soap during 2005 and 2006:

Table (4-13)
Production of Vegetable Oils and Soap Factories in 2005 and 2006
(Thousands of Tons)

Particulars	Designed capacity	Actual Production		% Change
		2005	2006	
Oil	600	150	140	(7.1)
Soap	460	95	75	(21.5)

Source: Ministry of Industry

Production of vegetable oil declined from 150 thousand tons in 2005 to 140 thousand tons in 2006 by 7.1%. The production of soap also declined from 95 thousand tons in 2005 to 75 thousand tons in 2006.

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7) Leather Industry:

Table (4-14) below shows total production of leather and shoes in 2005 and 2006:

Table (4-14)
Production of Leather and Shoes in 2005 and 2006

Particulars	Unit	Designed capacity	Actual Production		% Change
			2005	2006	
Leather	Millions of Pieces	20	10.0	9.4	(6.0)
Shoes	Millions of Pairs	100	40.0	17.2	(57.0)

Source: Ministry of Industry.

The output of leather industries decreased from 10.0 million pieces in 2005 to 9.4 million pieces in 2006 by 6.0%. Also, production of shoes decreased from 40.0 million pairs in 2005 to 17.2 million pairs in 2006 by 57.0% due to the competition from the imported leather products.

8) Cement Industry:

The Sudan entered the Cement industry via Atbara Cement Factory, which was established in 1947, and Rabak Cement Factory, which was established in 1965. 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 was sold to Star Emirates Co. in December, 2004.

Table (4-15) below shows the actual production of Atbara and Rabak Cement Factories during 2005 and 2006:



Table (4-15)
Production of Cement in 2005 and 2006
(Thousands Metric Tons)

Factories	Actual Production		% Rate of Change
	2005	2006	
Atbara	240.0	114.2	(52.4)
Rabbak	91.1	88.0	(3.4)
Total	331.2	202.2	(39.0)

Source: Atbara and Rabak Cement Factories.

Cement production decreased from 331.2 thousand tons in 2005 to 202.2 thousand tons in 2006 by 40.0%. The rate of decrease was significant for Atbara Factory due to suspension of the factory production for a long period and the maintenance in the ovens.

9) Wheat Flour:

Wheat flour sector experienced a leap because of the entry of the private sector via two companies, namely Sega Co. and Wheata Co. The production of a number of small and medium size flour mills, most of which stopped because of the constraints that face the industry.

Table (4-16) below shows total production of flour mills in 2005 and 2006:

Table (4-16)
Production of Flour Mills in 2005 and 2006
(Thousands Tons)

Particulars	Designed capacity	Actual Production		% Change
		2005	2006	
Total Production	3,300.0	1.300	1.200	(7.7)

Source: Ministry of Industry.

Wheat flour production declined by 7.7% from 1,300 thousand tons in 2005 to 1,200 thousand tons in 2006. The designed capacity of the flour mills amounted to about 3,300 thousand tons per annum while the utilized capacity in 2006 reached 1,200 thousand tons, 36.4% only.

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10) Yarn and Textiles Industry:

The government accorded attention and care to this sector which contributed to its development significantly. Rehabilitation to a number of factories operating in this area was undertaken.

Table (4-17) below shows the total production of yarn and textiles during 2005 and 2006:

Table (4-17)
Production of Yarn and Textiles during 2005 and 2006

Particulars	Unit	Designed capacity	Actual Production		% Change
			2005	2006	
Yarn	Thousand tons	61.0	9.0	6	(33.3)
Textiles	Million yards	300.0	25.0	28	12.0

Source: Ministry of Industry.

The production of textiles increased from 25 million yards during 2005 to 28 million yards during 2006 by 12.0%, while, yarn production decreased from 9.0 thousand tons in 2005 to 6.0 thousand tons in 2006 by 25.0%.

Yarn factories operated at 9.8% of their designed capacities, whereas textile factories operated at 9.3% only of their designed capacities during 2006. Also, the production of ready-made clothes stopped in 2005 after their production reached 22.0 million pieces in 2004.

11) Paint Factories:

The paint factories during 2006, numbered 11 factories.

Table (4-18) below shows the total designed capacity and the actual production of the paint factories during 2005 and 2006:

Table (4-18)
Production of Paint Factories during 2005 and 2006
(Thousands Tons)

Particulars	Designed capacity	Actual Production		% Change
		2005	2006	
Total Production	100.0	40.0	34.6	(13.5)

Source: Ministry of Industry.



Total production of paints decreased from 40.0 thousand tons during 2005 to 34.6 thousand tons during 2006 by 13.5%. The paint factories operated at 34.6% of their designed capacities during 2006.

12) Other Industries:

A significant progress occurred particularly in the foodstuffs sphere as the actual production in 2006 for most of these industries surpassed their targets by more than 70%. This was attributed to the favorable investment climate and the stability of the power supply. This encouraged the investors to expand their investments in this field.

Table (4-19) below illustrates the production of the most important of these industries:

Table (4-19)
Production of Other Industries during 2005 and 2006

Particulars	Unit	Production (Plan for 2006)		Rate of implementation
		Plan	Actual Production	
Confectioneries	Thousand Tons	60	54.5	90.8
Biscuits	Thousand Tons	55	48.0	87.3
Jam	Thousand Tons	12	8	66.7
Juices	Thousand Tons	39	45	115.4
Dry Battery Cells	Million Battery	50	16.8	33.6
Matches	Thousand Cartons	600	530	88.3
Liquid Battery Cells	Thousand Unit	40	25.2	63.0
Carton	Thousand Tons	10	4.5	45.0

Source: Ministry of Industry.

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Third: Electricity and Water Sector:

The rate of growth of the electricity and water sector decreased from 8.5% in 2005 to 8.0% in 2006 whereas its contribution to the GDP remained constant at 1.4% during the two years.

(1) The National Electricity Corporation:

Table (4-20) and Figure (4-7) below show the electric power generated in the Sudan during 2005 and 2006 and the sources of power generation in 2006:

Table (4-20)
Electric Power Generated in the Sudan during 2005 and 2006
(giga watt/hr)

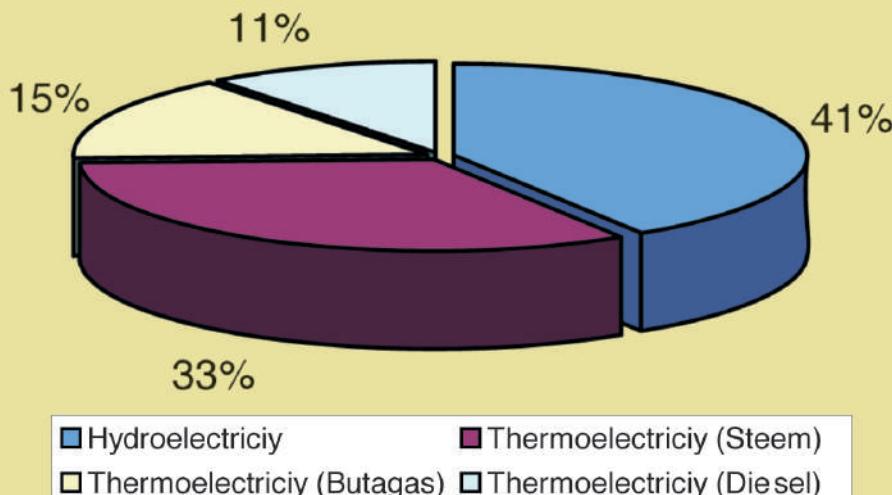
Power generated	2005*	2006	% Change
Hydro electric generation	1,239.0	1,368.2	10.4
Thermal electric generation:	1,750.5	1,961.5	(12.1)
a) Steam generation	1,047.0	1,107.7	5.8
b) Gas generation	319.0	500.9	(57.0)
c) Diesel generation	384.5	352.9	(8.2)
Compounded Circle	1,135.0	1,191.7	5.0
Total power generation	4,124.5	4,521.4	(9.6)

Source: The National Electricity Corporation

* Amended Figures.

The total power generated increased from 4,124.5 giga watt/hr, in 2005 to 4,521.4 giga watt/hr in 2006 by 9.6%. Also, it can be seen that thermal generation constituted 42.4% and 43.4% of the total power generated during 2005 and 2006, respectively.

Figure (4-7)
Sources of Electric Power Generation during the year 2006



b) Consumed Power:

The total consumed power during 2006 amounted to 3,457.1 giga watt/hr an increase of 15.7% over the consumed power of 2,987.3 giga watt/hr during 2005.

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Table (4-21) below shows the consumed power by sector during 2005 and 2006:

Table (4-21)
Electric Power Consumed by Sector during 2005 and 2006
(giga watt/hr)

Sector	2005	2006	The consumption share of each sector (%)	% Change
Residential	1,520.8	1,736.6	50.2	14.2
Industrial	490.7	565.7	16.4	15.3
Agricultural	129.3	123.6	3.6	(4.4)
Governmental	415.3	508.6	14.7	22.5
Other Sectors *	846.5	522.6	15.1	(21.2)
Total	2,987.3	3,457.1	100.0	15.7

Source: National Electricity Corporation

* Includes Commercial and Governmental Sector

(2) The National Water Corporation:

The National Water Corporation copes with the inter-national requirements which relate to the provision of water to the rural and urban areas. In 2006, the increase in the water for the rural and urban areas rate stood at 4.7% over what it was during 2005.

Table (4-22) below shows total water produced during 2005 and 2006:

Table (4-22)
Water Production According to Sectors during 2005 and 2006
(Thousands Cubic Meters Per Day)

Sector	2005	2006	% Rate of Change
Urban	1,371	1,439.5	5.0
Rural	1,249	1,302.5	4.3
Total	2,620	2,742.0	4.7

Source: National Water Corporation.



The total production of the National Water Corporation in the urban sector increased from 1,371 thousand cubic meters per day in 2005 to 1,439.5 thousand cubic meters per day in 2006, by 5.0%.

As for the total production of water in the rural sector, it increased from 1,249.0 thousand cubic meters per day in 2005 to 1,302.5 thousand cubic meters per day in 2006 by 4.3%.

Fourth: The Services Sector:

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

The Sudan was able to occupy an advanced position in this sector on the regional and African level due to the availability of the infrastructure, which is considered the base of development in services and communications. This led to the increase in their growth rates and contribution to the Growth Domestic Product (GDP).

(1) Transport:

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

Table (4-23) below shows the goods and the number of passengers transported via these modes during 2005 and 2006:

Table (4-23)
Goods and Passengers Transported in 2005 and 2006

Mode of Transport	2005		2006		% change	
	Goods (in thousand tons)	Passengers (in thousands)	Goods (in thousand tons)	Passengers (in thousands)	Goods %	Passengers %
Land Transport *	9,221.9	15,256.0	8,000.0	19,200	15.2	25.9
River transport	73.0	19.0	79.4	25.0	8.2	31.6
Sudan Railways	1,137.1	55.4	1,318	61.0	15.9	10.1
Sudan Airways	8.0	441.5	15.2	544.3	90.0	23.3
Sudan Shipping Line	156.9	0.0	181.7	0.0	0.0	0.0

Source: The Above-mentioned Authorities.

* Amended figures (includes Lorries, Trucks, Minibuses and Buses).

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The number of passengers and the transported goods via all the modes of transport increased in 2006 due to the attention accorded by the state to the infrastructure with the exception of the slight decline that occurred in the transported goods via land transport and the suspension of transporting passengers via the shipping lines since 2004.

(2) Roads and Bridges:

The National Roads and Bridges Corporation is responsible for the preparation of the studies concerning the construction and rehabilitation of roads and bridges in addition to the execution of the state planning with respect to the construction and rehabilitation of the national and internal roads and bridges. It completed most of the construction stages of the roads and bridges proposed to be built in 2006, which were estimated by about 694.5 km. The average rate of execution reached about 45.1% of all the construction stages of the plan for the year 2006.

Table (4-24) below shows the execution of the plan of the National Roads and Bridges Corporation in 2006.

Table (4-24)
Status of Execution of the Plan of the National Corporation
for Roads and Bridges in 2006

Particulars	Length (km)		(%) Change
	Planned	Executed	
A) Stages of execution of the new roads:			
1. Compaction of land	713	424.7	59.7
2. Back filling	539	261	48.5
3. Foundation layers	813	321.5	39.5
4. Asphalt Layer *	713	246.1	34.5
Average execution rate of all stages during the year.	-	-	45.4
B) Rehabilitation of existing roads:			
1. 100% achieved rehabilitation.	10	10	100
2. More than 50% achieved rehabilitation.	618	380	61.4
3. Less than 50% achieved rehabilitation.	266	1.6	0.8
Total of achieved rehabilitation during the year	894	392	43.8

Source: National Corporation for Roads and Bridges.

* This constitutes 100% of paved roads during 2005



(3) Communications:

As significant leap took place in the communication area. At the present, the telecommunication market in the Sudan, witnesses a growing competition from the local and foreign investors, as a potential market for all forms of telecommunications such as mobile telephones and the internet.

a) Sudan Telecommunication Co. (Sudatel):

The company is considered as a pioneer in the Arab world and Africa and it represents a partnership between the public and private sector. 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 (4-25) below shows the services provided by the company during 2005 and 2006.

Table (4-25)
Sudan Telecommunications Company (Sudatel)
Services in 2005 and 2006

Particulars	2005	2006	% Change
Network Capacity (Line)	1,754,917	2,023,640	15.3
Sector Capacity (Line)	1,267,222	1,493,670	17.9
Number of Customers (Subscriber)	1,066,747	300,000	(71.3)

Source: Sudan Telecommunications Company (Sudatel).

The number of subscribers decreased from 1,066,747 by the end of 2005 to 300,000 by the end of 2006 by 71.3%, whereas the network and sector capacities increased by 15.3% and 17.9% respectively. This is due to the competition from the new companies while the capacity of the network and connection systems increased by 15.3% and 17.9% respectively.

b) Sudanese Mobile Telephone Co. (Mobitel):

The company is considered as one of the pioneers and large companies on the local and regional level in the telecommunications field and specifically in the mobile phone. It was owned jointly by Sudatel Co. with 61.0% of its shares and the Kuwaiti (MSI) Co. with 39.0% of its shares. At the beginning of 2006, Sudatel share was sold to the Kuwaiti Co. Hence Mobitel became 100% foreign investment.

Table (4-26) below shows the services provided by the company during 2005 and 2006.

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Table (4-26)
Sudanese Mobile Phones Services Co. (Mobitel) In 2005 and 2006

Particulars	2005	2006	% Rate of growth
Number of Subscribers	1,596,154	2,464,430	54.4
Number of Cities Covered	90	250	177.8

Source: Sudanese Mobile Phones Company (Mobitel).

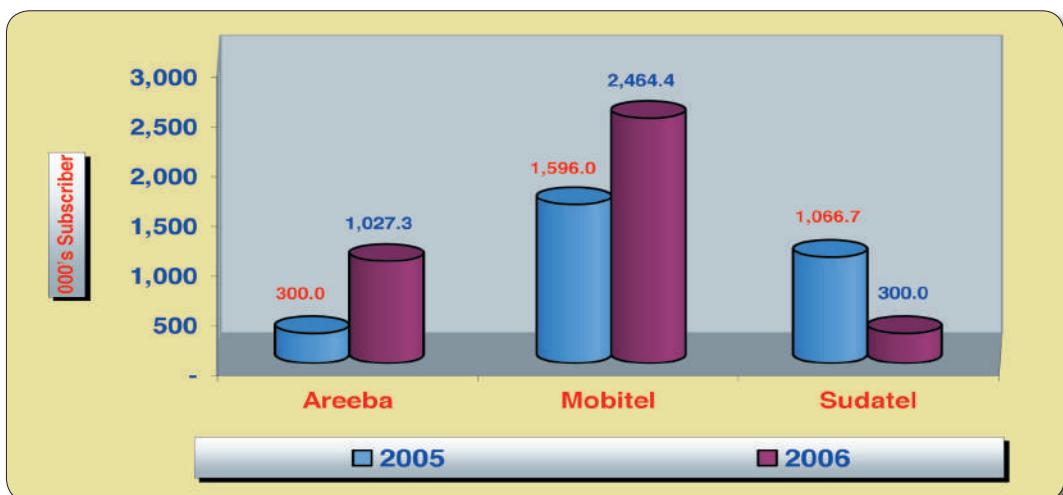
The number of subscribers increased by 54.4% from 1,596,154 by the end of 2005 to 2,464,430 by the end of 2006. The number of cities covered increased from 90 to 250 by 177.8%.

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

The number of subscribers up to the end of 2006, reached about 1,027,300 subscriber whereas the company's services cover (41) Cities.

Figure (4-8) below exhibits the subscribers to the means of telecommunications during 2005 and 2006:

Figure (4-8)
Subscribers to Means of Telecommunications In 2005 and 2006



CHAPTER FIVE

MONEY SUPPLY



CENTRAL BANK OF SUDAN





CHAPTER FIVE MONEY SUPPLY

Money supply in its broad meaning (M2), 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 for 2005 and 2006. Figure (5-1) illustrates the components of money supply for 2005 and 2006.

Table (5-1)
Money Supply and the Factors Affecting it for the years 2005 and 2006
(SDD Millions)

Particulars	Years		Changes During 2006	
	2005*	2006	Change	%
A) Money Supply (M2)	1,403,138	1,787,178	384,040	27.37
Means of Current Payments	818,798	1,052,409	233,611	28.53
- Currency with the Public	374,036	535,532	161,496	43.18
- Demand Deposits	444,762	516,877	72,115	16.21
Quasi-Money	584,340	734,769	150,429	25.74
B) Factors Affecting Money Supply				
Net Foreign Assets	(58,031)	(184,358)	(126,327)	217.69
Revaluation	763,517	733,114	(30,403)	(3.98)
Net Domestic Assets	697,652	1,238,422	540,770	77.51
1- Claims on Public Sector	90,884	396,305	305,421	366.05
1-1- Central, State and Local Govts. Governments	45,950	310,988	265,038	576.80
1-2- Public Enterprises	44,934	85,317	40,383	89.87
2- Claims on Private Sector	732,797	1,032,243	299,446	40.86
3- Claims on Non-Banking Financial Institutions	10,948	26,498	15,550	142.03
4- Other Items Net	(136,977)	(216,624)	(79,647)	58.15
TOTAL (A + B)	1,403,138	1,787,178	384,040	27.37
C) Indicators of Money Supply:				
Currency with the Public/Money Supply.	26.7%	30.0%	0.0	0.0
Demand Deposits/Money Supply.	31.7%	28.9%	0.0	0.0
Quasi Money/Money Supply.	41.6%	41.1%	0.0	0.0

Source: Central Bank of Sudan

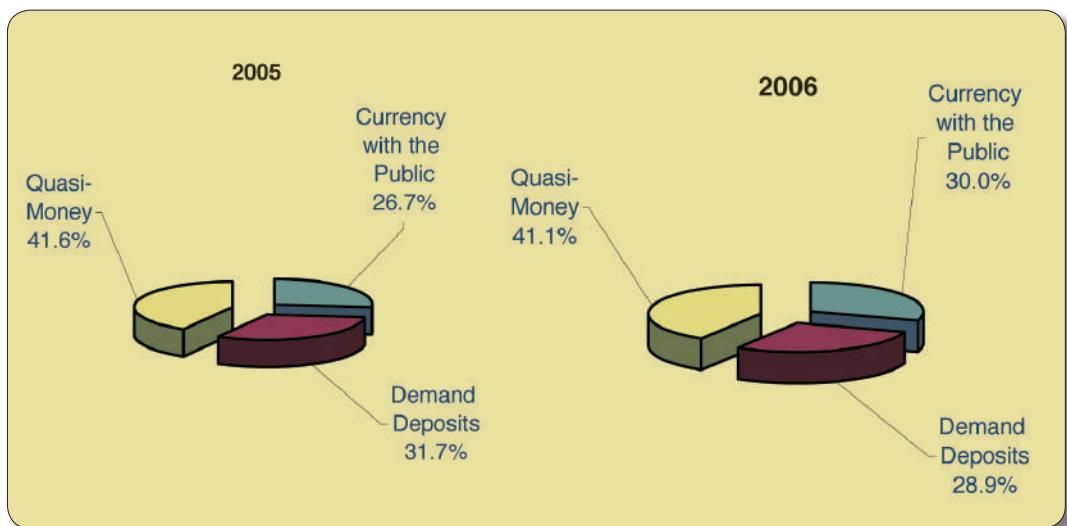
* Revised figures

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Money Supply (M2):

The increase in money supply at the end of 2006 amounted to SDD 384 billion, that is, by a growth rate of 27.4% compared to SDD 417 Billion, that is, by a growth rate of 44.7% for the previous year. This increase resulted from the rise in current payment instruments by SDD 233.6 billion and quasi-money by SDD 150.4 billion. The increase in current payment instruments was attributed to the increase in currency with the public and demand deposits by SDD 161.5 billion and SDD 72.1 billion respectively.

Figure (5-1)
Components of Money Supply for the years 2005 and 2006





Factors Affecting Money Supply:

In what follows is a review of the factors affecting money supply during 2006:

(1) Net Domestic Assets:

The effect of net domestic assets on money supply was expansionary by SDD 540.8 billion, as it increased from SDD 697.7 billion in 2005 to SDD 1,238.4 billion in 2006, by 77.5%. This was mainly due to the increase in the Claims of the Banking Sector on the Public Sector and the Private Sector by SDD 305.4 billion and SDD 299.4 billion respectively, and to the increase in the Claims of the Banking Sector on the non banks financial institutions which amounted to SDD 15.6 billion and the decrease in Other Items Net by SDD 79.6 billion.

(2) Net Foreign Assets:

Net foreign assets decreased from a negative SDD 58.0 billion in 2005 to a negative SDD 184.4 billion in 2006, by 217.7%. This led to increasing the concretionary effect of net foreign assets on the money supply as it was in last year.

(3) Revaluation:

The revaluation of the foreign reserves resulting from the improvement in the exchange rate of the national currency, which led to the reduction of the expansionary effect on the money supply by 4.0% compared to the previous year.

Reserve Money (Monetary Base):

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

Table (5-2) shows reserve money and the corresponding assets during 2005 and 2006.

Figure (5-2) also indicates the components of the reserve money as a percentage of total reserve money by the end of December 2006.

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Table (5-2)
Reserve Money and Corresponding Assets in 2005 and 2006
(SDD millions)

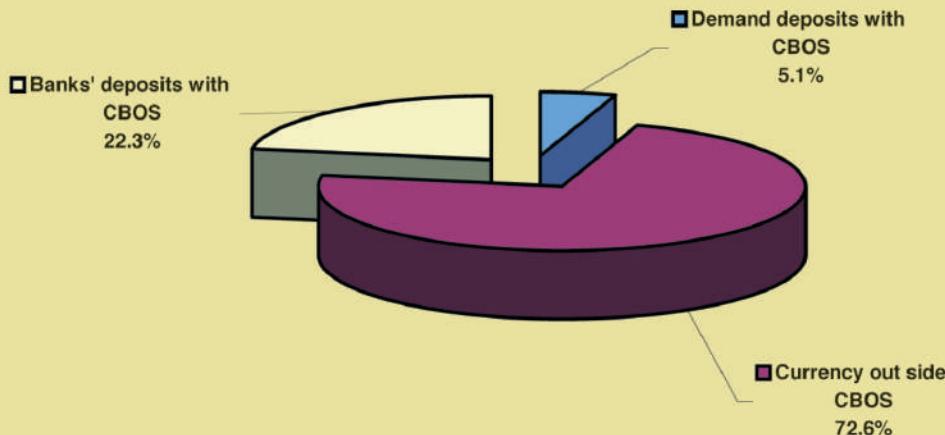
Particulars	Years		Change During 2006	
	2005	2006	Change	%
(A) Assets:				
1- Net Foreign Assets	(219,219)	(314,690)	(95,471)	43.55
2- Revaluation	757,100	724,093	(33,007)	(4.36)
3- Net Domestic Assets	73,856	372,150	298,294	403.89
3-1- Net Claims on Government	(21,418)	159,788	181,206	(846.05)
3-1-1- Claims on Government	153,705	199,052	45,347	29.50
3-1-2- Government Deposits	175,123	39,264	(135,859)	(77.58)
3-2- Claims on Commercial Banks	34,970	103,754	68,784	196.69
3-3- Claims on Public Enterprises and Specialized Banks	19,767	30,101	10,334	52.28
3-4- Instruments of Liquidity Management (Shihab) *	(13,500)	13,225	26,725	(197.96)
3-5- Other Items Net	54,037	65,282	11,245	20.81
Total Assets (1 + 2 + 3) = Liabilities	611,737	781,553	169,816	27.76
(B) Liabilities:				
Reserve Money	611,737	781,553	169,816	27.76
1- Currency in Circulation	398,242	567,078	168,836	42.40
1-1 With the Public	374,036	535,532	161,496	43.18
1-2 Cash in Commercial Banks	24,206	31,546	7,340	30.32
2- Banks' Reserves with the Central Bank of Sudan	164,700	174,314	9,614	5.84
3- Current Deposits at the Central Bank of Sudan	48,795	40,161	(8,634)	(17.69)

Source: Central Bank of Sudan

- Ijarah Certificates of the Central Bank of Sudan.

The reserve money (monetary base) increased from SDD 611.7 billion in 2005 to SDD 781.6 billion in 2006, by 27.8%. This increase resulted from the rise in currency in circulation by SDD 168.8 billion, and commercial banks' reserves with the Central Bank of Sudan by SDD 9.6 billion. Demand deposits with the Central Bank of Sudan declined by SDD 8.6 billion.

Figure (5-2)
Components of the Reserve Money by the end of December 2006



Assets:

The main reason for the rise in assets corresponding to reserve money was the increase in net domestic assets from SDD 73.9 billion in 2005 to SDD 372.1 billion in 2006, by 403.9%, despite the fall in the net foreign assets from a negative (-) 219.2 billion in 2005 to a negative (-) SDD 314.7 billion in 2006, by 43.6%, and the decrease in revaluation from SDD 757.1 billion in 2005 to SDD 724.1 billion in 2006, by 4.4%. This increase in net domestic assets was caused by the substantial decrease in government deposits from SDD 175.1 billion in 2005 to SDD 39.3 billion in 2006, by 77.6%. Also, claims on the government increased from SDD 153.7 billion in 2005 to SDD 199.1 billion in 2006, by 29.5%. Claims on commercial banks and claims on public enterprises and specialized banks rose by 196.7% and 52.3% respectively. In addition to increase on the other items net by 20.8%.

CENTRAL BANK OF SUDAN

Liabilities:

Currency in circulation, which is considered or among the key reasons for the increase in money reserve, rose from SDD 398.2 billion in 2005 to SDD 567.1 billion in 2006. This was attributed to the increases in currency with the public from SDD 374 billion in 2005 to SDD 535.5 billion in 2006 by 43.2%, currency with commercial banks from SDD 24.2 billion in 2005 to SDD 31.5 billion in 2006 by 30.3%. In addition, banks reserves with the Central Bank of Sudan rose from SDD 164.7 billion in 2005 to SDD 174.3 billion in 2006 by 5.8%. Also, demand deposits with the Central Bank of Sudan dropped from SDD 48.8 billion in 2005 to SDD 40.2 billion in 2006 by 17.7%.

Money Multiplier and the Velocity of Circulation:

In the money multiplier* dropped from 2.294 in 2005 to 2.287 in 2006, the velocity of circulation**, also dropped from 4.585 in 2005 to 4.224 in 2006 based on a GDP of SDD 6,432,876.1 million and SDD 7,548,147.3 million for 2005 and 2006 respectively.

Table (5-3) and figure (5-3) show the money multiplier and velocity of circulation during 2002 - 2006.

Table (5-3)
Money Multiplier and Velocity of Circulation during
the period 2002 and 2006

Particulars	2002	2003	2004	2005*	2006
Money Multiplier	2.010	2.092	2.139	2.294	2.287
Velocity of Circulation	6.816	5.663	4.509	4.585	4.224

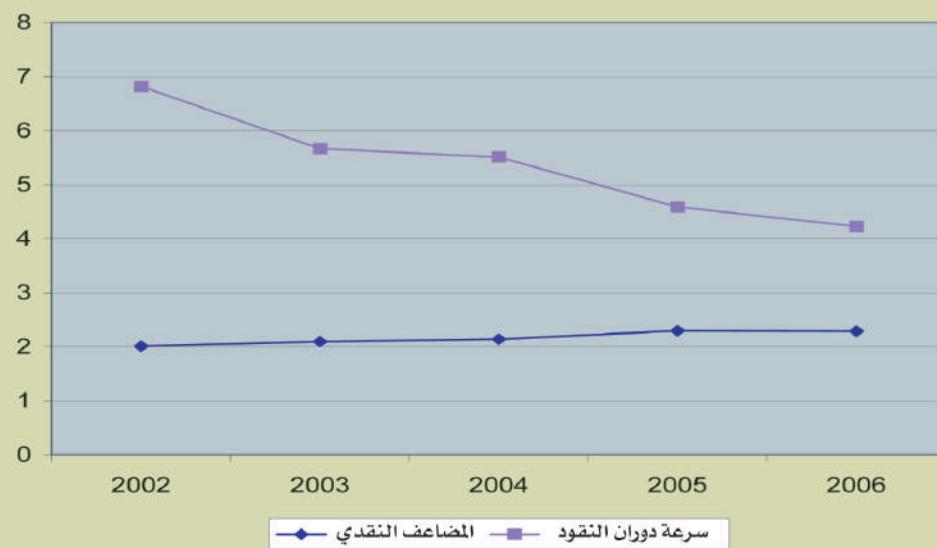
Source: Central Bank of Sudan

* Revised figures.

* Money Multiplier = Broad Money Supply/Reserve Money.

** Velocity of Circulation = Gross Domestic Product at Current Prices/Board Money Supply.

Figure (5-3)
Money Multiplier and Velocity of Circulation
during the period 2002 - 2006



CENTRAL BANK OF SUDAN



CHAPTER SIX

BANKS AND FINANCIAL INSTITUTIONS



CENTRAL BANK OF SUDAN





CHAPTER SIX

BANKS AND FINANCIAL INSTITUTIONS

This Chapter reviews the performance of the banking system (Central Bank of Sudan and 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 functions of the Central Bank of Sudan as per its amended Act for 2005 can be summarized in: the issue of currency in different denominations; formulation of the monetary and credit policies; regulation, control, supervision, promotion and development of the banking business and enhancement of its efficiency in a manner that will achieve balanced economic and social development; pursuit of economic stability in addition to its role as the bank of the government, its advisor and agent.

CENTRAL BANK OF SUDAN

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

Table (6-1)
Central Bank of Sudan Balance Sheet for 2005 and 2006
(SDD Millions)

Particulars	31/12/2005*	31/12/2006	Change	%
Assets:				
Bank Notes and Banks Balances	570,934	421,532	(149,402)	(26.17)
Foreign Securities	8,932	7,815	(1,117)	(12.51)
Other Foreign Assets	364	267	(97)	(26.65)
Loans and Advances to Banks	15,637	79,536	63,899	408.64
Temporary Advance to Government under Article (48-1)	27,494	58,994	31,500	114.57
Long Term Loans to Government	105,103	105,103	0	0.00
Loans and Advances to Public Enterprises	3,826	2,300	(1,526)	(39.88)
Contributions in Local Banks Capital	19,333	24,218	4,885	25.27
Other Contributions	8,908	19,824	10,916	122.54
Other Accounts	621,337	687,408	66,071	10.63
Total Assets	1,381,868	1,406,997	25,129	1.82
Liabilities:				
Notes and Coins in Circulation	398,241	567,078	168,837	42.40
Sight Liabilities	416,558	276,618	(139,940)	(33.59)
Federal Government	175,123	39,264	(135,859)	(77.58)
State and Local Governments	16,029	20,162	4,133	25.78
Public Enterprises	31,977	19,311	(12,666)	(39.61)
Local Banks	193,429	197,881	4,452	2.30
Foreign Correspondents	29,572	41,823	12,251	41.43
Time Liabilities	215,382	192,952	(22,430)	(10.41)
Payment Agreements	12,089	9,945	(2,144)	(17.74)
Capital and Reserves	14,034	16,587	2,553	18.19
Other Accounts	295,992	301,994	6,002	2.03
Total Liabilities	1,381,868	1,406,997	25,129	1.82

Source: Central Bank of Sudan.

* Amended Figures



As can be observed from Table (6-1) above, assets (liabilities) of the Central Bank of Sudan increased from SDD 1,381.9 billion in 2005 to SDD 1,407.0 billion in 2006 by 1.82%.

On the assets side, banknotes and banks balances declined from SDD 570.9 billion in 2005 to SDD 421.5 billion in 2006 by 26.2%. Loans and advances to banks rose from SDD 15.6 billion in 2005 to SDD 79.5 billion in 2006 by 408.6%.

The contribution to domestic banks capital and other contributions rose from SDD 19.3 billion and SDD 8.9 billion in 2005 to SDD 24.2 billion and SDD 19.8 billion in 2006, by 25.3% and 122.5% respectively. Loans and advances to public enterprises declined from SDD 3.8 billion in 2005 to SDD 2.3 billion in 2006, by 39.9%. Also, the temporary advances to government under Article (48-1) rose from SDD 27.5 billion in 2005 to SDD 59.0 billion in 2006.

On the liabilities side, the banknotes and coins increased from SDD 398.2 billion in 2005 to SDD 567.1 billion in 2006, by 42.4%. The Federal Government deposits decreased sharply from SDD 175.1 billion in 2005 to SDD 39.3 billion in 2006, by 77.6%. Deposits of public enterprises dropped from SDD 32.0 billion in 2005 to SDD 19.3 billion in 2006, by 39.6%. Deposits of domestic banks rose from SDD 193.4 billion in 2005 to SDD 197.9 billion in 2006, by 2.3%. Payment agreements indebtedness decreased from SDD 12.1 billion in 2005 to SDD 9.9 in 2006, by 17.7%.

(2) Banks Operating in Sudan:

The number of banks operating in Sudan totaled 29 banks including 26 commercial banks and three specialized banks whose branches spread throughout the different States of Sudan. During 2006, Emirates and Sudan Bank, Industrial Development Bank and Capital Bank joined the system of banks operating in the Sudan.

CENTRAL BANK OF SUDAN

2-1. The Consolidated Balance Sheet of Banks:

Table (6-2)
The Consolidated Balance Sheet of Banks for 2005 and 2006
(SDD Millions)

Particulars	31/12/2005*	31/12/2006	Change	%
Assets:				
Local Currency	24,206	31,546	7,340	30.33
Balances with Central Bank of Sudan	156,618	178,129	21,511	13.74
Other Banks	33,483	25,699	(7,784)	(23.25)
Foreign Correspondents	214,563	177,949	(36,615)	(17.06)
Total Advances	768,912	1,113,957	345,045	44.87
Other Assets	500,189	787,148	286,959	57.37
Total Assets	1,697,971	2,314,428	616,457	36.31
Liabilities:				
Deposits:	1,008,750	1,230,865	182,061	22.0
Public	826,703	1,008,764	181,605	22.0
Government	57,413	46,294	(11,119)	(19.37)
Public Enterprises	124,634	175,807	51,173	41.06
Banks	72,941	75,392	2,451	3.36
Central Bank of Sudan	11,379	14,625	3,246	28.52
Other Banks	8,186	13,148	4,962	60.62
Foreign Correspondents	53,376	47,619	(5,757)	(10.79)
Capital and Reserves	233,632	389,089	155,457	66.54
Other Accounts	382,648	619,082	236,434	61.8
Total Liabilities	1,697,971	2,314,428	616,457	36.31

Source: Central Bank of Sudan.

* Amended figures

Table (6-2) above shows the consolidated balance sheet of banks at the end of 2006 compared with 2005. Total assets (liabilities) of banks rose from SDD 1,698.0 billion by the end of 2005 to SDD 2,314.4 by the end of 2006, by 36.3%.



On the assets side, the local currency rose from SDD 24.2 billion in 2005 to SDD 31.5 billion in 2006, by 30.3%. Balances with the Central Bank of Sudan rose from SDD 156.6 billion in 2005 to SDD 178.1 billion in 2006, by 13.7%. Balances with the other banks dropped from SDD 33.5 billion in 2005 to SDD 25.7 billion in 2006, by 23.3%. On the other hand, total bank advances rose from SDD 768.9 billion in 2005 to SDD 1,114.0 billion in 2006, by 44.9%. The item "Other Accounts" registered a rise from SDD 500.2 billion in 2005 to SDD 787.1 billion in 2006, by 57.4%.

On the liabilities side, total bank deposits rose from SDD 1,008.7 billion in 2005 to SDD 1,230.9 billion in 2006, by 22%. Out of these, deposits of the public rose from SDD 826.7 billion in 2005 to SDD 1,008.8 billion in 2006, by 22.0% and deposits of the public enterprises increased from SDD 124.6 billion in 2005 to SDD 175.8 billion in 2006, by 41.1%. The capital and reserves also rose from SDD 233.6 billion in 2005 to SDD 389.1 billion in 2006, by 66.5%, whereas amounts due to the Central Bank of Sudan rose from SDD 11.4 billion in 2005 to SDD 14.6 billion in 2006, by 28.5%.

Deposits in Local Currency:

Total local currency deposits in the banks rose from SDD 733.2 billion in 2005 to SDD 991.9 billion in 2006, by 35.3%. Deposits of the Federal and States Governments, those of public enterprises and the private sector constituted 3.5%, 9.7% and 86.9% of the total deposits respectively as depicted by the Table below:

CENTRAL BANK OF SUDAN

Table (6-3)-A
Deposits in Local Currency in 2005 and 2006

(SDD Millions)

Depositors	Years	Dec. 2005*		Dec. 2006		Change	
		Current Accounts	Savings, Investment and Others	Current Accounts	Savings, Investment and Others	Current Accounts	Savings, Investment and Others
Federal and State Governments		22,707	7,539	31,526	3,155	8,819	(4,384)
Public Enterprises		10,848	51,066	3,828	91,897	(7,020)	40,831
Private Sector**		381,177	254,842	455,411	406,053	74,234	151,211
Total		414,732	318,447	490,765	501,105	76,033	187,658
Grand Total		733,179		991,870		263,691	

Source: Central Bank of Sudan.

* Amended Figures.

** Including Financial Institutions

Deposits in Foreign Currency:

Total foreign currency deposits in the banks declined from SDD 275.6 billion in 2005 to SDD 239.0 billion in 2006, by 13.3%. This was attributed to the appreciation in the exchange rate of the Sudanese dinar against the US dollar.

Deposits of the Federal Government and the State, deposits of the public enterprises and the private sector deposits constituted 4.8%, 3.6% and 91.6% of the total deposits as shown by the Table below:

Table (6-3)-B
Deposits in Foreign Currency in 2005 and 2006
(SDD Millions)

Depositors	Years	Dec. 2005*		Dec. 2006		Change	
		Current Accounts	Savings, Investment and Others	Current Accounts	Savings, Investment and Others	Current Account Change	Savings, Investment and Others
Federal and State Governments	25,506	1,661	9,729	1,884	(15,777)	223	
Public Enterprises	2,505	10,592	207	8,363	(2,298)	(2,229)	
Private Sector **	83,498	151,809	73,760	145,052	(9,738)	(6,757)	
Total	111,509	164,062	83,696	155,299	(27,813)	(8,763)	
Grand Total		275,571		238,995		(36,576)	

Source: Central Bank of Sudan.

* Amended Figures.

** Including Financial Institutions

The Indicators of the Consolidated Balance Sheet of Commercial Banks:

Some indicators of the consolidated balance sheet of banks dropped as can be observed from the drop of the percentage of total deposits to liabilities from 59.4% in 2005 to 53.2% in 2006, whereas the percentage of total bank finance to total assets rose from 45.3% in 2005 to 48.1% in 2006, in addition to the increase in the percent-age of total finance to deposits from 76.2% in 2005 to 90.5% in 2006. The percentage of liquid assets to deposits dropped slightly from 17.9% in 2005 to 17.0% in 2006. The capital and reserves to total liabilities percentage rose from 13.8% in 2005 to 16.8% in 2006 as shown in Table (6-4) below:

CENTRAL BANK OF SUDAN

Table (6-4)
Commercial Banks Balance Sheets
Indicators in 2005 and 2006

(%)

Particulars	2005*	2006
1- Total Deposits to Total Liabilities	59.41	53.16
2- Capital and Reserves to Total Liabilities	13.76	16.81
3- Total Finance to Total Assets	45.28	48.13
4- Total Finance to Total Deposits	76.22	90.54
5- Total Liquid Assets to Total Deposits	17.93	17.04

Source: Central Bank of Sudan.

* Amended Figures.

2-2. Commercial Banks Finance:

The Stock of Banking Finance:

Banks finance takes the form of finance extended to the private sector, public enterprises and state and local governments in local and foreign currencies.

Table (6-5)-A
Position of Commercial Banks' Advances by Sector in Local
Currency in 2005 and 2006

(SDD Millions)

Sector Period	Agriculture	Industry	Exports	Imports	Local Trade	Others	Total	Annual % Change
31/03/2005*	58,708	40,690	33,541	7,775	126,129	112,496	379,339	---
	15.5%	10.7%	8.8%	2.1%	33.2%	29.7%	100.0%	
30/06/2005	61,200	44,309	33,940	8,463	134,003	127,935	409,850	---
	14.9%	10.8%	8.3%	2.1%	32.7%	31.2%	100.0%	
30/09/2005	66,427	45,816	34,068	9,362	149,978	141,578	447,229	---
	14.9%	10.2%	7.6%	2.1%	33.5%	31.7%	100.0%	
31/12/2005	67,273	69,676	30,172	12,690	161,147	186,950	527,908	44.1%
	12.7%	13.2%	5.7%	2.4%	30.5%	35.5%	100.0%	
31/03/2006	75,404	72,765	35,023	6,794	192,571	246,225	628,782	---
	12.0%	11.6%	5.6%	1.1%	30.6%	39.1%	100.0%	
30/06/2006	81,239	79,070	39,466	13,028	221,732	339,869	774,404	---
	10.5%	10.2%	5.1%	1.7%	28.6%	43.9%	100.0%	
30/09/2006	92,322	79,225	34,996	13,411	211,099	367,053	798,106	---
	11.6%	9.9%	4.4%	1.7%	26.4%	46.0%	100.0%	
31/12/2006	99,391	77,624	33,830	21,097	188,844	416,896	837,682	58.7%
	11.9%	9.3%	4.0%	2.5%	22.5%	49.8%	100.0%	

Source: Central Bank of Sudan.

* Amended Figures.

CENTRAL BANK OF SUDAN

Table (6-5)-B
Position of Commercial Banks Advances by Sector in Foreign
Currency in 2005 and 2006

(SDD Millions)

Sector Period	Agriculture	Industry	Exports	Imports	Local Trade	Others	Total	Annual % Change
31/03/2005*	2,530	8,237	-	148,109	4,598	155,387	318,861	---
	0.8%	2.6%	-	46.4%	1.5%	48.7%	100.0%	
30/06/2005	925	10,202	341	159,510	5,551	171,706	348,235	---
	0.2%	3.0%	0.1%	45.8%	1.6%	49.3%	100.0%	
30/09/2005	262	11,313	-	171,739	10,281	20,284	209,322	---
	0.1%	5.3%	-	80.3%	4.8%	9.5%	100.0%	
31/12/2005	322	14,259	-	189,095	14,466	22,862	241,004	60.1%
	0.1%	5.9%	-	78.5%	6.0%	9.5%	100.0%	
31/03/2006	213	15,482	68	213,056	19,854	32,726	281,713	---
	0.1%	5.6%	-	75.6%	7.1%	11.6%	100.0%	
30/06/2006	171	15,482	27	247,351	4,559	33,346	300,936	---
	0.1%	5.1%	-	82.2%	1.5%	11.1%	100.0%	
30/09/2006	183	15,866	168	246,212	3,660	35,451	301,540	---
	0.1%	5.3%	0.1%	8.6%	1.2%	11.7%	100.00%	
31/12/2006	107	16,230	1,787	211,730	13,487	32,934	276,275	14.6%
	-	5.9%	0.7%	76.6%	4.9%	11.9%	100.00%	

Source: Central Bank of Sudan.

* Amended Figures.

Tables (6-5)-A and (6-5)-B above show the rise in the stock of banking finance from SDD 768.9 billion in 2005 to SDD 1,114.0 billion in 2006, by 44.9% as the stock of banks finance in local and foreign currency rose from SDD 527.9 billion and SDD 241.0 billion in 2005 to SDD 837.7 billion and SDD 276.3 billion in 2006, by 75.2% and 24.8% respectively.

Flow of Banks Finance by Mode of Finance:

The flow of bank finance takes the form of finance extended by the banks during the year to the different economic sectors. The finance extended by the banks according to the different finance modes rose from SDD 695.4 billion in 2005 to SDD 1,041.5 billion in 2006, by 49.8%.

Table (6 -6)
Flow of Banks Finance by Modes of Finance in Local
Currency in 2005 and 2006

(SDD Millions)

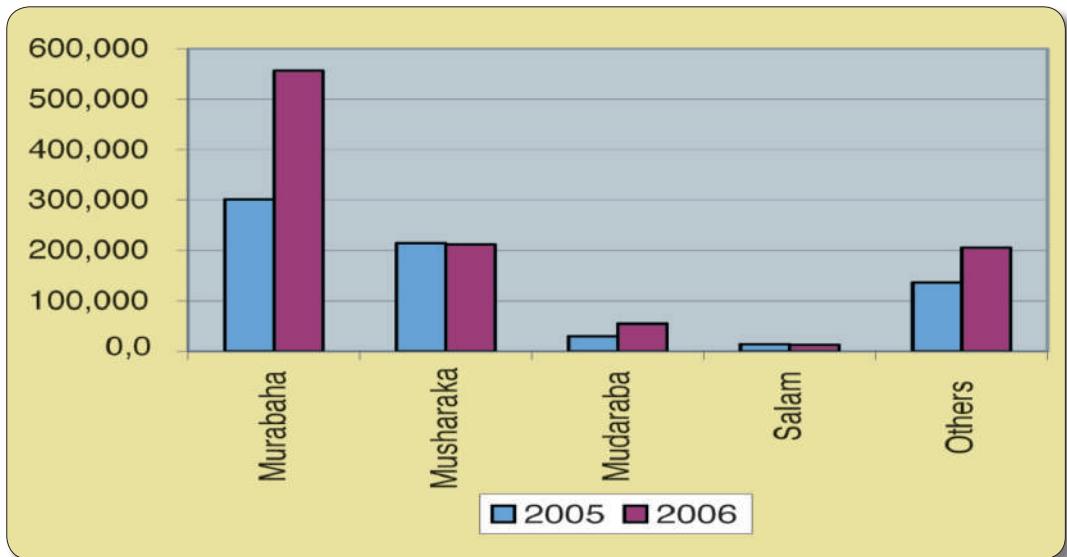
Mode of Finance	2005	% Share	2006	% Share	% Change
Murabaha	301,003	43.29	555,913	53.37	84.69
Musharaka	214,330	30.82	212,228	20.38	- 0.98
Mudaraba	29,233	4.20	54,659	5.25	86.98
Salam	14,516	2.09	13,300	1.28	-8.38
Others*	136,286	19.60	205,429	19.72	50.73
Total Finance	695,368	100.00	1,041,529	100.00	

Source: Central Bank of Sudan.

* Including Ijarah and Mugawila Modes.

Table (6-6) above, shows the increase in the percentages of financing via the Murabaha and Mudaraba modes and the decrease in the percentages of financing via the Musharaka and Salam modes. Evidently, the flow of finance through Murabaha rose from SDD 301 billion in 2005 to SDD 555.9 billion in 2006, by 84.7%. Similarly, finance through the Mudaraba mode went up from SDD 29.2 billion in 2005 to SDD 54.7 billion in 2006, by 87%. Finance via the Musharaka mode fell from SDD 214.3 billion in 2005 to SDD 212.2 billion in 2006, by 1.0% and finance through the Salam mode also fell from SDD 14.5 billion in 2005 to SDD 13.3 billion in 2006m by 8.4%.

Figure (6-1)
Banks Advances by Mode of Finance in 2005 and 2006



Flow of Banks Finance by Sectors:

Table (7-6) and Figure (6-2) show the flow of banks finance according to the economic sectors during 2005-2006. Finance to all the sectors rose except to the import sector which dropped by 24.6%. It is to be noticed that the topmost rise in finance went to the transport and storage sector which rose from SDD 60.5 billion in 2005 to SDD 213.7 billion in 2006, by 252.9%, followed by the sector "Others" for which finance rose from SDD 216.4 billion in 2005 to SDD 360.8 billion in 2006, by 66.7% and agriculture to which finance went up from SDD 57.1 billion in 2005 to SDD 78.6 billion in 2006, by 37.6%. These sectors were followed by the local social development sector which increased from 24.7 billion in 2005 to 33.4 billion in 2006, by 35.1% and by the export sector and the industrial sector which secured smaller rates of increase of 3.5% and 2.2% respectively.

Table (6 -7)
Flow of Finance by Sectors in Local Currency in 2005 and 2006
(SDD Millions)

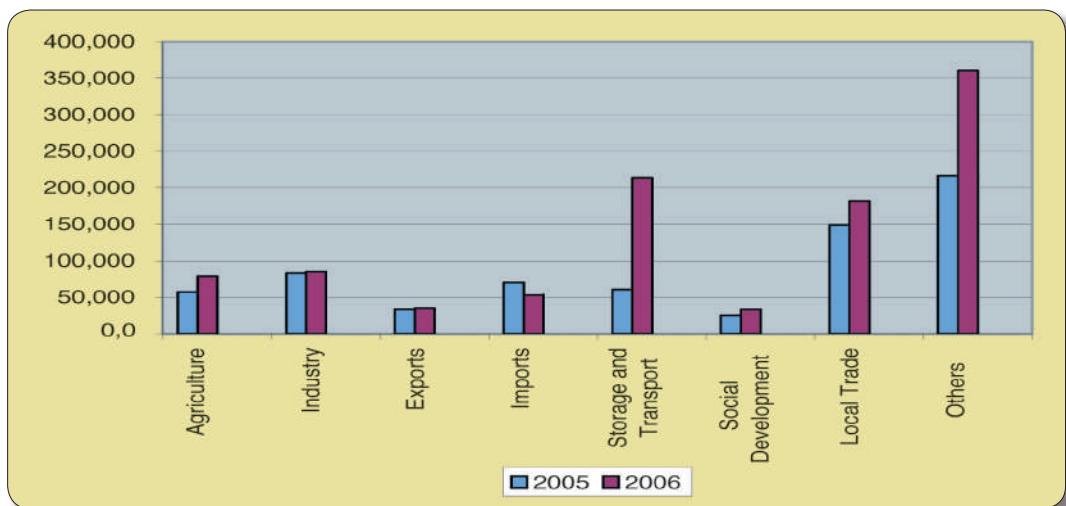
Sector	2005		2006		% Change
	Flow of Finance	% Share	Flow of Finance	% Share	
Agriculture	57,110	8.21	78,609	7.55	37.64
Industry	83,049	11.94	84,852	8.15	2.17
Exports	33,949	4.88	35,130	3.37	3.47
Imports	70,172	10.09	52,932	5.08	(24.56)
Storage and Transport	60,543	8.71	213,671	20.52	252.92
Social Development*	24,739	3.56	33,431	3.21	35.13
Local Trade	149,361	21.48	182,108	17.48	21.92
Others**	216,445	31.13	360,796	34.64	66.69
Total	695,368	100.00	1,041,529	100.00	

Source: Central Bank of Sudan.

* Including Small Producers, Professionals and Craftsmen.

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

Figure (6-2)
Flow of Finance by Sector in Local Currency in 2005 and 2006



CENTRAL BANK OF SUDAN

2-3. Summary of Specialized Banks Balance Sheets:

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

Table (6-6)
Summary of Specialized Banks Balance Sheets for 2005 and 2006
(SDD Millions)

Particulars	2005	2006	Change	(%)
The Agricultural Bank of Sudan:				
Assets:	69,344.68	84,070.57	14,725.89	21.23
Cash in tills	2,849.02	2,292.00	(557.02)	(19.55)
Investments	17,681.00	13,061.20	(4,619.80)	(26.12)
Foreign Assets	681.48	317.63	(363.85)	(53.39)
Fixed Assets	1,255.56	1,984.93	729.37	58.09
Others	46,877.62	66,414.81	19,537.19	41.67
Liabilities:	69,344.68	84,070.57	14,725.89	21.23
Deposits	12,540.98	11,934.78	(606.20)	(4.83)
Other Liabilities and Accounts Payable	45,277.78	49,933.90	4,656.12	10.28
Capital	10,982.70	22,082.48	11,099.78	101.06
Profits	543.22	119.41	(423.81)	(78.01)
Savings and Social Development Bank:				
Assets:	27,331.40	36,193.02	8,861.62	32.42
Cash in tills	7,077.30	7,339.12	261.82	3.69
Investments	13,768.50	19,752.55	5,984.05	43.46
Foreign Assets	2,583.70	4,150.05	1,566.35	60.62
Fixed Assets	2,116.30	2,967.95	851.65	40.24
Others	1,785.60	1,983.35	197.75	11.07



Particulars	2005	2006	Change	(%)
Liabilities	27,331.40	36,193.02	8,861.62	32.42
Deposits	15,420.40	22,903.80	7,483.40	48.43
Other Liabilities and Accounts Payable	6,174.20	6,569.93	395.73	6.40
Capital	4,778.60	5,778.55	999.95	20.93
Profits	958.20	940.74	(17.46)	(1.82)
Financial Investment Bank:				
Assets	36,207.90	23,023.82	(13,184.08)	(36.41)
Cash in tills	6,353.50	3,175.09	(3,178.41)	(50.03)
Investments	15,105.80	18,179.42	3,073.62	20.35
Foreign Assets	12,999.60	355.72	(12,643.88)	(97.26)
Fixed Assets	218.00	379.92	161.92	74.28
Others	1,531.00	933.67	(597.33)	(39.01)
Liabilities	36,207.90	23,023.82	(13,184.08)	(36.41)
Deposits	18,574.00	6,260.23	(12,313.77)	(66.30)
Other liabilities and Accounts Payable	12,139.30	9,081.32	(3,057.98)	(25.19)
Capital	4,536.40	6,350.91	1,814.51	40.00
Profits	958.20	1,331.36	373.16	38.94

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

(a) The Agricultural Bank of Sudan:

The total assets (liabilities) of the Agricultural Bank of Sudan rose from SDD 69.3 billion in 2005 to SDD 84.1 billion in 2006, by 21.2%.

On the assets side, the cash in tills dropped from SDD 2.8 billion in 2005 to SDD 2.3 billion in 2006, by 19.6%. Also, investments dropped from SDD 17.7 billion in 2005 to SDD 13.1 billion in 2006, by 26.1%. Moreover, foreign assets decreased from SDD 0.7 billion in 2005 to SDD 0.3 billion in 2006, by 53.4%.

On the liabilities side the deposits decrease from SDD 12.5 billion in 2005 to SDD 11.9 billion, by 4.8% while the capital and other liabilities and accounts payable increased from

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SDD 11.0 billion and SDD 45.3 billion in 2005 to 2201 billion and 49.9 in 2006 by 101.1%, 10.3% respectively.

Sectoral Finance of the Agricultural Bank of Sudan:

Table (6-9)
Agricultural Bank of Sudan Finance to the Different
Sectors in 2005 and 2006

(SDD Millions)

Sector	2005*	Percentage to total finance	2006	Percentage to total Finance
Agriculture	19,228	83.3	30,589	86.6
Local Trade	2,755	11.9	3,268	9.3
Social Development	587	2.5	850	1.6
Transport	29	0.1	129	0.4
Others	498	2.2	737	2.1
Total	23,097	100.0	35,303	100.0

Source: Agricultural Bank of Sudan.

* Amended Figures.

Table (6-9) above shows the sectoral finance by the Agricultural Bank of Sudan. The agricultural sector ranks first in terms of finance, by 83.3% and 86.6% of the total finance extended during 2005 and 2006, respectively, followed by the sectors of local trade, social development, transport and other activities which posted low rates due mainly to the nature of the operations of the Agricultural Bank of Sudan which concentrates operations in the agricultural area.

(b) Savings and Social Development Bank:

The total assets (liabilities) of the Savings and Social Development rose from SDD 27.3 billion in 2005 to SDD 36.2 billion in 2006, by 32.4%. On the assets side, cash in tills increased from SDD 7.1 billion in 2005 to SDD 7.3 billion in 2006, by 3.7%, while investments rose from SDD 13.8 billion in 2005 to SDD 19.8 billion in 2006, by 43.5%.

On the liabilities side, deposits and capital rose from SDD 15.4 billion and SDD 4.8 billion in 2005 to SDD 22.9 billion and SDD 5.8 billion in 2006, by 48.5% and 20.9% respectively.



Sectoral Finance by the Savings and Social Development Bank:

Table (6-10)
Savings and Social Development Bank Finance to the
Different Sectors in 2005 and 2006

(SDD Millions)

Sector	2005	% to Total Finance	2006	% to Total Finance
Agriculture and Industry	2,917	21.6	4,557	21.2
Transport and Storage	692	5.1	506	2.3
Social Development	706	5.2	1,104	5.2
Exports	122	0.9	44	0.2
Local Trade	820	6.1	1,706	8.0
Housing	125	0.9	397	1.8
Others *	8,147	60.2	13,182	61.3
Total	13,529	100.0	21,496	100.0

Source: Saving and Social Development Bank

* Including small producers and other services.

Table (6-10) above shows the finance extended by the Savings and Social Development Bank to the different sectors during 2005 and 2006. The total extended finance rose from SDD 13.5 billion in 2005 to SDD 21.5 billion, by 58.9%. It can also be noticed that the percentage of finance granted to social development, agriculture and industry, local trade and housing went up while it declined to exports and transport and storage from 2005 to 2006.

(c) The Financial Investment Bank:

The total assets (liabilities) of the Financial Investment Bank dropped from SDD 36.2 billion in 2005 to SDD 23.0 billion by the end of 2006, by 36.4%. This was attributable to the noticeable drop in the cash in tills from SDD 6.4 billion in 2005 to SDD 3.2 billion in 2006 and foreign assets from SDD 13 billion in 2005 to SDD 0.4 billion in 2006, by 50.0% and 97.3% respectively. Investments rose from SDD 15.9 billion in 2005 to SDD 18.2 billion in 2006.

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On the liabilities side, deposits and other liabilities and accounts payable dropped from SDD 18.6 billion and SDD 12.1 billion in 2005 to SDD 6.3 billion and SDD 9.1 billion in 2006, by 66.3% and 25.2% respectively, while capital and profits rose from SDD 4.5 billion and SDD 1.0 billion in 2005 to SDD 6.4 billion and SDD 1.3 billion in 2006, by 40.0% and 38.9% respectively.

Sectoral Finance of the Financial Investment Bank:

Table (6-11)
Financial Investment Bank Finance to the Different
Sectors in 2005 and 2006

(SDD Millions)

Sector	2005*	% To total Finance	2006	% To total Finance
Agriculture	0.00	0.0	100.00	6.4
Exports	9.26	0.6	0.00	0.0
Industry	1,303.65	92.3	0.00	0.0
Local Trade	100.00	7.1	1,451.61	93.6
Total	1,412.91	100.0	1,551.61	100.0

Source: Financial Investment Bank.

*** Amended Figures.**

Table (6-11) above shows the Financial Investment Bank finance to the different sectors during 2005 and 2006, as the total extended finance rose from SDD 1.4 billion in 2005 to SDD 1.6 billion in 2006, by 9.8%. It is to be noted that the finance extended to local trade rose from 7.1% in 2005 to 93.6% in 2006.



Indicators of the Specialized Banks Balance Sheets:

Table (6-12)
Indicators of the Specialized Banks Balance Sheets for 2005 and 2006
(%)

Particulars	2005*	2006
Agricultural Bank of Sudan:		
Capital to Liabilities	15.86	26.27
Capital to Deposits	79.02	185.03
Investments to Total Deposits	126.80	109.44
Cash in Tills to Deposits	20.50	19.20
Total Deposits to Liabilities	20.08	14.20
Fixed Assets to Capital *	11.43	8.99
Savings and Development Bank:		
Capital to Liabilities	17.48	16.0
Capital to Deposits	30.99	25.2
Investments to Total Deposits	89.29	86.2
Cash in Tills to Deposits	45.90	32.0
Total Deposits to Liabilities	56.42	63.3
Fixed Assets to Capital	44.29	51.4
Financial Investment Bank:		
Capital to Liabilities	12.53	27.6
Capital to Deposits	24.42	101.4
Investments to Total Deposits	81.33	290.4
Cash in Tills to Deposits	34.21	50.7
Total Deposits to Liabilities	51.30	27.2
Fixed Assets to Capital	4.81	6.0

Source: Central Bank of Sudan

* Amended Figures.

Table (6-12) above shows the basic indicators of the Specialized Banks. The indicators of each bank are presented in the following manner:

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First: The Agricultural Bank of Sudan:

The indicators of capital to liabilities, capital to deposits went up from 15.9%, 79.0% in 2005 to 26.3%, 185.0% in 2006 respectively while the indicators of investments to total deposits, cash in tills to deposits, total deposits to liabilities and fixed assets to capital dropped from 126.8%, 20.5%, 20.1% and 11.4% in 2005 to 109.4%, 19.2%, 14.2% and 9.0% in 2006 respectively.

Second: Savings and Social Development Bank:

The indicators of investments to total deposits, capital to liabilities, capital to deposits and cash in tills to deposits dropped from 89.3%, 17.5%, 31.0% and 45.9% in 2005 to 86.2%, 16.0%, 25.2% and 32.0% in 2006 respectively due to the rise in deposits and liabilities. The indicators of total deposits to liabilities and the fixed assets to capital rose from 56.4% and 44.3% in 2005 to 63.3% and 51.4% in 2006 respectively.

Third: Financial Investment Bank:

The indicators of investments to total deposits, capital to liabilities, capital to deposits, cash in tills to deposits and the fixed assets to capital rose from 81.3%, 12.5%, 24.4%, 34.2% and 4.8% in 2005 to 290.4%, 27.6%, 101.4%, 50.7% and 6.0% in 2006, due to the drop in deposits. The indicator of total deposits to liabilities went down from 51.3% in 2005 to 27.2% in 2006.

4-2 Geographical Distribution of Banks Branches:

The total number of branches of the Central Bank of Sudan (12 branches) remained constant as it was in 2005. However, the number of branches of the operating banks increased from 517 to 522 branch as indicated in Table (6-13).



Table (6-13)
Geographical Distribution of Banks Branches for 2005 and 2006

State	Year	2005		2006		Change
		No.	%	No.	%	
Khartoum State		184	35.6	190	36.4	6
Central States (Gezira, Sennar, Blue Nile and White Nile)		108	21.0	111	21.6	3
Eastern States (Gadarif, Kassala and Red Sea)		71	13.7	66	12.6	(5)
Northern States (Nahr Elneel & Northern)		56	10.8	54	10.3	(2)
Kordofan States (North, South and West)		43	8.3	49	9.4	6
Darfur States (North, South and West)		40	7.7	36	6.9	(4)
Southern States (Bahr Elgazal, Upper Nile, and Equatoria)		15	2.9	16	3.1	1
Total		517	100.0	522	100.0	5

Source: Central Bank of Sudan.

Second: Financial Institutions:

(1) Foreign Exchange Bureaus:

These are specialized private companies which are considered as part of the non-bank financial institutions, because they render part of the banking services. The number of these foreign exchange bureaus rose from fifteen (15) in 2005 to seventeen (17) in 2006.

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Table (6-14)
Total Purchases and Sales of the Foreign Exchange Bureaus
During January - December 2006

(US\$ millions)

Month	Purchases	Sales
January	98.5	98.7
February	125.5	125.2
March	154.0	152.8
April	176.5	177.0
May	214.0	214.4
June	171.1	170.3
July	197.3	196.8
August	198.3	197.9
September	288.6	288.2
October	353.1	351.8
November	340.5	342.7
December	290.2	288.6
Total	2,607.6	2,604.4

Source: Central Bank of Sudan.

Table (6-14) above shows the monthly total purchases and sales of the foreign exchange bureaus in 2006. The resources (purchases) of the foreign exchange bureaus rose from US\$ 0.98 billion in 2005 to US\$ 2.6 billion in 2006, by 165.8%. The total uses (sales) also rose from US\$ 0.972 billion in 2005 to US\$ 2.6 billion in 2006, by 167.7%.

(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 area of issuing and marketing of Sukouks and Islamic Financial Papers with a capital made up of the following:

a) The accounting value of the banks which are 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 assisting the Central Bank in the regulation of liquidity. The Company also arranges the setting up of specialized banks in the financial services sector.

The Company continued, during 2006, 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 4,562,000 certificates by the end of 2005 to 7,288,217 certificates by the end of 2006, by 59.7%.

Table (6-15)
Position of Government Musharaka Certificates (GMCs)
by the end of 2006

Entity	Number of Certificates	Value in SDD billions	%
Bank of Sudan	229,777	1.1	3.1
Banks	2,177,103	10.9	29.9
Companies & Funds	2,637,222	13.2	36.2
Public	2,244,115	11.2	30.8
Total	7,288,217	36.4	100.0

Source: Sudan Financial Services Company

Table (6-15) above, shows that the companies and funds share of Government Musharaka Certificates (GMCs) was the highest, by 36.2% while the share of the Central Bank of Sudan was the lowest, at 3.1%.

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Returns of Government Musharaka Certificates (GMCs):

Table (6-16)
The Returns of Government Musharaka Certificates (GMCs)
During 2006

No.	Date of Issue	Maturity	Rate of Return (%)
1	01/01/2005	One year	19.4
2	01/07/2005	Six months	7.5
3	01/04/2005	One year	29.0
4	01/10/2005	Six months	14.0
5	01/07/2005	One year	18.8
6	01/01/2005	Six months	18.0

Source: Sudan Financial Services Company.

Table (6-16) above shows that the average rate of return on the Government Musharaka Certificates (GMCs) reached 22.4% for one year maturity and 13.2% for six month maturity.

Government Investment Certificates (GICs):

The balance of the Government Investment Certificates (GICs) from 5,660,000 certificates by the end of 2005 to 12,991,000 certificates by the end of 2006, by 129.5%.

Table (6-17)
Position of Government Investment Certificates (GICs)
by the end of 2006

Entity	Number of Certificates	Value in SDD billions	%
Central Bank of Sudan	2,328,111	2.3	17.9
Banks	1,388,296	1.4	10.7
Companies and Funds	8,251,394	8.3	63.5
Public	1,023,015	1.0	7.9
Total	12,990,816	13.0	100.0

Source: Sudan Financial Services Company.



Table (6-17) above, shows that the companies and funds share Government Certificates (GICs) accounted for the highest percentage, at 63.5% while the share of the public constituted the lowest percentage, at 7.9%.

Rate of Return on Government Investment Certificates (GICs):

Table (6-18)

The Rate of Return of Government Investment Certificates (GICs) During 2006

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	01/03/2005	Three months	4.0
4	08/06/2005	Three months	4.0
5	15/11/2005	Three months	4.0
6	02/11/2004	Three months	4.0
7	01/03/2005	Three months	4.0
8	08/06/2005	Three months	4.0
9	15/11/2005	Three months	4.0
10	25/8/2004	Six months	10.0
11	02/11/2004	Three months	4.0
12	01/03/2005	Three months	4.0

Source: Sudan Financial Services Company.

Table (6-18) above, shows that the average rate of return on Government Investment Certificates (GICs) reached 10% for 6 months maturity and 4% for 3 months maturity.

The Central Bank of Sudan Ijarah Certificates (Shihab):

The Central Bank of Sudan introduced Central Bank of Sudan Ijarah Certificates (Shihab) in September, 2005 as an instrument of liquidity management and a substitute for the Central Bank of Sudan Musharaka Certificates (CMCs) which were liquidated in November, 2004.

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Table (6-19)
Position of Central Bank of Sudan Ijarah Certificates (Shihab)
by the end of 2006

Particulars	Number of Certificates	Value in SDD billions
Total Certificates held with Banks	243,871	24.4
Certificates Sold	336,500	33.7
Certificates Purchased	333,000	33.3
Net balance of Certificates with Banks	138,500	13.9

Source: Sudan Financial Services Company.

(3) Bank Deposits Security Fund:

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

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

The resources of the Fund rose from SDD 4.4 billion in 2005 to SDD 6.8 billion in 2006, by 54.5%. Accordingly, the resources of the Fund invested in different investment channels increased from SDD 3.5 billion in 2005 to SDD 6.1 billion in 2006, by 72.3%.

(4) Khartoum Stock Exchange:

The Khartoum Stock Exchange was established in 1992 and its Act was ratified in 1994 and trading in the primary market started in October of the same year. In January, 1995, the secondary market was inaugurated. The market contributes to the provision of long term finance, regulation of the issue of financial papers, trading in financial papers and boosting of investment awareness among the public.



Table (6-20)
Volume of Trading in Khartoum Stock Exchange in 2005 and 2006

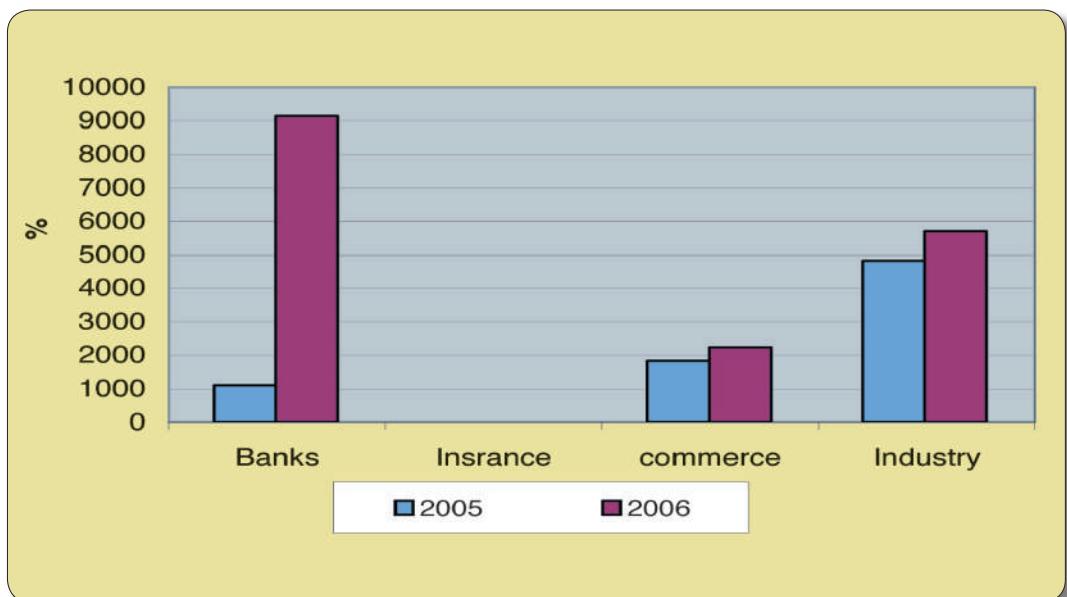
SECTOR	2005					2006				
	No. of Shares Traded (In thousand)	Volume of Trading (SDD millions)	Executed Contracts	No. of Listed Co's	(%)	No. of Shares Traded (In thousand)	Volume of Trading (SDD millions)	Executed Contracts	No. of Listed Co's	(%)
Banks	848,351.0	1,109.5	329	17	0.90	7,146,344.6	9,138.3	809	19	4.42
Insurance	2.1	0.8	11	9	0.00	1.8	0.6	5	8	0.00
Commerce	848,004.8	1,830.9	429	7	1.48	316,016.1	2,231.3	248	8	1.08
Industry	21,501.0	4,820.0	52	3	3.95	28,036.3	5,701.4	88	2	2.76
Agriculture	0.0	0.0	0.0	2	0.0	0.0	0.0	00	2	0.00
Funds	845.8	4,711.6	176	0	3.87	1,433.4	12,016.7	338	0	5.81
Certificates	308.1	19,440.8	1,497	0	15.95	1,472.4	79,990.2	2,579	0	38.68
Others	12,657.5	89,769.7	1,180	11	73.85	74,477.1	97,726.9	1,775	13	47.25
Total	1,731,670.4	121,683.3	3,673	49	100.00	7,567,782.0	206,805.4	5,842	52	100.00

Source: Khartoum Stock Exchange.

Table (6-20) above, shows that the volume of trading in the Stock Exchange rose from SDD 121.7 billion in 2005 to SDD 206.8 billion in 2006, by 69.9%, and the number of traded shares increased from 1,731.7 million shares in 2005 to 7,567.8 million shares in 2006, by 337%. The number of listed companies in the Stock Exchange rose from 49 in 2005 to 101 by the end of 2006, of which nineteen from the banking sector, eight from the insurance sector, eight from the commercial sector, two from the agricultural sector and thirteen from the other sectors. The number of the operating brokerage companies in the Stock Exchange reached twenty nine in 2006 compared with twenty six in 2005. Furthermore, five investment funds were listed, namely, Sudatel Second Fund, Industrial Finance Fund and Government Investment Funds: November, 2004 issue, August, 2004 issue and February, 2005 issue, in addition to 42 of Government Musharaka Certificates (GMCs).

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Figure (6-3)
The Volume of Trading in Khartoum Stock Exchange
in 2005 and 2006



(5) Insurance Market:

The number of companies operating in the field of insurance and reinsurance remained constant at 15 as it was in 2004. These companies render insurance services and invest resources in investment certificates and deposits in addition to 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 (6-21)
Gross and Net Insurance Premiums for 2004 and 2005
(SDD Millions)

Particulars	2004*	2005*	Rate of Change (%)
Gross Insurance Premiums	32,599	37,112	13.8
Net Insurance Premiums	18,866	24,537.8	30.1

Source: Insurance Supervision Authority.

* Amended figures

Table (6-21) above, shows the rise in gross insurance premiums from SDD 32.6 billion in 2004 to SDD 37 billion in 2005, by 13.8%. As for net insurance premiums, they went up from SDD 18.9 billion in 2004 to SDD 24.5 billion in 2005, by 30.1%.

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 reinsurance companies.

Table (6-22)
Gross and Net Insurance Claims In 2004 and 2005
(SDD Millions)

Particulars	2004*	2005*	Rate of Change (%)
Gross Insurance Premiums	14,418	18,710	29.8
Net Insurance Premiums	8,808	12,270	39.3

Source: Insurance Supervision Authority.

* Amended figures

Table (6-22) above shows the rise in gross insurance claims from SDD 14.4 billion in 2004 to SDD 18.7 billion in 2005, by 29.8%, while net insurance claims rose from SDD 8.8 billion in 2004 to SDD 12.3 billion in 2005, by 39.3%.

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(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 six billion dinars of which three billion dinars were paid up capital. The Ministry of Finance and the Central Bank of Sudan contribute to the capital by a percentage not less than 25% for each while the rest of the capital is contributed by banks and insurance companies. The start of operations of the Agency was scheduled for January. The Agency has been set up 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 represented in the following:

- a) To broaden the base of the national economy and avoid dependence on oil.
- b) To boost the volume of Sudanese exports.
- c) To create foreign markets for exporters and enable them to obtain adequate information about the needs of international markets for Sudanese commodities.
- d) To expand the sources of financing for Sudanese exporters.

CHAPTER SEVEN

GOVERNMENT FINANCE



CENTRAL BANK OF SUDAN





CHAPTER SEVEN

GOVERNMENT FINANCE

The budget of the year 2006, aimed to achieve positive and sustainable rates of growth in the national economy through maintaining the stability of the economy via achieving a GDP growth rate of about 10%, continue controlling inflation rates within the limit of 8% and maintaining the stability of the exchange rate of the national currency. The budget also aimed to raise the performance efficiency in the national economy through the increase of capacity building, work towards increasing the revenue from real sources, implement the agreement of Wealth Sharing, control and rationalize government spending, abide by providing the financial provisions transferable to the states as a result of the implementation of the Comprehensive Peace Agreement (CPA), expand the social development program to alleviate poverty, increase spending on the agriculture sector, concentrate on reconstruction and development of the regions affected by the war, continue rehabilitating the infrastructure and encourage investments of the private sector.

Fiscal Performance for the year 2006:

The actual performance of the budget for 2006, showed total public revenue at SDD 1,507.5 billion, which was less than the budget estimates by SDD 201.9 billion, by 13.4% and accounted for 20.0% of GDP. Total current expenditure stood at SDD 1,471.3 billion, a decrease of SDD 248.7 million 16.9% from the estimated target. As a result, the performance of current budget registered a surplus of SDD 36.2 billion, compared to an estimated deficit of SDD 10.6 billion, and a decrease of SDD 138.7 billion from 2005.

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Table (7-1) shows the financial performance of the public sector for the years 2005 and 2006:

Table (7-1)
The Public Sector Fiscal Performance 2005 and 2006
(SDD Billions)

Year	2005			2006		
	Items	Estimated	Actual	% of Perform.	Estimated	Actual
Total Ordinary Revenue	1,275.0	1,218.4	95.5	1,709.4	1,507.5	88.2
Total Current Expenditure	1,128.6	1,043.5	92.4	1,720.0	1,471.3	85.5
Surplus (+) Deficit (-)	146.4	174.9	119.5	(10.6)	36.2	(341.5)
Development and Investment Expenditure	322.4	341.2	105.8	365.2	354.0	96.9
Total Public Sector Deficit	(176.0)	(166.3)	94.5	(375.8)	(317.8)	84.6
Deficit Finance	176.0	166.3	-	375.8	317.8	-
a) External Financing	95.0	48.1	50.6	167.8	96.7	57.6
b) Domestic Financing	81.0	118.2	145.9	208.0	221.1	106.3

Source: Ministry of Finance & National Economy.

On the other hand, development and investment expenditure amounted to SDD 354.0 billion, representing 96.9% of the estimated amount of SDD 365.2 billion for 2006. The public sector overall deficit rose from SDD 166.3 billion in 2005 to SDD 317.8 billion in 2006, by 91.1%. The deficit was financed from external sources to the tune of SDD 96.7 billion and from domestic sources by SDD 221.1 billion.

Public Revenue:

Table (7-2) and Figure (7-1) illustrate the actual performance of revenue during 2006, compared to 2005.

Table (7-2)
Actual Performance of the Public Revenues 2005 and 2006
(SDD Billions)

Particulars	2005				2006			
	Estimated	Actual	% of Perform.	% of Total	Estimated	Actual	% of Perform.	% of Total
I. Tax revenue (a+b)	467.4	500.7	107.1	41.1	676.0	588.1	87.0	39.0
a) Direct Taxes	95.0	95.1	100.1	7.8	105.0	95.1	90.6	6.3
- Income Tax	13.0	14.7	113.1	1.2	10.5	13.9	132.4	0.9
- Business Profit Tax	61.0	61.0	100.0	5.0	72.0	62.8	87.2	4.2
- Development Tax	0.0	0.0	0.0	0.4	0.0	0.0	0.0	0.0
- SNWA	7.0	4.6	65.7	1.2	6.0	2.5	41.7	0.2
- Stamps	14.0	14.8	105.7	8.7	16.5	15.9	96.4	1.1
- Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
b) Indirect Taxes(1+2+3)	372.4	405.6	108.9	33.3	571.0	493.0	86.3	32.7
1) Customs Duties	179.6	224.0	113.4	18.4	213.5	210.4	98.5	14.0
- Imports Duties	148.5	153.1	103.1	8.5	176.5	162.9	92.3	10.8
- Exports Duties	0.5	0.6	120.0	0.0	0.0	0.1	0.0	0.0
- Others	30.6	70.3	229.7	5.8	37.0	47.4	128.1	3.1
2) Excise Duties	99.0	94.9	95.9	7.8	121.0	105.5	87.2	7.0
3) VAT	93.8	86.7	92.4	7.1	236.5	177.1	74.9	11.7
II. Non Tax Revenue	807.6	717.7	88.9	58.9	1,033.4	919.4	89.0	61.0
Total Ordinary Revenue (I+II)	1,275.0	1,218.4	95.6	100.0	1,709.4	1,507.5	88.2	100.0

Source: Ministry of Finance and National Economy.

Total public revenue increased from SDD 1,218.4 billion to SDD 1,507.5 billion, by 23.7%. Non-tax revenues represented 61.0% of total revenues and amounted to SDD 919.4 billion, an increase of 28.1% over its level in 2005, and 89.0% of the targeted estimates for 2006.

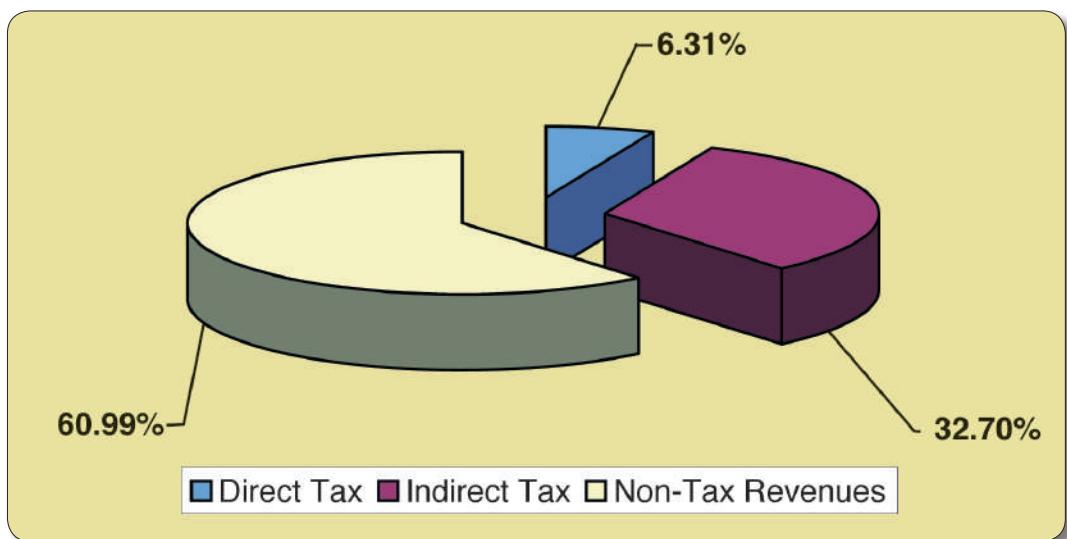
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Tax revenues went up from SDD 500.7 billion in 2005 to SDD 588.1 billion in 2006, by 17.5%; a contribution of 39.0% against 41.1% in the previous year.

Tax revenues comprised revenues from direct and indirect taxes. Revenues from direct taxes amounted to SDD 95.1 billion representing 6.3% of total public revenue, compared to 7.8% in the previous year.

On the other hand, revenues from indirect taxes rose from SDD 405.6 billion to SDD 493.0 billion, by 21.5%, representing 32.7% of total public revenue compared to 33.3% in the previous year.

Figure (7-1)
Actual Performance of Public Revenues For the year 2006



Revenue from Public Corporations and Enterprises and Government Investments:

Table (7-3) presents the actual revenue of public corporations, enterprises and government investments in 2006 compared to 2005.

Table (7-3)
Public Corporations, Enterprises, and Government Investments
Revenue in 2005 and 2006

(SDD Billions)

Year	2005			2006		
	Items	Estimates	Actual	% Of Perform.	Estimates	Actual
a) Profits of Public Enterprises and Corporations.	42.0	40.6	96.6	65.0	60.4	92.9
b) Proceeds of Government Investments	16.0	17.1	107.1	18.0	22.8	126.7
Total	58.0	57.7	99.5	83.0	83.2	100.2

Source: Ministry of Finance and National Economy.

Actual revenue of public corporations and enterprises and the government investments, rose from SDD 57.7 billion to SDD 83.2 billion, by 44.2% and an execution rate of 100.2% of the 2006 estimates.

Public Expenditure:

Table (7-4) and figure (7-2) reflect the actual performance of public expenditure during 2006, compared with 2005:

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Table (7-4)
Public Expenditure for the Years 2005 and 2006

(SDD Billions)

Years	2005			2006		
	Items	Estimates	Actual	% Of Total	Estimates	Actual
<u>Part One:</u> Expenditure of the Federal Government	1,002.0	1,020.9	73.7	1,288.0	1,170.3	64.1
Chapter One: Wages, Salaries, and Benefits	301.0	301.1	21.8	418.3	395.7	21.7
Chapter Two: Centralized Items, Operational Expenses and General Social Subsidies	378.6	378.6	27.3	486.2	420.6	23.0
Chapter Three: National Development Projects and Contribution in Capital	322.4	341.2	24.6	18.3	354.0	19.4
<u>Part Two:</u> Transfers to the Government of the South	0.0	0.0	0.0	319.4	295.6	16.2
<u>Part Three:</u> Transfers to the Governments of the Northern States	449.0	363.8	26.3	477.8	359.4	19.7
Total	1,451.0	1,384.7	100.0	2,085.2	1,825.3	100.0

Source: Ministry of Finance and National Economy.

Total actual public spending reached SDD 1,825.3 billion, an execution rate of 87.5% of the estimates and an increase of 31.8% over that of the previous year. This included SDD 1,170.3 billion as current expenditure, representing 90.9% of the estimated total expenditure for 2006, and an increase of 14.6% over 2005. This increase was accounted for by a rise in spending in Chapter One of 31.4%, in Chapter Two by 11.1% and in Chapter Three by 3.8%.

Transfers to the government of the South were treated beginning 2006 as Part Two in the general expenditure. An amount of SDD 295.6 million was transferred to the South and thereby contributed to a large extent to the increase in the actual total expenditure.

Figure (7-2) (A)
Actual Performance of Public Revenues For the year 2006

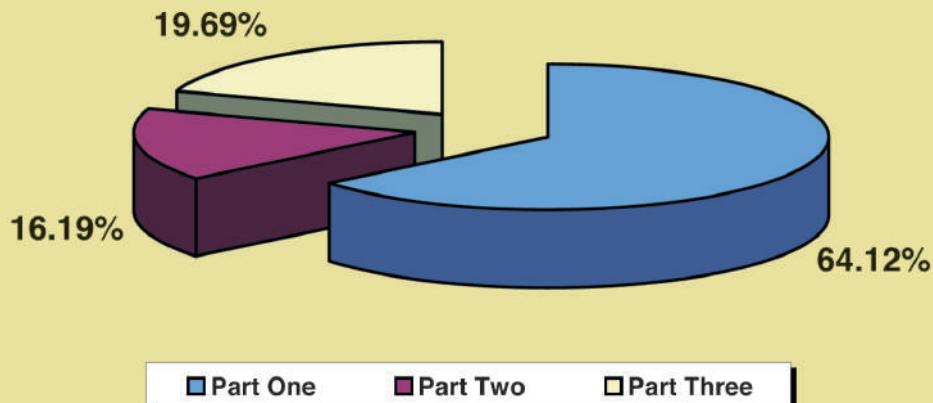
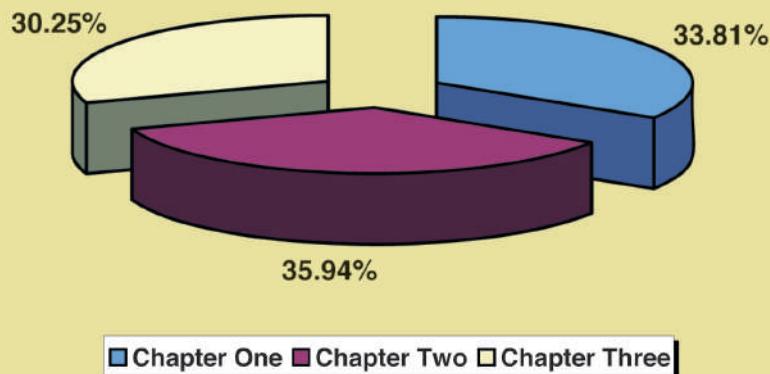


Figure (7-2) (B)
Actual Performance of Public Revenues For the year 2006



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Development Expenditure:

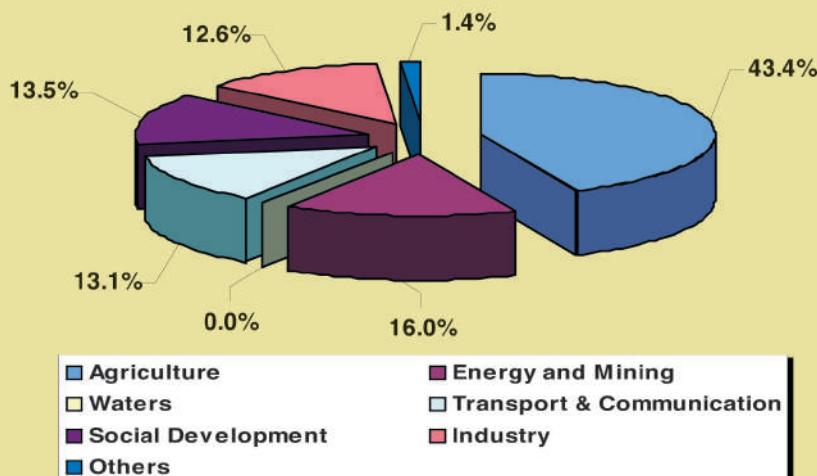
Table (7-5) and Figure (7-3) present actual spending on development in 2006 compared to 2005.

Table (7-5)
Actual Development Expenditure for the years 2005 - 2006
(SDD Billions)

Year	2005				2006			
	Sector	Estimates	% of Estimates	Actual Performance	% of Total Performance	Estimates	% of Estimates	Actual Performance
1- Agriculture	74.2	42.7	93.8	50.7	102.7	38.9	111.2	43.5
2- Energy and Mining	20.9	12.0	31.9	17.3	36.8	14.0	41.0	16.0
3- Water	1.8	1.0	0.6	0.3	0.4	0.1	0.0	0.0
4- Transport and Communications	31.1	31.1	34.7	18.8	43.3	16.4	33.6	13.1
5- Social Development	37.5	37.5	14.0	7.6	68.7	26.1	34.5	13.5
6- Industry	7.4	4.3	7.3	3.9	7.6	2.9	32.3	12.6
7- Peace and Resettlement Program	0.0	0.0	0.0	0.0	1.4	0.5	3.4	1.3
8- Development Reserve	1.0	0.6	2.6	1.4	2.8	1.1	0.1	0.0
Total	173.9	100.0	184.9	100.0	263.7	100.0	256.1	100.0
Sources of Finance:								
Local	90.7	52.2	141.6	76.6	145.4	55.1	180.9	70.6
External	83.2	47.8	43.3	23.4	118.3	44.9	75.2	29.4

Source: Ministry of Finance and National Economy.

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.

Temporary advances extended to the government in 2006 amounted to about SDD 58.5 billion of which SDD 27.0 billion was repaid and SDD 31.5 billion remained to be settled.

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Foreign Exchange Budget:

Table (7-6) illustrates the 2006 foreign exchange budget compared to 2005.

Table (7-6)
Foreign Exchange Budget for 2005 and 2006

(US\$ Millions)

Years	2005			2006		
	Items	Estimates	Actual Perform.	% of Perform.	Estimates	Actual Perform.
Exports	4,431.7	4,824.3	108.9	5,937.4	5,656.6	95.3
Invisible Receipts	1,240.9	2,082.5	167.9	2,304.4	2,598.9	112.8
Drawings of Loans	395.9	222.4	56.2	303.6	276.7	91.1
Short-term Capital Movements	466.6	565.9	121.3	2,086.6	742.6	35.6
Direct Investment	1,002.7	2,304.6	229.8	3,657.0	3,532.6	96.6
a) Total Receipts	7,537.8	10,000.8	132.7	14,289.0	12,807.4	89.6
Imports	4,714.0	5,946.0	126.1	7,564.0	7,104.7	93.9
Invisible payments	2,558.0	3,729.9	143.5	5,486.8	5,489.0	100.0
Loans Repayment	227.4	212.0	93.2	80.2	176.5	220.1
b) Total Payments	7,499.4	9,887.9	131.0	13,131.0	12,770.2	97.3
Foreign Exchange Budget Balance (a - b)	38.4	112.9		1,158.0	37.2	

Source: Central Bank of Sudan and Ministry of Finance.

The 2006 foreign exchange budget witnessed a rise in total receipts from US\$ 10,000.8 million to US\$ 12,807.4 million, by 28.1%. Total payments, also increased from US\$ 9,887.9 million to US\$ 12,770.2 million, by 29.1% which led to the decrease of the budget surplus from US\$ 112.9 million in 2005 to US\$ 37.2 million in 2006.

CHAPTER EIGHT

FOREIGN TRADE



CENTRAL BANK OF SUDAN



CHAPTER EIGHT FOREIGN TRADE

The government foreign trade policy during 2006 continued focusing 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 organization.

Trade Balance:

The trade balance represents the difference between the value of the exports and imports of goods. In 2006 the deficit in the trade balance increased by 25.1% from US\$ 1,932.5 million in 2005 to US\$ 2,416.9 million in 2006. This rise of 25.1% is attributed to the significant increase in the imports which rose from US\$ 6,756.8 million in 2005 to US\$ 8,073.5 million in 2006 by 19.5%.

Table (8-1) and figure (8-1) show the volume of total exports, imports, trade balance and the annual rates of change for 2005 and 2006:

**Table (8-1)
Trade Balance for 2005 and 2006**

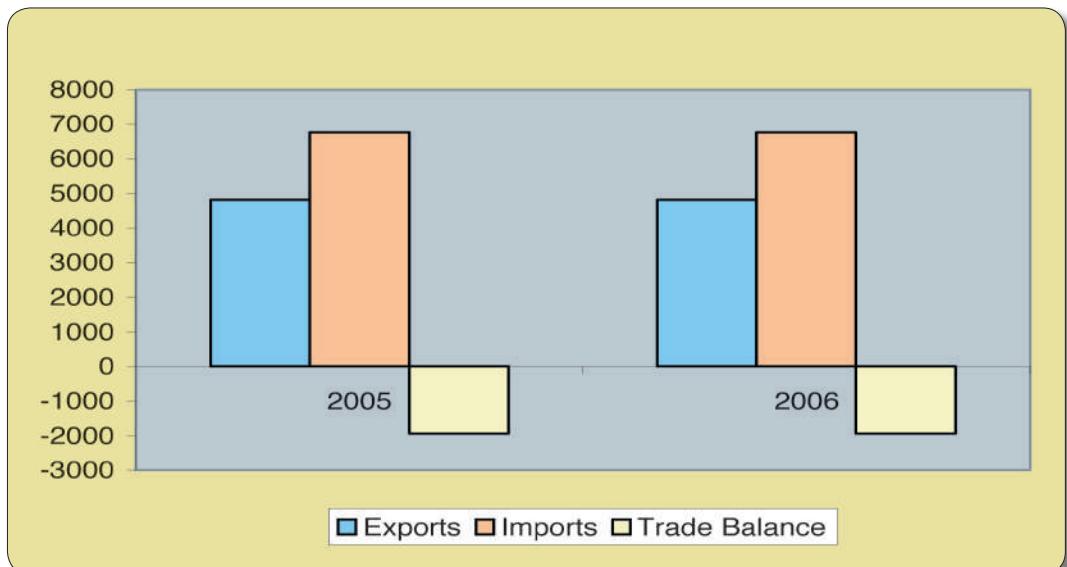
(US\$ Millions)

Item	2005	2006
Exports:		
Oil Exports	4,824.3	5,656.6
Non-Oil Exports	4,187.4	5,087.2
Annual % Change of Exports	636.9	569.4
Imports (CIF)	27.7%	17.3%
Annual % Change of Imports	6,756.8	8,073.5
Trade Balance	27.7%	17.3%
Annual change in the Trade Balance	65.8%	19.5%
	(1,932.5)	(2,416.9)
	549.8%	25.1%

Source: Central Bank of Sudan & Sudan Customs Authority

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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 2006, the exports of oil and it's by products constituted 89.9% 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 2005 and 2006, while figure (8-3) demonstrates the classification of commodity exports:

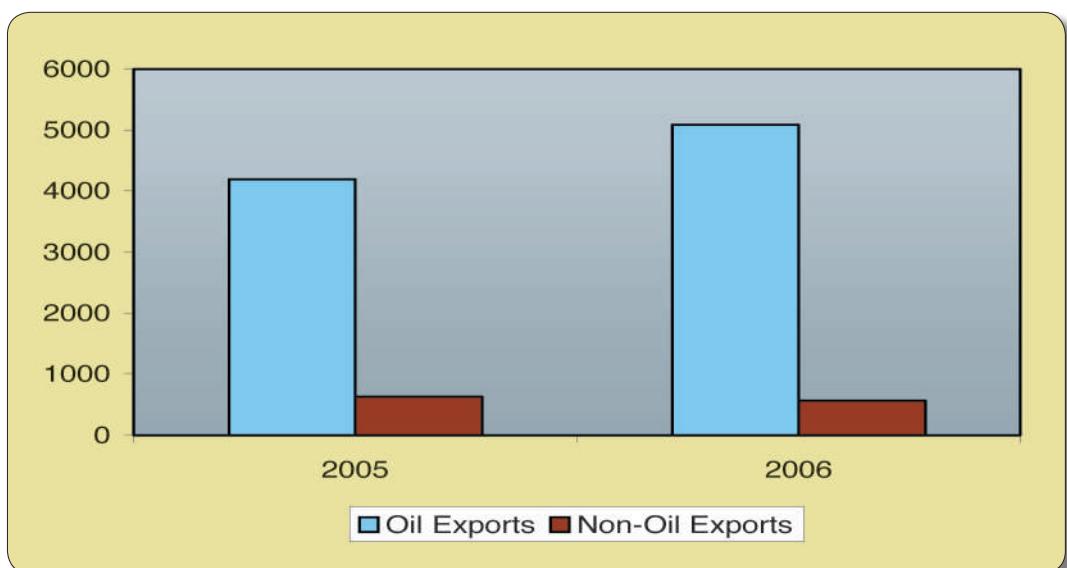


Table (8-2)
Commodity Exports for 2005 and 2006
(US\$ Millions)

Commodity	Unit	2005		2006	
		Quantity	Value	Quantity	Value
Crude Oil	Barrel	79,243,100	3,948.3	90,085,298	4,704.0
Benzene	M.T.	480,424	220.7	502,541	356.3
Kerosene	M.T.	0.0	0.0	26,596	13.4
Natural Gas	M.T.	30,858	10.0	14,657	4.5
Naphtha	M.T.	21,538	8.3	20,932	9.0
Furnace	M.T.	-	-	-	-
Mixed Gas	M.T.	-	-	-	-
Cotton	Bale	456,614	107.3	482,492	82.3
Livestock	Head	1,466,389	114.9	1,545,197	121.7
Sesame	M.T	154,675	118.6	219,047	167.0
Gold	K.G.	8,517.3	63.6	6,219,350	64.3
Gum Arabic	M.T.	29,213	107.6	20,618	50.2
Meat	M.T.	5,647	18.2	1,345	4.9
Hides and Skins	Value	N.A	21.6	N.A	4.9
Molasses	M.T.	137,513	11.1	209,409	17.6
Sugar	M.T.	24,109	13.5	17,856	10.1
Dura	M.T.	2,336	0.5	4,550	1.0
Groundnuts	M.T.	3,214	2.0	343	0.2
Others	Value	N.A	58.1	N.A	45.2
Total			4,824.3		5,656.6

Source: Central Bank of Sudan & Sudan Customs Authority

Figure (8-2)
Commodity Exports for 2005 and 2006



The exported quantities of crude oil rose from 79,243.1 thousand barrels in 2005 to 90,085.3 thousand barrels in 2006. The exports of Benzene also increased from 480.4 thousand metric tons in 2005 to 502.5 thousand metric tons in 2006, while the exports of Gas dropped from 30.9 thousand metric tons in 2005 to 14.7 thousand metric tons in 2006. The exports of Naphtha remained constant during 2005 and 2006.

The export proceeds of crude oil rose from US\$ 3,948.3 million in 2005 to US\$ 4,704.0 million in 2006 i.e. a rise of 19.1%. This was due to the increase in the average price of the barrel from US\$ 49.8 in 2005 to US\$ 53.2% in 2006 in addition to the rise in the exported quantities.

The export proceeds of the combined oil by products increased from US\$ 239.0 million in 2005 to US\$ 383.2 million in 2006. i.e. an increase of 60.3%. This is mainly attributable to the increase in the exports proceeds of Benzene from US\$ 220.7 million in 2005 to US\$ 356.3 million in 2006.

Non-Oil Exports:

The proceeds of non-oil exports dropped from US\$ 636.9 million in 2005 to US\$ 569.4 million in 2006, a decrease of 10.6%. The details of the key exports are given below:

a) Sesame:

The export proceeds of sesame, which occupies the first rank in the list of non oil exports increased from US\$ 118.6 million in 2005 to US\$ 167.0 million in 2006. i.e. an increase of 40.8%. The increase was attributable to the rise in the exported quantities from 154.7 thousand metric tons in 2005 to 219.1 thousand metric tons in 2006, alongside the minor rise in the average international prices.

b) Livestock and Meat:

The export proceeds of livestock maintained its second rank in the list of non oil exports and registered a rise from US\$ 114.9 million in 2005 to US\$ 121.7 million in 2006 i.e. rise of 5.9%. This is due to the increase in the quantities exported from 1,466 thousand heads in 2005 to 1,545 thousand heads in 2006. The export proceeds of meat witnessed a decline from US\$ 18.2 million in 2005 to US\$ 4.9 million in 2006. This is attributable to the significant drop in the quantities exported from 5,647 metric tons in 2005 to 1,345 metric tons in 2006.

c) Cotton:

Despite the increase in the exported quantities of cotton from 456, 614 bales in 2005 to 482,492 bales, yet its export proceeds declined from US\$ 107.3 million in 2005 to US\$ 82.3 million in 2006 and this was due to the drop in the international prices.

d) Gum Arabic:

The export proceeds of gum Arabic decreased from US\$ 107.6 million in 2005 to US\$ 52.2 million in 2006. i.e. a decrease of 53.3%. This is attributable to the decline in the quantities exported.

e) Sugar:

The proceeds of exports of sugar registered a decline from US\$ 13.5 million in 2005 to US\$ 10.1 million in 2006 i.e. a decline of 25.2%. The exported quantities also decreased from 24,109 metric ton in 2005 to 17,856 metric ton in 2006 and this was due to the increase in the local consumption.

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f) Molasses:

The export proceeds of Molasses rose from US\$ 11.1 million in 2005 to US\$ 17.6 million in 2006 i.e. a rise of 58.6%. This is attributed to the rise in the quantities exported and the increase in the international prices.

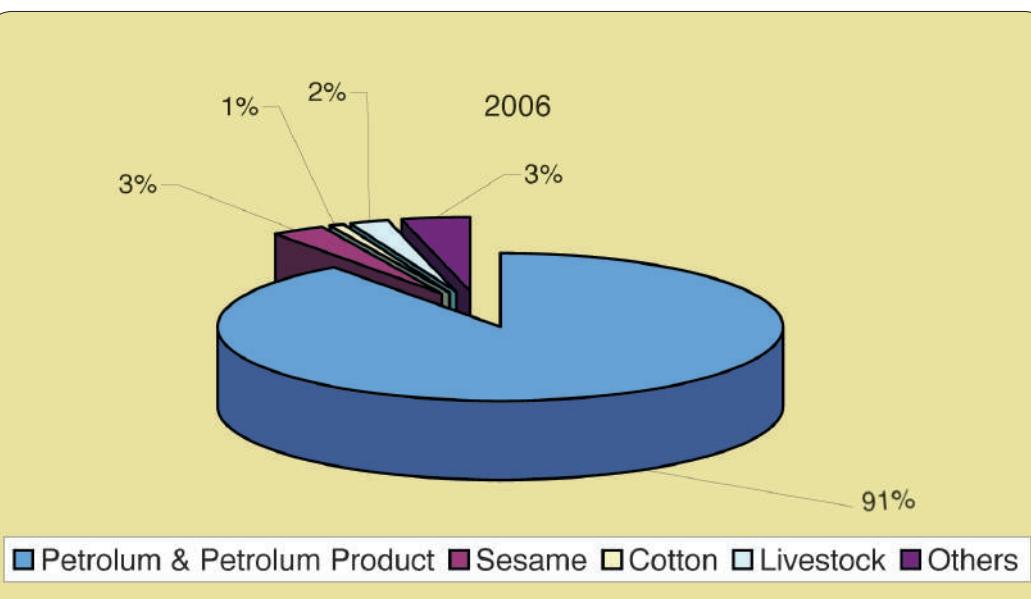
g) Dura:

The export proceeds of Dura increased from US\$ 0.5 million in 2005 to US\$ 1.0 million in 2006 i.e. an increase of 100.0%, and this was due to the increase in the exported quantities from 2,336 metric tons in 2005 to 4,550 metric tons in 2006.

h) Gold:

The proceeds of exports of gold increased slightly from US\$ 63.6 million in 2005 to US\$ 64.3 million in 2006 i.e. an increase of 1.1% despite the decline in the quantities exported from 8,517.3 k.g. in 2005 to 6,219.4 k.g. in 2006. This was attributable to the increase in the international prices.

Figure (8-3)
Commodity Exports Classification (Comparative Advantage)
for the year 2006



Second: Imports:

The major imports include: machineries and capital equipment, manufactured goods, means of transport, chemicals, petroleum products, foodstuffs, textiles and other materials.

Table (8-3) and Figure (8-4) exhibit the imports by commodity for 2005 and 2006 while figure (8-5) illustrates the structure of imports for the same period.

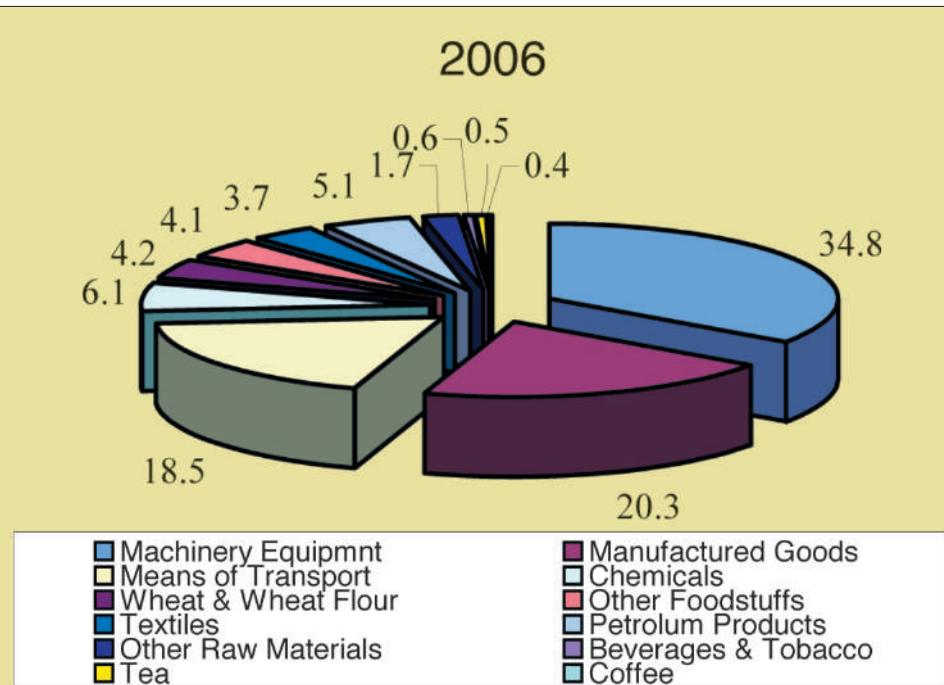
Table (8-3)
Imports by commodity for 2005 and 2006

(US\$ Millions)

Commodity	2005		2006	
	Value	% Total Imports	Value	% Total Imports
Machinery and Equipment	1,971.9	29.2	2,810.5	34.8
Manufactured Goods	1,627.9	24.1	1,640.8	20.3
Means of Transport	1,149.7	17.0	1,490.5	18.5
Chemicals	493.8	7.3	490.5	6.1
Wheat and Wheat Flour	322.0	4.8	414.2	5.1
Other Foodstuffs	383.6	5.7	341.7	4.2
Petroleum Products	363.9	5.4	332.5	4.1
Textiles	233.7	3.5	295.3	3.7
Other Raw Materials	104.5	1.5	138.2	1.7
Beverages and Tobacco	42.5	0.6	47.7	0.6
Tea	26.3	0.4	36.4	0.5
Coffee	37.0	0.5	35.2	0.4
Total	6,756.8	100	8,073.5	100

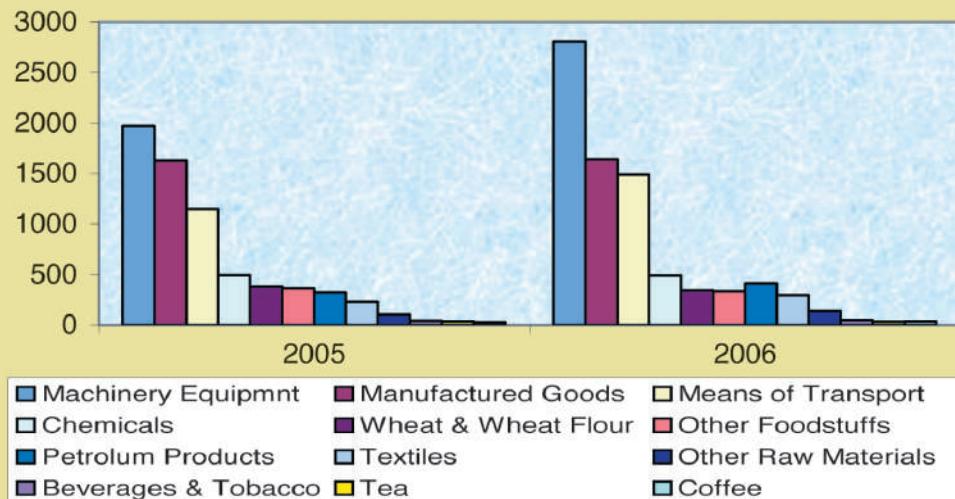
Source: Central Bank of Sudan & Sudan Customs Authority

Figure (8-4)
Imports by Commodity for 2006



As can be observed from Table (8-3), the value of imports went up from US\$ 6,756.8 million in 2005 to US\$ 8,073.5 million in 2006 i.e. a rise of 19.5%. This was due to the noticeable rise in the majority of key imports items. The machinery and equipment, other raw materials, modes of transport, petroleum products, textiles, beverages and tobacco and manufactured goods all registered increases of 42.5%, 32.2%, 29.6%, 28.6%, 26.4%, 12.2% and 0.8% respectively while the food-stuffs and chemical products registered a drop of 8.0% and 0.7% respectively.

Figure (8-5)
Imports Structure for 2005 and 2006



Direction of Sudan's Foreign Trade:

The Asian non-Arab countries remained the key market for the Sudanese exports during the last eight years. They also represented the main source of Sudan imports during the previous three years.

(1) Exports:

Table (8-4) reflects the direction of Sudan's exports and its percentage of total exports during 2006 compared to 2005.

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Table (8-4)
Direction of Exports by Value for 2005 and 2006

(US\$ million)

Importers	2005		2006	
	Value	% Total Exports	Value	% Total Exports
Asian Countries (except Arab Countries)	4,155.2	86.1	4,872.8	86.1
China	3,427.1	71.0	4,243.9	75.0
Japan	577.5	12.0	522.6	9.2
India	30.8	0.6	22.5	0.4
Singapore	5.8	0.1	16.0	0.3
South Korea	7.9	0.2	6.2	0.1
Other Asian Countries	106.1	2.2	61.6	1.1
Arab Countries:	377.8	7.8	549.6	9.7
United Arab Emirates	90.0	1.9	227.4	4.0
Saudi Arabia	136.4	2.8	126.4	2.2
Egypt	78.7	1.6	96.8	1.7
Yemen	10.8	0.2	44.2	0.8
Syria	12.7	0.3	18.0	0.3
Lebanon	42.5	0.9	17.3	0.3
Other Arab Countries	6.7	0.1	19.5	0.4
European Countries:	140.3	2.9	102.2	1.8
European Union Countries	109.8	2.3	61.3	1.4
United Kingdom	21.8	0.4	19.0	0.3
Other European Countries	8.6	0.2	21.8	0.1
The United States of America	12.3	0.3	49.0	0.1
Other Countries	138.7	2.9	127.2	2.3
Total	4,824.3	100.0	5,656.6	100

Source: Central Bank of Sudan & Sudan Customs Authority.



The group of Asian non-Arab countries constituted the largest market for the Sudanese exports (especially oil) during 2006 as they stood at US\$ 4,872.8 million i.e. 86.1% of the value of exports compared to 86.1% in the previous year.

China whose imports of Sudanese exports stood at US\$ 4,243.9 million, representing 75.0% of the value of exports, topped the list of the importing countries, followed by Japan whose imports of Sudanese goods reached US\$ 522.6 million constituting 9.2% of the total value of exports.

During 2006, the value of Sudanese exports to Arab countries witnessed an increase as their value reached US\$ 549.5 million i.e. 9.7% of total exports compared to 7.8% in 2005. The United Arab Emirates ranked first with total imports of Sudanese goods of US\$ 227.4 million i.e. 4.0% followed by the Kingdom of Saudi Arabia with total imports of US\$ 126.4 million i.e. 2.2% of the total Sudanese exports.

Exports to the European countries declined from US\$ 140.3 million in 2005 to US\$ 102.2 million in 2006, i.e. a decline of 27.2%. The European Union countries topped the list of countries importing Sudanese goods with a total value of US\$ 76.5, percentage share of 1.8%, followed by the United Kingdom and other European countries with a total value of US\$ 19.0 million and US\$ 6.7 million i.e. 0.3% and 0.1% of the total value of exports respectively. On the other hand, the proceeds of exports to the United States of America registered a decline from US\$ 12.3 million in 2005 to US\$ 4.9 million in 2006.

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(2) Imports:

Table (8-5) illustrates the sources of Sudanese imports and their percentages for 2005 and 2006:

Table (8-5)
Sources of Imports for 2005 and 2006

(Value in US\$ Millions)

Sources of Imports	2005		2006	
	Value	% Total Imports	Value	% Total Imports
1- Asian Countries: (Except Arab Countries):	2,560.1	37.9	3,522.5	43.6
China	1,383.0	20.5	1,679.4	20.8
Japan	341.8	5.1	599.0	7.4
India	317.8	4.7	535.8	6.6
South Korea	149.8	2.2	335.4	4.2
Indonesia	49.9	0.7	71.6	0.9
Other Asian Countries	317.8	4.7	301.3	3.7
2- Arab Countries:	1,765.5	26.1	1,804.7	22.4
Saudi Arabia	627.5	9.3	649.3	8.0
United Arab Emirates	394.7	5.8	444.7	5.5
Egypt	369.5	5.5	428.2	5.3
Other Arab Countries	373.8	5.5	282.5	3.5
3- European Countries:	1,526.1	22.6	1,735.0	21.5
European Union Countries	751.8	11.1	1,082.7	13.6
United Kingdom	221.9	3.3	307.8	3.8
Other European Countries	552.4	8.2	344.5	4.1
4- Australia	221.8	3.3	223.1	2.8
5- United States of America	129.7	1.9	104.0	1.3
6- Other Countries	553.6	8.2	684.1	8.5
Total	6,756.8	100.0	8,073.5	100

Source: Central Bank of Sudan & Sudan Customs Authority.



The group of Asian non-Arab countries represented the major source of Sudan's imports in 2006 for the third consecutive year. These imports reached US\$ 3,522.5 million i.e. 43.6% of the value of total imports. China topped the list of these countries, as its exports to Sudan amounted to US\$ 1,679.4 million i.e. 20.8%, followed by India and Japan as their exports to Sudan stood at US\$ 599.0 million and US\$ 535.8 million i.e. 7.4% and 6.6% respectively.

On the other hand, Sudan imports from the group of Arab countries reached US\$ 1,804.8 million i.e. 22.4% of total imports. The Kingdom of Saudi Arabia ranked first among the group of these countries as its exports to Sudan amounted to US\$ 649.3 i.e. 8.0% of total imports, followed by the United Arab Emirates and Egypt with exports to Sudan of US\$ 444.7 million and US\$ 428.2 million i.e. 5.5% and 5.3% respectively.

Sudan's imports from the European countries ranked third in 2006. Their value reached US\$ 1,735.0 i.e. 21.5% of total imports. The European Union countries ranked first as their exports to Sudan stood at US\$ 1,096.2 million i.e. 13.6% of total imports.

Sudan's imports from Australia and the United States of America amounted US\$ 223.1 million and US\$ 104.0 million i.e. 2.8% and 1.3% respectively. Imports from other countries stood at 8.5% of total imports.

CENTRAL BANK OF SUDAN



CHAPTER NINE

BALANCE OF PAYMENTS



CENTRAL BANK OF SUDAN



CHAPTER NINE BALANCE OF PAYMENTS

The balance of payments is prepared according to the Fifth Edition of the Balance of Payments Manual issued by the International Monetary Fund (IMF) in September, 1993 and consists of the current account (represented by the trade balance, the services, income and transfers account) in addition to the capital and financial account.

Table (9-1) and Figure (9-1) present a summary of the balance of payments for the two years, 2005 and 2006:

Table (9-1)
Balance of Payments for 2005 and 2006
(US\$ Millions)

	2005	2006
(A) Current Account (1+2)	(2,769.15)	(4,338.19)
1. Trade Balance	(1,121.71)	(1,448.13)
2. Services, Income and Transfers	(1,647.44)	(2,890.06)
(B) Capital and Financial Account *	2,427.22	4,482.69
Deficit or Surplus in Current Account and Capital and Financial Account (A + b)	(341.93)	144.50
(C) Errors and Omissions	872.45	(353.10)
(D) Convertible Currencies Reserves**	(530.53)	208.60

Source: Central Bank of Sudan.

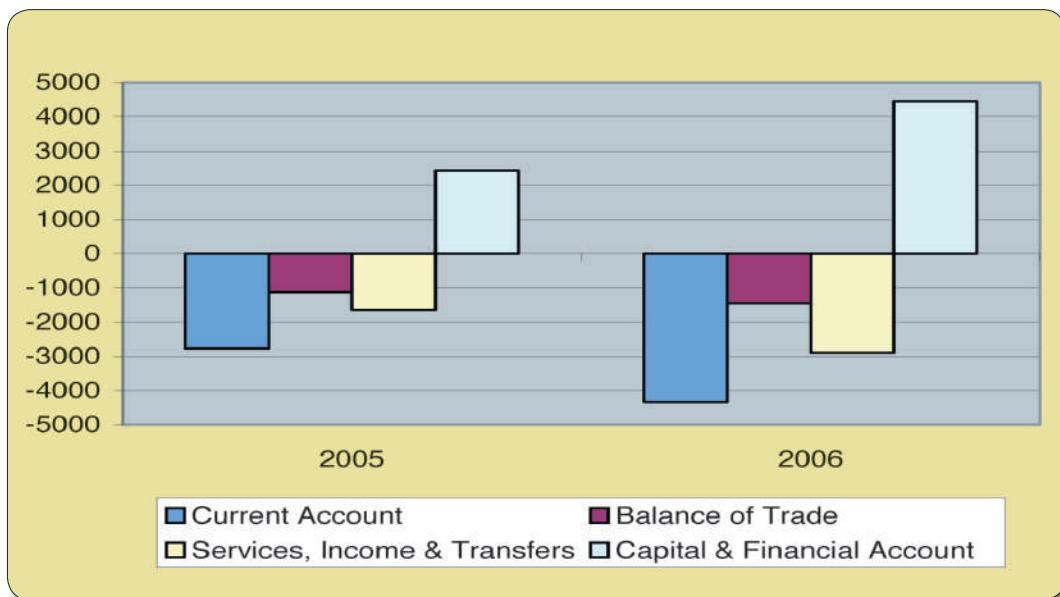
* Since 2003, the Capital Account has been revised to include Capital Account and previous Monetary Movements except Official Balances of Convertible Currencies and it is now called the Capital and Financial Account.

** The sign () represents increase in reserves.

CENTRAL BANK OF SUDAN

Figure (9-1)
Balance of Payments for 2005 and 2006

(US\$ Millions)



The overall position of the balance of payments switched from a surplus of US\$ 530.5 million in 2005 to a deficit of US\$ 208.6 million in 2006. This was reflected negatively to the same extent on the foreign exchange reserve assets (flows) held with Central Bank of Sudan. This was attributed to the increase in the current account deficit from US\$ 2,769.1 million in 2005 to US\$ 4,338.2 million in 2006, by 56.7%, in addition to unclassified payments of US\$ 353.1 million and the increase in the capital and Financial Account from US\$ 2,427.2 million in 2005 to US\$ 4,482.7 million in 2006, by 84.7%.

Table (9-2) presents the details of the balance of payments for 2005 and 2006 while Appendix (XVIII) presents the balance of payments for the last five years (2002 - 2006).

Table (9-2)
Balance of Payments for 2005 and 2006

(US\$ Millions)

	2005	2006
(A) Current Account:	(2,769.15)	(4,338.19)
Exports (FOB):	4,824.28	5,656.56
Petroleum	4,187.36	5,087.20
Others	636.92	569.36
Imports (FOB):	(5,945.99)	(7,104.69)
Government Purchases	(646.66)	(1,142.78)
Private Sector Purchases	(5,299.33)	(5,961.91)
Balance of Trade	(1,121.71)	(1,448.13)
Services, Income and Transfers Account:	(1,647.44)	(2,890.06)
a) Receipts	2,082.49	2,598.90
b) Payments	(3,729.93)	(5,488.96)
(B) Movements in Capital and Financial Account	2,427.22	4,482.69
Direct Investment (Net)	2,304.63	3,532.57
Investment Fund (Net)	11.09	(26.32)
Other Investments (Net)	111.50	976.44
(1) Official Loans:	10.37	100.18
a) Drawings	222.35	276.69
b) Repayments	(211.98)	(176.51)
(2) Trade Facilities (Net)	676.71	742.60
(3) Commercial Banks Net Foreign Assets	(173.85)	36.39
(4) Central Bank of Sudan Other Assets (Non-Reserves)	(293.14)	174.30
(5) Central Bank of Sudan Short-Term Liabilities	(19.78)	159.50
(6) Other Foreign Assets (Net)	(85.00)	(233.50)
(7) Bilateral Agreements (Net)	(3.81)	(3.04)
Deficit or Surplus in Current and Capital and Financial Accounts	(341.93)	144.50
Errors and Omissions	872.45	(353.10)
(C) Official Reserve Assets of Convertible Currencies	(530.53)	208.60

Source: Central Bank of Sudan.

CENTRAL BANK OF SUDAN

Components of the Balance of Payments:

First: The Current Account:

The current account consists of visible and invisible transactions.

a) Visible Transactions:

Table (9-3) presents the quarterly details of the visible trade during 2006 compared to 2005.

**Table (9-3)
Visible Transactions for 2005 and 2006**

(US\$ Millions)

	Total 2005*	2006				
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total 2006
Exports	4,824.28	1,267.50	1,282.89	1,628.75	1,477.42	5,656.56
Petroleum	4,187.36	1,083.63	1,148.84	1,510.87	1,343.86	5,087.20
Others	636.92	183.87	134.05	117.88	133.56	569.36
Imports	(5,945.99)	(1,590.11)	(1,884.27)	(1,778.83)	(1,851.49)	(7,104.69)
Government Purchases	(646.66)	(187.95)	(364.41)	(262.68)	(327.74)	(1,142.78)
In Convertible Currencies	(406.15)	(114.38)	(297.38)	(188.69)	(291.45)	(891.91)
Others	(240.51)	(73.57)	(67.03)	(73.99)	(36.29)	(250.87)
Private Sector Imports	(5,299.33)	(1,402.16)	(1,519.86)	(1,516.15)	(1,523.75)	(5,961.91)
Deficit (-) or Surplus (+) in Visible Trade	(1,121.71)	(322.61)	(601.38)	150.08	(374.06)	(1,448.13)

Source: Central Bank of Sudan.

* Adjusted data

The deficit in the trade account increased from US\$ 1,121.7 million in 2005 to US\$ 1,448.1 million in 2006 as a result of the increase in import payments by a rate greater than the increase in exports. Export proceeds increased from US\$ 4,824.3 million in 2005 to US\$ 5,656.6 million in 2006, by 17.3% due to the increase in oil export proceeds from US\$ 4,187.4 million in 2005 to US\$ 5,087.2 million in 2006, whereas other exports decreased from US\$ 636.9 million in 2005 to US\$ 569.4 million in 2006, and imports increased from



US\$ 5,946.0 million in 2005 to US\$ 7,104.7 million in 2006, by 19.5%, due to the noticeable increase in government imports from US\$ 646.7 million in 2005 to US\$ 1,142.8 million in 2006, by 76.7%, including commodity aid amounting to US\$ 250.9 million, and the increase in private sector imports from US\$ 5,299.3 million in 2005 to US\$ 5,961.9 million in 2006, by 12.5%.

(b) The Invisible Transactions:

Invisible transactions include invisible receipts and payments.

Table (9-4) presents details of the invisible transactions for 2005 and 2006:

Table (9-4)
Invisible Transactions for 2005 and 2006
(US\$ Millions)

	2005	2006		2005	2006
Invisible Receipts	2,082.49	2,598.90	Invisible Payments	3,729.93	5,488.96
Services	113.89	201.25	Services	1,860.43	2,787.75
Travel	89.12	125.8	Travel	667.47	1,400.55
Transport:	3.40	18.74	Transport	1,095.71	1,243.83
Petroleum transport	0.00	0.00	Petroleum transport	420.03	436.48
Commodity transport	3.40	18.74	Commodity transport	675.68	807.35
Communication Services	3.84	7.93	Communication Services	3.52	5.69
Construction Services	4.07	0.04	Construction Services	0.02	0.93
Insurance	0.00	0.00	Insurance	12.07	2.13
Financial Services	0.00	25.14	Financial Services	1.22	7.53
Computer Services and Information	0.00	0.01	Computer Services And Information	4.59	3.51
License and Privilege Fees	0.00	0.00	License and Privilege Fees	0.00	0.00
Other Business Services	0.06	0.30	Other Business Services	32.56	51.05
Personal, Cultural and Recreational Services	0.01	0.24	Personal, Cultural and Recreational Services	0.00	0.01
Unclassified Government Services	13.39	23.05	Unclassified Government Services	43.27	72.51

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Table No. (9-4) Cont'd (US\$ Millions)

	2005	2006		2005	2006
Income:	44.11	89.26	Income:	1,389.88	1,650.50
Compensations of Employees.	1.94	1.82	Compensations of Employees.	1.74	2.44
Investment Income:	42.17	87.44	Investment Income:	1,388.14	1,648.06
Government.	0.00	0.00	Direct Investment Returns.	1,318.76	1,572.79
Private Sector.	0.00	0.00	Income from Debt (<i>Interests</i>).	64.20	62.67
Others	42.17	87.44	Others	5.18	12.60
Current Transfers	1,924.49	2,308.40	Current Transfers	479.62	1,050.71
Government:	245.18	387.47	Government	10.68	164.05
Grants	240.51	250.87	Grants	0.00	0.00
Other Transfers	4.67	136.60	Other Transfers	10.68	164.05
Private Sector	1,679.31	1,920.93	Private Sector	468.94	886.66
			Deficit (-) or Surplus (+)	(1,647.44)	(2,890.06)

Source: Central Bank of Sudan.

The deficit in the services, income and transfers account rose from US\$ 1,647.4 million in 2005 to US\$ 2,890.1 million in 2006, by 75.4%. Table (9-4) shows that this deficit resulted from the increase in invisible payments by 47.2% whereas invisible receipts increased by 24.8%.

Invisible receipts increased from US\$ 2,082.5 million in 2005 to US\$ 2,598.9 million in 2006 as a result of the increase in receipts in each of the services, income and transfers by 76.7%, 102.3% and 19.2%, respectively.

Invisible receipts under the item "services" increased from US\$ 113.9 million in 2005 to US\$ 201.3 million in 2006 as a result of the increase in the receipts of travel from US\$ 89.1 million in 2005 to US\$ 125.8 million in 2006 due to the foreign investors activity inside the country and the increase in receipts from current transfers from US\$ 1,924.5 million in 2005 to US\$ 2,308.4 million in 2006 as a result of the increase of government grants item from US\$ 245.2 million in 2005 to US\$ 387.5 million in 2006 and the increase in the grants from non-governmental organizations, particularly in the last quarter of 2006.



Invisible payments rose from US\$ 3,729.9 million in 2005 to US\$ 5,489.0 million in 2006 due to the increase in payments in each of the services, income and invisible transfers by 49.8%, 18.7% and 119.1%, respectively. Payment for services went up from US\$ 1,860.4 million in 2005 to US\$ 2,787.7 million in 2006. Travel item registered the highest rates of increase by 109.8 whereas transport item registered an increase of 13.5%. Income payments increased from US\$ 1,389.9 million in 2005 to US\$ 1,650.5 million in 2006 due to the increase in payments of direct investments income for the foreign companies operating in the area of petroleum. The private sector transfers increased significantly from US\$ 468.9 million in 2005 to US\$ 1,050.7 million in 2006, by 119.1% due to liberalization of transactions of the current account.

Second: The Capital and Financial Account:

Table (9-5) shows items of the capital and financial account for the years 2005 and 2006.

The Capital Account:

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.

The movements in net capital and financial account increased from US\$ 2,427.2 million in 2005 to US\$ 4,482.7 million in 2006.

CENTRAL BANK OF SUDAN

Table (9-5)
Capital and Financial Account

(US\$ Millions)

		2005	2006
1-	Capital and Financial Account:	2,427.22	4,482.69
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	2,427.22	4,455.34
1-2-1	Direct Investment:	2,304.63	3,532.56
	In Sudan	2,304.63	3,541.36
	Abroad	0.00	(8.80)
2-2-1	Portfolio Investments:	11.09	(26.32)
	Assets	27.29	19.09
	Liabilities	(16.20)	(45.41)
3-2-1	Other Investments:	111.50	976.44
	(1) Net Government Loans Inward (+) Outward (-)	10.37	100.18
1-3-2-1	Government Loan Flows:	222.35	276.69
	Arab Monetary Fund	15.70	0.00
	OPEC Fund	1.51	4.12
	IFAD	6.91	5.93
	Islamic Development Bank	25.61	27.63
	Arab Fund For Economic And Social Development	81.07	116.66
	Saudi Fund for Development	24.79	33.43
	Abu Dhabi Fund	21.65	37.31
	Kuwaiti Fund	15.32	22.31
	Oman	23.11	0.58
	India	4.27	6.72
	China	2.41	18.04



		2005	2006
	Turkey	0.00	3.96
	Government Loans Repayments:	(211.98)	(176.51)
	IMF	(33.00)	(47.75)
	World Bank & IDA	(3.00)	(1.00)
	African Development Bank	(3.00)	(1.00)
	OPEC Fund	(3.98)	(0.60)
	IFAD	(0.35)	(3.48)
	Islamic Bank For Development	(5.43)	(4.65)
	Arab Fund For Economic and Social Development	(8.63)	(4.20)
	Arab Monetary Fund	(0.35)	(3.48)
	Saudi Fund for Development	(5.43)	(3.91)
	Abu Dhabi Fund	(1.68)	(1.63)
	Kuwaiti Fund	(5.41)	(5.25)
	Arab Banking Corporation	0.00	(4.14)
	Turkey	(2.84)	0.00
	China	(90.00)	(69.42)
	Malaysia	(46.85)	(27.20)
1-2-3-2	(2) Trade Credits and Facilities (Short-term Movements):	676.71	742.61
	Assets	1,162.43	1,358.32
	Liabilities	(485.72)	(615.71)
1-2-3-3	(3) Monetary Authorities Net Foreign: Assets**	(312.92)	(333.80)
	Assets	(293.14)	174.30
	Liabilities	(19.78)	159.50
1-2-3-4	(4) Trade and Payments Agreement:	(3.81)	(3.04)
1-2-3-5	(5) Commercial Banks Net Foreign Assets:	(173.85)	36.39
1-2-3-6	(6) Other Net Foreign Assets**	(85.00)	(233.50)

Source: Central Bank of Sudan.

* Adjusted data.

** Represents an increase in External Assets.

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Net direct investment increased from US\$ 2,304.6 million in 2005 to US\$ 3,532.6 million in 2006, by 83.5%. Net portfolio investments switched from inflows amounting to US\$ 11.1 million in 2005 to outflows amounting to US\$ 26.3 million in 2006.

Net other investments increased from US\$ 111.5 million in 2005 to US\$ 976.4 million in 2006 as a result of the increase in net official loans from US\$ 10.4 million in 2005 to US\$ 100.2 million in 2006 and the trade facilities from US\$ 676.7 million to US\$ 742.6 million in 2006. Net foreign assets of the Monetary Authority and net foreign liabilities of the commercial banks decreased in 2006 by US\$ 333.8 million and US\$ 36.4 million, respectively, whereas other net foreign assets increased by US\$ 233.5 million in 2006.

CHAPTER TEN

FOREIGN LOANS AND GRANTS



CENTRAL BANK OF SUDAN





CHAPTER TEN

FOREIGN LOANS AND GRANTS

In the context of the persistent efforts of the State to expand cooperation with all the countries and regional organizations, foreign resources flows from loans and grants increased during the year 2006, to US\$ 647.3 million compared with US\$ 467.5 million during the previous year, by 38.5%.

Table (10-1) and Figure (10-1) show details of drawings of loans and grants during the years 2005 and 2006.

First: Foreign Loans:

Drawings from foreign loans rose from US\$ 222.4 million in 2005 to US\$ 276.7 million in 2006, by 24.4%.

Drawings from loans extended by the Arab Fund for Economic and Social Development amounted to US\$ 116.7 million, were used to finance Atbara - Port Sudan - Haya Highway Project the construction of Merawi Dam Project and other projects. Drawings from the loans extended by Abu Dhabi Development Fund amounted to US\$ 37.3 million, Saudi Fund for Development US\$ 33.4 million and the Kuwaiti Fund for Development US\$ 22.3 million. Drawings from the loan of the Islamic Development Bank amounted to US\$ 27.6 million and were used on the construction of Khartoum State Water Purification Project, Um Rowaba - Abu Jibaiha Ring Road Project as well as funding other projects. The loan from China, amounting to US\$ 18.1 million was utilized in the Rehabilitation of the Electricity Project of the National Capital. Also, total drawings from the International Fund for Agricultural Development (IFAD) of US\$ 5.9 million, were used in the rural development schemes of Northern Kordofan and other projects. Drawings from the OPEC Fund loan amounted to US\$ 4.1 million, were utilized for financing the Circular Electricity Line, building of the Lower Gates of the Rosaries Dam, rehabilitation of irrigation infra-structure in the Gezira Scheme and re-habilitiation of irrigation in the Northern State. Drawings from the Indian Finance Facility during 2006 amounted to US\$ 6.7 million and were used for funding the projects for rehabilitation of Sudan Railways locomotives, in addition to solar cells project and other projects.

Drawings on the loan from Turkey amounted to US\$ 3.9 million and were utilized in funding Al-Mek Nimir Bridge Project. Also drawings from the loan from Oman amounted to US\$ 0.6 million.

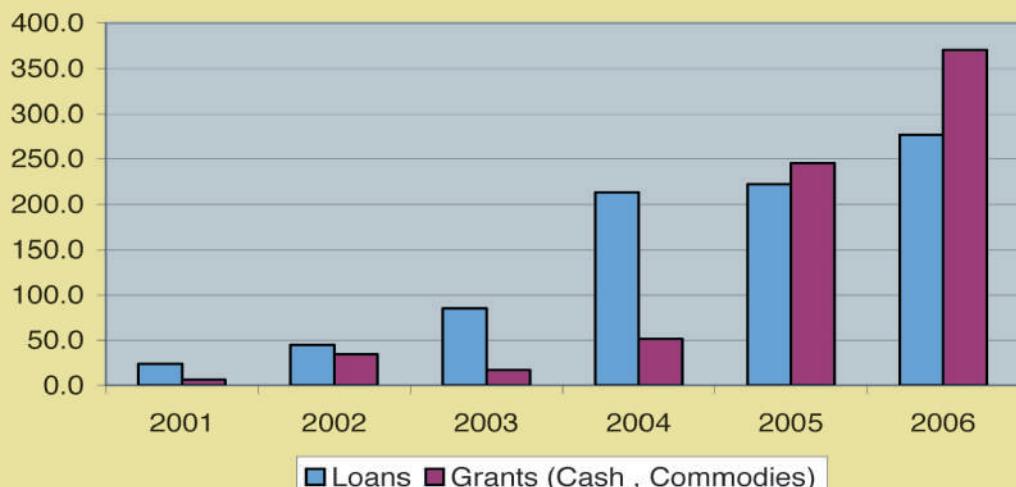
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Table (10-1)
Drawings of Loans and Grants For the years 2005 and 2006
(US\$ Millions)

Particulars	2005	2006
Loans:		
OPEC Fund	1.51	4.12
Arab Monetary Fund	15.70	0.00
IFAD	6.91	5.93
Islamic Development Bank	25.61	27.63
Kuwaiti Fund	15.33	22.31
Abu Dhabi Fund	21.67	37.31
Arab Fund for Economic and Social Development	81.08	116.66
Saudi Fund	24.79	33.43
Oman	23.11	0.58
China	2.41	18.04
India	4.28	6.72
Turky	0.00	3.96
Grants:		
Commodity Grants	240.51	250.87
IFAD	0.00	0.04
Islamic Development Bank	0.30	0.26
Arab Fund for Economic and Social Development	4.37	5.08
Saudi Fund	0.00	0.00
African Development Bank	0.00	0.00
United Nations Organizations	0.00	105.55
The Donors Fund	0.00	8.83
Total	467.55	647.32

Source: Central Bank of Sudan.

Figure (10-1)
Loans and Grants for the years 2005 and 2006



Second: Foreign Grants:

Total drawings from foreign grants in 2006 registered a substantial increase amounting to US\$ 370.6 million against US\$ 245.2 million in 2005, by 51.2%, due to the increase in the United Nations grants which amounted to US\$ 105.6 million during the year, in addition to the increase in commodity aid which amounted to US\$ 250.9 million in 2006 against US\$ 240.5 million in 2005.

Drawings from the grants of the Arab Fund for Economic and Social Development stood at US\$ 5.1 million in 2006, and were used to finance Drinking Water Schemes in Southern Sudan, in addition to the rehabilitation of utilities that were affected by the River Gash flooding in 2003 and updating of statistics, economic and social indicators and the comprehensive plan for Electricity in the Sudan. Drawings from the grants of the Islamic Development Bank amounted to US\$ 0.30 million in 2006.

Third: Repayment of Loans:

Total repayments of external debt constituted 2.8% of the total exports for 2006. Despite that total outstanding debts as at 31/12/2006 reached US\$ 8.2 billion, yet total repayments

CENTRAL BANK OF SUDAN

of foreign loans dropped from US\$ 212.0 million in 2005 to US\$ 176.5 million in 2006, by 16.7%.

During 2006, repayments of loans from China amounted to US\$ 69.4 million, Malaysia US\$ 27.2 million, the International Monetary Fund US\$ 47.8 million, Arab Fund for Economic and Social Development US\$ 4.2 million, Islamic Development Bank US\$ 4.6 million, Abu Dhabi Fund US\$ 1.6 million, Saudi Fund for Development US\$ 3.9 million, Kuwaiti Fund for Development US\$ 5.3 million, OPEC Fund US\$ 0.6 million, Arab Monetary Fund US\$ 3.5 million the Arab Banking Corporation US\$ 4.1 million, the International Fund for Agricultural Development (IFAD) US\$ 2.3 million and African Development Bank US\$ 1.0 million.

Table (10-2) shows the position of public sector loans until the end of December 2006.

Table (10-2)
Position of the Public Sector Loans as at 31.12.2006

(US\$ 000's)

	Principal	Drawings during 2006	Total Drawings up to 2006	Repayments during 2006	Cumulative Repayments as at 2006	Debt outstanding as at 31/12/2006	Balance to be drawn as at 31/12/2006
International Organizations:							
World Bank and IDA Loans	1,326,571,564	0,000	1,323,990,017	1,000,000	70,825,001	1,253,165,017	2,581,546
IFAD	208,687,252	5,930,000	156,661,372	2,280,000	37,570,481	119,090,890	52,025,880
IMF	1,463,733,635	0,000	1,463,733,635	47,750,000	895,165,000	568,568,635	0,000
Islamic Development Bank	229,438,489	27,630,000	162,871,138	4,650,000	44,811,188	118,159,950	66,456,331
OEPEC Fund	147,336,664	4,120,000	132,414,842	600,000	105,744,501	26,670,341	14,921,822
Arab Monetary Fund	339,874,655	0,000	334,135,893	3,480,000	18,539,000	315,596,893	5,738,761
Arab Fund for Social and Economic Development	842,190,223	116,660,000	623,825,812	4,200,000	276,684,162	347,141,650	218,364,411
African Development Fund	386,914,885	0,000	271,945,266	0,000	12,436,000	259,509,266	14,969,629
African Development Bank	120,180,348	0,0000	111,615,822	1,000,000	37,817,000	73,817,000	8,564,526
European Investment Bank	70,289,412	0,000	70,289,412	0,000	915,003	915,003	0,000
Sub-Total	5,035,215,107	154,340,000	4,651,583,200	64,960,000	1,500,507,337	3,151,075,864	383,631,907
Paris Club (Non-Rescheduled):							
Austria	37,569,000	0,000	0,000	0,000	0,000	37,569,000	0,000
Belgium	3,186,000	0,000	0,000	0,000	0,000	3,186,000	0,000
Canada	4,136,000	0,000	0,000	0,000	0,000	4,136,000	0,000
Denmark	35,497,000	0,000	0,000	0,000	0,000	35,497,000	0,000
France	198,578,000	0,000	0,000	0,000	0,000	198,578,000	0,000
Germany	12,587,000	0,000	0,000	0,000	0,000	12,587,000	0,000

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Table No. (10-2) Cont'd

(US\$ 000's)

	Principal	Drawings during 2006	Total Drawings up to 2006	Repayments during 2006	Cumulative Repayments as at 2006	Debt outstanding as at 31/12/2006	Balance to be drawn as at 31/12/2006
Italy	104,508,144	0,000	0,000	0,000	0,000	104,508,144	0,000
Japan	88,060,356	0,000	0,000	0,000	0,000	88,060,356	0,000
Norway	23,890,570	0,000	0,000	0,000	0,000	23,890,570	0,000
Russia	15,292,191	0,000	0,000	0,000	0,000	15,292,191	0,000
Spain	17,483,374	0,000	0,000	0,000	0,000	17,483,374	0,000
Switzerland	15,628,616	0,000	0,000	0,000	0,000	15,628,616	0,000
United Kingdom	8,831,449	0,000	0,000	0,000	0,000	8,831,449	0,000
United States	162,879,123	0,000	0,000	0,000	0,000	162,879,123	0,000
Sub-Total	728,127,832	0,000	0,000	0,000	0,000	728,127,832	0,000
Arab Countries:							
Abu Dhabi Fund	247,175,217	37,310,000	181,573,277	1,630,000	14,527,545	167,045,732	65,501,940
Kuwait Fund	397,653,308	22,310,000	349,903,608	5,250,000	232,601,589	117,302,000	47,749,699
Saudi Fund for Development	1,471,526,000	33,430,000	1,366,986,994	3,910,000	89,262,245	1,277,724,749	104,539,006
Egypt	73,344,114	0,000	73,344,114	0,000	6,498,000	66,846,114	0,000
Abu Dhabi	55,000,000	0,000	55,344,114	0,000	0,000	55,000,000	0,000
Kuwait	445,699,000	0,000	445,699,000	0,000	0,000	445,699,000	0,000
Algiers	137,438	0,000	137,438	0,000	86,000	51,438	0,000
Iraq	104,907,450	0,000	104,907,450	0,000	33,347,000	71,560,450	0,000
Libya	511,055,000	0,000	511,055,000	0,000	205,753,000	305,302,000	0,000
Oman	106,000,000	580,000	105,988,000	0,000	0,000	105,988,000	12,000
Qatar	29,000,000	0,000	29,000,000	0,000	0,000	29,000,000	0,000

Table No. (10-2) Cont'd**(US\$ 000's)**

	Principal	Drawings during 2006	Total Drawings up to 2006	Repayments during 2006	Cumulative Repayments as at 2006	Debt outstanding as at 31/12/2006	Balance to be drawn as at 31/12/2006
Arab Banking Corp.	4,147,257	0,000	4,147,257	4,147,000	4,147,000	257	0,000
Sub-Total	3,445,644,784	93,630,000	3,227,742,139	14,937,000	14,937,000	2,641,519,759	217,902,645
Other Countries:							
Czechoslovakia	38,693,798	0,000	38,693,797	0,000	20,000,000	18,693,797	0,000
Hungary	9,928,000	0,000	9,928,000	0,000	3,991,000	5,937,000	0,000
Poland	20,130,000	0,000	20,130,000	0,000	0,000	20,130,000	0,000
Romania	125,568,000	0,000	125,568,000	0,000	0,000	125,568,000	0,000
USSR (former) Scheduled Loans	14,345,000	0,000	14,345,000	0,000	0,000	14,345,000	0,000
China	1,759,714,826	18,040,000	1,708,267,062	69,430,000	564,300,000	1,143,967,062	51,447,784
India	441,900,000	6,720,000	22,529,490	0,000	4,820,000	17,709,490	419,370,511
Malaysia	250,000,000	0,000	200,000,000	27,200,000	131,960,000	68,040,000	50,000,000
Pakistan	9,979,000	0,000	0,000	0,000	0,000	0,000	9,979,000
Turkey	56,934,000	3,960,000	46,444,000	0,000	15,593,000	30,851,000	10,490,000
Yugoslavia (Croatia)	39,905,638	0,000	39,905,638	0,000	0,000	39,905,638	0,000
Yugoslavia (Serbia)	42,634,000	0,000	42,634,000	0,000	14,694,000	27,940,000	0,000
Iran	206,023,930	0,000	206,032,930	0,000	0,000	206,032,930	0,000
Commodity Loans	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Sub-Total	3,015,765,192	28,720,000	2,474,477,917	96,620,000	755,358,000	1,719,119,917	125,942,103
Grand Total	12,224,752,914	276,690,000	11,081,931,087	176,517,000	2,827,740,716	8,239,843,371	727,475,655

Source: Central Bank of Sudan

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Fourth: Loans and Grants concluded during 2006:

Total loans and grants contracted during 2006 amounted to US\$ 727.6 million, consisting of loans amounting to US\$ 589.5 million and grants of US\$ 138.2 million, respectively.

Table (10-3) below illustrates the position of loans and grants concluded during 2006 while Table (10-4) shows the commodity aid contracted during 2006.

**Table (10-3)
Loans and Grants Contracted During the Year 2006**

Loans:

(US\$ Millions)

Institution / Project	Amount	Signature Date
Islamic Development Bank:		
Basic Schools for Darfour State	12.4	June, 2006
Agricultural inputs	30.0	November, 2006
China:		
Solar Energy Project in Nothern Kordofan.	4.6	February, 2006
Dongla Water Supply Project.	34.1	March, 2006
Matama-Abu Hamed-El Daba Water Supply Project.	26.5	March, 2006
Supply of Hdpe Pipes.	17.2	April, 2006
Wad Medani Water Project.	28.9	April, 2006
Kosti Water Project.	29.5	May, 2006
Al Mek Nimir Bridge.	14.4	May, 2006
India:		
Singa-Al Gadaref Transmission Line.	41.9	January, 2006
Kosti Power Station.	350.0	January, 2006
TOTAL	589.5	



Cash Grants:

US\$ Millions

Institution / Project	Amount	Signature Date
Multi Donor Trust Fund:		
Industrial Community Development	10.5	January, 2006
Technical Assistance and Studies	5.0	January, 2006
Sensus Population	7.1	May, 2006
Capacity Building of Judiciary	13.5	August, 2006
Transport and Road Projects	48.0	October, 2006
The State Health Project	23.0	October, 2006
Arab Fund for Economic and Social Development:		
Darfur Rehabilitation and Relief Projects	10.5	February, 2006
Mamon Bhaiyyi Economic Studies Centre	1.1	December, 2006
China:		
The National Capital Power Project	19.5	October, 2006
TOTAL	138.2	-

Source: Ministry of Finance.

Commodity Aid:

US\$ Millions

Institution / Project	Amount
World Food Programme:	
School Nutrition.	2.40
Food for Work.	0.47
TOTAL	2.87

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Technical Co-operation:

Institution / Project	US\$ Millions
United Nations Population Fund:	13.42
Health Sector.	6.18
Capacity Building Sector.	0.76
Human Resources Development Sector.	5.03
Information and Culture Sector.	0.45
Projects in the South.	0.92
Reproductive Health Project in the South.	0.08
United Nations Development Programme:	149.46
National Development Projects:	85.12
Human Resources Development and Capacity Building.	21.85
Administrative Sector for Services.	19.68
Informan.	0.74
Others.	42.85
State Development Projects:	29.90
Administrative and Social Sector.	29.89
Electricity and Power Projects Sector.	0.01
Projects for the South	34.44
TOTAL	162.88

Source: Ministry of International Co-operation.

Total loans contracted with India amounted to US\$ 391.9 million, China US\$ 155.2 million and the Islamic Development Bank US\$ 42.4 million.

Commodity aid through the World Food Programme amounted to US\$ 2.9 million, were utilized in Education and Water Sectors. Grants through the UNFPA amounted to US\$ 13.4 million, were allocated to the areas of health procreation, combating Fistula in the States of Darfour and Southern Sudan, in addition to other projects in the area of capacity building and human resources development. Moreover, grants via UNDP amounted to US\$ 149.5

million, were marked for the projects of human resources development, capacity building, the administrative sector, services, information, electricity and power projects, projects for the South, in addition to other projects.

Sudan External Obligations:

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.

Paris Club countries include: Austria, Belgium, Canada, Denmark, France, Germany, Ireland, Italy, The Nether land, Norway, Spain, Switzerland, United Kingdom and United States.

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 against 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.

Sudan's total external obligations reached US\$ 28,197 million by the end of 2006, compared to US\$ 27,005 million by the end of 2005.

Table (10-5) below illustrates the position of Sudan external obligations for the year 2006:

Table (10-4)

Position of Sudan External Obligations for the Year 2005 - 2006

(US\$ Millions)

Items	2005	2006			
	Total Obligations	Principal Amount	Contractual Interest	Delay Interest	Total Obligations
International and Regional Institutions	4,461	3,313	1,127	298	4,738
Non-Paris Club Countries	9,664	4,491	1,255	4,319	10,065
Paris Club Countries	8,530	2,373	5,071	5,071	8,900
Foreign Commercial Banks	3,505	1,774	1,874	0,000	3,648
Foreign Suppliers	845	846	0,000	0,000	846
Total	27,005	12,797	5,712	9,688	28,197

Source: Central Bank of Sudan (External Debt Unit)

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Total external obligations to international, regional and Arab institutions amounted to US\$ 4,738 million by the end of 2006.

Sudan's external debt to members of the Paris Club amounted to US\$ 8,900 million at the end of 2006. 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 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 totalled US\$ 10,065 million at the end of 2006. Also, the obligations to foreign commercial banks and foreign suppliers amounted to about US\$ 3,648 million and US\$ 846 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-confessional conditions. Sudan did not make use of this arrangement.

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

CHAPTER ELEVEN

THE CENTRAL BANK OF SUDAN ACCOUNTS FOR THE YEAR 2006



CENTRAL BANK OF SUDAN



CHAPTER ELEVEN

THE CENTRAL BANK OF SUDAN ACCOUNTS FOR THE YEAR 2006

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 2006, which were approved by the Chamber of the Auditor General.

FIRST: The Balance Sheet:

Table (11-1) shows the balance sheet of the Central Bank of Sudan as at 31st December 2006 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 31/12/2006

(SDD 000's)

PARTICULARS	2005	2006
<u>ASSETS:</u>		
Total Government indebtedness	655,176,876	688,236,241
Foreign Assets	580,228,610	429,613,068
Advances to Banks and Financial Institutions	23,983,664	27,915,252
Long-term Investments	60,086,337	152,699,533
Other Accounts	60,548,984	107,116,359
Fixed Assets	62	62
TOTAL ASSETS	1,380,024,533	1,405,580,515
<u>LIABILITIES:</u>		
Currency in Circulation	398,241,824	567,076,405
Current Accounts	410,206,781	415,339,311
Foreign Liabilities	450,301,366	281,277,120
Other Liabilities	76,555,122	68,510,169
Provisions and Claims	13,965,585	23,248,068
SUB-TOTAL	1,349,270,678	1,355,451,073
Capital and Reserves	17,537,607	22,107,358
Profits	13,216,248	28,022,084
SUB-TOTAL	30,753,855	50,129,442
Total Liabilities, Capital and Reserves	1,380,024,533	1,405,580,515
Contra Accounts	744,137,090	677,609,605

Ibrahim Adam Habib
Assistant Governor
Management
and Services Wing

Badr El-Din Mahmoud Abbas
Acting Governor
and Member
of the Board of Directors



SECOND: The Income Statement:

Table (11-2) shows the Profit and Loss Account for the year 2006.

TABLE NO. (11-2)
THE CENTRAL BANK OF SUDAN THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDING 31/12/2006

(SDD 000's)

PARTICULARS	2005	2006
<u>INCOME:</u>		
Foreign Exchange Operations Income	31,861,245	49,889,625
Investments Income	8,947,780	20,868,687
Other Income	2,151,934	4,881,340
TOTAL INCOME	42,960,959	75,639,652
<u>EXPENSES:</u>		
1- Currency Issuance Expenses	2,047,209	426,025
2- Administrative Expenses	10,222,136	17,505,075
3- Capital Expenses (Depreciation)	283,988	467,950
Provisions and Claims	12,666,947	22,991,354
TOTAL EXPENSES AND PROVISIONS	25,220,280	41,390,404
TOTAL PROFIT FOR DISTRIBUTION	17,740,679	34,249,248
Transfer to Reserves	4,524,431	6,227,164
NET PROFIT DUE TO THE GOVERNMENT ACCORDING TO ARTICLE (18) OF THE ACT OF THE CENTRAL BANK OF SUDAN	13,216,248	28,022,084

CENTRAL BANK OF SUDAN

Below are details of the changes in the items of the Profit and Loss Account:

1) Income:

Income increased from SDD 42.9 billion in 2005 to SDD 75.6 billion in 2006, by 76.2% as a result of the increase in the income from foreign exchange dealings of SDD 18.0 billion, investment income by SDD 11.9 billion and other income by SDD 2.7 billion.

2) Expenses:

The Bank's expenses (Items 1 + 2 + 3 of Table "11-2") increased from SDD 25.2 billion in 2005 to SDD 41.4 billion in 2006, by 64.1% as a result of the increase in the administrative and capital expenses despite the decrease in the expenses of issuing the currency.

3) Profits:

Net profits increased to SDD 34.2 billion in 2006, compared with SDD 17.7 billion in 2005, by 93.2%. Profits were distributed by replenishing the reserve accounts by SDD 6.2 billion and transferring SDD 28.0 billion to the Government Account in accordance with Article (18) of the Central Bank of Sudan Act, 2002.



THIRD: Auditor's Opinion:

We have audited the attached balance sheet of the Central Bank of Sudan as at 31/12/2006 and its income and cash flow statements ending on same date.

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 of 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 31/12/2006, and the results of its operations and cash flows for the year ending on that same date and have been properly prepared in accordance with the Accounting Standards issued by the Islamic Financial Institutions Committee.

*Abu Bakr Abdalla Marin
Auditor General Republic of Sudan*

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APPENDICES



CENTRAL BANK OF SUDAN





Appendix (I)

Khartoum Banks Clearing House 1996 - 2006

(SDD Millions)

	Settlements		Clearings	
	Daily Rate	Total	Daily Rate	Total
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
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

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Appendix (I) Cont'd

(SDD Millions)

	Settlements		Clearings	
	Daily Rate	Total	Daily Rate	Total
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 – March	4,010	269,656	15,253	1,069,226
April – June	4,432	328,818	16,628	1,231,249
July – September	4,604	336,291	17,560	1,281,673
October – December	4,558	340,013	18,436	1,381,618
2006:				
January	4,611	96,826	17,145	360,048
February	5,022	120,521	20,396	489,503
March	4,192	108,989	18,947	492,624
April	5,243	125,832	21,231	509,534
May	5,737	137,696	21,388	513,307
June	5,489	126,258	21,071	484,623
July	6,689	160,545	24,245	581,879
August	7,129	171,093	23,652	567,654
September	7,618	152,368	24,167	483,331
October	7,759	170,699	25,511	561,246
November	7,564	196,659	24,132	627,421
December	6,883	151,427	22,764	500,811



Appendix (II)

Currency in Circulation 1996 – 2006

(SDD Millions)

End of Month	With Banks	With Public	Total
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
December, 2003*	11,846	240,207	252,053
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
2006:			
March	26,098	401,128	427,226
June	29,737	408,995	438,732
September	39,137	426,964	466,101
December	31,546	535,532	567,078

* Amended Figures.

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Appendix (III) Coins in Circulation (1996 – 2006)

(SDD 000's)

End of Month	With Banks	With Public	Total
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
December, 2003	-	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
2006:			
March	-	3,277.2	3,277.2
June	-	3,516.8	3,517.8
September	-	3,590.4	3,590.4
December	-	3,684.3	3,684.3

Appendix (IV)
Analysis of Currency in Circulation by Denomination
as at 31st December, 2005 and 31 December, 2006

(SDD Millions)

Denomination	2005	2006
Notes:		
5000 DINAR	60,458.1	122,290.1
2000 DINAR	58,003.8	143,794.7
1000 DINAR	180,047.6	234,906.9
500 DINAR	74,611.0	39,316.0
200 DINAR	9,880.1	6,171.0
100 DINAR	8,032.5	12,930.1
50 DINAR	3,028.1	2,983.7
25 DINAR	185.7	185.6
10 DINAR	425.7	425.7
5 DINAR	155.8	155.8
Others	228.2	234.0
Total	395,056.6	563,393.5
Coins:		
50 DINAR	1,302.0	1,648.8
20 DINAR	973.5	1,054.3
10 DINAR	689.0	720.4
5 DINAR	195.8	235.8
2 DINAR	18.1	18.1
1 DINAR	0.7	0.7
Others	6.2	6.2
Total	3,185.3	3,684.3
Grand Total	398,241.8	567,077.7

Appendix (V) Money Supply 1996 - 2006

	31/12/ 1996	31/12/ 1997	31/12/ 1998	31/12/ 2000*	31/12/ 2001	31/12/ 2002	31/12/ 2003	31/12/ 2004	31/12/ 2005**	31/12/ 2006
Money Supply:										
Currency With Public	44,440	58,494	82,140	108,108	142,082	153,836	193,582	240,207	304,897	374,036
Demand Deposits	32,810	43,155	48,722	61,505	92,505	117,551	158,682	218,274	299,472	444,762
Quasi -Money	39,350	58,065	76,090	88,305	112,084	160,826	211,003	275,605	356,077	584,340
Total	116,600	159,714	206,951	257,918	346,671	432,213	563,267	734,086	960,446	1,403,138
Net Foreign Assets:										
CBOS 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	-384,381	-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	-87,722
Net Foreign Assets (Commercial Banks)	25,676	40,086	59,200	65,123	69,843	80,624	114,198	115,481	123,062	161,188
Total	-449,554	-492,815	-669,990	-722,706	-673,022	-696,627	-624,446	-569,905	-349,855	-58,031
Evaluation Adjustment	465,729	529,305	731,140	796,126	777,555	766,300	794,318	816,977	799,762	763,517
Domestic Credit										
Net Claims on Government	47,525	57,458	71,809	100,971	106,102	137,364	130,760	111,666	32,514	45,950
Claims on State and Local Governments	-	-	-	71	5	526	1,328	1,283	1,283	634
Claims on Puplic Enterprises	2,041	1,894	2,783	8,176	22,789	23,868	17,305	28,639	28,850	44,934
Total	49,567	59,352	74,592	109,218	128,896	161,758	149,393	141,588	62,647	91,518
Claims on Private Sector										
Commercial Banks	32,124	39,711	44,764	43,937	87,062	130,487	180,313	282,180	421,740	743,110
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	743,110
Other Items Net	18,718	23,997	25,923	31,083	31,180	70,295	63,689	63,246	26,152	-136,975
										-216,624

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

** Amended Figures.

Appendix (VI)-A

Assets and Liabilities of the Central Bank of Sudan 1996 – 2006

(ASSETS)

(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. 1996	18,537	10,5	565	6,125	0	220	51,677	932	0	217	132	2	533	245,436	324,447
Dec. 1997	14,036	10,5	575	6,125	0	2,198	59,577	932	0	217	191	42	533	299,222	383,718
Dec. 1998	21,446	100	794	6,125	0	5,621	68,577	932	0	217	523	4,261	533	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
Dec. 2005	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
2006:															
January	595,664	8,932	363	0	22,558	15,637	27,494	105,103	9,387	10,295	19,331	8,908	0	588,794	1,412,466
February	574,712	8,932	360	0	9,193	14,304	36,494	105,103	10,275	9,807	21,172	8,908	0	574,625	1,373,885
March	823,628	8,932	366	0	17,331	12,878	30,494	105,103	7,225	9,532	27,743	10,041	0	567,496	1,621,359
April	728,716	8,932	352	0	26,464	12,927	31,494	105,103	5,725	10,408	28,863	10,322	0	554,338	1,523,643
May	688,234	8,932	348	0	33,180	12,555	33,494	105,103	11,425	11,642	28,850	10,322	0	550,005	1,494,090
June	676,891	8,932	317	0	37,175	13,052	33,494	105,103	9,425	11,743	27,035	10,322	0	578,725	1,512,214
July	680,153	9,219	284	0	30,701	11,164	30,494	105,103	12,725	11,828	27,035	10,322	0	603,986	1,553,013
August	648,768	9,215	281	0	24,189	12,709	44,494	105,103	13,225	11,385	27,035	10,322	0	563,307	1,470,033
September	590,528	9,211	277	0	29,669	21,580	49,494	105,103	7,225	12,866	27,035	19,868	0	574,236	1,447,112
October	542,795	9,207	273	0	26,407	22,799	54,494	105,103	2,925	12,922	27,035	20,035	0	613,458	1,437,454
November	487,820	7,818	270	0	24,521	80,938	58,994	105,103	9,225	10,340	25,616	19,922	0	610,814	1,441,381
December	421,532	7,815	267	0	34,807	79,536	58,994	105,103	13,225	10,277	24,218	19,823	0	631,400	1,406,997

Appendix (VI)-B Assets and Liabilities of the Central Bank of Sudan (1996 - 2006)

(LIABILITIES) (SDD Millions)

End of Period	Currency in Circulation	Government AICs	Central* Bank Musharaka Certificates	Bank's Accounts	Other Accounts	Payment Agreements	Other Sight Liabilities	Time Liabilities	Capital and Reserves	Others	Total
Dec. 1996	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
Dec. 1998	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
Dec. 2000	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
Dec. 2002	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
Dec. 2004	319,688	151,549	0	121,723	222,590	14,098	15,166	221,723	5,837	62,331	1,134,705
Dec. 2005	398,242	175,123	13,500	193,429	205,043	12,089	2,386	215,912	14,034	152,110	1,381,868
2006:											
January	411,442	179,939	0	185,401	220,691	12,068	19,314	215,571	14,034	154,006	1,412,466
February	412,920	143,346	0	214,039	212,996	11,824	13,132	213,958	14,034	137,636	1,373,885
March	427,226	127,730	0	245,706	430,034	11,619	17,564	211,454	17,538	132,488	1,621,359
April	434,793	140,233	0	220,605	358,207	11,481	3,754	209,109	17,538	127,923	1,523,643
May	436,593	168,067	0	220,103	288,232	11,342	6,680	206,605	17,538	138,930	1,494,090
June	438,732	162,010	0	241,944	258,244	11,072	15,614	203,841	17,698	163,059	1,512,214
July	456,056	162,409	0	230,537	294,825	10,828	3,825	200,771	17,986	155,776	1,533,013
August	460,054	138,291	0	258,192	239,975	10,635	7,790	198,244	17,986	138,867	1,470,033
September	466,101	118,187	0	244,298	237,475	10,431	14,011	195,715	17,986	142,908	1,447,112
October	528,364	55,489	0	262,224	237,499	10,251	9,576	193,006	17,986	123,058	1,437,454
November	489,690	81,592	0	240,427	229,216	10,041	10,008	190,737	17,986	171,683	1,441,381
December	567,078	39,264	0	197,881	218,124	9,945	5,328	193,366	16,587	159,424	1,406,997

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

Appendix No. (VII)-A

Consolidated Balance Sheet of The Commercial Banks (1996-2006)

(ASSETS)

(SDD MILLIONS)

End of Period	Cash	Due From Central Bank of Sudan	Due from Local Banks	Foreign Corespondents	Claims on Central Government	Advances	Other Accounts	Total
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
Dec. 2005	24,206	156,618	33,483	214,563	93,167	768,912	407,022	1,697,971
2006:								
January	30,638	152,060	19,657	212,097	105,934	572,160	671,639	1,764,185
February	27,535	187,764	15,946	261,701	116,979	587,309	709,160	1,906,394
March	26,098	191,293	23,537	204,067	131,788	628,782	814,013	2,019,578
April	31,062	195,280	25,252	230,703	123,433	680,451	836,381	2,122,562
May	31,533	188,291	23,343	235,812	123,718	727,846	874,751	2,205,294
June	29,737	211,596	29,491	211,114	138,957	774,404	910,642	2,305,941
July	33,503	213,914	27,949	202,302	146,475	784,805	905,800	2,314,748
August	31,403	221,277	30,583	176,639	147,539	766,655	895,007	2,269,103
September	39,137	211,990	27,882	179,521	162,368	798,106	921,850	2,340,854
October	52,778	224,239	26,041	178,805	174,587	812,020	934,421	2,402,891
November	40,160	214,429	31,510	175,078	178,560	823,961	850,938	2,314,636
December	31,546	178,129	25,699	177,949	168,086	837,682	895,337	2,314,428

* Amended Figures.

Appendix (VII)-B
Consolidated Balance Sheet of the Commercial Banks (1996 – 2006)

(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. 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
Dec. 2005	25,800	982,950	11,379	8,186	53,376	233,632	382,648	1,697,971
2006:								
January	20,869	1,030,441	12,287	9,373	53,087	267,893	370,235	1,764,185
February	21,130	1,075,132	17,095	8,386	60,933	292,054	431,664	1,906,394
March	22,749	1,139,234	10,661	5,572	54,438	302,261	484,663	2,019,578
April	29,937	1,191,537	8,240	8,250	60,982	306,382	517,233	2,122,562
May	28,376	1,234,732	12,714	7,655	62,198	305,631	553,988	2,205,294
June	36,765	1,256,979	16,611	7,139	64,553	314,900	608,994	2,305,941
July	31,894	1,290,615	13,963	8,194	56,764	320,364	592,954	2,314,748
August	23,733	1,260,095	11,793	8,174	55,387	321,739	588,184	2,269,103
September	16,079	1,279,714	64,107	8,407	47,865	321,969	602,714	2,340,854
October	16,953	1,292,415	14,530	10,820	50,475	331,164	686,533	2,402,891
November	16,773	1,251,176	20,105	12,859	51,351	332,002	630,370	2,314,636
December	16,886	1,213,980	14,624	13,148	47,619	389,089	619,082	2,314,428

Appendix (VIII)-A

Position of Commercial Banks Advances in Local Currency (1996 - 2006)

(SDD Millions)

End of Period	Agriculture	Industry	Exports	Imports	Local trade	Others	Total
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
Dec. 2005	322	14,259	0	189,095	4,947	21,371	229,994
2006:							
January	307	18,513	69	172,597	14,984	33,790	240,260
February	800	15,859	69	200,741	19,924	32,375	269,768
March	213	15,796	68	213,056	19,854	32,726	281,713
April	188	15,986	44	230,055	4,462	31,690	282,425
May	184	16,134	27	244,525	4,844	32,086	297,800
June	171	15,482	27	247,351	4,559	33,346	300,936
July	147	14,899	234	242,171	4,137	33,657	295,245
August	195	16,417	279	238,558	3,861	34,339	293,649
September	183	15,866	168	246,212	3,660	35,451	301,540
October	344	16,565	79	245,322	3,220	34,283	299,813
November	155	17,198	48	232,990	2,876	33,131	286,398
December	107	16,230	1,787	211,730	13,487	32,933	276,274

Appendix (VIII)-B

Position of Commercial Banks Advances in Foreign Currency (1996 – 2006)

(SDD Millions)

End of Period	Agriculture	Industry	Exports	Imports	Local trade	Others	Total
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
Dec. 2005	322	14,259	0	189,095	4,947	21,371	229,994
2006:							
January	307	18,513	69	172,597	14,984	33,790	240,260
February	800	15,859	69	200,741	19,924	32,375	269,768
March	213	15,796	68	213,056	19,854	32,726	281,713
April	188	15,986	44	230,055	4,462	19,639	270,374
May	184	16,134	27	244,525	4,844	32,086	297,800
June	171	15,482	27	247,351	4,559	33,346	300,936
July	147	14,899	234	242,171	4,137	33,657	295,245
August	195	16,417	279	238,558	3,861	34,339	293,649
September	183	15,866	168	246,212	3,660	35,451	301,540
October	344	16,565	79	245,322	3,220	34,283	299,813
November	155	17,198	48	232,990	2,876	33,131	286,398
December	107	16,230	1,787	211,730	13,487	32,933	276,274

Appendix (VIII)-C

Flow of Banking Finance According to Sectors (1999 - 2006)

(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
Dec. 2006	78,609	84,852	35,130	33,431	182,108	627,399	1,041,529

Appendix (VIII)-D

Flow of Banking Finance According to Modes of Finance (1999 - 2006)

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
Dec. 2006	555,913	212,228	54,659	13,300	205,429	1,041,529

CENTRAL BANK OF SUDAN

Appendix (IX) Spread of Banks During 2005 - 2006

(SDD Millions)

Banks	Central Bank of Sudan	Specialized Banks	Commercial Banks						Total	
			Dec 2005	Dec 2006	Dec 2005	Dec 2006	Dec 2005	Dec 2006		
States										
Khartoum State	1	1	16	18	11	11	152	157	5	4
Central States (Sinar, Gazira, Blue Nile and White Nile)	2	2	32	35	9	9	66	66	1	1
Eastern States (Gadarif, Kasala and Red Sea)	2	2	13	15	2	2	55	48	1	1
Northern States (Northern and River Nile)	2	2	25	22	2	2	29	30	0	0
Kordofan States (North, Southern and Western Kordofan)	1	1	11	15	7	7	24	26	1	1
Darfur States (Northern, Southern and Western Darfur)	2	2	14	13	3	3	23	20	0	0
Southern States (Bahr Elgazal, Upper Nile and Equatoria)	2	2	4	4	0	0	11	12	0	0
Total	12	12	115	122	34	34	360	359	8	7
									517	522



Appendix (X) A

Inflation Rates During the Period (1996-2006)

(Base Year 1990 =100)

Year	Higher Income	Middle Income	Lower Income	Geometric Mean
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	32.0	31.1	31.4
Annual Average	46.5	46.7	46.5	46.6
1998				
End of December	9.2	7.9	8.0	8.2
Annual Average	16.8	17.1	17.6	17.4
1999				
End of December	16.0	17.0	16.8	16.7
Annual Average	16.7	16.0	15.7	15.9
2000				
End of December	3.9	3.3	4.0	3.7
Annual Average	7.9	8.0	8.4	8.1
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	8.8
2005				
End of December	5.1	5.6	6.1	5.6
Annual Average	7.0	8.5	9.9	8.4
2006				
End of December	16.3	15.4	15.7	15.8
Annual Average	8.1	7.1	6.5	7.2

Source: Central Bureau of Statistics

CENTRAL BANK OF SUDAN

Appendix (X) B Consumer Price Index During the Period (1996-2006) (Base Year 1990 =100)

Year	Higher Income	Middle Income	Lower Income
1996			
End of December	13,795.4	14,203.3	14,172.6
Annual Average	11,040.0	11,317.6	11,263.5
1997			
End of December	18,188.5	18,754.4	18,619.3
Annual Average	16,179.1	16,604.3	16,491.1
1998			
End of December	15,144.3	15,449.5	15,369.9
Annual Average	15,099.3	15,329.9	15,220.4
1999			
End of December	16,004.8	16,462.0	16,400.0
Annual Average	16,485.0	17,021.9	16,899.4
2000			
End of December	23,939.3	24,478.0	24,416.7
Annual Average	23,787.4	24,366.9	24,206.3
2001			
End of December	25,918.9	26,283.7	26,034.2
Annual Average	25,918.9	25,554.0	25,370.1
2002			
End of December	27,962.5	28,454.1	28,066.6
Annual Average	27,331.5	27,683.7	27,253.5
2003			
End of December	30,068.1	30,803.9	30,479.8
Annual Average	29,122.7	29,818.1	29,394.9
2004			
End of December	32,435.1	33,042.3	32,732.9
Annual Average	31,828.1	32,328.2	31,871.1
2005			
End of December	34,078.3	34,909.4	34,730.7
Annual Average	34,058.6	35,081.5	35,041.4
2006			
End of December	39,629.8	40,392.1	39,968.1
Annual Average	36,840.0	37,606.3	37,306.1

Source: Central Bureau of Statistics

Appendix (XI)
Estimates or Production of the Main Crops
During 2004/05 and 2005/06 Seasons

Productivity Kg./Feddan Production Thousand Metric Tons Cultivated and Harvested Areas Thousand Feddans

Crop	Season	2004/05				2005/06			
		Sector	Cultivated Area	Harvested Area	Production	Cultivated Area	Harvested Area	Production	Productivity
1) Sorghum (Dura)	a) Irrigated Sector	949	888	775	873	778	808	1,038	1,105
	b) Mechanized Sector	8,489	4,868	974	200	211	1,877	8,879	11,607
	c) Traditional Sector	6,124	4,323	929	215	279	1,642	5,888	7,741
Total		15,562	10,079	2,678		1,268	4,327	15,805	
2) Wheat	a) Irrigated Sector	403	379	363	958	980	414	415	427
	b) Mechanized Sector	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	c) Traditional Sector	4	3	1	500	976	416	419	433
Total		407	382	364		1956	830	834	
3) Millet	a) Irrigated Sector	11	9	2	150	400	6	15	16
	b) Mechanized Sector	169	97	12	124	147	60	409	537
	c) Traditional Sector	6,816	3,674	266	71	121	609	5,036	7,449
Total		6,996	3,780	280		668	675	5,460	
4) Sesame	a) Irrigated Sector	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	b) Mechanized Sector	2,426	1,970	171	87	86	198	2,211	2781
	c) Traditional Sector	2,111	1,657	106	64	95	202	2,128	2530
Total		4,537	3,627	277		181	400	4,339	

Appendix (XI) Cont'd

Crop	Season	Sector	2004/05			2005/06		
			Cultivated Area	Harvested Area	Production	Productivity	Cultivated Area	Harvested Area
5) Groundnuts	a) Irrigated Sector	203	194	203	1,046	208	200	220
	b) Mechanized Sector	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	c) Traditional Sector	2,806	2,095	317	151	1,407	1,227	335
Total		3,009	2,289	520		1,615	1,427	555
6) Cotton	a) Irrigated Sector	516	459	311	675	429	380	251
	b) Mechanized Sector	20	17	1	88	35	30	3
	c) Traditional Sector	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total		536	476	312		1,708	254	410
7) Sunflower	a) Irrigated Sector	19	19	12	684	70	57	39
	b) Mechanized Sector	9	6	0.0	143	17	15	5
	c) Traditional Sector	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total		28	25	12		87	72	44
8) Hibiscus Flower	a) Traditional Sector	917	430	17	40	391	328	16
	i) Rice	17	14	20	1,400	18	17	26
	ii) Maize	36	31	25	806	277	250	109
	iii) Beans	367	213	8	38	289	153	11
Total		420	258	53		975	748	162
Grand Total	a) Irrigated Sector	2,118	1,962	1,686	2,274	2,122	1,764	
	b) Mechanized Sector	11,149	6,989	1,183	15,254	11,794	2,252	
	c) Traditional Sector	19,145	12,395	1,644		19,951	15,026	3,220
Total		32,412	21,346	4,513		37,478	28,942	7,236

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

Appendix (XII)
Cotton Production During 2003/04 - 2005/06

	2003/04			2004/05			2005/06		
	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	248.7	3.5	216.2	243.8	4.2	232.5	188.3	4.3	197.8
White Nile	1.3	1.2	0.4	-*	-	-	-	-	-
Upper Nile	4.0	0.8	0.7	-	-	-	3.2	0.6	0.5
Toker	-	-	-	-	-	-	-	-	-
El Rahad	4.1	2.0	2.1	-	-	-	-	-	-
Total	258.1		219.4	243.8		232.5	191.5		198.3
(b) Long staple cotton:									
Gezira scheme	-	-	-	-	-	-	-	-	-
El Rahad	-	-	-	-	-	-	-	-	-
White Nile	-	-	-	-	-	-	-	-	-
New Halfa	-	-	-	-	-	-	-	-	-
El Suki	-	-	-	-	-	-	-	-	-
Blue Nile	-	-	-	-	-	-	-	-	-
Total	-		-	-		-	-		-
(c) Medium staple coton:									
Gezira scheme	33.2	5.1	40.0	82.0	4.7	87.6	100.6	3.7	96.7
Blue Nile	8.0	1.6	3.3	23.5	2.4	11.4	13.3	0.3	0.2
White Nile	12.7	4.0	13.0	24.8	2.9	12.5	7.3	1.5	2.8
New Halfa	42.8	5.5	44.0	49.8	3.7	42.8	40.2	4.1	40.3
El Suki	19.5	3.1	1.7	24.8	3.1	15.1	16.2	2.5	9.8
El Rahad	25.6	2.9	23.5	54.3	3.9	47.9	29.8	3.8	29.2
Upper Nile	-	-	-	9.0	0.6	1.0	-	-	-
Total	141.8		125.5	268.2		218.3	214.9		179.0
(d) Short staple cotton:									
El Damazin	-	-	-	-	-	-	-	-	-
El Gadarif	-	-	-	-	-	-	-	-	-
Nuba Mountains	8.0	1.0	0.8	4.0	-	-	-	-	-
Total	8.0	-	0.8	4.0	-	-	-	-	-
Grand total	407.9		345.7	516.0		450.8	406.4		377.3

Source: Sudan Cotton Company.

* the signen of (-) meanes not available

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Appendix XIII Sugar Production During 1991/92-2005/06

(Metric Tons)

Year	Gunied	New Halfa	Sinar	Hajar Assalaya	Kenana	Total
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
2005/06	81,136	84,771	80,630	81,371	400,200	728,108

Source: Sudan Sugar Company and Kenana Sugar company

Appendix (XIV)-A
Electric Generation in and off Network System

(Gega watts/Hour)

Station	Area	2003	2004	2005	2006
In Grid System					
Hydro Generated Power	El Roseris, Sinnar, and Jebal Awlia	1,163.2	1,106.8	1,228.2	1,334.2
Dr.Sherif Gas	Khartoum State	1,167.8	1,030.0	1,035.8	1,107.7
Dr.Sherrif Gas	Khartoum State	301.8	18.5	62.4	176.9
New Burri Gas	Khartoum State	0.0	33.5	0.0	0.0
Burii Gas	Khartoum State	5.5	0.0	0.0	0.0
Kuku Gas	Khartoum State	21.0	4.5	0.0	0.0
Kilo Gas	Khartoum State	0.0	1.9	0.0	0.0
Kassala	Kassala State	0.0	14.0	9.3	10.3
Elgerba	Kassala State	0.0	23.5	42.5	6.3
Gari	Khartoum State	485.1	1,236.0	1,312.9	1,515.6
Alfaa	Gadarif State	0.0	22.8	34.2	19.9
Other		0.0	0.0	51.8	0.0
Total		3,144.4	3,491.5	3,777.1*	4,205.1
Off Grid System					
Karema	Northern State	0.0	0.0	19.4	26.6
Wadi Halfa	Northern State	2.4	2.6	3.4	4.2
Atbara	Nahr Elniel State	52.4	51.2	57.7	4.7
Shendi	Nahr Elniel State	24.8	16.3	16.3	0.0
Dongola	Northern State	0.0	6.1	17.6	20.7
Elobeid	Northern Kordofan	29.7	35.2	48.4	53.2
Umruaba	Northern Kordofan	7.3	6.0	7.5	8.2
Elfasher	Northern Darfur	0.0	8.8	13.8	18.9
Elganeina	Western Darfur	0.3	1.0	2.7	2.9
Nyala	Sothern Darfur	18.5	17.7	26.4	34.2
Port Sudan	Red Sea State	72.2	94.2	109.2	124.9
Juba	Bhar El Jabel State	0.6	3.9	8.2	0.0
Wau	Bhar El Gazal State	1.1	0.3	0.7	0.0
Malakal	Upper Nile state	0.4	4.8	5.0	0.0
Elnehood	Western Kordofan	0.0	1.1	5.1	7.1
Kadogli	Southern Kordofan	0.0	7.9	4.3	5.7
Al-Deain	Southern Dar-fur	0.0	0.0	1.6	2.3
Other		0.0	0.0	0.0	2.2
Total		209.70	257.10	347.3	309.4
Grand Total gega watts/hr.		3,354.00	3,748.6	4,124.4*	4,521.4

Source: National Electricity Corporation

* Amended Figures.

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Appendix (XIV)-B Electric Power Generated by Type

(Gegawatt/Hour)

Generation Type	2005	2006	Change %
Hydro	1,239.0	1,368.2	10.4
Steam	1,047.0	1,107.7	5.8
Diesel	384.4	8.2	-8.2
Gas	319.0	500.9	57.0
Compound circle	1,135.0	1,191.7	5.0
Total	4,124.4	4,521.4	9.6

Source: National Electricity Corporation

Appendix (XV)-A

Modes of Transport and communication during (2005 - 2006)

Particulars	2005	2006	Change %
Sudan Airways:			
Passengers On International Flights (Thousands)	312.9	397.0	26.9
Passengers On domestic Flight (Thousands)	128.6	147.3	14.5
Goods on International Passengers Flights (Thousand tons)	6.7	11.4	70.1
Goods on Domestic Passengers Flights (Thousand tons)	1.4	3.8	171.4
Sudan Shipping Line:			
Goods Carried (Thousands Tons)	156.9	181.7	15.8
Passengers (Thousands)	0.0	-	0.0
Sudan Railways:			
Goods Carried (Thousand tons)	1,137.1	1,318	15.9
Passengers (Thousands)	55.4	61	10.1
River Transport Corporation:			
Goods Carried (Thousand tons)	73.0	79.4	126.9
Passengers (Thousands)	19.0	24	26.3
Land Transport:			
Goods Carried (Thousand tons)	7,375	8,000	8.5
Passengers (Thousands)	15,256.0	19,200	25.9

Source: The Above mentioned Sources

Appendix (XV)-B

Modes of Land Transport (During 2005 - 2006)

Particulars	2005	2006	Change %
Lorries	10,476	15,000	43.2
Minibuses	2,908	3,304	13.6
Buses	684	830	21.3
Trucks	5,951	12,192	104.9
Oil and Liquid Transporting Tankers	1,428	1,535	7.5

Source: Land Transport Unit.

Appendix (XVI)-A
Sudan's Foreign Trade
1- Exports by Commodity during 2004 – 2006

(Value in US\$ 000's)

Commodity	Unit	2004	2005	2006			
		Qty	Value	Qty	Value	Qty	Value
Petroleum and Minerals							
Crude Oil	Barrel	81,159,260	3,170,685		4,268,186		5,161,910
Benzene	M.T	338,552	2,957,243	129,019	480,424	220,728	502,541
Kerosene	"	-	0	-	-	26,596	13,389
Light Petroleum Gas	"	38,280	10,282	30,858	9,984	14,657	4,517
Naphtha	"	33,913	3,052	21,538	8,330	20,932	8,949
Furnace	"	-	0	-	0	-	0
Mixed Gas	"	3,444	890	-	0	-	0
Diesel	"	-	0	-	0	-	0
Gold	K.G	6,673,080	50,420	8,517	63,648	6,219,350	64,284
Lead waste and Scrap	M.T	4,195	877	7,758	940	6,192	970
Iron waste and Scrap	"	97,921	15,569	80,609	12,402	54,107	7,688
Copper Waste and Scrap	"	2,762	3,333	2,972	3,836	1,138	1,757
Chromium	"	-	0	-	0	-	0
Agricultural Products:			386,358		365,326		328,358
Cotton	Bales	354,617	93,752	456,614	107,286	482,492	82,256
Cotton Waste	"	-	0	-	0	-	0
Groundnuts	M.T	3,182	2,381	3,214	2,014	343	247
Sesame	"	318,336	178,642	154,675	118,575	219,047	167,039
Gum Arabic	"	27,273	60,598	29,213	107,556	20,618	50,174
Dura	"	16,722	3,068	2,336	492	4,550	1,028
Melon Seeds	"	43,646	11,396	37,260	9,978	20,047	5,126
Hibiscus Flower	"	25,899	30,067	18,773	15,406	19,469	19,477

Appendix (XVI)-A Cont'd

(Value in US\$ 000's)

Commodity	Unit	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Senna pods	M.T	2,509	2328	1,590	1,487	1,532	1,532	1,349	1,349
Henna	"	1,704	1,547	668	839	422	422	376	376
Lubban	Value	639	594	16,289	240	162	162	140	140
Sun Flower Seeds	"	-	0	-	0	-	-	0	0
Vegetables	"	442	109	2	1	165	165	64	64
Fruits	"	8,359	1,822	4,934	1,452	3,556	3,556	1,082	1,082
Animal Resources:		183,794	155,358						131,629
Sheep and Lambs	Heads	1,583,970	119,407	1,266,388	95,401	1,321,464	95,401	99,087	99,087
Goats	"	96,852	2,469	111,490	2,789	123,095	123,095	2,973	2,973
Cattle	"	-	0	1,327	159	-	-	0	0
Camels	"	85,762	15,883	86,915	16,441	100,181	100,181	19,513	19,513
Gazal	"	521	190	269	85	457	457	158	158
Meat	M.T	5,661	17,935	5,647	18,158	1,345	1,345	4,899	4,899
Hides and Skins	Value	-	26,026	-	21,573	-	-	4,925	4,925
Fresh Fish or Frozen	M.T	3,237	1,884	2,978	752	1,560	1,560	74	74
Manufactured Goods:		23,474	27,150						28,078
Unrefined Groundnuts Oil	M.T	1,014	1,105	2,045	2,107	2	2	2	2
Sesame Oil	"	55	123	100	151	110	110	110	110
Sugar	"	24,325	12,846	24,109	13,482	17,856	17,856	10,116	10,116
Molasses	"	131,094	7,538	137,513	11,133	209,409	209,409	17,590	17,590
Yarn	"	-	0	-	0	-	-	0	0
Shells	"	323	273	350	277	323	323	260	260
Cotton Textiles	Yard	-	0	-	0	-	-	0	0
Cake and Meal	M.T	19,166	1,589	-	0	-	-	0	0
Others	Value	-	13,453	-	8,258	-	-	6,593	6,593
Grand Total		3,777,764	4,824,278						5,656,568

Source: Central Bank of Sudan and Sudan Customs Authority

Appendix (XVI)-B
Sudan's Foreign Trade
2- Imports by Commodity During 2003-2006

(Value in US\$ 000's)

Commodity	UNIT	2003		2004		2005		2006	
		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
Food Stuffs:									
Wheat	M.T	904,834	190,497	1,061,007	255,593	1,452,658	373,912	1,369,042	336,512
Wheat Flour	"	46,891	10,247	5,210	1,633	54,701	9,722	13,258	5,160
Sugar	"	29,688	9,751	16,952	2,813	16,987	7,586	17,913	6,995
Tea	"	25,794	32,433	28,635	34,024	25,765	36,974	22,315	35,216
Coffee	"	13,749	16,979	25,628	31,777	17,132	26,289	22,196	36,435
Dairy Products	"	23,911	29,799	20,935	27,976	24,714	47,787	29,905	62,976
Fish and Canned Fish	"	324	209	175	142	390	368	1,879	1,830
Meat and Meat Products	"	150	143	217	344	122	46	203	382
Fruits and Vegetable Products	"	6,950	6,791	15,491	9,797	22,488	15,834	36,685	23,658
Vegetable and Vegetable Products	"	10,656	9,073	13,839	10,410	11,425	12,964	13,189	14,725
Confectionery, Sweets & Biscuits	"	7,037	5,305	7,816	9,889	20,920	16,703	19,535	16,244
Lentils	"	28,748	12,848	33,268	12,959	47,622	20,372	70,831	41,570
Animal and Vegetable Oils	"	55,194	28,105	33,774	20,528	56,278	33,319	49,240	32,770
Spices	"	1,989	3,096	1,976	4,348	4,874	6,145	5,599	8,832
Rice	"	37,553	10,159	36,145	9,451	48,068	12,478	48,058	13,354
Others	Value	-	54,821	0	86,830	-	190,298	-	109,110
Total			420,256		518,514		810,796		745,769

Appendix (XVI)-B Cont'd

(Value in US\$ 000's)

Commodity	UNIT	2003		2004		2005		2006	
		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
Beverages and Tobacco:									
Soft Drinks	M.T	3,716	7,865	3,142	24,142	8,134	21,887	7,460	22,612
Cigarettes	"	60	1,076	83	1,739	124	6,876	244	5,063
Tobacco	"	2,291	13,015	2,461	14,058	2,153	13,782	2,930	20,009
Others	Value	-	0	-	0	-	0	-	0
Total			21,956		39,939		42,545		47,684
Crude Materials:									
Petroleum Products	M.T	502,034	148,712	324,106	101,434	984,220	322,006	1,280,316	414,182
Crude Plastic	"	43,731	37,695	61,184	60,421	54,580	61,292	64,403	63,259
Crude Rubber	"	3,480	4,565	1,359	2,942	1,594	18,191	2,349	29,446
Tallow	"	76,597	30,633	15,884	16,059	28,579	13,343	66,818	28,897
Seeds for Sowing	"	1,030	2,418	2,238	2,453	4,041	4,760	6,680	7,381
Packing Paper	"	1,285	394	994	326	1,236	6,875	1,208	9,189
Others	Value	-	3,621	-	14,188	-	16	-	7
Total			228,038		197,823		426,483		552,361
Chemicals:									
Medical & Pharmaceutical Products	Value	-	79,769	-	111,770	-	137,743	-	159,183
Chemicals Products	"	-	70,359	-	98,346	-	104,032	-	94,020
Fertilizers	M.T	131,086	20,011	130,223	29,612	318,318	83,237	153,332	41,896
Tanning and Dyeing Materials	"	8,098	7,061	9,185	10,907	14,304	14,917	15,313	12,260
Perfumes and Cosmetics	"	17,368	20,985	16,663	29,559	17,840	59,556	23,688	93,077
Explosives	"	2,306	4,493	2,545	5,505	5,516	18,027	6,311	19,445
Insecticides	"	2,666	4,630	1,705	8,633	992	6,605	1,240	7,759
Others	Value	-	23,990	-	33,155	-	69,724	-	62,825
Total			231,298		327,487		493,841		490,465

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Appendix (XVI)-B Cont'd

(Value in US\$ 000's)

Commodity	UNIT	2003		2004		2005		2006	
		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
Manufactured Goods:									
Leather Products	M.T	2,054	4,344	3,024	7,897	5,006	10,848	8,247	20,395
Manufactured Rubber	"	816	2,286	2,044	4,520	6,147	31,435	1,613	32,913
Manufactured Plastic	"	33,508	46,927	34,136	71,252	107,420	73,341	55,571	85,124
Manufactured Wood and Cork	"	70,162	23,408	77,629	30,958	139,387	52,321	85,109	44,005
Glass and Glassware	"	58,019	24,346	58,919	30,044	143,581	39,283	68,834	41,759
Iron and Steel	"	476,399	224,696	473,617	342,227	2,657,597	716,624	804,367	656,555
Manufactured Metal	"	12,845	36,097	21,154	57,846	50,134	86,375	50,650	116,874
Footwear	Value	-	13,908	0	32,160	0	32,661	-	47,012
Jute and Sacks	No.	86,511,300	53,735	58,203,565	46,253	18,369,284	46,065	27,208,835	57,278
Books, Magazines, and Newspapers	M.T	1,875	3,583	2,134	21,223	3,395	44,732	4,697	56,015
Cement and Asbestos Pipes	"	1,540,853	106,123	108,690	79,416	1,144,251	109,956	915,451	111,464
Scientific Equipments	Value	-	45,116	0	75,715	0	104,948	-	92,200
Paper Products	M.T	40,430	36,148	39,005	54,969	98,851	64,575	64,079	78,702
Ceramic Products	"	55,365	16,962	55,458	22,737	67,232	50,244	98,533	58,846
Toys and Sport Goods	Value	-	13,682	0	38,954	0	50,339	-	41,117
Others	"	-	77,316	0	80,333	0	114,117	-	100,574
Total			728,677		996,504		1,627,864		1,640,833

Appendix (XVI)-B Cont'd

(Value in US\$ 000's)

Commodity	UNIT	2003		2004		2005		2006	
		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
Machinery and Equipments:									
Non-Electrical Appliances	M.T	46,456	211,334	134,358	369,529	189,497	524,902	113,783	529,190
Electrical Appliances	"	23,196	114,827	28,635	206,751	60,492	241,100	95,707	553,417
Refrigerators	No.	32,280	11,755	33,040	13,635	184,620	15,632	59,055	24,337
Air Conditioners	"	25,426	8,276	53,411	15,093	183,579	85,752	170,415	143,787
Machinery Spare Parts	Value	-	150,466	0	242,096	0	370,922	-	565,019
TV, Radios and Recorders Etc.	No.	-	119,623	0	177,521	0	369,050	-	495,390
Dry Batteries	"	27,768	12	66,000	22	708,500	114	47,810	268
Accumulators	"	4,607,781	9,082	4,034,707	8,862	459,244	15,149	443,752	13,905
Tractors	"	405	7,632	3,271	27,523	31,554	281,327	17,645	356,682
Ovens	"	3,434	177	8,490	510	30,400	14,456	62,457	124,409
Others	Value	-	84,738	0	19,111	0	53,479	-	4,131
Total			717,922		1,080,653		1,971,883		2,810,535
Transport Equipments:									
Railway Locomotives	No.	68	2,358	70	2,429	8	9,917	384	21,298
Railway Wagons	"	130	7,098	77	4,793	2,220	1,823	353	10,053
Motor Cars	"	9,093	76,845	19,915	134,402	44,465	164,769	43,750	255,628
Trucks and Lorries	"	24,843	135,652	20,874	217,390	29,212	342,765	21,596	438,494
Buses	"	79	11,569	1,660	17,587	145	6,063	271	23,216
Tyres and Tubes	"	1,405,557	34,620	1,872,254	50,703	2,168,959	42,787	1,814,498	35,166
Auto-Spare Parts	Value	0	90,192	0	239,209	0	310,418	-	604,227
Motor-Cycles	No.	4,389	2,741	7,075	4,915	5,942	8,558	9,688	10,527
Bicycles	"	84,698	5,121	84,490	6,349	274,509	8,333	370,445	10,043
Aircrafts	"	22	9,722	33	12,052	2,006	2,595	17	7,342
Aircrafts Spare Parts	Value	-	5,258	0	9,183	0	124,827	-	17,937
Locomotive Spare Parts	"	-	8,866	0	10,341	0	15,944	-	39,907
Ferries and Steamers	No.	128	947	290	14,724	1,696	819	2,212	16,706
Others	Value	-	18,091	0	15,265	0	110,121	-	-
Total			409,080		739,342		1,149,739		1,490,544

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Appendix (XVI)-B Cont'd

(Value in US\$ 000's)

Commodity	UNIT	2003		2004		2005		2006	
		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
Textiles:									
Yarn	M.T	197	482	316	835	1,041	3,330	1,592	5,995
Sewing Threads	"	153	544	234	1,044	349	1,130	407	1,228
Woven Synthetic Fabrics	"	10,422	35,969	13,391	68,971	18,687	91,404	22,512	120,358
Woven Cotton Fabrics	"	-	7	30	144	133	322	345	1,241
Woven Flax Fabrics	"	495	463	351	306	1,957	1,792	55	131
Man-Made Filament and Staple	"	862	239	30	141	96	504	130	431
Wadding of Textile Materials	"	5,340	4,661	1,743	3,264	1,360	3,081	2,097	4,299
Carpets	Value	-	928	0	789	0	2,176	-	2,319
Special Woven Fabrics	M.T	939	5,482	928	9,326	1,182	9,985	1,065	7,798
Knitted or Crocheted Fabrics	"	-	1	0	0	19	31	27	109
Ready Made Clothes	Value	-	35,837	0	82,168	0	113,881	-	151,203
Others	"	-	40,075	0	7,980	0	6,033	-	195
Total			124,688		174,968		233,669		295,307
Others			-		-		-		-
Grand Total			2,881,915		4,075,230		6,756,820		8,073,498

Source: Central Bank of Sudan and Sudan Customs Authority

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

(US\$ Millions)

Importers	2004	2005	2006
Asian Countries:	3,115.6	4,155.2	4,872.8
China	2,527.0	3,427.1	4,243.9
Japan	402.2	577.5	522.6
India	27.9	30.8	22.5
South Korea	23.5	7.9	6.2
Indonesia	50.6	40.1	2.4
Other Asian Countries	84.8	71.8	75.2
Arab Countries:	429.9	377.8	549.5
United Arab Emirates	90.1	90.0	227.4
Saudi Arabia	164.2	136.4	126.4
Egypt	108.5	78.7	96.8
Other Arab Countries	67.1	72.7	98.9
European Countries:	174.3	140.3	102.1
European Union Countries	103.5	109.8	61.3
United Kingdom	56.1	21.8	19.0
Other West European Countries	14.7	8.7	21.8
Canada	12.8	63.0	63.2
U.S.A.	2.8	12.3	4.9
Other Countries	42.4	75.7	64.1
Total	3,777.8	4,824.3	5,656.6

Source: Central Bank of Sudan and Sudan Customs Authority

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

(US\$ Millions)

Exporters	2004	2005	2006
Asian Countries:	1,177.3	2,560.1	3,522.5
China	529.6	1,383.0	1,679.4
India	197.1	317.8	599.0
Japan	165.1	341.8	535.8
South Korea	89.3	149.8	335.4
Indonesia	50.2	49.9	71.6
Other Asian Countries	146.0	317.8	301.3
Arab Countries:	1,051.1	1,765.5	1,804.8
Saudi Arabia	471.5	627.5	649.3
United Arab Emirates	239.2	394.7	444.7
Egypt	208.8	369.5	428.2
Other Arab Countries	131.6	373.8	282.6
European Countries:	992.0	1,526.1	1,735.0
European Union Countries	593.6	751.8	1096.2
United Kingdom	151.3	221.9	307.8
Other West European Countries	247.1	552.4	331.0
Australia	168.9	221.8	223.1
U.S.A.	34.0	129.7	104.0
Other Countries	651.9	553.6	684.1
Total	4,075.2	6,756.8	8,073.5

Source: Central Bank of Sudan and Sudan Customs Authority

Appendix (XVIII)

Balance of Payments

(US\$ Millions)

	2002	2003	2004	2005 (Amended)	2006
A) Current Account:	-962.70	-938.58	-818.23	-2,769.14	-4,338.19
Exports (FOB):	1949.11	2542.17	3777.75	4,824.28	5,656.56
Petroleum	1510.83	2047.70	3100.46	4,187.36	5,087.20
Others	438.28	494.47	677.29	636.92	569.36
Imports (FOB):	-2152.83	-2536.10	-3586.18	-5,945.99	-7,104.69
Government Purchases	- 142.37	- 292.46	- 343.07	-646.66	-1,142.78
Private Sector Purchases	-2010.46	-2243.64	-3243.11	-5,299.33	-5,961.91
Trade Balance	-203.72	6.07	191.57	-1,121.71	-1,448.13
Services, Income and Transfers A/C:	-758.98	- 944.65	-1009.80	-1,647.43	-2,890.06
Receipts	1196.82	1281.68	1698.80	2,082.49	2,598.90
Payments	-1955.80	-2226.33	-2708.60	- 3,729.92	- 5,488.96
B) Capital and Financial A/C:	841.45	1389.93	1353.88	2,427.22	4,482.69
1- Direct Investment (Net)	713.18	1349.19	1511.07	2,304.63	3,532.57
2- Portfolio Investment (Net)	14.78	35.25	19.94	11.09	-26.32
3- Other Investment (Net):	113.49	5.32	- 177.13	111.50	976.44
a- Official Loans:	-43.02	- 100.30	- 6.01	10.37	100.18
Drawings	44.75	84.93	213.20	222.35	276.69
Repayments	-87.77	- 185.23	- 219.21	-211.98	-176.51
b- Trade Credit and Facilities (Net)	222.40	5.27	- 58.06	676.71	742.60
C) Comercial Banks' (Net Foreign Assets)	-128.02	- 4.89	- 28.99	- 173.85	36.39
D) Central Bank of Sudan (Net Foreign Assets)	0.00	- 0.17	- 10.17	- 293.14	-174.30
E) Central Bank of Sudan Foreign Liabilities (Short Term)	64.18	119.62	- 69.19	-19.78	159.50
F) Payment Agreements	- 2.05	-14.21	- 4.71	- 3.81	- 3.04
G) Other Net Foreign Assets	0.00	0.00	0.00	- 85.00	- 233.50
CURRENT AND CAPITAL and Financial A/Cs (Deficit (-) or Surplus (+))	-121.25	451.18	535.65	-341.92	144.50
ERRORS AND OMISSIONS	421.28	- 28.62	194.53	872.45	-353.10
CONVERTIBLE CURRENCY RESERVES (Overall Balance) *	-300.03	-422.56	-730.18	-530.83	208.60

* Sign (-) Indicates increase in reserves.

Appendix (XIX) Public Sector Operations (1996 – 2006)

(SDD Billions)

Particulars	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
A) Ordinary Public Revenues:	69.8	108.6	159.2	205.2	334.0	365.2	472.2	703.6	1,023.9	1,218.4	1507.5
Direct Taxes	20.0	21.7	31.2	36.1	38.1	40.8	41.2	52.3	74.6	95.1	95.1
Indirect Taxes	40.4	60.9	85.0	117.9	122.1	147.2	172.5	214.5	345.7	405.1	493.0
Others	9.3	26.0	43.0	51.2	173.8	177.2	258.5	436.8	603.6	717.7	919.4
B) Current Public Expenditure:	83.0	124.4	157.5	197.5	312.5	342.8	377.0	563.3	793.6	1,043.5	1471.3
Economic Services	8.4	2.4	5.8	9.9	9.7	12.7	7.6	12.7	793.6	1,043.5	207.8
Social Services	20.6	3.3	23.2	32.8	32.4	36.4	32.7	20.8	273.3	301.1	58.2
Loans Repayments	6.1	93.6	14.7	20.2	40.2	34.5	29.2	57.1	27.1	32.7	47.0
Defence & Security	13.3	15.4	52.2	108.5	151.0	100.4	127.6	103.9	8.7	48.9	333.8
State Governments	12.7	4.8	9.9	12.8	24.2	25.0	38.9	38.7	320.0	283.8	797.2
Others	21.9	4.8	51.7	13.3	55.0	133.8	141.0	330.1	84.2	363.8	27.3
Surplus (+) Déficit (-)	-13.2	-15.8	1.7	7.7	21.5	22.40	95.20	140.3	230.3	174.9	36.2

Appendix (XIX) Cont'd

(SDD Billions)

Particulars	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
C- National Developop-Expenditure:	7.8	6.0	18.0	29.5	39.7	47.4	140.8	172.9	310.3	341.2	354.0
Agricultural Sector	2.5	1.8	5.5	9.5	13.0	11.5	11.4	38.8	89.6	93.8	111.2
Energy and Mining	0.0	2.5	5.6	3.1	5.5	10.5	19.3	17.1	37.6	31.9	41.0
Water	0.0	0.0	1.8	2.3	1.9	1.5	1.1	1.3	7.2	0.6	0.0
Transport and Communication	0.3	0.9	0.0	1.8	4.7	4.0	3.8	8.8	20.5	34.7	33.6
Social Development	0.0	0.0	0.0	4.3	2.8	7.3	1.3	5.5	12.8	14.0	34.5
Industrial Development	1.4	0.0	0.6	7.1	6.6	9.8	14.1	11.2	18.1	7.3	32.3
Development Reserve	0.0	0.0	0.0	0.2	3.0	0.6	0.3	0.6	0.6	2.6	0.1
Peace and Settlement Program	0.0	0.0	0.0	1.2	2.2	2.2	3.6	4.9	9.1	0.0	0.0
Services sector	1.3	0.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	2.4	0.7	2.5	0.0	0.0	85.9	84.7	114.8	156.3	101.3	

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Appendix (XIX) Cont'd

(SDD Billions)

Particulars	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
D- Public Sector Overall Pos.	-21.0	-21.8	-16.3	-21.8	-18.2	-25.0	-45.6	-32.6	-79.9	-166.3	-317.8
Deficit Finance	21.0	21.8	16.3	21.8	18.2	25.0	45.6	32.6	79.9	166.3	317.8
Foreign Loans	2.2	2.4	3.4	10.5	11.6	5.4	8.3	22.4	49.9	48.1	96.7
Banking Finance (Net)	18.8	19.4	12.9	11.3	6.6	19.6	37.3	10.2	30.0	118.2	221.1
Self-Finance (Net)	16.4	7.9	3.9	0	0	0	0	0	0	0	0.0
Local Resources	2.4	11.5	9.0	11.3	6.6	19.6	37.3	10.2	30.0	118.2	221.1

Source: Ministry of Finance and National Economy.



CENTRAL BANK OF SUDAN

